

UNIT 9: METHOD OF ACQUISITION

September 2004

UNIT CERTIFICATION

Statement of Completion

_____ has satisfactorily completed training in the duty of this Unit under the conditions described below and in accordance with the overall standard(s) for this Unit.

Overall Duty Determine the method of acquisition.

Conditions Given forecast requirements, written or unwritten acquisition plans, market research, Procurement Request, other related documents, and a decision on applicable evaluation factors.

Overall Standard Correctly identify the method of acquisition considering the requirement, good business practice, and the requirements of law and regulation.

Part A: Method of Simplified Acquisition

Sub-Duty Determine the method for obtaining quotes under simplified acquisition procedures:

- Existing contract vehicle (e.g., a Federal Supply Schedule);
- Standing quotations;
- Electronic commerce;
- Oral solicitation; or
- Written request for quotations.

Sub-Duty Standard Use electronic commerce if cost effective and practicable. Otherwise use oral or written solicitation whichever is most cost effective and practical.

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Part B: Method of Acquisition for Other Than Simplified Acquisitions

Sub-Duty Determine the method of acquisition when not using simplified acquisition procedures:

- Sealed bidding;
 - Two-step sealed bidding; or
 - Competitive negotiation procedures.
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Sub-Duty Standard Select appropriate method of acquisition for a requirement based on available information, good business practice, and the requirements of current laws and regulations.

Part C: Oral Presentations in Other Than Simplified Acquisitions

Sub-Duty Determine whether to use oral presentations and the appropriate procedural requirements for their use.

Sub-Duty Standard Require oral presentations as a substitute for portions of a written proposal or to augment the written proposal when oral presentations would probably be effective in streamlining the source selection process, in terms of net savings to both prospective offerors and the Government.

Evaluator
_____ Name
_____ Title
_____ Date

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Insert documentation to support completed training.

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Policies

<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
2.101		Definitions for: "Micro-purchase threshold" means \$2,500, except it means...(2) \$15,000 for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. "Simplified acquisition threshold"
4.5		Electronic commerce in contracting.
5.2		Synopsis of proposed contract actions.
6.4		Criteria for selecting acquisition by sealed bidding or negotiations.
10.001		Policy, Operation or Defense Against Attack (2) Conduct market research appropriate to the circumstances- ...(v) Agencies shall conduct market research on an ongoing basis, and take advantage to the maximum extent practicable of commercially available market research methods, to identify effectively the capabilities, including the capabilities of small businesses and new entrants into Federal contracting, that are available in the marketplace for meeting the requirements of the agency in furtherance of a contingency operation or defense against or recovery from nuclear, biological, chemical, or radiological attack.
12.102		Applicability (f)(1) Contracting officers may treat any acquisition of supplies or services that, as determined by the head of the agency, are to be used to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, as an acquisition of commercial items.
12.2		Special Requirements for The Acquisition of Commercial Items Increases the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements of supplies and services to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack.
13.003(f)		Preference for use of electronic commerce to solicit quotes.

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<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
13.104		Promoting competition. Eliminates the preference for electronic commerce within Federal agencies to be conducted on the Federal Acquisition Computer Network (FACNET) computer architecture.
13.106-1		Soliciting competition for simplified acquisitions over the micro-purchase threshold.
13.201		Actions At or Below the Micro-Purchase Threshold, General (g) (1) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, the micro-purchase threshold is \$15,000. (2) Purchases using this authority must have a clear and direct relationship to the support of a contingency operation or the defense against or recovery from nuclear, biological, chemical, or radiological attack.
13.5		Simplified acquisition procedures test program for certain commercial items. 13.500 General. (a) This subpart authorizes, as a test program, use of simplified procedures for the acquisition of supplies and services in amounts greater than the simplified acquisition threshold but not exceeding \$5,000,000.
14.103-1(a)		Requirement to use sealed bidding whenever the conditions in FAR 6.401(a) are met.
14.202-4		Bid samples.
14.202-5		Descriptive literature.
14.5		Two-step sealed bidding.
15.102		Oral presentations.
15.306		Exchanges with offerors after receipt of proposals.
15.04		15.403 Obtaining cost or pricing data. The head of the contracting activity carrying out a procurement of supplies or services to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack may treat such supplies or services as a commercial item.

