

## HOMELAND SECURITY ACQUISITION MANUAL

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### DEPARTMENT OF HOMELAND SECURITY (DHS) REVISIONS TO MULTIPLE HOMELAND SECURITY ACQUISITION MANUAL (HSAM) CHAPTERS

This HSAM Notice is being transmitted to all DHS Heads of Contracting Activities and Acquisition Leads. PLEASE DISSEMINATE TO WIDEST POSSIBLE AUDIENCE - ACQUISITION STAFF, FINANCIAL PERSONNEL, CUSTOMERS, PURCHASE CARDHOLDERS, ETC.

**Introduction:** This notice provides revisions to HSAM:  
Chapter 3001, Federal Acquisition Regulation System;  
Chapter 3002, Definitions of Words and Terms;  
Chapter 3004, Administrative Matters;  
Chapter 3005, Publicizing Contract Actions;  
Chapter 3006, Competition Requirements;  
Chapter 3007, Acquisition Planning;  
Chapter 3008; Required Sources of Supplies and Services;  
Chapter 3009, Contractor Qualifications;  
Chapter 3011, Describing Agency Needs;  
Chapter 3012, Acquisition of Commercial Items;  
Chapter 3013, Simplified Acquisition Procedures;  
Chapter 3015, Contracting by Negotiation;  
Chapter 3016, Types of Contracts;  
Chapter 3017, Special Contracting Methods;  
Chapter 3023, Environment, Conservation, Occupation Safety, and Drug-Free Workplace;  
Chapter 3031, Contract Cost Principles and Procedures;  
Chapter 3032, Contract Financing;  
Chapter 3033, Protest, Disputes, and Appeals;  
Chapter 3036, Construction and Architect-Engineer Contracts;  
Chapter 3037, Service contracting;  
Chapter 3039, Acquisition of Information Resources;  
Chapter 3041, Acquisition of Utility Services;  
Chapter 3042, Contract Administration and Audit Services;  
Chapter 3045, Government Property; and  
Chapter 3053, Forms.

This HSAM Notice incorporates revisions resulting from: (1) changes made necessary by Federal Acquisition Circular (FAC) 2001-16 through 2001-26; (2) updated Management Directives (MD) titles and numbers; (3) new procedures, policy and guidance to implement or identify MDs which are specific or related to acquisition; (4) new delegations; (5) new tables in Chapter 3004 to include previous lists where appropriate; (6) corrections to add previously omitted guidance (such as invoicing

instructions); (7) clarification of review and approval requirements of contract actions; (8) modification of the DHS Form 700-22, Small Business Review to include instructions, content, and policy, (9) revision of the DHS Acquisition Planning Guide, Appendix A to Chapter 3007; and (10) numerous technical corrections. This notice is issued in accordance with HSAM 3001.301-70(a). The changes are integrated into the electronic HSAM version at [www.dhs.gov](http://www.dhs.gov) and DHS Online. The HSAM changed text is highlighted in yellow and is provided as follows:

## **CHAPTER 3001 - FEDERAL ACQUISITION REGULATION SYSTEM**

**(1) Subchapter 3001.103, Authority,** is revised to include the new Management Directive (MD) 0003, Acquisition Line of Business Integration and Management, to read as follows:

### **3001.103 Authority.**

The HSAM is issued pursuant to the DHS Delegation Number 0700, Delegation to the CPO for Acquisition and Financial Assistance Management and Management Directive (MD) 0003, Acquisition Line of Business Integration and Management.

**(2) Subchapter 3001.603, Selection, appointment, and termination of appointment** is revised to read:

### **3001.603 Selection, appointment, and termination of appointment.**

#### **3001.603-1 General.**

The HCA, with authority to redelegate to no lower than the COCO, is delegated authority to select, appoint, and terminate the appointment of contracting officers.

#### **3001.603-2 Selection.**

The Clinger-Cohen Act, Public Law 104-106 (Division D), and the Office of Federal Procurement Policy, Policy Letter 97-01, direct the implementation of mandatory training, education, and experience requirements for entry and accession in the acquisition career field. The DHS MD Number 0740.2, Contracting Officer Warrant Program, establishes procedures for the implementation of these requirements and other career development efforts. This document is issued under the authority of HSAM 3001.103 as a supplement to HSAM Chapter 3001. This policy also includes DHS MD Number 0780.1, Contracting Officer Technical Representative (COTR) Certification, Appointment and Responsibilities, as a supplement to HSAM Subchapter 3001.

#### **3001.603-3 Removed.**

#### **3001.603-4 Removed.**

(3) A new **Subchapter 3001.671 Selection, Appointment and Termination of Non-Warranted Ordering Officials** is added to Subchapter 3001.6 to read as follows:

**3001.671 Selection, Appointment and Termination of Non-Warranted Ordering Officials.**

**3001.671-1 General.**

(a) This policy applies only to non-warranted, non GS-1102 Ordering Officials placing orders in excess of the micro-purchase threshold. Contracts must have established fixed terms and prices, as Ordering Officials are not authorized to negotiate, determine price reasonableness or determine best value.

(b) HCA (or written designee) must ensure that nominated Ordering Officials possess the necessary skills and abilities to successfully perform the assigned duties.

**3001.671-2 Procedures.**

(a) Authority of Ordering Officials. If the HCA (or written designee) determines that the appointment of Ordering Officials is essential for the operation of the contracting mission, the following situations are authorized:

(1) For contract actions deemed appropriate, a DHS non-warranted federal employee may be appointed as an Ordering Official to place delivery orders for **supplies** under DHS Electronic Mall (EMALL).

(2) For contract actions deemed appropriate, a DHS non-warranted federal employee may be appointed as an Ordering Official to place delivery orders for **supplies** against indefinite delivery contracts and blanket purchase agreements (BPAs), that were awarded by DHS Contracting Officers, provided the contract terms permit placement of the orders and orders placed are within monetary limitations specified in the contract.

(b) Appointment of Ordering Officials.

(1) Documentation. The HCA (or written designee) shall maintain a file of appointments, waivers for temporary appointment and terminations for all Ordering Officials.

(2) Qualifications. Appointees shall have sufficient knowledge and experience to perform Ordering Official duties. Appointees shall hold a DHS certification for Ordering Officials and must acknowledge the requirement to attend skills currency training during the appointment duration to maintain certification. MD 0783, Ordering Official Certification, details the certification requirements. Appointees shall be familiar with and comply with appropriate DHS regulations and be responsible for identifying any potential conflict of interests relating to their appointment.

(3) Appointment. Each Ordering Official shall be issued a unique appointment letter that delegates authority to the Ordering Official and that delineates his or her duties,

responsibilities, and limitations of authority. The delegated authority may not be redelegated by the Ordering Official. The duties of the Ordering Official should be considered when determining the appropriate dollar level for the ordering authority. The written appointment must be signed and shall not contain authority to sign contractual documents, order contract changes, modify contract terms, or create any commitment or liability on the part of the Government different from that set forth in the contract.

(4) Upon receipt of the appointment, the Ordering Official shall advise the appointing authority in writing that he or she accepts the responsibilities. After acceptance of the appointment, the contractor (if appropriate), disbursing officers and other interested personnel are provided written notification of the name of the Ordering Official appointed to place orders, unless the Ordering Official is named in the contract.

#### (c) Termination of Ordering Official Appointment.

(1) The Ordering Official appointment shall remain in effect until the individual is reassigned or employment is terminated, unless sooner revoked by the HCA (or a designee identified in writing). Terminations of appointments shall be made in writing, except for terminations that result when contracts expire. Ordering Officials shall acknowledge the appointment termination in writing. The HCA (or designee) is responsible for ensuring appointments are terminated when they are no longer valid or required. No revocation shall be applied retroactively.

(2) After termination of the appointment, the contractor (if appropriate), disbursing officers and other interested personnel shall be provided written notification of the name of the Ordering Official who's authority to place orders has been terminated.

#### **3001.671-3 Specialized Training.**

The HCA (or a designee identified in writing) has the authority to require an eligible Ordering Official to complete additional specialized training, which is considered relevant to a particular type of contract to which the eligible Ordering Official is, or may be, assigned. This specialized training is in addition to the certification requirements and may be required for the Ordering Official to meet the needs of the appointment.

#### **3001.671-4 Temporary Appointment.**

(a) Individuals may be temporarily appointed as Ordering Officials prior to receiving acquisition certification and training under the following conditions:

(1) Certification Lacking. Individuals who previously completed initial training, procurement ethics training and specialized training (if required), but who lack certification, may be temporarily appointed as an Ordering Official without a waiver. The individual must apply for Ordering Official certification within 60 days of temporary appointment. If the Ordering Official does not submit his or her acquisition certification application to the HCA (or a designee identified in writing) within 60 days of temporary

appointment, or the application is denied, the temporary appointment shall be terminated.

(2) Training Lacking. Individuals unable to complete initial training, procurement ethics training and specialized training (if required) prior to Ordering Official appointment may obtain temporary appointments through a waiver.

(b) Waivers for temporary appointment. The HCA (or a designee identified in writing) is authorized to issue one-time waivers for temporary appointments of Ordering Officials prior to completion of procurement ethics training and specialized training (if required) in unusual and compelling circumstances.

(1) A one-time waiver may be issued if circumstances require temporary appointment of an Ordering Official prior to completion of all training. One-time waivers may not be extended or reissued beyond the initial 60-day period without CPO approval.

(2) The Ordering Official shall complete the Federal Acquisition Institute (FAI) on-line course "Contracting Orientation" (or equivalent) prior to temporary appointment. The procurement ethics training and specialized training (if required) must be completed within 60 days or the Ordering Official's temporary appointment shall be terminated.

(3) The Ordering Official must apply for certification within 60 days of temporary appointment. If the Ordering Official does not submit his or her acquisition certification application to the HCA (or a designee identified in writing) within 60 days of temporary appointment or his or her application is denied, the temporary appointment shall be terminated.

### **3001.671-5 Surveillance of Ordering Officials.**

(a) The HCA (or a designee identified in writing) shall provide technical supervision of Ordering Officials and shall:

(1) Annually review activities of Ordering Officials by physical inspection of purchase documents and records to ensure compliance with policies and demonstration of sound judgment.

(2) Perform an inspection and document specific comments as to whether the Ordering Official is operating within the scope and limitations of authority delegated and FAR Subpart 3.1.

(3) Maintain copies of inspection and review findings for three years in the files of Ordering Officials and of reviewers.

(4) If it is discovered that an Ordering Official is not properly performing assigned duties or is failing to take prompt action to correct deficiencies noted in inspections or reviews, the Ordering Officer's appointment shall be promptly terminated.

(4) Chapter 3001, Appendix A, Heads of the Contracting Activity, is revised to read:

CBP	Executive Director Procurement
ICE	Director, Procurement Division
DHS OPO	Chief, Office of Procurement Operations
FEMA	Senior Procurement Executive
FLETC	Director, FLETC
TSA	Deputy Assistant Administrator for Acquisition
USCG	Deputy Assistant Commandant for Resources, Planning, and Procurement
USSS	Chief, Procurement Division

## CHAPTER 3002 - DEFINITIONS OF WORDS AND TERMS

(5) Chapter 3002.101, Definitions, is revised to include the term “Acquisition” and technical edits for Chief Acquisition Officers (CAO) Acquisition Council to read as follows:

“Acquisition” means for DHS, the conceptualization, initiation, design, development, test, contracting, production, deployment, support, modification, and disposal of systems, supplies, or services (including construction) to satisfy OE needs. Acquisition includes all functions managed by the DHS Chief Procurement Officer (CPO) and OE Heads of the Contracting Activities.

“DHS Chief Acquisition Officers (CAO) Council” is an advisory body comprised of the Chief Procurement Officer (CPO), Deputy CPO, Director, Acquisition Policy and Oversight, and the Heads of the Contracting Activity (or designee) from each Organizational Element. The DHS CAO Council Charter establishes the role of the Council and the HCA members, who are listed at HSAM 3001, Appendix A.

## CHAPTER 3004 - ADMINISTRATIVE MATTERS

(6) Subchapter 3004.202, Agency Distribution requirements, is revised to read:

(a) In addition to the distribution requirements of (FAR) 48 CFR 4.201, the contracting officer, as appropriate, shall distribute one executed copy of all types of awarded procurement instruments to the following:

(1) The Operating Administration's (OE) property management office or property administrator when Government property is furnished to the contractor or when acquiring personal property as that term is defined in [\(FAR\) 48 CFR 45.101](#);

(2) The requiring office; and

(3) The recipient of the supplies or services (including construction).

(b) The distribution copy is necessary to enable the recording and control of Government property, as required by DHS Management Directive (MD) Number 11030.1, Physical Protection of Facilities and Real Property. If an OE uses an integrated system for maintaining government property records which are automatically updated upon award, the hard copy distribution is not required to be furnished to the property system personnel.

**(7) Subchapter 3004.4 Safeguarding Classified Information Within Industry** is revised to read as follows:

#### **Subchapter 3004.4 Safeguarding Classified Information Within Industry**

##### **3004.403 Responsibilities of contracting officers.**

(a) *Presolicitation phase.* DHS is covered by the National Industrial Security Program (NISP) when a classified acquisition as defined under [\(FAR\) 48 CFR 2.101](#) is proposed. When classified information is required by the contractor during contract performance, contracting officers shall **adhere to the following rules and regulations**:

(1) Executive Order 12829, National Industrial Security Program (NISP);

(2) [Department of Defense \(DoD\) 5220.22-M, Industrial Security Manual for Safeguarding Classified Information](#); and

(3) [\(FAR\) 48 CFR Subpart 4.4](#).

(b) *Solicitation phase.* Contracting officers shall ensure that classified acquisitions are conducted as required by the NISP. **When handling classified information, contracting officers shall also comply with DHS MD Number 11045, Protection of Classified National Security Information: Accountability, Control, and Storage,** and any OE implementing procedures. Contracting officers should contact the DHS, Office of Security for assistance in the preparation of the contract security specifications.

(c) *Award phase.* Contracting officers shall ensure that DD Form 254, including solicitation or contract number and required classified guidance, is forwarded to the DHS Office of Security prior to release of classified information.

