



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
ACQUISITION AND GRANTS OFFICE

January 29, 2013

MEMORANDUM FOR: Deputy Assistant Administrators
Staff Office Directors

FROM: Mitchell J. Ross
Director, Acquisition and Grants Office

SUBJECT: Fiscal Year (FY) 2014 Acquisition Planning

This memorandum is to request preparation of acquisition plans for fiscal year 2014 (FY14) requirements. Plan data shall be entered into the Forecasting and Advanced Acquisition Planning System (FAAPS) no later than March 1, 2013 for each acquisition with an anticipated value of \$150,000 or greater, including contracts, purchase orders, task or delivery orders, and modifications. Specific guidance is attached.

Acquisition planning is a statutory and regulatory requirement for executive branch agencies. Acquisition planning is an efficient use of the taxpayer dollars for accomplishing program objectives in an economical and timely manner. The web-based FAAPS, available at <http://fido.gov/doc/aap/>, is the system mandated by the Department of Commerce for development of acquisition plans and forecasts of business opportunities made available to the public.

Line and Staff Offices are responsible for updating their FAAPS data, at the end of each quarter of the fiscal year, to enable accurate planning. On March 1, 2013, FAAPS data will be used to baseline workload for the remainder of the fiscal year. Any action submitted after that date will be considered an unplanned action. Planned actions will receive priority over unplanned actions.

If you have any questions regarding system access, please contact Client Services at 301-444-3400 or clientservices@noaa.gov. If you have questions concerning the data element definitions, you may contact the Advanced Acquisition Planning (AAP) Coordinators listed on the FAAPS website by clicking on POC List link.

Attachment 1: Instructions for Forecasting and Advanced Acquisition Planning System
Attachment 2: Commerce Acquisition Manual, Chapter 1307.1, Acquisition Planning, May 2011

cc: Deputy Under Secretary for Operations
NOAA Executive Panel
Acquisition Management Advisory Committee
Acquisition and Grants Office Division Directors
Chief Financial Officer Council
Chief Information Officer Council

NOAA PREPARATION INSTRUCTIONS FOR FORECASTING AND ADVANCED ACQUISITION PLANNING

A. PURPOSE:

These instructions provide guidance to assist the Line/Staff (L/S) Offices in submitting data required for Forecasting and Advanced Acquisition Planning of Contract Opportunities.

All L/S Offices are to provide AAP data via the Forecasting and Advanced Acquisition Planning System (FAAPS) available at <http://fido.gov/doc/aap/>. FY2014 AAP data reporting into FAAPS shall be completed **no later than March 1, 2013**.

In order to meet this deadline, each Assistant Administrator/Staff Office Director is required to assign an AAP Coordinator. The L/S Office AAP Coordinator is responsible for facilitating the L/S Office AAP data collection.

B. RESPONSIBILITIES

L/S Office AAP Coordinator. The AAP Coordinator is responsible for facilitating the L/S Office AAP data collection. The L/S Office AAP Coordinator works with each Program Office to provide data that may assist the offices in their planning and completing the updated AAPs. The L/S Office AAP Coordinator ensures that the AAP User Listing includes only authorized staff that has the right to view and update the L/S Office AAP data. AAP Coordinators are responsible for ensuring the accuracy and completeness of AAP data.

L/S Offices. Each L/S Office is responsible for completing an updated, individual AAP for each of their planned FY 2014 acquisitions **greater than \$150,000 only**. The office may centralize the data input responsibilities or request Field offices to input the data for their associated Plans. Requisitions issued without a valid AAP number identified will be returned to the L/S Office for corrective action.

Each L/S Office AAP Coordinator has the following responsibilities:

- Provide instructions to their office staff on gathering the data and inputting the updated data into the web-based AAP form.
- Monitor the completion of the Program Office's AAPs and ensure **only authorized staff** complete the forms associated with their office.
- Ensure that the AAP User Listing includes only authorized staff that have the right to view and update the L/S Office AAP data.
- Formally inform the AGO Director that all of the office's AAPs are completed on the FAAPS Website and are ready for review.
- Coordinate their office's responses to questions from Staff Users and Procurement Offices concerning their AAP submissions.
- Ensure the AAPs are within the correct range of the current FY budget request.

C. INSTRUCTIONS

AGO provides a web-based AAP form that all L/S Offices must use to report their AAP data. *The Website can only be accessed by individuals with a valid NOAA email address.* Use of the site is monitored to ensure only authorized users enter data. All data on the Website, as well as all data sent from the Website, is encrypted. The FAAPS Website is located at:
<http://fido.gov/doc/aap/>

The FAAPS is For Official Use Only and is to be used only by authorized staff:

1. All L/S Office staff completing, updating, or viewing an AAP form must be an authorized user of the AAP Website.
2. All staff personnel using the Website are assigned a password by the system at their initial logon. All users must logon using their assigned password.
3. L/S Office staff are restricted from accessing any data other than the data associated with the office in which they are registered. User access to data is also restricted by the user's role on the AAP Website.
4. L/S Office staff are assigned one of four roles on the AAP Website by the L/S Office Coordinator:
 - Reporter (Rep):** Create AAPs and update only those AAPs
 - Read Only (RO):** Only view office AAPs
 - Office Point of Contact (POC):** View and update all AAPs of the office
 - Approver (APR):** Approve all AAPs of the office. (Note: This is an option to L/S Offices. If no Approvers are assigned, then this feature is not activated.)
5. Any questions concerning the data element definitions should be directed to the AAP Coordinators.
6. Reporters must mark an AAP form "Complete" when the Reporter has completed the Updates. Marking a form "Complete" formally submits the form to the office POCs for review and validation. Reporters will mark previously "New" AAPs as "Existing" if the requirement has been awarded, or mark AAPs "No Longer Required" if the requirement has been awarded and no further funding will be added.
7. Office POCs must "Unmark" an AAP form to update the form if changes are necessary to the data. The office POC identification information will be recorded on the form as the last person to update the form. The POC reviews upcoming PRs for the month and adds new AAPs to the FAAPS.
8. If Approvers (APRs) are assigned, then office APRs must "Approve" an AAP form to finalize the form. The office APR identification information will be recorded on the form as the last person to update the form.

9. All AAP forms will show the original creator's contact information (the person's name, phone contact information, and email address). All AAP forms will show the last person to update the form (name, phone contact information, and email address).

10. Once reviewed and validated by the AAP Coordinator and no further action is required, the submission will be marked "Complete".

Revised – May 2011

**COMMERCE ACQUISITION MANUAL
1307.1**

DEPARTMENT OF COMMERCE
ACQUISITION PLANNING

COMMERCE ACQUISITION MANUAL 1307.1

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ACQUISITION PLANNING

SECTION 1 – OVERVIEW

1.1 Background

Federal agencies are relying increasingly on contractors to deliver goods and services to assist in performing its mission. With billions of tax dollars spent each year in government contracting, it is essential that Federal acquisitions are managed in an effective, efficient and accountable manner.

Acquisition planning is critical to successful acquisitions in order to deliver the right solutions, at the best value, on time, and within budget. Therefore, by improving acquisition planning processes and disciplines, the value delivered for the taxpayer's dollar also improves. Adequate planning as soon as the requirement becomes known can eliminate potential problems at time of award and during contract performance and administration, thereby shortening procurement administrative lead-times (PALT) and improving customer satisfaction.

Federal Acquisition Regulation (FAR) Part 7, "Acquisition Planning" implements the statutory requirement for acquisition planning. Although the requirement for written acquisition plans applies to acquisitions exceeding the Simplified Acquisition Threshold (SAT), FAR Subpart 7.102 requires market research and acquisition planning on all acquisitions regardless of dollar value.

1.2 Purpose

This Commerce Acquisition Manual (CAM) chapter provides policy and guidance to effectively conduct acquisition planning and develop acquisition plans.

1.3 Applicability

The requirements of this chapter are applicable to all acquisitions within the Department of Commerce (DOC) and its Operating Units, which include competitive and non-competitive contracts; new definitive contracts (including contracts for supplies, services, construction, repair and alteration); letter contracts; task/delivery orders against Federal Supply Schedule (FSS) contracts, Government-Wide Acquisition Contracts (GWACs), Multi-Agency Contracts (MACs) and Blanket Purchase Agreements (BPA); single or multiple award Indefinite Delivery/Indefinite Quantity (IDIQ) contracts; options to existing contracts; leasehold interests in real property; and Interagency Acquisitions.

1.4 Policy

In accordance with FAR Subpart 7.102(a), acquisition planning is required for all acquisitions and shall be the first step in any acquisition, beginning as early in the program life-cycle as possible.

