




DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

Acquisition Procedures  
Update (APU)  
2011-11  
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**MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS**

**FROM:** Thomas A. Sharpe, Jr.   
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Office of the Procurement Executive

**SUBJECT: Improving Acquisition Planning**

**Purpose:** This Acquisition Procedures Update (APU) is issued to improve acquisition planning by developing and monitoring the progress of High Impact Acquisitions.

**Effective Date:** This DTAP change is effective August 1, 2011.

**Background:** High Impact Acquisitions (HIA) are defined in DTAP 1046.7000(c) as: "All planned or existing procurement actions, e.g., interagency agreements, contracts, task orders, delivery orders and purchase orders meeting at least one of the following criteria:

- (1) a value greater than \$10 million (estimated);
- (2) contracts that support OMB 300 major investments;
- (3) Competitive Sourcing actions under OMB Circular A-76;
- (4) controversial or otherwise sensitive such that they warrant the attention of the Senior Procurement Executive, e.g., complex or high profile multiple-bureau purchases, relevant protests or claims, or acquisitions in which interest or inquiries have been expressed by either the White House or Congress, Inspectors General (OIG and TIGTA), or Government Accountability Office (GAO); or
- (5) obligation of American Recovery and Reinvestment Act of 2009 (also referred to as the Recovery Act or ARRA) funds."

Since March 1, 2006, OPE has required quarterly reporting on the performance status of awarded High Impact Acquisitions with the goal of ensuring adequate management oversight and sound communication among the members of integrated acquisition teams.

DTAP 1007.104 requires Bureaus to maintain lists of planned and expiring contracts to ensure acquisition planning collaboration begins early with stakeholders for follow-on acquisitions. For acquisitions valued at greater than \$10 million, the acquisition plan must be approved at least 18 months prior to the anticipated award date, plus any additional time required for transition. This advance planning requirement is designed to promote use of lower risk contract strategies, obtain meaningful competition, implement performance based acquisition methods, optimize small business participation, and generally support good business practices facilitated

by advance planning.

The HIA quarterly reporting cycle is being changed to incorporate key questions about the timeliness and status of the pre-award acquisitions in the HIA pipeline. The goal of this reporting is to ensure adequate time is allocated for planning activities on HIAs, to provide a mechanism to support the 18 month planning requirement, and to provide adequate executive oversight to improve acquisitions in advance of urgent operational pressures.

**DTAP Change:**

1) DTAP 1005.404-1 is amended as follows:

**DTAP 1005.404-1 Release procedures.**

BCPOs will provide written notification of any release of long-range acquisition planning estimates to the SPE prior to release. Further, the BCPO must ensure in this notification that these estimates have been incorporated into the data required under DTAP 1046.7000.

2) DTAP 1046.7000 is amended as follows:

**“SUBPART 1046.70—HIA PROGRAM  
1046.7000 HIA Program.**

(a) The HIA process was initiated to (1) provide insight into the management of Treasury’s High Impact Acquisitions, and (2) improve communication and coordination among cognizant COs, PMs, and COTRs. The HIA program will monitor acquisition strategies and timelines in the pre-award phase to ensure they are appropriate for their purpose, well planned, aligned with federal and Treasury strategic objectives, properly resourced, effectively managed, and on track for award. In the post-award phase, the HIA program will monitor high profile contracts in the areas of cost, schedule, and performance/compliance with contract terms and conditions. The program will also monitor the qualifications of the contracting officer (CO)/contracting officer technical representative (COTR).

(b) Bureaus must follow the process explained in the HIA Program Guide at [http://intranet.treas.gov/procurement/hia\\_program\\_guide.asp](http://intranet.treas.gov/procurement/hia_program_guide.asp).

(c) HIA Definition. All planned or existing procurement actions, e.g., interagency agreements, contracts, task orders, delivery orders and purchase orders meeting at least one of the following criteria are considered HIA and must be tracked and reported in accordance with the HIA Program Guide:

- (1) a value greater than \$10 million (estimated);
- (2) contracts that support OMB 300 major investments;
- (3) Competitive Sourcing actions under OMB Circular A-76;
- (4) controversial or otherwise sensitive such that they warrant the attention of the Senior Procurement Executive, e.g., complex or high profile multiple bureau purchases, relevant protests or claims, or acquisitions in which interest or inquiries have been expressed by either the White House or Congress, Inspectors General (OIG and TIGTA), or Government

Accountability Office (GAO); or  
(5) obligation of American Recovery and Reinvestment Act of 2009 (also referred to as the Recovery Act or ARRA) funds.

(d) Strategic Review Board. OPE may call a Strategic Review Board (SRB) to assess selected acquisition strategies or contract performance. The SRB will consist of OPE staff and other stakeholders. The Bureau's BCPO will be notified if an SRB will be held for one of their planned acquisitions or contracts. The CO and PM/COTR will prepare a presentation for the SRB within 2 weeks of BCPO notification.

(e) Contract file documentation. The following documentation generated under the HIA program must be in the contract file:

- (1) HIA Coordination Form
- (2) Corrective action plan and monthly progress report (as required)
- (3) SRB presentation (if requested)

**Cost/Benefit:**

The new monitoring of HIA pre-award covers a standing portfolio of approximately 250 contracts. Assuming most contracts have durations of five years, and given the planning window of 18 months, the average number of contracts in the planning window at any given time will average 75. The time for each initial entry is estimated to be 1 hour. The time for each update is estimated to be 30 minutes.

The initial data entry effort will take a total of 75 hours. The subsequent updates at steady state will require 44 hours per quarter.

Approximately 70 hours a quarter will be spent collectively on the HIA pre award activities. An additional 70 hours will be invested in the strategic review board process.

**Pre award review:**

- 6 hrs - OPE time to compile and submit FPDS-NG report
- 44 hrs - Bureau update effort at full steady state
- 10 hrs - OPE time to track acquisition plans and milestones
- 10 hrs - OPE time to prepare and populate scorecard

OPE estimates it will run 2 SRB sessions per quarter.

**Strategic Review Board:**

- 20 hrs- SRB time to evaluate selected acquisition plans
- 40 hrs- Bureau time to prepare for and present to SRB
- 10 hrs- SRB time to re-evaluate acquisition plans

It is OPE's opinion that the benefit derived from having management insight, corrective action, and tracking of pre-award planning outweighs the time spent on the pre-award review and strategic review board.

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