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<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
19.5		This rule increases the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements of supplies and services to support a contingency operation (emergency) and the head of the contracting activity carrying out a procurement of supplies or services does not have to consider small business set-asides during such a contingency and if the amount of the contract is to be \$15,000 or under.
19.8		This rule increases the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements of supplies and services to support a contingency operation (emergency) and the head of the contracting activity carrying out a procurement of supplies or services does not have to consider the Very Small Business Pilot Program during such a contingency and if the amount of the contract is to be \$15,000 or under.
19.903		Applicability (a) The Very Small Business Pilot Program applies to acquisitions, including construction acquisitions, with an estimated value exceeding \$2,500 but not greater than \$50,000, when- (3) Acquisitions of \$15,000 or less for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack as described in 13.201(g)(1).
19.13		This rule increases the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements of supplies and services to support a contingency operation (emergency) and the head of the contracting activity carrying out a procurement of supplies or services does not have to consider the HUBZone Program during such a contingency and if the amount of the contract is to be \$15,000 or under.
25.003		Foreign Acquisitions, Definitions "Construction material" means an article, material, or supply brought to the construction site by a contractor or subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies.
25.11		This rule increases the amount of the micro-purchase

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<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
		threshold and the simplified acquisition threshold for procurements of supplies and services to support a contingency operation (emergency) and the head of the contracting activity carrying out a procurement of supplies or services does not necessarily have to consider the Buy American Act during such a contingency and if the amount of the contract is to be \$15,000 or under.
35.006(a)		Negotiation necessary for research and development acquisitions.
37.105		Use of sealed bidding to acquire services whenever the conditions in FAR 6.401(a) are met.
37.602-3		Use of competitive negotiations when appropriate to ensure selection of services that offer the best value to the Government.
52.214-20		Bid samples.
52.214-21		Descriptive literature.
52.214-23		Late submissions, modifications, revisions, and withdrawals of technical proposals under two-step sealed bidding.
52.214-24		Multiple technical proposals under two-step sealed bidding.
52.214-25		Step two of two-step sealed bidding.

Other KSAs

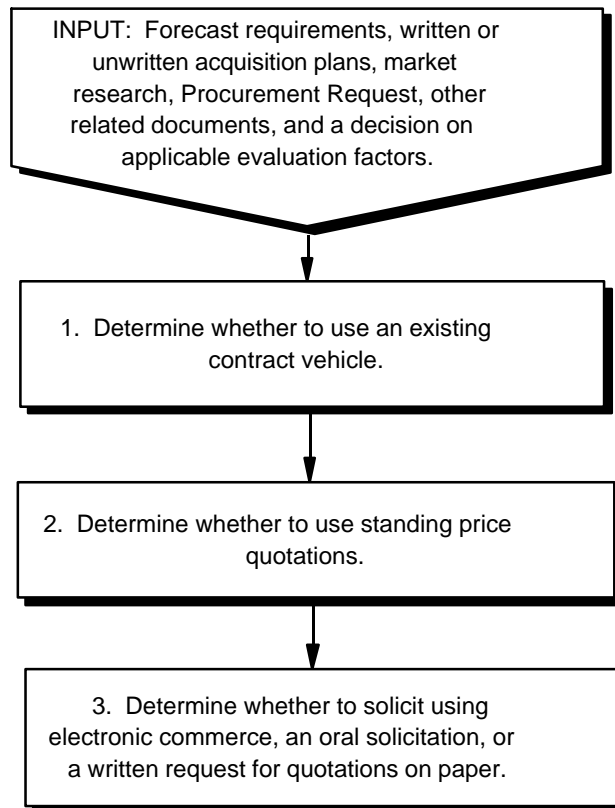
1. Knowledge of the typical period (in calendar days) necessary for sealed bidding.
2. Skill at market analysis; knowledge of physical distribution and methods for determining the production and delivery lead times of different markets (from Marketing).
3. Ability to make the decisions necessary to select the appropriate method of acquisition.
4. Ability to determine acquisition goals and the appropriate strategies for obtaining those goals.
5. Ability to research available alternative strategies.
6. Ability to maintain the honesty and integrity of the acquisition process.

