

# Understanding FEDERAL ACQUISITIONS

## Market Research & Planning

A typical Federal acquisition project starts with the development of the strategies that will manage the full **acquisition lifecycle**, from planning, soliciting and evaluating offers, to awarding and administering contracts, through closeout. **Market research & acquisition planning** are key components to ensure that the Government's needs are met in the most effective, economical, and timely manner.



### Market Research & Acquisition Planning In a Nutshell

- ◆ The acquisition process starts with the determination of the need.
- ◆ Planning the acquisition includes preparation of documentation to support the determined need, and all required approvals.
- ◆ Market research is conducted.
- ◆ Acquisition method is determined.
- ◆ Requirements are defined.
- ◆ Funding is identified, reserved and approved by a certifying official in a written document.
- ◆ An Independent Government Cost Estimate (IGCE) is developed.
- ◆ The contract specialist analyses requirements to determine if the package received to proceed with the acquisition complies with the Federal Acquisition Regulation (FAR).
- ◆ Evaluation factors – price and non-price related – are identified.
- ◆ Acquisition planning phase is completed and project is ready to advance to the solicitation phase.



#### Who We Are

The Acquisition Services Directorate (AQD), a Federal shared-service provider within the U.S. Department of the Interior's National Business Center (NBC), offers acquisition support to all Federal agencies. We help managers in both civilian and military organizations fulfill their missions by crafting appropriate procurement solutions.

We use proven business practices while delivering cost-effective contracts. Our Contracting Officers will handle the complete acquisition lifecycle, utilizing innovative technology and value-added benefits.

#### How We Can Help You

We will handle your acquisitions from project inception through closeout; serving you efficiently, quickly and professionally.

We monitor contracts to ensure compliance with Federal regulations and agency-specific rules.

Contact us today and we'll partner with you to fulfill your acquisition needs.

#### Where We Are

On the web at [www.aqd.nbc.gov](http://www.aqd.nbc.gov); via email to [acquisition@aqd.nbc.gov](mailto:acquisition@aqd.nbc.gov); or by phone at 703.964.8800.





The **acquisition planning** phase determines the fundamental character and defines strategies to be executed during the entire acquisition process. The planning phase combines efforts of all staff members responsible for essential aspects of the acquisition. **Market research** is conducted to collect and analyze information about the capabilities available in the market and to identify the most suitable approach to acquiring, distributing, and supporting products and services. This research is a combined effort by the program manager and the acquisition team.

## Acquisition Methods

The **acquisition method** is also defined during the planning phase. The Federal Government acquires products and services through two basic methods.

The first is through existing sources of products – e.g. the General Services Administration (GSA) schedules, Government-wide Acquisition Contracts (GWACs), Blanket Purchase Agreements (BPAs).

The second option is through an open-market acquisition using either simplified acquisition techniques – e.g. the Small Business Administration (SBA)'s programs such as the 8(a) or Service-Disabled Veteran Owned programs – or formal contracting methods – sealed bidding or contracting by negotiation.

## Requirements

Agencies and contract specialists must conduct market research to understand the marketplace, identifying trends and pricing, before making decisions related to the products and services that could possibly satisfy their needs.

Therefore, **requirements** should only be finalized after market research is conducted. Usually, **requirements** are collected from the program office in a requirements package (i.e. Statement of Work, Statement of Objectives, or Performance Based Work Statement). These written documents also define the proposed acquisition with a bona fide need.

## Funding

A contract can only be executed when funds are available. **Funding** should be committed during the initial phase of the acquisition process, and the committed funds will then be obligated at the time of award. No one can create or authorize an obligation in excess of the funds available.

## Independent Government Cost Estimate

Serving as the basis for reserving funds for the contract, an **Independent Government Cost Estimate (IGCE)** is a Government estimate for the resources and costs involved in the proposed acquisition. A well-constructed IGCE ensures that products and services are acquired at a fair and reasonable cost. An IGCE is required for every procurement action in excess of the simplified acquisition threshold, but may be requested for any threshold level.

## Purchase Request

A **purchase request** is an official request for action that provides information describing the required products and services, and documenting any special conditions related to an acquisition. It should include all relevant information collected during the planning phase, such as requirements, market research, IGCE and funding. Prepared by the technical personnel in the program office and signed by a certifying official, the **purchase request** is the document that authorizes the contract specialist to proceed with the proposed acquisition.

## Acquisition Plan

The **acquisition plan** details the Government's strategy for the acquisition project.

## Source Selection Plan

The **source selection plan** defines the factors to be used to evaluate the offeror's ability to meet Government requirements. Those factors can be price or non-price related, but they should be defined before the acquisition process transitions to the solicitation phase. The evaluation factors should be concise, inclusive and tailored to the specific products and services to be provided under the contract.

## Procurement Action Lead Time

**Procurement Action Lead Time (PALT)** is a metric that acquisition uses to measure the length of the procurement process. Each acquisition action is unique, and the length of time required for the process will vary considerably depending on the dollar value and complexity of the acquisition, the acquisition strategy, and the rules and regulations that apply to the acquisition.

## Federal Acquisition Regulation (FAR)

The **Federal Acquisition Regulation (FAR)** is a set of rules and guidelines codified at 48 CFR Chapter 1 to regulate the acquisition process in the Federal Government. The Department of Defense (DoD), The General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA) jointly issue the **FAR** for use by executive agencies in acquiring products and services.