

United States of America DEPARTMENT OF COMMERCE	DEPARTMENT ADMINISTRATIVE ORDER 208-15	
DEPARTMENT ADMINISTRATIVE ORDER SERIES	DATE OF ISSUANCE 3-18-11	EFFECTIVE DATE 3-18-11
SUBJECT ACQUISITION PLANNING		
<p><u>SECTION 1. PURPOSE.</u></p> <p>.01 This Order prescribes policy and procedures for performing acquisition planning throughout the Department of Commerce ("the Department"). The purpose is to promote acquisition planning at the earliest practicable time; identify acquisition forecast to the servicing contracting office; and accomplish Department objectives in an effective, economical, and timely manner.</p> <p>.02 The acquisition planning process will enable Departmental offices and operating units to determine the most suitable approach in fulfilling the acquisition need through market research; facilitate the effective allocation and use of resources by apportioning procurement actions more evenly over the entire fiscal year; and avoid excessive obligation of funds in the last quarter of the fiscal year.</p> <p>.03 Acquisition planning is designed to: ensure effective accomplishment of mission requirement; promote the use of commercial items; enhance full and open competition; enhance use of performance-based acquisition; promote strategic sourcing through consolidation of requirements; limit use of high-risk acquisition authorities; increase support of small businesses; and facilitate effective allocation and use of resources.</p> <p>.04 This revision is a rewrite of the Order and identifies three acquisition planning levels, each requiring a different degree of planning contingent upon the dollar threshold, complexity, and contract type; reduces the requirement to develop detailed acquisition plans at the lower dollar level; concentrates efforts in the development and coordination of larger acquisitions; and changes the title from Procurement Planning System to Acquisition Planning.</p> <p><u>SECTION 2. APPLICABILITY.</u></p> <p>.01 The provisions of this Order shall apply to the following acquisitions at dollar thresholds established below in paragraphs .02 through .04: competitive and non-competitive contracts; new definitive contracts (including contracts for supplies, services, construction, repair and alteration); letter contracts; task/delivery orders against Federal Supply Schedule contracts, Government-wide Acquisition Contracts, Multi-Agency Contracts and Blanket Purchase Agreements (BPAs); single or multiple award indefinite delivery/indefinite quantity contracts; options to existing contracts; leasehold interests in real property; and Interagency Acquisitions.</p>		

.02 Advance acquisition planning forecasts apply to acquisitions where total life-cycle cost exceeds the Simplified Acquisition Threshold (SAT) or acquisitions below the SAT when simplified acquisition methods are not used. Forecasts involve the identification of planned acquisitions during the budget formulation process and should commence before the fiscal year begins in order to improve scheduling, increase control of fourth quarter obligations, and further opportunities for consolidating requirements.

.03 Milestone acquisition plans apply to acquisitions where total life-cycle cost is expected to exceed the SAT but is less than \$10 million; or acquisitions below the SAT when simplified acquisition methods are not used. Milestone acquisition plans identify acquisition objectives and outline the actions and documents required to meet the acquisition need.

.04 Formal acquisition plans apply to acquisitions where total life-cycle cost is expected to exceed \$10 million; or acquisitions \$10 million or below which: are complex or sensitive in nature; require greater oversight; include bundling, construction, award terms, award fees or incentive arrangements.

### SECTION 3. DEFINITIONS.

.01 Acquisition Forecast means a listing of expected acquisitions, developed based on the budget formulation process and/or knowledge of existing contractual agreements where the product and/or service continues to be required beyond the current period of performance. The acquisition forecast reflects the forward thinking of what new or continued acquisitions will be processed in upcoming fiscal years. –

.02 Acquisition Team means all personnel engaged in managing the acquisition process in determining requirements, budget, strategic planning, small business considerations, technical data requirements, legal concerns and contract management.

.03 Advance Acquisition Planning means the process of identifying planned acquisitions in the budget formulation stage through the use of forecasting. This advance planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner.

.04 Bundling means consolidating two or more requirements for supplies or services previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern.

.05 Commercial Item means any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes and has either been offered or actually sold, leased, or licensed to the general public.

