



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

Management Services
Division

Contracting Policy No. 7.1
Acquisition Planning
Revision 1

Purpose: This Contracting Policy describes the requirements for an efficient and effective acquisition planning process, and for the preparation and approval of the documentation associated with it.

Effective Date: Immediately. This document supersedes Contracting Policy 7.1 dated May 31, 2005.

Expiration Date: None. (May be only canceled or superseded.)

Background:

Section 7.102 of the Federal Acquisition Regulation (FAR) requires that: (1) agencies perform acquisition planning for all acquisitions, in order to promote the acquisition of commercial items and the use of full and open competition; and (2) this planning involve the efforts of all personnel responsible for significant aspects of the acquisition, in order to ensure that the Government meets its needs in the most effective, economical, and timely manner. Section 7.105 of the FAR outlines the required contents of acquisition plans. This Contracting Policy provides OPM-specific guidance on both aspects of the acquisition planning process-- involvement of all necessary personnel and documentation of the process.

The Policy:

- 1) The planning team
 - a) The Contracting Officer (CO) must review, approve, and sign the planning document, and any significant changes to it.
 - b) Immediately following identification of a requirement and obtaining the funding for it, the requiring office should contact the Contracting Group for assignment of the requirement to a CO.
 - c) The requiring office must obtain from all appropriate functional specialists the information needed for the planning process.
 - i) For larger, more complex acquisitions, the requiring organization should establish a standing team of functional specialists to conduct the planning process.

ii) The planner(s) must list in the plan all personnel who were involved in preparing it.

2) The acquisition plan

a) Contents

The contents of a plan depend on the type of plan used. OPM uses two types of acquisition planning documents, a Small Purchase Template and a formal Acquisition Plan. Attachments 1 and 2 below contain the templates for these documents. The templates contain instructions as needed for providing the required information.

b) Selecting the appropriate document

Selecting the appropriate document depends on the planned contracting method in conjunction with the total estimated dollar amount of the acquisition.

- i) Purchases estimated below \$2,500 using the Governmentwide Purchase Card require no formal plan.
- ii) For purchases estimated between \$2,500 and \$100,000 involving simplified acquisition procedures, use the Small Purchase Template (Attachment 1).
- iii) For purchases estimated to exceed \$100,000, including those for commercial products or services using simplified acquisition procedures, use the Acquisition Plan template (Attachment 2).

c) Approval levels

The Senior Procurement Executive (SPE), OPM Deputy Director and the OPM Director can request to review and approve any plan for any acquisition. Ordinarily, however, the approval level depends on the estimated total dollar amount of the acquisition.

- i) Plans for purchases estimated at \$100,000 or below require the signature of the CO.
- ii) Plans for purchases between \$100,000 and \$250,000 require the signature of the SPE and the CO.
- iii) Plans for purchases between \$250,000 and \$1,000,000 require the signature of the SPE, the CO, and the review and acknowledgement of the OPM Deputy Director.
- iv) Plans for purchases over \$1,000,000 require the signature of the SPE, the CO, and the review and acknowledgement of the OPM Director.

d) The approval process

- i) Plans requiring the signature of the CO require no formal approval process.
- ii) For plans requiring the signature of the SPE, and the review of the OPM Deputy Director or the OPM Director:
 - (1) Place the original and one copy in the special folder marked "Immediate Attention".

- (2) Cover the original with a clear plastic sheet marked "Executive Correspondence", and place it on the right of the folder.
- (3) On the outside of the folder, attach a Routing Slip, OPM Form No. 1591 indicating the appropriate levels of review and approval.
- (4) For plans requiring the review and acknowledgement of the OPM Deputy Director or OPM Director, place a Director's Decision Summary, OPM Form 1481-A, inside the folder, on the left side, over the copy of the plan.
- (5) Enter the action in the Correspondence Approval Log.

e) Disposition of the plan

Retain the approved plan, and any subsequent revisions or amendments, in the official contract file.

f) Acquisition plan addendum

i) Certain conditions may occur after the acquisition plans have been approved that cause a modification due to a significant increase to overall contract price. If this increase in price causes the total dollar amount to exceed the previous threshold level, an Addendum to the Acquisition Plan must be prepared and submitted based upon the new threshold level. See item 2)(c) above for the threshold levels.

ii) If there is an increase in cost above the amount approved in the Acquisition Plan/Procurement Summary, but it does not exceed the original threshold, an Addendum would still be required.

