

Department of Transportation
Office of the Secretary
Washington, D.C.

ORDER

DOT 1370.2A

7/22/70

SUBJECT: PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES

1. PURPOSE. This order prescribes the policies and procedures for the selection, acquisition, and utilization of automatic data processing (ADP) equipment and services for use within the Department of Transportation.
2. CANCELLATION. DOT 1370.2, Procurement of Automatic Data Processing Equipment and Services, dated 6/19/70.
3. REFERENCES.
 - a. Bureau of the Budget Circular A-27 with Transmittal Memorandum No. 1, Policies and Responsibilities on the Sharing of Electronic Computer Time and Services in the Executive Branch.
 - b. Bureau of the Budget Circular A-54 with Transmittal Memorandum No. 2, Policies on the Selection and Acquisition of Automatic Data Processing (ADP) Equipment.
 - c. Bureau of the Budget Circular A-61, Guidelines for Appraising Agency Practices in the Management of Automatic Data Processing (ADP) Equipment in Federal Agencies.
 - d. Bureau of the Budget Bulletin No. 60-6, Automatic Data Processing (ADP) Program of the Executive Branch: Studies preceding the acquisition of ADP equipment.
 - e. Federal Property Management Regulations, particularly subpart 101-32.
4. SCOPE.

The provisions of this order apply to the Office of the Secretary and the operating administrations. In addition, pursuant to delegation by the National Transportation Safety Board under Section 5(m) of the Department of Transportation Act this directive is applicable to the National Transportation Safety Board only to the extent as stated in paragraph 5b(5).

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All Operating Administrations
National Transportation Safety Board

OPI: Office of
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Systems

- b. The provisions of this order cover ADP equipment and services as defined by the above references.
- c. The ADP equipment excluded from the provisions of this order are those designed for and capable of performing only a single function such as weapons systems, doppler navigators, inertial navigation systems, radar video data processors, alphanumeric generators and the Air Traffic Control Subsystem of the National Airspace System.

5. RESPONSIBILITY.

- a. The head of each operating administration shall be responsible for:
- (1) Approving or disapproving the preliminary analysis or feasibility study, prior to the systems study, as required by BOB Bulletin No. 60-6. When it is anticipated that the study may lead to the procurement of ADP equipment or services required under this order to be approved by the Assistant Secretary for Administration, the Office of the Assistant Secretary for Administration shall immediately be advised and shall be consulted with as the study progresses.
 - (2) Approving or disapproving the systems study, equipment selection study, lease-purchase study and equipment procurement for electronic digital computers which may be purchased for less than \$25,000 as a complete system.
 - (3) Approving or disapproving acquisition of additional or replacement input and output devices or punched card equipments either on a rental or purchase basis using the following criteria:
 - (a) An administration may procure such equipments without referral to OST when the aggregate annual rental cost of all equipment procured in any one fiscal year does not exceed 15 percent of the annual rental cost (or an equivalent annual rental cost in the case of an owned system) of the system being supplemented.
 - (b) Where a rental value cannot otherwise be ascertained, it will be presumed to be 25 percent of the purchase price.
 - (c) There will be cases in which analysis will establish that it is to the advantage of the Government to purchase the equipment that is to be added. In such cases, calculate the annual rental equivalent of the equipment to be purchased. If this amount is not more than 15 percent of the annual system rental cost, the equipment may be procured by purchase.

- (4) Approving modifications of installed central processors to obtain required increases in processing speed and/or efficiency provided that: The aggregate annual rental cost of the modifications does not exceed 15 percent of the annual rental cost of the central processor with rental costs determined as in 5a(3) above.
- (5) Approving the procurement of ADP services when:
 - (a) The cost of the total service for any single complete project does not exceed \$50,000, or--
 - (b) The work is non-recurring in support of an operating ADP installation and the cost of the work does not exceed 5 percent of the annual operating cost for that installation, or--
 - (c) In the case of recurring work the number of machine hours is less than 40 hours per month where computer usage is involved or the cost does not exceed \$10,000 a month for other services, or--
 - (d) Computer time is required on an emergency and short-time basis as in the case of requiring ADP services when the ADP installation of the administration is inoperable.
- (6) Requiring complete documentation of the circumstances when any ADP services as outlined in 5a(5) above are obtained from a non-Federal source. In addition, complete documentation is required of a sole source procurement.
- (7) Submitting the following data to the Information Systems Division, TAD-25, concerning all equipment acquisitions and service contracts undertaken pursuant to delegated authority:
 - (a) In the case of equipment acquisitions, indicate the type of equipment, purpose it is to serve, the vendor and the dollar amount.
 - (b) In the case of service contracts, indicate the contractor, scope of work, period of contract and dollar amount. If the contract stipulates the use of a particular piece of equipment or programming language, so indicate.

- (8) Establishing the necessary procedures, reviews and controls that will assure compliance with the policy stated herein and the aforementioned references.

b. The Assistant Secretary for Administration shall be responsible for:

- (1) Department-wide coordination in the administration of this order which will be performed by the Office of Management Systems on his behalf.
- (2) Approving requests for ADP equipment acquisitions, modifications and augmentations for OST elements without regard to the cost of the system. With respect to procurement of ADP services for elements of the OST, the approval of the Assistant Secretary for Administration is required when the cost of the service exceeds the standards set forth in paragraphs 5a(5)(a) through (d) above. Within these limits, approval by an Assistant Secretary is required. Before consummating contracts for services in these cases the Assistant Secretaries will advise the Assistant Secretary for Administration in writing of proposed scopes of work and contract terms. Assistant Secretaries are responsible for assuring that the documentation requirements established by paragraphs 5a(6) and (7) and the procedure and control requirements of paragraph 5a(8) are adequately met.
- (3) Approving the procurement of ADP equipment or services for the several administrations and elements of OST when the respective Administrators and Assistant Secretaries are not authorized to do so under the provisions of this order, and the procurement of such equipment is otherwise authorized.
 - (a) Final systems studies for these procurements are to be submitted to the Assistant Secretary for Administration as the basis for his approval.
- (4) Arranging for and conducting Departmental evaluations of ADP systems and installations.
- (5) Reviewing and advising the National Transportation Safety Board on ADP matters upon their request.

FOR THE SECRETARY OF TRANSPORTATION:



Alan L. Dean
Assistant Secretary
for Administration