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COMMERCE ACQUISITION MANUAL
1307.1

DEPARTMENT OF COMMERCE
ACQUISITION PLANNING

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ACQUISITION PLANNING

SECTION 1 – OVERVIEW

1.1 Background

Federal agencies are relying increasingly on contractors to deliver goods and services to assist in performing its mission. With billions of tax dollars spent each year in government contracting, it is essential that Federal acquisitions are managed in an effective, efficient and accountable manner.

Acquisition planning is critical to successful acquisitions in order to deliver the right solutions, at the best value, on time, and within budget. Therefore, by improving acquisition planning processes and disciplines, the value delivered for the taxpayer's dollar also improves. Adequate planning as soon as the requirement becomes known can eliminate potential problems at time of award and during contract performance and administration, thereby shortening procurement administrative lead-times and improving customer satisfaction.

Federal Acquisition Regulation (FAR) Part 7, “Acquisition Planning” implements the statutory requirement for acquisition planning. Although the requirement for written acquisition plans applies to acquisitions exceeding the Simplified Acquisition Threshold (SAT), FAR 7.102 requires market research appropriate to the circumstances and acquisition planning on all acquisitions.

1.2 Purpose

This Commerce Acquisition Manual (CAM) chapter provides policy and guidance to effectively conduct acquisition planning and develop acquisition plans.

1.3 Applicability

The requirements of this chapter are applicable to all acquisitions within the Department of Commerce (DOC) and its Operating Units, which include competitive and non-competitive contracts; new definitive contracts (including contracts for supplies, services, construction, repair and alteration); letter contracts; single or multiple award Indefinite Delivery/Indefinite Quantity (IDIQ) contracts as well as their associated task/delivery orders; all calls and orders against indefinite delivery vehicles (IDVs) [Examples of IDVs include but are not limited to GSA Federal Supply Schedules, Government-Wide Acquisition Contracts (GWACs), Multi-Agency Contracts (MACs), Blanket Purchase Agreements (BPA), and any other agreement or contract against which individual orders or purchases may be placed]; options to existing contracts; leasehold interests in real property; and Interagency Acquisitions.

1.4 Policy

In accordance with FAR 7.102(a), acquisition planning is required for all acquisitions and shall be the first step in any acquisition, beginning as early in the program life-cycle as possible.

1.5 Objectives

The primary objective of this CAM chapter is to improve acquisition planning and market research processes and disciplines throughout the Department of Commerce in order to:

- Promote the use of commercial items;
- Enhance full and open competition;
- Enhance the use of performance-based acquisition;
- Promote strategic sourcing through consolidation of requirements;
- Ensure the appropriate use of high-risk acquisition authorities;

- Provide maximum practicable contracting opportunities to small business and socioeconomic business concerns; and
- Facilitate the effective allocation and use of resources.

1.6 Market Research

In accordance with FAR Part 10, market research is required to determine the most suitable approach to acquiring, distributing, and supporting supplies and services. Market research shall be conducted to the fullest extent practicable during acquisition planning and involves obtaining and analyzing information and knowledge specific to the requirement and determining if the Government's needs can be satisfied in the commercial marketplace. Adequate market research can identify sources, commercial practices, pricing information, availability of products or services, and small business opportunities. The extent of market research should align with the nature of the acquisition considering the complexity, dollar value and urgency of the requirement.

1.6.1 Delivery/Task Orders

Market research is required prior to awarding a task/delivery order under an Indefinite Delivery, Indefinite Quantity (IDIQ) contract (including GWACs, MACs, and agency-issued) for non-commercial items in excess of the Simplified Acquisition Threshold. The Contracting Officer may use the market research conducted within 18 months before the award of any task/delivery order to meet this requirement if the information is still current, accurate, and relevant; if older than 18 months, new market research must be conducted.

1.7 Acquisition Planning Levels

The Department of Commerce has identified three acquisition planning levels, each requiring a different degree of planning. The extent of acquisition planning is contingent upon a variety of factors such as the dollar value of the action, mission criticality, risk level, visibility and project complexity. These factors will determine the applicable acquisition plan to implement for the acquisition.

1.7.1 Advanced Acquisition Forecast

Advanced Acquisition forecasts apply to acquisitions where total life-cycle cost is expected to exceed the SAT; or acquisitions with life-cycle cost expected to be 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 provide information to small businesses about expected contracts, increase small business participation in market research and solicitations, achieve small business contracting goals, improve vendor engagement, and enhance contracting competition.

1.7.2 Milestone Acquisition Plan

Milestone acquisition plans apply to acquisitions where anticipated total life-cycle cost exceeds the SAT, but less than $10M; or acquisitions with life-cycle cost at or below the SAT when simplified acquisition methods are not used. Milestone acquisition plans identify acquisition objectives and outline the actions, milestones and documents required to meet the acquisition.

1.7.3 Formal Acquisition Plan

Formal acquisition plans apply to acquisitions where total life-cycle costs are at or exceeds $10M. A formal acquisition plan identifies all significant technical, cost and business issues of a requirement and provides specific solutions to address any critical issues in the proposed acquisition.

1.8 Protection of Procurement Sensitive Information

Milestone and formal acquisition plans contain advance information on proposed acquisitions, which could give prospective contractors an unfair advantage. Therefore, acquisition plans and supporting documentation are considered procurement sensitive. Individuals who participate directly or indirectly in any stage of the acquisition process shall not publicize, discuss or release any information regarding the milestone or formal acquisition plan, supporting documents, or other details regarding the proposed acquisition outside DOC or to prospective contractors, except as provided in the Federal Acquisition Regulation. Participants on the acquisition team may be required to complete Confidentiality and Conflict of Interest Certifications.

END OF SECTION 1

SECTION 2 – Roles and Responsibilities

2.1 Senior Procurement Executive (SPE)

The Senior Procurement Executive has overall responsibility for the following:

a. Planning, developing and implementing policies and procedures for acquisitions throughout the Department of Commerce;

b. Overseeing the acquisition planning process through normal oversight reviews of procurement offices;

c. Participating on Bureau-level Acquisition Review Boards for acquisitions with estimated values at $50M or above or any acquisition between $10M and $50M that has been identified as special interest to the Department;

d. Serving as Chair of the Department-level Acquisition Review Board;

e. Approving Determination and Findings for consolidating or bundling an acquisition; and

f. Providing concurrence on public notifications for bundled requirements.

2.2 Deputy Secretary

The Deputy Secretary is responsible for:

a. Making a determination to issue a solicitation for consolidation or bundling where the substantial benefit threshold is not met but the benefits to the Government are mission critical and provides for maximum practicable participation by small business concerns.

2.3 Senior Bureau Procurement Official (BPO)

The Senior Bureau Procurement Official shall ensure that acquisition planning is effectively implemented, used and updated, as needed. The BPO is responsible for the following:

a. Determining the need for higher-level review and approval or additional concurrences within their organization for acquisition plans;

b. Establishing Bureau-level Acquisition Review Boards to review and approve acquisition plans up to $75M;

c. Providing the Office of Acquisition Management, a copy of all formal acquisition plans with anticipated values between $10M - $75M;

d. Recommending the waiver of an Acquisition Plan, for programs and classes of contracts or task/delivery orders when it is determined that the service or staff office already has a detailed system in place that addresses the elements of the acquisition plan;

e. Issuing guidance to identify types of acquisitions that are appropriate, within the requirements and thresholds of this guidance, for all acquisition plans;

f. Authorizing the development of standard templates for use in programs or task/delivery orders that are repetitive and noncomplex;

g. Determining appropriate coordination and concurrences for acquisition plans;

h. Ensuring all planned acquisition forecasts requirements above the SAT within Operating Unit(s) are entered into the Commerce Business Opportunities Tool (C-BOT);

i. Coordinating, reviewing, and ensuring acquisition forecasts are accurate and complete;

j. Working with the Bureau Small Business Specialist to identify forecasted opportunities that are amendable to be set-aside for small businesses, cannot be set-aside for small businesses or require additional research to make a set-aside determination;

k. Providing the Office of Acquisition Management (OAM) a copy of internal acquisition planning guidance and any modifications to the established policy;

l. Serving as a principal member of the Department-level Acquisition Review Board;

m. Providing concurrence on Determination and Findings for consolidating or bundling an acquisition;

n. Validating the accuracy of data regarding contractor size and type, set-aside information, and "bundled" actions in the Federal Procurement Data System; and

o. Reporting on bundling and consolidation requirements.

2.4 Program Official

The Program Official serves as the "planner" in the acquisition planning process as defined in FAR 7.101, with the advice and assistance of the Contracting Officer, and is responsible for the following:

a. Identifying, entering, continually monitoring and updating quarterly, as needed, the acquisition forecast in C-BOT to reflect Departmental and the Office of Management Budget budgetary decisions and reprogramming, correction of errors, or emergency requirements;

b. Preparing and maintaining acquisition plans;

c. Preparing justifications for limiting sources under FAR 8.405-6, sole source or brand name justifications under FAR 13.106-1 and FAR subpart 13.5, justifications for an exception to fair opportunity under FAR 16.505, and justifications for other than full and open competition under FAR 6.303 (using the format prescribed in FAR 6.303-2), when applicable;

d. Obtaining and documenting all necessary concurrences and approvals;

e. Coordinating with the acquisition team for advice and assistance;

f. Complying with the acquisition planning requirements identified in FAR Part 7, Department Administrative Order (DAO) 208-15 and the policy and guidance provided herein;

g. Coordinating with the Bureau Small Business Specialist and Office of Small and Disadvantaged Business Utilization (OSDBU), when applicable;

h. Coordinating with Operating Unit representatives of the Chief Financial Officer and Budget Officer;

i. Coordinating with Operating Unit representatives of the Chief Information Officer on acquisitions requiring capital planning and investment control requirements as identified in 40 U.S.C. 11312, OMB Circular A-130, and Federal IT Acquisition Reform Act (FITARA) provisions;

j. Ensuring, when applicable, at least one qualified Contracting Officer's Representative is nominated as early as practicable and identified in the acquisition plan; and

k. Modifying the acquisition plan for major changes, both before and after contract award, and obtaining new coordination, concurrences, and approval.

