ORGANIZATION OF AMERICAN STATES
GENERAL SECRETARIAT

ADMINISTRATIVE MEMORANDUM No. 118 Rev.1

SUBJECT: GS/OAS SOFTWARE OUTSOURCING POLICY

CONSIDERING:

That as specified in the Executive Order No. 08-01 Rev. 3, the “mission of the Secretariat for Administration and Finance (SAF) is to provide leadership and guidance on administrative support activities, including, . . . information technology services of the General Secretariat, . . . , and procurement and contracting of goods and services, . . . .”

That according to the same Executive Order No. 08-01 Rev. 3, among the functions of the Department of Information and Technology Services (DOITS) of SAF, are the following:

“Manages the information and communications infrastructure and the assigned staff, including all matters pertaining to the plans, policies, procedures, and standards established for the use of technology resources and the management of information and communications services of the General Secretariat.

Evaluates, plans, and manages the General Secretariat’s information and communications infrastructure, including the management of equipment installed or to be installed, local and wide-area networks (LAN/WAN), central computing and data communication services, operating systems, client software components and automation services, telecommunications, multimedia services, and communications.

Coordinates the selection, installation, implementation, testing, and management of information technology systems and equipment to protect and monitor the integrity of data, applications, operating systems, and communications networks.

Establishes and maintains standards governing equipment and software that may be acquired and installed at the Organization, manages access to established information networks, and controls authorized access, so as to enforce authentication and information security policies for the connectivity of existing equipment;”

That the continuous and growing need within the GS/OAS for a wide variety of computer software systems and related services to carry out the objectives of the Organization, created resource demands that exceed SAF/DOITS’s capacity to assign required support resources; and

That acquiring software and related services from operating areas other than SAF/DOITS can and has caused:
-- lack of transparency in the procedures and process followed by the third party, which prevents the monitoring of product quality, safety controls, deadlines and costs;
-- incompatibility or unfeasible integration with existent GSOAS corporate applications;
-- difficulties in providing maintenance (corrective, adaptive or enhancements) of the software developed or modified by the third party;
-- incompatibility of the software developed or maintained with the technology selected by the GS/OAS, as well as with its internal security policies and development standards and
-- proliferation of multiple platforms and technical standards;

And that in order to resolve the issues listed above, and to regulate demand, improve cost efficiency, simplify administrative procedures, and expedite processing of requests, it is necessary to establish a GS/OAS-wide policy under the oversight of SAF/DOITS, when considering computer software systems and related services acquisition,

THE DECISION:

1. To issue the GS/OAS Software Outsourcing Policy as set forth in the attached document.

2. To revoke as of the date of this Administrative Memorandum any and all provisions contained in prior administrative issuances of the GS/OAS that are inconsistent with the policy attached hereto.

Jay Anania
Secretary for Administration and Finance

Original: English
December 12th, 2016

Attachment I: GS/OAS Software Outsourcing Policy
Software Outsourcing
Policy
OAS–DOITS–PLC– Software Outsourcing

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<tr>
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1 OBJECTIVES

The purpose of this document is to establish an organizational wide policy for software outsourcing at the General Secretariat of the Organization of American States (GS/OAS). The GS/OAS seeks to:

1.1 For all Software:
- Develop software using GS/OAS approved standards and current methodologies (OAS Software Development Framework - SDF) to ensure long-term sustainability, consistency, interoperability with other OAS software and data, and cost reduction.
- Enforce strong information assurance policies to reduce the risk of successful cyber-attacks.

1.2 For Partners and GS/OAS Internal and External Users:
- Maintain a consistent interface with links related to OAS resources.
- Where possible, create templates to permit reutilization of existing designs, thus reducing the complexity and burden of managing multiple inconsistent web platforms.
- Comply with GS/OAS institutional image

As further discussed in this document, the term “software outsourcing” refers to the practice of using third parties who are external to the GS/OAS Department of Information and Technology Services (DOITS) for the purpose of developing and or maintaining software to be used within the GS/OAS.

2 SCOPE

This policy applies to all software components designed, developed and/or maintained for use within the General Secretariat or to be sponsored by the GS/OAS. Thus, this policy does not applies to any COTS (Commercial off-the-shelf) product.

Any software that does not support the present policy will not be sponsored in any way by the GS/OAS, therefore it cannot use any form of GS/OAS institutional image except under limited conditions with express written approval from the GS/OAS.

3 BACKGROUND

The continuous and growing need within the GS/OAS for a wide variety of computer software systems to carry out the objectives that fulfill the mandates of the Organization, creates resource demands that exceed SAF/DOITS’ capacity to assign the required support resources.

