# COMMERCE ACQUISITION MANUAL
# 1339.70

## DEPARTMENT OF COMMERCE
## TELECOMMUNICATIONS ACQUISITION

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# TELECOMMUNICATIONS ACQUISITION

## SECTION 1 – Overview

### 1.1 Background

The General Services Administration (GSA) awards global contracts for the acquisition of telecommunications and related services. The transition from FTS2001 and FTS2001 Crossover to Networx for long distance services is currently underway. The transition from WITS2001 to WITS3 for local services has been completed.

GSA awarded two types of Networx contracts: Networx Universal and Networx Enterprise. Slight differences in the availability of services and equipment provided by the two contracts dictate the appropriate selection.

GSA established a process through which either a contracting officer or Designated Agency Representatives (DAR) may place orders directly against the Networx or WITS3 contracts for all telecommunication services and equipment including the National Security System (NSS) and Trusted Internet Connections (TIC).

### 1.2 Purpose

The purpose of this policy is to set forth the acquisition-specific requirements for the use of Networx and WITS3; define the roles and responsibilities of the contracting officer; and establish the reporting requirements for orders placed under Networx and WITS3.

### 1.3 Applicability

This policy is applicable to all acquisitions for telecommunications and network services and equipment, including National Security System and Trusted Internet Connections contracts. Telecommunications and network services are defined as those services and equipment provided or obtainable through Networx and WITS3 contracts.

### 1.4 Policy

Use of GSA Networx and WITS3 for telecommunication services and equipment is required unless a waiver is granted. The requirements for a waiver are described in this policy (Section 3.5). Delegated Agency Representatives (DAR) shall be appointed by the Department of Commerce (DOC) DAR Administrator and shall place orders against Networx contracts within the guidance contained herein.

This policy shall be used in conjunction with the guidance established by GSA and DOC Office of Chief Information Officer (OCIO) relating to the GSA Networx contracts, DAR training requirements and required reporting. Individual operating units may establish specific management practices to implement this policy.

## 1.5 Roles and Responsibilities

### 1.5.1 Senior Procurement Executive (SPE)

The Senior Procurement Executive is responsible for issuing and overseeing the compliance with Departmental policy on the acquisition of telecommunications services and equipment; and providing concurrence with waiver requests.

### 1.5.2 DOC Chief Information Officer

The DOC Chief Information Officer is responsible for approving waiver requests.

### 1.5.3 Senior Bureau Procurement Official (BPO)

The Senior Bureau Procurement Official is responsible for implementing and overseeing the compliance with Departmental policy on the acquisition of telecommunications services and equipment; providing concurrence with waiver requests; and submitting required reports.

### 1.5.4 Head of Contracting Office (HCO)

The Head of Contracting Office is responsible for ensuring that contracting officers under their purview comply with the requirements of this policy; and recommending waiver requests.

### 1.5.5 Contracting Officer

The contracting officer is responsible for reporting of all Networx and WITS3 orders in the Federal Procurement Data System (FPDS).

### 1.5.6 DOC Designated Agency Representative Administrator

The DOC DAR Administrator is responsible for maintaining DOC-wide records of Networx transactions. The DOC DAR Administrator is further responsible for concurrence with waiver requests.

### 1.5.7 Designated Agency Representative

The Designated Agency Representative is the appointed representative for placement of orders under the Networx and WITS3 contracts in accordance with this guidance, General Services Administration requirements and the DOC Office of the Chief Information Officer. A contracting officer may serve as a Designated Agency Representative. The Designated Agency Representative is responsible for management and oversight of all Networx and WITS3 obligations.

## END OF SECTION 1

# SECTION 2 – Delegated Agency Representative (DAR)

## 2.1 DAR Selection and Appointment

A request for appointment including documentation of required training shall be submitted to the operating unit Chief Information Officer for review and approval. Subsequent appointment including ordering limitations shall be issued by the operating unit CIO and forwarded to the DOC DAR Administrator. The DOC DAR Administrator provides formal notification to the appropriate vendors and the General Services Administration including the ordering limitations for the appropriate level of DAR authority.

## 2.2 DAR Authority

DAR authority prescribes limitations on the dollar value of orders placed against Networx contracts.

a. The level 1 DAR designation allows a DAR to acquire up to $25,000 of telecommunications services and equipment per order.
b. The level 2 DAR designation allows up to $150,000 per order.
c. The level 3 DAR designation allows up to $6,500,000 per order.
d. Orders in excess of $6,500,000 must be processed by a warranted contracting officer.