##### **3004.470 Security requirements for contractor access to unclassified facilities, IT resources, and sensitive information.**

(a) The following DHS MDs apply to acquisitions that require recurring contractor employee access to DHS facilities or contractor employees access to sensitive but unclassified information or IT resources:

(1) MD Number 4300.1, Information Technology (IT) Systems Security, the DHS Sensitive Systems Policy Directive 4300A, and the accompanying handbook, DHS Sensitive Systems Handbook;

(2) MD 11050.2, Personnel Security and Suitability Program; and

(3) MD 11042.1, Safeguarding Sensitive But Unclassified (For Official Use Only) Information.

### **3004.470-1 Responsibilities.**

(a) The requiring office is responsible for determining if contractor employee access to unclassified Government facilities, IT resources, or sensitive but unclassified information will be required during contract performance. The DHS and OE Security Offices shall assist requiring and contracting offices with identifying the risk level, suitability requirements and other access matters relating to sensitive but unclassified information and recurring access of contractor employees to Government facilities, information systems, security items or products. All DHS Headquarters procurements that require contractor employees to have access to DHS facilities, sensitive information and/or resources shall be coordinated with the DHS Office of Security prior to release of the solicitation. Contracting officers and requiring officials shall coordinate the requirements for access investigations with the cognizant OE Security Office.

(b) In addition to incorporating the clauses as required by (HSAR) 48 CFR 3037.110-70, and the November 12, 2004 HSAR deviations, contracting officers are responsible for ensuring that solicitations, contracts, and orders identify the documentation contractor employees must complete for determining contractor suitability.

### **3004.470-2 Conditional access to sensitive but unclassified information.**

(a) In accordance with HSAR 3037.103-71, contractor personnel who will require access to sensitive but unclassified information as part of contract performance shall complete the DHS Non-disclosure Agreement, DHS Form 11000.6, before starting work under the contract.

(b) Contracting officers shall retain contractor signed Non-disclosure Agreements in accordance with OE procedures.

**(8) Subparagraphs (c) and (d) of Subchapter 3004.602, Federal Procurement Data System,** are revised as follows:



(c)(1) DHS contracting offices shall report required data through the HSCIS feeder system to the FPDS-NG. See HSCIS Users Manual for instructions on how to prepare and submit required data. Small dollar actions (above the micro-purchase threshold, but less than \$25,000), previously reported using the Summary Contract Action Report, SF-281, will be reported as individual actions in HSCIS, beginning October 1, 2004. When the Purchase card is used as a form of payment and is supported by an instrument with a PIID/SPIID (see HSAM 3004.602-71), the transaction shall be reported in HSCIS. In situations where the Purchase card is not used under \$2,500 and a PIID/SPIID is generated, the transaction shall be reported in HSCIS.

(d) Except as provided in paragraph (e), contracting officers in and outside the United States shall obtain a Data Universal Numbering System (DUNS)(also know as Contractor Identification Number (CIN)), as described in the following subparagraphs. Requests to any office other than the Dun and Bradstreet office indicated below will not be honored.

Subparagraphs 3004.602(d)(1) through (3) remain unchanged.

(9) A new subparagraph (e) is added to **Subchapter 3004.602, Federal Procurement Data System**, as follows:

(e) (FAR) 48 CFR 4.1102 allows for certain exceptions to the requirement that prospective contractors be registered in the Central Contractor Registration (CCR) (which also requires a DUNS number), prior to award of contracts. Among these exceptions are contracts awarded by “Contracting officers in the conduct of military, humanitarian, or peacekeeping operations, particularly overseas and in foreign ports,” or “contracting officers in the conduct of emergency operations, particularly under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.” Notwithstanding the requirements of HSAM Subchapter 3004.9, if it is impractical to obtain a DUNS number from a prospective contractor under one of the allowable exceptions in (FAR) 48 CFR 4.1102, contracting officers may use the following list of “Generic DUNS numbers,” which are registered and listed in the CCR system for these purposes when reporting procurement actions to HSCIS.

<u>DUNS</u>	<u>Name</u>
123456787	Miscellaneous Foreign Contractors
136666505	Spouses of Service Personnel
136721201	Government Purchase Card Small Business
136721250	Government Purchase Card Large Business
136721292	Government Purchase Card Foreign Business
153906193	Foreign Utilities
167445928	Student Workers in Laboratories
167445977	Government Purchase Card Small Disadvantaged Business (SDB)
167445993	Government Purchase Card Javits-Wagner-O'Day (JWOD)
167446025	Government Purchase Card Service Disabled Vet Owned SB (SDVOSB)
167446058	Government Purchase Card HUBZone SB
167446116	Government Purchase Card Women-Owned SB

167446249	Navy Vessel Purchases in Foreign Ports
790238638	Domestic Contractor (Undisclosed)
790238851	Foreign Contractor (Undisclosed)

(10) Subchapter 3004.602-7100(a) Scope, is revised to read:

(a) This subchapter, which applies to all of DHS including the Transportation Security Administration (TSA), prescribes policies and procedures for assigning numbers to all solicitations, contracts, and related instruments, and is in accordance with (FAR) 48 CFR 4.601.

(11) Subchapter 3004.602-7101(a)(5), Position Nine, is revised as follows:

(a)(5) Position nine. A one-digit alphabetic code, in the table below, identifies the type of procurement instrument (i.e., agreement, sealed bidding, contracts, etc.):

Letter	Purpose
A	<u>Agreement</u> : Use for a basic agreement, basic ordering agreement (BOA), or blanket purchase agreement (BPA) as defined under (FAR) 48 CFR 13.3, 16.7, and Federal Supply Schedules. Do NOT use for Cooperative Agreements.
B	<u>Sealed Bidding</u> : Use for solicitations as defined under (FAR) 48 CFR 14.2. ( <b>Character "B" use is at the OE's discretion.</b> )
C	<u>Contracts</u> : Use for all contracts (i.e., letter, 8(a), etc.). Also, includes contracts for appraisals, surveys, title, closing, and other work related to leasing or acquiring real estate rights. Do NOT use this code for Task or Delivery order contracts.
D	<u>Task or Delivery Order Contracts</u> : Use for Indefinite Quantity, Definite Quantity, and Requirements contracts as defined under (FAR) 48 CFR 16.5.
F	<u>Task or Delivery Orders</u> : Use when placing orders against (1) a contract administered by another Government agency or department e.g., General Services Administration (Federal Supply Schedule), the Department of Veterans Affairs, or the Office of Personnel Management, (2) contracts administered by agencies other than DHS including the National Industries for the Blind, National Industries for the Severely Handicapped, and the Federal Prison Industries (UNICOR). (Also see HSAM 3004.602-7102(a)(1).)
G	<u>Reserved.</u>
H	<u>Reserved.</u>
I	<u>Request for Information</u> : Use when placing an announcement in FedBizOpps for informational purposes.
J	<u>Task or Delivery Orders</u> : Use when placing orders against DHS contracts. This does not include OE BPA orders placed under GSA Schedules. (Also see HSAM 3004.602-7102(a)(2).)
K	<u>Land Purchases and Condemnations</u> : Use for acquisition of permanent real estate interests (fee simple or easement) by purchase or condemnation. Does not include leasehold interests (land or space) in real property.
L	<u>Lease Agreement</u> : Use for leasing real property and supplies or equipment. Also,

	includes instruments for both land and space where the Government obtains real estate rights and aerial easements for a limited period of time, and may or may not be monetary in consideration. Do NOT use this code for Interagency Agreements.
N	<u>Construction or Service Purchase Orders</u> : – Use only when contracting officer approval is necessary before contractor payment.
P	<u>Purchase Orders</u> : Use for purchase orders described under ( <a href="#">FAR) 48 CFR Part 13</a> (assign V, then W when numbering capacity of P becomes exhausted during a fiscal year). Also, includes orders for appraisals, surveys, title, closing, and other work related to leasing or acquiring real estate rights.
Q	<u>Request for Quotation</u> : Use when the procedures under ( <a href="#">FAR) 48 CFR Part 13</a> are followed.
R	<u>Request for Proposal</u> : Use when the procedures under ( <a href="#">FAR) 48 CFR Part 15</a> are followed. ( <b>Character “R” use is at the OE’s discretion.</b> )
S	<u>Sales Contract</u> : Use for sales and other disposal of real and personal property.
U	<u>Utilities</u> : Use for contracts for electric, telephone, water, natural gas, and other utilities.
X	<u>Interagency Agreements</u> : Use when placing an order with any other government agency or OE for supplies or services that the servicing agency may be in a position or equipped to supply, render, or obtain by contract. ( <a href="#">FAR) 48 CFR 17.502</a> applies.
	The letters E, M, T, Y and Z are available for the internal use by the OE after coordination and approval by the OCPO.

**(12) Subchapter 3004.602-7101(a)(6)**, Position ten through fifteen, is revised as follows:

(6) Positions ten through fifteen. OEs may use four to six characters in this field.

(b) Illustration of the PIID. An example of a PIID is illustrated in the **table below**. The PIID HSCG23-03-B-00001 identifies a sealed bid issued by the Department of Homeland Security, United States Coast Guard, Headquarters Contracts Office, Washington, D.C., issued in Fiscal Year 2003.

<b>Position</b>	<b>Identification</b>	<b>Code</b>
1-2	Agency	HS
3-4	Organizational Element	CG
5-6	Sub organization/contracting office of the OE	23
7-8	Fiscal Year in which the PIID is assigned to the procurement instrument.	05
9	Type of procurement instrument	B
10-15	Unique identifiers of the procurement instrument	0001, 00001, 000001, A001, AB001, ABC001

(13) The title for **Subchapter 3004.8** is revised to read:

**Subchapter 3004.8 Government Contract Files.**

(14) The title for **Subchapter 3004.804-5** is revised to read:

**3004.804-5 Procedures for closing out contract files.**

(15) **Subchapter 3004.70** is revised to read:

**Subchapter 3004.70 Review and Approval of Proposed Contract Actions.**

**3004.7000 Scope.**

(a) This subchapter establishes the review and approval requirements for the following contract actions when the value of the acquisition (inclusive of options) exceeds the simplified acquisition threshold as follows:

(1) Proposed solicitations, contracts, and contract modifications issued and awarded pursuant to Federal Acquisition Regulation (FAR) Parts 12, 13.5, 14 or 15;

(2) Proposed solicitations, orders, Blanket Purchase Agreements (BPAs), and modifications to such orders and BPAs issued and awarded pursuant to FAR part 8.4, when using Statements of Work, Statements of Objectives or requiring licenses;

(3) Proposed solicitations, orders, and modifications to such orders issued and awarded against a multiple award indefinite delivery contract;

(4) Letter contracts in accordance with HSAM Subchapter 3016.603;

(5) Proposed intra/inter-agency agreements; and

(6) Pre-negotiation objectives and the documentation of negotiation (see [FAR 48 CFR 15.406-3](#)) for actions using FAR Part 15.

(b) Specific exceptions to the review and approval requirements are provided for in HSAM Subchapters 3004.7002 and 3004.7003.

(c) The approval requirements under this subchapter are in addition to other approval requirements prescribed by the FAR, HSAR, and HSAM (e.g., [HSAM Subchapter 3005.303, Announcement of contract awards](#), 3007.1, Acquisition Plans, etc.)

### **3004.7001 Definitions.**

The following definitions are only applicable to HSAM 3004.70:

(a) "Legally sufficient" means that the document has been reviewed by an attorney in the DHS Headquarters (HQ) or Organizational Element (OE) legal office, and determined to be in compliance with applicable statutes, regulations, and procedures.

(b) "Level above Approval" means approval after a review of the action by a procurement professional at least one supervisory level above the contracting officer responsible for the action.

(c) "Review" means to scrutinize the document to ensure that the contracting officer has complied with acquisition statutes, regulations, policies and procedures; has followed sound business practices; and has ensured that the contents of the contract file are in accordance with ([FAR](#)) [48 CFR 4.803](#).

### **3004.7002 OE internal review and approval procedures.**

(a) OE review procedures: HCAs shall establish procedures for conducting the internal reviews (e.g., level above approval, coordination with a contract review board, quality assurance personnel, operational users, etc.) to ensure the requirements of this subchapter are met. An action over \$500,000, but not greater than \$1 million need not be reviewed at a level above the contracting officer at a remote contracting office when the contracting officer is the sole contracting official. The HCA is required to address review and level above approval requirements in their internal procedures for actions over \$1 million at remote contracting offices with limited contracting personnel.

(b) Review and Approval Requirements: Chapter 3004, Appendix B, Review and Approval Matrix lists the review and approval requirements for the actions listed in subchapter 3004.7000. All OE reviews, comments, approvals, and resolution of comments shall be documented in writing and maintained in the contract file. If the award approving official conditionally approves the award, the contracting officer must include in the contract file a written determination (signed and dated) indicating that all of the conditions (e.g., corrections, deletions, additions, changes, etc.) were satisfied prior to award.

(1) Review comments. Official review comments shall be designated as either "Mandatory Change/Actions" or "Recommendations." The disposition of comments for the review and approval official and legal counsel are as follows:

(A) Mandatory Changes/Actions. These comments must be incorporated into the acquisition documentation in order for the action to be completed. Without these changes, the document or action would be considered either unacceptable or legally insufficient.

(B) Recommendations. These comments are suggestions that the reviewer believes will improve the document. These comments can be accepted or rejected by the

acquisition originator.

(c) Cognizant technical/program officer review: The contracting officer shall ensure that all proposed solicitations, awards, and modifications are coordinated as necessary with the cognizant technical/program office prior to issuance or award.

(d) Exceptions: Exceptions to the approval requirements specified above in subparagraph 3004.7002(b) include unilateral modifications that do not require a proposal from or negotiations with the contractor (or from the servicing agency for inter/intra-agency agreements.) For example, approval is not required for modifications to provide incremental funding, the exercise of options, and those actions listed in HSAM Subchapter 3004.7003(b).

### **Subchapter 3004.7003 Legal review.**

(a) Basic Rule for Legal Review: Legal counsel shall review the contract actions listed in subchapter 3004.7000(a)(1) through (5) expected to exceed \$500,000 (inclusive of optional amounts and periods) for legal sufficiency. The contract action submitted for review shall be accompanied by the contract file, which must contain all documentation necessary to support the proposed action, including documentation of all contracting office reviews, approvals, and resolution of all issues and comments (unless parallel reviews are authorized in accordance with the HSAM and HCA procedures.) The HCA, in coordination with the OE's legal counsel, may increase the \$500,000 threshold. For the DHS HQ Office of Procurement Operations (OPO), the HCA coordinates with the DHS Headquarters Office of the General Counsel.

