



# BROWN AND COMPANY, INC.

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## FAX COVERSHEET

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FROM: Rich LePage

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March 12, 2002

Defense Acquisition Regulations Council  
 ATTN: Ms. Susan Schneider  
 OUSD (AT&L) DP (DAR)  
 IMD 3C132  
 3062 Defense Pentagon  
 Washington DC 20301-3062

RE: Enterprise Software Agreements (DFARS Case 2000-D023)

Dear Ms. Schneider:

We are encouraged that the Department of Defense (DOD) now recognizes the economic value and the exponential return on investment that will be derived from the use of enterprise software agreements (ESA) for the acquisition of commercial software and software maintenance. However, the proposed Defense Federal Acquisition Regulation Supplement (DFARS) does not address what needs to be done to create a favorable environment for the optimum and increased use of ESAs.

MERANT would welcome the opportunity to provide its software and maintenance under the terms of an ESA. Such an ESA would provide DOD with state of the art software that is recognized throughout the U. S. and global commercial marketplace as being the best of the best as evidenced by the following:

- MERANT provides the only software configuration management (SCM) product - - PVCS Dimensions - - in the marketplace to qualify and be certified by the Institute for Configuration Management to support the CMII process.
- The entire Fortune 100 use MERANT technologies and solutions.
- More than 750,000 professionals use MERANT technology at over 65,000 sites.
- MERANT's PVCS Dimensions is the only SCM to have successfully passed an audit by the Audit Repository Center (ARC).

MERANT, in a competition with 79 other companies, received the 2001 Employee Customer Service and Satisfaction Award from the Omega Northface Scoreboard for its Customer Satisfaction and Retention Program.

Despite MERANT being recognized as the global leader in the commercial marketplace for SCM, it has not entered into an ESA with DOD Agency. Consistent with the expressed desires of senior acquisition officials within DOD to identify and

remove the impediments that preclude DOD from using the best available technology that is COTS, I wish to share with you the impediments that MERANT has encountered.

- First and foremost, the Chief Information Officers (CIO) of each of the services do not have independent, practical control over the ESA process. Our experience has been that even when they express support of an ESA with MERANT, they do not have the money or resources to make it happen. Instead, MERANT is encouraged to make multiple, piecemeal presentations to local "profit centers" that have pockets of O&M funds to buy a limited number of "seats," as opposed to a more comprehensive ESA that could benefit multiple profit centers. In this regard, we have already placed over 3,800 seats within the Navy, but none are covered by an ESA. This lack of management control by senior CIOs, and the apparent lack of central funding represent a major impediment to effectively implementing and optimizing the referenced DCD Enterprise Software Initiative.
- Second, since most profit centers have already made significant investments in the software and maintenance contracts that they are currently using, there is an inherent reluctance to initiate actions that amount to a repudiation of prior purchase decisions.
- Third, there are no uniform DOD criteria for evaluating the "best value" merits of any provider's software or maintenance. In this regard, the GAO Report to Congressional Committees, dated January 2002, and entitled "DEFENSE ACQUISITIONS . . . Collection and Reporting of Information Technology Purchases," listed on an Appendix the type of Information Technology Data collected. Conspicuous by its absence is a performance based criteria, or any criteria for that matter, for determining the value and merits of any provider's software and maintenance.
- Fourth, without performance criteria or meaningful measures of merit, current users of software have a tendency to operate in a "comfort Zone" that they are familiar with, even if it is far from perfect and is substantively inferior. Consequently, the "3 working days" timeline for a "most favored customer" status determination will become meaningless if there are no objective criteria or measures of merit to determine if the DOD is receiving the most favored customer status. Additionally, one should ask of what value is a "most favored customer" status if it perpetuates the purchase on an inferior product at a lower cost, when a superior COTS product may be purchased for the same cost? Furthermore, the only criteria may be the "comfort zone" of working with the current provider rather than seeking the best of the best.
- Fifth, DOD has yet to establish a process by which providers, that have not previously had long-term relationships with buying activities in DOD, will have an objective opportunity to overcome the competitive disadvantage of unfamiliarity with a provider's software and maintenance. Without such a process, DOD will not know if it is receiving best value and the best of the best before it enters into ESAs.

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Until the above referenced impediments are adequately addressed, MERANT's opportunity to enter into best value ESAs to provide to DOD COTS software and maintenance, which are used extensively in the commercial marketplace throughout the world, will be all but denied. Furthermore, DGD may never be afforded a realistic opportunity to obtain the optimum benefits of ESAs.

Sincerely,



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