## 2.3 DAR Training Requirements

As a procurement official, a DAR or DAR Administrator must successfully complete the following courses before receiving authorization to order services or commit Government funds. The training should be accomplished prior to appointment as a DAR or DAR Administrator and within 3 months for those currently under appointment.

| Level 1 | Level 2 | Level 3 |
|---|---|---|
| **DAR training** provided by Networx and WITS3 vendors | **DAR training** provided by Networx and WITS3 vendors | **DAR training** provided by Networx and WITS3 vendors |
| **COR Training**<br>CLC106 - COR with a Mission Focus (8 CLP*s)<br>CLM024 - Contracting Overview (8 CLPs)<br>CLC004 - Market Research (3 CLPs)<br>CLCOO7- Contract Source Selection (3 CLPs)<br>CLM003 – Ethics Training for Acquisition (2 CLPs)<br><br>All provided by Defense Acquisition University through Federal Acquisition Institute. | **COR Training**<br>CLC106 - COR with a Mission Focus (8 CLPs)<br>CLM024 - Contracting Overview (8 CLPs)<br>CLC004 - Market Research (3 CLPs)<br>CLCOO7- Contract Source Selection (3 CLPs)<br>CLM003 – Ethics Training for Acquisition (2 CLPs)<br><br>All provided by Defense Acquisition University through Federal Acquisition Institute. | **COR Training**<br>CLC106 - COR with a Mission Focus (8 CLPs)<br>CLM024 - Contracting Overview (8 CLPs)<br>CLC004 - Market Research (3 CLPs)<br>CLCOO7- Contract Source Selection (3 CLPs)<br>CLM003 – Ethics Training for Acquisition (2 CLPs)<br><br>All provided by Defense Acquisition University through Federal Acquisition Institute. |

| | | |
|---|---|---|
| | CON 237 Simplified Acquisition Procedures<br><br>(Online or classroom) | CON 110 – Mission Support Planning<br><br>CON 111 – Mission Strategy Execution<br><br>CON 112 – Mission Performance Assessment<br><br>(On-line or classroom) |
| Procurement Ethics (1 hour; Office of General Counsel) | Procurement Ethics (1 hour; Office of General Counsel) | Procurement Ethics (1 hour; Office of General Counsel) |
| Effectively Integrating IT Security into the Acquisition Process (1 hour; Web course) | Effectively Integrating IT Security into the Acquisition Process (1 hour; Web course) | Effectively Integrating IT Security into the Acquisition Process (1 hour; Web source) |

*Continuous Learning Point

DARs are required to accomplish 40 CLPs every two years in order to maintain their appointment. Suitable CLPs include acquisition, COR or technical coursework in support of effective performance as a DAR.

## 2.4 DAR Recordkeeping Requirements

As the ordering official representing the federal government, the DAR is responsible for verifying the availability of funds prior to obligation, in coordination with the contracting officer and finance officials. In addition, the DAR is responsible for complete, timely and accurate reporting to the contracting officer of all orders placed. A process for appropriate documentation for timely and complete reporting of orders must be established in accordance with operating unit procedures and processes so that the contracting officer can ensure timely reporting of all orders in FPDS.

# END OF SECTION 2

# SECTION 3 – Ordering Procedures

The following approaches are prescribed by GSA for use of Networx and WITS3 contracts. Additional information is available at GSA's website.

## 3.1 Standard Approach

The standard approach shall be used when the line items required are all available through the Networx Universal, Networx Enterprise or WITS3 contracts, prices have been provided by participating vendors, and award is contemplated based on lowest cost. In order to use the standard approach, the DAR shall compare pricing provided by vendors through the pricing tool provided by GSA. Specific information on the use of the GSA pricing tool is contained in Appendix A – GSA's Networx Fair Opportunity and SOW Guide.

## 3.2 Statement of Work Approach

In the case when all line items required are not currently specified but are determined to be within the scope of the Networx Universal, Networx Enterprise, or WITS3 contracts (through collaborative decision with GSA), or when all line items are available but not priced by participating vendors [indicated by Individual Case Basis (ICB)], the Statement of Work Approach shall be used. This approach requires the development of a statement of work and review and approval by GSA prior to entering into the Fair Opportunity process. Specific information on the use of the Statement of Work Approach is contained in Appendix A – GSA's Networx Fair Opportunity and SOW Guide and GSA's WITS3 Document Library.

## 3.3 Fair Opportunity

Regardless of the approach used, a Fair Opportunity process must be applied to every requirement in excess of $3,000 obtained through the Networx or WITS3 contract. Orders shall not be split in order to avoid this requirement.

### 3.3.1 Standard Approach

For the Standard Approach when award is contemplated based on lowest cost, the fair opportunity process requires that the contracting officer send a letter to each vendor informing them that a fair opportunity process is planned based on lowest cost. The DAR makes use of the GSA pricing tool to determine the lowest cost and places the order.

### 3.3.2 Statement of Work Approach

For the Statement of Work Approach, the statement of work and evaluation criteria are provided to all vendors with a request that proposals be submitted. Award shall be based on a clearly documented evaluation of the proposals. See Appendix A for additional information on the Fair Opportunity process.