Other Policies and References (Annotate As Necessary):

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Part A: Method of Simplified Acquisition

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Part A: Method of Simplified Acquisition

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Tasks	Related Standards
1. Determine whether to use an existing contract vehicle.	Consider identified contracting vehicles for advantages and disadvantages. Use mandatory sources when applicable (e.g., mandatory Federal Supply Schedules and requirements contracts).
2. Determine whether to use standing price quotations.	Identify any applicable standing price quotations (e.g., catalog prices or previously offered quotes that have not expired). Ensure that the pricing information is current and that the Government obtains the benefit of maximum discounts before award is made. Consider multiple standing quotations whenever they are reasonably available.
3. Determine whether to solicit using electronic commerce, an oral solicitation, or a written request for quotations on paper.	Solicit using the most cost effective and practicable method available. Electronic commerce is normally the most cost effective method for quickly reaching a large number of prospective offerors. <ul style="list-style-type: none">• Alternatives include:<ul style="list-style-type: none">- E-mail or messaging;- World Wide Web (e.g. FedBizOpps);- Electronic bulletin boards; and- Electronic data interchange.• When using a single government-wide point of electronic entry no synopsis is required for requirements not expected to exceed the simplified acquisition threshold.• Drawings and lengthy specifications can be provided offline in hard copy or through other appropriate means. Solicit orally to the maximum extent practicable if: <ul style="list-style-type: none">• Oral solicitation is more efficient than soliciting through any available electronic commerce alternative; and• The action is exempt from requirements for synopsis (e.g., requirements of

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Part A: Method of Simplified Acquisition

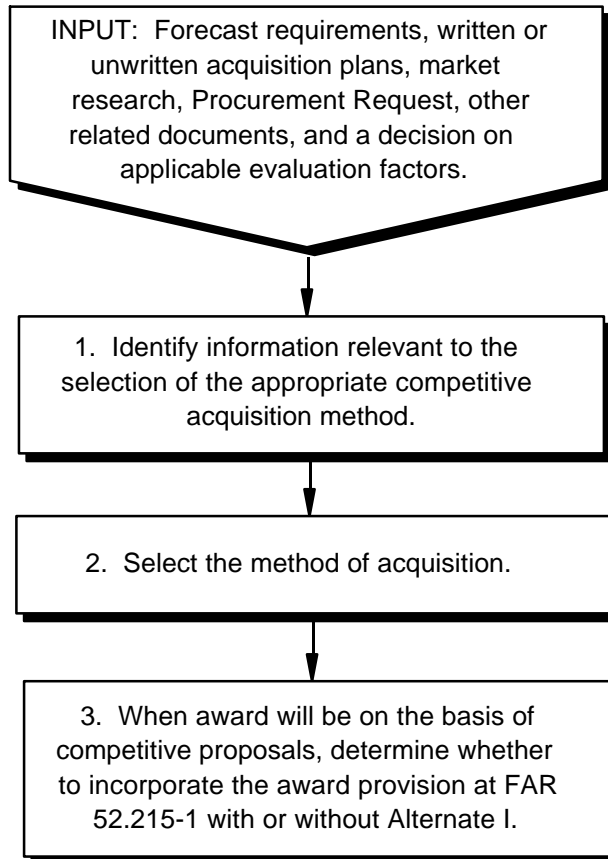
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Tasks	Related Standards
	<p>\$25,000 or less).</p> <p>Use a written request for quotations (RFQ) on paper for construction exceeding \$2,000.</p> <p>Normally, use a written RFQ on paper when electronic commerce is not practicable and:</p> <ul style="list-style-type: none">• There are many line items;• The requirement is too complex to describe orally; or• Solicitation of numerous sources is required.

