



**UNITED STATES DEPARTMENT OF COMMERCE
Software License Management Policy**

1.0 Purpose and Scope. To establish DOC policy and responsibilities regarding all software license management. This policy applies to each DOC bureau/operating unit (B/OU) and program office that currently uses, buys and/or manages its own software and/or software services procured to date and into the future.

2.0 Background.

2.1 The Government Accountability Office (GAO) report (GAO-14-413) noted federal agencies and departments continue to: 1) buy and manage software in a decentralized manner; 1) struggle to create and maintain accurate software and software service inventories; 3) purchase unneeded capabilities; and 4) fail to take advantage of pricing terms available through economies of scale. To combat the negative effects of each, the Office of Management and Budget (OMB) enacted the *Federal Information Technology Acquisition Reform Act (FITARA)* to reform how the federal government acquires and manages its Information Technology (IT) assets.

2.2 Written into public law, FITARA was quickly followed by the passing of another, Public Law: 114-210 – *Making Electronic Government Accountable by Yielding Tangible Efficiencies (MEGABYTE) Act of 2016*, a federal law requiring the Director of the OMB to issue a directive on the management of software licenses by the US federal government. This policy supports that directive.

3.0 Authorities.

- Public Law: 113-291, Title VII, Subtitle D– *Federal Information Technology Acquisition Reform Act (FITARA)*, December 2014
- Public Law: 114-210: *Making Electronic Government Accountable by Yielding Tangible Efficiencies (MEGABYTE) Act of 2016*, July 2016
- OMB Memorandum M-15-14: *Management and Oversight of Federal Information Technology*, June 2015

- OMB Memorandum M-16-12: *Category Management Policy 16-1: Improving the Acquisition and Management of Common Information Technology: Software Licensing*, June 2016
- OMB Circular No. A-130: *Managing Information as a Strategic Resource*, July 2016
- GAO Memorandum GAO-14-413, *Federal Software Licenses: Better Management Needed to Achieve Significant Savings Government-wide*, May 2014

4.0 Policy Definition and Requirements.

4.1 Definition- The DOC adopts the following definition of Enterprise Software License (ESL) as may found in the Department of Defense’s (DOD) Enterprise Strategic Initiative:

“An enterprise software license covers a defined community of users, with common products, quantities, and overall software usage rights granted in the terms and conditions of the ESL. Typically, this defined community of users must interface with the Software Publisher/Licensor through a single point of contact for payments, technical support, product releases, and contractual actions, regardless of the internal issues inherent within the community of users acting as a single entity.”
 (<http://www.esi.mil/Resources.aspx>)

4.2 Requirements:

- 4.2.1 The DOC Chief Information Officer (CIO) shall appoint an enterprise Software Manager who will develop an enterprise software license management centralization plan. DOC bureaus and program offices will, in turn, appoint BOU-level software managers to collect/maintain information about BOU software products used on the BOU’s IT assets.
- 4.2.2 Collection and maintenance shall be accomplished using agency-approved automated discovery and inventory tools to:
 - a. Ensure only approved, owned, and supported by Original Equipment Manufacturer (OEM) software resides in Enterprise
 - b. Ensure only approved products are acquired and installed in the enterprise environment
 - c. Identify under-assigned and unused enterprise licenses to support transfer when permitted by terms and conditions to do so
 - d. Identify and manage software license and maintenance costs
 - e. Enable strategic management and acquisition of new software licenses based on available inventory, usage patterns, emerging solutions and existing constraints
 - f. Ensure software entitlements are managed efficiently throughout the entire lifecycle; and
 - g. Support the planning and acquisition of enterprise solutions.