Given this situation, various areas of the Organization opt to hire or consider hiring third parties to develop or maintain OAS-related software. Because these parties are not under the technical supervision and control of the SAF/DOITS, the following issues, among others, emerge:
- Lack of transparency in the procedures and processes followed by the third party, which prevent the monitoring of product quality, information assurance, data structure, deadlines and costs.
• Incompatibility or unfeasible integration with existent GS/OAS corporate applications developed in-house.
• Difficulties in providing maintenance (corrective, adaptive or enhancements) of the software developed or modified by the third party.
• Incompatibility of the software developed by the third party with the technology supported by the GS/OAS, as well as with its internal security policies and development standards.
• Proliferation of multiple platforms and technical standards, making it difficult or impossible to integrate software resources to improve functionality, defense against cyber-attacks, and cost savings.
• Inability to provide disaster recovery options to ensure continuity of services.
• Third party lack of accountability to fulfill obligations.
• Duplication of efforts for similar applications.
• Reduced opportunity for investing in organization wide platforms or capital fund.
• Potential loss of GS/OAS data related to given projects due to lack of funding.

For these reasons, it is necessary to establish GS/OAS-wide policies and technical requirements, under the oversight of SAF/DOITS, when designing, developing, updating and maintaining software applications from external sources.

4 GENERAL CONSIDERATIONS

4.1 Definitions

The following concepts have been defined and are adopted in this document:
• Contractor: A person or an organization contracted to provide goods and/or services at a certain price or rate. Also referred as CPR.
• Core software: The software considered key or strategically important to support the main mission of the Organization.
• COTS (Acronym for Commercial Off-The-Shelf software.): A software product that is developed for the general market, i.e. for a large number of customers, and that is delivered to many customers in identical format.
• CPR: This is the acronym for the term "Performance Contract." A performance contract is a contract for the purchase of human services or of a specific work product or result for an approved program or project in areas of specialization in which GS/OAS does not have sufficient human resources to produce the product or result required within the allotted time. CPRs are governed by Executive Order 05-04, Corr. No. 1, the CPR Rules. As discussed herein, the form of contract contemplated in this policy is the CPR.
• Hosting Software: "Hosting" refers to the organization (DOITS or an external company) which controls software and its data. For DOITS, hosting includes both maintaining software and associated data on premises on OAS servers OR managing cloud-based applications hosted by commercial companies under contract to the OAS GS/SAF/DOITS.
• OAS – SDF: OAS Software Development Framework. OAS mandatory software process.
• Outsourcing: The process of obtaining products or services through external supplier agreements.
• Service Level Agreement: Written agreement that documents agreed-on performance targets for agreed-on service level measures.
• Software: Computer programs, procedures, associated documentation and data pertaining to the operation of a computer system.
• Software Process: A set of activities, methods, practices, and transformations to develop and maintain software and associated products (e.g., project plans, design, documents, code, test cases, and user manuals).
• Supplier agreements: A documented agreement between the acquirer (GS/OAS) and supplier (e.g., contract, license, or memorandum of agreement).
• Supplier: (1) An entity delivering the products or performing the services acquired. (2) An individual, partnership, company, corporation, association, or other service having an agreement with an acquirer for the design, development, maintenance, modification, or delivery of items under the terms of an agreement.
• Third Party: an organization or person that performs work or provides a product or service (not a staff member or CPR hired by DOITS).

For the purposes of this document the term “Third Party” is considered to mean a supplier with specialized skills.

4.2 Type of Software to be Outsourced

4.2.1 New Software

Pursuant to this Policy, each GS/OAS functional area must seek technical approval of SAF/DOITS prior to the start of any new project that includes any kind of software development (This means that before submitting any project to the CEP, if the project has an IT component, it must have SAF/DOITS pre-approval). Therefore, each functional area is required to submit their user needs specifications and software requirements to SAF/DOITS for technical evaluation, allowing sufficient time for technical and managerial review. When a requirement for software is sent to SAF/DOITS, it will be evaluated by an internal SAF Technology Committee, chaired by the SAF/DOITS Director, to determine whether the software is considered core to the Organization or not. Should the software be considered Core, SAF/DOITS will issue a document stating the reason why it has been considered core in order to be analyzed/discussed with the requesting area at the Director/Secretariat level in order to find the best solution possible for its implementation.

If the software is considered core, this software must not be outsourced, so as to maintain the knowledge and know-how within the Organization. If the software is considered non-core, then its development or maintenance may be outsourced.

In the event that software is considered core, but its development or maintenance exceeds SAF/DOITS’ availability of resources, SAF/DOITS will undertake all internal procedures in order to hire contractors to work under established SAF/DOITS’ software operational norms, standards and processes, following GS/OAS procurement rules. Such efforts may require funding from the requesting OAS Secretariat or Principal/Specialized Organ. To ensure transparency in the procedures and processes, the basis for any additional costs shall be specifically explained to the requesting OAS Secretariat or Principal/Specialized Organ.

For non-core software to be developed to meet the objectives of projects or programs funded by donors (Specific Funds), submitted by the Area for SAF/DOITS consideration, SAF/DOITS will provide cost estimates for the initial development and ongoing maintenance of the software. These efforts will require funding from the requesting OAS Secretariat or Principal/Specialized...
Organ. The area can opt to either work with DOITS or outsource the development following the considerations found in the next paragraphs.