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Tasks	Related Standards
1. Identify information relevant to the selection of the appropriate competitive acquisition method.	<p>Correctly identify information relevant to determining the method of acquisition, including:</p> <ul style="list-style-type: none">• Availability of an existing contract vehicle applicable to the requirement;• Probable level of competition;• Lead-time available for making award;• Evaluation factors for award;• The probability that offers will need to be discussed with offerors and the probable scope of any such discussions; and• Whether bid samples or descriptive literature will suffice, in lieu of discussions, to determine the acceptability of offered supplies or services.
2. Select the method of acquisition.	<p>Select sealed bidding when all of the following are true:</p> <ul style="list-style-type: none">• There is a reasonable expectation of receiving more than one offer.• There is sufficient lead-time for the sealed bidding process.• Final award can be made on price and price-related factors alone.• Award can be made without discussing offers with offerors, other than to resolve a minor informality or irregularity. <p>Select negotiation procedures if any one of the following is true:</p> <ul style="list-style-type: none">• There is not a reasonable expectation of receiving more than one offer.• Time does not permit the solicitation, submission, and evaluation of sealed bids.• Award will based in part be on comparative criteria other than price and price-related factors.• Discussions with offerors are necessary and cannot be limited to the question of technical acceptability.

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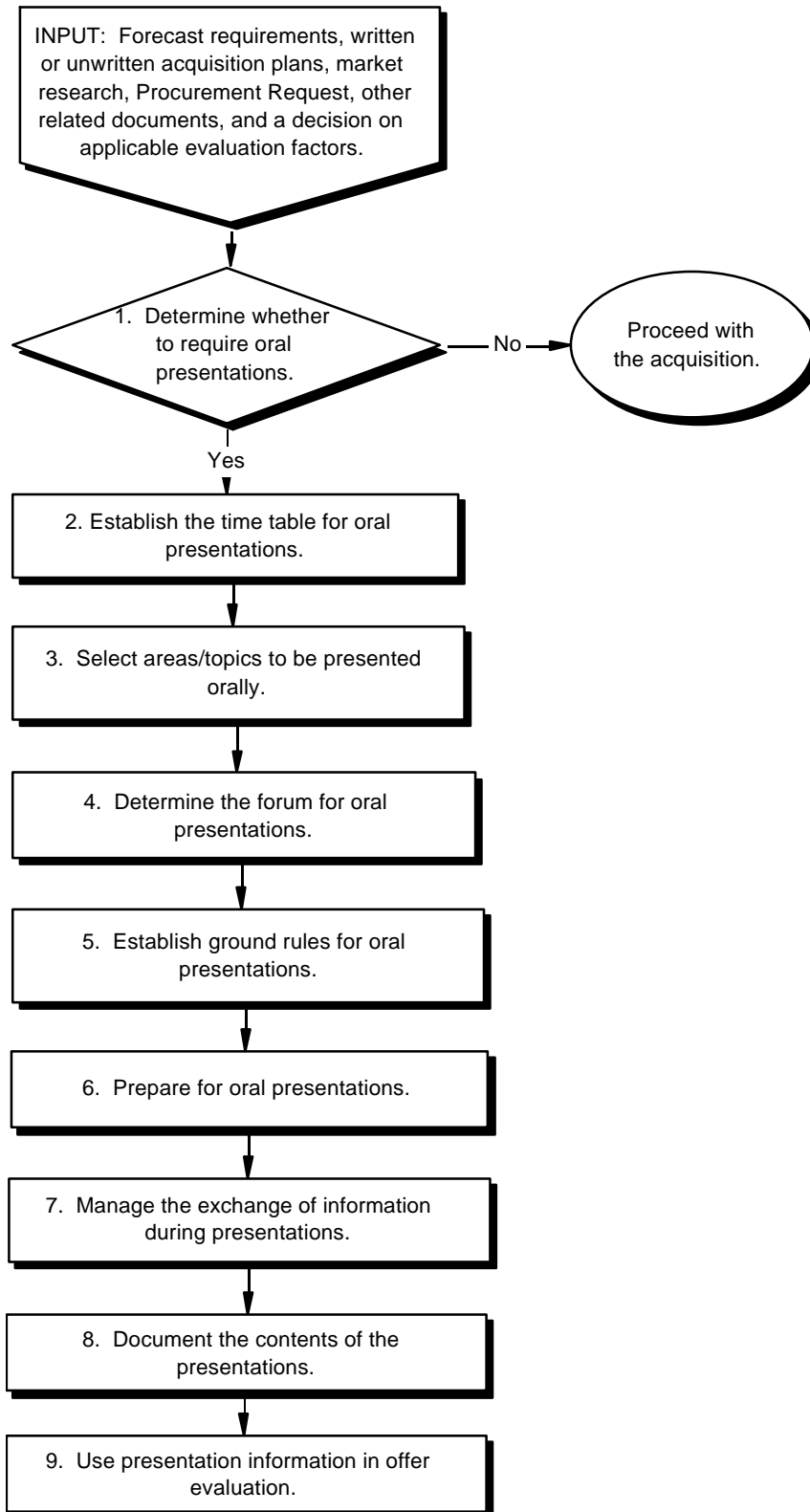
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Tasks	Related Standards
	<p>Select two-step sealed bidding when all of the following are true:</p> <ul style="list-style-type: none">• More than one technically qualified source is expected to be available.• There is sufficient time for the two-step sealed bidding process.• Discussion of offers with offerors can be limited to determining the acceptability of the offered supplies or services.• Final award can be made on price and price-related factors alone.
<p>3. When award will be on the basis of competitive proposals, determine whether to incorporate the award provision at FAR 52.215-1 with or without Alternate I.</p>	<p>Generally use the basic provision, which notifies all prospective offerors that the Government intends to award without discussions.</p> <p>Use the provision with Alternate I, which notifies prospective offerors that the Government intends to award after discussion, when discussions are required, for example to:</p> <ul style="list-style-type: none">• Completely define the requirement; or• Ensure selection of the firm offering best value to the Government, cost and other factors considered.

