



PHILIPPINES 2000



**MEMORANDUM CIRCULAR NO. 18
SERIES OF 2006**

SUBJECT: GUIDELINES ON SOFTWARE LICENSE MANAGEMENT

I. RATIONALE:

The Department had adopted the use of personal computers (PC's) with the view of improving productivity. For years, more attention was focused on acquiring cutting-edge hardware technology, little minding the software that drives the PCs, and allows the user to interact with the machine. These software were taken for granted, and the necessary licenses were not monitored, much less regarded as an agency asset requiring periodic inventory and recording in the agency book of accounts. The situation appeared to have been aggravated when the Department decided on assembling PCs, either procuring new parts or recycling from disassembled parts of discarded machines.

In 1995, then President Fidel V. Ramos issued Memorandum Order No. 115 instructing all government entities to legalize the computer software they are using. This was followed in 1997 by Republic Act 8293 (Intellectual Property Code) which penalized the use of unlicensed or "pirated" software as a punishable criminal act. Lately, the Business Software Association (BSA), an international group composed of software manufacturing companies, in cooperation with law enforcement agencies, had been conducting operations to expose and prosecute violators of the law, regardless of whether these are private corporations or public agencies.

The Commission on Information and Communication Technology (CICT) in their Draft Philippine ICT Roadmap is promoting the use of Free Open Source Systems (FOSS) to further reduce the cost of access to ICT goods and services and to help combat the use of unlicensed software particularly in government agencies and educational institutions.

In view of the above, the Management Information Systems Service (MISS) has recommended to adopt FOSS in the DSWD as a viable alternative that will address the occurring procurement of costly software licenses and, to facilitate its adoption, has also issued these guidelines on software license management.

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II. DEFINITION OF TERMS

For purposes of this memorandum circular, the following terms shall have the corresponding meanings:

Desktop

The main workspace in a graphical user interface such as Windows or Macintosh Systems. Users open and work with files and programs on the desktop, and can store files and shortcuts there as well. The user can also customize the look of the desktop with images or wallpaper and custom icons.

E-Commerce

e-Commerce is the term for electronic business transactions, commerce or Internet trade. e-Commerce or e-business, therefore, refers to the business transactions between companies (B2B) or between companies and their customers (B2C) that are wholly or partially conducted over the Internet or similar public or private computer networks.

Free Open Source System (FOSS)

It refers to computer software available freely with its source code but enjoying its own unique open source public license. Such a license permits anyone to study, change, and improve the software, and to distribute the unmodified or modified software to anyone sans commercial benefit.

Hardware

The physical equipment of computing and computer-directed activities. The physical components of a computer system. Contrast with software.

Imaging Tools

Tools used for digital capture, storage, manipulation and delivery of copies of analogue originals, which may be texts, manuscripts, pictures or other information types. Some examples of imaging tools are scanners and cameras.

Licensed Software

The licensee is permitted to use the licensed software in compliance with the specific terms of the license. If there is a breach of the license, depending on the license it may result in termination of the license, and potentially the right of the owner to sue.

Office Suite

A collection of powerful programs for business and other uses. Suites make it easy for users to create and share information in databases, spreadsheets, and word processors, as well as other applications. Microsoft Office is a leading office suite, as are Corel's WordPerfect Suite and Lotus SmartSuite.

OpenOffice Suite

The first product of the benefits of open-source software to mass-market users, delivering essential everyday software tools (word processing, spreadsheets, presentations, etc.) completely free of charge.

Operating System

The software that the rest of the software depends on to make the computer functional. On most PCs this is Windows or the Macintosh OS. Unix and Linux are other operating systems often found in scientific and technical environments.

Original Equipment Manufacturer (OEM)

The maker of equipment marketed by another vendor, usually under the name of the reseller. The OEM may make only certain components or complete devices, which can then be configured with software and/or hardware by the reseller.

Productivity Tools

Software used in every day work as well as to prepare drafts and other pieces of learning materials. This software includes word processors, presentation programs, and database programs.

Platforms

The underlying hardware or software for a system on which a given operating system or application runs.

Softwares

Programs that run on a computer. Word-processing software includes programs that enable writers to compose, edit, store, and print material. Professional quality software packages incorporate such amenities as databases that can feed the results of research electronically into the final manuscript, alphabetization and indexing functions, and capabilities for constructing tables and charts and adding graphics to the body of the manuscript.

System Development

Refers to the structuring of hardware and software to achieve the effective and efficient processing of information.

Tools

The term usually refers to relatively simple programs that can be combined together to accomplish a task, much as one might use multiple hand tools to fix a physical object. A programming tool is a program or application that software developers use to create, debug, or maintain other programs and applications.

Unlicensed Softwares

These refers to the unauthorized used of software which is bound by license agreement and policies.

User

A person who requires a computer for the performance of a task or recreational activity. Also called an end-user.

Volume Licenses

Is the term used by Microsoft when installing software under volume licenses. Volume License key (VLK) is the term used by Microsoft to denote the product key used when installing software licensed under Volume Licensing, which does not require activation, thus allowing a less painful mass-installation. This form of licensing is typically used in business and educational institutions, with prices for Volume Licensing varying depending on the type and size of the setting. Microsoft software available through the Volume License program includes Windows XP, Windows Server 2003, Microsoft Office 2003 and many others.

Windows Software

An operating system designed by Microsoft

III. OBJECTIVES:

- To ensure sustainable and cost-effective management of software licenses.
- To further enhance economic austerity measures through focused and deliberate acquisition of adaptive technology.

