



DEPARTMENT OF THE NAVY CHIEF INFORMATION OFFICER

DON IT Strategic Sourcing Overview: Enterprise Agreements

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DDCIO (N)

PMM-110/DON ESL

Discussion Areas

- **DON CIO**
 - Introduction
 - Congressional / Federal Drivers
 - DoD Enterprise Software Initiative (ESI)
- **DDCIO (N)**
 - ECH II Concerns/Challenges
 - Improvement Efforts
- **DON Enterprise Software Licensing (ESL) / PMM-110**
 - DON ESL Status
 - Strategies
 - Next steps
- **Questions**

National Defense Authorization Act (NDAA)

- **NDAA 2013, Section 937, DoD Software (SW) Licenses**
- **NDAA 2014, Section 935, Additional Requirements Relating to DoD SW Licenses**
- **NDAA 2015**
 - **Creates new Under Secretary of Defense for Business Management and Information**
 - ◆ Incorporates DoD Chief Information Officer and Deputy Chief Management Officer Positions
 - **Federal Information Technology Acquisition Reform Act (FITARA)**
 - ◆ Section 836. Maximizing the Benefit of the Federal Strategic Sourcing Initiative
 - ◆ Section 837. Government-wide Software Purchasing Program

OMB Memo - Draft Category Management Policy 16-1

- **Subject:** Draft Category Management Policy 16-1: Improving the Acquisition and Management of Common Information Technology: Software Licensing
- **Issue:** Over \$9 billion and more than 50,000 transactions annually on software, which results in a fragmented and inefficient marketplace
- **Intent:** Address challenges in information technology (IT) commodity management, specifically software licensing, in order to help agencies improve the acquisition and management of common IT goods and services
- **Actions Required:**
 - Appoint a software manager, with a supporting team, reporting to the agency CIO
 - Maintain comprehensive annual inventories of software license and subscription spending and enterprise licenses, including license count and usage
 - Aggregate agency requirements and funding
 - Identify and promote existing best-in-class agreements
 - Develop new government-wide Enterprise Software Agreements and reduce redundancy

IT Software Category Management

- **Enterprise Software Category Team (ESCT) is chartered by the Administrator for Federal Procurement Policy and Administrator for e-Government and Information Technology (Federal CIO)**
- **Authorized and empowered to:**
 - Implement FITARA Section 837 in consultation with IT Category Manager and Administrator OFPP/Federal CIO
 - Develop and maintain a Strategic Plan for Software
 - Develop, prioritize, and manage opportunities for pursuing ELAs
 - Recommend acquisition and demand management strategies to IT Category Manager and OFPP/Federal CIO
 - Serve as key liaison between Software Industry Partners and Federal Government
 - Advocate in the CIO, CAO and CFO communities for adoption of Enterprise License Agreements (ELAs) and other best in class solutions

IT Strategic Sourcing

- **Strategic Sourcing Definition (Office of Federal Procurement Policy - OFPP):**
 - Strategic sourcing is the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently

- **IT Strategic Sourcing Initiatives:**
 - DoD Enterprise Software Initiative (ESI)
 - DoD Joint Enterprise Level Agreements (JELAs)
 - DON Enterprise Software Licensing (ESL) Agreements
 - Strategic Vendor Management (SVM)

Category Management & Strategic Sourcing Best Practices

■ Economies of Scale

- Aggregate demand & volume discounts
- Leverage Federal and DoD buying power in vendor negotiations
- Establish special contract terms and conditions for enterprise needs

■ Streamlined Acquisition Processes

- Central contract negotiation and administration by Enterprise Software Initiative (ESI) Software Product Managers (SPMs) and Contracting Officers
- Standard, streamlined enterprise-wide ordering processes
- Expertise in software licensing: DoD ESI SPMs and Contracting Officers

Introduction to DoD ESI

■ Team Composition:

- Army, DON, Air Force, DLA, DISA, OSD

■ Operations:

- Award enterprise agreements for IT products and services
- Implement unified vendor, strategic sourcing and contract management strategy with leading IT vendors
- Use an agile, low overhead model executed through Software Product Managers (SPMs) in four DoD Components
- Work closely with the OMB/GSA Software Category Team (SCT) to optimize IT acquisition policy and implement Software Category Management within DoD and across Federal civilian agencies

