

## Guidance for Information Technology and Systems (ITS) Procurements

The purpose of this abbreviated guidance is to assist State agencies with accurately estimating costs and managing ITS<sup>1</sup> requests.

This guidance is intended to serve as a baseline for those State agencies and FNS staff who must prepare, review, and/or approve plans for the development and acquisition of State ITS projects that support the Child Nutrition Programs (CNPs) including child nutrition related Food Distribution Programs. It is important to be familiar with the legislation, regulations, and policies that pertain to each FNS program before submitting requests for funding.

FNS has identified several recurring issues associated with the approval process, such as missed requirements or the need for multiple document clarifications, which may delay the approval process. Examples of some recurring issues include the following:

- Insufficient understanding of the impact and resources involved in the anticipated data conversion strategy and schedule.
- Incomplete cost allocation methodology that excludes State-only cases or all participating Federal programs.
- Inadequate descriptions of the methodology, costs, and assignment of responsibilities for system maintenance and operations.
- Insufficient funding for user training and user support functions.
- Exclusion of State staff costs as part of the project's budget.
- Inadequate time in the project schedule to assess the full impact on business processes, change business rules where necessary, and prepare staff for the transition.
- Lack of familiarity with the dollar thresholds requiring FNS approval<sup>2</sup>.
- Underestimation of the strain of new ITS development on the entire organization.
- Not involving State ITS and procurement staff throughout the project. State program staff may be unaware of State standards, current procurements and contracts, and even conflicts with existing development efforts.
- Lack of current technical knowledge and expertise within the State agency to write or review documents such as requests for proposals (RFP), contracts, system design, and functional requirements, which can render a State vulnerable to the contractors' idea of what would be best—and have costly consequences.

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<sup>1</sup> For purposes of this guidance “ITS” should be considered interchangeable with: information technology (IT), management information systems, and automated data processing (ADP).

<sup>2</sup> Refer to current OMB guidance for *Cost Principles for State, Local, and Indian Tribal Governments*.

FNS staff will be available to answer questions and provide technical assistance to any State agency that requests assistance in their ITS project planning process.

Assistance can be provided with matters such as:

- Providing guidance in developing request documents.
- Providing most up-to-date policy, procedures, and requirements.
- Reviewing hardware/software requests with focus on costs and compatibility with existing system.
- Clarifying technical terms found in documents.
- Providing current information on technology products.
- Interfacing with other Federal agencies.
- Responding to official requests regarding State Administrative Expense (SAE) and CACFP Audit funds formulations or SAE/CACFP Audit fund reallocation requests (e.g., Freedom of Information Act (FOIA), General Accounting Office (GAO)).
- Providing information on conferences and/or training opportunities.
- Conducting meetings and/or conference calls to discuss items of concern to one or more States.

Regardless of which System Development Life Cycle (SDLC) phase a State agency may be in, all State agencies administering CNPs follow the same process when requesting reallocated funds to procure software, hardware, and contractual services for ITS purposes and are responsible for ensuring the allowable and effective use of these funds.