



DEPARTMENT OF THE NAVY CHIEF INFORMATION OFFICER

**DON IT Strategic Sourcing Training:
Strategic Vendor Management (SVM), Commercial
Software Licensing, and DON ESL Agreements**

Presented by:

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Office of the DON CIO

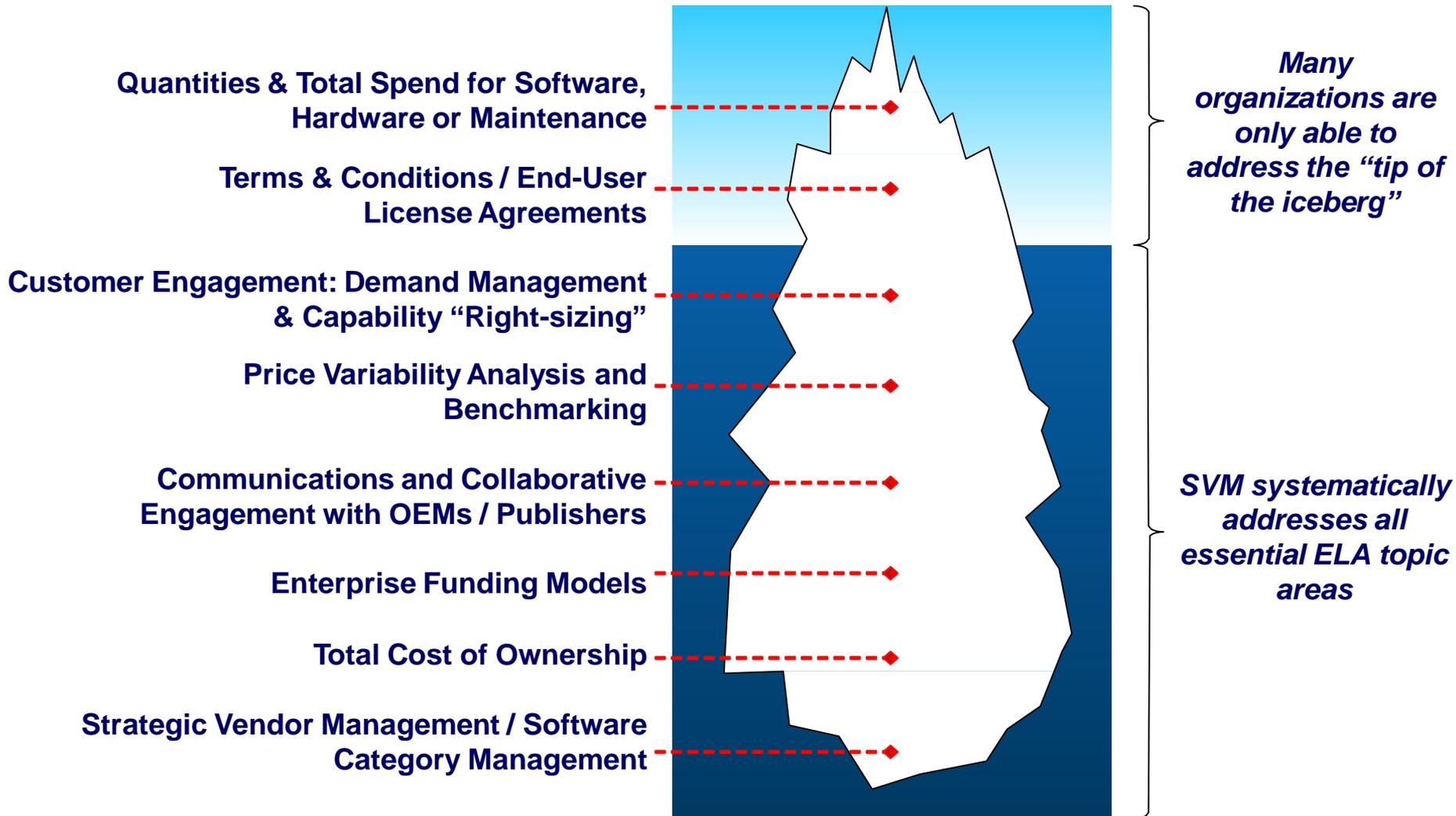
PMM-110/DON ESL

Discussion Areas

- **Introduction**
- **Strategic Vendor Management**
- **Commercial Software Licensing**
- **DON Enterprise Software Licensing (ESL) Agreements**
- **Questions**

STRATEGIC VENDOR MANAGEMENT (SVM)

Strategic Vendor Management (SVM)



Strategic Vendor Management (SVM) Overview

Maximized Savings

- Optimized vendor pricing
- Enterprise terms and conditions
- Demand management
- Operational efficiency (Reduced redundancies)
- Joint cost management (TCO)

Maximized Performance and Innovation

- Increased collaboration with vendors
- Improved insights into vendor capabilities, trends, and technology roadmaps
- Enhanced security
- Enterprise-wide support
- Training and certification
- Improved customer satisfaction

Enterprise Visibility

- Enterprise-level spend
- Asset inventories
- Supply chain visibility (gray market)
- Customer compliance with enterprise-level policies and agreements
- Vendor performance
- Customer satisfaction

SVM is a strategic approach to holistically manage and optimize its vendor relationships at the enterprise level

Strategic Vendor Management (SVM) - Challenges

Federal agencies such as the DoD are faced with challenges in maximizing the value received from their strategic IT OEM vendors.

Lack of Enterprise Approach

- No common, unified “voice” representing the enterprise – set of fragmented relationships between customer groups and vendors (OEM and channel partners)
- Limited enterprise-level collaboration and joint innovation with the IT OEM vendor
- Significant variation in prices paid across the enterprise

Limited Visibility

- Limited visibility into enterprise-level spend and technology assets/deployments associated with an IT OEM vendor
- Challenges gaining insight into vendor performance across the enterprise
- Limited visibility into vendor, market, and technology insights, economics, and trends

Inefficiencies in Internal Planning

- Lack of enterprise-wide governance, demand planning / forecasting, and purchasing processes
- Lack of “right-sized”, TCO-focused, and clearly defined requirements and specifications
- Limited redeployment / re-use of current assets provided by the IT OEM vendor

Strategic Vendor Management (SVM)

A comprehensive enterprise approach to effectively managing a key IT vendor relationship.



