


July 14, 2004

MEMORANDUM FOR: NOAA Heads of Contracting Offices

FROM: Helen Hurcombe   
NOAA Procurement Official

SUBJECT: Acquisition Instruction 15-01, Source Selection Authority

The current policy on formal source selection processes exists in Commerce Acquisition Manual (CAM) 15.6, Chapter 1 and NOAA Administrative Order (NAO) 208-100. Under this guidance, Formal Source Selection procedures are required to be utilized for any acquisition that exceeds \$10 million (full life cycle cost). The CAM delegates the authority for Source Selection in those acquisitions utilizing formal source selection procedures to the Head of the Operating Unit (Vice Admiral Lautenbacher), but this authority can be re-delegated. By NAO 208-100 (dated 12/11/89) the authority has been delegated to the Deputy Under Secretary (DUS). The DUS has the authority to re-delegate this authority further to an Assistant Administrator or a Department Manager at an organizational level above the Contracting Officer. The DUS, of course, retains the authority to serve as the Source Selection Official for proposed contracts under \$10 million on a case-by-case basis.

There have been several requests for re-delegation of Source Selection Official authority submitted recently which have raised concerns with the DUS regarding the process for requesting and granting such delegations of authority. The subject Acquisition Instruction is hereby transmitted for immediate implementation. These procedures will be codified in the NOAA Acquisition Handbook to be released later this year and those provisions will supersede this Instruction upon its release.

July 14, 2004

ACQUISITION INSTRUCTION (AI) 15-01

FROM: Helen Hurcombe *Helen Hurcombe*  
NOAA Procurement Official

MEMORANDUM FOR: NOAA Acquisition Staff

SUBJECT: Delegation of Source Selection Authority

1. Purpose

The purpose of this Acquisition Instruction (AI) is to establish the thresholds for acquisitions for which source selection authority will, generally, not be re-delegated below the Deputy Under Secretary (DUS) and to establish procedures for requesting delegation of source selection authority for such acquisitions and acquisitions below the identified thresholds but which are subject to formal source selection procedures under Commerce Acquisition Manual (CAM) 15.6, Chapter 1, and NOAA Administrative Order (NAO) 208-100.

2. Background

Formal Source Selection procedures are required to be utilized for any negotiated acquisition that exceeds \$10 million (full life cycle cost). The CAM delegates the authority for Source Selection in those acquisitions utilizing formal source selection procedures to the Head of the Operating Unit (the Assistant Secretary for Oceans and Atmosphere), but this authority can be re-delegated. By NAO 208-100 (dated December 11, 1989) the authority has been re-delegated to the DUS. The DUS may delegate this authority to an Assistant Administrator or a Department Manager at an organizational level above the Contracting Officer. Further re-delegation is not allowed. The DUS, as well, has the authority to elect to serve as the Source Selection Official for proposed contracts under \$10 million on a case-by-case basis.

To (1) ensure consistency in process, (2) ensure such requests for delegation have been coordinated appropriately, and (3) establish general guidelines on what source selection decisions will be retained at the DUS level and what can be requested for re-delegation, this interim policy is established. This policy will be superseded by the NOAA Acquisition Handbook upon its issuance.

### 3. General Policy

#### A. Applicability

This policy applies to those acquisitions meeting the criteria for formal source selection procedures under CAM 15.6, Chapter 1.

#### B. Value Determination

Life cycle value of an acquisition is determined as follows:

##### Contracts without Options

Contract value shall be calculated as the total fixed price, cost, cost-plus-fixed-fee, cost-plus-award-fee, or ceiling amount of Time and Material or Labor Hour type contracts.

##### Contracts with Options

Contract value shall be calculated as the base period and/or quantity plus all option periods/quantities (stated in terms of dollars).

##### Indefinite Delivery, Indefinite Quantity Contracts

Contract value shall be calculated as the maximum (stated in terms of dollars) under the contract. If there are options to be included in the contract, the value is calculated as the sum of the maximum (stated in terms of dollars) for the base period plus the maximum of all options (stated in terms of dollars).

##### Requirements-type Contracts

Contract value shall be calculated as the total estimated amount (stated in terms of dollars). If there are options to be included in the contract, the value is calculated as the sum of the total estimated amount for the base period/quantity (stated in terms of dollars) plus the estimated amount for all option periods/quantities (stated in terms of dollars).

##### Contracts with Award Term Provisions

Contract value shall be calculated as the total price/cost of the base period plus the total price/cost of any options plus the total price/cost of any potential award term periods.

