

Understanding FEDERAL ACQUISITIONS

Market Research & Planning

A typical Federal acquisition project starts with the development of the strategies that will manage the full **acquisition lifecycle**, from planning, soliciting and evaluating offers, to awarding and administering contracts, through closeout. **Market research & acquisition planning** are key components to ensure that the Government's needs are met in the most effective, economical, and timely manner.



Market Research & Acquisition Planning In a Nutshell

- ◆ The acquisition process starts with the determination of the need.
- ◆ Planning the acquisition includes preparation of documentation to support the determined need, and all required approvals.
- ◆ Market research is conducted.
- ◆ Acquisition method is determined.
- ◆ Requirements are defined.
- ◆ Funding is identified, reserved and approved by a certifying official in a written document.
- ◆ An Independent Government Cost Estimate (IGCE) is developed.
- ◆ The contract specialist analyses requirements to determine if the package received to proceed with the acquisition complies with the Federal Acquisition Regulation (FAR).
- ◆ Evaluation factors – price and non-price related – are identified.
- ◆ Acquisition planning phase is completed and project is ready to advance to the solicitation phase.



Who We Are

The Acquisition Services Directorate (AQD), a Federal shared-service provider within the U.S. Department of the Interior's National Business Center (NBC), offers acquisition support to all Federal agencies. We help managers in both civilian and military organizations fulfill their missions by crafting appropriate procurement solutions.

As an ISO 9001 certified Federal entity, we use proven business practices while delivering cost-effective contracts. Our Contracting Officers will handle the complete acquisition lifecycle, utilizing innovative technology and value-added benefits.

How We Can Help You

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1 Market Research & Acquisition Planning

The **acquisition planning** phase determines the fundamental character and defines strategies to be executed during the entire acquisition process. The planning phase combines efforts of all staff members responsible for essential aspects of the acquisition. **Market research** is conducted to collect and analyze information about the capabilities available in the market and to identify the most suitable approach to acquiring, distributing, and supporting products and services. This research is a combined effort by the program manager and the acquisition team.

Acquisition Methods

The **acquisition method** is also defined during the planning phase. The Federal Government acquires products and services through two basic methods.

The first is through existing sources of products – e.g. the General Services Administration (GSA) schedules, Government-wide Acquisition Contracts (GWACs), Blanket Purchase Agreements (BPAs).

The second option is through an open-market acquisition using either simplified acquisition techniques – e.g. the Small Business Administration (SBA)'s programs such as the 8(a) or Service-Disabled Veteran Owned programs – or formal contracting methods – sealed bidding or contracting by negotiation.

Requirements

Agencies and contract specialists must conduct market research to understand the marketplace, identifying trends and pricing, before making decisions related to the products and services that could possibly satisfy their needs.

Therefore, **requirements** should only be finalized after market research is conducted. Usually, **requirements** are collected from the program office in a requirements package (i.e. Statement of Work, Statement of Objectives, or Performance Based Work Statement). These written documents also define the proposed acquisition with a bona fide need.

Funding

A contract can only be executed when funds are available. **Funding** should be committed during the initial phase of the acquisition process, and the committed funds will then be obligated at the time of award. No one can create or authorize an obligation in excess of the funds available.

Independent Government Cost Estimate

Serving as the basis for reserving funds for the contract, an **Independent Government Cost Estimate** (IGCE) is a Government estimate for the resources and costs involved in the proposed acquisition. A well-constructed IGCE ensures that products and services are acquired at a fair and reasonable cost. An IGCE is required for every procurement action in excess of the simplified acquisition threshold, but may be requested for any threshold level.

Purchase Request

A **purchase request** is an official request for action that provides information describing the required products and services, and documenting any special conditions related to an acquisition. It should include all relevant information collected during the planning phase, such as requirements, market research, IGCE and funding. Prepared by the technical personnel in the program office and signed by a certifying official, the **purchase request** is the document that authorizes the contract specialist to proceed with the proposed acquisition.

Acquisition Plan

The **acquisition plan** details the Government's strategy for the acquisition project.

Source Selection Plan

The **source selection plan** defines the factors to be used to evaluate the offeror's ability to meet Government requirements. Those factors can be price or non-price related, but they should be defined before the acquisition process transitions to the solicitation phase. The evaluation factors should be concise, inclusive and tailored to the specific products and services to be provided under the contract.

