



COMDTINST 5230.77B
16 MAR 2020

COMMANDANT INSTRUCTION 5230.77B

Subj: U.S. COAST GUARD AND DEPARTMENT OF HOMELAND SECURITY CHIEF INFORMATION OFFICER (CIO) REVIEW AND APPROVAL OF INFORMATION TECHNOLOGY (IT) ACQUISITIONS

- Ref:
- (a) DHS, Acquisition Management Directive, 102-01, Revision 3, 25 Feb 2019
 - (b) DHS, Acquisition Management Instruction, 102-01-001, Revision 1, 13 May 2019
 - (c) DHS, Lexicon Terms and Definitions Instruction, 262-12-001-01, 23 Apr 2018
 - (d) DHS, Delegation to the Chief Information Officer, 04000, Revision 1, 30 Apr 2018
 - (e) DHS, Information Technology Acquisition Review Essentials Guide, V.7, Oct 2018
 - (f) ITAR Standard Operating Procedures, CG6INST 7700
 - (g) Federal Information Technology Acquisition Reform Act (FITARA) of 2015
 - (h) The Federal Information Security Modernization Act (FISMA) of 2014
 - (i) Clinger Cohen Act of 1996
 - (j) Privacy Act of 1974
 - (k) Rehabilitation Act of 1973, as amended, Section 508

1. **PURPOSE.** The U.S. Coast Guard (USCG) Chief Information Officer (CIO) must effectively manage and administer all Information Technology (IT) resources and assets to meet mission and enterprise program goals, and ensure that all IT acquisitions are aligned with Department, Administration, and Congressional priorities. The content of this Instruction is intended to establish the authority and responsibilities governing the Information Technology Acquisition Review (ITAR) process.
2. **ACTION.** All USCG unit commanders, commanding officers, officers-in-charge, deputy and assistant commandants, and chiefs of headquarters staff elements must comply with the provisions of this Instruction. Internet release is authorized.
3. **DIRECTIVES AFFECTED.** Coast Guard and Department of Homeland Security Chief Information Officer (CIO) Review and Approval of Command, Control, Communications,

DISTRIBUTION – SDL No. 170

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
A																										
B		X	X		X	X	X		X		X	X	X	X	X	X	X	X	X	X		X	X	X	X	
C						X	X				X					X										
D					X						X									X			X		X	
E																										
F																										
G																										
H																										

NON-STANDARD DISTRIBUTION:

Computers and Information Technology (C4&IT) Acquisitions, COMDTINST 5230.77A, is cancelled.

4. BACKGROUND.

- a. IT acquisitions are reviewed by the USCG CIO to ensure they are aligned with Administration and Congressional priorities, and with Department of Homeland Security (DHS) strategic goals. The ITAR review process ensures alignment with the DHS and USCG Planning, Programming, Budgeting, and Execution (PPBE) process and the OMB, DHS, and USCG Capital Planning and Investment Control (CPIC) process in relations to References (a-j).
- b. The USCG's Office of Command, Control, Communications, Computers, Cyber and Intelligence Systems (C5I) Program Management, Commandant (CG-68) serves as the designee for reviewing, evaluating, and processing ITARs for USCG CIO review and approval, and if necessary, coordinating with DHS to further process any ITARs requiring DHS CIO review and approval.

- (1) Reference (a) requires the DHS or Component CIO to review and approve the acquisition of all IT equipment, software, services, hardware, communications, infrastructure and programs.
- (2) Reference (b) describes the DHS Acquisition Life Cycle Framework, Acquisition Review Process, and Acquisition Review Board. It provides additional management procedures and responsibilities that augment existing policies, regulation and statutes that govern procurement and contracting aspects of acquisition.
- (3) Reference (c) provides a unified controlled vocabulary for DHS and its Components. Definitions, including examples of what is and what is not considered IT for the purposes of ITAR, is contained in Appendix A of this Instruction.
- (4) Reference (d) established the delegation of authority from the DHS CIO to component CIOs and their delegates for the review and approval of IT acquisitions including acquisition plans and strategies that contain IT.
- (5) Reference (e) established a uniform ITAR process across all DHS components as a mechanism for the DHS CIO to analyze IT acquisitions to ensure alignment with DHS missions, goals, policies, and guidelines.

5. DISCLAIMER. This guidance is not a substitute for applicable legal requirements, nor is it itself a rule. It is intended to provide operational guidance for USCG personnel and is not intended to nor does it impose legally-binding requirements on any party outside the U.S. Coast Guard.

6. MAJOR CHANGES. Major changes in this update include: revised USCG ITAR policy to align with updated DHS ITAR policy as outlined in Reference (e); and removal of procedural

information on ITAR processing including roles and responsibilities, submission package requirements and timelines, and other various details explaining the overall ITAR process. All of the procedural information which was removed previously, has been consolidated with content from the now cancelled CG-6 ITAR Practices Guide (dtd 18 Feb 2010) and is promulgated separately in Reference (f).

7. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.

- a. The development of this Instruction and the general policies contained within it have been thoroughly reviewed by the originating office in conjunction with the Office of Environmental Management, Commandant (CG-47). This Instruction is categorically excluded under current DHS categorical exclusion (CATEX) A3 from further environmental analysis in accordance with the U.S. Coast Guard Environmental Planning Policy, COMDTINST 5090.1 and the Environmental Planning (EP) Implementing Procedures (IP).
- b. This Instruction will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policy in this Instruction must be individually evaluated for compliance with the National Environmental Policy Act (NEPA) and Environmental Effects Abroad of Major Federal Actions, Executive Order 12114, DHS NEPA policy, Coast Guard Environmental Planning policy, and compliance with all other applicable environmental mandates.

8. DISTRIBUTION. There will be no paper distribution of this Instruction. An electronic version will be located on the following Commandant (CG-612) web sites, Internet: <http://www.dcms.uscg.mil/directives/> and CGPortal: <https://cgportal2.uscg.mil/library/directives/SitePages/Home.aspx>.

9. RECORDS MANAGEMENT CONSIDERATIONS. This Instruction has been thoroughly reviewed during the Directives clearance process, and it has been determined there are no further records scheduling requirements, in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration (NARA) requirements, and Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not create significant or substantial change to existing records management requirements.

10. POLICY. This Instruction establishes policy for all USCG ITARs. Detailed information on ITAR processing is promulgated separately in Reference (f), the USCG ITAR SOP.

- a. An approved ITAR is required for all IT acquisitions, including acquisitions supporting IT, with a Total Estimated Procurement Value (TEPV) of \$100,000 or greater. TEPV is defined as the total cost of the acquisition, assuming that all years and all options are

exercised. (Note: this can be but is not necessarily the same as the life cycle cost of the acquisition.)

- b. IT acquisitions \$100,000 or greater must be reviewed and approved by the USCG CIO.
- c. IT acquisitions with a TEPV of \$500,000 or greater AND funded by an investment with a Life Cycle Cost Estimate (LCCE) of \$50 million or more must be reviewed and approved by both the USCG CIO and the DHS CIO.
- d. An ITAR is required for the following (but not limited to):
 - (1) New awards and master contracts, including task orders/delivery orders/calls issued under multiple-award Indefinite Delivery / Indefinite Quantity (IDIQ) contracts and Blanket Purchase Agreements (BPAs).
 - (2) Grants, Reimbursable Agreements, and IAAs (Inter-Agency Agreement, Intra-Agency Agreement, Interagency Assisted Agreement, et al).
 - (3) Contract modifications which will result in a scope change and/or a new financial obligation greater than 10% or \$1 million, whichever is less.
 - (4) The purchase of Operating Material and Supplies (OM&S) project stock or 'seed stock' (i.e. parts that are tied to a 'project' that should be administratively approved; typically for either the technical refresh of a system/capability or a new capability).
 - (5) Commodity purchases and any other contractual activity that includes an obligation for IT assets or services.
- e. IT procurements and task orders made under DHS multi-award strategic sourcing vehicles or Government Wide Acquisition Contracts (GWAC), such as EAGLE II, GSA Schedule 70, OASIS, or enterprise license agreements, are NOT exempt from this requirement.
- f. An ITAR is NOT required for:
 - (1) The execution of a new task order/delivery order/call under a previously approved DHS or USCG single award master contract/BPA/IDIQ. (Note: the BPA or IDIQ must have been previously submitted to USCG or DHS and approved through the ITAR process in order for subsequent task orders/delivery orders/calls to be exempt from further CIO review.
 - (2) Contract options previously approved under a 'base + options' contract. These may use the original base ITAR approval for the exercise of all options in which any cost changes are not greater than 10% or \$1 million, whichever is less.

- (3) The renewal of any type of previously approved IT subscription, warranty, annual software license, annual maintenance / assurance of software with no change in existing scope or language and does not include cost changes greater than 10% or \$1 million, whichever is less.
- (4) A contract extension where the extension may be exercised more than once and the total extension of performance shall not exceed 6 months, in accordance with FAR clause 52.217-8, regardless of amount. (Note: USCG CIO may request that planned extensions be reported; extensions are subject to evaluation on a case-by-case basis.)
- (5) Contract modifications which will result in a scope change and/or a new financial obligation NOT greater than 10% or \$1 million, whichever is less.
- (6) For the purchase of OM&S spare parts that are fully enrolled in the Naval and Electronics Supply Support System (NESSS). A fully enrolled spare part is defined as a part with an assigned National Supply Number (NSN) or Activity Control Number (ACN), and a NESSS Master Item Record (MIR) number or a NESSS Master Stock Record card. (Note: These spare parts support the 'sustainment' of fielded system/capability and are 'like kind' replacements of operational components.)
- (7) For the purchase of OM&S spare parts through the Asset Logistics Management Information System (ALMIS), supporting sustainment of a current operationally installed system/capability.
- (8) USCG Yard Program Orders, executed via Form CGY-75, which transfer funds internally to the USCG Yard similar to a Funds Transfer Authorization (FTA).

