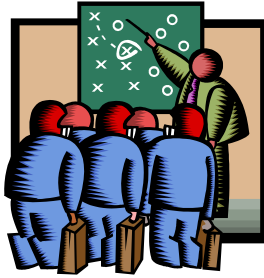


APD ALERT



ACQUISITION PLANNING

BACKGROUND

Federal Acquisition Regulation (FAR) 7.102 (a) requires acquisition planning and market research be performed for all acquisitions in order to promote and provide for (1) Acquisition of commercial items; (2) Full and open competition; and, (3) Selection of appropriate contract type. As the acquisition becomes more complex and costly, the greater detail and formality in the planning process is required.

Acquisition planning begins with the requesting office when the agency need is identified. Once the acquisition is submitted to the contracting officer (CO), he/she is responsible for coordinating the acquisition planning with other personnel. Effective planning involves contracting, fiscal, legal, and technical personnel.

DEPARTMENT OF AGRICULTURE VENDOR COMMUNICATION PLAN

In accordance with the Department of Agriculture Vendor Communication Plan, dated February 12, 2012, COs are required to address vendor communications in acquisition plans. COs should promote the use of vendor communications to conduct market research, including draft Requests for Proposals, Requests for Information, pre-solicitation conferences, etc.

For details on acquisitions which must include vendor input in the pre-award phase and the extent of the required engagement as a condition of approval by the agency's investment review board, see the Department of Agriculture Vendor Communication Plan located at http://www.dm.usda.gov/procurement/vendor_communication/index.html.

CONTENTS OF INFORMAL ACQUISITION PLANS

Acquisitions whose estimated cost is greater than the Simplified Acquisition Threshold (SAT) but below \$3 million shall, at a minimum, contain an acquisition milestone plan (See FAR 7.105(b)(21) that is sent to the requestor and kept in the official contract file. As key dates or significant changes occur, the CO should revise the plan accordingly. For Procurement

Preference Program (PPP) sole-source (e.g. 8(a), Service Disabled Veteran Owned Small Business (SDVOSB), and HUBZone) requirements not already subject to a contract review board, the acquisition milestone plan shall be reviewed and initialed by the applicable Acquisition Branch Chief.

Acquisitions whose estimated cost is greater than \$3 million, shall contain an informal acquisition plan following the template in Attachment 1, Informal Acquisition Plan. Informal acquisition plans for requirements exceeding \$3 million shall be reviewed and initialed by the applicable Acquisition Branch Chief. Contents may vary based on the CO's determination of detail and formality.

CONTENTS OF FORMAL ACQUISITION PLANS

In accordance with FAR 7.103 (e), the Head of the Contracting Activity Designee (HCAD) has established the threshold of greater than \$20 million at which more detail and formality in the planning process and approval at a level above the Contracting Officer is required. The HCAD has defined "a level above the Contracting Officer" to be the applicable Acquisition Branch Chief.

In accordance with FAR 7.105, Contents of Written Acquisition Plans, the plan must address technical, business, management, and other significant considerations that will control the acquisition. Note that acquisition plans for service contracts or orders must describe the strategies for implementing performance-based acquisition methods or provide rationale for not using them. Contents of the plans shall be similar to those described in FAR 7.105 and Attachment 2, Formal Acquisition Plan. If a component of the plan is not applicable, it should be documented accordingly.

WAIVERS

The level of detail and the formality of the plan(s) may be waived for those acquisitions with a compressed delivery schedule due to the urgency of the requirement. Such waivers are to be in writing and approved by the applicable Acquisition Branch Chief.

MARKET RESEARCH

The contract file shall include documentation of market research as required by FAR Part 7.102 and FAR Part 10 and demonstrate compliance with agency policies for all acquisitions over the SAT. Market research for 8(a) and other PPP sole-source acquisitions shall, at a minimum, provide how the firm was selected.