■ Results:

- Over 75 enterprise software agreements
- Over \$6 billion cost avoidance since inception
- Improved IT asset visibility of DoD ESI suppliers
- More efficient acquisition processes for Enterprise Software Agreement (ESA) users

Introduction to DoD ESI



DoD ESI Web Site: WWW.ESI.MIL

- **Training**
 - 2-day Onsite Course
 - Webinars
 - eLearning Tutorials
- **Toolkits include**
 - Best Value
 - Enterprise Software Licensing Guide and Checklist
 - SAAS Toolkit
 - EULA Risk Assessment Tool
- **Articles/Whitepapers**
- **'Ask An Expert' Function**

The screenshot displays the DoD ESI website interface. At the top, there is a navigation bar with the following links: HOME, TRAINING, AGREEMENTS (with a dropdown arrow), ASK AN EXPERT, and RESOURCES / TOOLS. A search bar is located on the right side of the navigation bar. Below the navigation bar, the main content area is divided into several sections:

- Webinar - December 2015**: A dark blue card featuring the text "DoD ESI Webinar - COTS Software Licensing EULA Best Practices" and "Dec 16, 2015". It also includes the time "TIME: 1330 - 1430 EST (1030 - 1130 PST)", a "DIAL-IN NUMBER" section, and "REGISTRATION: Not Required" and "COST: No cost" information.
- Microsoft Joint Enterprise License Agreement (JELA) Extension**: A white card with the date "November 06, 2015" and a brief description of the extension.
- Policy Memo 15-1: Improving the Acquisition & Management of Common IT: Laptops and Desktops**: A white card with the date "November 06, 2015" and a description of the memo's purpose.
- DoD ESI Training Information**: A white card with the date "November 05, 2015" and a link to training resources.

DDCIO (N)

Unclassified

Navy Enterprise Service Licensing: Charting Past, Present and Future Successes



OPNAV N2N6BC

Assured C2 – Battlespace Awareness – Integrated Fires



Echelon II ESL Concerns

- ❑ Mismatched DADMS records for ESL products
 - N2N6 to rename existing records within DADMS
 - DADMS records will be labeled with “Enterprise Service License Edition”
- ❑ Lack of IT Asset Management tool tracking and management of Navy ESL products
 - Disparate tools across enterprise without single enterprise-wide tool
 - DON has been working towards an enterprise ITAM tool
 - Technologies in discussion for ITAM capability
- ❑ Non-standard ordering process for all ESLs
 - Varying vendors, products and structures require specialized ordering processes
- ❑ Similar Periods of Performance for differing ESLs causes compressed workload for limited ESL teams
 - Award dates are affected by requirements gathering and vendor negotiation producing uncertainty within award schedule



ESL Challenges

- ❑ Multiple Payments Per BSO
 - Funding requirements process improvement
- ❑ Commercial Cloud Computing Services – License Management
 - Distribution of licenses if Platform as a Service solutions are procured
- ❑ Vendor-dictated requirements
 - Ordering procedures
 - Period of performance timing
 - Payment models and timing



NAVITAS ESL Cost Tracking

- ❑ IAW the Mandatory Use of NAVITAS to Track Enterprise License Agreement Software memo of 23 April 2014, all ELA procurement requests must be entered into NAVITAS including:
 - Catalog products
 - Blanket Purchase Agreement software
 - Centrally funded core products
- ❑ ITPRs must include total cost for software license and maintenance
- ❑ Tracking data from NAVITAS is used to reconcile spend against vendor-provided data
- ❑ Allows Navy to identify potential for future ELA considerations
- ❑ Specific ESL memos and training are available in the training section of the NAVITAS application
- ❑ If ESL does not meet mission requirements, a waiver is required through NAVITAS for products that are included in an ESL