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Part C: Oral Presentations in Other Than Simplified Acquisition

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Tasks	Related Standards
1. Determine whether to require oral presentations.	<p>When using negotiation procedures, consider oral presentations when they have the potential to significantly reduce proposal preparation (for offerors) and evaluation (for the Government) time and costs.</p> <p>Give particular consideration to using oral presentations when soliciting offers for:</p> <ul style="list-style-type: none">• Advisory and assistance services.• Research and development.• Task order requirements where the key factor is capability to perform tasks yet to be determined within a broad scope of work (especially where time is a factor).• Other requirements where a unique capability or ability to manage a complex task is a key factor. <p>Pre-recorded videotaped presentations that lack real-time interactive dialogue are not considered oral presentations.</p>
2. Establish the timetable for oral presentations.	<p>Remember that prior to establishing the competitive range (FAR Part 15.306(c)) oral presentation offeror-Government dialog must be limited to:</p> <ul style="list-style-type: none">• Clarifications, if award without discussions is contemplated. Clarifications are limited exchanges that give the offeror an opportunity to clarify certain aspects of its proposal.• Communications with offerors before establishment of the competitive range. Communications are exchanges to obtain information from offerors whose inclusion in the competitive range is uncertain. <p>If following the establishment of the competitive range, presentation dialog may include negotiation discussions (FAR15.306(d)).</p>

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Tasks	Related Standards
3. Select areas/topics to be presented orally.	<p>Only select areas/topics that directly relate to evaluation factors. Typical areas/topics include:</p> <ul style="list-style-type: none">• Understanding of the requirement;• Offeror's capability;• Past performance;• Work plans or approaches;• Staffing resources;• Transition plans; or• Sample tasks or other tests. <p>In deciding what information to obtain through an oral presentation, consider the:</p> <ul style="list-style-type: none">• Government's ability to adequately evaluate the information;• Need to incorporate any information into the resultant contract;• Effect on the efficiency of the acquisition; and• Effect (including cost) on small businesses. <p>Always require offerors to submit in writing certifications, representations, a signed offer sheet (including any exceptions to the Government's terms and conditions), and any information required for proposal evaluation not identified for oral presentation.</p> <p>Generally, require written submission of hard data (facts) regarding an offeror's performance history, contractual commitments, and information on costs (if any); allow for oral presentation of soft data (e.g., capability, plans, and approaches).</p>
4. Determine the forum for oral presentations.	<p>Consider alternatives to on-site presentations when market research suggests that otherwise well-qualified small business concerns could not afford to participate in an on-site presentation. Common alternatives include:</p>