2.5 Contracting Officer (CO)

The Contracting Officer is responsible for the following:

a. Providing applicable input for adequate acquisition planning (e.g., determining contract type; advising on source selection criteria; conducting pre-proposal conferences, etc.);

b. Preparing solicitations, CD-570, *Small Business Programs Review* forms, determination and findings, and other contract documents;

c. Reviewing and providing concurrences on acquisition plans; and

d. Reviewing, concurring and as appropriate supplementing justifications for other than full and open competition;

e. Preparing Determination and Findings for consolidating or bundling an acquisition;

f. Notifying incumbent small business concern(s) of the Department's intent to bundle a requirement; and

g. Providing notification to the Small Business Administration (SBA) Procurement Center Representative (PCR) for any follow-on bundled or consolidated requirement.

2.6 Office of General Counsel (OGC)

The Office of General Counsel is responsible for the following:

a. Providing legal advice, counsel, review and concurrence of acquisition plans;

b. Ensuring acquisition strategies are legally permissible and sufficient; and

c. Serving as an associate member of the Department-level Acquisition Review Board.

2.7 Competition Advocate

The Competition Advocate is responsible for reviewing acquisition plans before submission to the approving official when the use of restricted competition or non-competitive procedures are anticipated.

2.8 Office of Small and Disadvantaged Business Utilization (OSDBU)

The Office of Small and Disadvantaged Business Utilization is responsible for the following:

a. Coordinating reviews between the acquisition team and the SBA PCR;

b. Collaborating with the acquisition team to maximize small business participation in prime and subcontracting opportunities;

c. Serving as an associate member of the Department-level Acquisition Review Board;

d. Reviewing proposed solicitations that involve consolidating or bundling of requirements and working with the Bureau procurement office and PCR to revise the acquisition strategies to increase the probability of small business participation as prime contractors, or to facilitate small business participation as subcontractors and suppliers if a solicitation for a bundled contract is to be issued; and

e. Providing concurrence on public notifications for bundled requirements.

2.9 Bureau Small Business Specialist

The Bureau Small Business Specialist is responsible for:

a. Collaborating with the acquisition team to devise acquisition strategies in compliance with the Small Business Program;

b. Working collaboratively with the OSDBU to coordinate participation in small business outreach events and conferences;

c. Reviewing and continually monitoring bureau-level acquisition forecasts submitted in C-BOT;

d. Working with the BPO to identify forecasted opportunities that are amendable to be set-aside for small businesses, cannot be set-aside for small businesses or require additional research for the Contracting Officer to make a set-aside determination;

e. Notifying the OSDBU if an acquisition strategy involves substantial bundling;

f. Providing concurrence on public notifications for bundled requirements; and

g. Providing notification to the SBA PCR for any follow-on bundled or consolidated requirement.

2.10 Small Business Administration Procurement Center Representative (PCR):

The Small Business Administration Procurement Center Representative is responsible for:

a. Reviewing proposed acquisition packages provided in accordance with FAR 19.202-1;

b. Reviewing proposed contracts that require a subcontracting plan along with the accompanying subcontracting plan and supporting documents;

c. Recommending alternate contracting methods to increase small business prime contracting and subcontracting opportunities;

d. Providing research tools, assistance and training to contracting staff and small businesses;

e. Reviewing solicitations that require subcontracting plans to submit advisory findings to the Contracting Officer prior to solicitation issuance; and

f. Reviewing any bundled or consolidated solicitation or contract and advocating against the unjustified consolidation or bundling of requirements.

2.11 Chief Information Officer (CIO):

The Chief Information Officer is responsible for (or delegating to the Bureau CIO) the following:

a. Serving as Chair of the Commerce Information Technology Review Board (CITRB) that reviews all major information technology (IT) investments;

b. Participating in all Department-level Acquisition Review Board sessions;

c. Ensuring IT contract actions are consistent with CIO-approved plans and strategies;

d. Reviewing and approving the IT Compliance Checklist for all acquisitions;

e. Issuing an Information Technology Investment Authority (ITIA) for IT investments; and

f. Reviewing and providing concurrences on acquisition plans.

2.12 Bureau Chief Information Officer (CIO):

The Bureau Chief Information Officer is responsible for the following:

a. Performing responsibilities as outlined in the OCIO's Information Technology Review (ITR) Program Charter related to acquisition planning; and

b. Reviewing and providing concurrences on all formal acquisition plans.

END OF SECTION 2

SECTION 3 – ADVANCED ACQUISITION FORECAST

3.1 Background

The forecast of contracting opportunities is required by Public Law (PL) 100-656, the Business Opportunity Development Reform Act of 1988. The law requires executive agencies to provide a forecast of all expected contracting opportunities, including those that are small, small disadvantaged, 8a, women-owned small, historically underutilized business zones, veteran-owned, and service-disabled veteran owned small business concerns are capable of performing.

Effective market research and acquisition planning are critical to the efficient use of taxpayer dollars, the economical accomplishment of program objectives, and providing maximum practicable opportunities to small business. To ensure adequate acquisition planning is performed, advanced acquisition forecasting shall be conducted to induce early communications between representatives of the program and acquisition offices, and with small businesses, before submission of a procurement request.

The development of the forecast should commence as soon as a need for an acquisition is identified and well in advance of the appropriation of funds, in order to provide information to small businesses about expected contracts, increase small business participation in market research and solicitations, improve vendor communication and enhance competition. As forecasts are required prior to the appropriation of funds, they will be based on the best estimate available from budget projections.

3.2 Applicability

Acquisition forecasts apply to all new, re-compete and follow-on acquisitions with life-cycle cost expected to exceed the SAT. The acquisition forecast requirements exclude in-scope modifications, exercise of options, incremental funding, and orders against single award vehicles.

3.3 Procedures

Each Senior Bureau Procurement Official may develop and issue specific guidance for their Operating Unit(s) regarding acquisition forecast submissions that includes the use of the Department's *Commerce Business Opportunities Tool,* available at: https://connection.commerce.gov/forms-and-surveys/doc-acquisition-forecasting-data-collection-tool. Forecast information will be posted to the Department's Office of Small and Disadvantaged Business Utilization webpage at: www.osec.doc.gov/osdbu. In addition, acquisition forecast will be available on the Department's primary webpage at: https://www.commerce.gov/work-with-us/grants-and-contract-opportunities.

The Operating Unit policy should include at a minimum:

a. Requirement for Program Offices to submit acquisition forecasts *individually* for all new, re-compete and follow-on acquisitions with life-cycle cost expected to exceed the SAT;

b. Requirement to identify the C-BOT identification number in all resulting Milestone or Formal acquisition plans;

c. Annual deadline for all known acquisition forecasts;

d. Specific instructions to guide the Program Officials in accurately completing and reporting data to effectively convey acquisition forecasts;

e. Requirement for Program Officials to continually monitor and quarterly update, as needed, acquisition forecasts in C-BOT to reflect Departmental and the Office of Management Budget budgetary decisions and reprogramming, correction of errors, or new requirements; and

f. Requirement for Bureau Small Business Specialist to review bureau-level acquisition initial forecast submission.

3.4 Implementation of Acquisition Forecast Plan

Once the acquisition forecasts are developed, the responsibility for effectively completing and implementing the - acquisition plan becomes a joint responsibility of the program office and the servicing contracting office and should involve all members of the acquisition team in the early development stages. This early involvement will facilitate a full understanding of the responsibilities of each party; and will help develop the necessary partnership between the program office and servicing contracting office in acquiring the best value supplies and services of reliable quality, delivered on time, and at a fair and reasonable price.

3.5 Unplanned Acquisitions

Forecasts for acquisitions that arise after submission of the annual acquisition forecast shall be entered into C-BOT as soon as possible upon identification of the requirement.

END OF SECTION 3

SECTION 4 – MILESTONE ACQUISITION PLANS

4.1. Background

Acquisitions exceeding the SAT require a detailed strategy identifying the acquisition objectives, market research findings, procurement method, milestones, and other such considerations documented in the form of an acquisition plan. Milestone acquisition plans identify the acquisition objectives and outlines the actions and documents required to meet the requirement. The plan contains a milestone schedule to track tasks to be accomplished in order to meet the required delivery schedule. Tracking performance against the schedule in the milestone acquisition plan provides the ongoing status necessary to process the acquisition in a timely and effective manner.

Milestone acquisition plans are used for multiple purposes. The primary purpose is to create a "road map" of the acquisition strategy to successfully procure goods and services, which may reduce issues at time of award and during contract performance. Other purposes include tracking acquisitions in progress to determine current status, identifying steps in the process where there are individual or systemic problems or monitoring the workload in order to accommodate unplanned future acquisitions.

4.2. Applicability

Milestone acquisition plans apply to contracts, task/delivery orders and purchase orders (including options), in which total life-cycle cost are expected to exceed the SAT but less than $10M; and acquisitions with anticipated life-cycle cost at or below the SAT when simplified acquisition methods are not used.

4.3. Procedures

Each Senior Bureau Procurement Official shall establish internal review and approval procedures for milestone acquisition plans recognizing complexity, dollar value, and visibility of programs. The procedures shall include a waiver process that ensures all waiver requests are in writing, contain sufficient detail to clearly explain the basis for the request, and recommended alternative actions are clearly provided. Authority to waive milestone acquisition plans shall be appointed to the level of the Head of Contracting Office or above. In addition, the procedures shall also address the protection of source selection information.

4.3.1 Describing Agency Need

The Program Official serving as the "planner" will begin the process by developing a full understanding of the needs of their program and considerations for accomplishing the planned acquisition. The Program Official shall discuss with the servicing contracting office, topics ranging from defining the need, market research results, potential sources, small business considerations, expected delivery or period of performance, and an appropriate acquisition strategy to meet the procurement goal. These discussions will culminate in an acquisition plan that consists of a milestone schedule to accompany the complete acquisition package (see *Appendix B* for acquisition package requirements).

4.3.2 Developing Milestone Acquisition Plan

The milestone acquisition plan will identify the objectives, planned actions and required documents of the acquisition to meet the requirement throughout the acquisition planning process ending with the award date. The milestone acquisition plan in essence becomes an agreement between the program office and the servicing contracting office setting forth the schedule for successful completion of the planned acquisition and demonstrates standard milestones for achieving contract actions.

