

DFARS Procedures, Guidance, and Information

PGI 207—Acquisition Planning

(Revised July 15, 2009)

PGI 207.1—ACQUISITION PLANS

PGI 207.103 Agency-head responsibilities.

(h) Submit acquisition plans for procurement of conventional ammunition to—

Program Executive Officer, Ammunition
ATTN: SFAE-AMO
Building 171
Picatinny Arsenal, NJ 07806-5000

Telephone: Commercial (973) 724-7101; DSN 880-7101.

PGI 207.105 Contents of written acquisition plans.

For acquisitions covered by DFARS 207.103(d)(i)(A) and (B), correlate the plan to the DoD Future Years Defense Program, applicable budget submissions, and the decision coordinating paper/program memorandum, as appropriate. It is incumbent upon the planner to coordinate the plan with all those who have a responsibility for the development, management, or administration of the acquisition. The acquisition plan should be provided to the contract administration organization to facilitate resource allocation and planning for the evaluation, identification, and management of contractor performance risk.

(a) *Acquisition background and objectives.*

(1) *Statement of need.* Include—

(A) Applicability of an acquisition decision document, a milestone decision review, or a service review, as appropriate.

(B) The date approval for operational use has been or will be obtained. If waivers are requested, describe the need for the waivers.

(C) A milestone chart depicting the acquisition objectives.

(D) Milestones for updating the acquisition plan. Indicate when the plan will be updated. Program managers should schedule updates to coincide with DAB reviews and the transition from one phase to another (e.g., system development and demonstration to production and deployment).

(8) *Acquisition streamlining.* See DoDD 5000.1, The Defense Acquisition System, and the Defense Acquisition Guidebook at <http://akss.dau.mil/dag/>.

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(b) *Plan of action.*

(4) *Acquisition considerations.* When supplies or services will be acquired by placing an order under a non-DoD contract (e.g., a Federal Supply Schedule contract), regardless of whether the order is placed by DoD or by another agency on behalf of DoD, address the method of ensuring that the order will be consistent with DoD statutory and regulatory requirements applicable to the acquisition and the requirements for use of DoD appropriated funds.

(5) *Budgeting and funding.* Include specific references to budget line items and program elements, where applicable, estimated production unit cost, and the total cost for remaining production.

(6) *Product or service descriptions.* For development acquisitions, describe the market research undertaken to identify commercial items, commercial items with modifications, or nondevelopmental items (see FAR Part 10) that could satisfy the acquisition objectives.

(13) *Logistics considerations.*

(i) Describe the extent of integrated logistics support planning, including total life cycle system management and performance-based logistics. Reference approved plans.

(ii) Discuss the mission profile, reliability, and maintainability (R&M) program plan, R&M predictions, redundancy, qualified parts lists, parts and material qualification, R&M requirements imposed on vendors, failure analysis, corrective action and feedback, and R&M design reviews and trade-off studies. Also discuss corrosion prevention and mitigation plans.

(iii) For all acquisitions, see Subpart 227.71 regarding technical data and associated license rights, and Subpart 227.72 regarding computer software and associated license rights. For acquisitions involving major weapon systems and subsystems of major weapon systems, see the additional requirements at DFARS 207.106(S-70).

(iv) See DoD 4120.24-M, Defense Standardization Program (DSP) Policies and Procedures.

(S-70) Describe the extent of Computer-Aided Acquisition and Logistics Support (CALMS) implementation (see MIL-STD-1840C, Automated Interchange of Technical Information).

(16) *Environmental and energy conservation objectives.*

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(i) Discuss actions taken to ensure either elimination of or authorization to use class I ozone-depleting chemicals and substances (see DFARS Subpart 223.8).

(ii) Ensure compliance with DoDI 4715.4, Pollution Prevention.

(20) *Other considerations.*

(A) National Technology and Industrial Base. For major defense acquisition programs, address the following (10 U.S.C. 2506)—

(1) An analysis of the capabilities of the national technology and industrial base to develop, produce, maintain, and support such program, including consideration of the following factors related to foreign dependency (10 U.S.C. 2505)—

(i) The availability of essential raw materials, special alloys, composite materials, components, tooling, and production test equipment for the sustained production of systems fully capable of meeting the performance objectives established for those systems; the uninterrupted maintenance and repair of such systems; and the sustained operation of such systems.

(ii) The identification of items specified in paragraph (b)(19)(A)(1)(i) of this section that are available only from sources outside the national technology and industrial base.

(iii) The availability of alternatives for obtaining such items from within the national technology and industrial base if such items become unavailable from sources outside the national technology and industrial base; and an analysis of any military vulnerability that could result from the lack of reasonable alternatives.

(iv) The effects on the national technology and industrial base that result from foreign acquisition of firms in the United States.

(2) Consideration of requirements for efficient manufacture during the design and production of the systems to be procured under the program.