1.5 Objectives

The primary objective of this CAM chapter is to improve acquisition planning and market research processes and disciplines throughout the Department of Commerce in order to:

- Promote the use of commercial items;
- Enhance full and open competition;
- Enhance the use of performance-based acquisition;

- Promote strategic sourcing through consolidation of requirements;
- Limit the use of high-risk acquisition authorities;
- Increase the support of socio-economic programs; and
- Facilitate the effective allocation and use of resources.

1.6 Market Research

In accordance with FAR Part 10, market research is required to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services. Market research shall be conducted to the fullest extent practicable during acquisition planning and involves obtaining and analyzing information and knowledge specific to the requirement and determining if the Government's needs can be satisfied in the commercial marketplace. Adequate market research can identify sources, commercial practices, pricing information, availability of products or services, and small business opportunities. The extent of market research should align with the nature of the acquisition considering the complexity, dollar value and urgency of the requirement.

Market research is required prior to awarding a task/delivery order under an Indefinite Delivery, Indefinite Quantity contract (including GWACs, MACs, and agency-issued) for non-commercial items in excess of the Simplified Acquisition Threshold. Market research conducted within 18 months prior to the award of an Indefinite Delivery, IDIQ contract or the award of any task/delivery order may meet this requirement if the information is still current, accurate, and relevant; if older than 18 months, new market research must be conducted.

1.7 Acquisition Planning Levels

The Department of Commerce has identified three acquisition planning levels, each requiring a different degree of planning. The extent of acquisition planning is contingent upon a variety of factors such as the dollar value of the action, mission criticality, risk level, visibility and project complexity. These factors will determine the applicable acquisition plan to implement for the acquisition.

1.7.1 Advanced Acquisition Planning Forecast

Advance acquisition planning forecasts apply to acquisitions where total life-cycle cost is expected to exceed the SAT; or acquisitions with life-cycle cost expected to be below the SAT when simplified acquisition methods are not used. Forecasts involve the identification of planned acquisitions during the budget formulation process and must commence before the fiscal year begins in order to improve scheduling of actions, increase control of fourth quarter obligations, and further opportunities for consolidating requirements.

1.7.2 Milestone Acquisition Plan

Milestone acquisition plans apply to acquisitions where anticipated total life-cycle cost exceeds the SAT, but less than \$10 million; or acquisitions with life-cycle cost at or below the SAT when simplified acquisition methods are not used. Milestone acquisition plans identify acquisition objectives and outline the actions, milestones and documents required to meet the acquisition.

1.7.3 Formal Acquisition Plan

Formal acquisition plans apply to acquisitions where total life-cycle cost exceeds \$10 million. A formal acquisition plan identifies all significant technical, cost and business issues of a requirement and provides specific solutions to address any critical issues in the proposed acquisition. The formal acquisition plan also requires development of a milestone acquisition plan.

1.8 Protection of Procurement Sensitive Information

Milestone and formal acquisition plans contain advance information on proposed acquisitions, which could give prospective contractors an unfair advantage. Therefore, acquisition plans and supporting documentation are considered procurement sensitive. Individuals who participate directly or indirectly in any stage of the acquisition process shall not publicize, discuss or release any information regarding the milestone or formal acquisition plan, supporting documents, or other details regarding the proposed acquisition outside DOC or to prospective contractors, except as provided in the Federal Acquisition Regulation. Participants of the acquisition team may be required to complete Confidentiality and Conflict of Interest Certifications.

END OF SECTION 1

SECTION 2 – Roles and Responsibilities

2.1 Senior Procurement Executive (PE)

The Senior Procurement Executive has overall responsibility for the following:

- a. Planning, developing and implementing policies and procedures for acquisitions throughout the Department of Commerce;
- b. Overseeing the acquisition planning process through normal oversight reviews of procurement offices; and
- c. Participating on Bureau-level Acquisition Review Boards for acquisitions with estimated values in excess of \$50 million or any acquisition between \$10M and \$50M that has been identified as special interest to the Department.

2.2 Senior Bureau Procurement Official (BPO)

The Senior Bureau Procurement Official shall ensure that acquisition planning is effectively implemented, used and updated, as needed. The BPO is responsible for the following:

- a. Determining the need for higher-level review and approval or additional concurrences within their organization for acquisition plans;
- b. Establishing Bureau-level Acquisition Review Boards to review and approve acquisition plans up to \$75 million;
- c. Providing the Office of Acquisition Management a copy of all formal acquisition plans with anticipated values of \$10M to \$75M;
- d. Recommending the waiver of an acquisition plan, for programs and classes of contracts or task/delivery orders when it is determined that the service or staff office already has a detailed system in place that addresses the elements of the acquisition plan;
- e. Issuing guidance to identify types of acquisitions (programs, classes of contracts or orders) appropriate, within the requirements and thresholds of this guidance, for all acquisition plans;
- f. Authorizing the development of standard templates for use in programs or task/delivery orders that are repetitive and noncomplex;
- g. Determining appropriate coordination and concurrences for acquisition plans;
- h. Ensuring all planned acquisition forecasts above the SAT within Operating Unit(s) are entered into the Forecasting and Advance Acquisition Planning System;
- i. Coordinating, reviewing, and ensuring advance acquisition planning forecasts are accurate and complete;
- j. Working with the Bureau Small Business Specialist to identify advance planned acquisitions that are amendable to be set-aside for small businesses, cannot be set-

aside for small businesses or require additional research to make a set-aside determination;

- k. Ensuring all acquisitions identified in the advance acquisition planning forecast that either cannot be set-aside for small business concerns or need further investigation before a set-aside determination can be made, are assigned as early as practicable to allow Contracting Officers adequate time to conduct meaningful market research to support a set-aside/non-set-aside determination;
- l. Providing the Office of Acquisition Management (OAM) a copy of internal acquisition planning guidance and any modifications to the established policy; and
- m. Preparing an annual acquisition planning report.

2.3 Program Official

The Program Official serves as the “planner” in the acquisition planning process as defined in FAR Subpart 7.101, with the advice and assistance of the Contracting Officer, and is responsible for the following:

- a. Preparing and maintaining acquisition plans;
- b. Preparing justifications for other than full and open competition using the format at FAR subpart 6.303-2;
- c. Obtaining and documenting all necessary concurrences and approvals;
- d. Coordinating with the acquisition team for advice and assistance;
- e. Complying with the acquisition planning requirements identified in FAR Part 7, Department Administrative Order (DAO) 208-15 and the policy and guidance provided herein;
- f. Coordinating with the Bureau Small Business Specialist and Office of Small and Disadvantaged Business Utilization (OSDBU), when applicable;
- g. Coordinating with Operating Unit representatives of the Chief Financial Officer and Budget Officer;
- h. Coordinating with Operating Unit representatives of the Chief Information Officer on acquisitions requiring capital planning and investment control requirements as identified in 40 U.S.C. 11312 and OMB Circular A-130;
- i. Ensuring at least one qualified Contracting Officer’s Representative or Contracting Officer Technical Representative is nominated as early as practicable;
- j. Continually monitoring the acquisition forecast and updating quarterly to reflect Departmental and the Office of Management Budget budgetary decisions and reprogramming, correction of errors, or emergency requirements; and

- k. Modifying the acquisition plan for major changes, both before and after contract award, and obtaining new coordination, concurrences, and approval.

2.4 Contracting Officer (CO)

The Contracting Officer is responsible for the following:

- a. Providing applicable input for adequate acquisition planning (e.g., determining contract type; advising on source selection criteria; conducting pre-proposal conferences, etc.);
- b. Preparing solicitations, CD-570, *Small Business Programs Review* forms, determination and findings, and other contract documents;
- c. Reviewing and providing concurrences on acquisition plans;
- d. Reviewing, concurring and as appropriate supplementing justifications for other than full and open competition; and
- e. Entering into, administering, closing-out or terminating contracts.

2.5 Office of General Counsel (OGC)

The Office of General Counsel is responsible for the following:

- a. Providing legal advice, counsel, review and concurrence of acquisition plans; and
- b. Ensuring acquisitions are legally sufficient.

2.6 Competition Advocate

The Competition Advocate is responsible for reviewing acquisition plans before submission to the approving official when the use of Other Than Full and Open Competition procedures is anticipated.

2.7 Office of Small and Disadvantaged Business Utilization (OSDBU)

The Office of Small and Disadvantaged Business Utilization is responsible for the following:

- a. Coordinating reviews between the acquisition team and the Small Business Administration (SBA) Procurement Center Representative; and
- b. Collaborating with the acquisition team to maximize small business participation in prime and subcontracting opportunities.