4.3.3 Content of Milestone Acquisition Plan

Documentation for the milestone acquisition plan should be concise and limited. The milestone acquisition plan shall include the identification number from C-BOT. In addition to the criteria provided in the acquisition forecast, the milestone acquisition plan should be accompanied by:

a. An acquisition milestone schedule (see *Appendix C* for a milestone schedule sample);

b. A discussion of the performance-based contracting elements that will be used and whether these elements will be sufficient to report the award as performance-based in the Federal Procurement Data System (FPDS), if performance-based contracting methods will be used;

c. Identification of the office (and individual(s) if known at the time of acquisition planning) responsible for quality assurance surveillance (i.e., monitoring the contractor's compliance with the quality assurance plan), if required;

d. A determination and findings as prescribed in FAR 12.207(b) for all time and material or labor hour contracts and task orders for commercial services;

e. The basis for restricting competition, if applicable and reference to the following:

   i. Justification document
   ii. Synopsis requirements or the applicable exception to synopsize
   iii. Approving official
   iv. Date of approval

f. For acquisitions proposing an exception to fair opportunity procedures required by FAR 16.505(b), state the basis for the exception and reference the Contracting Officer's justification required by FAR 16.505(b); and

g. Any other elements as necessary that may enhance the acquisition strategy (i.e. policies for environmental considerations, use of high-risk acquisition authorities, Section 508, etc.).

4.3.4 Modification of Milestone Acquisition Plans

The milestone acquisition plan shall be revised whenever there is a significant change. A change is significant if there is a modification in what is being procured, how it is being procured (including method and contract type), or funding. Milestone acquisition plan revisions are subject to the same review and clearance process as the original document, provided the acquisition remains within the same applicable dollar threshold (See Section 4.2). Modified milestone acquisition plans shall be reflected as a revision to the previously approved plan. A copy of all previously approved plans shall be retained in the official contract file.

4.4. Exemption

Milestone acquisition plans are not required for emergency acquisitions when the need for the supplies or services is of such an unusual and compelling urgency that the Government would be seriously injured if the supplies or services were not immediately acquired. Poor planning or failure to timely initiate the acquisition process by the program and/or acquisition office does not constitute an emergency or unusual and compelling urgency.

END OF SECTION 4

SECTION 5 – FORMAL ACQUISITION PLANS

5.1 Background

A formal acquisition plan is used to facilitate attainment of acquisition objectives for requirements with greater complexity, risk and/or cost. The formal plan addresses all technical, business, management, and other significant considerations that will control the acquisition strategy.

5.2 Applicability

Formal acquisition plans apply to all acquisitions, including interagency acquisitions, in which the anticipated total life-cycle costs are $10M or above. A formal acquisition plan may also be considered for acquisitions below the $10M threshold that meet one or more of the following criteria:

a. Acquisition is complex, critical to agency strategic objectives and mission, highly visible or politically sensitive;

b. Acquisition with which the Department has little or no experience that may result in a need for greater oversight or risk management;

c. Actions using significantly changed methods (e.g., methods of procurement such as lease versus purchase, or methods of performance such as contractor versus Government personnel);

d. Acquisitions for new construction, or repair and alteration;

e. Acquisitions that require contract bundling (see FAR 7.107); or

f. Acquisitions with award term/fee, or incentive arrangements as defined in FAR Subpart 16.4.

5.3 Procedure

The Program Official is designated the acquisition "planner" and is responsible for developing and maintaining the formal acquisition plan. The planner shall develop the formal plan in coordination with a team consisting of all individuals who will be responsible for significant aspects of the acquisition, such as contracting, budget, legal, technical, and small business considerations. Previous plans for similar acquisitions should be reviewed and the planner should consult with key personnel involved in those acquisitions.

5.4 Content of Formal Acquisition Plan

The specific content of a formal acquisition plan will vary depending on the nature, circumstances, and stage of the acquisition. The acquisition plan will identify all significant technical, cost and business issues and provide specific solutions to address the critical issues in the proposed acquisition. The plan should be based on fact (not opinion or supposition) and reflect what was decided, alternatives considered, and the rationale for recommending the proposed strategy. In preparing the formal acquisition plan, the planner must follow the applicable instructions in Subsections 5.4.1 through 5.4.3 below.

5.4.1 Headers, Footers and Special Notices

The following notice shall be prominently displayed on the front page of all formal acquisition plans:

> "This document contains proprietary or source selection information related to the conduct of a federal agency procurement. The disclosure and receipt of this information is restricted by Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 2101 et seq.).
>
> The unauthorized disclosure of this information may subject both the discloser and the recipient to the contractual, civil, and/or criminal penalties as provided by law."

Each page of the plan shall contain a header identifying the title of the acquisition and a footer identifying the page numbers and the following notice:

"Source Selection Information—See FAR Subparts 2.101 and 3.104-4"

5.4.2 Part I – Acquisition Background and Objectives

Part I of the formal acquisition plan shall include the following, as applicable:

a. Title – Provide a short descriptive title.

b. Identification Number – Each acquisition plan must identify the associated acquisition forecast number generated in C-BOT.

c. Statement of Need – Include a statement of need, the technical and contractual history of the project, feasible acquisition alternatives, impact of prior acquisitions on those alternatives, and related in-house effort.

d. Applicable Conditions – Discuss all significant conditions affecting the acquisition such as need for compatibility with existing or future systems or programs, and any known cost, schedule, capability or performance constraints.

e. Cost – Provide total estimated costs, including any options. When options are involved, show the cost for each option separately from the total cost. For requirements type contracts – calculate total cost for the estimated quantity for the base period plus the total cost for estimated quantities for each option year, if applicable; for indefinite delivery, indefinite quantity contracts – calculate total cost of the identified maximum for the base period plus the total cost of the identified maximum for each option year, if applicable. For acquisitions subject to OMB Circular A-76 procedures, the total cost may be expressed either as a range or by total number of full-time equivalents. As appropriate, discuss how the following approaches were utilized in developing the cost estimate:

i. *Life-cycle cost* – Discuss how life-cycle cost will be considered. If it is not used, explain why. If appropriate, discuss the cost model used to develop life-cycle cost elements.

ii. *Design-to-cost* – Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors. Describe how objectives are to be applied, tracked and enforced. Indicate specific solicitation and contractual requirements to be imposed.

iii. *Should-cost analysis* – Describe the application of should-cost analysis to the acquisition plan (see FAR 15.407-4).

f. Capability or performance – Specify the required capabilities or performance characteristics of the supplies or services being acquired and state how they are related to the need. If a make and model acquisition is proposed, the basis for such requirement must be identified. If a brand name or equal acquisition is proposed, the salient characteristics necessary to determine equality must be identified.

g. Delivery or performance-period requirements – Describe the basis for delivery or performance period requirements (see FAR Subpart 11.4) and show how they relate to the Government's need. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing full and open competition.

h. Trade-offs – Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals. [Note, this section should not discuss source selection trade-offs but instead the rationale supporting trade-offs decisions, i.e. choosing a later delivery date for an item in order to minimize or keep down cost].

i. **Risks** – Describe the technical, cost, and schedule risks and discuss what efforts are planned to reduce risk; also address the consequences of failing to achieve acquisition goals.

j. **Acquisition streamlining** – If specifically designated by the Department as a program subject to acquisition streamlining, discuss plans to:

i. Encourage industry participation by using draft solicitations, pre-solicitation conferences, and other means of stimulating industry involvement during the design and development phase;

ii. Select and tailor only the most cost-effective requirements; and

iii. State the timeframe for identifying which specifications and standards, (originally provided for guidance only), will become mandatory.

5.4.3 Part II – Plan of Action

Part II of the formal plan should include the following information, as applicable:

a. **Sources** – Indicate the prospective sources of supplies and/or services that can meet the need. Describe the following:

i. The effort made to identify sources from the required sources of supplies or services (see FAR Part 8) and sources identifiable through databases such as www.abilityone.gov, and www.contractdirectory.gov.

ii. The efforts that have been made to identify all qualified sources, including small business concerns, small business concerns owned and controlled by service disabled veterans, qualified HUBZone small business concerns, small business concerns owned and operated by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

iii. Discuss the results of market research analysis and/or surveys and indicate their impact on the various elements of the plan. The results of market research should be used to discuss if sources capable of satisfying the requirements exist; and the extent to which commercial items or non-developmental items are available. *NOTE*: A notice of intent to contract on a sole source basis in the Government-wide Point of Entry (GPE) **does not** constitute market research.

iv. Discuss the impact of any consolidation or bundling and describe the extent of contract consolidation/bundling and the benefits (such as cost savings or price reduction, quality improvements that will save time, improve or enhance performance or efficiency, reduce acquisition cycle times, result in better terms and conditions, and any other benefits resulting from the consolidation or bundling). Include a specific determination that the anticipated benefits of the proposed consolidation or bundling justify its use. Also, include an assessment of the specific impediments to participation by small business concerns as contractors that result from consolidation or bundling and any actions to maximize small business participation as contractors or subcontractors.

In addition, identify alternative strategies that would reduce or minimize the scope of consolidation or bundling. When the proposed acquisition strategy involves bundling (see FAR 7.107), identify the incumbent contractors and contracts affected by the bundling.

b. **Competition** – Describe how competition will be sought, promoted, and maintained throughout the course of the acquisition. Specifically:

i. Describe efforts to be made to identify additional firms that could effectively compete for the requirement, in addition to the required GPE announcement(s), if applicable. If full and open competition is not contemplated, cite the appropriate FAR authority, discuss the basis for the application of that authority, identify the proposed source(s), and discuss why full and open competition cannot be obtained.

ii. Identify and discuss the major work components or subsystems and their potential for "breakout" (i.e., as a separate acquisition) to enhance competition.

iii. If applicable, describe how competition will be sought, promoted, and sustained for spare and repair parts. Identify any key logistics milestone (such as technical data or delivery schedules), that affect competition.

iv. When effective subcontracting competition is both feasible and desirable, describe how such subcontracting competition will be sought, promoted and sustained. Identify any known barriers to increasing subcontracting competition and address how to overcome those barriers.

v. Discuss the evaluation of alternative competition strategies in terms of their ability to generate meaningful competition; satisfy the requirement timely; and allow negotiations of best value to the government.

c. Evaluation and source selection procedures:

i. Describe the evaluation and selection procedures to be used and show the relationship of the evaluation factors to the objectives of the acquisition. Discuss the evaluation methodology and describe the relative importance among technical, business management, and price or cost factors in the selection process. Discuss how options, if any, will be evaluated.