- .06 Competition Advocate means a person designated by the Department's Senior Procurement Executive to promote the acquisition of commercial items; promote full and open competition; challenge requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics; and challenge barriers to the acquisition of commercial items and full and open competition such as unnecessarily restrictive statements of work, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.
- .07 Contract Vehicle means an instrument used to acquire with appropriated funds by contract, interagency or other special agreement, blanket purchase agreement, or task/delivery order of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.
- .08 Definitive Contracts means a binding contract action where all contract terms, conditions, specifications, and costs/prices are mutually agreed upon and finalized.
- .09 Departmental offices and operating units means all organizations which currently or in the future may submit requests for procurement actions to any contracting office within the Department.
- .10 Formal Acquisition Plan means a detailed strategy outlining the recommended method of acquisition, including documentation of the decisions made related to such matters as recommended period of performance, socio-economic program set-asides, market research findings, and whether the requirement constitutes bundling.
- .11 High-Risk Acquisition Authorities means contracts awarded under Other than Full and Open Competition; Cost-Reimbursement; Labor-Hour; Time-and-Material contract types; or competed requirements that yield only one offer.
- .12 Life-Cycle Cost means the total cost to the Government of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired under a contract vehicle.
- .13 Market Research means collecting and analyzing information about capabilities within a market to determine the breadth and scope of concerns available to satisfy Federal agency needs.
- .14 Milestone Acquisition Plan means a written acquisition plan reflecting the major activities (milestones) to be accomplished in processing acquisition.
- .15 Senior Procurement Executive means the manager of the Department's acquisition system, as more fully described in DAO 208-2.
- .16 Senior Bureau Procurement Official (BPO) means the senior career procurement official within each operating unit as more fully described in DAO 208-2.
- .17 Simplified Acquisition Threshold (SAT) as defined in the Federal Acquisition Regulation Subpart 2.101.

.18 Small Business means a business that is independently owned and operated, is organized for profit, and is not dominant in its field. Depending on the industry, the Small Business Administration has established criteria to determine size standard eligibility.

#### SECTION 4. POLICY.

.01 Each Departmental office and operating unit should plan acquisitions sufficiently in advance so that the number of new or unplanned procurement requests in the final quarter of the fiscal year is limited.

.02 Senior BPOs shall supplement this Order by developing and implementing specific guidance regarding acquisition planning.

.03 Each Departmental office and operating unit must ensure acquisition plans comply with any budgetary limitations imposed by Congress, the Office of Management and Budget, and the Secretary of Commerce.

.04 Each Departmental office and operating unit must designate an individual within their organization to be responsible for preparing and submitting to their servicing contracting office, the advance acquisition planning forecasts for all planned acquisitions with life-cycle cost estimated to exceed the SAT.

.05 Advance acquisition planning forecast must be conducted quarterly and shall be continually monitored and updated as necessary to reflect program changes, add or delete items, or correct errors.

.06 The acquisition forecast plans shall be provided to the Office of Acquisition Management and the Small and Disadvantaged Business Utilization Office for its annual small-business forecasts.

.07 A milestone acquisition plan shall document the schedule of all major tasks to be accomplished during the acquisition process.

.08 All formal acquisition plans in excess of \$75 million shall be cleared and approved by the Senior Procurement Executive before issuing the resultant solicitation.

#### SECTION 5. RESPONSIBILITY.

.01 Effective acquisition planning begins with the recognition by Departmental offices and operating units of the benefits of the acquisition planning process. Planning for the acquisition is initially a responsibility of the Departmental office or operating unit. The planning process shall begin during the budget formulation process. The dollars which comprise the budget request will include all anticipated contracts and when they are needed. Once the acquisition forecasts are developed and delivered to the servicing contracting office, the responsibility for effectively accomplishing the milestone plan or formal acquisition plan becomes a shared responsibility of the acquisition team.

Departmental offices and operating units shall involve the servicing contracting office in the early planning stages in order to facilitate an understanding of the responsibility of each member of the acquisition team and ensure that agency needs are met in the most effective, economical, and timely manner.