(b) Exception to Basic Rule for Legal Review: When legal counsel has previously reviewed a contract, BPA, order, or inter/intra-agency agreement, legal review of modifications to that contractual instrument is not required, provided that the modifications are within the scope of the contract document and legal counsel reviewed the awarded contract and its accompanying file. Such modifications include, but are not necessarily limited to: administrative modifications; modifications to add incremental funding; modifications to exercise options for additional items or periods where such funding or options are within the contemplation of the contract as originally awarded. No legal review is required for orders within the scope of an indefinite delivery contract awarded to a single vendor or orders within scope of an existing single vendor blanket purchase agreement under a General Services Administration (GSA) Federal Supply Schedule (FSS).

#### **(c) Additional Requirements for Legal Review:**

(1) Any contract action involving private sector financing, see HSAM 3032.702-71, regarding legal review and approval.

(2) Any contract action, including orders under indefinite quantity contracts or GSA FSS contracts, specifying cancellation or termination fees shall be reviewed by legal before execution. (Note: Provisions for cancellation or termination fees are commonly found in lease and licensing agreements.)

(3) Any contract action, including orders under indefinite delivery contracts and GSA FSS contracts, in which the Government agrees to indemnify the contractor. (Note: Provisions for indemnity are commonly found in contract provisions offered by contractors proposing terms consistent with “commercial practices.”)

(d) Availability of Legal Counsel Review at any Dollar Value: Some issues may warrant legal review regardless of the dollar value. Contracting officers may request legal review due to the complexity or sensitivity of issues of the acquisition, notwithstanding that the dollar threshold has not been reached. For example, contracting officers should feel free to request legal assistance and guidance at critical junctures in the acquisition life cycle, such as for: difficult down-select or competitive range determinations, the clearance of acquisition plans for important acquisitions, questions as to the scope of an existing contract, and the issuance of cure or show cause notices or letters.

(e) Documentation: The documentation of legal comments received or a statement from legal counsel that the procurement document has been reviewed and found to be legally sufficient must be placed in the contract file. The contracting officer is responsible for assuring that all legal comments are responded to and documented in the contract file. Any disagreements between the contracting officer and the reviewing attorney shall be forwarded to the Chief of the Contracting Office (COCO) for resolution. The COCO may delegate this function in accordance with OE procedures.

#### **Subchapter 3004.7004 Office of Chief Procurement Officer (OCPO) Review and approval.**

(a) The OCPO may require review of any DHS contract action, including modifications to awarded actions, during the acquisition process to ensure that sound business practices are being used; actions are in compliance with applicable laws, executive orders, and acquisition regulations; and actions serve the Government’s best interest.

(1) Specific actions requiring approval.

(i) The OCPO will identify specific solicitations and contracts actions for review and approval during its review of Acquisition Plans submitted as specified in HSAM Subchapter 3007.1.

(ii) In accordance with MD 0710, entitled, Reimbursable Agreements (which will be superseded and updated with a new version entitled, Inter/Intra-agency Agreements) and (FAR) 48 CFR 17.503 (c), CPO approval is required prior to issuance (as the requesting agency) of any inter/intra-agency agreement to an agency not covered by the FAR.

(b) Information required for OCPO review and approval.

(1) General.

(i) Reviews required by HSAM Subchapters 3004.7002 and 3004.7003 shall be obtained prior to transmittal to OCPO, including evidence of review and resolution of OE comments. The HCA memorandum transmitting the request for review and approval shall identify the action submitted, the documents provided, and any peculiar or extraordinary circumstances relating to the action which needs to be taken into consideration.

(ii) Documents submitted must be sufficient to allow for a comprehensive review. Documents submitted for review which include proprietary information or source selection information shall be marked and protected in accordance with (FAR) 48 CFR 3.104-5 and HSAM Subchapter 3003.104-5.

**3004.7005 Periodic compliance reviews.**

Periodic oversight reviews (e.g., an established procurement management review program, review of selected procurement actions by Headquarters, etc.) of solicitations, pre-negotiation objectives, documentation of negotiations, contract awards, and contract modification awards must be conducted by OEs. All reviews must be documented in writing.

**(16) Chapter 3004, Appendix A, Reporting Requirements,** is revised as follows:

**CHAPTER 3004 - APPENDIX A - REPORTING REQUIREMENTS**

The following is not an all inclusive listing of reporting requirements. Other procurement related reports may be required by statute, the FAR, or DHS.

TITLE OF REPORT	REFERENCE	DATE DUE	WHERE
Report of Proposed Federal Construction*	<a href="#">HSAM 3036.213-70</a> ; 29 CFR 1.4	Annually; July 31	OCPO
Contractor Report of Government Property*	<a href="#">FAR Part 45.505</a> ; (HSAR) 48 CFR/HSAM 3045	Annually; October 31	OCPO
Semi-annual Labor Enforcement Report	<a href="#">FAR Part 22</a> ; HSAM 3022.406-13; 29 CFR 5.7(b)	<b>OE submission</b> Semi-annually; April 25 and October 25	Department of Labor
Resource Conservation and Recovery Act Report	<b>HSAM 3023.4000</b>	To Be Determined	To Be Determined
SF 294, Subcontracting Report for Individual Contracts	<a href="#">FAR 19.7</a> ; SF 294; HSAM 3019.704-90	Semi-annually; April 30; October 30	OSDBU



SF 295, Summary Subcontract Report	<a href="#">FAR 19.7</a> ; SF 295; 52.219-70 HSAM 3019.704-90	See reverse of SF 295	OSDBU
Undefinitized Contract Action (UCA) Report*	HSAM 3043.7002	Upon request from the OCPO	OCPO
<b>IA Report</b>	<b>HSAM 3017.5</b>	<b>Upon request from the OCPO</b>	<b>OCPO</b>
Value Engineering Report*	<a href="#">OMB Circular A-131</a>	Annually; December 7	OCPO
Report on Federal Support to Universities, Colleges, and Nonprofit Institutions	Section 3(a)(7) of the National Science Foundation (NSF) Act	Annually; O/A May 15	Upon request from NSF
Procurement Forecast Initial and Update	Public Law 100-656; HSAM 3019.202-70	Sept 15 (Init.) and Apr 15 (Update)	OSDBU
<b>Competition Advocate Report</b>	<b>HSAR 3006.502(a); HSAM 3006.502(b)(2)</b>	<b>November 1 for the preceding year</b>	OCPO

For those reports with an (\*), if there was no activity for the period being reported, a negative response for the period shall be submitted to the requiring office.

## CHAPTER 3005 - PUBLICIZING CONTRACT ACTIONS

**(17) Subchapter 3005.203-70, Use of FedTeDs for Sensitive but Unclassified Acquisition Information on the Internet**, is revised to read:

### **3005.203-70 Use of FedTeDs for Sensitive but Unclassified Acquisition Information on the Internet.**

Effective 1 October 2003, all Sensitive But Unclassified (SBU) acquisition information used during the solicitation **and/or** proposal phase of the procurement cycle will be protected by FedTeDs. The determination of sensitivity will remain the responsibility of the requiring activity until further guidance is released. SBU acquisition materials **may include** information related to operations, systems, structures, individuals and services essential to the security and management of a facility; including telecommunications, electrical power, building facility structural layout, gas and oil storage **and/or** transportation, water supply, emergency services, and the continuity of operations. **FedTeDS is an online dissemination solution designed to safeguard sensitive acquisition related information for use by all Federal Agencies and their approved business partners.**

## CHAPTER 3006 - COMPETITION REQUIREMENTS

**(18) Subchapter 3006- Appendix A, Justification for Other than Full and Open Competition (J & A)**, paragraphs (2), (4), (5) through (8), (11) and (12) are revised to read as follows:

- (2) Nature and/or description of the action being approved. –Approval for a sole source, follow-on procurement for supplies, services, maintenance, rework, etc. Example: DHS has a requirement on a sole source basis to upgrade and maintain proprietary software at an estimated cost of \$5,520,000. **List the name and address of the proposed contractor(s).**
- (4) Identification of Statutory Authority Permitting Other Than Full and Open Competition Cite the authority under one of the “seven exceptions” listed under FAR 6.302: for example, the statutory authority permitting other than full and open competition is 10 USC 2304(c)(1) or 41 USC 253(c)(1), as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled “Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements”.
- (5) Demonstration That the Nature of the Acquisition Require Use of the Authority Cited. This paragraph is one of the most important parts of the J&A and should spell out why you have to restrict competition on this acquisition. If using only one responsible source as your authority, explain in detail the specific requirements (not what the equipment or process is capable of doing), why only one contractor is capable of fulfilling those requirements, and where other proposed contractors fail to meet those requirements. If using “Unusual and Compelling Urgency” as your authority, explain in detail why the urgency was not the result of poor planning. You must paint the full picture of this emergency situation and why it was not the user or contracting office’s inability to plan that turned a normal acquisition into an urgent one. Identify what unique qualifications the proposed contractor has for fulfilling the contract requirements. Example: This requirement is a modification to existing software that was designed by XYZ contractor. The existing software is proprietary and only XYZ may make the modifications.
- (6) Description of efforts made to ensure that offers are solicited from as many potential sources as is practicable. The description should include whether a FedBizOpps notice was or will be publicized, as required by FAR 5.2, and if not, which exception under FAR 5.202 applies. If an announcement has already been made in FedBizOpps, give the date of issuance.
- (7) Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable. This paragraph should always begin with a sentence similar to the following: The contracting officer determines that the anticipated price(s) will be fair and reasonable based on....” You may have information, such as, commercial pricelists or prior acquisition history that will

help the contracting officer determine the anticipated cost is fair and reasonable (FAR Part 15.4).

**(8) Description of Market Research.** Market Research is required by FAR Part 10. Describe the results of your market research. If no market research was conducted, provide a reason for its absence: for example, the internet was searched for a list of contractors that could provide the software or compatible software that would work with XYZ software. The market research showed that only XYZ could provide the upgrade and there are no other distributors but the manufacturer. On a sole source acquisition, the only possible way you can state in paragraph 5 of the J&A that there is only one contractor who can fulfill the agency's needs is to conduct market research, and it should be summarized here. This is also where you would describe the circumstances for acquiring a patented or copyrighted product on the representation of the intellectual property holder that has not been licensed for resale.

**(11) A Statement of the Actions, if Any, the Agency May Take to Remove or Overcome Any Barriers to Competition Before Any Subsequent Acquisition for Supplies or Services Required.** Include a statement of actions taken or will be taken to increase competition for future acquisitions of the same item/service. Will the government revise overly technical specifications; acquire data rights and drawings, etc.? An example of a statement of actions is as follows: "CG is replacing motors on all boats that are clockwise to counter clockwise rotation. Only one source can provide clockwise rotation motors. Once replaced, market research shows that a minimum of 20 manufacturers will be able to compete for this requirement. Any subsequent requirements will be acquired with counter clockwise rotation. If urgent and compelling circumstances are being relied upon, is the agency working on a fully competitive procurement to satisfy longer term needs that will be conducted at the earliest opportunity?"

**(12) Contracting Officer's Certification**

I certify that the data supporting the recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Contracting Officer Date

**Technical/Requirements Personnel Certification**

I certify this requirement meets the Government's minimum need and that the supporting data, which forms a basis for this justification, is complete and accurate.

\_\_\_\_\_  
Technical Representative Date

APPROVAL:

\_\_\_\_\_  
Contracting Officer <\$500K

\_\_\_\_\_  
Date

\_\_\_\_\_  
>\$500k - <\$10mil OE Competition Advocate

\_\_\_\_\_  
Date

\_\_\_\_\_  
>\$10mil to \$50 mil HCA

\_\_\_\_\_  
Date

\_\_\_\_\_  
>\$50mil CPO

\_\_\_\_\_  
Date

## CHAPTER 3007 – ACQUISITION PLANNING

(19) **Subchapter 3007.102, Policy**, paragraph (b) is revised to read:

(b) No release of a solicitation synopsis, a solicitation issuance, a proposed contract action issuance or funds transferred within or outside the Department is authorized until an acquisition plan has been completed and approved. In the case of inter-agency (to other federal agencies) or intra-agency (between DHS elements) agreements, the following requirements apply:

(1) If an OE is transferring funds to another agency via an inter-agency agreement, the OE must prepare and complete an acquisition plan.

(2) If another federal agency transfers funds in to an OE via an inter-agency agreement, the receiving OE must prepare and complete an acquisition plan .

(3) If two or more OEs are jointly planning an acquisition/program and funds will be transferred via an intra-agency agreement, the receiving OE must prepare and complete the acquisition plan. If an OE transfers funds via an intra-agency agreement to another OE for purposes of awarding onto an existing contract, the originating OE is responsible for completing the acquisition plan. **No** acquisition plan is necessary if the intra-agency agreement is executed under Tri-Bureau Shared Services agreements.

(20) **Subchapter 3007.103, Agency-head responsibilities**, is revised to read:

(d) DHS's implementation of (FAR) 48 CFR Part 7 acquisition planning requirements is as follows:

(2) Content Requirements.

(i) Acquisitions greater than \$5 million require a written acquisition plan that complies with the planning requirements of (FAR) 48 CFR Part 7.1 including (FAR) 48 CFR Part 7.106, Additional Requirements for Major Systems.

(ii) When the acquisition involves contract bundling, the plan shall also include the acquisition research and analysis requirements of (FAR) 48 CFR Part 7.107.

(iii) Appendix A, DHS Acquisition Planning **Guide, Version 2.0**, provides additional requirements and guidance on preparing written Acquisition Plans.

(3) Acquisition plans are not required for:

(i) Agreements between DHS elements in which all work is performed by DHS personnel;

(ii) 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);

(iii) Actions subsequent to the initial submittal of a plan which have already been included as part of an approved plan (e.g., exercise of options);

(iv) Procurements conducted under the Small Business Innovative Research Program (SBIR); **and**

(v) Procurements for **sealed bid** construction projects.

(h) Review and Approval of Acquisition Plans

(1) Review and Approvals.