ii. If evaluation criteria will state specific number of years of experience for any personnel of the contractor, or any other such restrictive qualifying criteria, as a minimum requirement, justification to support that limitation must be provided.

iii. State the selection criteria to be used and identify the individual who will make the award decision if other than the Contracting Officer or will serve as the Source Selection Authority (SSA), if applicable. If the award decision official or SSA is changed at any time after approval of the acquisition plan, the new name must be provided in writing to the Senior Procurement Executive.

iv. When an Earned Value Management System (EVMS) is required (see FAR 34.202(a)) and a pre-award Integrated Baseline Review (IBR) is contemplated, the acquisition plan must discuss: how the pre-award IBR will be considered in the source selection decision; how it will be conducted in the source selection process (see FAR 15.306); and whether the Offeror will be directly compensated for the costs of participating in a pre-award IBR.

d. Contract Type – Discuss proposed contract type and rationale for why it was selected.

i. For other than firm-fixed price contracts, see FAR Subpart 16.1(d) for additional guidance relating to such issues as cost risk, risk mitigation, and administrative burden.

ii. For time and material or labor hour contracts and task orders for commercial services including those awarded through General Services Administration's Federal Supply Schedules (FAR Subpart 8.4), ensure the required determination and findings as prescribed in FAR 12.207(b) is prepared.

iii. When incentive-type contract is proposed, discuss the incentive provisions considered most suitable for accomplishing the acquisition objectives.

iv. When a cost-reimbursement contract is selected, document findings necessary to support why the use of this contract type is appropriate.

e. Acquisition Considerations -

i. For each contract (and order) contemplated, discuss the strategy to transition to firm-fixed-price contracts to the maximum extent practicable. During the requirements development stage, consider structuring the contract requirements, *e.g.*, contract line items (CLINS), in a manner that will permit some, if not all, of the requirements to be awarded on a firm-fixed-price basis, either in the current contract, future option years, or follow-on contracts. This will facilitate an easier transition to a firm-fixed-price contract because a cost history will be developed for a recurring definitive requirement.

ii. Describe the use of multi-year contracting, options, or any special contracting methods; any special clauses (e.g., economic price adjustment clauses); special solicitation provisions or FAR deviations required; whether sealed bidding or negotiations will be used and why; whether equipment will be acquired by lease or purchase and why; and any other relevant considerations.

iii. Provide rationale if a performance-based acquisition is not used or if a performance-based acquisition for services is contemplated on other than a firm-fixed-price basis.

iv. When an interagency acquisition is proposed, discuss the basis for such determination, and steps that will be taken to ensure sound management and use of the interagency acquisition.

v. For acquisitions requiring capital planning and investment control requirements, discuss how the responsibilities identified in 40 U.S.C. 11312 and OMB Circular A-130 will be met (see FAR 7.103(v) and Part 39).

vi. For information technology acquisitions using Internet Protocol, discuss whether the requirements documents include the Internet Protocol compliance requirements specified in FAR 11.002(g) or a waiver of these requirements has been granted by the agency's Chief Information Officer.

f. Budgeting and funding – Describe how the budget estimates were derived and discuss the schedule for obtaining adequate funds when required. Identify the funding amounts by appropriation account, fiscal year, line item and project. Where funding is obtained from multiple projects, provide a complete identification of each funding source. If growth is proposed for the base and option years, discuss plans for ensuring consistency with budget projections.

g. Product or service descriptions – In accordance with FAR Part 11, explain the choice of product or service description types (including performance-based acquisition descriptions) to be used in the acquisition.

h. Priorities, allocations and allotments – When urgency of requirement dictates a particularly short delivery or performance schedule, certain priorities may apply. If so, specify the method for obtaining and using priorities, allocations, and allotments and the reason for them (see FAR Subpart 11.6).

i. Contractor versus Government performance – Address the requirements of OMB Circular No. A-76.

j. Inherently governmental functions – Address the consideration provided in FAR Subpart 7.5. Discuss the assumptions that determine whether contractor rather than agency support will be used, including consideration of contractor or agency maintenance, servicing, and distribution of commercial items (see FAR 7.105(b)(14) (i)).

i. If it is determined that contracted resources will be used, provide a rationale that fully supports this basis and that none of the functions to be performed under the contract or task order are inherently governmental. This assessment should place emphasis on the degree to which conditions and facts restrict the discretionary authority, decision-making responsibility, or accountability of Government officials using contractor services or work products.

ii. When services to be acquired will closely support the performance of inherently governmental functions, provide an assessment of current and potential technical, cost, schedule and performance risks, the level of those risks and a mitigation plan that describes how the Government will monitor, control, and mitigate risk of contract performance, as well as steps to be taken when an identified risk occurs. The mitigation plan shall outline the roles and responsibilities of the Government personnel involved in oversight and demonstrate the skills and capacity of the personnel to perform adequate contract award, management and oversight.

k. Management information requirements – Discuss what management system and project management tools will be used to monitor performance.

i. Earned Value Management System reporting is required on all major acquisitions for development. The Department considers a "major acquisition for development" to be an acquisition that includes $25M or more in development, modernization, and enhancement (DME) costs over the life of the acquisition (including options). The Department may also direct acquisitions with less than $25M in DME costs over the life of the acquisition be treated as a "major acquisition for development" that merit special attention due to its sensitivity, mission criticality or risk potential.

ii. Discuss how the offeror's/contractor's EVMS will be verified for compliance with the American National Standards Institute/Electronics Industries Alliance (ANSI/EIA) Standard-748, Earned Value Management Systems, and the timing and conduct of integrated baseline reviews (whether prior to or post award).

iii. For developmental acquisitions where EVMS is not required, describe the project management tools and management information tools being used to monitor performance.

l. Make or buy – Discuss any considerations given to make-or-buy programs (see FAR 15.407-2).

m. Test and evaluation – If applicable, describe the test program to be used by the Government and contractor. Also describe the test program for each major phase of a major system acquisition. If concurrency of development and production is planned, discuss the extent of testing to be accomplished before production release.

n. Logistics considerations – Describe:

i. The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including maintenance and servicing considerations (i.e. maintenance, repairs, spare parts); support for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission (see 25.301-2) and; distribution of commercial items.

ii. The reliability, maintainability, and quality assurance requirements, including use of warranties.

iii. The requirements for contractor data (including repurchase data) and data rights, their estimated cost, and how the data will be used.

iv. The standardization concepts, including the need to designate, in accordance with agency procedures, technical equipment as "standard" so future purchases can be made from the same manufacturer.

v. The need for contract performance to continue when there is a pandemic. If contract performance needs to continue, how the performance will occur particularly when performance is on-site at the government location.

o. Government-furnished property – Describe any property to be furnished to the contractor, both real and personal, and discuss its availability, condition and schedule. Discuss what steps will be taken to ensure the property will be furnished to the contractor timely.

p. Environmental considerations – Discuss all applicable environmental and energy issues associated with the acquisition (see FAR Part 23), the proposed resolution of environmental issues, and any environment-related requirements to be included in the solicitation and contract. Address compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 et seq.) (e.g., application of a categorical exclusion, environmental assessment, or environmental impact statement). See Department Administrative Order (DAO) 216-6, *Implementing the National Environmental Policy Act*; 40 CFR parts 1500-1508.

Ensure acquisitions are in compliance with department-wide policies and guidance, such as CAM 1323.70, *"Green Procurement Program*" and DAO 217-16, *Energy and Environmental Management*; as well as with Government-wide directives, polices and guidance, such as Executive Order 13834, Efficient Federal Operations.

q. Government-furnished information – Discuss any Government-owned information (e.g., manuals, drawings and test data) to be provided to prospective Offerors and contractors. Indicate which information requires additional controls to monitor access and distribution (e.g., technical specifications, maps, building designs, schedules, etc.) to be posted on the GPE.

r. Security and information technology security considerations – For acquisitions involving classified matters, describe how adequate security will be established, maintained and monitored. Discuss Information Technology Security requirements, such as Supply Chain Risk Assessment (SCRA) restrictions, to include applicability and incorporation of required IT Security clauses in contracts for:

i. Information technology resources or services;

ii. Requiring contractor personnel access to DOC information technology Systems;

iii. DOC sensitive/classified national security or sensitive matters; and

iv. Contractor information technology systems interconnected to DOC Systems.

s. Contractor access to government facilities or information – For acquisitions requiring routine contractor physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system, discuss how agency requirements for personal identity verification of contractors will be met (see FAR 4.13). Discuss compliance with Homeland Security Presidential Directive-12 (HSPD-12).

t. Contract administration - Describe how the contract will be administered.

i. For services contracts, include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced.

ii. Explain how performance will be monitored.

iii. Describe the capacity to effectively manage contract performance and mitigate risk after award.

u. Other considerations – As applicable, discuss the consideration given to the following and other items required by FAR Subpart 7.1:

i. Standardization concepts;

ii. Value Engineering provisions;

iii. Pre-proposal conference;

iv. Site visits for contractors;

v. Pre-award Surveys;

vi. Requirements of Electronic and Information Technology Accessibility Standards (Section 508);

vii. Benchmark testing/performance validation;

viii. Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act);

ix. Disaster Response Registry at www.SAM.gov, when contracting for debris removal, distribution of supplies, reconstruction, and other disaster or emergency relief activities;

x. The industrial readiness program;

xi. The Occupational Safety and Health Act;

xii. Foreign sales implications;

xiii. Buy American Act/Trade Agreements Act considerations;

xiv. Potential or actual conflicts of interest and any plans for mitigation thereof; and

xv. Other issues deemed appropriate by the contracting or program officials (e.g., restrictions on telecommuting (see FAR 7.108).

v. Other approvals - Describe any separate approvals that are required. Required approvals include, but are not limited to:

i. CD-570 Small Business Programs requirements, acquisitions that are not set-aside for small business must be reviewed by the Small Business Specialist and OSDBU.

ii. Acquisitions that include information technology must include the relevant IT Investment Authority number to ensure the acquisition strategies are consistent with CIO-approved plans and strategies; apply adequate incremental development principles; include opportunities to leverage acquisition initiatives such as shared services, category management, strategic sourcing, and incremental or modular contracting and use such approaches as appropriate; are supported by costs estimates; and are led by personnel with appropriate Federal Acquisition Certifications, including specialized IT certifications, as appropriate.

iii. Justification for limiting sources, if applicable or Justification for Other Than Full and Open Competition (as applicable), in compliance with the appropriate FAR authority and includes statutory exemption, rationale to support exemption and appropriate Competition Advocate's concurrence based on threshold.

iv. Determination and Findings and/or Justification and Approvals, as required (i.e. contract type, single source awards above $112, etc.).

v. Consolidation or Bundling Analysis that provides rationale and quantified benefits to support the consolidation or bundling is necessary and justified.

w. Milestone Schedule – Develop and attach a copy of the milestone schedule. A sample milestone schedule is provided in *Appendix C*.

x. Participants in the acquisition process – List the names and contact information for the following individuals:

i. Contracting Officer

ii. Contract Specialist

iii. Program Official

iv. Contracting Officer's Representative

v. Program Manager

vi. Source Selection Authority or Award Decision Official if applicable

vii. Additional individuals who assisted in the preparation of the acquisition plan

y. Signature Page – The signature page shall contain information on all applicable members of the acquisition team that are required for review, clearance, and approval. Each name should be typed, and the title of the individual, his or her organizational designation and the date, (see *Appendix D*, for a sample format). Both the Bureau CIO and DOC CIO must be included for acquisitions valued at $75M or greater.