2.8 Bureau Small Business Specialist

The Bureau Small Business Specialist is responsible for:

- a. Collaborating with the acquisition team to devise acquisition strategies in compliance with the Small Business Program;
- b. Working collaboratively with OSDBU to coordinate participation in small business outreach events and conferences;

- c. Reviewing and continually monitoring bureau-level acquisition forecasts submitted in the Forecasting and Advance Acquisition Planning System; and
- d. Working with the Senior Bureau Procurement Official to identify advance planned acquisitions that are amendable to be set-aside for small businesses, cannot be set-aside for small businesses or require additional research for the Contracting Officer to make a set-aside determination.

END OF SECTION 2

SECTION 3 – ADVANCE ACQUISITION PLANNING FORECAST

3.1 Background

Effective market research and acquisition planning are critical to the efficient use of taxpayer dollars and the economical accomplishment of program objectives. To ensure adequate acquisition planning is performed, advance acquisition forecasting shall be conducted to induce early communications between representatives of the program and acquisition offices before submission of a procurement request.

Forecasting should commence as soon as a need for an acquisition activity is identified and well in advance of the beginning of the fiscal year in order to improve scheduling of actions, increase control of fourth quarter obligations, and further opportunities for consolidating requirements. As forecasts are required prior to the appropriation of funds for the next fiscal year, they will be based on the best estimate available from budget projections.

3.2 Applicability

Acquisition planning forecasts apply to all individual planned acquisitions with life-cycle cost expected to exceed the SAT; or acquisitions with anticipated life-cycle cost at or below the SAT when simplified acquisition methods are not used. Forecasting involves identification of planned acquisitions during the budget formulation process.

3.3 Procedures

Each Senior Bureau Procurement Official shall develop and issue specific guidance for their Operating Unit(s) regarding acquisition forecast submissions, which shall include the use of the web-based software program, Forecasting and Advance Acquisition Planning System (FAAPS) available at: <http://fido.gov/doc/aap/>.

The Operating Unit policy shall include at a minimum:

- a. Requirement for Program Offices to submit detailed acquisition forecasts *individually* for all planned acquisitions, including options, task/delivery orders and purchase orders for commercial items estimated to exceed the SAT;
- b. Requirement to identify the FAAPS Advance Acquisition Planning (AAP) identification number in all resulting Milestone or Formal acquisition plans;
- c. Requirement for the quarterly review and update of acquisition forecasts to reflect subsequent awards, exercising of any contract options on existing acquisitions, and any newly planned acquisitions or deletions;
- d. Coordination with the OSDDBU and Bureau Small Business Specialist to identify potential contract opportunities suitable for small businesses and monitor contract bundling actions;
- e. Requirement for Bureau Small Business Specialist to review bureau-level advance acquisition planning forecast in FAAPS on a recurring basis beginning with the due date of the initial forecast submission;
- f. Coordination with the cognizant Bureau Small Business Specialist for acquisitions over \$2.5 million (see FAR 7.104(2)(i))

- g. The concerted efforts of all personnel engaged in managing the acquisition process in determining requirements, budget, strategic planning, small business considerations, technical data requirements, and contract management; and
- h. Requirement to update forecast submissions 30 days after final appropriations and update further as events warrant.

3.3.1 Data Requirements

Each advance acquisition planning forecasts shall at a minimum, address the following data elements:

- a. Organization code;
- b. Servicing acquisition office;
- c. Expected acquisition type;
- d. Brief description of planned acquisition that explicitly identifies details of the primary item to be acquired. For example, simply stating “Technical Services” as a description provides insufficient details. A better description would be “Renewal of contract number GS2F00000 for technical services to support NOAA’s Ship Maintenance Program” or “Option 1 to extend contract number GS2F00001 for helpdesk services for the Office of the Secretary.” When applicable, the description must identify the contract/task/delivery order number if the planned acquisition is a renewal of an existing contract or a task/delivery order against an existing contract;
- e. Primary North American Industry Classification System (NAICS) code;
- f. Expected level of competition;
- g. Required delivery or beginning date (if applicable);
- h. Acquisition method (i.e. IDIQ/GWAC/T&M, fixed price, etc.);
- i. Total life-cycle cost of planned acquisition;
- j. Current fiscal year obligation amount;
- k. Obligation amounts for fiscal years covered by the acquisition forecast;
- l. Actual/expected small business size status of contractors;
- m. Period of performance;
- n. Point of contact information; and
- o. Required contract completion date.

3.4 Annual Data Call

On or before March 1 of each year, the Senior Bureau Procurement Official shall issue a call for planned acquisitions for subsequent fiscal years with the primary focus on the upcoming fiscal year and cut-off dates for submission. If known acquisitions will span more than one fiscal year, the total duration and expected life-cycle costs shall be identified. This call shall provide specific instructions to guide the Program Officials in accurately completing and reporting data to effectively convey acquisition forecasts to all stakeholders (including the general public).

Program Officials shall identify and enter all planned acquisitions individually into FAAPS for review by their servicing contracting office on or before May 31 of each year. The acquisition forecasts shall include all new requirements, any contract options, modifications to existing contracts, and task or delivery orders against Federal Supply Schedule or agency Indefinite Delivery/Indefinite Quantity contracts. The BPO shall review each planned acquisition to ensure the data is accurate, complete and meaningful and develop a consolidated Bureau acquisition forecast for submission to the Office of Acquisition Management and the Office of Small and Disadvantaged Business Utilization by June 30 of each year through the use of FAAPS.

Prior to submitting the consolidated Bureau forecast in FAAPS, BPOs shall meet with their Bureau Small Business Specialists in June of each year, to review the acquisition forecasts and identify those planned acquisitions that:

- a. Are known to be amendable to set-aside for small business concerns;
- b. Cannot be set-aside; or
- c. Need further investigation before a set-aside determination can be made.

Any acquisition identified in the advance acquisition planning forecast that either cannot be set-aside for small business concerns or require further investigation before a set-aside determination can be made, shall be appropriately assigned to a Contract Specialist/Officer to ensure adequate time is available to conduct meaningful market research to support a set-aside/non-set-aside determination.

3.5 Implementation of Acquisition Forecast Plan

Once the acquisition forecasts are developed and delivered to the servicing contracting office, the responsibility for effectively completing and implementing the Milestone or Formal acquisition plan becomes a joint responsibility of the program office and the servicing contracting office and should involve all members of the acquisition team in the early development stages. This early involvement will facilitate a full understanding of the responsibilities of each party; and will help develop the necessary partnership between the program office and servicing contracting office in acquiring the best value supplies and services of reliable quality, delivered on time, and at a fair and reasonable price.

3.6 Unplanned Acquisitions

Forecasts for unplanned acquisitions that arise after submission of the annual acquisition forecast shall be submitted to the servicing contracting office as soon as possible upon identification of the requirement to ensure proper resources are available to fulfill the requirement. Priority will be given to those unplanned acquisitions identified as mission-critical. Senior Bureau Procurement Officials are responsible for ensuring FAAPS is updated to include unplanned acquisitions.

END OF SECTION 3

SECTION 4 – MILESTONE ACQUISITION PLANS

4.1 Background

Acquisitions exceeding the SAT require a detailed strategy identifying the acquisition objectives, market research findings, procurement method, milestones, and other such considerations documented in the form of an acquisition plan. Milestone acquisition plans identify the acquisition objectives and outlines the actions and documents required to meet the requirement. The plan contains a milestone schedule to track tasks to be accomplished in order to meet the required delivery schedule. Tracking performance against the schedule in the milestone acquisition plan provides the ongoing status necessary to process the acquisition in a timely and effective manner.

Milestone acquisition plans are used for multiple purposes. The primary purpose is to create a “road map” of the acquisition strategy to successfully procure goods and services, which may reduce issues at time of award and during contract performance. Other purposes include tracking acquisitions in progress to determine current status, identifying steps in the process where there are individual or systemic problems or monitoring the workload in order to accommodate unplanned future acquisitions.

4.2 Applicability

Milestone acquisition plans apply to contracts, task/delivery orders and purchase orders (including options), in which total life-cycle cost are expected to exceed the SAT but less than \$10 million; or acquisitions with anticipated life-cycle cost at or below the SAT when simplified acquisition methods are not used.

4.3 Procedures

Each Senior Bureau Procurement Official shall establish internal review and approval procedures for milestone acquisition plans recognizing complexity, dollar value, and visibility of programs. The procedures shall include a waiver process that ensures all waiver requests are in writing, contain sufficient detail to clearly explain the basis for the request, and recommended alternative actions are clearly provided. Authority to waive milestone acquisition plans shall be appointed to the level of the Head of Contracting Office or above. In addition, the procedures shall also address the protection of source selection information.