Requirements Validation Process Improvement

- ❑ Identify funding with BSO comptrollers and Echelon II CIOs during requirements validation phase
 - Validation includes PBIS Load sheet to identify funding of current and future requirements
 - BSO Comptrollers and Program Managers confirm funding lines for contract award
 - Accountability for payment at award
- ❑ Consolidation to fewer payments per BSO per ESL
 - Investigate BSOs moving working capital funding into their General Fund/Programs of Record (use only appropriated OMN, RDTEN etc.)
 - Potential for BSOs to realign their OMN funding into a central Line Item and Program Element
 - Microsoft and Cisco Agreements



Cyber Readiness Baseline Assessment Memorandum



- ❑ Baseline Assessment Memorandum (BAM) is an assessment which considers the total cost of resources required to achieve or maintain a stated level of capability. It represents the absolute funding required to reach the level of capability identified.
- ❑ OPNAV N2N6 included ESL in the POM 18 Cyber Readiness BAM
 - ESL will be included in the POM 19 BAM
- ❑ Validated baseline requirement for awarded ESLs
- ❑ Requirements will ensure that appropriate funding and fiscal resources are met across the FYDP
 - Requirements gathered from BSOs to the Program Element (PE), Line Item (LI) level
 - Resource Sponsors validated requirements
 - Command IOs concur with the requirements and funding

DON ESL / PMM-110

Discussion

- **Executive Summary**
- **Strategies to Achieve Best Value**
- **Process**
- **ESL Sales / Savings**
- **Agreement Overviews**
- **Next Steps**

Executive Summary

The DON ESL is a strategic effort to leverage the combined buying power of the Navy and Marine Corps to improve the DON's IT / cyberspace investment decision practices and allow the DON enterprise-level evaluation, funding, management and tracking of current and future requirements for all enterprise-designated software vendors and products. The DON leverages its buying power to strategize and achieve the best value by:

- Centralizing requirements & standardizing products
- Centralizing funding and procurement
- Negotiating based on Economies of Scale
- Establishing true Enterprise License Agreements
- Negotiating Enterprise pricing for product catalogs
- Co-terming existing contracts and new orders

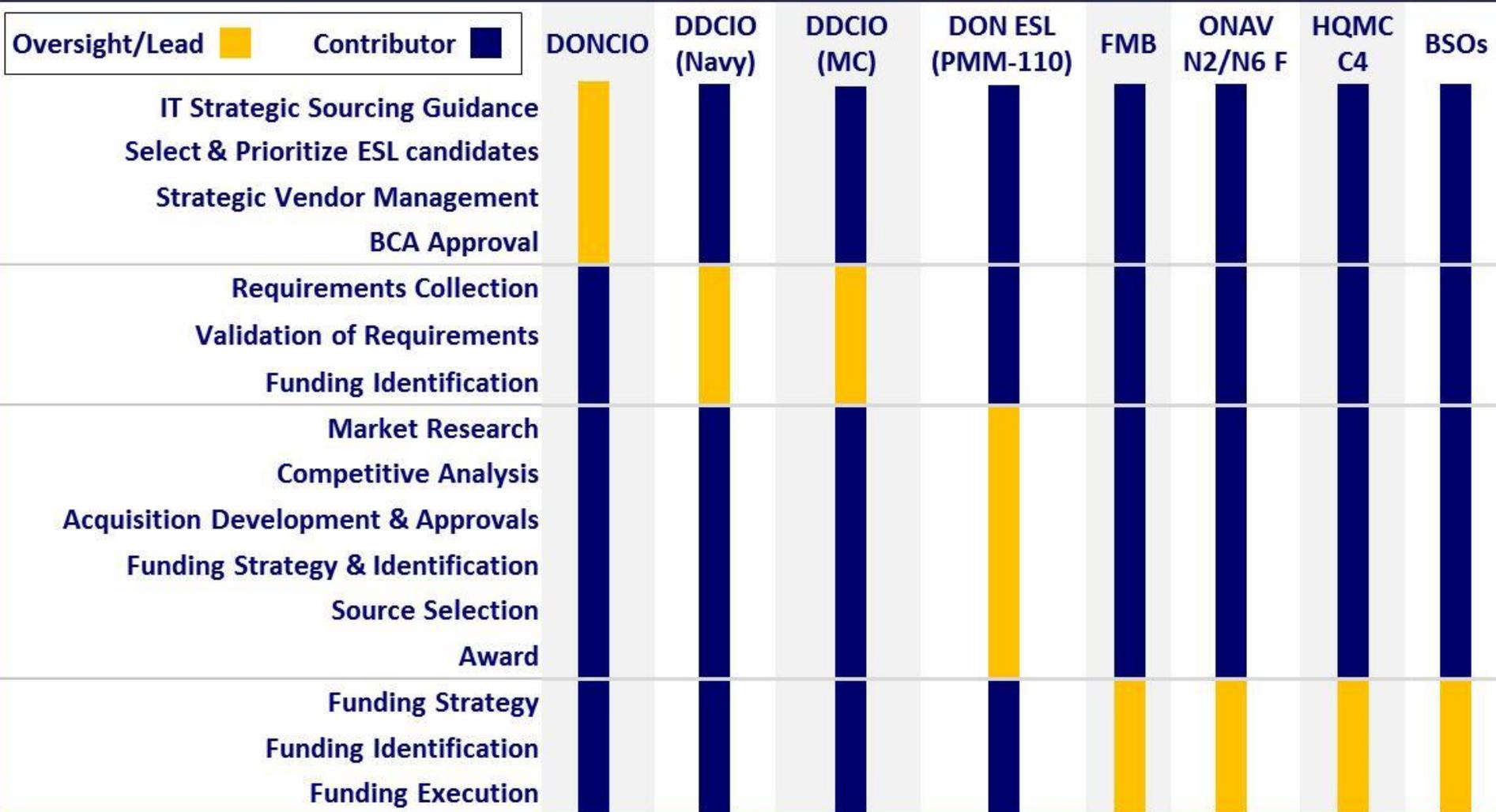
To date, the DON has awarded the following ESLs:

- Microsoft I & II (May 2012 & May 2015)
- Oracle (Jun 2013)
- Axway (Sep 2013)
- Symantec/Veritas (Apr 2014)
- ActivIdentity (Apr 2014)
- DoD JELA for Cisco SMARTnet (May 2015)
- VMware (Mar 2016)

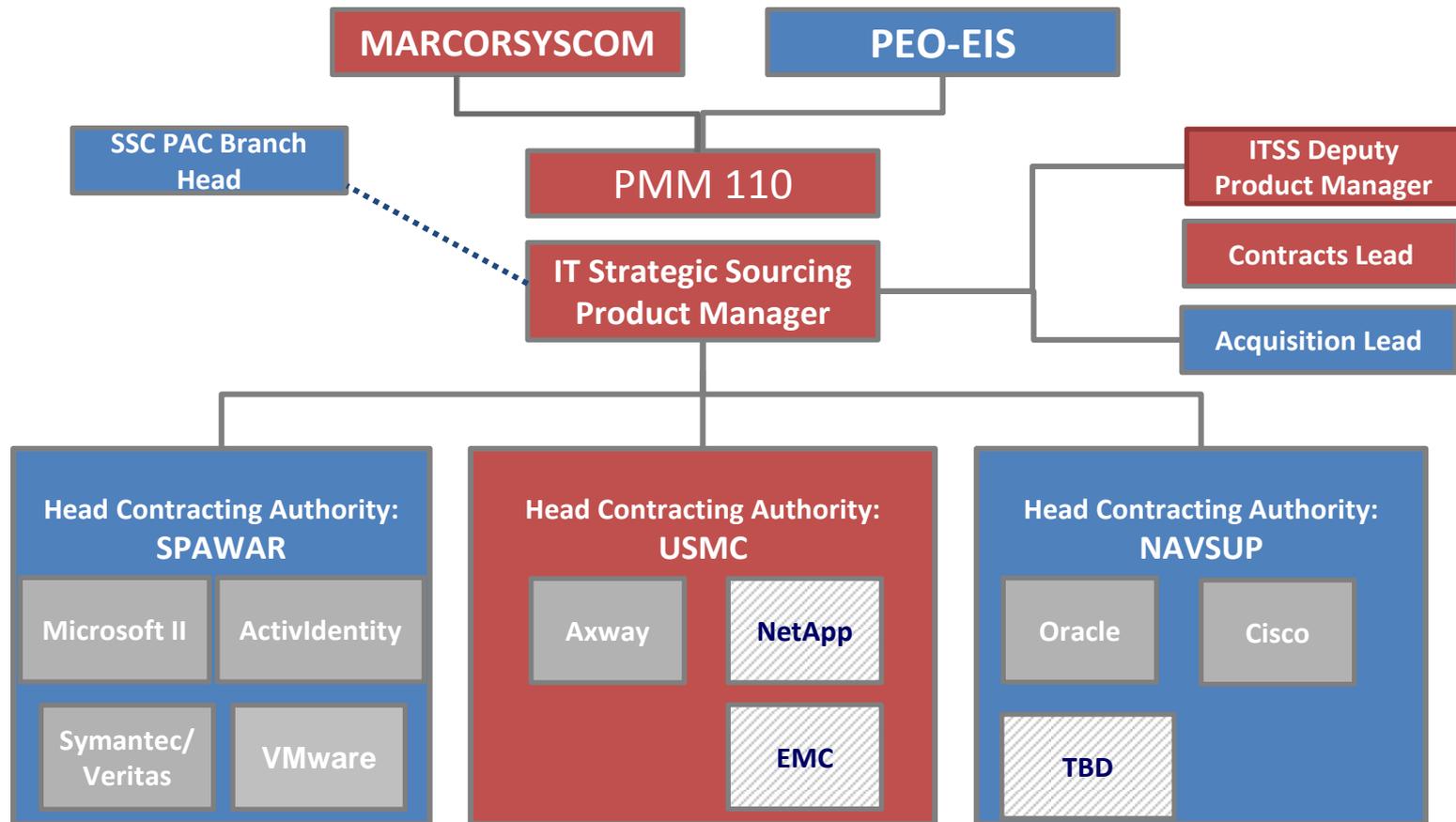
Strategies to Achieve Best Value

- **Act as an Enterprise level, single interface with vendors**
 - DON speaks with one coordinated voice to achieve the most favorable prices and Terms and Conditions (Ts&Cs)
 - Reduces workload of DON ESL Team and vendor to sustain and manage ESL
- **Leverage DON buying power**
 - Centralize requirements & standardize products
 - ◆ Minimize duplicate buying efforts at local levels
 - Centralize Funding and Procurement
 - Negotiate based on Economies of Scale
 - Establish true Enterprise License Agreements
 - Negotiate Enterprise pricing for product catalogs
 - Co-term existing contracts and new orders

DON ESLs - A Collaborative Effort!



DON ESL Team



Existing DON ESL Agreements

ESL Agreement / PEO-EIS Portal Link	POC
