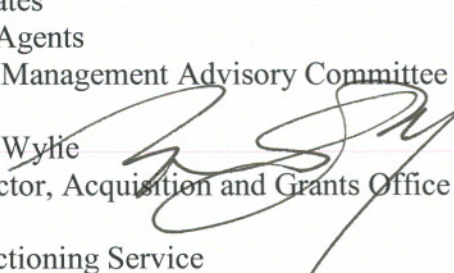




UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
ACQUISITION AND GRANTS OFFICE

AUG 19 2008

MEMORANDUM FOR: Heads of Contracting Offices  
Field Delegates  
Purchasing Agents  
Acquisition Management Advisory Committee

FROM: Maureen E. Wylie   
Acting Director, Acquisition and Grants Office

SUBJECT: Reverse Auctioning Service

AGO POLICY NO.: AGO-INFO-08-004

The purpose of this issuance is to provide information about the availability of the FedBid reverse auction service tool as an alternative means for competitive solicitation of commodity-type commercial items such as computer products, security gear, office supplies, tools, equipment and simple services. Electronic reverse auctioning is an internet-based competitive solicitation tool primary suited for commodity type acquisitions, where selection is heavily weighted on price and price-related factors.

NOAA acquisition personnel shall consider using commercial reverse auction tools such as FedBid when acquiring commodities from certain sources.

Please ensure that this information gets distributed widely. The policy will be posted to the AGO web site in the near future.

If you have any questions, please contact Jerry Rorstrom-Lee at (301) 713-0833, extension 140 or [Jerry.Rorstrom-Lee@noaa.gov](mailto:Jerry.Rorstrom-Lee@noaa.gov).

Attachment



**AGO-INFO-08-004**  
**REVERSE AUCTION SERVICE**

I. PURPOSE

The purpose of this issuance is to provide information about the availability of the FedBid reverse auction service tool as an alternative means for competitive solicitation of commodity-type commercial items such as computer products, security gear, office supplies, tools, equipment and simple services.

II. BACKGROUND

Electronic reverse auctioning is an internet-based competitive solicitation tool primarily suited for commodity type acquisitions, where selection is heavily weighted on price and price-related factors. Once a solicitation is posted to FedBid, offerors can see the lowest proposed quote or offers submitted through the FedBid interface and elect to under bid the lowest offer. Pricing information is posted in real time and all offerors' identities are protected from release to other competitors. Reverse auctioning tools can be employed by procurement personnel to procure goods and services in a competitive environment. In 1997 the *Federal Acquisition Regulation (FAR)* was amended to delete verbiage that prohibited the use of auctioning techniques.

III. OBJECTIVE

The objective of this issuance is to inform the acquisition community of a commercial reverse auctioning tool for competitive acquisition of commercial, commodity-type items.

IV. IMPACTED PARTIES

Heads of Contracting Offices, Contracting Officers, Contract Specialists, Purchasing Agents, and Field Delegates.

V. PROCEDURES

- A. NOAA acquisition personnel shall consider using commercial reverse auction tools such as FedBid when acquiring commodities from:
1. Acquisition of commodities using Simplified Acquisition Procedures
  2. Acquisitions of commodities >\$25,000 through FedBizOpps.gov
  3. Commodities procured via multiple award Government-Wide Acquisition Contracts (GWACs), multiple award Blanket Purchase Agreements (BPAs), or GSA/Multiple Award Schedules
  4. Set-aside competitions through FedBizOpps.gov such as: i) Small business; ii) HUB-zone; iii) Small disadvantaged business; iv) 8(a) business; and v) Service disabled veteran owned business
  5. Stafford Act local area set-asides for major disaster or emergency assistance activities, pursuant to FAR 26.2 (include the representation at 52.226-3, the notice at 52.226-4, and the clause at 52.226-5);



6. Simple services (such as lawn-mowing) when a Service Contract Act (SCA) or Davis-Bacon (D-B) wage determination is not applicable (SCA is applicable when requirement is greater than \$2,500; D-B is applicable greater than \$2,000); and
  7. Open market commercial item competitions for commodities.
- B. Contracting Officers shall use this commercial reverse auction acquisition tool when possible and appropriate. The Contracting Officer has the final authority to make the decision to use or not use commercial reverse auction tools such as FedBid. Use of a reverse auctioning tool such as FedBid is not appropriate for more complex service requirements, and FedBid actions can not be a part of a larger non-FedBid action.
- C. If commercial reverse auction tools such as FedBid are not used for the procurements that typically would be suitable, the acquisition file shall be documented appropriately. It is the Contracting Officer, Contract Specialist, Purchasing Agent, and/or Field Delegate responsible for the acquisition to assemble and document the contract file.
- D. FedBid provides comprehensive, automated and easily auditable records and documentation to support acquisition decisions. Much of the needed documentation can be printed from FedBid and inserted into the contract file in accordance with the applicable contract file format policy which will be included in the revised NOAA Acquisition Handbook at Section 1313 – Simplified Acquisition Procedures (old section Part 13 – Simplified Acquisition Procedures).
- VI. EFFECTIVE DATE  
Upon issuance.
- VII. EXPIRATION DATE  
February 6, 2009, per General Services Administration (GSA) Federal Acquisition Services (FAS) Task Order # GST0007NS0018, dated 02/07/2008
- VIII. REQUIRED ACTION
- A. HCOs shall ensure that their acquisition staff is trained and obtains passwords to enable utilization of FedBid.
  - B. Field Delegates shall work with their servicing HCO to arrange for training and obtaining passwords.
  - C. Any HCO needing a new or revised FedBid password, or needing system support in using FedBid shall contact AGO/POD Jerry Rorstrom-Lee, at [Jerry.Rorstrom-Lee@noaa.gov](mailto:Jerry.Rorstrom-Lee@noaa.gov) or (301) 713-0833, extension 140.

IX. IMPACTED REFERENCE(S) OR DOCUMENT(S)  
AGO Website

X. SUPPORTING REFERENCES

A. Memorandum of Agreement (MOA) between the National Oceanic and Atmospheric Administration, and the General Services Administration Federal Acquisition Services, with FedBid, Inc. also signing with a final signature date of March 31, 2008.

B. GSA/FAS Task Order Number GST0007NS0018, dated February 7, 2008, under Contract Number GS-35F-0752R

XI. LOCATION(S) WHERE POLICY WILL BE PUBLISHED  
AGO Website

XII. CONTACT PERSON

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Daniel.L.Clever@NOAA.gov