4.3.1 Describing Agency Need

The Program Official serving as the “planner” will begin the process by developing a full understanding of the needs of their program and considerations for accomplishing the planned acquisition. The Program Official shall discuss with the servicing contracting office, topics ranging from defining the need, market research results, potential sources, small business considerations, expected delivery or period of performance, and an appropriate acquisition strategy to meet the procurement goal. These discussions will culminate in an acquisition plan that consists of a milestone schedule to accompany the complete acquisition package (see *Appendix B* for acquisition package requirements).

4.3.2 Developing Milestone Acquisition Plan

The milestone acquisition plan will identify the objectives, planned actions and required documents of the acquisition to meet the requirement throughout the acquisition planning process ending with the award date. The milestone acquisition plan in essence becomes an agreement between the program office and the servicing contracting office setting forth the schedule for successful completion of the planned acquisition and shall demonstrate standard

procurement administrative lead times for achieving contract actions, although acquisitions of unusual complexity may require adjustments to these lead times. Refer to *Appendix C* for department-wide PALT.

4.3.3 Content of Milestone Acquisition Plan

Documentation for the milestone acquisition plan should be concise and limited. The milestone acquisition plan shall reference all elements required in the acquisition forecast cited under Section 3.3.1, and include the AAP identification number from FAAPS. In addition to the criteria provided in the acquisition forecast, the milestone acquisition plan should be accompanied by:

- a. An acquisition milestone schedule (see *Appendix D* for a milestone schedule sample);
- b. A discussion of the performance-based contracting elements that will be used and whether these elements will be sufficient to report the award as performance-based in the Federal Procurement Data System – Next Generation (FPDS-NG), if performance-based contracting methods will be used;
- c. Identification of the office (and individual(s) if known at the time of acquisition planning) responsible for quality assurance surveillance (i.e., monitoring the contractor's compliance with the quality assurance plan), if performance-based contracting methods will be used;
- d. A determination and findings as prescribed in FAR Subpart 12.207(b) for all time and material or labor hour contracts and task orders for commercial services;
- e. The basis for the Justification for Other than Full and Open Competition (JOFOC), if applicable and reference to the following:
 - i. Justification document
 - ii. Synopsis requirements or the applicable exception to synopsise
 - iii. Approving official
 - iv. Date of approval
- f. For acquisitions proposing an exception to fair opportunity procedures required by FAR Subpart 16.505(b), state the basis for the exception and reference the Contracting Officer's justification required by FAR Subpart 16.505(b);
- g. Any other elements as necessary that may enhance the acquisition strategy (i.e. policies for environmental considerations, use of high-risk acquisition authorities, Section 508, etc.).

4.3.4 Modification of Milestone Acquisition Plans

The milestone acquisition plan shall be revised whenever there is a significant change. A change is significant if there is a modification in what is being procured, how it is being procured (including method and contract type), or funding. Milestone acquisition plan revisions are subject to the same review and clearance process as the original document. Any change to the approved milestone acquisition plan must be justified and approved by the BPO and reflected as a revision to the previously approved plan. A copy of all preceding approved plans shall be retained in the official contract file.

4.3.5 Milestone Status

Contracting Officers are responsible for updating the status of major acquisition milestones in FAAPS (i.e. synopsis posted, solicitation released, offer/proposal due dates, competitive range established, source selection made, award, etc.). Milestone status shall be recorded under the "Procurement Office Comments" field by the assigned Contracting Officer/Specialist and maintained to reflect the most current updates of the acquisition. The Procurement Office Comments field has no edit constraints or size limits. However, since this field will be part of the "public view" option, the comments shall not contain procurement sensitive information.

4.4 Exemption

Milestone acquisition plans are not required for emergency acquisitions when the need for the supplies or services is of such an unusual and compelling urgency that the Government would be seriously injured if the supplies or services were not immediately acquired, except when unusual and compelling urgency occurs due to poor planning or failure to timely initiate the acquisition process by the program and/or acquisition office.

END OF SECTION 4

SECTION 5 – FORMAL ACQUISITION PLANS

5.1 Background

A formal acquisition plan is used to facilitate attainment of acquisition objectives for requirements with greater complexity and cost. The formal plan addresses all technical, business, management, and other significant considerations that will control the acquisition strategy.

5.2 Applicability

Formal acquisition plans apply to all acquisitions in which the anticipated total life-cycle cost exceeds \$10 million. A formal acquisition plan may also be considered for acquisitions below the \$10 million threshold that meet one or more of the following criteria:

- a. Acquisition is complex, critical to agency strategic objectives and mission, highly visible or politically sensitive;
- b. Acquisition with which the Department has little or no experience that may result in a need for greater oversight or risk management;
- c. Actions using significantly changed methods (e.g., methods of procurement such as lease versus purchase, or methods of performance such as contractor versus Government personnel);
- d. Acquisitions for new construction, or repair and alteration;
- e. Acquisitions that require contract bundling (see FAR Subpart 7.107); or
- f. Acquisitions with award term, award fee, or incentive arrangements as defined in FAR Subpart 16.4.

5.3 Procedure

The Program Official is designated the acquisition “planner” and is responsible for developing and maintaining the formal acquisition plan. The planner shall develop the formal plan in coordination with a team consisting of all individuals who will be responsible for significant aspects of the acquisition, such as contracting, budget, legal, technical personnel, and small business considerations. Previous plans for similar acquisitions should be reviewed and the planner should consult with key personnel involved in those acquisitions.

5.4 Content of Formal Acquisition Plan

The specific content of a formal acquisition plan will vary depending on the nature, circumstances, and stage of the acquisition. The acquisition plan will identify all significant technical, cost and business issues and provide specific solutions to address the critical issues in the proposed acquisition. The plan should be based on fact (not opinion or supposition) and reflect what was decided, alternatives considered, and the rationale for recommending the proposed strategy. In preparing the formal acquisition plan, the planner must follow the applicable instructions in Subsections 5.4.1 through 5.4.3 below.

5.4.1 Headers, Footers and Special Notices

The following notice shall be prominently displayed on the front page of all formal acquisition plans:

“This document contains proprietary or source selection information related to the conduct of a Federal agency procurement. The disclosure and receipt of this information is restricted by Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423). The unauthorized disclosure of this information may subject both the discloser and the recipient to the contractual, civil, and/or criminal penalties as provided by law.”

Each page of the plan shall contain a header identifying the title of the acquisition and a footer identifying the page numbers and the following notice:

“Source Selection Information—See FAR Subparts 2.101 and 3.104-4”

5.4.2 Part I – Acquisition Background and Objectives

Part I of the formal acquisition plan shall include the following, as applicable:

- a. **Title** – Provide a short descriptive title.
- b. **Identification Number** – Each acquisition plan must identify the associated Advance Acquisition Planning number generated in FAAPS.
- c. **Statement of Need** – Include a statement of need, the technical and contractual history of the project, feasible acquisition alternatives, and related in-house effort.
- d. **Applicable Conditions** – Discuss all significant conditions affecting the acquisition such as need for compatibility with existing or future systems or programs, and any known cost, schedule, capability or performance constraints.
- e. **Cost** – Provide total estimated costs, including any options. When options are involved, show the cost for each option separately from the total cost. For requirements type contracts – calculate total cost for the estimated quantity for the base period plus the total cost for estimated quantities for each option year, if applicable; for indefinite delivery, indefinite quantity contracts – calculate total cost of the identified maximum for the base period plus the total cost of the identified maximum for each option year, if applicable. For acquisitions subject to OMB Circular A-76 procedures, the total cost may be expressed either as a range or by total number of full-time equivalents. As appropriate, discuss how the following approaches were utilized in developing the cost estimate:
 - i. **Life-cycle cost** – Discuss how life-cycle cost will be considered. If it is not used, explain why. If appropriate, discuss the cost model used to develop life-cycle cost elements.
 - ii. **Design-to-cost** – Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors. Describe how objectives are to be applied, tracked and enforced. Indicate specific solicitation and contractual requirements to be imposed.