Procurement Action Lead Time

Procurement Action Lead Time (PALT) is a metric that acquisition uses to measure the length of the procurement process. Each acquisition action is unique, and the length of time required for the process will vary considerably depending on the dollar value and complexity of the acquisition, the acquisition strategy, and the rules and regulations that apply to the acquisition.

Federal Acquisition Regulation (FAR)

The **Federal Acquisition Regulation** (FAR) is a set of rules and guidelines codified at 48 CFR Chapter 1 to regulate the acquisition process in the Federal Government. The Department of Defense (DoD), The General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA) jointly issue the **FAR** for use by executive agencies in acquiring products and services.

Solicitation In a Nutshell

- ◆ The contract specialist begins to develop the solicitation document once market research & acquisition planning are completed.
- ◆ The contract specialist determines which type of solicitation is best suited for the requirement and includes any corresponding small business considerations.
- ◆ Once the solicitation has been thoroughly reviewed and approved, it is released.
- ◆ After the solicitation is released, prospective offerors may provide feedback or ask questions through an assigned contracting office point of contact.
- ◆ Answers to offeror questions, and clarification or changes/additions to the solicitation are publicized through amendments.
- ◆ Once bids/proposals have been received, they are evaluated.
- ◆ Technical aspects of each bid/proposal are evaluated to ensure best value to the Government is provided.



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Solicitation

After **market research & acquisition planning** are completed and all required documentation is available and approved, the contract specialist will develop the **solicitation** document. Once the **solicitation** is released, bids or proposals from prospective offerors are collected and evaluated for award.





A **solicitation** is any request to submit offers or quotes to the Government for the purpose of acquiring products and services. Contracting officials prepare a **solicitation** that fully describes and specifies what it wants to purchase, the terms and conditions of the purchase, delivery schedules, and support needed for the product or service. All acquisitions are competed to the maximum extent practicable. However, it is generally during this preparation time that the Government determines if a sole source acquisition will be necessary.

Types of Solicitations

There are different terms to describe specific **types of solicitations**.

The type of solicitation that will be created for your acquisition will depend on the acquisition strategy. For example, a solicitation for an order against an existing contract is slightly different than a solicitation for a purchase order.

However, all solicitations have the same two essential purposes: (1) describe to vendors what the Government needs to purchase and (2) communicate to vendors how the acquisition process will be conducted.

Small Business Considerations

The Small Business Administration (SBA) requires Federal agencies to set annual goals where a certain percentage of procurements are awarded to small businesses.

Several **small business** designations highlight socio-economic categories and give program managers and contracting officials an opportunity to use “set-aside” procedures.

Small Business, Women-owned, HUBZone, Veteran, and Service-Disabled Veteran owned firms can each receive set-asides. The 8(a) firms can receive sole source awards up to a specific dollar threshold.

Publicizing a Solicitation

Once the solicitation document has gone through all necessary levels of approval, it is ready to be publicized.

Contracting offices have a number of ways to publicize their solicitations depending on the type of acquisition procedure (set-aside, full and open, GSA schedule, etc). Typically, a solicitation is posted to the Federal Business Opportunities (FedBizOpps) website, which acts as the government-wide point of entry for any acquisition over \$25,000 in value. Other websites, such as GSA's eBuy portal, cater specifically to acquisitions posted for pre-selected GSA Schedule offerors to access.

Responding to Vendor Inquiries

If a prospective offeror requests further information that if provided would provide them an unfair competitive advantage, then that information must be released publicly to all other prospective offerors. In order to provide information on a fair basis, answers to offerors' questions are typically released via an amendment.

Amendments

Solicitations are frequently amended to provide clarification and/or changes to the solicitation document. They can include such changes as new or expanded requirements being added and/or clarification on previously unclear portions of the solicitation. **Amendments** may also be released to include offeror questions and answers or to extend the due date for responses. Thorough planning and review of solicitation documents prior to release can greatly help minimize instances where **amendments** may be needed.

Bid/Proposal Evaluation

Once bids/proposals have been received, they are evaluated against the criteria established in the solicitation. Proposals are typically evaluated against three main criteria: technical, price, and past performance. The goal is to make an award that represents the best value to the Government.

Technical Evaluation Panel

The **Technical Evaluation Panel** (TEP) reviews and evaluates areas of the proposal that are technical in nature. Members of the **Technical Evaluation Panel** should collectively provide the needed knowledge and expertise to properly evaluate and make recommendations as needed. To ensure consistency, it is ideal to keep the same TEP members throughout the evaluation and selection process.