11. FORMS/REPORTS. None.

12. REQUEST FOR CHANGES. Change recommendations should be forwarded to Commandant (CG-68) at: HQS-SMB-CG-6-ITAR@uscg.mil.

D. M. DERMANELIAN /s/
Rear Admiral, U.S. Coast Guard
Assistant Commandant for Command,
Control, Communications, Computers,
And Information Technology

This page is intentionally left blank.

Appendix A

Definitions

The table below provides definitions for the purposes of the ITAR process.

Term	Definition	Source(s)
<p>IT Acquisition</p>	<p>The conceptualization, initiation, design, development, test, contracting, production, deployment, logistics support, modification, and disposal of systems, supplies, or services (including construction) to satisfy DHS needs. Acquisitions result from investment decisions, respond to approved requirements, align to strategic direction, and are guided by approved baselines. This includes all agreement instruments, such as contracts, interagency acquisition agreements, and other agreements authorized specifically by statute that may not be covered under the Federal Acquisition Regulations. Acquisition does not include establishment of Agency needs (requirements determination) or financial management.</p> <p>DHS defines IT Acquisition as the IT policies, procedures, and processes for developing or purchasing IT by means of the Department's acquisition/procurement process. IT acquisition for the purpose of DHS ITAR review includes the initial acquisition and all follow-on acquisitions by any method or contract vehicle, including but not limited to the exercise of contract option years, contract extensions, and contract bridges.</p>	<p>FAR Part 2.101(b); DHS Instruction Manual 102-01-001 Acquisition Management Instruction /Guidebook</p> <p>DHS, Information Technology Acquisition Review, ITAR Essentials Guide, V.7, October 2018</p>
<p>Information Technology (IT)</p>	<p>40 U.S.C. § 11101 defines the term "information technology"—</p> <p>(A) with respect to an executive agency means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency, if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency that requires the use—</p> <p>(i) of that equipment; or</p> <p>(ii) of that equipment to a significant extent in the performance of a service or the furnishing of a product;</p> <p>(B) includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and</p>	<p>40 U.S.C. § 11101</p>

	<p>similar procedures, services (including support services), and related resources; but</p> <p>(C) does not include any equipment acquired by a federal contractor incidental to a federal contract.</p> <p>-----</p> <p>The Federal Acquisition Regulation 2.101 states: “Information technology” means any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.</p> <p>(1) For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a contractor under a contract with the agency that requires-</p> <p>(i) Its use; or</p> <p>(ii) To a significant extent, its use in the performance of a service or the furnishing of a product.</p> <p>(2) The term “information technology” includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources.</p> <p>(3) The term “information technology” does not include any equipment that-</p> <p>(i) Is acquired by a contractor incidental to a contract; or</p> <p>(ii) Contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment, such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, are not information technology.</p>	<p>-----</p> <p>Federal Acquisition Regulation 2.101</p>
<p>IT Resources</p>	<p>All agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation,</p>	<p>Federal Information</p>

	acquisition, disposition, and transformation, or other activity related to the lifecycle of information technology; acquisitions or interagency agreements that include information technology and the services or equipment provided by such acquisitions or interagency agreements; but does not include grants to third parties which establish or support information technology not operated directly by the Federal Government.	Technology Acquisition Reform Act (FITARA)
Life Cycle Cost Estimate (LCCE)	LCCE is the estimated cost of developing, producing, deploying, maintaining, operating and disposing of a system over its entire lifespan. Also referred to as cradle-to-grave cost. These costs include not only the direct costs of the acquisition program, but also include indirect costs that would be logically attributed to the program. In this way, all costs that are logically attributed to the program are included, regardless of funding source or management control.	National Institute of Standards and Technology (NIST)
Shadow IT (Hidden IT)	<p>Spending on IT [hardware, software, or services] that is not fully transparent to the agency CIO and/or IT resources included as a portion of a program that is not primarily of an “information technology” purpose but delivers IT capabilities or contains IT resources.</p> <p>For example, a non-IT program that contains a portion of its spending on acquiring new IT equipment, systems, or services that provide IT capabilities for administering or delivering the program.</p>	Federal Information Technology Acquisition Reform Act (FITARA)
Total Estimated Procurement Value (TEPV)	<p>TEPV is defined as the total cost of the acquisition, assuming that all years and all options are exercised.</p> <p>For example, TEPV includes the total value of a single or multi-year contract, and the total value of the base and all option years of a multiple-year contract. (Note: TEPV can be but is not necessarily the same as the LCCE of the acquisition.)</p>	DHS, ITAR Essentials Guide, V.7, October 2018