- iii. Should-cost analysis – Describe the application of should-cost analysis to the acquisition plan (see FAR Subpart 15.407-4).
- f. **Capability or performance** – Specify the required capabilities or performance characteristics of the supplies or services being acquired and state how they are related to the need. If a make and model acquisition is proposed, the basis for such requirement must be identified. If a brand name or equal acquisition is proposed, the salient characteristics necessary to determine equality must be identified.
- g. **Delivery or performance-period requirements** – Describe the basis for delivery or performance period requirements (see FAR Subpart 11.4) and show how they relate to the Government’s need. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing full and open competition.
- h. **Trade-offs** – Describe any trade-offs to be considered among cost, performance, and schedule goals and their consequences.
- i. **Risks** – Describe the technical, cost, and schedule risks and discuss what efforts are planned to reduce risk; also address the consequences of failing to achieve acquisition goals.
- j. **Acquisition streamlining** – If specifically designated by the Department as a program subject to acquisition streamlining, discuss plans to:
 - i. Encourage industry participation by using draft solicitations, presolicitation conferences, and other means of stimulating industry involvement during the design and development phase;
 - ii. Select and tailor only the most cost-effective requirements; and
 - iii. State the timeframe for identifying which specifications and standards, (originally provided for guidance only), will become mandatory.

5.4.3 Part II – Plan of Action

Part II of the formal plan should include the following information, as applicable:

- a. **Sources** – Indicate the prospective sources of supplies and/or services that can meet the need. Describe the following:
 - i. The effort made to identify sources from the required sources of supplies or services (see FAR Part 8) and sources identifiable through databases such as www.jwod.org, www.unicor.gov, and www.contractdirectory.gov.
 - ii. The efforts that have been made to identify all qualified sources, including small business concerns, small business concerns owned and controlled by service disabled veterans, qualified HUBZone small business concerns, small business concerns owned and operated by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

- iii. Discuss the results of market research analysis and/or surveys and indicate their impact on the various elements of the plan. The results of market research should be used to discuss if sources capable of satisfying the requirements exist; and the extent to which commercial items or non-developmental items are available. *NOTE:* A notice of intent to contract on a sole source basis in FedBizOpps **does not** constitute market research.
 - iv. When the proposed acquisition strategy involves bundling (see FAR Subpart 7.107), identify the incumbent contractors and contracts affected by the bundling. Describe the extent of contract bundling and the benefits (such as cost savings or price reduction, quality improvements that will save time, improve or enhance performance or efficiency, reduce acquisition cycle times, result in better terms and conditions, and any other benefits resulting from the bundling). Include a specific determination that the anticipated benefits of the proposed bundling justify its use. Also, include an assessment of the specific impediments to participation by small business concerns as contractors that result from bundling and any actions to maximize small business participation as contractors or subcontractors. In addition, identify alternative strategies that would reduce or minimize the scope of bundling.
- b. Competition** – Describe how competition will be sought, promoted, and maintained throughout the course of the acquisition. Specifically:
- i. Describe efforts to be made to identify additional firms that could effectively compete for the requirement, in addition to the required FedBizOpps announcement(s). If full and open competition is not contemplated, cite the authority in FAR Subpart 6.302, discuss the basis for the application of that authority, identify the proposed source(s), and discuss why full and open competition cannot be obtained.
 - ii. Identify and discuss the major work components or subsystems and their potential for “breakout” (i.e., as a separate acquisition) to enhance competition.
 - iii. If applicable, describe how competition will be sought, promoted, and sustained for spare and repair parts. Identify any key logistics milestone (such as technical data or delivery schedules), that affect competition.
 - iv. When effective subcontracting competition is both feasible and desirable, describe how such subcontracting competition will be sought, promoted and sustained. Identify any known barriers to increasing subcontracting competition and address how to overcome those barriers.
 - v. Discuss the evaluation of alternative competition strategies in terms of their ability to generate meaningful competition; satisfy the requirement timely; and allow negotiations of best value to the government.
- c. Evaluation and source selection procedures:**
- i. Describe the evaluation and source selection procedures to be used and show the relationship of the evaluation factors to the objectives of the acquisition. Discuss the evaluation methodology and describe the relative importance among

technical, business management, and price or cost factors in the selection process. Discuss how options, if any, will be evaluated.

- ii. If evaluation criteria will state specific number of years of experience for any personnel of the contractor, or any other such restrictive qualifying criteria, as a minimum requirement, justification to support that limitation must be provided.
 - iii. State the source selection criteria to be used and identify the individual who will serve as the Source Selection Authority (SSA). If the SSA is changed at any time after approval of the acquisition plan, the name of the new SSA must be provided in writing to the Senior Procurement Executive.
 - iv. When an Earned Value Management System (EVMS) is required (see FAR Subpart 34.202(a)) and a pre-award Integrated Baseline Review (IBR) is contemplated, the acquisition plan must discuss: how the pre-award IBR will be considered in the source selection decision; how it will be conducted in the source selection process (see FAR Subpart 15.306); and whether the Offeror will be directly compensated for the costs of participating in a pre-award IBR.
- d. Contracting method and considerations** – Discuss proposed contract type and rationale for why it was selected.
- i. For other than firm-fixed price contracts, see FAR Subpart 16.1 for additional guidance relating to such issues as cost risk, risk mitigation, and administrative burden.
 - ii. When an incentive-type contract is proposed, discuss the incentive provisions considered most suitable for accomplishing the acquisition objectives.
 - iii. Describe the use of special funding, options, or any special contracting methods; any special clauses (e.g., economic price adjustment clauses); special solicitation provisions or FAR deviations required; whether sealed bidding or negotiations will be used and why; whether equipment will be acquired by lease or purchase and why; and any other relevant considerations.
 - iv. Provide rationale if a performance-based acquisition is not used or if a performance-based acquisition for services is contemplated on other than a firm-fixed-price basis.
 - v. When an interagency acquisition is proposed, discuss the best interest determination, including the basis for such determination, and steps that will be taken to ensure sound management and use of the interagency acquisition.
 - vi. For acquisitions requiring capital planning and investment control requirements, discuss how the responsibilities identified in 40 U.S.C. 11312 and OMB Circular A-130 will be met (see FAR Subpart 7.103(t) and Part 39).
 - vii. For time and material or labor hour contracts and task orders for commercial services including those awarded through General Services Administration's Federal Supply Schedules (FAR Subpart 8.4), ensure the required determination and findings as prescribed in FAR Subpart 12.207(b) is prepared.

- viii. Document any considerations for the use of project labor agreements in connection with large-scale construction projects, (i.e., projects where the cost to the Federal Government exceeds \$25 million).
- ix. When a cost-reimbursement contract is selected, document findings necessary to support why the use of this contract type is appropriate.
- e. Budgeting and funding** – Describe how the budget estimates were derived and discuss the schedule for obtaining adequate funds when required. Identify the funding amounts by appropriation account, fiscal year, line item and project. Where funding is obtained from multiple projects, provide a complete identification of each funding source. If growth is proposed for the base and option years, discuss plans for ensuring consistency with budget projections.
- f. Product or service descriptions** – In accordance with FAR Part 11, explain the choice of product or service description types (including performance-based acquisition descriptions) to be used in the acquisition.
- g. Priorities, allocations and allotments** – When urgency of requirement dictates a particularly short delivery or performance schedule, certain priorities may apply. If so, specify the method for obtaining and using priorities, allocations, and allotments and the reason for them (see FAR Subpart 11.6).
- h. Contractor versus Government performance** – Address the requirements of OMB Circular No. A-76.
- i. Inherently governmental functions** – Address the consideration provided in FAR Subpart 7.5. Discuss the assumptions that determine whether contractor rather than agency support will be used, including consideration of contractor or agency maintenance, servicing, and distribution of commercial items (see FAR 7.105(b)(13)(i)).
 - i. If it is determined that contracted resources will be used, provide a rationale that fully supports this basis and that none of the functions to be performed under the contract or task order are inherently governmental. This assessment should place emphasis on the degree to which conditions and facts restrict the discretionary authority, decision-making responsibility, or accountability of Government officials using contractor services or work products.
 - ii. When services to be acquired will closely support the performance of inherently governmental functions, provide an assessment of current and potential technical, cost, schedule and performance risks, the level of those risks and a mitigation plan that describes how the Government will monitor, control, and mitigate risk of contract performance, as well as steps to be taken when an identified risk occurs. The mitigation plan shall outline the roles and responsibilities of the Government personnel involved in oversight and demonstrate the skills and capacity of the personnel to perform adequate contract award, management and oversight.

- j. Management information requirements** – Discuss what management system and project management tools will be used to monitor performance.