## 3.4 Funds Management

Funds management is critical to successful use of the Networx and WITS3 contracts because the standard funds identification and certification process is not applied. In order to ensure that the appropriate certification has been achieved prior to placement of orders through the Networx and WITS3 contracts and to effectively manage the resulting obligation, internal control processes must be implemented. The following approaches

are provided as general guidance but may be adjusted to accommodate the financial management structure and internal processes of the operating unit.

### 3.4.1 Certification of Funds

In order to identify funding and provide the basis for certification of that funding for Networx or WITS3 orders, operating units may employ an 'internal use' procurement request, Form CD-435, Procurement Request (CD-435) or similar documentation which identifies the funding, the services contemplated, the estimated costs and target contract for planned orders. The CD-435 can identify an individual order or be created and processed on an aggregate basis each fiscal year. The routing, approvals and certification of the CD-435 should comply with operating unit's fiscal control practices and requirements.

### 3.4.2 Obligation of Funds

Operating units must implement an effective recordation process for the obligation of funds associated with each order placed against the Networx or WITS3 contracts. The obligation should be recorded in a manner consistent with the practices and processes internal to each operating unit and be consistent with the requirements of the FAR. Associated reporting of each obligation in the Federal Procurement Data System (FPDS) is required. See Section 4.1.

### 3.4.3 Monitoring of Expenditures

Routine review of invoice summaries through Intra-governmental Payment and Collection (IPAC) provided by the General Services Administration to the operating unit finance office must be conducted by the program official responsible for the order and the cognizant contracting officer responsible for FPDS reporting. The review should verify that the services and price/cost are accurately reflected in the billing information for the associated order and that sufficient funding continues to be available for the requirement. In addition, the contractor's compliance with the deliverable schedule can be monitored through analysis of the billing information and the burn rate.

## 3.5 Waiver Process

In accordance with Office of Management and Budget (OMB) Memorandum M-08-26, dated August 28, 2008, a waiver must be obtained from the DOC Chief Information Officer prior to the use of any acquisition process other than Networx or WITS3 for all telecommunications services and equipment.

### 3.5.1 Cost Benefit Analysis

A cost benefit analysis must be conducted and included in the waiver request. The minimum information required in the cost benefit analysis is as follows:

(a) Description of requirements to be satisfied, including consideration of special needs such as timeliness, location or use;

(b) Full comparison of comparable acquisition costs and prices of pre-priced services on alternative contracts encompassing alternatives that solely rely on Networx or WITS3 services; those solely relying on services from sources other than Networx or WITS3, and/or those relying on a

combination of services from both Networx or WITS3 and non-Networx or non-WITS3 sources to meet all agency requirements.

(c) Assessment of risk factors associated with each alternative course of action including consideration of cost risk, technical risk, schedule risk, and overall mission support risk.

### 3.5.2 Waiver Application

The waiver application must be prepared by the program office and submitted to the DOC CIO through the following routing process:

(a) Cognizant BPO – Concurrence

(b) SPE – Concurrence

(c) DOC DAR Administrator – Concurrence

(d) DOC CIO – Approval

## END OF SECTION 3

# SECTION 4 – Reporting Requirements

## 4.1 FPDS Reporting

In accordance with FAR Subpart 4.604(b)(3), contracting officers shall report all Networx and WITS3 orders in FPDS within three days of establishment of the order. Appropriate internal reporting procedures must be established to ensure timely, complete and accurate reporting of all Networx order data in FPDS.

## 4.2 Workload Data

The award process for the use of Networx and WITS3 is not necessarily reflected in C-STARS reporting data. Therefore, for internal management purposes, operating units are encouraged to capture pertinent workload data for these acquisitions in order to fully document the time invested and the level of expertise applied to these orders.

## 4.3 DOC Reporting

The BPO shall use the report format found in Appendix A to submit semi-annual data on the use of Networx and related contracts. Reports are cumulative for each fiscal year and shall be submitted on the 10th business day of May (1st and 2nd quarter) and the 10th business day of November (fiscal year) to:

U. S. Department of Commerce
Office of Acquisition Management
Acquisition Workforce and Policy Division
1401 Constitution Avenue, NW
HCHB Room 1854
Washington, DC 20230

## 4.4 Additional Reporting Requirements

The BPO may be responsible for additional reporting requirements from the DOC DAR Administrator.

## END OF SECTION 4

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# APPENDIX A – SEMI-ANNUAL REPORT FORMAT

**Networx/WITS3 Telecommunication Acquisition Semi-Annual Report**
**Operating Unit:_____**

| Title | Contractor | Method Used [Stnd/SOW] | Date Fair Opportunity Completed or Task Order Awarded | Estimated Ceiling (Fair Opportunity) | Total Number of Orders to Date | Aggregate Value of Orders to Date | Delegated Agency Representative (DAR) | DAR Authority (Dollar Limit) |
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