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Tasks	Related Standards
	<ul style="list-style-type: none">• Video-conference;• Teleconferencing;• Internet chat room (if a one can be adequately secured).
5. Establish ground rules for the oral presentations.	<p>Ensure that the solicitation includes ground rules that provide prospective offerors with information sufficient to prepare for the oral presentation. The solicitation may describe:</p> <ul style="list-style-type: none">• Types of information to be presented orally and the associated evaluation factors that will be used.• Qualifications for personnel that will be required to provide the oral presentation(s).• Requirements for, and any limitations and/or prohibitions on, the use of written material or other media to supplement the oral presentations (e.g., the number copies of any visual aids that must be provided to the Government before the presentation begins).• Location, date, and time for the oral presentations. Whenever possible, include information on the availability of support equipment (e.g., overhead projector).• Restrictions governing the time permitted for each oral presentation.• Scope and content of exchanges that may occur between Government and offeror participants at time of the oral presentations, including whether or not discussions as described at FAR 15.306(d) will be permitted.
6. Prepare for oral presentations.	<p>Establish an environment that will facilitate effective oral presentations. Consider the following:</p> <ul style="list-style-type: none">• Select offerors for oral presentation based on the criteria in the solicitation (e.g., all offerors or offerors in the competitive range).

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Tasks	Related Standards
	<ul style="list-style-type: none">• Determine the order of the presenters.<ul style="list-style-type: none">- Keep the time between the first and last presentation as short as possible to minimize any advantage to the later presenters.- Consider drawing lots to determine the order.• Obtain advance copies of presentation materials for the evaluation team.• For on-site presentations, set up the facility assuring that it is:<ul style="list-style-type: none">- Comfortable for both presenters and the Government evaluation team.- Accessible (e.g., security clearances)- Available, if possible, for inspection by offerors prior to the presentation time.• Prepare the evaluation team.<ul style="list-style-type: none">- As a general rule, all of the Government evaluators should attend every presentation. If a member cannot attend a presentation, arrange to record it for later review.- Review the ground rules in the solicitation.- Remind team members of their roles and responsibilities including dialog limitations.- Stress the need for compliance with policies regarding disclosure of information provided by offerors.- Review documentation requirements.
7. Manage the exchange of information during presentations.	<p>Control the exchange of information. Assure that dialog does not exceed the limits established in the solicitation and FAR 15.306.</p> <p>Prior to the Competitive Range Determination (CRD) dialog must be limited to clarifications or communications.</p> <p>After CRD, dialog may be expanded to include discussions.</p>

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Tasks	Related Standards
	<p>In particular, assure that Government team members do not engage in conduct that:</p> <ul style="list-style-type: none">• Favors one offeror over another;• Reveals an offeror's technical solution, including unique technology, innovative and unique uses of commercial items, or any information that would compromise an offeror's intellectual property to another offeror;• Reveals an offeror's price without that offeror's permission.• Reveals the names of individuals providing reference information about an offeror's past performance; or• Knowingly furnishes source selection information in violation of FAR 3.104.
8. Document the contents of the presentations.	<p>Require the offeror to put in writing any information that the parties intend to include in the contract as material terms or conditions. Incorporation by reference of oral statements is not permitted.</p> <p>If you record the presentation of one offeror (e.g., by videotaping, audio taping, verbatim written transcripts), then similarly record all presentations.</p> <p>Documentation should be sufficient to permit evaluators to verify information (similar to a jury reviewing transcripts of the trial to help in its deliberations) and to support the Government's position in a protest by any party.</p>
9. Use presentation information in offer evaluation.	<p>Caucus with the team after the conclusion of the presentation. Immediately apply information from the presentations in evaluating proposals and preparing for and additional clarification, communications, or discussions.</p>