5.5 Additional Requirements for Major Systems/Programs

In addition to the content requirements for formal acquisition plans provided in Section 5.4, additional requirements relating to major systems and programs must also be addressed where applicable.

a. *Acquisition Framework* – Acquisitions identified as high-profile require coordinated oversight in accordance with the Commerce Scalable Acquisition Project Management Framework (Framework) as described in Department of Commerce Administrative Order (DAO) 208-16, *Acquisition Project Management* dated May 26, 2015. The Commerce Acquisition Program and Project Management Framework describes acquisition project management phases, major decision milestones and minimum required documentation necessary to manage the progression through phases for high-profile and other programs designated for Milestone Review Board oversight.

b. *Capital Assets* - If an acquisition qualifies as a capital asset pursuant to OMB Circular No. A-11, the Program Official must ensure that both the *Major IT Business Case and the Major IT Business Case Details* are completed for the requirement. The acquisition plan supplements the information in the Capital Asset Plan and Major IT Business Case. If the information requested for the specific acquisition is addressed in the current Major IT Business Case, you may refer to the specific sections of the Major IT Business Case in lieu of restating the information in the formal acquisition plan.

5.6 Analysis of Alternatives and Category Management Considerations

In accordance with the Office of Management and Budget memorandum 19-13 dated March 20, 2019 entitled, *Category Management: Making Smarter Use of Common Contract Solutions and Practices,* agencies are required to analyze alternatives to support investment decisions. To support the successful achievement of Spend Under Management (SUM), Best in Class (BIC), and small business contracting goals, acquisition teams shall develop analyses of alternatives (AoAs) for certain planned acquisitions of common goods and services. AoAs shall be developed for all acquisitions planned for award that are:

- Over $50 million and will be considered "Tier 0" spending; and
- Over $100 million and will be considered "Tier 1" spending.

AoAs shall generally be developed no less than 18-24 months prior to award using the template provided in *Appendix E* as part of the acquisition forecasting process with final approval occurring as part of the Bureau or Department level ARB, whichever is applicable.

5.7 Additional Requirements for Acquisition Involving Consolidation

Acquisition planning must consider the impact consolidation might have on incumbent and prospective small businesses. If the acquisition strategy indicates consolidation, the Contracting Officer shall coordinate with the Bureau Small Business Specialist, OSDBU and Small Business PCR to conduct a Consolidation Analysis in order to make a determination that the benefits from contract consolidation substantially exceed the benefits that would derive from alternative contracting approaches.

The Consolidation Analysis must fully discuss the following key areas:

- The identified feasible alternative approaches and if applicable, the rationale for not choosing an alternative that could involve a lesser degree of consolidation;
- Consideration of the impact of consolidating the requirement that might adversely affect incumbent and prospective small businesses as well as steps taken to include small business concerns in the acquisition strategy; and
- Analysis of quantifiable benefits[1] resulting from consolidation compared to the benefits that would result from alternative strategies.

Prior to consolidating requirements **estimated to exceed $2 million**, a Determination and Findings (D&F) that provides rationale that the consolidation is necessary and justified (i.e., benefits meet the substantial benefits threshold) shall be signed by the SPE; or that the benefits are mission-critical and the acquisition strategy provides for maximum practicable small business participation shall be signed by the Deputy Secretary.

a. Consolidation Analysis that substantiates the benefits to be derived from the strategy meet the threshold test for substantial benefits pursuant to FAR 7.107-2;
b. Market research results; and
c. CD-570 Form with concurrences from the Small Business Specialist, PCR and OSDBU.

A template reflecting documentation requirements for Consolidation is provided under *Appendix F*.

5.8 Additional Requirements for Acquisitions Involving Bundling

Any proposed acquisition strategy involving bundling requires a determination that the bundling is necessary and justified. If the requirement is considered both consolidated <u>and</u> bundled, then the requirements for bundling shall be followed.
The Bundling Analysis must fully discuss the following key areas:

- Acquisition history, including firms that performed the previous requirements being contemplated for bundling, and their business size; level of competition received on previous requirements; whether small business firms participated as prime contractors; and if the acquisition was structured so as to encourage (or limit) competition or teaming.

1 Any benefits that are not quantifiable in dollar amounts shall be specifically identified and otherwise quantified to the extent feasible. A reduction in administrative or personnel costs alone is not sufficient justification for consolidation unless the cost savings are anticipated to be at least 10 percent of the estimated value (including options).

- Analysis of quantifiable benefits resulting from the bundled acquisition, as compared with not bundling the requirements that are *measurably substantial* as described in FAR 7.107-3.

- Feasible alternative strategies for acquiring the supply or service. Acquisitions that involve "substantial bundling" that is, acquisitions valued at $2.5 million or more in cumulative estimated value (including options), the FAR requires the Small Business Specialist to assist in identifying alternative strategies that would reduce the scope of the bundling. These alternatives and if applicable, the rationale for not choosing an alternative that could involve less bundling.

Prior to bundling requirements, in an effort to mitigate the effects of bundling on small business concerns and before issuing the solicitation, a D&F that provides rationale that the bundling is necessary and justified (i.e., benefits meet the substantial benefits threshold) shall be signed by the SPE or that the benefits are mission-critical and the acquisition strategy provides for maximum practicable small business participation shall be signed by the Deputy Secretary. The D&F for bundling must be submitted to OAM accompanied with the following:

a. Bundling Analysis that substantiate the benefits to be derived from the strategy meet the threshold test for substantial benefits pursuant to FAR 7.107-2;
b. Market research results; and
c. CD-570 Form with concurrences from the Small Business Specialist, PCR and OSDBU.

A template reflecting documentation requirements for Bundling is provided under *Appendix G*.

5.8.1 Additional Requirements for "Substantial Bundling"

The Federal Acquisition Regulation prescribes additional requirements for bundled acquisitions that involve substantial bundling. Specifically, if the cumulative maximum potential value (including options) of the contract or order is **$2.5 million or more**, the following factors must be addressed in the CD-570 package and signed by the Small Business Specialist, PCR and OSDBU:

a. Identification of the specific benefits expected as a result of bundling the contract;

b. Assessment of the specific impediments to small business participation in the contract;

c. Action plan to maximize participation by small businesses as contractors, including efforts that will encourage small business teaming;

d. Outline of specific steps that will be taken to ensure participation by small businesses as subcontractors (including suppliers) at any tier under the contract or order;

e. Specific determination that the anticipated benefits justify the decision to bundle;

f. Assessment of alternative strategies that would reduce or minimize the scope of bundling, and an explanation of why they were not adopted; and

g. An explanation addressing each of the areas identified in FAR 19.202-1(e) (2).

5.8.2 Public Notification for Bundled Requirements

In addition to notifying small businesses that are impacted by a bundled contract at least 30 days prior to the issuance of the solicitation for the bundled requirement, public notification of any bundled requirement for which the Department solicited offers or issued an award is also required. A list of

bundled requirements and related rationale will be published on the Office of Acquisition Management website, upon receipt of notice from the contracting office. Therefore, the following elements shall be addressed in the notice submitted to the Office of Acquisition Management via the OAM Mailbox at: OAM_Mailbox@doc.gov:

a. List of all contract requirements that were bundled;
b. Brief description of requirement;
c. Total dollar amount;
d. Data on the number (arranged by industrial classification) of small business concerns displaced as prime contractors by bundled contracts awards;
e. Justification for bundling;
f. Rationale for bundling the requirements; and
g. Estimated cost savings realized by the bundling over the life of the contract.

Upon review and concurrences by the Bureau Small Business Specialist, OSDBU and SPE, the notification will be posted by OAM for public view on the Department's website at: http://www.osec.doc.gov/oam/. The notification shall also be posted by the Contracting Officer to the GPE website prior to issuance of a solicitation for bundled requirement.

END OF SECTION 5

SECTION 6 – Review and Clearance

6.1 Acquisition Plan Review and Approvals

Formal acquisition plans shall be prepared sufficiently in advance of the solicitation's release date to allow ample time for review and clearances. All formal acquisition plans, at a minimum, shall be reviewed and signed by the Program Official, the Operating Unit Budget Officer, the Contracting Officer, Office of General Counsel representative, Senior Bureau Procurement Official, and Bureau Chief Information Officer. The Competition Advocate shall concur when other than full and open competition procedures are expected to be used.

The Office of Acquisition Management shall be afforded an opportunity to review all formal acquisition plans in order to determine if the requirement is of special interest, that is, a requirement that warrants a higher level of approval due to factors such as: higher complexity or uncertainty, likely to provoke unusual public interest, or potential impact of any adverse contract performance. Formal acquisition plans shall be submitted electronically to the "OAM Mailbox" at: OAM_Mailbox@doc.gov and OCIO at: OCIOInternalControls@doc.gov at least **14 business days** prior to the Bureau Acquisition Review Board or, if no Bureau-level ARB is planned, the solicitation issuance. The acquisition plan shall be accompanied with a summary page that identifies the acquisition's title, description, strategy, and costs, along with all supportive documents (*see Appendix I for an Acquisition Summary Page sample*). Where OAM has identified a requirement of special interest, the applicable acquisition office will be notified that the SPE, or appointed delegate, will be a participant on the Bureau-level ARB.