Develop the full range of management strategies and opportunities related to the vendor

Engage vendor prior to acquisition to identify specific alternatives for enterprise agreements and general improvement of the relationship

Implement the vendor management strategies including acquisition activities related to enterprise agreements

Establish and maintain internal & external performance management and overall vendor management processes

Structured process defining an enterprise-level vendor relationship and how to effectively manage and sustain that relationship through the IT lifecycle

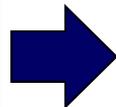
SVM - Strategic Vendor Analysis and Roadmap

A comprehensive assessment provides foundational visibility and insight to develop a broad range of strategies for cost reduction.



KEY ACTIVITIES

- Analyze historical demand signal and pricing
- Forecast future demand signal
- Conduct vendor / market research and analysis
- Identify and prioritize holistic vendor management and cost reduction strategies
- Develop IT vendor relationship roadmap
- Quantify strategy benefits



KEY OUTPUTS AND BENEFITS

- Increased Visibility: Unprecedented levels of spend and installed base visibility
- Market Intelligence: Deep understanding of the vendor, market, and technology with a focus on what it means to the agency
- Holistic Strategies: Identification of near-term and long-term strategies that goes well beyond enterprise agreements
- Key Enablers for Success: Identification of key enablers and success factors specific to the agency
- Agency Feasibility and Risks: Understanding of key environmental challenges and risks
- Total Savings Potential: Quantification of the total “size of the prize” with an OEM vendor

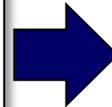
SVM - Vendor Framework Development

Engaging with the OEM vendor to develop a pre-acquisition framework for what a relationship may look like.



KEY ACTIVITIES

- Engage vendors to collaborate on ways to reduce costs
- Identify best practices in vendor agreement terms and conditions
- Build a framework that identifies opportunities to achieve efficiencies and drive down costs
- Define performance metrics and reporting requirements
- Develop strategy and objectives to take into execution
- Discuss and determine overall governance and relationship structure
- Work with vendor to define alternatives and ROMs



KEY OUTPUTS AND BENEFITS

- Detailed Vendor Understanding: Deep understanding of OEM vendor capabilities
- Vendor Collaboration: Identification of joint cost reduction and innovation opportunities with the OEM vendor
- Additional Value Potential: Identification of additional “value-add” capabilities that can be provided by the OEM vendor that are specific to the agency
- Agreement Alternatives and ROM Costs: Deep understanding of OEM vendor alternatives and ROMs to help better guide acquisition staff prior to contracting and negotiations
- Agency-specific Feasibility: Evaluation of the feasibility of the vendor alternatives within the agency-specific environment

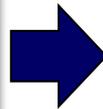
SVM - Acquisition and Strategy Implementation Activity

Development of acquisition documentation, negotiations, and other implementation activities.



KEY ACTIVITIES

- Evaluate acquisition alternatives and validate requirements
- Negotiate with the specific IT vendors to achieve identified savings
- Conduct proposal cost analysis and evaluation
- Execute Government acquisition process
- Develop and execute associated policy and guidance
- Design and implement communications and change management plan



KEY OUTPUTS AND BENEFITS

- Detailed Alternatives Analysis: Deep dive analysis of acquisition alternatives and potential costs including recommendations for what makes the most sense for the agency
- Effective Negotiations: Negotiations strategy and tactical advice based on significant prior experience and success in working with the OEM vendor
- Communications and Change Management Focus: Heavy emphasis on collaboration, communications, and change management early and often that is specific to the agency environment and will help enable success

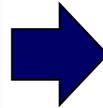
SVM - Ongoing Management

Ensures that the appropriate mechanisms are in place to sustain and manage the vendor relationship long-term



KEY ACTIVITIES

- Implement compliance, savings, and performance management processes
- Support and oversight for requirements definition, approval, and review processes
- Ongoing spend visibility/tracking through new vehicle(s) and vendor reporting
- Ongoing updates to vendor / market / technology intelligence