 - i. Earned Value Management System reporting is required on all major acquisitions for development. The Department considers a “major acquisition for development” to be an acquisition that includes \$25 million or more in development, modernization, and enhancement (DME) costs over the life of the acquisition (including options). The Department may also direct acquisitions with less than \$25 million in DME costs over the life of the acquisition be treated as a “major acquisition for development” that merit special attention due to its sensitivity, mission criticality or risk potential.
 - ii. Discuss how the offeror’s/contractor’s EVMS will be verified for compliance with the American National Standards Institute/Electronics Industries Alliance (ANSI/EIA) Standard-748, Earned Value Management Systems, and the timing and conduct of integrated baseline reviews (whether prior to or post award).
 - iii. For developmental acquisitions where EVMS is not required, describe the project management tools and management information tools being used to monitor performance.
- k. Make or buy** – Discuss any considerations given to make-or-buy programs (see FAR Subpart 15.407-2).
- l. Test and evaluation** – If applicable, describe the test program to be used by the Government and contractor. Also describe the test program for each major phase of a major system acquisition. If concurrency of development and production is planned, discuss the extent of testing to be accomplished before production release.
- m. Logistics considerations** – Describe:

 - i. The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including maintenance and servicing considerations (i.e. maintenance, repairs, spare parts); support for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission (see Subpart 25.301-3) and; distribution of commercial items.
 - ii. The reliability, maintainability, and quality assurance requirements, including use of warranties.
 - iii. The requirements for contractor data (including repurchase data) and data rights, their estimated cost, and how the data will be used.
 - iv. The standardization concepts, including the need to designate, in accordance with agency procedures, technical equipment as “standard” so future purchases can be made from the same manufacturer.
 - v. The need for contract performance to continue when there is a pandemic. If contract performance needs to continue, how the performance will occur particularly when performance is on-site at the government location.

- n. **Government-furnished property** – Describe any property to be furnished to the contractor, both real and personal, and discuss its availability, condition and schedule. Discuss what steps will be taken to ensure the property will be furnished to the contractor timely.
- o. **Environmental considerations** – Discuss any environmental and energy issues associated with the acquisition (see FAR Part 23), the applicability of an environmental assessment or environmental impact statement (see 40 CFR 1502), the proposed resolution of environmental issues, and any environment-related requirements to be included in the solicitation and contract. Ensure acquisitions are in compliance with department-wide guidance prescribed in CAM 1323.70, “*Green Procurement Program*” and Executive Order 13423, “Strengthening Federal Environmental, Energy, and Transportation Management”.
- p. **Government-furnished information** – Discuss any Government-owned information (e.g., manuals, drawings and test data) to be provided to prospective Offerors and contractors. Indicate which information requires additional controls to monitor access and distribution (e.g., technical specifications, maps, building designs, schedules, etc.) to be posted on FedBizOpps.
- q. **Security and information technology security considerations** – For acquisitions involving classified matters, describe how adequate security will be established, maintained and monitored. Discuss Information Technology (IT) Security requirements to include applicability and incorporation of required IT Security clauses in contracts for:
 - i. Information technology resources or services;
 - ii. Requiring contractor personnel access to DOC information technology Systems;
 - iii. DOC sensitive/classified information; and
 - iv. Contractor information technology systems interconnected to DOC Systems.
- r. **Contractor access to government facilities or information** – For acquisitions requiring routine contractor physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system, discuss how agency requirements for personal identity verification of contractors will be met (see FAR Subpart 4.13). Discuss compliance with Homeland Security Directive-12 (HSPD-12).
- s. **Contract administration** - Describe how the contract will be administered.
 - i. For services contracts, include how inspection and acceptance corresponding to the work statement’s performance criteria will be enforced.
 - ii. Explain how performance will be monitored.
 - iii. Describe the capacity to effectively manage contract performance and mitigate risk after award.

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- t. Other considerations** – As applicable, discuss the consideration given to the following and other items required by FAR Subpart 7.1:
- i. Value Engineering provisions;
 - ii. Pre-proposal conference;
 - iii. Site visits for contractors;
 - iv. Pre-award Surveys;
 - v. Requirements of Electronic and Information Technology accessibility Standards (Section 508);
 - vi. Benchmark testing/performance validation;
 - vii. Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act);
 - viii. Disaster Response Registry at www.ccr.gov, when contracting for debris removal, distribution of supplies, reconstruction, and other disaster or emergency relief activities;
 - ix. The industrial readiness program;
 - x. The Occupational Safety and Health Act;
 - xi. Potential or actual conflicts of interest and any plans for mitigation thereof; and
 - xii. Other issues deemed appropriate by the contracting or program officials (e.g., restrictions on telecommuting (see FAR Subpart 7.108).
- u. Other approvals** - Describe any separate approvals that are required. Required approvals include, but are not limited to:
- i. Requirements Initiative – If the acquisition includes information technology (as defined in the Department’s “Information Technology Management Handbook”), identify the requirements initiative by its title, description, number, and provide the date of the Departmental approval. The name of the Departmental-level official who approved the initiative must also be included.
 - ii. CD-570 Small Business Programs requirements, acquisitions that are not set-aside for small business must be reviewed by the Small Business Specialist and OSDBU.
- v. Milestone Acquisition Plan** – Develop and attach a copy of the milestone acquisition plan. Fully explain and completely justify times shown which are shorter or longer than standard lead-times included in *Appendix C*. A sample milestone schedule is provided in *Appendix D* and minimum requirements of the plan are outlined in subsection 4.3.3.

- w. **Additional requirements for major systems/projects** – See DAO 208-3 and FAR Subpart 7.106.
 - i. If an acquisition qualifies as a capital asset pursuant to OMB Circular No. A-11, the Program Official must ensure that both the Exhibit 300 and Part II of Exhibit 300: *Additional Business Case Criteria for Information Technology* are completed for the requirement. This acquisition plan supplements the information in the Capital Asset Plan and Business Case, Exhibit 300 to OMB A-11. If the information requested for this specific acquisition is addressed in the current Exhibit 300, you may refer to the specific sections of the Exhibit 300 in lieu of restating the information in the formal acquisition plan.
- x. **Participants in the acquisition process** – List the names, phone numbers and certification status and level (CO, CS, PM, COTR only) for the following individuals:
 - i. Contracting Officer
 - ii. Contract Specialist
 - iii. Program Official
 - iv. Contracting Officer’s Technical Representative
 - v. Program Manager
 - vi. Source Selection Authority
 - vii. Additional individuals who assisted in the preparation of the acquisition plan
- y. **Signature Page** – The signature page shall contain information on all applicable members of the acquisition team that are required for review, clearance, and approval. Each name should be typed, and the title of the individual, his or her organizational designation, the date, and his or her phone number should also be listed (see Appendix E, for a sample format).

5.5 Review and Clearance

Formal acquisition plans shall be prepared sufficiently in advance of the solicitation’s release date to allow ample time for review and clearances. All formal acquisition plans, at a minimum, shall be reviewed and signed by the Program Official, the Operating Unit Budget Officer, the Contracting Officer, Office of General Counsel representative, and Senior Bureau Procurement Official. The Competition Advocate shall concur when other than full and open competition procedures are expected to be used.

The Office of Acquisition Management shall be afforded an opportunity to review all formal acquisition plans in order to determine if the requirement is of special interest, that is, a requirement that warrants a higher level of approval due to factors such as: higher complexity or uncertainty, likely to provoke unusual public interest, or potential impact of any adverse contract performance. Formal acquisition plans shall be submitted electronically to the “OAM Mailbox” at: OAM_Mailbox@doc.gov. Where OAM has identified a requirement of special interest, the applicable acquisition office will be notified that the PE, or appointed delegate, will be a participant on the Bureau-level Acquisition Review Board.

Formal acquisition plans must receive clearance through all applicable offices prior to issuing the solicitation. By signing the acquisition plan, the Program Official certifies that the information in the acquisition plan is current, accurate and complete. The Contracting Officer's signature certifies that the acquisition methodology is sound and the acquisition plan reflects the best business strategy for the acquisition. The Office of General Counsel's signature certifies legal sufficiency. The signature of the Operating Unit's Budget Officer certifies that the planned acquisition is consistent with current and future budget plans. The Senior Bureau Procurement Official's signature signifies concurrence with the content of the acquisition plan, that the plan meets all requirements of FAR Subpart 7.105 and approval up to \$75M. The Senior Procurement Executive's signature certifies approval of acquisition plans in excess of \$75 million.

Acquisition plans shall not be approved for acquisitions proposing the use of other than full and open competition when the decision is based upon a lack of advance planning or concerns relating to the availability of funds. Additionally, approval of a formal acquisition plan does not constitute approval for any deviation, special condition or clause which might be described in the plan. Approvals for these actions must be submitted independently.