Formal acquisition plans must receive clearance through all applicable offices prior to issuing the solicitation. By signing the acquisition plan, the Program Official certifies that the information in the acquisition plan is current, accurate and complete. The Contracting Officer's signature certifies that the acquisition methodology is sound, and the acquisition plan reflects the best business strategy for the acquisition. The Office of General Counsel's signature certifies legal sufficiency. The signature of the Operating Unit's Budget Officer certifies that the planned acquisition is consistent with current and future budget plans. The Chief Information Officer's signature certifies that the contract action is aligned with CIO-approved plans and program objectives. The Senior Bureau Procurement Official's signature signifies concurrence with the content of the acquisition plan and that the plan meets all requirements of FAR 7.105. The BPO is the final signature authority on all acquisition plans up to $75M, unless identified as requiring higher approval. The Senior Procurement Executive's signature certifies approval of acquisition plans estimated at $75M or more.

Acquisition plans shall not be approved for acquisitions proposing the use of other than full and open competition when the decision is based upon a lack of advanced planning or concerns relating to the availability of funds. Additionally, approval of a formal acquisition plan does not constitute approval for any deviation, special condition or clause which might be described in the plan. Approvals for these actions must be submitted independently.

6.2 Review Board Requirements

6.2.1 Milestone Review Board

The Department, through the Milestone Review Board (MRB), provides for coordinated oversight of high-profile acquisition programs and projects in accordance with the Framework described in DAO 208-16 available at: http://www.osec.doc.gov/opog/dmp/daos/dao208_16.html. A high-profile acquisition program or project is one that has been designated as mission-critical by the Office of Acquisition Management and will normally meet one or more of the following criteria:

a. Warrants special management attention or is deemed high-risk due to its criticality, complexity, technology, or visibility;

b. Entails expenditures of $75M or more; or

c. Is nominated as such by an MRB member.

High-profile programs and projects including their component or subordinate projects that have been designated for MRB oversight **shall not** be subject to subordinate review by the ARB for purposes of approving a program/project milestone, approving procurements that are planned for the next acquisition phase, or approving progression to the next acquisition phase. However, if the MRB delegates activities and decisions to the Bureau, the ARB may engage as required.

When a major procurement coincides with an MRB milestone decision, the MRB Integrated Product Team (IPT) that reviews program documents for adequacy and consistency will be expanded to include all members of the Department's Acquisition Review Board to avoid duplicate reviews and to streamline oversight.

6.2.2 Bureau-Level Acquisition Review Board

Senior Bureau Procurement Officials shall develop internal Acquisition Review Board procedures for the review of contract actions with life-cycle costs expected to exceed $10M up to $75M. The procedures of the Bureau-level Acquisition Review Board shall include the review of procurements below $10M in instances where a requirement is highly sensitive or complex in nature or requires greater oversight due to exceptional circumstances.

The Bureau-level Acquisition Review Board shall be comprised of senior-level officials from specialized functional areas within the Bureau to include: Senior Bureau Procurement Official (as Chair); legal counsel; Chief Financial Officer; and Chief Information Officer. The Senior Procurement Executive shall be invited to participate on the Bureau-level Acquisition Review Board for all acquisitions valued at $50M or more, and any procurement between $10M and $50M that may be of special interest to the Department. As a result of SPE attendance, all recommendations provided by the SPE must be adequately addressed and all required actions must be implemented before final BPO signature on the acquisition plan. The BPO is responsible for satisfactorily reconciling the SPE's comments prior to proceeding with the planned acquisition.

All formal acquisition plans valued at $50M or more and those identified as special interest, require the following documents to be submitted electronically to the "OAM Mailbox" at: OAM_Mailbox@doc.gov, at least **14 business days** prior to holding the Bureau-level Acquisition Review Board meeting:

a. Acquisition Summary Page

b. Formal acquisition plan (*cleared through all appropriate offices*);

c. Proposed statement of work/performance work statement including deliverable items and option provisions;

d. Market Research Report;

e. Independent Government Cost Estimate;

f. Justification for Other than Full and Open Competition, if applicable;

g. All required Determination and Findings and/or Justification and Approvals, if applicable;

h. Proposed award/incentive fee/term plan, if applicable;

i. CD 570, *Small Business Set Aside Review* or other documentation of coordination with the OSDBU and Bureau Small Business Specialist, as applicable;

j. Review Board Considerations for High Risk Contracts Checklist (*Appendix J*) [*Ref. Appendix A for definition of high-risk acquisition*];

k. Interagency Agreement, if applicable;

l. Any other document that might bear on the acquisition planning process or will support the proposed acquisition strategy; and

m. Time, date, and location of the scheduled Bureau-level Acquisition Review Board meeting.

6.2.3 Department-Level Acquisition Review Board

Formal acquisition plans with expected life-cycle costs at $75M or more or any other procurement designated by the Senior Procurement Executive shall be reviewed by the Department-Level Acquisition Review Board. The ARB will be comprised of Senior Bureau Procurement Officials from each acquisition office, Department CIO and chaired by the Senior Procurement Executive.

In addition to submitting all documents required for the Bureau-level Review Board as identified above in subsection 6.2.2 at least **14 business days** prior to the scheduled ARB, briefing materials of the presentation to be conducted before the ARB shall be submitted to the OAM Mailbox at: OAM_Mailbox@doc.gov no less than five (5) business days prior to the scheduled meeting.

The presentation shall address, at a minimum, the following:

a. Description of the project (i.e., what is being acquired; how it supports the Department's mission; and any appropriate historical acquisition information relevant to the proposed acquisition strategy);

b. Life cycle cost analysis, funding sources, and an explanation of any budget concerns;

c. Proposed acquisition strategy;

d. Description of market research conducted;

e. Key project risks associated with the acquisition and how the risks will be mitigated (For High Risk Acquisitions, see *Appendix J* for additional points to address in presentation);

f. Source Selection or Award Decision Process as applicable;

g. Description of how the contract will be managed (i.e. what system will be used to monitor cost, schedule and performance, and report on deviations); and

h. Qualifications, including certification status/levels, of the proposed Contracting Officer, Project Manager, and Contracting Officer's Representative.

6.2.4 Special Review Board Requirements for Interagency Acquisitions

Interagency agreements for assisted acquisitions shall be reviewed in accordance with the following requirements:

a. Agreements identified as a high-profile acquisition program or project as defined in DAO 208-16, shall be reviewed by the MRB.

b. Agreements in excess of $10M shall be submitted with the formal acquisition plan to OAM for review using the "OAM Mailbox" at: OAM_Mailbox@doc.gov. A Department-level ARB is not required.

c. Agreements below $10M shall be reviewed and approved in accordance with internal Operating Unit policy.

6.3 Approval of Formal Acquisition Plan

All formal acquisition plans up to $75M shall be cleared and approved by the Senior Bureau Procurement Official before the resultant solicitation is issued. Formal acquisition plans at or above $75M must be cleared and approved by the Senior Procurement Executive prior to solicitation

issuance. As determined on a case-by-case basis, all formal acquisition plan approvals may be conditional and require subsequent Departmental review and approvals.

6.4 Modifying Formal Acquisition Plans

After initial approval, significant changes in the formal acquisition plan must be approved by the approving official before they are implemented. For acquisition plans approved by the Senior Procurement Executive, the Contracting Officer should discuss potential changes to the acquisition plan with the BPO before requesting formal approval of any amendments to the acquisition plan. Formal acquisition plan revisions are subject to the same review and signature process as the original document. Any changes to the approved formal acquisition plan must be justified and approved by the BPO and reflected as a revision to the previously approved plan. A copy of all previously approved plans shall be retained in the contract file.

6.5 Exemptions

Formal acquisition plans are not required for the following types of acquisitions:

a. Unsolicited proposals (when deemed innovative and unique in accordance with (FAR Subpart 15.6).

b. Emergency acquisitions (i.e., when the need for the supplies/services is of such an unusual and compelling urgency that the Government would be seriously injured if the supplies/services were not immediately acquired). Poor planning or failure to timely initiate the acquisition process by the program and/or acquisition office does not constitute an emergency or unusual and compelling urgency.

6.6 Waiver

In some cases, the requirement for a formal acquisition plan may be waived by the Senior Procurement Executive based on urgency (such as the need for a compressed acquisition schedule to meet urgent program needs) or some other justifiable basis. The request for a waiver must be in writing and must fully describe the facts and the basis for the request. A waiver will not be considered when the urgency stems from the lack of advance acquisition planning or execution.

Requests for waivers will be submitted for approval by the Senior Procurement Executive in the same manner as the acquisition plan. The waiver must be granted prior to the release of the solicitation. Any request for waiver of ARB processes is separate from the acquisition planning requirements and such requests must be submitted to the ARB Chair.

END OF SECTION 6

SECTION 7 – ACQUISITION PLANNING OVERSIGHT

7.1 Background

Senior Bureau Procurement Officials are responsible for conducting oversight of acquisition planning activities within their Operating Units in order to identify opportunities to:

a. Enhance full and open competition;

b. Promote the use of commercial items;

c. Enhance the use of performance-based acquisition;

d. Promote strategic sourcing;

e. Reduce the use of high-risk acquisition authorities;

f. Increase support of socio-economic programs;

g. Provide maximum practicable opportunities to small business; and

h. Facilitate the effective allocation and use of human resources.

7.2 Oversight Review

Senior Bureau Procurement Officials have overall responsibility for planning and conducting oversight reviews of acquisition planning activities within their Operating Units. However, periodically the Office of Acquisition Management may conduct reviews of the Bureau acquisition planning process as part of the risk management and oversight process.

END OF SECTION 7
END OF CAM 1307.1

APPENDIX A – DEFINITIONS

Acquisition Forecast - A listing of expected acquisitions developed based on the budget formulation process and/or a 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 acquisitions will be processed in upcoming fiscal years.

Acquisition Framework - The Framework describes acquisition project management phases and the major decision milestones required to manage the progression of those phases. The Framework (1) Describes the minimum standard processes, documents, and reviews to which all high-profile acquisition programs and projects must adhere; (2) Places emphasis on early program and project planning: requirements development and traceability, risk identification, and resource and cost expectations; (3) Is scalable depending on the program's or project's size, complexity, and risk; and (4) Describes the principles of a life-cycle approach to managing acquisition programs/projects.