(3) The use of advanced manufacturing technology, processes, and systems during the research and development phase and the production phase of the program.

(4) To the maximum extent practicable, the use of contract solicitations that encourage competing offerors to acquire, for use in the performance of the contract, modern technology, production equipment, and production systems (including hardware and software) that increase the productivity of the offerors and reduce the life-cycle costs.

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(5) Methods to encourage investment by U.S. domestic sources in advanced manufacturing technology production equipment and processes through—

(i) Recognition of the contractor's investment in advanced manufacturing technology production equipment, processes, and organization of work systems that build on workers' skill and experience, and work force skill development in the development of the contract objective; and

(ii) Increased emphasis in source selection on the efficiency of production.

(6) Expanded use of commercial manufacturing processes rather than processes specified by DoD.

(7) Elimination of barriers to, and facilitation of, the integrated manufacture of commercial items and items being produced under DoD contracts.

(8) Expanded use of commercial items, commercial items with modifications, or to the extent commercial items are not available, nondevelopmental items (see FAR Part 10).

(9) Acquisition of major weapon systems as commercial items (see DFARS Subpart 234.70).

(B) Industrial Capability (IC).

(1) Provide the program's IC strategy that assesses the capability of the U.S. industrial base to achieve identified surge and mobilization goals. If no IC strategy has been developed, provide supporting rationale for this position.

(2) If, in the IC strategy, the development of a detailed IC plan was determined to be applicable, include the plan by text or by reference. If the development of the IC plan was determined not to be applicable, summarize the details of the analysis forming the basis of this decision.

(3) If the program involves peacetime and wartime hardware configurations that are supported by logistics support plans, identify their impact on the IC plan.

(C) Special considerations for acquisition planning for crisis situations outside the United States. Ensure that the requirements of DoD Instruction 3020.37, Continuation of Essential DoD Contractor Services During Crises, are addressed. Also—

(1) Acquisition planning must consider whether a contract is likely to be performed in crisis situations outside the United States and must develop appropriately

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detailed measures for inclusion in the contract. Combatant commanders establish operational plans identifying essential services that must continue during crisis. DoDI 3020.37 requires the military departments to develop the resources to carry out these plans. When planning the acquisition, consider these operational plans and the resources available to carry out these plans.

(2) During acquisition planning, identify which services have been declared so essential that they must continue during a crisis situation. A best practice is to create a separate section, paragraph, line, or other designation in the contract for these essential services so they can be tracked to an option or separate contract line item.

(3) Operational-specific contractor policies and requirements resulting from combatant commander “integrated planning” will be described in operation plans (OPLAN), operation orders (OPORD) or separate annexes, and must be incorporated into applicable contracts. The plans may include rules for theater entry, country clearance, use of weapons, living on-base, etc. Therefore, the requiring activity is responsible for obtaining pertinent OPLANs, OPORDs, and annexes (or unclassified extracts) from the affected combatant command or military service element or component and for ensuring that the contract is consistent with the theater OPLAN and OPORD.

(4) Ask the requiring activity to confirm that the appropriate personnel department has determined that inherently Governmental functions are not included in the contract requirements. If contract services will become inherently Governmental during a time of crisis, ensure that the contract states that work will be removed from the contract (temporarily or permanently) upon the occurrence of a triggering event (specified in the contract) or upon notice from the contracting officer that informs the contractor when its responsibility to perform affected duties will stop or restart. The contract should require the contractor to have a plan for restarting performance after the crisis ends.

(5) If the combatant commander’s contingency plan requires military members to replace contractor employees during a crisis or contingency, acquisition planning must consider whether the contract should require the contractor to train military members to do that.

(D) CONUS Antiterrorism Considerations. For acquisitions that require services to be delivered to or performed on a DoD installation, DoD occupied space, ship, or aircraft, ensure that the requirements of DoD Instruction 2000.16, DoD Antiterrorism Standards, are addressed. DoD Instruction 2000.16 is available at the Washington Headquarters Services website at <http://www.dtic.mil/whs/directives/>.

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(1) Acquisition planning must consider antiterrorism (AT) measures when the effort to be contracted could affect the security of operating forces, particularly in-transit forces. Contracting officers must work closely with Antiterrorism Officers (ATOs) and legal advisors to ensure that AT security considerations are properly and legally incorporated into the acquisition planning process. Consider AT performance as an evaluation factor for award (past performance and proposed performance under the instant contract), and as a performance metric under the resultant contract.