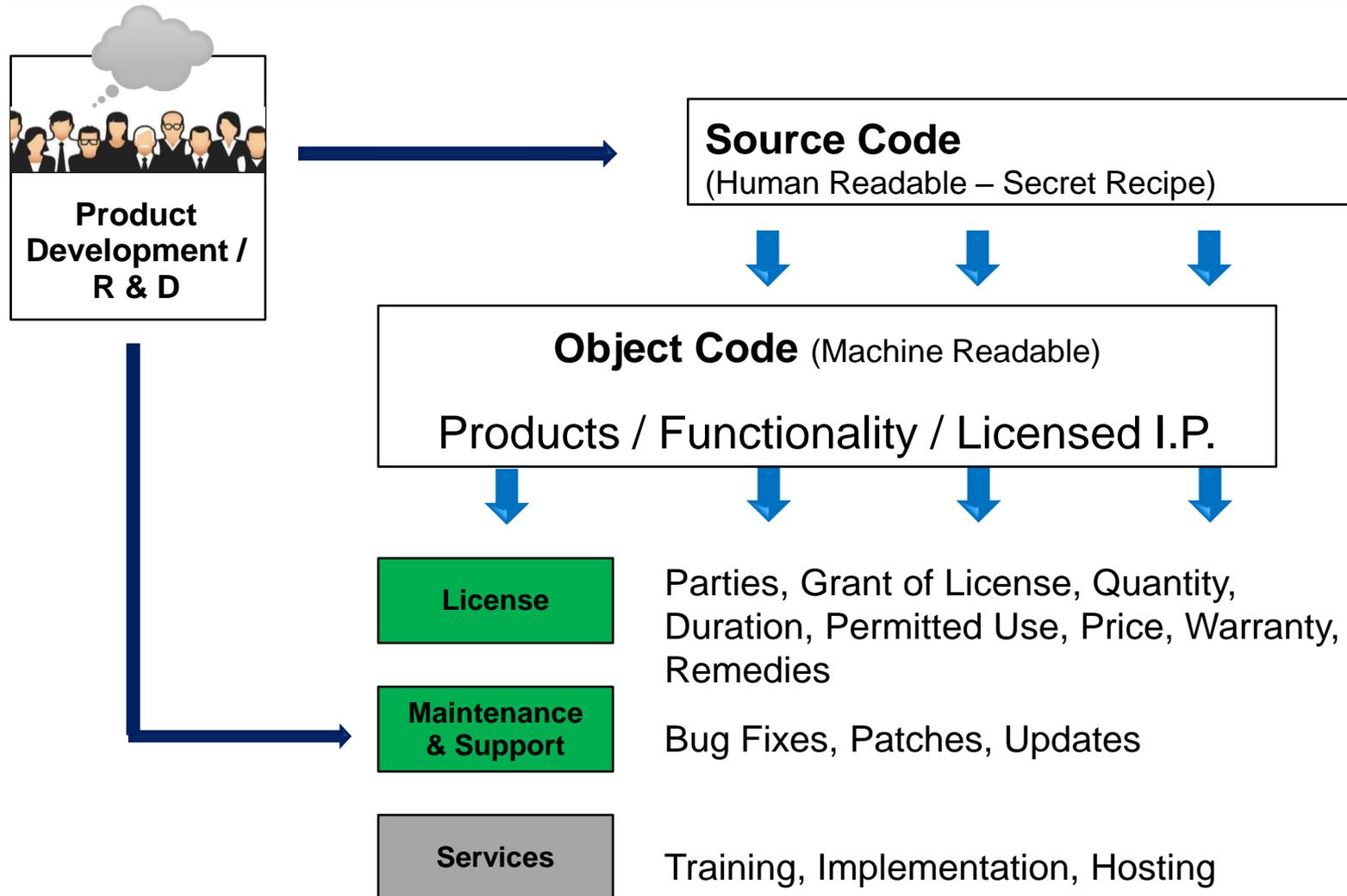


KEY OUTPUTS AND BENEFITS

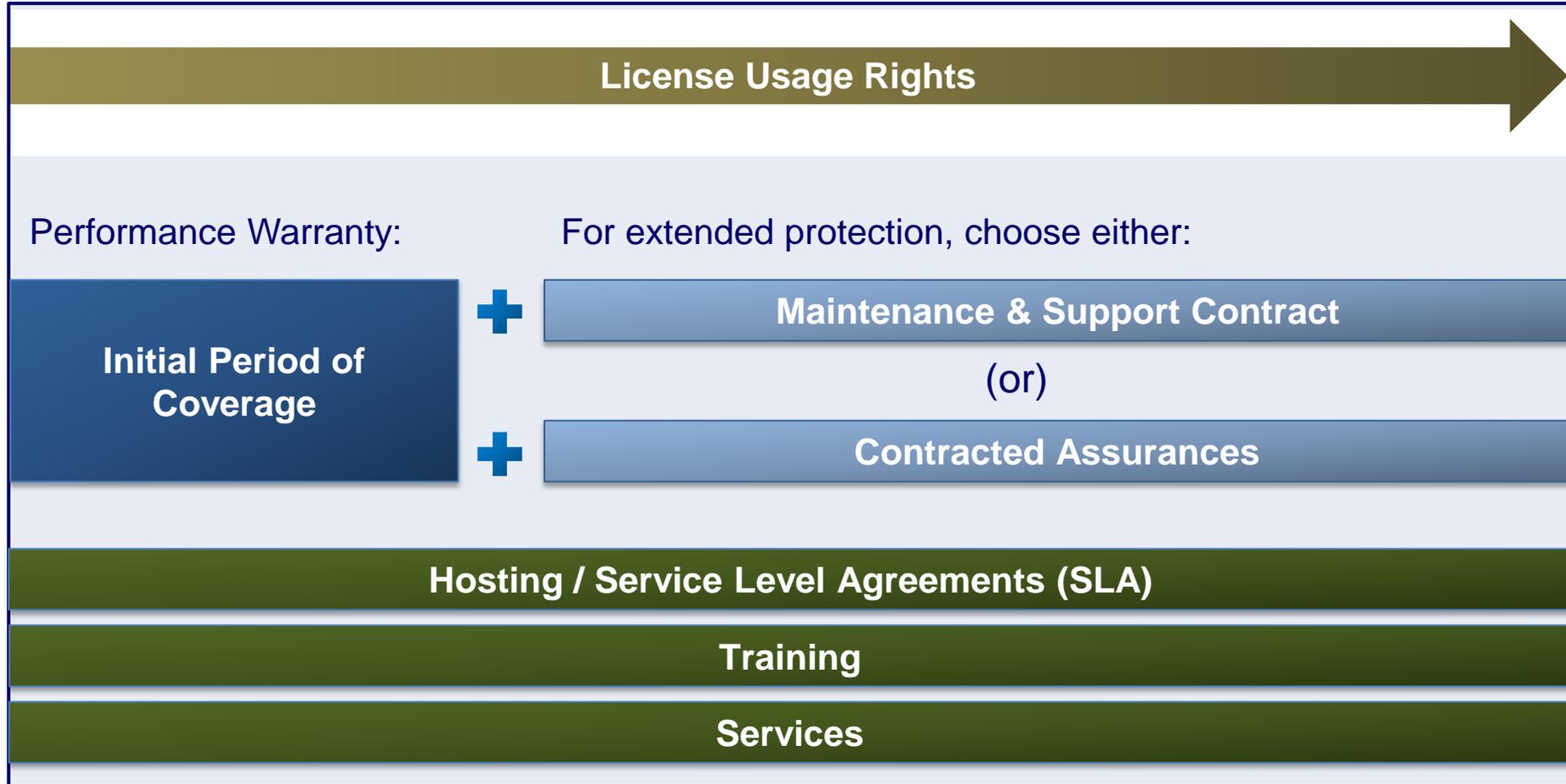
- Ongoing Visibility and Tracking: Comprehensive and custom-tailored spend, compliance, and savings tracking
- Vendor Performance Evaluation: Vendor scorecards to track vendor performance, status of the relationship, and delivery of value
- Optimization of Requirements: Implementation of key processes to ensure requirements and specifications are optimized
- Process Sustainability: Sustainable processes to ensure ongoing updates to spend visibility and vendor/market/technology intelligence