#### C. Source Selection Official

The DUS shall be the source selection official (SSO) on any acquisition action meeting the following criteria:

1. Acquisition value exceeds \$15 million; or

2. Acquisitions, in excess of \$10 million, for which there is a history of OIG interest; or
3. Acquisitions, in excess of \$10 million, for which there is significant Congressional interest; or
4. Acquisitions, in excess of \$10 million, on which there have been significant activities (e.g., extensive delays, protests, etc.)

The DUS, through the Director, Acquisition and Grants Office, shall advise the appropriate Line/Staff Office and assigned acquisition office of any acquisition below the CAM established \$10 million threshold for which Source Selection Authority will be retained at the DUS level.

These criteria do not apply to acquisitions being processed by NOAA for other operating units of DOC. The provisions of CAM 15.6, Chapter 1 shall apply to those acquisitions.

#### 4. Procedures

##### A. Designation of Source Selection Official

The SSO must be identified in the acquisition plan submitted to the Acquisition Review Board (ARB). Accordingly, if a delegation below the DUS is determined to be appropriate, such request for delegation shall be submitted and approved in advance of the acquisition plan's submission to the ARB.

##### B. Delegation Request

Attachment 1 to this document provides a template for requesting a delegation of Source Selection Authority below the DUS level. The delegation request is to be prepared by the assigned Project Officer/COR with the assistance of the assigned Contract Specialist.

##### C. Coordination of Requests for Delegation

All requests for delegation of source selection authority below the DUS are required to be reviewed and concurred in by the Contracting Officer, Head of the Contracting Office, and Director, Acquisition and Grants Office. As well, appropriate concurrences shall be obtained from the organizational entity with subject matter responsibility. For example, an acquisition for information technology (products or services) must be submitted to the Office of the Chief Information Officer for concurrence; an acquisition for an A-76 cost comparison must be submitted to the Office of Human Resources and the Chief, Audit,

Internal Control and Information Management Office for concurrence; or an acquisition for facility construction must be concurred in by the Chief Administrative Officer. These examples are not all inclusive and appropriate concurring offices need to be identified on a case-by-case basis between the Project Officer/COR and the Contract Specialist.

5. References

CAM 15.6, Chapter 1  
NAO 208-100

6. Effective Date

This AI is effective on the date of issuance and will remain in effect until superseded or revoked.

7. Effect on Other Directives

This AI supplements those references cited above and supersedes any existing local directions that may conflict with the terms of this AI.

8. Information or Assistance

Questions concerning these procedures may be directed to Helen Hurcombe at 301-713-0325 or via e-mail at [Helen.Hurcombe@noaa.gov](mailto:Helen.Hurcombe@noaa.gov).

Attachments: Attachment 1 – Request for Source Selection Authority Delegation  
Template

**TEMPLATE  
SOURCE SELECTION AUTHORITY  
REQUEST FOR DELEGATION**

MEMORANDUM FOR: John J. Kelly, Jr.  
Deputy Under Secretary

FROM:

SUBJECT: Request for Delegation of Source Selection Authority

Background

Provide a brief synopsis of the acquisition, including total value as determined based on guidance in AI 15-01. Identify previous or concurrent related acquisitions and proposed acquisition methodology.

Requested Delegation

Identify to whom, by name and title, the delegation of source selection authority is proposed to be made.

Factors for Consideration

Identify whether the Office of Inspector General has audited or investigated the proposed current acquisition or any predecessors to the current acquisition. Include an identification of any report issued, issues identified in any investigation or audit, and actions taken as a result of any such report or investigation.

Identify known or potential Congressional interest in the current or predecessor acquisitions.

Identify significant extraordinary acquisition activities (e.g., protests, injunctions, claims, disputes) on the current or predecessor acquisitions that may impact the acquisition.

Justification

Discuss the rationale for the delegation request.

CONCURRENCE:

A. Program Office Concurrence

\_\_\_\_\_  
(Proposed Delegee) Date

B. Acquisition Concurrences:

\_\_\_\_\_  
Contracting Officer Date

\_\_\_\_\_  
Head of the Contracting Office Date

\_\_\_\_\_  
Director, Acquisition and Grants Office Date

C. Subject Matter Concurrences:

\_\_\_\_\_  
(Title) Date

\_\_\_\_\_  
(Title) Date

DECISION

Request for Source Selection Authority delegation is:

( ) Approved \_\_\_\_\_

( ) Disapproved \_\_\_\_\_

( ) Let's discuss \_\_\_\_\_