Microsoft (BPA: 01 Jun 2015 - 31 May 2018) https://navy.deps.mil/peoeis/sites/pmm110/microsoft/default.aspx	Pat Lyons patricia.lyons@usmc.mil
Oracle (BPA/ELA/ULA: 13 Jun 2013 - 12 Jun 2018) https://navy.deps.mil/peoeis/sites/pmm110/oracle/default.aspx	Christine Lamer christine.lamer@usmc.mil
Axway (IDIQ: 24 Sep 2013 - 14 Mar 2018) https://navy.deps.mil/peoeis/sites/pmm110/axway/default.aspx	CDR Ross Orvik ross.orvik@navy.mil
Symantec/Veritas (BPA: 03 Apr 2014 - 02 Apr 2019 / ELA: 09 Apr 2014 - 31 Mar 2017) https://navy.deps.mil/peoeis/sites/pmm110/symantec/default.aspx	Lynda Potters lynda.potters@navy.mil
ActivIdentity (BPA: 10 Apr 2014 - 09 Apr 2019) https://navy.deps.mil/peoeis/sites/pmm110/actividentity_esl/default.aspx	Will Hannibal will.hannibal@navy.mil
Cisco SMARTnet (DoD JELA: 18 Sep 2014 - 17 Jun 2019) https://navy.deps.mil/peoeis/sites/pmm110/ciscosmartnet/default.aspx	Christine Lamer christine.lamer@usmc.mil
VMware (BPA/ELA: 18 Mar 2016 - 17 Mar 2019) https://navy.deps.mil/peoeis/sites/pmm110/vmware/default.aspx	Bob Franco robert.franco@navy.mil