2 Attachments

Issued: January 2012

Revised: July 2012

ALERT NO. 2012-02

Informal Acquisition Plan
(FAR 7.105)

Contracting Agency Information

Agency Name and Address:

Agency Point of Contact:

Name:

E-mail Address:

Telephone Number:

Contracting Officer:

Name:

E-mail Address:

Telephone Number:

Acquisition Background and Objectives

1. Statement of Need

Provide a brief description of the scope of work and statement of need, including technical and contractual history.

2. Applicable Conditions

State conditions affecting the acquisition such as compatibility, schedule, costs, or performance issues.

3. Cost

State the estimated cost, including options, and any other special cost information.

4. Capability or Performance

Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services and how they relate to the need.

5. Delivery or Performance Period Requirements

Also include any unusual terms.

6. Trade-Offs

Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.

7. Risks

Provide any technical, cost, and schedule risks and efforts to mitigate, as applicable.

8. Acquisition Streamlining

Discuss plans to encourage industry participation, select and tailor only the necessary and cost-effective requirements, and state the timeframe for identifying which of those specifications and standards shall become mandatory.

Plan of Action

1. Sources

Provide a brief summary of prospective sources and market research conducted. Provide where documentation of market research can be located in the contract file.

See Contract Section _____ for additional information.

2. Vendor Communications

Provide what vendor communications were performed in accordance with the Department of Agriculture Vendor Communication Plan.

3. Competition

Describe how competition will be sought, promoted, and sustained throughout the acquisition.

If full and open competition is not contemplated, cite the authority:

- Full and Open
- Full and Open After Exclusion of Sources
- Other than Full and Open Competition (Insert Authority and where the justification is located) _____
- Procurement Preference Program _____

4. Contract Type selection

Firm-Fixed Price () YES() NO

Other (Specify contract Type and where the justification is located) _____

5. Source Selection Procedures

Estimated Receipt Date of Proposal(s) _____

Estimated date for Evaluation of Proposal(s) _____

Evaluation Criteria _____

Other factors _____

6. Acquisition Considerations

Commercial Items () YES() NO

Multiyear Contracting () YES() NO

Options () YES() NO

Other Special Contracting Methods (If yes, specify below.) () YES() NO

Special Clauses or Provisions (If yes, specify below.) () YES() NO

FAR deviations (If yes, specify below.) () YES() NO

Sealed Bidding or Negotiated () Sealed Bidding () Negotiated
Provide brief rationale.

Leased equipment (if yes, state why): () YES() NO

Performance-based acquisition: () YES() NO

Information Technology Requirement (If yes, provide
Capital planning and investment control requirements): () YES() NO

7. Budgeting and Funding

Include budget estimates, explain how they were derived, and discuss the schedule for obtaining adequate funds.

8. Product or Service Descriptions

Explain the choice of product or service description types (including performance-based acquisition descriptions to be used.)

9. Priorities, Allocations, and Allotments

When urgency of the 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 reasons for them.

10. Contractor versus Government Performance

Address the consideration given to OMB Circular No. A-76.

11. Inherently Governmental Functions

Address consideration given to FAR 7.5.

12. Government Furnished Property

If yes, indicate what property is to be furnished to contractors. () YES() NO

13. Government Furnished Information () YES() NO

Discuss any Government information, such as manuals, drawings, and test data, to be provided to prospective offerors and contractors. Indicate which information requires additional controls to monitor access and distribution.

14. Environmental and Energy Conservation Objectives () YES() NO

Refer to FAR 23, if applicable.

15. Security Considerations () YES() NO

Includes information technology and physical security. List applicable considerations.

16. Contract Administration

Describe contract administration, including how inspection and acceptance will be enforced.

17. **MILESTONES** (FAR 7.105(b)(21))

See list of milestones – FAR 7.105(b)(21). Address the applicable listed steps and any others appropriate.

Contracting Officer:

(Name)

(Date)

Reviewed By:

Initials and Date:

 (Name and Title)

5. Delivery or Performance-Period Requirements

Describe basis for establishing delivery or performance-period requirements. 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.

6. Trade-Offs

Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.

7. Risks

Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.

8. Acquisition Streamlining

If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to encourage industry participation, select and tailor only the necessary and cost-effective requirements, and state the timeframe for identifying which of those specifications and standards shall become mandatory.