Contents of a Solicitation

- Solicitation/Contract Form
- Products or Services and Prices/Costs
- Description/Requirements Documents
- Packaging and Marking
- Inspection and Acceptance
- Deliverables or Performance
- Contract Administration Data
- Special Contract Requirements
- Contract Clauses
- List of Attachments
- Representations, Certifications, and Other Statements of Offers or Respondents
- Instructions, Conditions, and Notices to Offerors or Respondents
- Evaluation Factors for Award

Negotiation & Award In a Nutshell

- ◆ Negotiations are conducted with each offeror in the competitive range.
- ◆ Each offeror is given the opportunity to revise or clarify its proposal.
- ◆ The contracting officer closes negotiations.
- ◆ An internal legal review may be conducted.
- ◆ The contracting officer awards the contract representing the best value to the Government.
- ◆ Debriefings are held upon request in an effort to minimize potential protests.
- ◆ The contract is now ready to move on to the administration phase of the acquisition process.

Understanding FEDERAL ACQUISITIONS

Negotiation & Award

Every action in the earlier stages of the acquisition process share one underlying goal – to **award** a contract representing the best value to the Government with other factors considered, such as price.
During this **discussion/negotiation/award** stage, this goal becomes clear.



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Negotiation & Award

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The purpose in **negotiations** of every contracting officer (CO) is to get a “good deal” within the boundaries of the applicable laws and regulations. The contracting officer must also see to it that all parties arrive at a common understanding of the requirements document and at a fair and reasonable price and all contract terms. Once proposal submissions are evaluated – by the contracting officer and/or the source selection committee – and an offeror is deemed the strongest, the contracting officer signs the contract, which becomes the **award**.

Negotiation Process

Often the contracting officer will conduct a pre-negotiation meeting to discuss **negotiation** goals, strategy and develop a unified negotiating position. This helps arrive at specific questions to ask offerors and be able to outline a workable alternate plan if needed.

Negotiations are conducted separately with each offeror in the competitive range. The contracting officer points out to each offeror any deficiencies or ambiguities as well as the strengths and weaknesses of their submission. Each offeror is then given the opportunity to support, correct, clarify or revise its proposal.

Final Proposal Revisions

By calling for **final proposal revisions**, the contracting officer closes negotiations. This allows offerors to submit their final proposal revisions if they choose to. Sufficient time must be allowed between the call for final proposal revisions and the cut-off date for the offerors. Once the final proposal revisions are in, evaluations are conducted to determine if the revisions changed the merits of the proposals.

Legal Review

Legal reviews are conducted according to procedures that are set by the Office of the Solicitor (SOL) in accordance with U.S. Department of the Interior (DOI) policy, DIAPR 2001-3. SOL reviews solicitations, contract awards, and certain other documents to ensure legal sufficiency.

Contract Award

After the contracting officer has determined that the bid is advantageous to the Government (considering the pre-defined evaluation factors) and is responsive to the solicitation requirements, the award is made. The Federal Acquisition Regulation (FAR) stipulates that by signing the contract, the contracting officer has determined that the contractor is responsible and is eligible for **award**.

Protests

Interested parties may submit a written objection to the Government regarding a solicitation, cancellation of a solicitation, an award or proposed award, or a termination of an award. This written objection is referred to as a **protest**. According to the Federal Acquisition Regulation (FAR), the definition of an interested party is an actual or prospective offeror whose direct economic interest would be affected by the award or failure to award a contract. The contracting officer encourages parties to seek resolution within the agency prior to filing a **protest**.



Debriefings

In an effort to reduce the number of protests, unsuccessful offerors are encouraged to request a **debriefing** on why they were not awarded the contract. The request must be submitted in writing to the contracting officer within three days of receipt of the notice of the contract award. This information is very helpful to the offerors since it lets them learn the weaknesses or deficiencies of their proposal along with a summary of the rationale for the contract award.