COMMERCIAL SOFTWARE LICENSING

Publisher Model Recap / Key Agreements



Agreements Involved in COTS SW Life-Cycle



EULA Key Clauses / Overview

**License
Grant**

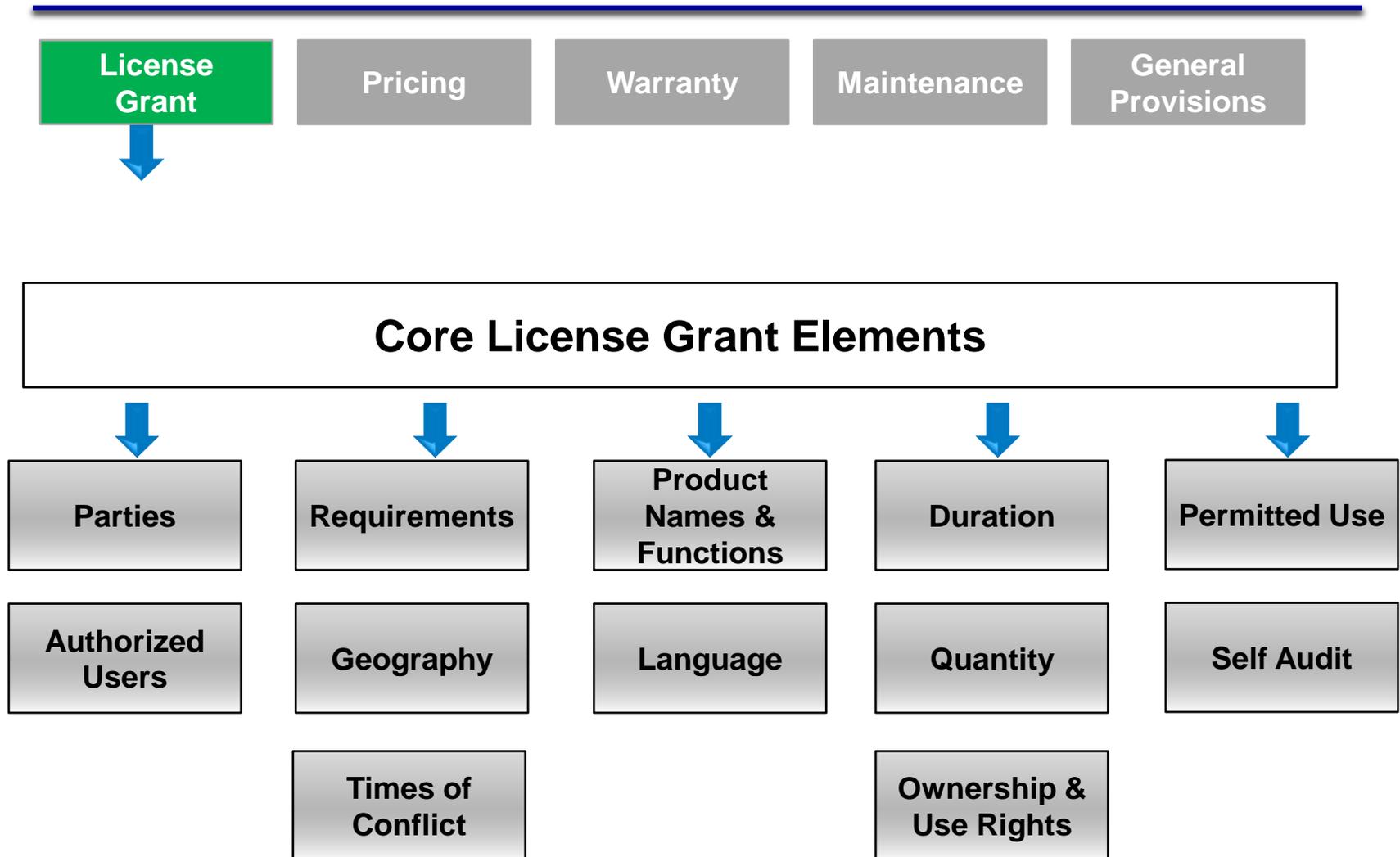
Pricing

Warranty

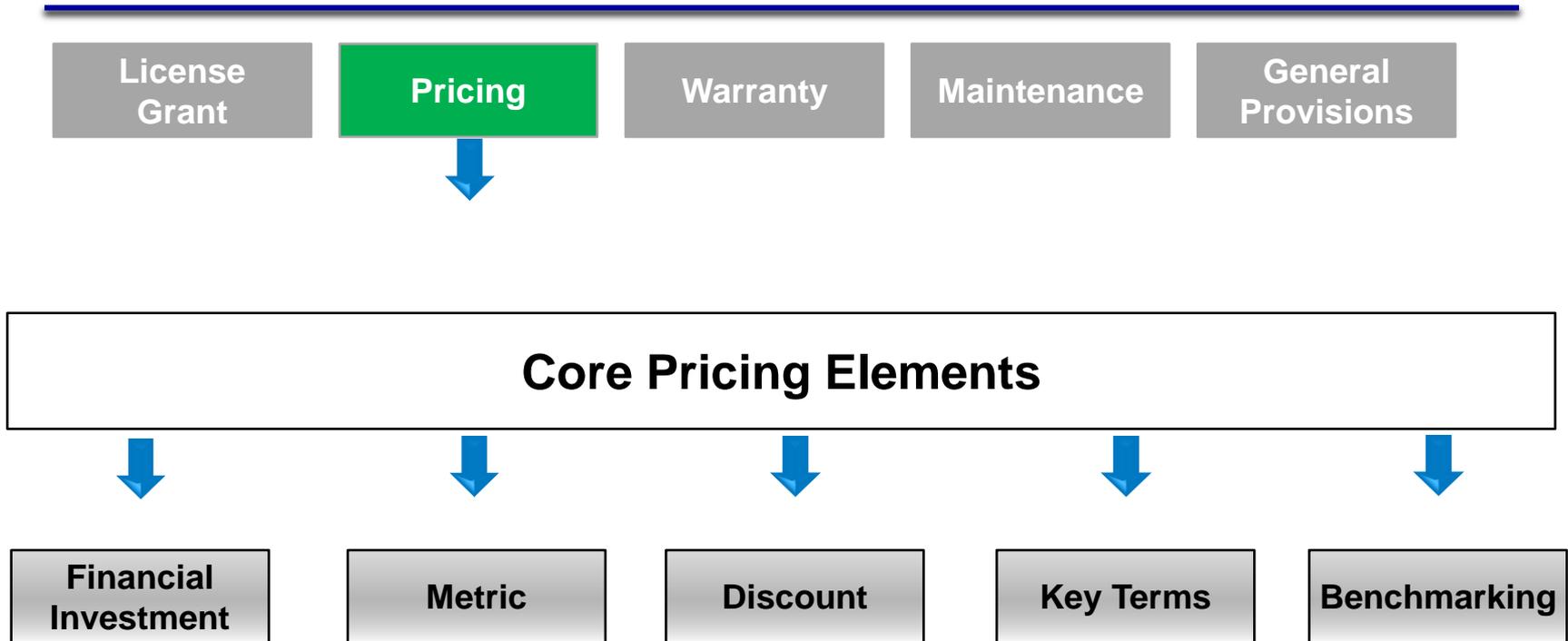
Maintenance

**General
Provisions**

EULA Key Clauses / License Grant



EULA Key Clauses / Pricing



EULA Key Clauses / Pricing