Plan of Action

1. Sources

Indicate the prospective sources of supplies or services that can meet the need. Consider required sources of supplies and services and sources identifiable through databases including the Government-wide database of contracts. Include consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, and the impact of any bundling that might affect their participation in the acquisition. When the proposed acquisition strategy involves bundling, identify the incumbent contractors and contracts affected by the bundling. Address the extent and results of the market research and indicate their impact on the various elements of the plan.

2. Vendor Communications

Provide what vendor communications were performed in accordance with the Department of Agriculture Vendor Communication Plan.

3. Competition

Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition. If full and open competition is not contemplated, cite the authority, discuss the basis for the application of that authority, identify the sources, and discuss why full and open competition cannot be obtained. Identify the major components or subsystems. Discuss component breakout plans relative to these major components or subsystems. Describe how competition will be sought, promoted, and sustained for these components or subsystems. Describe how competition will be sought, promoted, and sustained for spares and repair parts. Identify the key logistic milestones, such as technical data delivery schedules and acquisition method coding conferences, that affect competition. When effective subcontract competition is both feasible and desirable, describe how such subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition. Identify any known barriers to increasing subcontract competition and address how to overcome them.

4. Contract Type Selection

Discuss the rationale for the selection of contract type. For other than firm-fixed-price contracts, see FAR 16.103(d) for additional documentation guidance. Document with findings that detail the facts and circumstances (e.g., complexity, duration, contractor responsibility), and associated reasoning essential to support the contract type selection. The CO shall ensure that technical personnel provide the necessary documentation to support the contract type selection.

5. Source-Selection Procedures

Discuss the source-selection procedures, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives. When an Earned Value Management System (EVMS) is required and a pre-award Integrated Baseline Review (IBR) is contemplated, the plan must discuss: (i) How the pre-award IBR will be considered in the source selection process; (ii) How the EVMS will be conducted in source selection process; and (iii) Whether offerors will be directly compensated for the costs of participating in a pre-award IBR.

6. Acquisition Considerations

Discuss use of multiyear contracting, options, or other special contracting methods; any special clauses, special solicitation provisions, or FAR deviations required; whether sealed bidding or negotiation will be used and why; whether equipment will be acquired

by lease or purchase and why; and, any other contracting considerations. Provide rationale if a performance-based acquisition will not be used or if a performance-based acquisition for services is contemplated on other than a firm-fixed-price basis.

For information technology acquisitions, discuss how the capital planning and investment control requirements of 40 U.S.C. 11312 and OMB Circular A-130 will be met and why this action benefits the Government. If using Internet Protocol, discuss whether the requirements documents include the Internet Protocol compliance requirement specified in FAR 11.002(g) or a waiver of these requirements has been granted by the Chief Information Officer.

For each contract contemplated, discuss the strategy to transition to firm-fixed-price contracts to the maximum extent practicable.

7. Budgeting and Funding

Include budget estimates, explain how they were derived, and discuss the schedule for obtaining adequate funds at the time they are required.

8. Product or Service Descriptions

Explain the choice of product or service description types (including performance-based acquisition descriptions) to be used.

9. Priorities, Allocations, and Allotments

When urgency of the 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 reasons for them.

10. Contractor versus Government Performance

Address the consideration given to OMB Circular No. A-76.

11. Inherently Governmental Functions

Address the considerations given to FAR 7.5.

12. Government Furnished Property

Indicate any Government furnished property to be furnished to contractors.

13. Government Furnished Information

Discuss any Government information, such as manuals, drawings, and test data, to be provided to prospective offerors and contractors. Indicate which information requires additional controls to monitor access and distribution.

14. Environmental and Energy Conservation Objectives

Refer to FAR 23, if applicable.

15. Security Considerations

This section includes information technology (information security) and physical security.

16. Contract Administration

Describe contract administration, including how inspection and acceptance will be enforced.

MILESTONES

See list of milestones – FAR 7.105(b)(21). Address the applicable listed steps and any others appropriate.

Contracting Officer:

(Name) (Date)

Acquisition Branch Chief:

(Name) (Date)