.02 Each Departmental office and operating unit shall designate a person in its organization to be responsible for preparing and submitting annual acquisition planning forecasts. Their responsibilities will include:

- a. assigning responsibility for the timely submission, completeness, accuracy, and quality control of individual acquisition planning forecasts from all requisitioning offices within the Departmental office or operating unit;
- b. coordinating the receipt of all requisitioning office acquisition planning forecasts;
- c. using the data from the individual requisitioning offices to prepare and submit a complete, annual Departmental Offices or Operating Units acquisition planning forecast;
- d. submitting the annual acquisition forecast for their operating unit; and
- e. continually monitoring the acquisition forecast and updating or modifying the forecast at least quarterly to reflect Department and OMB budget decisions and reprogramming, correction of errors, emergency requirements, and rescheduling due to delays and cancellations.

.03 The Office of Acquisition Management shall establish and maintain policies and procedures for effective operation of the acquisition planning process.

.04 The Senior Procurement Executive shall oversee the acquisition planning process through normal oversight reviews of contracting offices.

.05 The Senior Bureau Procurement Official shall ensure that the acquisition planning process is effectively implemented, used and updated as needed.

.06 The Contracting Officer shall advise and assist program offices as needed and will enter into, administer and close-out or terminate contracts.

.07 The Office of General Counsel shall provide legal advice and counsel to the acquisition team and shall review acquisition documents.

.08 The Competition Advocate shall review acquisition plans before submission to the approving official when other than full and open competition procedures are expected to be used.

.09 The Office of Small and Disadvantaged Business Utilization shall collaborate with the acquisition team to maximize small business participation in prime and subcontracting opportunities.

SECTION 6. GENERAL REQUIREMENTS AND PROCEDURES.

- .01 By March 1 of each year, the Senior BPO shall issue a call for planned acquisitions for subsequent fiscal years and provide planning instructions including cut-off dates for the next fiscal year, to the Departmental offices and operating units they service. Departmental offices and operating units shall submit annual acquisition plan forecasts to their servicing contracting office no later than May 31 of each year. The Senior BPO shall develop a consolidated acquisition plan forecast and submit the consolidated acquisition plan by June 30 of each year.
- .02 Each planned acquisition must be identified by a control number. The control number will be used on planning documents and the requisition. The Senior BPO shall establish the sequence of control numbers.
- .03 Each acquisition plan shall be prepared by the program office in accordance with instructions provided by the Senior BPO.
- .04 Departmental offices and operating units must consider the procurement administrative lead times necessary before a contract is awarded. As complexity increases, the acquisition lead time predictability decreases. Lead times are based upon a number of assumptions, such as:
- a. receipt of a properly prepared, fully documented requisition, including any applicable approvals/clearances;
  - b. mutual understanding among requisitioners and acquisition personnel of their respective roles and responsibilities in the acquisition process;
  - c. balanced acquisition workload; and
  - d. a fully staffed acquisition office.
- .05 Program offices will plan their acquisitions and communicate those plans in the prescribed manner to ensure early identification of essential procurements.
- .06 As forecasts are required prior to the appropriation of funds, the plan will be based on the best estimate available from budget projections. Adjustments to the plan shall be made within 30 days after the final appropriation.
- .07 Acquisition plans shall include all procurement requests to be submitted during the fiscal year covered by the plan regardless of when funds are appropriated and available for obligation.
- .08 Departmental offices, operating units, and contracting offices should continually compare procurement requests to acquisition plans, and make overall assessments of the timeliness of requests and the need for increased monitoring and periodic plan changes.

.09 The milestone and formal acquisition plan contains advance information on proposed acquisitions, which could give prospective contractors an unfair advantage. Therefore, milestone and formal acquisition plans and supporting documentation are considered procurement sensitive and should not be released outside the Department. In addition, other details regarding the proposed acquisition shall not be publicized or discussed with prospective contractors, except publicly viewable forecasting data reported or otherwise releasable as provided in the Federal Acquisition Regulation. This policy applies to all employees of the Department who participate directly or indirectly in any stage of the acquisition process.

SECTION 7. EFFECT ON OTHER ORDERS.

This Order supersedes Department Administrative Order 208-15, dated January 6, 1988.



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Chief Financial Officer and  
Assistant Secretary for Administration

Office of Primary Interest  
Office of Acquisition Management