(i) For acquisitions greater than \$5 million, the HCAs for the United States Secret Service (USSS) and the Federal Law Enforcement Training Center (FLETC) shall submit all acquisition plans to OCPO for review and approval. **For acquisitions greater than \$25 million (except \$10 million for A-76 studies), the United States Coast Guard (USCG) shall submit all acquisition plans to OCPO for review and approval.** All other OE HCAs shall submit acquisition plans with a total value exceeding \$10 million to OCPO for review and approval.

(ii) The Chief Procurement Officer may, at his discretion, waive the requirements of paragraph (h).

(2) Submission requirements. Before APs are submitted to OCPO, the HCA must review, approve and endorse the plan. If more than one OE is involved in the acquisition, the OE preparing the acquisition plan must coordinate the plan with the appropriate individuals within the Department.

(3) Revisions. Any significant change to an approved AP must be reviewed and approved before implementing any such changes following the process defined in this paragraph.

(4) Other review and approval requirements.

(i) Refer to MD Number 1400, Investment Review Process for additional submittal, review and approval requirements.

(ii) The Chief Procurement Officer retains the right to review any acquisition plan.

## **CHAPTER 3008 - REQUIRED SOURCES OF SUPPLIES AND SERVICES**

**(21) Chapter 3008, Required Sources of Supplies and Services** is revised to include a new **Subchapter 3008.002, Priorities for use of Government supply sources**, to read as follows:

### **Subchapter 3008.002 Priorities for use of Government supply sources.**

(a) In accordance with HSAM 3007.270-3, the contracting officer or ordering official shall review the commodities list in DHS Management Directive (MD) Number 0731, **Strategically Sourced Commodities Policy And Procedures**, prior to making a purchase using commercial sources.

**(22) Subchapter 3008.802, Policy** is revised to remove Appendix B in the first sentence to read as follows:

### **Subchapter 3008.802 Policy.**

(b) The DHS Chief, Administrative Services has been designated as the Department's central printing authority for DHS. Each Organizational Element (OE) has appointed a printing control point. Approval must be obtained prior to acquiring **in any manner** any of the supplies or services delineated in [\(FAR\) 48 CFR Part 8.802\(b\)](#).

**(23) Subchapter 3008.870(a), Acquisition of DHS Business Cards**, is revised to read:

(a) The purchase of business cards for official use by DHS employees whether by the use of appropriations or by the employee's own funds will be made in accordance with DHS MD Number 0570, Acquisition of **Department of Homeland Security** Employee Business Cards.

## **CHAPTER 3009 – CONTRACTOR QUALIFICATIONS**

**(24) Subchapter 3009.405-1, Continuation of current contracts,** is revised as follows:

The HCA is delegated the authority under (FAR) 48 CFR 9.405-1(a) and (b).

## **CHAPTER 3011 – DESCRIBING AGENCY NEEDS**

**(25) New Subchapters, 3011.1, Selecting and Developing Requirements Documents and 3011.101, Order of precedence for requirements documents,** is added as follows:

### **Subchapter 3011.1 Selecting and Developing Requirements Documents**

#### **3011.101 Order of Precedence for requirements documents.**

Safeguards to ensure safety, security (including sensitive information and information technology security) and environmental protection shall be included, as applicable, in all requirements documents.

## **CHAPTER 3012 – ACQUISITION OF COMMERCIAL ITEMS**

**(26) Subchapter 3012.1, Applicability,** is revised to read:

### **Subchapter 3012.102 Applicability.**

(f) The Head of the Contracting Activity, without further delegation, shall determine the supplies and service to be treated as a commercial item(s).

## **CHAPTER 3013 - SIMPLIFIED ACQUISITION PROCEDURES**

**(27) Subchapter 3013.201, General,** is revised to read as follows:

(c) Purchase cardholders shall be authorized and trained in accordance with DHS Management Directive (MD) Number 0760, Government Purchase Card Program.

**(28) Subchapter 3013.301 Government-wide commercial purchase card,** is revised to read as follows:

(b) Purchase cardholders shall be authorized and trained in accordance with DHS MD Number 0760, Government Purchase Card Program.

## **CHAPTER 3015 – CONTRACTING BY NEGOTIATION**

(29) Chapter 3015, Contracting by Negotiation, is revised to include a new Subchapter 3015.404-2, Information to support proposal analysis, to read as follows:

#### **3015.404-2 Information to support proposal analysis.**

(c) Audit Assistance for prime contractors or subcontracts. Pursuant to the Memorandum of Understanding (MOU) among Defense Contract Audit Agency and U.S. Department of Homeland Security and DHS Office of Inspector General, all requests for DCAA audit services shall be made through the DHS Office of Inspector General. When requesting DCAA audit services, DHS contracting professionals shall follow the procedures outlined in the MOU. A copy of that MOU is available at the DHS acquisition web site ([www.dhsonline/dhs.gov/](http://www.dhsonline/dhs.gov/)) under the "Policy" tab.

### **CHAPTER 3016 – TYPES OF CONTRACTS**

(30) A new subparagraph (a) is added to Subchapter 3016.501-2, General, to read as follows:

#### **3016.501-2 General.**

(a) For the U. S. Coast Guard (USCG), see HSAM Subchapter 3017.204(e)(1) for the limitation on the period of task order or delivery orders contracts awarded by USCG pursuant to 10 U.S.C 2304a.

### **CHAPTER 3017 – SPECIAL CONTRACTING METHODS**

(31) Subchapter 3017.204, Contracts, is revised to include the following specific to USCG task and delivery orders:

(e) COCOs, except for the USCG, may approve, without redelegation, total contract periods to exceed five years. Documentation shall include rationale for why a period longer than five years is necessary and how the price risks normally associated with a long performance period were mitigated.

(1) The ordering period of a task order or delivery order contract awarded by USCG pursuant to 10 U.S.C. 2304a--

- (i) May be for any period up to 5 years;
- (ii) May be subsequently extended for one or more successive periods in accordance with an option provided in the contract or a modification of the contract; and
- (iii) Shall not exceed 10 years unless the head of the contracting activity (HCA) determines in writing that exceptional circumstances require a longer ordering period.

(2) Paragraph (e)(1) of this section--

- (i) Also applies to information technology task or delivery order contracts;
- (ii) Does not apply to contracts, including task or delivery order contracts, awarded under other statutory authority; and



(iii) Does not apply to the following:

(A) Advisory and assistance service task order contracts (authorized by 10 U.S.C. 2304b that are limited by statute to 5 years, with the authority to extend an additional 6 months (see (FAR) 48 CFR 16.505(c)).

(B) Definite-quantity contracts.

(C) GSA schedule contracts.

(D) Multi-agency contracts awarded by agencies other than NASA, DoD, or the Coast Guard.

(3) Obtain approval from the HCA before issuing an order against a task or delivery order contract subject to paragraph (e)(1) of this section if performance under the order is expected to extend more than 1 year beyond the 10-year limit or extended limit described in paragraph (e)(1)(iii) of this section (see (FAR) 48 CFR 37.106 for funding and term of service contracts).

**(32) Subchapter 3017.500, Scope of subchapter,** is revised to read as follows:

This subchapter establishes DHS policy and procedures to assure the appropriate and consistent use of interagency acquisitions under the [Economy Act](#) (31 U.S.C. 1535) as prescribed by [\(FAR\) 48 CFR 17.5](#). The DHS Management Directive (MD) Number 0710.1, Reimbursable Agreements (which will be superseded with an updated version entitled, Inter/Intra-agency Agreements (IAs)) applies to all DHS interagency agreements.

**(33) Subchapter 3017.502(a), General,** is revised to include the following revised specific instructions:

(a) *Policy.* Before transferring funds in an Inter/Intra-agency Agreement (IA), the OE shall assure that the IA complies with the requirements in MD 0710.1, Reimbursable Agreements, (which will be superseded with an updated version entitled, Inter/Intra-agency Agreements (IAs)). Review and approvals shall be in accordance with HSAM subchapter 3004.70. Upon issuance of the updated MD, OEs will be required to prepare IA reports upon request from OCPO.

**(34) Subchapter 3017.503 Determinations and findings requirements,** is revised to as follows:

The determination shall be prepared in the format as shown in MD Number 0710.1, Reimbursable Agreements (which will be superseded with an updated version entitled, Inter/Intra-agency Agreements (IAs)).

**(35) Subchapter 3019.202 Specific Policies,** is revised to include modifications to subchapter 3019.202-271, Department of Homeland Security Small Business Review Form 700-22 as follows:

## 3019.202-271 Department of Homeland Security Small Business Review Form.

(a) Purpose. The DHS Form 700-22, Small Business Review, documents efforts to ensure small business concerns are considered for inclusion in Federal Government acquisition and that market research is conducted for every open market procurement.

(b) Requirement. In accordance with FAR 19.202, Specific Policies, Organizational Elements (OEs) shall use the DHS Form 700-22 to comply with the small business review requirements and to document considerations and recommendations for applicable acquisitions prior to synopsis or solicitation release. **This requirement is exclusive of EMALL use.** The form shall be used as follows and dollar values include both base and option periods:

(1) Review for small business considerations in all open market actions of \$100,000 or more (see FAR Part 19) and;

(2) Review for substantial bundling for all procurements of \$2,000,000 or more planned under open market procurement as well as for pre-existing contract vehicles (such as Multiple Award Schedules (MAS), including GSA Federal Supply Schedules (FSS) delivery and task orders, Multi-Agency Contracts (MACs), Governmentwide Acquisition Contract (GWACs), DHS-wide contracts, multiple award contracts, and Blanket Purchase Agreements (BPAs). (See (FAR) 48 CFR 7.104(d), (FAR) 48 CFR 7.107 and (FAR) 48 CFR 19.202-1, and HSAM 3007.107 for bundling considerations and approval requirements.)

(c) Preparation and Approval. The Small Business Specialist (SBS) and the SBA Procurement Center Representative (PCR) respectively shall complete the review process within 2 business days. The completed DHS Form 700-22, Small Business Review, shall be placed in the solicitation file.

## CHAPTER 3023 – ENVIRONMENT, CONSERVATION, OCCUPATION SAFETY, AND DRUG-FREE WORKPLACE

(36) The title for **Chapter 3023** is revised to read:

**CHAPTER 3023 ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY, AND DRUG FREE WORKPLACE.**

(37) **Chapter 3023, Environment, Conservation, Occupational Safety, and Drug Free Workplace**, is revised to include a new **Subchapter 3023.2, Energy and Water Efficiency and Renewable Energy and 3023.204, Energy-savings performance contracts**, to read as follows:

### **Subchapter 3023.2 Energy and Water Efficiency and Renewable Energy**

### **3023.204 Energy-savings performance contracts.**

(c) DHS and its OEs may enter into Energy Savings Performance Contracts (ESPC) under [42 U.S.C. 8287](#), as amended, subject to the requirements of [10 CFR Part 436](#). The contracting officer shall notify the CPO by contacting the Director, Acquisition Policy and Oversight (e-mail notification is acceptable) when DHS or an OE contemplates a procurement under this section. Notification should be provided at project inception but must occur before selection of the ESPC contractor. Upon receiving notification, CPO will coordinate with the DHS Office of Safety and Environment, and as needed, additional information will be requested from the contracting office. The purpose of early notification is to provide DHS Headquarters the opportunity to provide assistance and guidance to the contracting activity.

## **CHAPTER 3031 – CONTRACT COST PRINCIPLES AND PROCEDURES**

**(38) Subchapter 3031.205-32, Precontract costs**, is revised to read as follows:

### **3031.205-32 Precontract costs.**

(b) When the contracting officer determines **in writing that it is necessary to incur pre-**contract costs to meet the proposed contract delivery schedule, the determination shall be approved by the Chief of the Contracting Office (COCO) and include the following:

- (1) Identification of the requirement and a brief description of the work for which precontract costs are necessary;
- (2) A statement that all statutory and regulatory actions required to justify source selection **have** occurred;
- (3) Name of the prospective contractor;
- (4) Total amount of pre-contract costs involved and a statement that the funds necessary to cover this amount have been provided to the contracting officer;
- (5) Total estimated time of the effort requiring pre-contract costs;
- (6) **Discussion of reasons justifying the need** for the contractor to proceed prior to contract award; and
- (7) A statement that the contracting officer **has advised** the prospective contractor that incurrence of pre-contract costs is solely at its own risk and in the event negotiations do not result in a contract, the Government shall be under no obligation to reimburse the contractor for pre-contract costs.

## **CHAPTER 3032 – CONTRACT FINANCING**

**(39) Subchapter 3032.1, Non-Commercial Item Purchase Financing,** is revised as follows:

Remove subparagraph (c) from **3032.113-70, Customary contract financing.** The requirements of subparagraph (c) are moved to subchapter 3032.7, Contract Funding.

**(40) Subchapter 3032.7, Contract Funding,** is revised to add a new paragraph **3032.702, Policy** to read as follows:

**3032.702 Policy.**

(c) If a contract action containing a cancellation or termination fee, has been determined legally sufficient (see HSAM 3004.7003), the cancellation fee must be fully funded (obligated) at the time of contract award unless otherwise authorized by statute (e.g., see 10 U.S.C 2306b for U.S. Coast Guard funding of cancellation costs for multi-year contracts).

(d) The minimum guaranteed quantity specified under indefinite delivery indefinite quantity contracts must be fully funded (obligated) at the time of contract award.

(e) To avoid violating the Anti-Deficiency Act, fixed price, time and material, and labor hour contracts shall not be incrementally funded. Only cost type contracts may be incrementally funded provided such contracts include FAR Clause 52.232-22, Limitation of Funds, as appropriate.

**(41) Subchapter 3032.7, Contract Funding,** is revised to add a new **3032.702-71, Use of private sector financing** to read as follows:

**3032.702-71, Use of private sector financing.**

All proposed contract actions, including orders under GSA FSS contracts and orders under indefinite delivery contracts, that use private sector financing shall be approved by the Office of Chief Procurement Officer (OCPO). The HCA shall submit the action, including legal counsel review and approval for legal sufficiency, to the OCPO for approval.

**(42) Subchapter 3032.7, Contract Funding,** is revised to add a new **3032.70, Contract Payments** to read as follows:

**Subchapter 3032.70 Contract Payments**

**3032.7000 Scope of subchapter.**

This subchapter prescribes policies and procedures for the submission, review, and

approval of payments under contracts and orders as defined under (FAR) 48 CFR Part 16.