Named User	Concurrent User	Processor / Core Based	Site	Enterprise

Only this individual may use this license

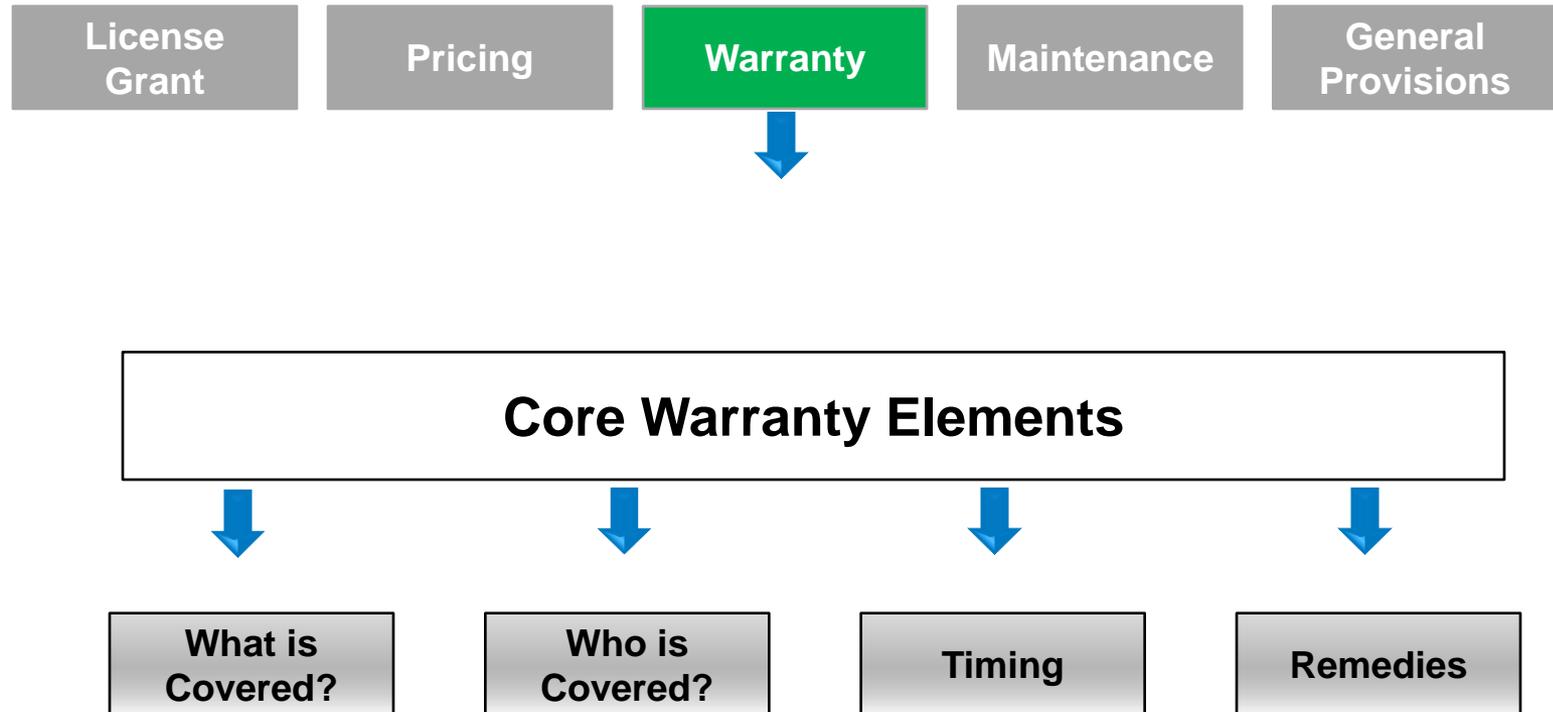
Anyone can use these set number of licenses as long as no more than x use them at the same time

Based on number of processors or cores in CPU

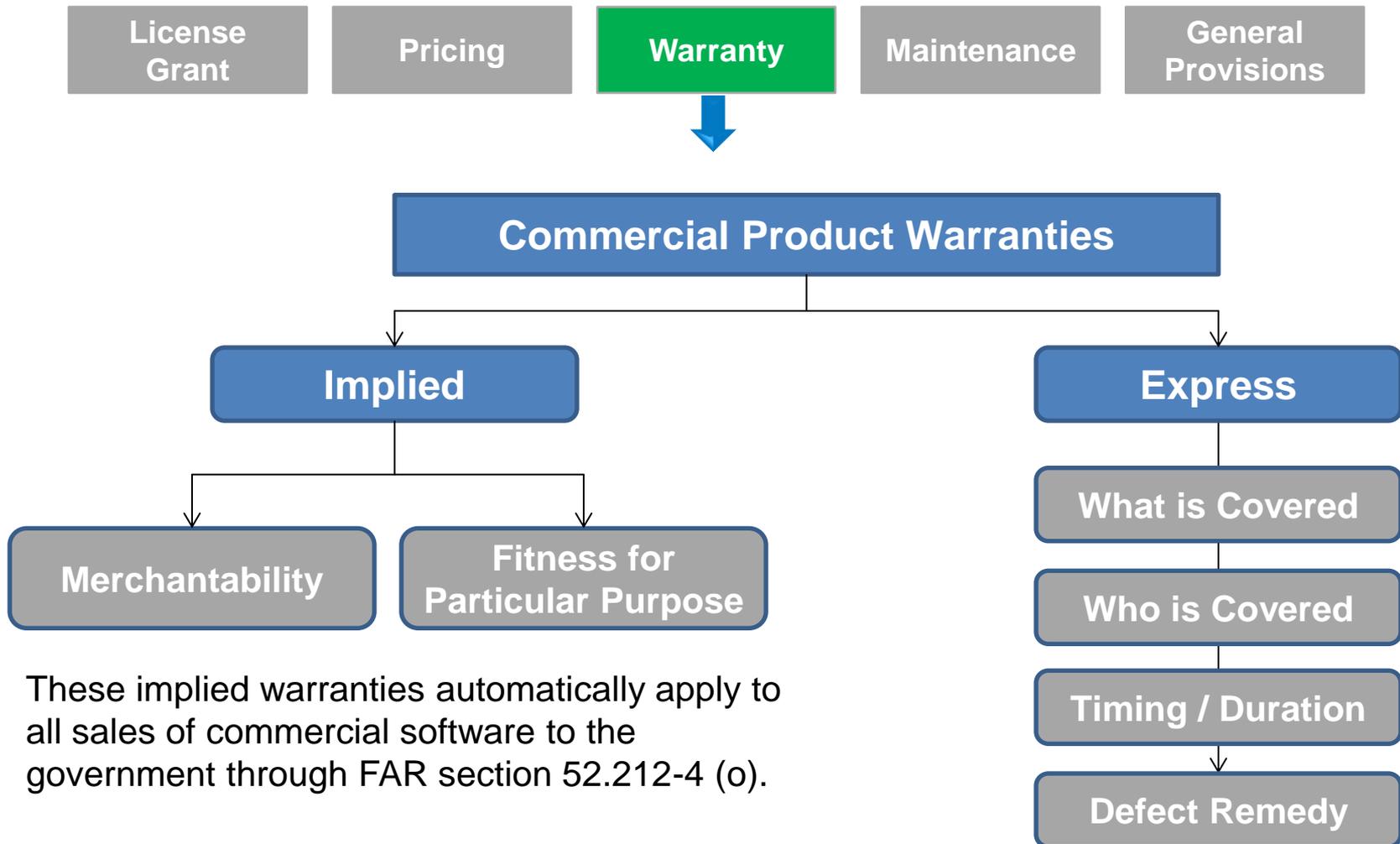
Licenses may only be used at this geographic location

