

Army Acquisition Reform Newsletter



Volume 5, Issue 19

11 October 1999

Army Acquisition Reform Web Site: <http://acqnet.sarda.army.mil/acqref/default.htm>
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Department of Defense Enterprise Software Initiative

The Enterprise Software Initiative (ESI) is a project achieving savings (millions) in cost avoidance on Department of Defense (DoD) common-use, Commercial-Off-The-Shelf (COTS) software by creating DoD-wide Enterprise Software Agreements.

The ESI working group identified software acquisition best practices and is developing DoD-wide business processes for acquiring, distributing and managing DoD ESI software. ESI is testing the concept of using DoD Working Capital Funds (DWCF) for initial, wholesale software buys. This funding process assures maximum leverage of DoD's combined buying power, producing large software discounts of up to 83 percent off the Government Services Administration's (GSA) already discounted prices.

The DoD Procurement Office then takes "possession" of the software and acts as a wholesale distributor within DoD. When the software is "resold" to DoD customers and DoD contractors, the DWCF is repaid with the DoD customer's funds. In the first year of operation, the ESI working group has achieved huge successes in leveraging its high volume software requirements.

In June of 1998, the DoD CIOs met at an offsite. One of the recommendations proposed by LTG Campbell was the Enterprise Software Initiative. LTG Campbell's vision is to obtain the very best agreements for DoD with associated benefits to the Army, both savings as well as leadership in reducing DoD COTS expenditures. This is truly a DoD team effort. The various Services agreed to look at different software application types. The Army "volunteered" to manage the large database vendors and negotiate significant discounts off their current existing GSA schedules. These agreements are "ground breaking" agreements that leverage not just the Army's buying power but also the DoD large volume.

To date the Army's Program Manager for Small Computers is the first Service to negotiate an Army-wide agreement with Microsoft with 21 million-dollar savings in the first year. Other savings realized are: Oracle with 2.7 million-dollar savings for PEO STAMIS and 42 million for ASD (Health Affairs); Informix estimated savings for National Imagery and Mapping Agency is 8 million dollars. POC for this article is Mr. Robert Schwenk, (703) 697-6001 or DSN 227-6001