IV. LEGAL BASES:

Office of the President Memorandum Order No. 115 Series 1995 – Directing All Departments and Agencies and Instrumentalities to Legalize Their Computer Software.

Republic Act No. 8293 (Intellectual Property Code of 1997) – An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for its Powers and Functions, and for Other Purposes.

Republic Act No. 8792 (Electronic Commerce Act of 2000) – An Act Providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions and Documents, Penalties for Unlawful Use Thereof and for Other Purposes.

Republic Act No. 9239 (Optical Media Act of 2004) – An Act Regulating Optical Media, Reorganizing for this Purpose the Videogram Regulatory Board, Providing Penalties Thereof, and for other Purposes.

DSWD Memorandum Circular No. 22 (Series of 2003) – Implementing Rule on the Rationalization, Acquisition, Use and Maintenance of Information and Communication Technology (ICT) Devices.

DSWD Memorandum Circular No. 26 (Series of 2004) – Information Technology (IT) Usage and Network Security Policy

DSWD Memorandum Circular No. 01 (Series of 2005) – Information Systems Development Guidelines

DSWD Policy Directive (December 7, 2005) – Strengthening Regional Management Information System (RMIS)

V. SCOPE:

This policy covers all current and future software use in the Department, including its field offices, residential and non-residential facilities/centers, sub-field offices and other units. "Software" for this purpose shall be defined as all computer program and data including commercially off-the-shelf or developed solutions, as well as those provided as grant-in-aid, sample or test copies. Exempted from this policy shall be those highly specialized or function-specific software where no alternative FOSS of similar tenacity, compatibility, functionality and scalability is available.

VI. METHODOLOGY/IMPLEMENTATION STRATEGY:

A. Inventory

1. The Property Management Division (PMD) and the Accounting Division (AD) at CO and FOs in coordination with MISS/RMIS shall identify all licensed and unlicensed desktops and consolidate all existing licenses (Original Equipment Manufacturer (OEM) and volume licenses) for all utilized software. The original licenses shall be retained by the office concerned for safekeeping in order to avoid proliferation and tampering of the same. MISS shall secure photocopies of these licenses. All of the above mentioned activities must be completed before the start of the migration.
2. The concerned offices shall submit to MISS the lists of all users who will require specialized windows software other than the Office Suite (i.e. Adobe, Visual Basic, etc.) and its usage. The licensing of these softwares shall be the responsibility of the concerned offices and these must be included in their Work and Financial Plan (WFP) and Project Procurement Management Plan (PPMP).

B. Trainors' Training

MISS shall conduct a trainor's training of DSWD employees in using and configuring FOSS. This shall be participated by IT focal persons of each OBSUs at the CO and IT staff of RMIS Units at FOs in September – October, 2006. The training shall provide participants basic FOSS knowledge that will aid them in configuring the desktops in their respective offices. The IT focal persons at CO and FOs shall be responsible for the conduct of user's training in their respective offices within the last quarter of 2006.

C. Migration

After the training and starting the year 2007, migration procedures for the existing unlicensed softwares shall be started and carried out by MISS at CO and IT focal persons at FOs, as follows:

1. OEM licensed software shall be retained in its original desktop.
2. All unlicensed software (operating systems, productivity tools, imaging tools, etc.) shall be removed from the desktops and will be replaced with FOSS.
3. Licensed Windows® systems with unlicensed tools (MS Office) shall be given the OpenOffice Suite if no other License is available.
4. Unlicensed Operating Systems will be replaced with open source operating system (complete desktop suite).

D. New Purchases

1. For DSWD funded purchases, specifications for new desktop computers shall not include any installed softwares (OS, productivity tools, etc.). Exempted from this, are computers purchased under externally funded projects and/or donations wherein licensed softwares are included in the standard package.
2. All requests for computer hardware and software purchases shall be provided technical assistance by the MISS to monitor and ensure that specifications by the end user/s are consistent with the purpose and intended use of the computer.
3. MISS/RMIS shall be responsible for the installation and configuration of FOSS for newly purchased computers.
4. All mobile computers (laptops and notebooks), either donated or DSWD funded, are exempted from this guidelines since mobile computer hardware compatibility is not yet fully supported by FOSS. It should be ensured, however, that all software for use with the unit are licensed and preferably purchased along with the computer.
5. The MISS shall ensure appropriate and timely response to the requests for computer purchases.

E. Systems Development Tool

The development, deployment and use of software solutions using proven Free Open Source development tools and platforms will be included among the requirements of all systems development initiative in the future.

VII. MONITORING

1. MISS/RMIS shall conduct on-the-spot checks of all computers on a regular basis to ensure that no unlicensed softwares are installed.
2. The inventory shall be updated within five days after its purchase/acquisition. This shall be the responsibility of PMD for the updating of Property Management Inventory System (PMIS), AD for recording in the book of accounts and MISS for technical assistance. Counterparts at the FOs shall also have the same responsibility in updating the inventory.

VIII. ENFORCEMENT

Violators are subject to disciplinary action as stated in the CSC Uniform Rules and Regulations on Administrative Cases, DSWD Administrative Order 14 (Guidelines on the Adoption of Progressive Disciplining in the DSWD), DSWD Memorandum Circular 26 Series of 2004 (Information Technology (IT) Usage and Network Security Policy and/or legal action provided by applicable Philippine laws e.g. E-Commerce Act and Intellectual Property Code.

IX. EFFECTIVITY

This Memorandum Circular shall take effect immediately and amends previous orders inconsistent herewith.

Issued this 4th day of December 2006.


ESPERANZA I. CABRAL

Secretary
Department of Social Welfare and Development