Licenses may be used across the enterprise as defined in the agreement

EULA Key Clauses / Warranty



EULA Key Clauses / Warranty



EULA Key Clauses / Warranty

License Grant

Pricing

Warranty

Maintenance

General Provisions

Who Is Covered?

Contract Provisions Where Privity with the Publisher Matters:

- License Grants
- Transferability of Licenses
- Source Code Escrow
- Ownership of Derivative Works
- Warranty
- Level 3 Support
- IP Indemnification

Publisher



Government



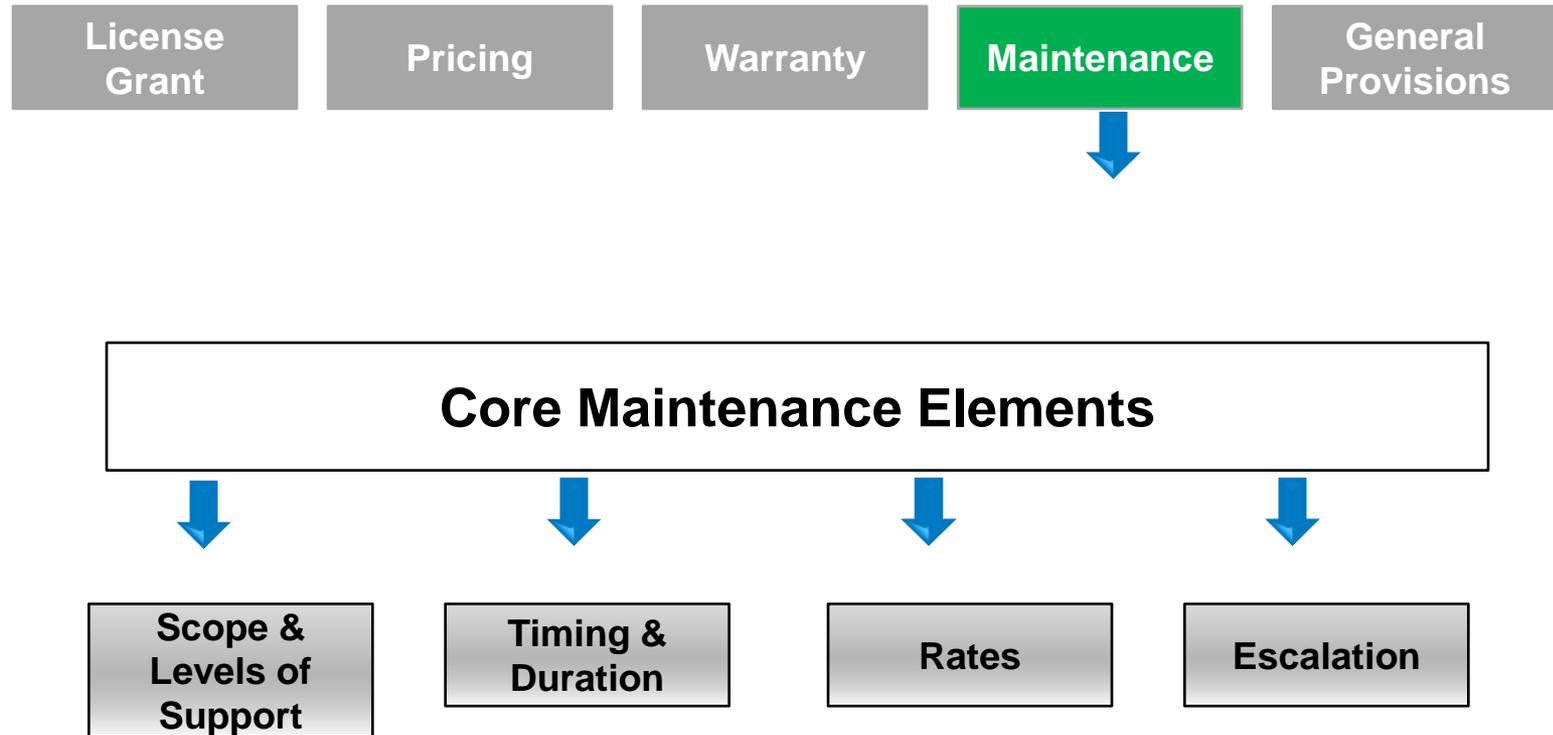
Direct

Indirect

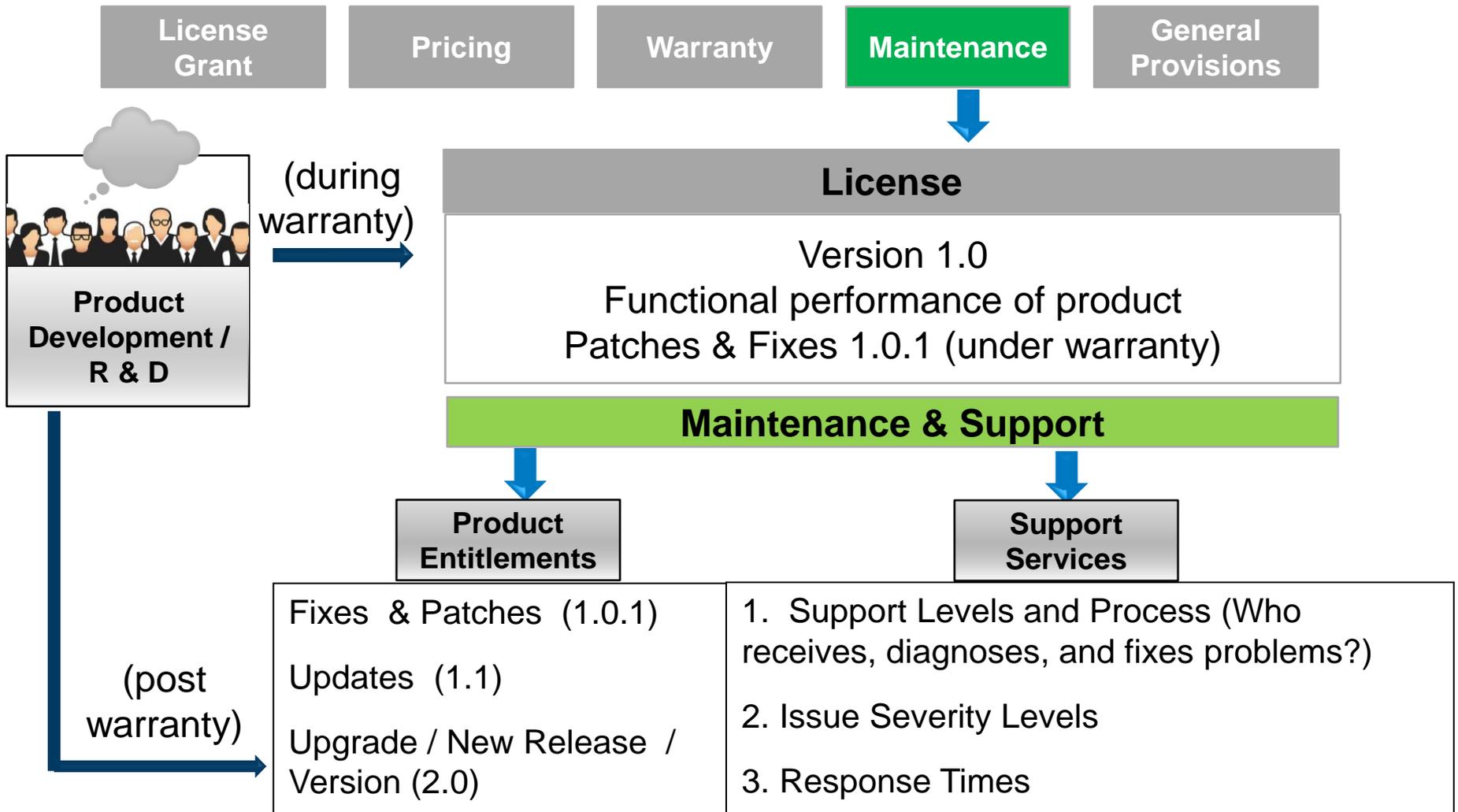


Reseller

EULA Key Clauses / Maintenance



EULA Key Clauses / Maintenance



EULA Key Clauses / General Provisions

License
Grant

Pricing

Warranty

Maintenance

General
Provisions

Sample Clauses

Order of
Precedence

Confidentiality

Severability

Term

Termination

Limitation of
Liability

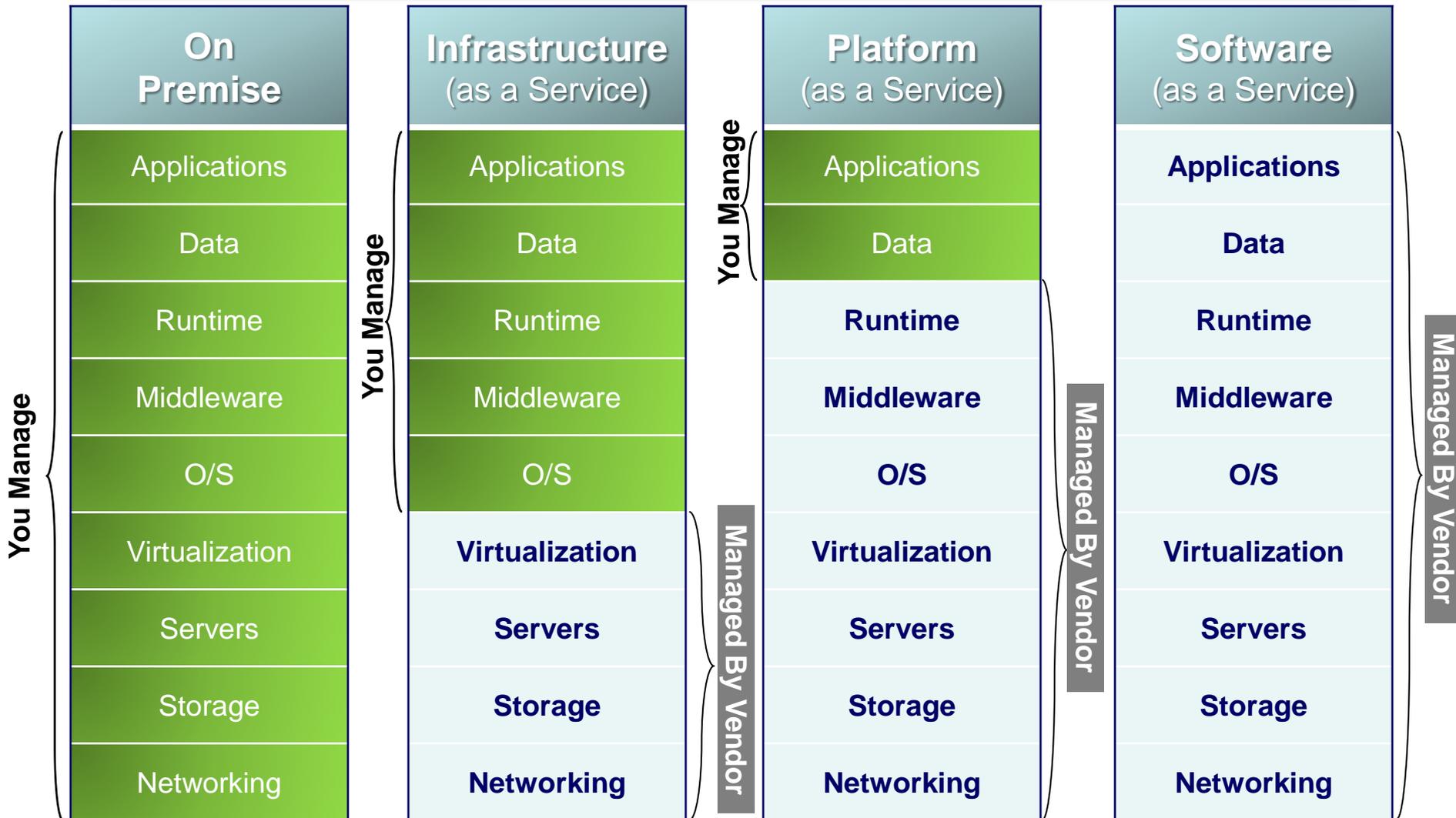
Assignment

Relationship
of the Parties

Governing
Law