### **3032.7001 Policy.**

It is the policy of DHS to perform an in-depth review of all invoices and vouchers submitted by contractors under contracts; therefore, the COCO must ensure that the requirements of this subchapter are met.

### **3032.7002 Invoice and voucher review and approval.**

(a) Contracting officers are ultimately responsible for the review and approval of each invoice and/or voucher submitted by the contractor. However, the contracting officer may delegate to a representative, the authority to review and approve invoices submitted for payment under fixed-price contracts. The person delegated this authority must provide a copy of the approved invoice and supporting documents to the contracting officer for the contract file. When invoices and vouchers are reviewed, the extent of the review depends on the terms and conditions of the contract. The following list is representative of the tasks associated with reviewing and approving invoices and vouchers.

- (1) Ensure that the contractor completes and submits the invoice or voucher in accordance with the contract;
- (2) Ensure that the invoice or voucher is "proper" as that term is defined in the contract;
- (3) Ensure that the billed costs are allocable to the contract and allowable in accordance with (FAR) 48 CFR Part 31 and any other terms and conditions of the contract;
- (4) Ensure that evidence of receipt, inspection, and acceptance of the supplies or services has been received from a Government representative (this may be done electronically);
- (5) Ensure that the contractor's progress under the contract is commensurate with the payment requested (i.e., the unliquidated progress payments do not exceed the fair value of the work to be accomplished on the undelivered portion of the contract; and
- (6) Ensure that the correct amounts are withheld from the invoice or voucher as required by the contract (i.e., progress payment liquidation, percentage of fixed fee, etc.).

(b) When cost-reimbursement payments will be made under the contract, the contracting officer shall obtain the recommendation of Government personnel (i.e., technical representatives, quality assurance inspectors, auditors, etc.) concerning payment of the voucher.

(c) If the contracting officer determines the amount billed is allocable and allowable, he/she shall furnish the designated payment office with written approval of the amount to be paid the contractor (See Appendix B for a sample format).

### **3032.7003 Record of payment.**

(a) The contracting officer shall establish a record (either hard copy or electronic) of payment file for each contract. The file must provide evidence of the amount paid; any amounts disallowed or withheld, and the rationale for the disallowances or withholdings; balance available for payment under the contract after the invoice or voucher has been paid, and any correspondence to the contractor concerning the payments.

## **CHAPTER 3033 – PROTEST, DISPUTES, AND APPEALS**

**(43) Chapter 3033, Protest, Disputes, and Appeals, Table of Contents**, is revised to replace **Subchapter 3033.213, Obligation to continue performance**, with **3033.215, Contract clause**. The title and content at **Subchapter 3033.213** is removed and replaced with **Subchapter 3033.215** to read as follows:

### **3033.215 Contract Clause.**

When using the clause at [\(FAR\) 48 CFR 52.233-1, Disputes, with its Alternate I](#), the contracting officer shall make the determination that continued performance is necessary.

## **CHAPTER 3036 – CONSTRUCTION AND ARCHITECT-ENGINEERING CONTRACTS**

**(44) Subchapter 3036.602-3, Evaluation board functions**, is revised to read:

### **3036.602-3 Evaluation board functions.**

The HCA retains the authority to direct the functions of the evaluation board.

(a) For A-E acquisitions exceeding the simplified acquisition threshold, the A-E evaluation board must perform the following functions in addition to, or in combination with, those of [\(FAR\) 48 CFR 36.602-3](#), and in the sequence indicated:

(1) Analyze the nature and scope of the project work requirements.

(2) Develop the evaluation criteria and rating systems to be used in screening firms for the pre-selection list and in the final selection. The screening criteria should be based on information provided by the **Standard Form (SF) 330, Architect-Engineer Qualifications**.

(3) Prepare the public announcement (see [\(FAR\) 48 CFR 5.205\(d\)](#)) for the project and provide it to the contracting officer for publication.

(4) Screen the SFs 330 and any other qualification data received in response to the public announcement of the project and prepare a pre-selection list of the best qualified firms for further consideration. The preselection list must consist of at least three firms.

(5) When appropriate, obtain in writing more specific and detailed qualification, experience and past performance data (see [\(FAR\) 48 CFR 36.602-1\(a\)](#)) not provided by the SFs 330 that are needed to evaluate the firms using the established selection criteria. The firms should also be provided with a description of the nature and the scope of work to be accomplished to assist them in their responses. The A-E firms shall be advised not to submit price proposals, design sketches, drawings or design data at the time the qualification and past performance information is submitted.

(6) Conduct interviews with the firms on the preselection list. As part of the interview, the A-E firms shall be given an opportunity to make an oral presentation of their qualifications and experience, proposed project approach, and any other relevant data. The program and project manager and other key project personnel and consultants proposed by a firm should participate in the interview.

(7) Whenever it is practical and advantageous, the A-E evaluation board should visit the offices of the A-E firms on the preselection list to inspect their facilities and work environments, to meet members of the proposed project team, and to see both work in progress and additional examples of completed projects.

(8) Review the SFs 330 and other experience and qualification data for each firm on the preselection list, and perform a systematic numerical evaluation rating of the firms.

(9) Develop a rank order listing of at least three firms considered most highly qualified to perform the required work, based on the numerical evaluation ratings of the firms on the preselection list.

(10) Prepare a report which shall include in sufficient detail:

(i) The extent of the board's review and evaluation;

(ii) The list described in paragraph (i) of this section;

(iii) Recommendations; and

(iv) Considerations on which the recommendations are based.

(d) The COCO is delegated the authority to receive the report prepared by the evaluation board.

## **CHAPTER 3037 – SERVICE CONTRACTING**

**(45) Subchapter 3037.110-70, Solicitation and contract clauses,** is deleted in its entirety.

## CHAPTER 3039 – ACQUISITION OF INFORMATION RESOURCES

(46) Subchapter 3039.101, Policy, is revised to read as follows:

### 3039.101 Policy.

(b)(1) Department of Homeland Security Management Directives (MDs) that apply to the acquisition of Information Technology (IT) and provide policy and guidance for the information resource management and IT program are:

- (i) MD Number 4200.1, IT Capital Planning and Investment Control (CPIC) and Portfolio Management;
- (ii) MD Number 1400, Investment Review Process; and
- (iii) MD Number 4300.1, Information Technology Systems Security.

(2) See HSAM 3004.470 for security requirements for contractor access to unclassified IT resources.

## CHAPTER 3041 – ACQUISITION OF UTILITY SERVICES

(47) Subchapter 3041.103, Statutory and delegated authority, is revised to read:

### 3041.103 Statutory and delegated authority.

(c) Requests for individual and class certifications, that allow for delegations of authority from GSA for utility service contracts for periods over one year and not greater than ten years shall be referred by the Head of the Contracting Activity (HCA) to the Chief Procurement Officer (CPO).

## CHAPTER 3042 – CONTRACT ADMINISTRATION AND AUDIT SERVICES

(48) Subchapter 3042.1502, Policy, is revised to read as follows:

### 3042.1502 Policy.

The HCA is responsible for ensuring that contractor performance evaluations are completed to meet the requirements of [\(FAR\) 48 CFR Subpart 42.15](#) and reported into the Contractor Performance System for all contracts including the evaluation of task and delivery orders which exceed \$100,000. Interim evaluations should be performed on contracts exceeding one year in duration to assist with improving contractor's marginal performance and identifying any major deficiencies. These procedures include evaluation of Contractor performance in the attempt to achieve and the achievement of goals identified in the small business subcontracting plan when the contract includes the clause at (FAR) 48 CFR 52.219-9, Small Business Subcontracting Plan.



(49) **Subchapter 3042.7000, Policy**, is revised to read:

**3042.7000 Policy.**

DHS Management Directive (MD) Number 0780.1, **Contracting Officer's Technical Representative (COTR), Certification, Appointment and Responsibilities**, provides policy and procedures concerning the selection and training, certification, appointment, and termination of a **COTR**.

**CHAPTER 3045 – GOVERNMENT PROPERTY**

(50) **Chapter 3045** is revised to include a new **Subchapter 3045.602-3 Screening**, to read as follows:

**3045.602-3 Screening**

The contracting officer shall contact the appropriate OE property office for guidance.

(b) *Special screening requirements.*

(2) **Special test equipment with commercial components.** The contracting officer shall contact the appropriate OE property office for guidance.

(3) *Printing equipment.* To ensure compliance with the regulations of the Joint Committee on Printing, Title 44 U.S.C., contracting officers shall report all excess printing equipment to the DHS Chief Administrative Services. This includes all equipment for use in authorized printing plants and auxiliary equipment (i.e., composing machine, process camera folder, collator, cutter, drill, or other production equipment) for use with duplicators or copying equipment.

(51) **Subchapters 3045.607, Scrap, 3045.608, Screening of contractor inventory, 3045.610, Sale of surplus contractor inventory** and associated subparagraphs are revised to be removed in their entirety.

**CHAPTER 3053 - FORMS**

(52) **Subchapter 3053.207-70, Advanced Acquisition Plans**, is revised to read as follows:

**3053.207-70 Advanced Acquisition Plans.**

DHS Form 700-15 dated 04/04 is reserved. Each August, the OCPO will establish the format and instructions for the submittal of the annual Advanced Acquisition Plans.

(53) The Forms Table, Chapter 3053 is revised as follows:

Form Name	Form Number	Forms files
Preconstruction Conference Agenda and Checklist	DHS 700-11	DHS-700-11.pdf
Determination of Prospective Contractor Responsibility	DHS 700-12	DHS-700-12.pdf
Cover Page Source Selection Information	DHS 700-13	DHS-700-13.pdf
Cover Page Proprietary Information	DHS 700-14	DHS-700-14.pdf
<b>Advanced Acquisition Plan--Reserved</b>	<b>DHS 700-15</b>	
Simplified Acquisition Summary and Continuation Sheet	DHS 700-16	DHS-700-16.pdf
Weighted Guidelines Profit/Fee Objective	DHS 700-17	DHS-700-17.pdf
Contract Facilities Capital and Cost of Money	DHS 700-18	DHS-700-18.pdf
Summary of Underpayments	DHS 700-19	DHS-700-19.pdf
Procurement Request and Continuation Sheet	DHS 700-20	DHS-700-20.pdf
Material Inspection and Receiving Report and Continuation Sheet	DHS 700-21	DHS-700-21.pdf
Small Business Review Form	DHS 700-21	DHS-700-22.pdf
Contract Award Notification	DHS 2140-1	DHS 2140.1.doc
Report of Proposed Federal Construction	DOL-1671	FORMDOL1671.xls

(54) Subchapter 3053 is revised to include:

The DHS Form 700-22, Small Business Review, is revised (dated June 2005) and incorporated into the HSAM at [www.dhs.gov](http://www.dhs.gov) and <https://dhsonline.dhs.gov>.

**Attachment:** Chapter 3004, Appendix B; Chapter 3007, Appendix A (Version 2.0); and DHS Form 700-22 (Revision 6/05).

**Effective date: July 13, 2005**

**Signed by: (signed)**

**Ashley J. Lewis  
Director, Office of Acquisition Policy and Oversight**

## CHAPTER 3004 - APPENDIX B - REVIEW AND APPROVAL MATRIX

<b>REVIEW TYPE AND THRESHOLDS</b>			<b>REVIEW AND APPROVAL LEVELS</b>				
			<i>OCPO may require review of any DHS contract actions in accordance with HSAM Subchapter 3004.7004.</i>				
			Contracting Officer	Level above Approval	Legal Review	Program Office	Other
1	Sealed Bids - Solicitation and Award -	<\$500,000	R/A		D	D	
		>\$500,000	R	R/A	R		D
2	Negotiated Procurements - Solicitation, Pre-Negotiation, Negotiation & Award	<\$500,000	R/A			D	
		>\$500,000	R	R/A		D	
	Solicitation & Award	>\$500,000			R		
	Pre-Negotiation or Negotiation Memoranda	Any amount			D		
3	Solicitations, Orders, BPAs - Issued and awarded IAW FAR Part 8.4 using SOW and SOOs or requiring licenses	<\$500,000	R/A		D	D	
		>\$500,000	R	R/A	R*	D	
4	Solicitations & Orders – Issued and awarded IAW FAR Part 16 for multiple award Indefinite Delivery contracts	<\$500,000	R/A		D	D	
		>\$500,000	R	R/A	R*	D	
5	Inter/Intra-Agency Agreements	<\$500,000	R/A		D	D	
		>\$500,000	R	R/A	R	D	
		All IAs going to or coming from Non- FAR covered agencies	R	R	R	D	CPO - R/A
6	Letter Contracts - IAW HSAM 3016.603	All	R	R	R	D	COCO – R/A
7	Modifications to the above actions - Items 1-6	<\$500,000	R/A		D	D	
		>\$500,000	R	R/A*	R*	D	
<b>ADDITIONAL REQUIREMENTS FOR LEGAL REVIEW</b>							
8	Private Sector Financing				All		
9	Agreement with Termination or Cancellation Fees				All		
10	Agreement with Indemnification for Contractor				All		

*Legend: R = Review R/A = Review/Approval R\* = Review required, but see exceptions at HSAM 3004.7003(b) R/A\* = Review and Approval required, but see exceptions at 3004.7002(d) D = Review as necessary based on requirement CPO = Chief Procurement Officer OCPO = Office of the Chief Procurement Officer COCO = Chief of the Contracting Office*

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# **DHS Acquisition Planning Guide**

**July 2005  
Version 2.0**

Office of the Chief Procurement Officer  
Acquisition Policy and Oversight Division

**Purpose**

Planning is the first step to successful completion of the Department of Homeland Security's (DHS) mission. Acquisitions are an important method to meet mission requirements. The purpose of this document is to provide Program Managers (PM) and other acquisition personnel a way to organize and plan each acquisition to meet their portion of DHS's mission. This guide complies with the Federal Acquisition Regulation (FAR) 7.102 and HSAM 3007.1. Acquisition Plans (AP) prepared using this guide will document the acquisition planning and provide a road map to complete each acquisition.