(2) The geographic Combatant Commander's AT policies take precedence over all AT policies or programs of any DoD component operating or existing in that command's area of responsibility. These policies, in conjunction with area specific AT security guidance, form the core of AT security criteria which shall be applied to all contracts as a baseline. The ATO has access to the Joint Staff's Antiterrorism Enterprise Portal on the NIPRNET, <https://atep.dtic.mil/portal/site/atep/>, a password-protected integrated interface for current and planned AT tools. Coordinate with the ATO to incorporate AT security considerations into the contracting process, including suggestions for specific AT security measures that should be employed. At a minimum—

(i) Consider AT Risk Assessment results when developing alternative solutions to contract requirements that will mitigate security risks. The impact of local security measures on contract performance and possible contract performance outcomes that could improve or leverage local security measures should be considered when selecting among alternative contract performance requirements.

(ii) Antiterrorism procedures incorporate random schedules, access, and/or search requirements. There also may be frequent changes in the local threat level. Consider the impact of these practices when developing performance work statements and special contracting requirements, especially those related to site access controls.

(iii) Consider the need for contractor personnel screening requirements to be met prior to commencing work under the contract. The contracting officer should notify the ATO prior to the start of contract performance to ensure all required AT security measures are in place.

(iv) Performance work statements should be written with the understanding that the need for and level of AT measures may change during contract performance. Performance work statements should provide for the conduct of periodic inspections to ensure adherence to access control procedures. Consider the need for reviewing contract AT measures if the local threat changes and/or if contract terms or requirements change.

(E) Software and software maintenance. When acquiring software or software maintenance, see DFARS 212.212.

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PGI 207.171 Component breakout.

PGI 207.171-4 Procedures.

(1) *Responsibility.*

(i) Agencies are responsible for ensuring that—

(A) Breakout reviews are performed on components meeting the criteria in DFARS 207.171-3(a) and (b);

(B) Components susceptible to breakout are earmarked for consideration in future acquisitions;

(C) Components earmarked for breakout are considered during requirements determination and appropriate decisions are made; and

(D) Components are broken out when required.

(ii) The program manager or other official responsible for the material program concerned is responsible for breakout selection, review, and decision.

(iii) The contracting officer or buyer and other specialists (e.g., small business specialist, engineering, production, logistics, and maintenance) support the program manager in implementing the breakout program.

(2) *Breakout review and decision.*

(i) A breakout review and decision includes—

(A) An assessment of the potential risks to the end item from possibilities such as delayed delivery and reduced reliability of the component;

(B) A calculation of estimated net cost savings (i.e., estimated acquisition savings less any offsetting costs); and

(C) An analysis of the technical, operational, logistics, and administrative factors involved.

(ii) The decision must be supported by adequate explanatory information, including an assessment by the end item contractor when feasible.

(iii) The following questions should be used in the decision process:

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(A) Is the end item contractor likely to do further design or engineering effort on the component?

(B) Is a suitable data package available with rights to use it for Government acquisition? (Note that breakout may be warranted even though competitive acquisition is not possible.)

(C) Can any quality control and reliability problems of the component be resolved without requiring effort by the end item contractor?

(D) Will the component require further technical support (e.g., development of specifications, testing requirements, or quality assurance requirements)? If so, does the Government have the resources (manpower, technical competence, facilities, etc.) to provide such support? Or, can the support be obtained from the end item contractor (even though the component is broken out) or other source?

(E) Will breakout impair logistics support (e.g., by jeopardizing standardization of components)?

(F) Will breakout unduly fragment administration, management, or performance of the end item contract (e.g., by complicating production scheduling or preventing identification of responsibility for end item failure caused by a defective component)?

(G) Can breakout be accomplished without jeopardizing delivery requirements of the end item?

(H) If a decision is made to break out a component, can advance acquisition funds be made available to provide the new source any necessary additional lead time?

(I) Is there a source other than the present manufacturer capable of supplying the component?

(J) Has the component been (or is it going to be) acquired directly by the Government as a support item in the supply system or as Government-furnished equipment in other end items?

(K) Will the financial risks and other responsibilities assumed by the Government after breakout be acceptable?

(L) Will breakout result in substantial net cost savings? Develop estimates of probable savings in cost considering all offsetting costs such as increases in the cost of requirements determination and control, contracting, contract administration, data package purchase, material inspection, qualification or preproduction testing, ground support and test equipment, transportation, security, storage, distribution, and technical support.

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(iv) If answers to the questions reveal conditions unfavorable to breakout, the program manager should explore whether the unfavorable conditions can be eliminated. For example, where adequate technical support is not available from Government resources, consider contracting for the necessary services from the end item contractor or other qualified source.

(3) *Records.*

(i) The contracting activity shall maintain records on components reviewed for breakout. Records should evidence whether the components—

- (A) Have no potential for breakout;
- (B) Have been earmarked as potential breakout candidates; or
- (C) Have been, or will be, broken out.

(ii) The program manager or other designated official must sign the records.

(iii) Records must reflect the facts and conditions of the case, including any assessment by the contractor, and the basis for the decision. The records must contain the assessments, calculations, and analyses discussed in paragraph 2 of this section, including the trade-off analysis between savings and increased risk to the Government because of responsibility for Government-furnished equipment.