The SAF Technology Committee, acting through its Chair, shall promptly convene to consider all such requests, and shall respond to all requests in writing within a reasonable time frame.

4.2.2 Existing Software

In the case that a given area needs to update/maintain existing software, the area should work in conjunction with SAF/DOITS to determine the best course of action so that the software under study can be migrated on premises. **Normally, the OAS (via SAF/DOITS) should host all core software.**

SAF/DOITS in conjunction with the requesting area will establish a comprehensive action plan that should include migrating, if necessary, the software under study to GS/OAS standards, retrieving all pertinent data from the external host.

4.3 Software Copyright

In every case when the OAS expends funds or resources to develop software the GS/OAS will own the copyright of the outsourced software and the complete source code, and have access to all passwords and content. In other words, the third party must agree in writing that GS/OAS is the sole owner of all the intellectual property that is created pursuant to the contract or any agreement to outsource software. Exceptions to this policy, including open source technologies, will be treated on a case by case basis and are permissible if authorized in writing by SAF after reviewed by SAF/DOITS and the Department of Legal Services.

5 THIRD PARTIES

5.1 Technical Accreditation

DOITS will evaluate the technical skills of local and foreign third parties that offer software development or maintenance outsourcing services. Third parties that pass the technical evaluation will be included in a pool of potential GS/OAS software suppliers once all other pertinent contractual considerations have been verified by the Office of Procurement Services.

In evaluating third party individuals or firms, DOITS’ technical accreditation process will take into consideration, among other factors, the maturity of the software process, experience in outsourcing services, and the capability of its engineers.

Contracts will not be offered to third parties (Legal CPR) until they are duly accredited. Each technical accreditation is valid for one year. After its expiration, the third party must be re-accredited to remain in the pool.

A third party that has been accepted to this pool will not necessarily be contracted to provide outsourcing services to the GS/OAS; however, every third party must be included in this pool to be eligible for a contract.
In the case that, due to the nature of the software to be developed, the third party is an individual to be contracted through GS/OAS standard procedures (Natural CPR), SAF/DOITS will perform a thorough technical evaluation regarding the skills of the contractor vis a vis the TORs (terms of reference) described by the functional area. The contractor cannot be hired until SAF/DOITS finishes with this evaluation process. In the case that the contractor is hired, he/she must adhere to SAF/DOITS software standards and procedures and will be working under SAF/DOITS functional supervision.

5.2 Selection

The procurement of the third party from the pool of potential GS/OAS software suppliers shall be in accordance with all internal norms and procedures of the GS/OAS.

5.3 Management

As part of the contract documents, SAF/DOITS shall make available to the supplier all document templates, technical standards and software process best practices to be followed, including a specific SLA negotiation. All these documents shall be included in the supplier agreement, and shall be integral parts of the technical terms of the contract documents.

Once the outsourcing process starts, SAF/DOITS will monitor the compliance with all the technical terms included in the supplier agreement. If the third party does not comply with any of the terms included in the contract documents, the GS/OAS will rescind the contract.

DOITS shall be the single point of contact for all communications with the third party as to the technical development and or maintenance of the outsourced software, except for those matters related to procurement. The sponsoring organization will typically maintain responsibility for refining the functional requirements for the software, but must coordinate these activities with DOITS.

DOITS will also enforce the compliance with the technical activities as specified in the OAS Software Development Framework (OAS-SDF). These activities are:

- Requirements approval
- Project approval and planning
- Requirements gathering. The sponsoring GS/OAS functional area will play a critical role in determining management requirements for the software. SAF/DOITS will coordinate this effort through the use of existing procedures stated in the OAS-SDF
- System and Information Security verification.

5.4 Software Approval and Acceptance

All outsourced software will be submitted to SAF/DOITS for the corresponding technical evaluation process approval.

Once the software is technically approved by SAF/DOITS, complying with OAS-SDF and DOITS information security standards, the requesting functional area must execute the acceptance test activities. This will be defined via a case by case analysis between SAF/DOITS, the contractor and the requesting functional area to validate that the software meets all requirements.

The functional area shall be responsible for all User Acceptance Testing activities.
6 PROVISIONAL COURSE OF ACTION

- Any user area within the GS/OAS may propose a third party for a specific software outsourcing service. SAF/DOITS will then evaluate the proposed third party and respond to the functional area within a reasonable timeframe, and the response must state clearly whether or not the third party has been accredited. If the proposed third party is not accredited, the functional area must provide another third party or choose a supplier already accredited by SAF/DOITS.

- This policy does not preclude the use of any competitive methods for the procurement of services needed by the GS/OAS as contemplated in the Procurement and CPR Rules. Rather, any third party providing outsourced software must agree to meet, and be capable of meeting, the technical requirements of SAF/DOITS. In the case of non-core software to be developed for any area of the Organization, the costs to be incurred in the hiring of third parties will be paid by the given area. In these cases, before starting any project SAF/DOITS will communicate the fees (if any) that will be applied to host the software.