**Policy**

All DHS acquisitions shall be planned. All DHS acquisitions or combination of acquisitions supporting a program that meet the threshold requirements in HSAM 3007.103(d)(2)(i) require a formal written approved Acquisition Plan (AP) before initiating any contractual action, unless an exception applies. Acquisitions include, but are not limited to, contracts, orders against the GSA federal supply schedule, basic ordering agreements, interagency agreements, memorandum of understand or memorandum of agreements.

For research and development efforts where one or more acquisitions are planned, the Acquisition Plan will be titled Acquisition Strategy. In all other cases, the documentation of the plan for each contractual action will be called an Acquisition Plan.

**Introduction**

This document is written in three parts. Part I is general information about acquisition planning. This document does not provide guidance on program planning, it covers only how to plan acquisitions to meet program requirements. Part II provides narrative detailed information on the contents required in an AP and how to prepare an AP. Part III is a set of AP templates designed to assist with completing an AP for standard types of acquisitions.

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## **Part I – Overview of the Acquisition Planning Process**

### **1.1 What is an Acquisition Plan?**

An Acquisition Plan (AP) documents a program's plan for meeting a portion of the DHS mission through one or more acquisitions. It is a comprehensive plan that provides the background necessary to understand the program and how each acquisition will support the program and DHS. An AP is also required to document the planning for stand alone acquisitions that are separate from DHS identified programs. For these acquisitions, the AP describes DHS's need for the stand alone acquisition. The AP is a means to discuss the acquisition process and documents the decisions made prior to processing each contractual action. The AP serves as a mechanism to review, approve and document acquisition decisions, as well as creating a road map for implementation of the acquisition decisions. Once approved, an AP provides direction and approval for execution of each contractual action.

All APs, program or stand alone, address the technical, business, management and other significant considerations that will affect the acquisition strategy and execution of each contractual action.

### **1.2 When is an Acquisition Plan required?**

The Federal Acquisition Regulation (FAR) 7.102(a) and HSAM 3007.102 require planning for all acquisitions. Acquisition planning is prepared as the first step in any acquisition and should be begun as early in the program life cycle as possible, or for stand alone acquisitions as soon as the need is known. Where the planned acquisition(s) meet or exceed the DHS thresholds in HSAM 3007.103(d)(2)(i) of \$2 million, a formal written acquisition plan is prepared. For acquisitions below the HSAM 3007.103(d)(2)(i) threshold, informal written acquisition plans should be completed where possible. DHS components may provide thresholds and requirements for informal written acquisition plans.

### **1.3 Who prepares an Acquisition Plan?**

The Program Manager (PM) is responsible for developing and executing the program. The PM prepares the program acquisition plan with the team who will be responsible for executing the plan. The acquisition team should include at a minimum the PM, the Contracting Officer (KO) and the budget officer. For stand alone acquisitions, the sponsor prepares the stand alone acquisition plan in conjunction with the KO and a budget officer if applicable.

Because acquisition planning is an inherently governmental function, the AP should normally be prepared and reviewed only by government personnel. Contractor support personnel should not normally be employed in direct support of acquisition planning or in the development of APs. If contractor personnel need to be involved in preparing the AP or even reviewing the AP, appropriate Organizational Conflict of Interest provisions must be included in the contract under which the contractor's services have been obtained and non-disclosure agreements must be executed. In order to avoid the appearance of a conflict of interest, a contractor who participates in acquisition planning may not participate in any other aspect of implementing the program at DHS. If there is any question concerning a potential, actual or the appearance of an organizational conflict of interest, the KO shall contact the Office of General Counsel before undertaking any acquisition planning involving a contractor's participation.

#### **1.4 What is the scope of the Acquisition Plan?**

Program APs cover an entire program and describe how that program will meet its portion of the DHS mission through one or more acquisitions. Program APs should include all acquisitions including (i.e. administrative contracts, training and technical support contracts, independent validation and verification contracts, and basic or applied research and development efforts) for the program. Stand alone APs may be prepared for single acquisitions not covered by a program. These APs cover acquisitions that are not part of a formal program but need to be performed to support DHS as an organization.

#### **1.5 When do Program Acquisition Plans get revised?**

The PM and the KO review the AP at least annually and at each Key Decision Point (KDP) milestone. The AP is revised whenever there is a new acquisition; there is a major program change; or whenever there is a significant change to the approved AP. An AP change is significant if it what is being procured changes; how it is being procured (including method and contract type) changes or funding changes. AP revisions are subject to the same review and signature process as the original document.

#### **1.6 How long does an Acquisition Plan take to be approved?**

Acquisitions plans requiring CPO approve in accordance with HSAM 3007(h)(1)(i) should be submitted immediately after receiving formal program approval. In general APs are reviewed and approved within seven calendar days where the acquisitions included in the AP were listed in the Advanced Acquisition Plan, the Program is approved for the current milestone decision and AP Templates were used to develop the AP.

#### **1.7 Can the Acquisition Plan be waived or tailored?**

The contents of an AP vary depending on the nature, scope, complexity, circumstances, program level, and phase of the acquisition program life cycle. APs consider all of the topics listed in Part II of this guide, but the contents of each topic will vary and may be tailored. APs should reference the applicable program documents and summarize them where appropriate. The AP summarizes program approvals and does not substitute for KDP or other programmatic decisions.

In rare cases, the requirement for an AP may be waived by the DHS Chief Procurement Officer (CPO) on the basis of urgency or some other justifiable basis. Waivers are required in writing and describe the facts and the basis for the request. A waiver will not be considered when the urgency stems from the lack of planning. Requests for waivers are submitted to the CPO for approval, in the same manner as the AP. The waiver is only available prior to the first action in the acquisition process (i.e. announcement of the requirement, Justification for Other than Full and Open Competition etc).

Waivers, if granted, do not constitute authority for any deviation, special condition or clause which might be needed for an acquisition. Neither an approved AP nor a waiver of an AP substitutes for any determination and findings, Justification for Other than Full and Open Competition, or waiver or deviation from FAR or HSAR requirements.

**1.8 Are there page limitations for the AP?**

The AP should be concise. In general, an AP should not exceed 50 pages. To condense the size of the AP, program wide information should be presented first and then information for each acquisition should be presented separately. Use charts and table whenever possible to separate information associated with each acquisition where more than one acquisition is covered in the AP. Cite programmatic documents such as the Mission Needs Statement, OMB 300 exhibits, Acquisition Program Baseline, test plans, support plants, evaluation plans by reference whenever possible and summarize the documents.

**1.9 Is there a required numbering system for the AP?**

Yes, The OE shall assign a nine digit identifier followed by the date of the AP for each formal written AP. The first four digits on DHA APs will be “HSXX” referring to the Department of Homeland Security (HS) and issuing Acquisition Component (XX). The next two digits shall be the fiscal year in which the AP was or will be approved. The last three digits shall be assigned sequentially. The AP date is the date the AP was approved.

Revision to the AP shall be identified with the identification number of the original AP followed by the revision number and date the revision was approved.

**1.10 Who signs, reviews and approves the AP?**

All APs that meet or exceed the HSAM 3007(d)(2)(i) threshold shall be signed at a minimum by the PM, competition advocate, small business specialist, KO and Head of the Contracting Activity (HCA). By signing the AP, the PM certifies that the information in the AP is current, accurate and complete. The Competition Advocate must concur if any of the planned acquisitions are for other than full and open competition. The small business specialist reviews and signs the AP concurring with the market research and resulting acquisition strategy unless all acquisitions covered in the AP are set aside for small business. The KO’s signature certifies that the acquisition methodology is sound and that the KO independently concurs that the AP reflects the best business strategy for the acquisition(s). The HCA signature signifies that the HCA concurs with the AP contents and has met all of the HCA responsibilities in FAR 7.103 and HSAM 3007.103.

All APs that meet or exceed the HSAM 3007(h)(1)(i) threshold shall be reviewed by the Office of the Chief Procurement Officer (CPO) and approved by the CPO.

**1.11 Is there any help in preparing an AP?**

While this guide is designed to be the primary tool to help in preparing DHS APs, additional assistance is provided by the Desk Officer for each OE. Seek Office of General Counsel assistance with planning multi-year procurements, incremental funding, etc.

**1.12 When are design-to-cost and life-cycle-cost techniques used?**

Design-to-cost is a method of acquiring supplies and services where cost is treated as an independent variable. In this instance, the Offerors are provided with the budgeted amount and required to propose solutions to provide as much of the requirement as possible within the budget. This acquisition technique is required to be considered whenever the budgeted amount shown in paragraph C.1 of the AP is less than the independent cost estimate. If design-to-cost is considered, but rejected where the budgeted amount is less than the independent government estimate, the AP must explain why design-to-cost was rejected and how the funding shortfall will be accommodated.

Life-cycle cost is the total program cost to meet program mission or need. It includes the estimated cost for all contract actions from basic research through disposition at the end of the mission need. It does not include internal government costs, but does include training in maintenance and operation as well as ancillary supplies and services that are needed to meet the full mission need. Life-cycle costs must be addressed in paragraph C.1 whenever a system (supply or software) is procured to meet a mission need.

## **Part II – Preparation and Contents of an Acquisition Plan**

Each numbered sub-section in Part II shall be addressed in every AP, but the contents of each subsection may be tailored to the program or noted as “not applicable”.

### **AP Contents**

To make the AP as brief as possible the contents of the AP should first present those characteristics that apply to the entire program. This should be followed by a separate discussion of each acquisition under the AP where there are unique characteristics separate from the general program information.

### **Program Wide Information**

In this guide, “program wide” refers to the program information common to all the acquisitions covered in the plan. The use of separate plans, such as logistics support plans, test and evaluation plans, safety plans, environmental protection plans and risk management plans is encouraged for large and complex programs in order to simplify the AP, Cite and summarize information in these separate plans in the AP, do not duplicate the information.

### **For each Acquisition**

A program may require one or more acquisitions to meet its mission. In this guide “for each acquisition” means the specific and unique information associated with each acquisition. Each acquisition may include one or more contractual actions to obtain the entire supply or service required. Each acquisition and each known contractual action that supports the acquisition should be documented in the AP.

## **Section A. Acquisition Background and Objectives**

Why is this program or stand alone acquisition being done? What is its mission and what will each acquisition accomplish?

Identify if this is a new AP or an AP update. If it is an update, provide the reason for the update and summarize the new information.

### **A1. Statement of Need**

#### **A1a. Program History**

##### **Program Wide**

Introduce the AP with a brief statement of need summarizing the approved Mission Need Statement (MNS) or other requirements documents.

Identify the MNS or other document that authorized program initiation and approval for current program life cycle phase (KDP approval). If the MNS is not available or applicable, cite any applicable program authorization or explain why it is not applicable. Do not attach a copy of the entire MNS.

If the program includes involves information technology discuss how OMB circular A-130 will be met. If the acquisition is for a capital asset, provide summary information from the applicable OMB exhibit 300 submission.

Summarize the relevant technical and contractual history of the acquisition program, preferably in 250 words or less. Include a brief statement indicating how long the program has been in development or production and how long it is expected to continue. This history should include the current program life cycle phase, accomplishments in the previous program phases as well as the program’s relationship to other programs.

**A1b. Contract History**

**Program Wide**

Include or attach a brief summary chart or table of major contract actions completed for the program to date. Include all types of acquisitions and include grants, memoranda of agreement, memoranda of understanding and Other Transactions. The information must include at least the applicable document or action identifier, the name of the firm or source who performed the service or provided the supply, the type of contractual vehicle used, a description of the supply or service provide, the quantity of supplies provide or the duration and level of service provided and the historical or estimated value of each acquisition identified.

The following chart may be used:

<b>Identifier</b>	<b>Contractor or Source</b>	<b>Contractual Vehicle Type</b>	<b>Supply or Service</b>	<b>Quantity or Period of Performance</b>	<b>Historical or estimated value</b>

**A2. Applicable Conditions**

**Program Wide**

State all significant conditions or constraints affecting the acquisition such as the interrelationship between the acquisitions covered under the AP, the relationship between the acquisitions under the AP and the historical acquisitions cited in paragraph A1b. Also discuss constraints such as single sources of supply for key components or new technology required to meet the program needs. If there are external constraints on the cost (i.e. limited budget or funds from fees), schedule (i.e. congressionally mandated implementation dates) or capability or performance (i.e. new technology or interoperability) discuss them from a programmatic prospective.

**Section B. Technical Issues****B1. Capability or Performance****Program Wide**

Summarize the key capability or performance characteristics from the MNS or requirements document. Show how those characteristics will be achieved through the acquisitions covered in the AP.

**For each acquisition**

What are the results required from each acquisition covered under the AP? What does each supply need to be able to do? What capability will each service provide to DHS? What unique knowledge, skills, experience does the contractor need to provide the supply or service.

**B2. Delivery or Performance-Period Requirements****Program Wide**

Describe the overall timeframe for the program and the anticipated dates for each program life cycle phase. Describe any mandated deadlines or any integration issues that affect performance schedules.

**For each acquisition**

State the period of performance for each acquisition and discuss why that period of performance was chosen. If any time frame is longer than 5 years, summarize the market research that supports the extended period of performance.

**B3. Product or Service Description****For each acquisition**

Discuss what will be procured and how it will be described in the solicitation and award documents. If the supply or service will not be described in performance based terms, provide the rationale and market research that supports your alternative method.

State whether the supply or service is a commercial item. Summarize the market research that supports the commercial item status. If not a commercial item, describe what will be done to convert to a commercial item in the future.

**B4. Test and Evaluation****Program Wide**

How will the program be tested and evaluated? How will the usefulness and performance of the program be verified? Summarize the program wide test and evaluation plan and provide details for each type of test and evaluation below.

**B4a. Developmental Testing****Program Wide**

Summarize how the program will document how it is progressing toward meeting the MNS or other requirements document. Site any applicable acquisition program baseline and discuss any known or potential variances.

**For Each Acquisition**

If the acquisition is for developmental testing or includes developmental testing as part of the acquisition, summarize the nature and extent of the testing and how the results of the testing will be evaluated and used.

**B4b. Operational Assessment****Program Wide**

Summarize how the program will document how useful the program is to DHS. Summarize benchmarking, market analysis or other efforts that have been or will be undertaken to ensure that the program continues to best meet DHS's needs.

