

SUBCHAPTER F—SPECIAL CATEGORIES OF CONTRACTING

PART 434—MAJOR SYSTEM ACQUISITION

Sec.

434.001 Implementation.

434.002 Policy.

434.003 Responsibilities.

434.004 Acquisition strategy.

AUTHORITY: 5 U.S.C. 301 and 40 U.S.C. 486(c).

SOURCE: 49 FR 12126, Mar. 28, 1984, unless otherwise noted.

434.001 Implementation.

(a) *Definition.* For the purpose of applying the policy and procedures of OMB Circular No. A-109 within the USDA, the definition of a major system contained in the Circular is to be followed subject to the following:

(1) All system acquisitions which are expected to result in at least 50 million dollars of acquisition costs with private industry are considered to be major system acquisitions and are subject to the requirements of OMB Circular No. A-109.

(2) Other system acquisitions not expected to result in acquisition costs in excess of this 50 million dollar limit may be specifically designated as major system acquisitions subject to A-109 by the USDA Acquisition Executive.

(3) Classification as a major system acquisition is independent of the number of component USDA contracting activities involved in the process. A major system acquisition may occur entirely within the jurisdiction of a single contracting activity or may involve more than one component USDA contracting activity.

(4) The Major Missions of USDA are documented in the USDA Program Structure Dictionary. All major system acquisitions will be in response to a "need" of one of these Major Missions.

(b) *Exemption.* Acquisition of major ADP systems which would otherwise be subject to the requirements of this section and OMB Circular A-109 are exempted from these requirements. USDA has other existing controls which provide the necessary reviews,

approval and monitoring procedures to manage major ADP systems acquisitions.

434.002 Policy.

USDA concurs with the objectives of OMB Circular A-109 to assure effectiveness and efficiency in acquiring major systems and also views the guidelines stated in A-109 as necessary steps in the acquisition of any system, be it major or otherwise. The steps outlined in the Circular should serve as a guide to all contracting activities in the planning and developing of all systems. These steps should include:

(a) Expressing needs in "mission terms" to encourage innovation;

(b) Emphasizing initial activities of the system acquisition process;

(c) Communicating with Congress at an early stage;

(d) Establishing clear lines of authority, responsibility, and accountability;

(e) Designating focal points for integration and unification of activities; and

(f) Relying on private industry in accordance with the policies established by OMB Circular No. A-76.

434.003 Responsibilities.

(a) The Secretary of Agriculture is charged by OMB Circular No. A-109 with the responsibility for making four key decisions in each major system acquisition process. These are summarized in paragraph nine of the Circular and elaborated in paragraphs ten through thirteen.

(b) The key executives of USDA, i.e., the Secretary, Deputy Secretary, Under Secretaries, and Assistant Secretaries, individually or as a group, will participate in the identification and definition of specific mission needs to be fulfilled in USDA and in the assignment of priorities to these needs. They will also be involved in assisting the Secretary in making the "key decisions" identified in A-109.

(c) The Assistant Secretary for Administration has been designated by the Secretary to be the Departmental Acquisition Executive. The Assistant