

Procurement Guidance - (7/2016)

[T3.2.1.2 - Market Analysis](#) Added 10/2006

[A Market Research and Analysis](#) Added 10/2006

[1 Market Research and Analysis](#) Revised 4/2013

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T3.2.1.2 - Market Analysis Added 10/2006

A Market Research and Analysis Added 10/2006

1 Market Research and Analysis Revised 4/2013

(a) Market research consists of collecting and analyzing information about vendor capabilities to satisfy FAA's requirements. This research can help discover novel or innovative solutions, eliminate excessively complex or unnecessary requirements, identify non-value added costs, and improve vendor's responsiveness to subsequent solicitations. Market research is performed in the early stage of procurement planning and helps shape an appropriate procurement strategy.

(b) A "market survey" is used in two different contexts in AMS. In the procurement process, it refers to any method used to survey industry to obtain information and comments, and to determine competition, capabilities, and estimate costs. In the context of the lifecycle management process, market surveys are part of Concept and Requirements Definition, and Investment Analysis. During these lifecycle phases, market surveys provide information about the range of alternatives and market capabilities, risk, and cost of potential solutions to mission needs.

(c) For procurements not under a program with an approved Implementation Strategy and Planning Document, market analysis initiates industry involvement, develops and refines the procurement strategy, obtains pricing information, determines whether commercial items exist, determines the level of competition, identifies market practices, or obtains comments on requirements.

(d) Market research is a shared responsibility between the program official and Contracting Officer (CO). It may be conducted internally to the FAA or externally. Market research may be for a one-time requirement, or as on-going surveillance to understand the marketplace for products or services acquired repetitively. Examples of information gathered and analyzed include:

- (1) Potential vendors and their capability to satisfy FAA's requirements;
- (2) Number of vendors, business size status, and extent and nature of competition;
- (3) Cost information and trends;
- (4) Expertise, experience, and depth of vendor personnel;
- (5) Maturity, adaptability, and complexity of current technology;
- (6) Product or service acceptability;
- (7) Availability and delivery times of products or services;
- (8) Production processes, quality assurance practices, facilities, maintenance and logistics support capabilities;

- (9) Information about product design stability, planned design enhancements, and impact on fielded products;
- (10) Vendor capability to offer beneficial functional or performance trade-offs in their products or services;
- (11) Customer references and procurement histories of other organizations for same or similar products and services, including pricing and contract performance data;
- (12) Customary contract or license agreement terms and conditions;
- (13) Practices of vendors engaged in producing, distributing, and supporting items, such as terms for warranties, buyer financing, maintenance and packaging, and marking; and
- (14) Availability of suitable commercial or non-developmental items, or feasibility and cost of modifying commercial or non-developmental items to meet requirements.

(e) The extent and depth of market research and analysis is tailored to the individual requirement, estimated dollar value, complexity, urgency, and past experience. Market research may range from a telephone call or review of purchase histories to formal market surveys or solicitations requesting information. Techniques for market research include:

- (1) Contacting knowledgeable individuals in Government and industry about market capabilities;
- (2) Reviewing the results of recent market research into similar or identical requirements;
- (3) Publishing formal requests for information in technical, scientific, business, or Government publications;
- (4) Querying on-line Government-wide databases of [contracts and other procurement instruments](#) intended for use by multiple agencies
- (5) Reviewing Government and commercial databases that provide relevant information;
- (6) Participating in interactive, on-line communication among industry, acquisition personnel, and customers to exchange information about current or planned vendor capabilities as it relates to FAA needs;
- (7) Obtaining source lists of similar items from other contracting activities or agencies, trade associations or other sources;
- (8) Reviewing catalogs and other generally available product literature published by manufacturers, distributors, and dealers or other related information available on-line;
- (9) Reviewing trade journals, directories, newspapers, and other professional

publications; (10) Pre-solicitation conferences;

(10) One-on-one meetings with vendors; and

(11) Formal market surveys.

(f) Supporting data and results and conclusions derived from market research and analysis must be documented and placed in the contract file. This documentation must be included within or referenced as an attachment to the written procurement plan. The analysis and supporting data should be commensurate with the value, complexity, and urgency of the acquisition. In addition, a rational basis and description must be included for the market analysis methodology or technique used to obtain the data.

B Clauses [Added 10/2006](#)

[view contract clauses](#)

C Forms [Added 10/2006](#)

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