**For Each Acquisition**

If the acquisition is to provide an operational assessment or assist in the government's operational assessment, summarize the assessment method, the analysis that will be required and discuss how the results of the assessment will be reported and used.

**B4c. Operational Testing****Program Wide**

Summarize how the program will test the supplies and services covered by the AP to ensure that they work when provided to the end user. Discuss when the testing will occur, by whom and how the results will be analyzed and evaluated.

**For Each Acquisition**

If the acquisition is to provide Operational Testing, discuss how it will be performed independent from the supply or service provider. Discuss how information will be collected by users of the supply or service and how maintenance problems or failure to perform as needed will be analyzed, evaluated and reported.

**B4d. Acceptance Testing****For Each Acquisition**

Summarize how (through testing or otherwise) each line item will be accepted by the government before payment for the supplies or services.

**B5. Logistics Considerations****Program Wide**



For complex programs cite and summarize the logistics plan that includes training, use, maintenance, repair, upgrade and or replacement of supplies or services within the program. Discuss the expected life of the supply or service and how the logistic plan will promote competition throughout the life cycle of the supply or service for the logistic items.

For IT acquisitions, discuss the use of open standards.

**For each Acquisition**

Discuss the assumptions made about the supplies or services being acquired. Discuss the logics supplies and services that will be included in the acquisition including training, maintenance, repair, upgrade, replacement etc. Discuss how competition will be maintained if logistics items are not purchased or described in the initial acquisition document.

**Section C. Business and Management Issues**

**C1. Cost, Budgeting and Funding**

**C1a. Cost**

**Program Wide**

Provide the estimated cost of the program broken down by fiscal year. Provide the estimated cost for each program life cycle phase and the estimate for each acquisition within each life cycle phase. Discuss the method used to derive the estimated cost including the supporting rationale and assumptions. If the program’s life cycle costs were not estimated, explain why.

**For each Acquisition**

Provide the estimated value of the acquisition and a detailed independent government estimate of the acquisition cost. Discuss the value of the acquisition in relationship to the life cycle cost of the supply or service discussed under the program wide information. Discuss whether cost constraints require the acquisition to use design-to-cost objectives. Discuss whether a should-cost analysis has been done or will be done for the supply or service being procured.

**C1b. Budgeting and Funding**

**For each Acquisition**

	PriorYear Obligated Amount	FY 1	FY 2	FY 3	FY 4	FY 5	Total Funding
Funding Source 1							
Amount Required							
Amount Budgeted							
(Under or							

Overage)							
Funding Source 2							
Amount Required							
Amount Budgeted							
(Under or Overage)							
Total Funding							
Amount Required							
Amount Budgeted							
(Under or Overage)							

In the table, list source of funds that will be used to fund each acquisition and the independent cost estimate as the amount required. In the Under or Overage row provide the difference between the amount required and the amount budgeted for the effort. If the amount required does not equal the amount in the table, explain the difference in a note below the table.

**C2. Trade offs and Risks**

**C2a. Trade-offs**

**Program Wide**

Discuss program cost, schedule and performance trade-offs. If the amount required is less than the funding budgeted in C1b, discuss how schedule and performance will be traded-off against cost to obtain program objectives within budget. Note do not discuss proposal trade-offs between cost and technical factors here. This paragraph describes the programmatic trade offs outside of source selection.

**C2b. Risks**

**For each Acquisition**

<b>Risk Event</b>	<b>Risk Category</b>	<b>Risk Probability</b>	<b>Impact</b>	<b>Risk Management</b>	<b>Responsible</b>
<i>(Identify the risk)</i>	<i>(Cost, Schedule, Performance,</i>	<i>(High, Medium or Low)</i>	<i>(What would happen and how sever</i>	<i>(Describe the mitigation strategy)</i>	<i>(Name and title of the person who is</i>

	<i>Political or Organizational)</i>		<i>would it be if the risk event occurred)</i>		<i>responsible for managing the risk)</i>
--	-------------------------------------	--	--	--	---

Identify the risks to each acquisition and complete the table above for each identified risk. Risks may include cost schedule, performance, political and organizational risks. If there is a risk management plan, cite the plan number and date and include a brief summary instead of completing the chart.

**C3. Acquisition Considerations**

**C3a. Acquisition Streamlining**

**For each Acquisition**

Acquisition streamlining includes efforts that result in a more efficient and effective use of resources during the acquisition process. List each item that may be used in each acquisition to streamline the acquisition process. Examples of streamlining include:

- Draft solicitations including draft SOOs, SOWs, or PWSs released for industry comment.
- Limiting the size of proposals to less than 50 pages for RFPs and 20 pages for RFQs.
- Limiting the number of evaluators to 5 or less.
- Using performance work statements (PWS).
- Acquiring Commercial Off the Shelf (COTS) products.
- Using pre-solicitation and pre-proposal conferences.
- Using oral presentations.
- Using advisory process to advise potential Offerors before the solicitation is released.

**C3b. Competition**

**For each Acquisition**

State the type of acquisition process that will be used and describe how it will maximize competition throughout the life of the resulting contractual instrument. If the action is a sole source or limited competition, describe how and when competition will be introduced into the acquisition after award of the initial contractual instrument.

**C3c. Sources**

**For each Acquisition**

Summarize the market research performed and cite the Market Research report. Summarize your market research to find the appropriate sources. If small business set aside was not selected as the acquisition process, describe why small businesses were not considered appropriate sources for this work. If this is a sole source acquisition, summarize the basis for the sole source.

**C4. Source Selection Considerations**

**For each Acquisition**

Describe the process used for each acquisition citing the applicable FAR section (i.e. FAR 15 full and open competition, FAR 19 small business set aside competition, FAR 8.4 GSA task order competition). Discuss why the acquisition process was chosen and briefly discuss the alternative acquisition processes considered. Describe the term of the contract action and provide at least the following information:

- i. Discuss whether each acquisition will be performance based.
- ii. This contract vehicle will contain  will not contain  options in accordance with FAR 17.2.
- iii. This contract vehicle will be  will not be  incrementally funded in accordance with FAR 32.7.
- iv. This will be  will not be  a multiple award Indefinite Quantity or Indefinite Delivery contract in accordance with FAR 16. If this is a single award IDIQ contract, provide the justification for the single award.
- v. This is  is not  a multi-year procurement in accordance with FAR 17.1.
- vi. The resulting contracting vehicle will contain the following line items using the associated contract types:

Base or Option Item	Line Item Number	Description	Contract Type

**C5. Contract Administration, Management Information Requirements and Technical Data**

**C5a.** The Contracting Officer Technical Representative is \_\_\_\_\_ .

**C5b.** The COTR will manage the technical aspects of the contract by \_\_\_\_\_ .

**C5c.** The contractual vehicle will include  will not include  Earned Value Management as a contract administration tool. If not, discuss what will be used to measure cost, schedule and performance during the contract term. If EVM will be used discuss how it will be used.

**C5d.** Each line item will be accepted after successful completion of . Invoices will be reviewed by the COTR to ensure that the Contractor has met all of the acceptance criteria prior to approval and payment of each invoice.

**C5e.** The contract vehicle will include the following data rights clauses:

**C5f.** State that the contract vehicle will require metric system of measurement in proposed acquisitions in accordance with 15 U.S.C. 205b (see FAR [11.002\(b\)](#)) and DHS metric plans and guidelines.

**C5g.** Summarize any printing/copying requirements and how they will comply with the standards specified in section 505 of Executive Order 13101 of September 14, 1998, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition (see FAR [11.303](#)).

**C5h.** If the acquisition is not performance based, explain why it is not. Address whether the Electronic and Information Technology Accessibility Standards (see 36 CFR part 1194) are applicable (see FAR [11.002\(e\)](#)). If so, explain how these standards are included in requirements planning, as appropriate (see FAR [Subpart 39.2](#)).

**C5i.** The contract vehicle will include the following data rights clauses:

**C6. Transition Planning**

**For Each Acquisition**

Identify whether the contract vehicle will  will not  contain a line item for “transition in” and or a line item for “transition out”. Discuss the period of performance for each line item and the tasks that will be included.

**C7. Government Furnished Information and Property**

**For each Acquisition**

**C7a.** Provide the following information: The following GFP clauses will be included in the contract vehicle . The Offerors will  will not  have a due diligence event to evaluate the government furnished property or information before award. The estimated of all GFP to be provided is \$ .

**C7b.** List the property or information will be provided with the date that it will be provided and the date it will be returned.

Description of Government Property or information	Date/ Event when provided	Date/Event when returned


**C8. Contractor versus Government Performance**

Address whether any of the acquisitions covered under the AP are covered by OMB circular A-76 or state that this paragraph is not applicable.

**C9. Inherently governmental functions**

Discuss whether the Contracting Officer has determined whether any of the work is inherently governmental and how the contractor will be prevented from performing inherently governmental functions.

**Section D. Other Considerations**

**D1. Priorities, Allocations and Allotments**

**For each Acquisition**

Generally this paragraph is not applicable. However, if your program is authorized under the Defense Productions Act of 1950 as amended and will be using a preferential or priority rating, identify the applicable information.

**D2. Make or Buy/Lease or Buy**

**For each Acquisition**

**D2a.** State whether a Make or Buy plan is  is not  required in accordance with FAR 15.407-2. If not required, cite the applicable exception.

**D2b.** State whether a Lease or Buy decision is  is not  applicable to this acquisition. If the decision is applicable, please provide the factors and analysis considered as required under FAR 7.4.

**D3. Environmental Consideration and Energy Conservation.**

List the environmental and energy conservation clauses that will be included in the resulting contractual instrument. Discuss any environmentally-related requirements to be included in the solicitation or resulting contractual action.

**D4. Security Considerations**

**D4.a** Describe whether all  some  none  of the contractor’s employees will be required to pass a background investigation  , possess a secret level clearance  or possess a top secret level clearance.

**D4b.** List the clauses that will be included in the resulting contractual instrument addressing personnel, data or physical security.

**D5. Other Issues**

**For each acquisition**

**D5a. Standardization.** For each acquisition of a system, discuss what will be done to ensure that the system will be procured to industry standards or whether the system is compatible with industry standards.

**D5b. Strategic Sourcing.** If not discussed in paragraph A1, discuss whether the Commodity Council was consulted regarding this acquisition. Discuss whether this is a DHS wide acquisition and if it is not why it is not a DHS wide acquisition.

**D5c. Open Systems.** If the acquisition involves software, discuss steps being taken to avoid proprietary standards and to acquire systems with open standards.

**D5d. Occupational Safety and Health Considerations.** Describe the strategy to ensure that occupational safety or health is being managed under the resulting contractual action. If there are no occupational safety, or health considerations, discuss why this paragraph is not applicable.

**D5e. System Safety Program.** If the acquisition is for a system, summarize the systems safety plan. If this is not a system’s acquisition, this paragraph is Not Applicable.

**D5f. Fair Labor Standards.** State whether the Services Contract Act is  is not  applicable to this acquisition. If applicable, state that all required clauses and provisions will be included in the solicitation and resulting contractual instrument. (Note: Ensure that the independent government estimate in Section C includes the applicable SCA increases.)

**D5g. Disposal.** State whether the acquisition will  will not  result in any hazardous material being created or used. If applicable, describe how any hazardous material will be required to be disposed.

**Section E. Participants in AP Development**

List the individuals who participated in the preparing the AP. Provide the name, title, organization, telephone number and email for each individual. Each AP must include participation from at least the Program Manager, Contracting Officer, Budget Officer, Small Business Specialist and Commodity Council representative.

Name	Title	Organization	Telephone Number	Email
	<b>Program Manager</b>			
	<b>Contracting Officer</b>			
	<b>Budget Officer</b>			
	<b>Small Business Specialist</b>			

	<b>Commodity Council</b>			
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**Section F. Milestones for the Acquisition Cycle**

**For each acquisition**

List each significant event from acquisition initiation through the end of the contract action (pre and post award). For each event identify the completion date and the individual responsible for completion of the action.

<b>Event</b>	<b>Date Completed or Due</b>	<b>Person Responsible</b>
<b>Program initiated</b>		<b>Program Manager</b>
<b>IPT formed</b>		<b>Program Manager</b>
<b>Market Research Completed</b>		
<b>Program Approvals Obtained</b>		
<b>AP approved</b>		
<b>PR with funding provided to KO</b>		
<b>Solicitation Package Complete</b>		
<b>Solicitation Package reviewed by OGC</b>		
<b>Solicitation Released</b>		
<b>Proposals/Quotes Received</b>		
<b>Evaluators Trained</b>		
<b>Evaluation Complete</b>		
<b>Source Selected</b>		
<b>Post selection documentation complete</b>		
<b>Notification of Unsuccessful</b>		
<b>Award</b>		
<b>Notification of Award</b>		



### **Part III – Templates**

The Templates are Word documents that provide more specific guidance for each of the paragraphs listed in Part II of the guide. The Templates are designed to focus the PM and the acquisition team on the important issues unique to specific types of acquisitions or specific parts of the program life cycle. The Templates do not replace the information requirements in Part II of the guide, but supplement that guidance for individual actions. Each AP should be tailored to ensure that it addresses all issues even if they are not included in the template.

**The following Templates in a fill-able Word format are available only at the DHS Online Portal: Management - Acquisition – Policy - Acquisition Planning:**  
**<https://dhsonline.dhs.gov/portal/jhtml/community.jhtml?index=42&community=Management&id=2009480007>**

**To use the Template Word files you must save the file to your desktop and turn on/turn off the paragraph icon in your toolbar to unhide/hide the form instructions.**

**Acquisition Strategy for Research and Development (R&D) actions**  
**Acquisition Plan for Non-Information Technology Programs**  
**Acquisition Plan for Information Technology (IT) Programs**  
**Acquisition Plan for Interagency Agreements**  
**Acquisition Plan for Competitive Sourcing**

## Glossary

**Acquisition** means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract (see FAR 2.101).

**Acquisition cost** means the amount that the contractor will receive for successfully completing the contract action.

**Acquisition planning** means the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition (see FAR 2.101).

**Acquisition Program Baseline (APB)** is a program document required for all programs that are reviewed and or approved by DHS headquarters. The APB establishes the program's performance requirements, schedule requirements and estimate of total acquisition cost of the entire program (rather than each acquisition).