5.6 Bureau-Level Acquisition Review Board

Senior Bureau Procurement Officials shall develop internal Acquisition Review Board procedures for the review of contract actions with life-cycle costs expected to exceed \$10M up to \$75 million. The procedures of the Bureau-level Acquisition Review Board shall include the review of acquisitions below \$10 million in instances where a requirement is highly sensitive or complex in nature, or requires greater oversight due to exceptional circumstances.

The Bureau-level Acquisition Review Board shall be comprised of senior-level officials from specialized functional areas within the Bureau to include: Senior Bureau Procurement Official (as Chair); legal counsel; Chief Financial Officer; and where information technology is being acquired, Chief Information Officer. The Senior Procurement Executive will serve on the Bureau-level Acquisition Review Board for all acquisitions anticipated to exceed \$50 million, and any acquisition between \$10M and \$50M that may be of special interest to the Department.

All formal acquisition plans in excess of \$50M and those identified as special interest, require the following documents to be submitted electronically to the "OAM Mailbox" at: OAM_Mailbox@doc.gov, at least **14 business days** prior to holding the Bureau-level Acquisition Review Board meeting:

- a. Formal acquisition plan (*cleared through all appropriate offices*);
- b. Proposed statement of work/objectives/specifications including deliverable items and option provisions;
- c. Justification for Other than Full and Open Competition, if applicable;
- d. Proposed award/incentive fee/term plan, if applicable; and
- e. Any other document that might bear on the acquisition planning process or will support the proposed acquisition strategy.

5.7 Acquisition Review Board

Formal acquisition plans with expected life-cycle costs in excess of \$75 million or any other acquisition designated by the Senior Procurement Executive shall be reviewed by the Acquisition Review Board (ARB). The ARB will be comprised of Senior Bureau Procurement Officials from each acquisition office and chaired by the Senior Procurement Executive.

In addition to submitting all documents required for the Bureau-level Review Board as identified above in Section 5.6, briefing materials of the presentation to be conducted before the ARB shall be submitted to the OAM Mailbox at: OAM_Mailbox@doc.gov no less than one week prior to the scheduled ARB meeting. The presentation shall address, at a minimum, the following:

- a. Description of the project (i.e., what is being acquired; how it supports the Department's mission; and any appropriate historical acquisition information relevant to the proposed acquisition strategy);
- b. Life cycle cost analysis, funding sources, and an explanation of any budget concerns;
- c. Proposed acquisition strategy;
- d. Description of market research conducted;
- e. Key project risks associated with the acquisition and how the risks will be mitigated;
- f. Source Selection Process;
- g. Description of how the contract will be managed (i.e. what system will be used to monitor cost, schedule and performance, and report on deviations); and
- h. Qualifications, including certification status/levels, of the proposed Contract Specialist, Contracting Officer, Project Manager and Contracting Officer Representative.

5.8 Approval of Formal Acquisition Plan

All formal acquisition plans up to \$75M shall be cleared and approved by the Senior Bureau Procurement Official before the resultant solicitation is issued. Formal acquisition plans in excess of \$75M must be cleared and approved by the Senior Procurement Executive. As determined on a case-by-case basis, all formal acquisition plan approvals may be conditional and require subsequent Departmental review and approvals.

5.9 Modifying Formal Acquisition Plans

After initial approval, significant changes in the formal acquisition plan must be approved by the approving official before they are implemented. For acquisition plans approved by the Senior Procurement Executive, the Contracting Officer should discuss potential changes to the acquisition plan with the BPO before requesting formal approval of any amendments to the acquisition plan. Formal acquisition plan revisions are subject to the same review and signature process as the original document. Any changes to the approved formal acquisition plan must be justified and approved by the BPO and reflected as a revision to the previously approved plan. A copy of all preceding plans shall be retained in the contract file.

5.10 Exemptions

Formal acquisition plans are not required for the following types of acquisitions:

- a. Unsolicited proposals (when deemed innovative and unique in accordance with (FAR Subpart 15.6).
- b. 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) except when unusual and compelling urgency occurs due to poor planning or failure to timely initiate the acquisition process by the program and/or acquisition office.

5.11 Waiver

In some cases, the requirement for approving a formal acquisition plan may be waived by the Senior Procurement Executive based on urgency (such as the need for a compressed acquisition schedule to meet urgent program needs) or some other justifiable basis. The request for a waiver must be in writing, and must fully describe the facts and the basis for the request. A waiver will not be considered when the urgency stems from the lack of advance acquisition planning or execution. Requests for waivers will be submitted for approval by the Senior Procurement Executive in the same manner as the acquisition plan. The waiver must be granted prior to the release of the solicitation. Any request for waiver of ARB processes is separate from the acquisition planning requirements and such requests must be submitted to the ARB Chair.

END OF SECTION 5

SECTION 6 – ACQUISITION PLANNING OVERSIGHT

6.1 Background

Senior Bureau Procurement Officials are responsible for conducting oversight of acquisition planning activities within their Operating Units in order to identify opportunities to:

- a. Enhance full and open competition;
- b. Promote the use of commercial items;
- c. Enhance the use of performance-based acquisition;
- d. Promote strategic sourcing;
- e. Reduce the use of high-risk acquisition authorities;
- f. Increase support of socio-economic programs; and
- g. Facilitate the effective allocation and use of human resources.

6.2 Oversight Review

At the end of each fiscal year, Senior Bureau Procurement Officials shall review acquisition planning activities for the previous fiscal year and using FAAPS, document the number and dollar value of planned acquisitions; the number and dollar value of planned acquisitions that were not initiated; and the number and dollar value of acquisitions processed that were not included in the initial advance acquisition planning data call. This data shall be submitted to the OAM Mailbox at: OAM_Mailbox@doc.gov by December 31 on annual basis.

The Office of Acquisition Management will also conduct reviews of the acquisition planning process as part of the risk management and oversight process.

END OF SECTION 6
END OF CAM 1307.1

APPENDIX A – DEFINITIONS

Acquisition - The acquiring by contract, interagency and other special agreement, blanket purchase agreement, or task/delivery 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 Forecast - A listing of expected acquisitions developed based on the budget formulation process and/or a knowledge of existing contractual agreements where the product and/or service continues to be required beyond the current period of performance. The acquisition forecast reflects the forward thinking of what new or continued acquisitions will be processed in upcoming fiscal years.

Acquisition Plan - A detailed strategy outlining the recommended method of procurement, including documentation of the decisions made related to such matters as recommended period of performance, socio-economic program set-asides, market research findings, and whether the requirement constitutes bundling.

Acquisition Planning - 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's need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.

Acquisition Strategy – Identifying 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.

Acquisition Streamlining - 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.

Acquisition Team -The team of individuals formed to prepare the individual elements of an acquisition plan and execute the acquisition. The team should be comprised of representatives from Acquisitions, Budget, Legal, technical offices, small business and any other areas as necessary.

Advance Acquisition Planning – The process of identifying planned acquisitions in the budget formulation stage through the use of forecasting. This advance planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner.

Bundling - Consolidating two or more requirements for supplies or services previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern due to: the diversity, size or specialized nature of the elements of the performance specified; the aggregate dollar value of the anticipated award; or the geographical dispersion of the contract performance sites.

Capital Asset - Land, structures, equipment, intellectual property (including software), and information technology (including IT service contracts) used by the Federal Government with an estimated useful life of two or more years. The cost of a capital asset includes its full life-cycle costs, all direct and indirect costs for planning, procurement, operations, and maintenance, including service contracts, and disposal.

Commercial Item - Any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes and has either been offered or actually sold, leased, or licensed to the general public (see FAR Subpart 12.1).

Delivery Order - An order for supplies placed against an established contract or with Government sources.

Design-to-cost - A method of acquiring supplies and services where cost is treated as an independent variable, where 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.

High-Risk Acquisition Authorities - Includes use of other than full and open competition and use of Cost-Reimbursement, Labor Hour and Time-and-Material type contracts.

Interagency Acquisitions - A term used to describe the process by which one agency in need of supplies or services (requesting agency), uses the contracts and/or contracting services of other agencies (servicing agencies) to obtain supplies and services.

Life-cycle Cost - the total cost, including options, to the Government of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired under a contract vehicle.

Market Research – Collecting and analyzing information about capabilities within the market to determine the breadth and scope of concerns available to satisfy Federal agency needs.

Milestone Acquisition Plan – Written acquisition plan reflecting the major activities (milestones) to be accomplished in processing of the acquisition.