Acquisition Strategy – Identifies the proposed contract type, terms and conditions, and acquisition planning schedules; the feasibility of the requirement, including performance requirements, statements of work, and data requirements; the suitability of the proposal instructions and evaluation criteria, including the approach for assessing past performance information; and related program documents.

Acquisition Team -The team of individuals formed to prepare the individual elements of an acquisition plan and execute the acquisition. The team should be comprised of representatives from Acquisition, Budget, Legal, technical offices, small business and any other areas as necessary.

Capital Asset - Land, structures, equipment, intellectual property (including software), and information technology (including IT service contracts) used by the Federal Government with an estimated useful life of two or more years. The cost of a capital asset includes its full life-cycle costs, all direct and indirect costs for planning, procurement, operations, and maintenance, including service contracts, and disposal.

High-Risk Acquisition Authorities - Includes use of other than full and open competition and use of Cost-Reimbursement, Labor Hour and Time-and-Material type contracts.

High-Profile Acquisition Program or Project - A program or project designated for oversight by the Milestone Review Board (MRB) or an Operating Unit (through delegation) and which meets one or more of the following criteria: (1) Warrants special management attention or is deemed high risk due to its Criticality, Complexity, Technology, and Visibility; (2) Entails expenditure of significant levels of resources: For any program/project: Development costs, valued in current year dollars, of more than $75M or lifecycle costs, valued in current year dollars, of more than $250M. For information technology programs/projects: Lifecycle costs, valued in current year dollars, of more than $75M or annual cost (all funding from all sources allocated to the project or program in a given fiscal year) exceeding $30M. For real property and facilities: Lifecycle costs, valued in current year dollars, of more than $40M. Or, (3) is nominated as a high-profile program or project by an MRB member, and such nomination is approved by the Deputy Secretary.

Milestone Acquisition Plan – Written acquisition plan that identifies the acquisition objectives and outlines the actions and documents required to meet the requirement. The plan contains a milestone schedule to track tasks to be accomplished in order to meet the required delivery schedule.

Milestone Review Board (MRB) - The authorizing body for approval of an identified DOC high-profile acquisition program or project to proceed from one phase of the Framework to the next. The authorities of the MRB are derived from those vested in or delegated to its members. It provides a collective

vehicle for members to review a program or project and execute their individual authorities regarding approval to proceed to the next milestone or directing corrective action to proceed into the next phase. Specifically, the authorities vested in the Board include approval of procurements planned for the next acquisition phase both IT (IT Investment Authority) and non-IT.

Program Office –The entity responsible for defining acquisition requirements and providing funding allocations for the acquisition.

Special Interest Requirement – A requirement that warrants a higher level of approval due to factors such as: higher complexity or uncertainty, likely to provoke unusual public interest, or potential impact of any adverse contract performance.

Substantial Bundling – When the anticipated bundling of requirements would result in a contract or order with an estimated value of $2.5 million or more. If the acquisition strategy indicates the award will be for multiple contracts or orders, this $2.5 million threshold applies to the cumulative maximum potential value, including options, of the acquisition.

Value of the Acquisition - The maximum monetary amount that the Government could potentially obligate against a contractual action including all options, incentives, award fees and cancellation fees.

APPENDIX B

Checklist of Required Contents for Procurement Request Packages over the SAT

Provide documents electronically to servicing Contracting Office

Exercise of Options – For Current Contracts w/Option Periods Remaining:

- ❑ Procurement request completed;
- ❑ Preliminary notice of intent to exercise option, 60 days prior to option exercise
- ❑ Statement that exercising the contract option will fulfill an existing need**;**
- ❑ Contract number and number of modifications;
- ❑ Description of the anticipated impact if not approved;
- ❑ Market research results demonstrating that exercising the option is in the best interest of the Government, considering price and other factors (Refer to FAR 17.207);
- ❑ For services, a statement indicating the program's need for continuity of operations; and
- ❑ Any other information relevant to justify the requirement.

Interagency Acquisitions:

- ❑ Contents required by Departmental Interagency Acquisition Policy (see CAM 1317.570);
- ❑ Copy of current year Interagency Agreement for the same service (if applicable);
- ❑ Summary of spending in all past years (if applicable);
- ❑ Description of the anticipated impact if not approved;
- ❑ Market research demonstrating the service cannot be provided as conveniently or economically by contracting directly with a private source; and
- ❑ Any other information relevant to justify the requirement.

New Contract Actions or "Re-competes":

- ❑ Procurement request completed;
- ❑ Proposed Statement of Work/Objectives (services) or Specifications (goods);
- ❑ Proposed technical evaluation plan or proposal evaluation criteria;
- ❑ Spending in all past years for contracts being re-competed and number of the contracts being replaced (if applicable);
- ❑ Government cost estimate with supporting documentation showing the basis for estimate (price quotes, price for tasks and sample positions (for services), equipment lists, etc.);
- ❑ Description of the anticipated impact if not approved;
- ❑ Date when contract must be awarded and impact of not meeting that date;
- ❑ Proposed COR and certification levels and date;
- ❑ Any other information relevant to justify the requirement;

- For non-competitive requirements, include justifications for limiting sources under FAR Parts 8.405-6, sole source or brand name justifications under FAR 13.106-1 or subpart 13.5, justifications for an exception to fair opportunity under FAR 16.505, and justifications for other than full and open competition under FAR 6.303 using the format at FAR 6.303-2, when applicable; and
- IT Compliance in Acquisition checklist.

For Information Technology Acquisitions*:*

- When using Internet Protocol, requirements documents shall include the Internet Protocol compliance requirements specified in FAR 11.002(g) or, if a waiver of these requirements has been granted by the agency's Chief Information Officer, requirement documents shall cite applicable memorandum reference number and effective date or period, as applicable.

De-obligation of Funds – Current Fiscal Year Contracts *When funds can be 'freed-up' due to cancellation of the requirement(s), deliverables or change in scope:*

- Procurement request completed with amount(s) to be de-obligated indicated.

APPENDIX C MILESTONE SCHEDULE (SAMPLE)

	Establish milestone schedule to include the following steps, if applicable, and any others as appropriate	**mm/dd/yy**
	1. Market Research Completed	
	2. Statement of Work/Objectives Completed	
	3. Small Business Review	
	4. Complete Major IT Business Case and the Major IT Business Case Detail	
	5. Submission of Request and Supporting documents to servicing contracting office	
	6. Brief Review Boards (e.g., Bureau-level ARB)	
	7. Information Technology Investment Authority Issued	
	8. Acquisition Plan and Source Selection Plan Approved	
	9. Publication of Announcement in GPE	
	10. Solicitation Review and Clearance (legal, etc.)	
	11. Issuance of Solicitation	
	12. Pre-proposal Conference/ Site Visit	
	13. Receipt of Offers	
	14. Request for Audit	
	15. Complete Technical Evaluation	
	16. Receive Audit Reports	
	17. Competitive Range Determination and Pre-Negotiation Memo Completed	
	18. Conduct Benchmark Tests	
	19. Open Negotiations with Offerors in Competitive Range	
	20. Receive Final Proposals	
	21. Receive EEO Compliance Review	
	22. Subcontracting Plan cleared by OSDBU	
	23. Final Evaluations Reviewed and Post-Negotiation Memo Completed	
	24. Source Selection	
	25. Contract Reviews and Clearances (legal, etc.)	
	26. Contract Award, including Public Announcement Consideration (FAR 5.303)	

APPENDIX D
FORMAL ACQUISITION PLAN SIGNATURE PAGE

Program Official	Date
Budget Official	Date
Contracting Officer	Date
Office of General Counsel (or Counsel specifically assigned to a procurement office)	Date
Bureau Chief Information Officer	Date
Senior Bureau Procurement Official	Date
*Chief Information Officer	Date
*Senior Procurement Executive	Date

**Department Chief Information Officer and Senior Procurement Executive signature blocks are only required for values at or above $75M and will be obtained after the ARB.*

APPENDIX E
ANALYSIS of ALTERNATIVES (AoA) TEMPLATE

Tier 0 Spending

Describe contracts over $50M that are planned for award over the next 12 months as Tier 0 spending and are not expected to be migrated to Tier 1, 2, or 3 spending. Cite applicable justification codes from Attachment 1 – Justification Codes.

New Award or Existing Contract	Existing Contract Number	Contract Program Name	Point of Contact, Title & email address	Spend Category & Subcategory	Total Contract Value (Base + Options)	Existing Contract Annual Spend	Why Tier 2 or 3 solution not suitable		Why Tier 1 Solution not suitable
							Exception Code(s)	Explanation	
Existing	GSA 0001234F	XYZ Program	Mary Smith, Contracting Officer	Office Mgmt (OM)/OM Services	$55M	$9M	B2	Agency's needs cannot be adequately met by existing BICs or other Governmentwide contract	The contract is not agency-wide

Tier 1 Spending

Describe contracts over $100M that are planned for award over the next 12 months as Tier 1 spending and are not expected to be migrated to Tier 2 or 3 spending. Cite applicable justification codes from Attachment 1 – Justification Codes.

Existing Contract Number	Contract Program Name	Point of Contact, Title & email address	Spend Category & Subcategory	Total Contract Value (Base + Options)	Existing Contract Annual Spend	Meets Data Sharing & Agency-wide Mandatory Use Requirements (Y/N)	Why Tier 2 or 3 solution not suitable	
							Exception Code(s)	Explanation
GSA 0001234F	XYZ Program	Mary Smith, Contracting Officer	Office Mgmt (OM)/OM Services	$55M	$9M		B2	Agency's needs cannot be adequately met by existing BICs or other Governmentwide contract

Justification Codes

Use the codes below to support the development of (i) analyses of alternatives for new contracts over $50 million involving unaligned spend and (ii) analyses of alternatives for new contracts over $100 million involving Tier 1 spend. In addition to citing applicable codes, the agency should provide sufficient rationale to explain its action. In the case of opt-out plans, identify the basis for the percentage of planned opt-out. For example, if code A1 is selected, describe expected savings or cost avoidance compared to BIC solutions and other pertinent information (e.g., the majority of spend will occur through agency enterprise wide contract XYZ which is identified as SUM Tier 1).

