



July 29, 2009

ACQUISITION POLICY MEMORANDUM NO. 2009 – 05

To: Heads of Contracting Activity

From: Nancy J. Gunderson / signed /  
Acting Senior Procurement Executive

Subject: Acquisition Strategy Requirements and Template

Effective Date: Immediately

1. **Purpose:** This Acquisition Policy Memorandum (APM): (a) establishes the requirement for completion of an acquisition strategy (in advance of and for the eventual support of an HHS Acquisition Plan [AP]) for major capital investments for information technology<sup>1</sup> (IT), (b) encourages development of an acquisition strategy for other investments (e.g., non-major IT projects; major construction projects<sup>2</sup>; advanced biomedical Research and Development [R&D] projects), (c) provides a template and associated instructions for developing and documenting the acquisition strategy (Attachment A), and (d) promulgates pertinent, interim acquisition guidance (pending formal incorporation in the HHS Acquisition Regulation [HHSAR] (Attachment B)).

The acquisition strategy template is designed to better prepare for and plan major IT capital investments, i.e., those subject to Office of Management and Budget (OMB) Circular A-11/Part 7 (Exhibit 300) entitled “Planning, Budgeting, Acquisition, and Management of Capital Assets.” However, the template may be suitable for use in other types of major or non-major capital investments (e.g., construction projects) or non-capital investments (advanced biomedical R & D projects).

2. **Background:** The Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) and Clinger-Cohen Act of 1996 (Public Law 104-106) mandated improvements in the way the Federal government acquires and manages major IT investments. As part of the implementation of Section 5112 of the Clinger-Cohen Act, the OMB Exhibit 300 business case requires establishment of an acquisition strategy and compliance with related specific planning requirements.

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<sup>1</sup> The definition for major IT investment is at: <http://www.hhs.gov/ocio/about/terms/index.html>

<sup>2</sup> For construction-related planning guidelines that incorporate some of the key elements of this acquisition strategy guidance, please refer to Chapters 2 and 4 of the HHS Facilities Program Manual, Volume 1 (at: <http://www.hhs.gov/asam/ofmp/vol1.html>).

Both OMB and the Department have identified the acquisition strategy aspect of OPDIV IT Exhibit 300s as an area for improvement.

3. Applicability: The requirements of this APM apply to all major capital investments for IT, whether they consist of one or several projects and one or more potential acquisitions. The acquisition strategy documentation requirements, including use of the standard template, apply to all HHS requiring offices and contracting activities that are responsible for those investments.

Because of the benefits of this type of planning, development of an acquisition strategy using the acquisition strategy template (tailored as needed) may be authorized for additional classes of investments by the HHS Chief Acquisition Officer (CAO), HHS Chief Information Officer (CIO), Deputy Assistant Secretary for Facilities Management and Policy, the cognizant Head of the Contracting Activity (HCA), or their designees.

Any OMB Exhibit 300 submitted to the OPDIV CIO and the HHS Office of the CIO for concurrence after the issuance of this APM must be accompanied by a completed acquisition strategy. This includes both new and ongoing investments.

4. Preparation of the Acquisition Strategy: The HHS Acquisition Strategy template and its completion instructions have been established to help comply with OMB Exhibit 300 acquisition planning requirements and provide the groundwork for an eventual AP(s). The early preparation of the investment's acquisition strategy allows identification and resolution/mitigation of technical, cost, schedule and policy risks prior to preparation of any supporting AP(s).

The acquisition strategy is a living document that should be updated at critical decision points in the acquisition process. The HHS Enterprise Performance Life Cycle (EPLC) Framework at [http://www.hhs.gov/ocio/eplc/eplc\\_framework\\_v1point2.pdf](http://www.hhs.gov/ocio/eplc/eplc_framework_v1point2.pdf) describes exit criteria for each of its ten phases and indicates that an acquisition strategy update should be considered at, and may be appropriate for, the first seven of those phases. The HHS Acquisition Strategy document is a deliverable in the concept phase of the EPLC Framework.

5. HHS Acquisition Strategy Template: OPDIV program or project managers with overall responsibility for the investment shall prepare an acquisition strategy using the standard HHS Acquisition Strategy template and completion instructions. The HHS Acquisition Strategy template is provided in Attachment A of this interim acquisition guidance and will be posted at <http://www.hhs.gov/oamp/policies/>.

6. Changes to the HHSAR: The interim acquisition guidance in Attachment B adds a requirement at HHSAR 307.XXX, "Acquisition Strategy," for preparation of an acquisition strategy for major IT capital investments, as well as for use of the Acquisition Strategy template. It also describes the purpose of an acquisition strategy and its relationship to the acquisition and investment life-cycle.

Attachments