Multi-year Contract - A contract for the purchase of supplies or services for more than one year but not more than five program years without the need to exercise an option for each program year after the first. A multi-year contract may provide performance under the contract during the second and subsequent years of the contract contingent upon the appropriation of funds, and may provide for a cancellation payment to be made to the contractor if appropriations are not made (see FAR 17.103).

Multiple-year Contract - A contract for acquiring supplies and/or services for more than one fiscal year through the use of options to the contract for each program year after the first.

Operating Unit - The following entities as defined in Department Organizational Order (DOO) 1-1 are considered operating units: Bureau of Economic Analysis, Bureau of Industry and Security, Bureau of Census, Economic Development Administration, Economics and Statistics Administration, International Trade Administration, Minority Business Development Agency, National Institute of Standards & Technology, National Oceanic & Atmospheric Administration, National Telecommunications & Information Administration, National Information Service, Patent and Trademark Office and the Office of the Secretary.

Planner - Individual designated within each Operating Unit's program office responsible for collecting and submitting the office's acquisition forecasts to the servicing acquisition office and coordinating the completion, review and clearance of milestone acquisition plans and formal acquisition plans.

Performance Based Contracting - 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 or broad and imprecise statements of work (see FAR 37.6).

Program Office – The entity responsible for defining acquisition requirements and providing funding allocations for the acquisitions.

Real Property – Any interest in land, including any improvements, structures, and fixtures located on the land, whether or not under the control of a Federal agency. Real property functions include, but are not limited to, the acquisition of real property rights or interests by any means; assignment and utilization of space; facilities management; real property appraisals; disposal of real property, including improvements; and other related functions.

Service Contract - A contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. Some areas in which service contracts are found include maintenance, janitorial, advisory, communications, architect-engineering, transportation, and research and development.

Simplified Acquisition Threshold – A dollar value of \$150,000, except 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 term means – 1) \$300,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and 2) \$1 million for any contract to be awarded and performed, or purchase to be made, outside the United States.

Special Interest Requirement – A requirement that warrants a higher level of approval due to factors such as: higher complexity or uncertainty, likely to provoke unusual public interest, or potential impact of any adverse contract performance.

Task Order - An order for services placed against an established contract or with Government sources.

Value of the Acquisition - The maximum monetary amount that the Government could potentially obligate against a contractual action including all options, incentives, award fees and cancellation fees.

APPENDIX B

Checklist of Required Contents for Procurement Request Packages over the SAT

Provide documents electronically to servicing Contracting Office

- **Exercise of Options – For Current Contracts w/Option Periods Remaining:**
 - ❑ Procurement request completed;
 - ❑ Preliminary notice of intent to exercise option, 60 days prior to option exercise
 - ❑ Statement that exercising the contract option will fulfill an existing need;
 - ❑ Contract number and number of modifications;
 - ❑ Description of the anticipated impact if not approved;
 - ❑ Market research results demonstrating that exercising the option is in the best interest of the Government, considering price and other factors (Refer to FAR 17.207);
 - ❑ For services, a statement indicating the program's need for continuity of operations; and
 - ❑ Any other information relevant to justify the requirement.

- **Interagency Acquisitions:**
 - ❑ Contents required by Departmental Interagency Acquisition Policy (see CAM 1317.570);
 - ❑ Copy of current year Interagency Agreement for the same service (if applicable);
 - ❑ Summary of spending in all past years (if applicable);
 - ❑ Description of the anticipated impact if not approved;
 - ❑ Market research demonstrating the service cannot be provided as conveniently or economically by contracting directly with a private source; and
 - ❑ Any other information relevant to justify the requirement.

- **New Contract Actions or “Re-competes”:**
 - ❑ Procurement request completed;
 - ❑ Proposed Statement of Work/Objectives (services) or Specifications (goods);
 - ❑ Proposed technical evaluation plan or proposal evaluation criteria;
 - ❑ Spending in all past years for contracts being re-competed and number of the contracts being replaced (if applicable);
 - ❑ Government cost estimate with supporting documentation showing the basis for estimate (price quotes, price for tasks and sample positions (for services), equipment lists, etc.);
 - ❑ Description of the anticipated impact if not approved;
 - ❑ Date when contract must be awarded and impact of not meeting that date;
 - ❑ Proposed COR and certification levels and date;
 - ❑ Any other information relevant to justify the requirement; and
 - ❑ For other than full and open competition (sole source or urgent requirement), include rationale to support the recommendation for other than full and open competition and statutory authority permitting other than full and open competition (see FAR 6.302)

- **De-obligation of Funds – Current Fiscal Year Contracts** *When funds can be ‘freed-up’ due to cancellation of the requirement(s), deliverables or change in scope:*
 - ❑ Procurement request completed with amount(s) to be de-obligated indicated.

APPENDIX C PROCUREMENT ADMINISTRATIVE LEAD TIMES (PALT)

The PALT listed below reflects standard lead times aligned with procurement type and threshold:

PROCUREMENT TYPE	DOLLAR VALUE	LEAD TIME RANGE (calendar days)
Simplified Acquisition Procedures (Commercial Items)	\$0 – \$ 3,000	5 – 10 days
	\$3,001 – \$25,000	15 – 30 days
	\$25,001 - \$650,000	30 – 60 days
	Above \$650,000	60 – 120 days
Simplified Acquisition Procedures (Other than Commercial Items)	\$0 – \$ 3,000	5 – 15 days
	\$3,001 – \$25,000	15 – 45 days
	\$25,001 - \$150,000	30 – 60 days
Blanket Purchase Agreement (BPA) Orders	Any Amount	15 – 30 days
Task orders under Indefinite Delivery Contracts	Any Amount	30 – 60 days
Sealed Bids(IFB)	\$150,000 – \$650,000	90 – 120 days
	\$650,000 - \$1,500,000	120 – 150 days
	Above \$1,500,000	150 – 180 days
Competitive Proposals (RFP)	\$150,000 – \$650,000	90 – 120 days
	\$650,000 – 1,500,000	120 – 180 days
	Above \$1,500,000	240 – 360 days
Delivery orders/Task Orders under GSA/FSS (not requiring a Statement of Work)	Any Amount	15 – 60 days
Noncompetitive Actions: Other Than Full and Open Competition (includes 8(a), sole source, and urgent actions – the latter two requiring submittal of a completed Justification & Approval)	\$150,000 – \$650,000	90 – 120 days
	\$650,000 – 1,500,000	120 – 180 days
	Above \$1,500,000	240 – 360 days
Task Orders under GSA/FSS (requiring a SOW)	\$0 – \$ 3,000	15 – 30 days
	\$3,000 – \$650,000	90 – 150 days
	Above \$650,000	105 – 165 days

Note: Lead times are based on a number of assumptions, such as: receipt of a properly prepared, fully documented requisition, including any applicable clearances and approvals; workload and available resources

APPENDIX D MILESTONE SCHEDULE (SAMPLE)

<i>Establish milestone schedule to include the following steps and any others as appropriate</i>	<u>mm/dd/yy</u>
1. Market Research Completed	
2. Statement of Work/Objectives Completed	
3. Small Business Review	
4. Complete Exhibit 300 and DOC Attachment A	
5. Submission of Request and Supporting documents to servicing contracting office	
6. Brief Review Boards (e.g., JRB)	
7. Acquisition Plan and Source Selection Plan Approved	
8. Publication of Announcement in <i>FedBizOpps</i>	
9. Solicitation Review and Clearance (legal, etc.)	
10. Issuance of Solicitation	
11. Pre-proposal Conference/ Site Visit	
12. Receipt of Offers	
13. Request for Audit	
14. Complete Technical Evaluation	
15. Receive Audit Reports	
16. Competitive Range Determination and Pre-Negotiation Memo Completed	
17. Conduct Benchmark Tests	
18. Open Negotiations with Offerors in Competitive Range	
19. Receive Final Proposals	
20. Receive EEO Compliance Review	
21. Subcontracting Plan cleared by OSDBU	
22. Final Evaluations Reviewed and Post-Negotiation Memo Completed	
23. Source Selection	
24. Contract Reviews and Clearances (legal, etc.)	
25. Contract Award, including Public Announcement Consideration (FAR 5.303)	

APPENDIX E

FORMAL ACQUISITION PLAN SIGNATURE PAGE

Program Official
Dept/Bureau:
Phone Number:

Date

Budget Office
Dept/Bureau:
Phone Number:

Date

Contracting Officer
Dept/Bureau:
Phone Number:

Date

Office of General Counsel
(or Counsel specifically assigned to a procurement office)
Phone Number:

Date

Senior Bureau Procurement Official
Dept/Bureau:
Phone Number:

Date

Senior Procurement Executive
Department of Commerce
Phone Number:

Date