Administration & Closeout In a Nutshell

- ◆ As soon as a contract is awarded, contract administration starts.
- ◆ A Post-award orientation kicks off the actual administration process.
- ◆ Before work is initiated, a workplan is established.
- ◆ Systematic quality assurance methods are defined to monitor the contract and to evaluate contractor's performance.
- ◆ A quality assurance surveillance plan is put in place by the Government's representative.
- ◆ Monitoring contractor performance is an on-going task performed during contract administration.
- ◆ Performance problems should be verified and documented. The contracting officer should be involved to seek resolution or corrective actions for poor performance.
- ◆ Contractors generally bill the Government on a monthly basis.
- ◆ Invoices should be reviewed carefully and timely and submitted for payment according to the agreed schedule.
- ◆ When the contract is complete, the official contract closeout begins.
- ◆ Closeout is only considered complete when all administrative actions are finalized, all disputes settled, and final payment is made.

Understanding FEDERAL ACQUISITIONS

Administration & Closeout

The fourth phase in the acquisition lifecycle is **administration & closeout**. Once a contract is awarded and a post-award orientation meeting takes place, the day-to-day oversight begins. During this period, any contract modifications are administered by the contract specialist. **Closeout** is the last stage of contract **administration**, and it occurs when the period of performance has ended, and the final bills are being agreed upon between the Government and the contractor.



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4 Administration & Closeout

Contract **administration** begins as soon as a contract is awarded. A post-award orientation meeting (by teleconference, in-person or some other form of communication) should kick off the actual process of contract administration. The collaboration between the program manager, the contracting officer's technical representative (COTR) and the contracting officer (CO) is one of partnership. Since COTRs will be in constant dialog with the contractor, they must read the contract thoroughly to know the details of what the Government is buying, whether it is a service or product or both. COTRs cannot give direction outside the scope of the contract. Any contract changes will require the input and agreement by the contracting officer, which will then be issued as a contract modification. The official **closeout** process only begins when the contract is complete.

Contracting Officer's Technical Representative

The **Contracting Officer's Technical Representative** (COTR) is a key position in the management of Federal contracts.

As the Government's representative, the FAC-C (Federal Acquisition Certification in Contracting) certified **COTR** plays a critical role not only in providing technical direction, but also in setting up systems

and processes to assure all terms and conditions of the contract are met. The proper monitoring of a contract greatly reduces the risks of problems. What governs in a contract is what is written in the contract, not what is assumed, discussed, or otherwise agreed upon.

A quote often heard is that "the **COTR** is the eyes and ears of the contracting officer" and his/her responsibility is to make sure the work performed is in accordance with the terms of the written contract.

Monitoring Performance

When **monitoring the performance** of the contractor, the COTR should keep in mind the following performance elements: delivery of specific items; avoidance of wasting time and money; performance that increases the benefit of the contract; good quality, time constraints and budget. Monitoring actually takes place by reviewing the contractor's workplan, adhering to any inspection clauses that allow site visits, and closely reviewing progress reports. Monitoring gives the COTR a "good visual" of the progress of the contractor.

Invoicing

Contractors generally bill the Government on a monthly basis. The COTR is responsible to immediately review the **invoices** submitted – carefully. If there are any questions or clarifications, the contractor should be contacted before the **invoice** due date. It is important that the Government pay the contractors promptly, because in some cases, the Government may have to pay penalties when payment is not timely.

Corrective Actions

The COTR should accurately verify and document performance problems encountered during the administration of the contract. Without proper monitoring, the COTR will not be able to begin **corrective action** as soon as it may be required. The COTR should identify the problem with the contractor and seek their commitment to take remedial action. If there is disagreement about the issue, and the contractor is not being cooperative, the COTR shall immediately involve the contracting officer for resolution.

Disputes & Appeals

All contracts contain a **disputes** clause, which is the basis for proceeding to resolve situations where a contractor will contest some contract issue. When the COTR recognizes differences of opinion as to obligations of the contractor or the Government, he/she must discuss this openly to understand the contractor's position, and hopefully find agreement. Without agreement, **disputes** can become claims, and claims can go to court through the appeals process.

Termination

When a contract is cancelled prior to its completion of performance, it is called **termination**. **Termination** can be for convenience or for default. **Termination** can be in whole or in part.

Contract Closeout

At the end of the contract period of performance, when services have been performed and products required have been delivered, contracts must be administratively closed out. There are specific steps that are taken during contract **closeout** to document any outstanding contractual issues, resolve the problem and document the contract file. As a valuable member of the contracting team, the COTR has a specific role to play in the **closeout** process, which includes from review of deliverables to verification of all contract modifications. Contractor performance evaluation may be required as part of the closeout process.