5.0 Roles and Responsibilities.

5.1 DOC Chief Information Officer (CIO):

- 5.1.1 Sponsor and oversee the DOC's software license management policy.
- 5.1.2 Identify and remove impediments to effective and efficient software license management.
- 5.1.3 Issue software license management policy and guidance.
- 5.1.4 Perform oversight of enterprise software license procurements with the Office of Procurement.
- 5.1.5 Develop and maintain a DOC business process for enterprise software asset management.
- 5.1.6 Appoint an enterprise software manager who is responsible for managing, through policy and procedure, enterprise-wide commercial software agreements and licenses.
- 5.1.7 Assess, after one (1) year and then at five-yearly (5) intervals, the financial results of improved enterprise software license management.

5.2 DOC Software Manager (DOCSM):

- 5.2.1 Reports directly to the DOC CIO.
- 5.2.2 Oversee development of software license management policies, plans, program publications, and procedures.
- 5.2.3 One (1) year after the effective date of this policy, build a Technical Reference Model (TRM) to maintain a continual enterprise-wide inventory of enterprise software licenses, including all licenses purchased, deployed, and in use, as well as spending on subscription services (to include provisional, i.e., cloud) software as a service agreement (SaaS).
- 5.2.4 Regularly track and maintain enterprise software licenses to assist the Department in implementing decisions throughout the software license management lifecycle.
- 5.2.5 Provide role-based training relevant to software license management to DOC software users. The roles in the training include, but are not limited to, users, contracting officers, project/program managers, bureau CIOs, financial managers, and purchase card holders.
- 5.2.6 Coordinate and communicate audit activities.
- 5.2.7 Develop metrics and conduct analysis of the effectiveness and efficiency of the enterprise software management process.
- 5.2.8 Host informational workshops and conduct training to ensure that all Commerce employees are aware of the Department's software license management policy to include negotiations, laws, regulations, contract terms and conditions.
- 5.2.9 Analyze inventory data to ensure compliance with software license agreements, consolidate redundant applications, and identify other cost-saving opportunities.

- 5.2.10 Provide as required reports to the federal Enterprise Software Category Team (ESCT), the group charged with developing, implementing, and maintaining a Government-wide strategic plan for software license acquisition.

5.3 Bureau CIOs:

- 5.3.1 Establish auditable procedures to ensure that all software purchases acquired and installed on, or accessed by, DOC computing systems adhere to DOC's Software License Management Policy.
- 5.3.2 Designate a bureau software manager responsible for reporting bureau software license management status to DOC Software Manager/CIO.
- 5.3.3 Follow the requirements described above prior to software license purchase to ensure acquired bureau software meets DOC requirements for installation on DOC hardware (including all bureau hardware) or in a cloud environment; is licensed, will be used in accordance with applicable licenses, and managed and tracked.
- 5.3.4 Provide guidance for testing, securing, configuring, deploying, using, managing, and tracking the software's lifecycle.
- 5.3.5 Ensure that software manager and other personnel responsible for supporting software license management complete the DOC Software License Management training once implemented.

5.4 Bureau Software Managers:

- 5.4.1 Support the software license management lifecycle within respective BOUs.
- 5.4.2 Validate and coordinate BOU/program requirements.
- 5.4.3 Work with the DOCSM to manage BOU software licenses to ensure there is no duplication of license maintenance.
- 5.4.4 Implement or facilitate Office of the Chief Information Officer (OCIO) software management procedures.
- 5.4.5 Work with DOCSM and other OCIO staff to identify software requirements and consolidation opportunities.
- 5.4.6 Implement internal controls to assure software purchases are properly authorized, funded, and managed.
- 5.4.7 Coordinate and communicate all bureau-level software audit activities.
- 5.4.8 Serve as the bureau software audit technical monitor and facilitate timely audit responses from the bureau Technical Points of Contact (TPOCs).
- 5.4.9 Track and conduct reviews of bureau inventories for accuracy and assist with monitoring software license compliance with the terms and conditions of software agreements.

6.0 Effective Date. This policy is effective upon the date of signature.

7.0 Point of Contact. Questions or concerns regarding this policy should be directed to the Office of Policy and Governance (OPG) at 202-482-4878.

Issued By:

Rodney W. Turk
Acting Chief Information Officer