PEO-EIS Portal

Department of the Navy
Enterprise Software Licensing Program Office (PMM-110)

PMM-110 Mission:
To consolidate, centralize, and streamline the acquisition and management of the DON Enterprise Software License Agreements. By leveraging the combined buying power of the USMC and Navy will improve the DON's IT/cyberpace investment decision practices and allow the DON enterprise-level evolution, funding, management and tracking of current and future requirements for all enterprise-designated software vendors and products.

Org. Charts & Contacts | Upcoming Events | Authority/Responsibilities | MILC | PMM-110's Leadership (Authorized Users Only) | EIS ES | Contact Us

WHAT IS A DON ESL?
A DON ESL is a contract vehicle for enterprise—designated software vendors and products that allow for the transfer of existing software maintenance, and the purchase of new software maintenance, and purchase of products from same-regulated product catalog.

WHO CAN USE DON ESL AGREEMENTS
The use of DON ESLs are mandated per the 22 February 2012 DON Chief of Information/Assistant Secretary of Navy Research Development and Acquisition (ASD RDA) and Assistant Secretary of Navy Financial Management & Comptroller (ASD RAC) memorandum to achieve maximum cost savings.

VALUE TO THE DON

- Increases DON buying power & negotiating power for maximum discount & cost avoidance
- Enables faster turn-around times for customers due to streamlined & simplified purchasing
- Establishes common terms & conditions and product lists across the DON
- Facilitates efforts to standardize products across the DON
- Increases interoperability and connectivity
- Increases better management of assets
- Provides an end-to-end lifecycle for software agreements
- Enables better price performance for ordering and managing software licenses
- Enables DON customers to purchase the software they programmed in a more transparent environment with an established cost pool
- Improves information assurance posture and supports future network alignment
- Enables DON to achieve 100% Enterprise License Agreement (ELA) compliance
- Ensures compliance with DOD & DON IT mandates

PMM 110 Fact Sheet

DON ESLs Awarded:

- Oracle
- Axway
- Microsoft
- Symantec
- ActivIdentity
- Cisco SMARTNet

Future DON ESLs:

- EMC
- NetAPP
- VMWare

- DON ESL Portal (CAC Required)
- Overview Information
- ESL Agreement Site Links
 - Oracle
 - Axway
 - Microsoft
 - Symantec/Veritas
 - ActivIdentity
 - Cisco SMARTNet
 - VMware

BPA & ATTACHMENTS	Training & FAQ	I WANT TO ORDER	JAVA	MAINTENANCE BENEFITS	BSO UICs and POCs	Oracle MOA Portal
<p>Welcome to the Navy BPA for Oracle:</p> <p>BPA#: N001G4-13-A-ZF48 Oracle Reseller Name: DLT Solutions, LLC Effective Date: 13 June 2013 Expiration Date: 12 June 2018 GSA Schedule: GS-35F-4543G CAGE Code: 050H9 DUNS: 786468199 Business Size: Large</p> <p>Much of this information is needed upfront when processing a credit card and/or a GSA related product.</p>						
POLICIES & GOVERNANCE	PRIMAVERA	PRODUCT CATALOG PRICING	PRODUCT TECHNICAL INFORMATION	WAIVER PROCESS	CSI Listing	ORACLE FACT SHEET

- DON ESL Agreement Sites
- Agreement Specific Information
 - Contract/BPA Documents
 - Ordering Guidance
 - Product Catalog
 - POCs
 - Training/FAQs
 - Vendor Portal Link (If applicable)

PEO-EIS Portal - <https://navy.deps.mil/peoeis/sites/pmm110/default.aspx>

What's Next for ESLs 2018 & Beyond

- **Steady State**
- **DON Next Generation Network (NGEN) Re-compete Impact**
- **Data Center Consolidation (DCC) Impact**
- **DoD Joint Enterprise level Agreement (JELA) Alignment**

QUESTIONS