A	**BETTER VALUE**
1	The agency expects to negotiate better pricing for products or specified services.
2	The agency expects to negotiate better terms and conditions.
B	**UNAVAILABILITY**
1	The agency expects to use contract types not available on existing BICs or other Government-wide contracts.
2	The agency's needs cannot be adequately met by existing BICs or other Governmentwide contracts (e.g., the agency needs a type of expertise not available on the existing contract).
3	A portion of the agency's requirements fall outside the scope of the existing BIC or other Government-wide contract (state if the requirements falling outside the existing contract are unique to the agency).
4	There is an established industrial base for the work that is not adequately reflected on existing BICs or other Government-wide contracts.
5	There is no BIC or Government-wide contract for the type of product or service the agency is acquiring
C	**ADMINISTRATIVE COST**
1	The agency believes the cost to spend is significantly lower for agency to acquire itself than to pay the stated fee.
D	**OTHER CONTRACTING CONSIDERATIONS**
1	The agency is at risk of not meeting its small business contracting goals and does not believe its requirement can be adequately met by small businesses on an existing contract or is seeking to grow its small business base. This includes local contracts set aside for small businesses pursuant to a comprehensive, organized agency level strategy, as approved by the agency and OMB.
2	The information in the Acquisition Gateway is insufficient for the agency to make a suitability determination.
3	Other considerations not captured in the list above – explain.

APPENDIX F
CONSOLIDATION ANALYSIS TEMPLATE

Title: *Short descriptive title of requirement*

Summary of Requirement: *Brief description of procurement*

Cost: *Total estimated costs, including any options*

Market Research Results: *Provide market research results to support the determination that consolidating requirements is necessary and justified and, in the Government's best interests.*

Consolidation Analysis: *Develop an analysis that shows quantitative data that supports the benefits from contract consolidation substantially exceeds the benefits that would derive from alternative contracting approaches. This analysis must address at the minimum, the following elements:*

Identify Alternative Approaches
Explicitly discuss:

- Each alternative strategy considered to satisfy the requirement that would involve a lesser degree of consolidation;
- Rationale for not choosing an alternative that could involve a lesser degree of consolidation, if applicable;
- Consideration of the impact of consolidating the requirement that might adversely affect incumbent and prospective small businesses.
- Steps taken to include small business concerns in the acquisition strategy.

Identify Benefits
Specify the *substantial benefits*[1], which may include:

- Cost savings or price reductions (regardless of whether quantifiable in dollar amounts);
- Quality improvements that save time or enhance performance or efficiency;
- Reductions in acquisition cycle times;
- Better terms and conditions; and
- Any other identifiable benefits.

Determination and Findings (D&F): Attach the D&F that includes rationale that the consolidation is necessary and justified (i.e., benefits meets the substantial benefits threshold) to be signed by the SPE; or that the benefits are mission-critical and the acquisition strategy provides for maximum practicable small business participation to be signed by the Deputy Secretary.

CD-570 Small Business Set-Aside Review Form: Attach the CD-570, signed by the Small Business Specialist, PCR and OSDBU.

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1 Benefits that are quantifiable in dollar amounts are substantial if individually, in any combination or in the aggregate the anticipated financial benefits are equivalent to: a) 10% of the estimated value (including options) if the value is $94M or less; or b) 5% of the estimated value (including options) or $9.4M, whichever is greater, if the value exceeds $94M. Any benefits that are not quantifiable in dollar amounts shall be specifically identified and quantified to the extent feasible. A reduction in administrative or personnel costs alone is not sufficient justification unless the cost savings are anticipated to be at least 10% of the estimated value (including options). If the substantial benefits threshold test is not reached but there exists a compelling need to issue the solicitation, the DepSec has the authority to make this determination if the benefits from the proposed consolidation are critical to mission success and provides for maximum practicable participation by small business concerns.

APPENDIX G
BUNDLING ANALYSIS TEMPLATE[1]

Title: *Short descriptive title of requirement*

Summary of Requirement: *Brief description of procurement*

Cost: *Total estimated costs, including any options*

Market Research Results: *Provide market research results, including acquisition history consisting of:*

a. The firms that performed the previous requirements being contemplated for bundling, and their business size;
b. The level of competition received on previous requirements;
c. Whether small business firms participated as prime contractors; and
d. If the acquisition was structured so as to encourage (or limit) competition or teaming.

Bundling Analysis: *Develop an analysis that shows quantitative data that supports the benefits from bundling substantially exceeds the benefits that would derive from alternative contracting approaches. This analysis must address at the minimum, the following elements:*

<u>Identify Alternative Approaches</u>

Explicitly discuss

- Each alternative strategy considered to satisfy the requirement that would reduce or minimize the scope of the bundling;
- Rationale for not choosing those alternatives;
- Consideration of the impact of consolidating the requirement that might adversely affect incumbent and prospective small businesses.
- Steps taken to include small business concerns in the acquisition strategy.

<u>Identify Benefits</u>

Specify the *measurably substantial benefits*[2], which may include:

- Cost savings or price reductions (regardless of whether quantifiable in dollar amounts);
- Quality improvements that save time or enhance performance or efficiency;
- Reductions in acquisition cycle times;
- Better terms and conditions; and
- Any other identifiable benefits.

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1 If the requirement is considered both consolidated and bundled, then the requirements for bundling shall be followed.

2 Benefits that are quantifiable in dollar amounts are measurably substantial if individually, in any combination or in the aggregate the anticipated financial benefits are equivalent to: a) 10% of the estimated value (including options) if the value is $94M or less; or b) 5% of the estimated value (including options) or $9.4M, whichever is greater, if the value exceeds $94M. If the measurably substantial benefits threshold test on a bundled acquisition is not reached but there exists a compelling need to issue the solicitation, the DepSec has the authority to make this determination. This determination may be made only if the benefits to the Government from the proposed bundled acquisition strategy are critical to mission success and provides for maximum practicable participation by small business concerns.

Determination and Findings (D&F): Attach the D&F that includes rationale that the bundling is necessary and justified (i.e., benefits meets the measurably substantial benefits threshold) to be signed by the SPE; or that the benefits are mission-critical and the acquisition strategy provides for maximum practicable small business participation to be signed by the Deputy Secretary.

CD-570 Small Business Set-Aside Review Form: Attach the CD-570, signed by the Small Business Specialist, PCR and OSDBU.

Additional Requirements for "Substantial Bundling"
For contract or orders with an estimated value (including options) of $2.5 million or more, also address the following elements:

a. Identification of the specific benefits expected as a result of bundling;

b. Assessment of the specific impediments to small business participation in the contract;

c. Action plan to maximize participation by small businesses as contractors, including efforts that will encourage small business teaming;

d. Outline of specific steps that will be taken to ensure participation by small businesses as subcontractors (including suppliers) at any tier under the contract or order;

e. Specific determination that the anticipated benefits justify the decision to bundle;

f. Assessment of alternative strategies that would reduce or minimize the scope of bundling, and an explanation of why they were not adopted; and

g. Pursuant to FAR 19.202-1(e) (2), an explanation explaining why the –

- Proposed acquisition cannot be divided into reasonably small lots to permit offers on quantities less than the total requirement;
- Delivery schedules cannot be established on a realistic basis that will encourage small business participation to the extent consistent with the actual requirements of the Government;
- Proposed acquisition cannot be structured so as to make it likely that small businesses can compete for the prime contract;
- Consolidated construction project cannot be acquired as separate discrete projects; or
- Consolidation or Bundling is necessary and justified.

APPENDIX H

FORMAL ACQUISITION PLAN SUBMISSION CHART

FORMAL ACQUISITION PLAN REVIEW LEVELS	DOLLAR RANGE	SUBMISSION TO OAM* (Day = Business Day)
Plans Not Requiring a Review Board	<$10M	14 days (before solicitation release)
Plans Requiring a Bureau Review Board	$10M up to $75M	14 days (before scheduled review board meeting)
Plans Requiring Departmental Review Board: 1. Signed Acquisition Plan 2. Final Presentation Material **Note:** Except Interagency Agreements for assisted acquisitions.	$75M and above	1…….14 days 2……. 5 days (before scheduled review board meeting)

***Reference Section 6 of this guidance for greater detail regarding submissions and deadlines*

Note: High profile acquisition programs and projects, as defined in DAO 208-16, which have been designated for Management Review Board oversight are not subject to Acquisition Review Board review. However, when a major procurement coincides with an MRB milestone decision, the MRB IPT will be expanded to include all members of the ARB.

APPENDIX I

ACQUISITION SUMMARY PAGE

Title: Short descriptive title of requirement.

Description: Brief description of procurement.

Acquisition Strategy: Discuss proposed procurement strategy, contract type and rationale for why they were selected.

Cost: Provide total estimated costs, including any options.

List of Attachments: List all attachments included in the Acquisition Plan submission, which should at a minimum include the following documents:

1. Acquisition Plan
2. Statement of Work
3. CD-570, Small Business Set-Aside Review Form
4. Independent Government Cost Estimate

The following documents shall also be included with the Acquisition Plan submission where applicable:

1. Justification for Other than Full and Open Competition
2. All required Determination and Findings and/or Justification and Approval
3. Proposed Award/Incentive-Fee/Term Plan
4. Interagency Agreement
5. High-Risk Contract Checklist

APPENDIX J

REVIEW BOARD CONSIDERATIONS FOR HIGH RISK CONTRACTS			
	YES	NO	COMMENT
Rational for Contract Type			
Is contract type commensurate with the level of risk, degree of uncertainty and best strategic incentive to stimulate performance and control costs?			
Is this a recurring requirement where cost history or experience provides a basis for firmer pricing?			
Should transition to a fixed-price contract be considered?			
If entire contract cannot be fixed price, can a portion of the contract be established on a fixed-price basis?			
Why does it remain difficult to define the requirements with a reasonable degree of certainty?			
Mitigation Strategies			
Is the requirement well defined with a clear vision of the desired end product with measurable milestones and deliverables?			
Will a pre-award survey be conducted to establish contractor's responsibility and financial and technical capability?			
How will you ensure that the contractor's accounting system will permit timely development of all necessary cost data?			
How will the Government monitor, control, and mitigate risk of contractor performance to give reasonable assurance that efficient methods and effective cost controls are used?			
What are the skills and qualifications of Government personnel who will perform contract surveillance and approve invoice payments?			
Is the acquisition team trained and experienced in the use of TM/LH contracts?			
What is the strategy to migrate to a lower risk contract type?			

Contracting Officer Signature _____ **Date** _____