Dispute
Resolution

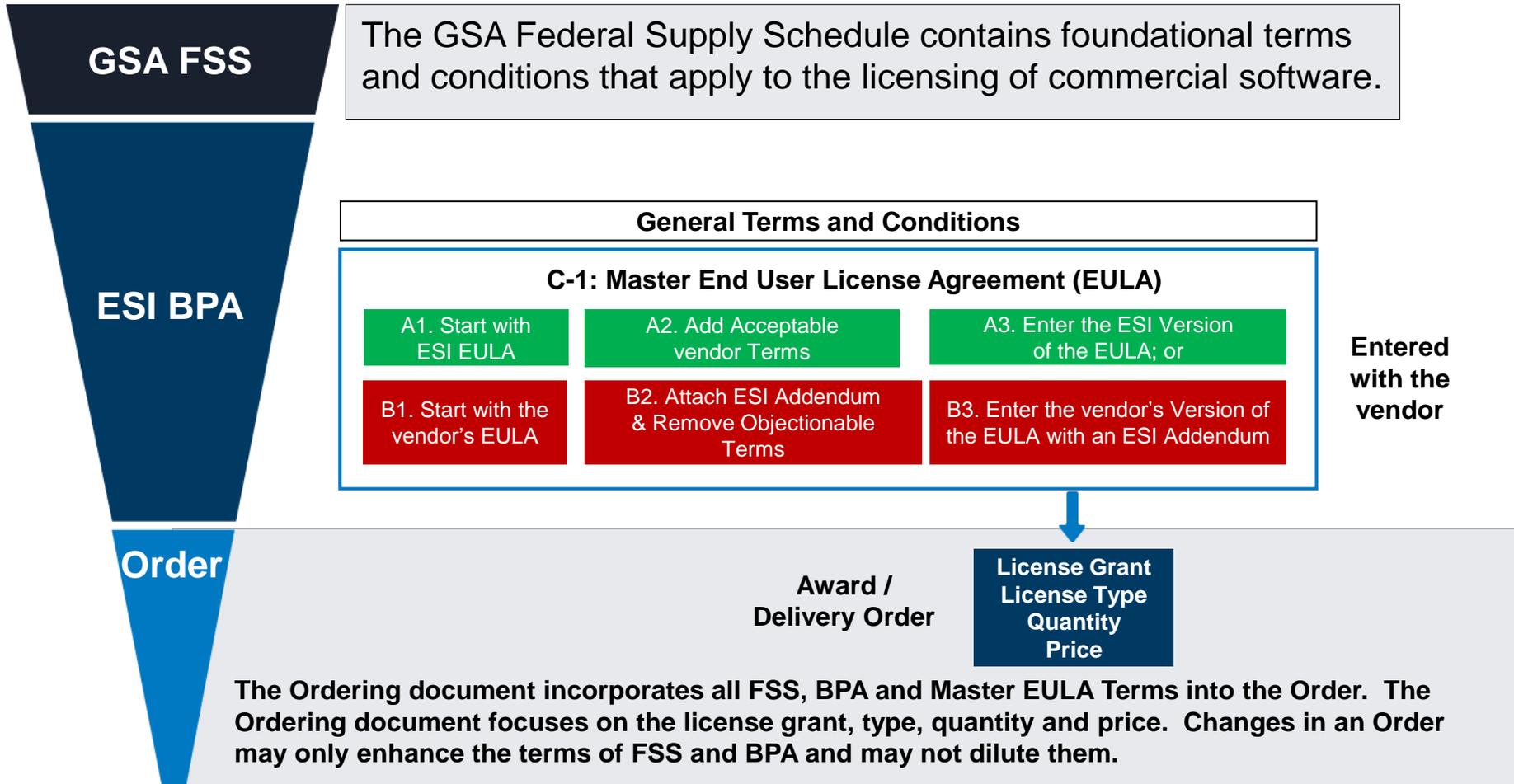
The Cloud's Impact on Licensing



Licensing Considerations – SaaS vs. Perpetual

Perpetual	SaaS
One-time upfront payment	Subscription-based pricing
License to use in perpetuity (no term)	License to use only while subscription is current (term)
Right to physical custody	Remotely accessed service
Customizations discretionary	Customizations limited
Infrastructure & data security control	No direct security control
Data ownership & custody control	No direct data custody, data ownership must be clearly defined in T's and C's
SLAs for support response	SLAs for support & availability
Normally hosted on-premise by organization	Normally hosted off-premise by provider
Control timing of upgrades	Limited control of upgrade timing

Contractual Architecture of a COTS SW License Under GSA FSS and DoD ESI BPA



DON ENTERPRISE SOFTWARE LICENSE (ESL) AGREEMENTS

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 | MILS | 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 FMC) 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 compatibility
- Increases better management of assets
- Provides an ongoing leverage for follow-on agreements
- Enables industry or private contractors for ordering and managing software licenses
- Enables DON customers to purchase the software that programmed in same-regulation environment with the same standard, best price
- Improves information assurance posture and supports future network alignment
- Maintains DON for future DON Enterprise License Agreement (ELA) considerations
- 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</p> <p>Oracle Reseller Name: DLT Solutions, LLC</p> <p>Effective Date: 13 June 2013</p> <p>Expiration Date: 12 June 2018</p> <p>GSA Schedule: GS-35F-4543G</p> <p>CAGE Code: 050H9</p> <p>DUNS: 786468199</p> <p>Business Size: Large</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>

DON ESL / VMWARE PORTAL

QUESTIONS