**Acquisition Strategy** includes: 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 (see FAR 15.201). For Major Systems the Acquisition Strategy is the program manager's overall plan for satisfying the mission need in the most effective, economical, and timely manner. The strategy shall be in writing and prepared in accordance with the requirements of FAR 7.1 (also see FAR 34.004, HSAR 3007, HSAM 3007 and Template for Acquisition Strategies).

**Acquisition streamlining** means any effort that results in more efficient and effective use of resources to design and develop, or produce quality systems. This includes ensuring that only necessary and cost-effective requirements are included, at the most appropriate time in the acquisition cycle, in solicitations and resulting contracts for the design, development, and production of new systems, or for modifications to existing systems that involve redesign of systems or subsystems (see FAR 7.101).

**Advanced Acquisition Plan (AAP)** means a plan of all anticipated procurements, including interagency agreements, blanket purchase agreements and task orders over \$100,000 for the forthcoming fiscal year. This does not include interagency agreements where DHS is acting as the serving activity (See HSAM 3007.102 and HSAM 3007.172).

**Bundling or bundled contract** means consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, orders, into a

solicitation for a single contract or order that is likely to be unsuitable for award to a small business concern due to—

- (i) The diversity, size, or specialized nature of the elements of the performance specified;
- (ii) The aggregate dollar value of the anticipated award;
- (iii) The geographical dispersion of the contract performance sites; or
- (iv) Any combination of the factors described in paragraphs (1)(i), (ii), and (iii) of this definition (see FAR 2.101).

**Commercial Item** means a supply or service that is commonly available to the public. All items purchased under FAR Part 12 or under FAR 8.4 must be commercial items.

**Contractual actions** means any contract purchase order project order, delivery or task order, interagency agreement, memorandum of agreement, memorandum of understanding to obtain anything of value (supply or service) in exchange for money.

**Design-to-cost** means a concept that establishes cost elements as management goals to achieve the best balance between life-cycle cost, acceptable performance, and schedule. Under this concept, cost is a design constraint during the design and development phases and a management discipline throughout the acquisition and operation of the system or equipment (see FAR 2.101).

**Life-cycle cost** means the total cost to the Government of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired (see FAR 7.101).

**Major system** means that combination of elements that will function together to produce the capabilities required to fulfill a mission need. The elements may include hardware, equipment, software, or any combination thereof, but exclude construction or other improvements to real property. A system is a major system if the total expenditures for the system are estimated to exceed \$750,000 (based on fiscal year 1980 constant dollars) or the dollar threshold for a “major system” established Management Directive MD 1400; or the system is designated a “major system” by DHS (see 10 U.S.C. 2302, 41 U.S.C. 403, FAR 2.101 and HSAR 3002.101).

**Multi-year contract** means a contract for the purchase of supplies or services for more than 1, but not more than 5, program years. A multi-year contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds, and (if it does so provide) may provide for a cancellation payment to be made to the contractor if appropriations are not made. A multi-year contract, defined in the statutes cited at FAR [17.101](#), buys more than 1 year’s requirement (of a product or service) without establishing and having to exercise an option for each program year after the first (see FAR 17.103).

**Multiple year contract** means a contract that buys more than 1 year’s requirement (of a product or service) using options for each program year after the first (see FAR 17.103).

**Order** means an order placed under a Federal Supply Schedule contract; or a task order contract or delivery-order contract awarded by another agency, (*i.e.*, Government wide acquisition contract or multi-agency contract, see FAR 7.101).

**Performance Based contracting** means structuring all aspects of an acquisition around the purpose of the work to be performed with the contract requirements set forth in clear, specific and objective terms with measurable outcomes as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work (see FAR 2.101).

**Value of the acquisition** means the maximum monetary amount that the government could obligate against a contractual action including all options, incentives, award fees and cancellation fees.

DEPARTMENT OF HOMELAND SECURITY  
**SMALL BUSINESS REVIEW FORM**

**Items (1-8) Request - Completed by the Contracting Officer in consultation with the Requesting Office**

(1) Requisitioner Name/Telephone Number	(2) Office/Organization	(3) Requisition Number
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(4) Contract Specialist Name/Telephone Number	(5) Contracting Officer Name/Telephone Number
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(6) Description of Product or Service

(7) Estimated dollar value: Base Period: \$ \_\_\_\_\_ Total Estimated Value Incl.Options \$ \_\_\_\_\_

(8) Period of Performance: Base Period FROM: \_\_\_\_\_ TO: \_\_\_\_\_; Option Periods \_\_\_\_\_ FROM: \_\_\_\_\_ TO: \_\_\_\_\_

**Items (9-19) - Strategy; to include Proposed Procurement Method - Completed by the Contracting Officer**

(9) NAICS Code	(10) Small Business Size Standard Employees _____ Avg. annual receipts _____	(11) Synopsis Requirement <input type="checkbox"/> YES <input type="checkbox"/> NO, exceptions [FAR 5.202(a)]
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(12) Prior Procurement History:  
New Requirement  YES  NO (If no, consult with your SBS to complete Item(12))

Contract/Delivery or Task Order Number	Period of Performance
--	-----------------------

Contractor Name & Address

Total Price:	Contractor Size/Preference Status:
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No. of Offerors:    \_\_\_ LB    \_\_\_ SB    \_\_\_ HUBZ.    \_\_\_ SDB    \_\_\_ 8(a)    \_\_\_ WOB    \_\_\_ SDVO    \_\_\_ VET

Remarks: \_\_\_\_\_

**Items (13-19) - Proposed Procurement Method - Completed by the Contracting Officer**

If planning an open market procurement of \$100,000 or more, complete Items (13-17). If action is \$2,000,000 or more and the use of Pre-existing Contract Vehicle (such as MAS (FSS)-GSA, MAC, GWAC, DHS-wide contract, multiple award contract, BPA) is planned, complete Items (18-19) for Substantial Bundling Review. **Consult your Small Business Specialist for completion of this section.**

\*\*\*\*\* **FOR OPEN MARKET PROCUREMENT OF \$100,000 OR MORE** \*\*\*\*\*

(13) **First Consideration:** Consider one of the socioeconomic initiatives.

<u>Competitive</u> <input type="checkbox"/> 8(a) <input type="checkbox"/> HUBZone Set-Aside <input type="checkbox"/> SDVOSB Set-Aside <input type="checkbox"/> Total SB Set-Aside <input type="checkbox"/> Partial SB Set-Aside	<u>Sole Source</u> <input type="checkbox"/> 8(a) <input type="checkbox"/> HUBZone <input type="checkbox"/> SDVOSB <input type="checkbox"/> Partial SB	<u>Other</u> <input type="checkbox"/> Multiple Award (any socio-economic program + LB)
--	---	---

(14) **Second Consideration:** If first consideration has been ruled out based on market research, then turn to full and open competition where an other than small business concern is expected to serve as the prime contractor and small business participation will be critical through subcontracting and the DHS Mentor Protégé Program. If no subcontracting opportunities exist, attach the associated documentation.

<u>Competitive</u> <input type="checkbox"/> Unrestricted (Full and Open) <input type="checkbox"/> Multiple Award (LB)	<u>Sole Source</u> <input type="checkbox"/> Other (Attach Justification and Approval (J&A))
---	--

(15) Subcontracting Plan Discussion with SBS                       Mentor-Protégé Program Discussion with SBS

(16) Reason for Unrestricted Procurement

- No reasonable expectation that offers will be obtained from at least two 8(a), HubZone small, Service Disabled Veteran Owned small or traditional small business concerns offering the products of different small business concerns.
- No reasonable expectation that award will be made at a fair market price.
- Sole Source/Proprietary item justified in accordance with FAR Part 6.3.
- Requirement not severable into two or more production runs or lots.

(17) Substantial Bundling Review (Completed for all open market actions of \$2,000,000 or more)

Does the procurement meet the definition of a Bundled Contract (FAR Part 7.107 and 13 CFR Part 125.2 (d)(1)(i))?

YES  NO; If YES continue, if NO proceed to item (20).

Did procuring activity coordinate acquisition strategy with the small business specialist and the Small Business Administration (SBA) Procurement Center Representative (PCR) (FAR Part 7.104(d)(1) and FAR Part 19.202-1(e)(1))?  YES  NO

Was requirement to notify the affected incumbent small business concerns of the Government's intention to bundle the requirement performed, at least 30 days before release of the solicitation (FAR Part 10.001(c)(2)(i))?  YES  NO

If procuring activity believes bundling is necessary and justified, was proper analysis submitted to CPO (HSAM 3007.107(b))?  YES  NO

\*\*\*\* \* \* \* \* **FOR ALL ORDERS OF \$2M OR MORE UNDER PRE-EXISTING CONTRACT VEHICLES** \* \* \* \* \* \* \* \* \*

(18) Select from the following Pre-existing Contract Vehicles:

- Multiple Award Schedule - MAS (FSS) - GSA
- Multi-Agency Contract - MAC
- Govt-Wide Acquisition Contract - GWAC
- Other (such as DHS-wide contract, multiple award contract, BPA, etc.) Specify: \_\_\_\_\_  
(Attach proposed list of vendors, including size status)

(19) Substantial Bundling Review (Completed for all actions of \$2,000,000 or more planned under a pre-existing contract vehicle)

Does the procurement meet the definition of a Bundled Contract (FAR Part 7.107 and 13 CFR Part 125.2 (d)(1)(i))?

YES  NO; If YES continue, if NO proceed to item (20).

Did procuring activity coordinate acquisition strategy with the small business specialist and the Small Business Administration (SBA) Procurement Center Representative (PCR) (FAR Part 7.104(d)(1) and FAR Part 19.202-1(e)(1))?  YES  NO

Was requirement to notify the affected incumbent small business concerns of the Government's intention to bundle the requirement performed, at least 30 days before release of the solicitation (FAR Part 10.001(c)(2)(i))?  YES  NO

If procuring activity believes bundling is necessary and justified, was proper analysis submitted to CPO (HSAM 3007.107(b))?  YES  NO

\* \* \* \* \* **SUBMISSION AND REVIEW SIGNATURES** \* \* \* \* \*

**Items (20-23) Submission and Reviews (Completed by appropriate officials)**

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(20) Contracting Officer  Concurrence  Non-Concurrence (Attach justification)  
 Signature of Contracting Officer: \_\_\_\_\_ Date \_\_\_\_\_

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(21) Small Business Specialist  Concurrence  Non-Concurrence (Attach justification)  
 Signature of Small Business Specialist: \_\_\_\_\_ Date \_\_\_\_\_

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(22) Contracting Officer response to SBS Non-Concur  Concurrence  Non-Concurrence (Attach justification)  
 Signature of Contracting Officer: \_\_\_\_\_ Date \_\_\_\_\_

---

(23) Completed for all unrestricted actions of \$2,000,000 or more, including sole source procurements to other than small business.  
 SBA Procurement Center Representative  Concurrence  Non-Concurrence  
 Signature of SBA PCR: \_\_\_\_\_ Date \_\_\_\_\_

---

## INSTRUCTIONS FOR DHS FORM 700-22, SMALL BUSINESS REVIEW (FOR ACQUISITIONS OF \$100,000 OR MORE)

Execution of the DHS small business program requires coordination and participation from all members of the acquisition team. The appropriate acquisition personnel to complete this form [i.e. Contracting Officer, Requesting Office (consultation), and the Small Business Specialist (consultation)] are identified by item. The form shall be completed prior to synopsis or solicitation release.

### 1. The following provides instructions for the completion of each item on the DHS Form 700-22:

**Request** - Items (1-8) are self explanatory.

**Strategy** - Items (9-12) are self explanatory.

**Proposed Procurement Method** - Items (13-19):

**If planning an open market procurement of \$100,000 or more, complete items 13-17:**

**Item (13)** Indicate the socioeconomic program planned for the requirement, after proper market research.

**Item (14)** Indicate the full and open competition contracting method in the open market scenario.

**Item (15)** Indicate if the Subcontracting Plan and Mentor-Protégé Program have been considered for procurement.

**Item (16)** Indicate reason for unrestricted procurement.

**Item (17)** Complete substantial bundling review for all open market actions of \$2,000,000 or more.

**If planning to use a pre-existing contract vehicle for an action of \$2,000,000 or more, complete items 18-19 for the bundling review:**

**Item (18)** Indicate the pre-existing contract vehicle planned for the requirement.

**Item (19)** Complete substantial bundling review when use of a pre-existing contract vehicle of \$2,000,000 or more is planned.

**Submission and Review Signatures.** Items (20-23):

Item (20) Signature of Contracting Officer.

Item (21) Signature of Small Business Specialist (SBS) to indicate concurrence or non-concurrence.

Item (22) Signature of Contracting Officer to indicate concurrence or non-concurrence in the event the SBS non-concurs.

Item (23) Signature of Small Business Administration (SBA) Procurement Center Representative (PCR) to indicate concurrence or non-concurrence.

### 2. Review and Required Signatures:

Types of Reviews X - indicates review and signature unless noted otherwise.	Contracting Officer	Small Business Specialist	SBA PCR
Open market procurement of \$100,000 or more.	X	X	
Open market procurement of \$2,000,000 or more for substantial bundling.	X	X	X
All actions of \$2,000,000 or more planned under a pre-existing contract vehicle (MAS (FSS)-GSA, MAC, GWAC, DHS-wide contract, multiple award, BPA, etc.) for substantial bundling.	X	X	
Open market procurement of \$2,000,000 or more for small business consideration and bundling, including sole source procurement to other than small business when an unrestricted procurement is contemplated. (Signature of SBA PCR is not required if one of the small business prime contracting programs will be used.)	X	X	X

### 3. Additional Requirements for Substantial Bundling:

A separate analysis and justification, including all supporting documentation of decisions made, shall accompany every open market purchase request of \$100,000 or more and every planned procurement action of \$2,000,000 or more under a pre-existing contract vehicle (such as MAS (FSS)-GSA, MAC, GWAC, DHS-wide contract, multiple award contract, BPA) for a substantial bundling review and approval. (See HSAM 3007.107 and HSAM 3019.202-27.)

### 4. Standard timeframes for completion of form by review officials:

The SBS shall complete the review process within 2 business days.

The SBA PCR shall complete the review process within 2 business days.

### 5. The completed DHS Form 700-22 shall be placed in the solicitation file.