Point of Contact:

Please direct questions concerning this Contracting Policy to Tina B. McGuire, Chief, Contracting Group, by telephone at (202) 606-4591 or by e-mail at tina.mcguire@opm.gov.

Approved by:

_____/S/
Ronald C. Flom
Senior Procurement Executive

DEC 22 2006
Date

3 Attachments:

1. Small Purchase Template
2. Acquisition Plan Template
3. Milestone Charts
4. Acquisition Plan Addendum Template

Attachment 1

Small Purchase Information Template

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Log No.: _____ Assigned Specialist: _____

Team Lead Initial: _____

(Contracting Group Use Only)

Simplified Acquisitions Template

(For contracting requirements between \$2,500 and \$100,000)

Title of Requirement (in 5 words or less):

Please provide the information requested below for this requirement, and return the form to:

*U.S. Office of Personnel Management
Contracting Group, Room 1342
1900 E Street N.W.
Washington, DC 20415*

*When returning the form, please attach a hard copy of your GFIS requisition (NOTE: Requisition is not required for a purchase card transaction). **Note: We will not be able to proceed with your request if you fail to provide the information requested under Nos. 9, 10, and 12.***

1. Brief description of the product or service required. Please indicate if this is a recurring requirement.

2. Check the appropriate box:

This is a non-commercial product or service

This is a commercial product or service.

3. Historical information regarding the requirement (if any). If none, so state.

4. If this is a follow-on to an existing BPA or purchase order (PO), provide the BPA or PO number, the existing account number, an exact description of what was purchased, and the vendor's contact name, phone number and email address. Also indicate whether the original BPA or PO was awarded competitively or on a sole source basis.

5. If you conducted market research, please describe it here or attach a summary.

6. If you have recommended vendors, please provide full contact information.

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7. The target date you need the requirement

8. Basis for the target date.

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9. The estimated cost of the product or service you will be asking us to procure.

\$

10. Funding Information:

- a. Fiscal Year:
- b. Fund:
- c. Organizational Code:
- d. Object Class Code:

11. Would you like for this requirement to be procured through the use of the Contracting Group Purchase Card? If so, what is the funding strip to be used for reallocation?

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12. The name and telephone number of the person on your staff who will be working with the Contracting Group on this requirement.

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13. If this is a sole source procurement, provide the justification for other than full and open competition.

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14. If this procurement will NOT be set aside for small business participation, please explain why not.

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15. Will the contractor require unescorted access to any of OPM's owned or controlled facilities or OPM's Information Technology Infrastructure to deliver the requested supplies or services? If so, please provide the name and location of which OPM facilities and/or what Information Technology Systems the contractor will require unescorted access to. Your office may require prior coordination with the Center for Security and Emergency Actions to ensure compliance with Homeland Security Presidential Directive-12 and Personal Identification Verification (PIV) requirements.

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Signature and Title of Program Official approving the transaction

Print Name		Title
Signature		Date

Signature of Chief, Contracting Group (If JOFOC Only)

Signature		Date

Signature of Small Business Technical Advocate, Contracting Group (If NOT a small-business set-aside)

Signature		Date

****Only Authorized OPM Program Staff may sign****

Attachment 2

Acquisition Plan template

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MEMORANDUM FOR LINDA M. SPRINGER
Director

THROUGH: RONALD C. FLOM
Associate Director
Management Services

FROM: KAY T. ELY
Deputy Associate Director
Center for Contracting, Facilities, and Administrative Support

Subject: Acquisition Strategy for [brief description of requirement]

Attached is the acquisition strategy for acquiring [brief description of requirement]. We recommend your approval of this Acquisition Strategy, which is expected to lead to a recommendation to award a contract to one [or more—specify] vendors.

This acquisition strategy calls for award of a contract to [list and describe the major components/phases of the requirement that the contractor is supposed to provide or perform. This can be a restatement of what is in the Statement of need paragraph of the Acquisition Plan, paragraph A.1.]

Specifically, the strategy includes the development of a [Request for Proposals (RFP) or Request for Quotations (RFQ)] for the [requirement], analysis of vendor proposals, and selection of a vendor, and award of a [contract or order]. [This paragraph can be a re-statement of what's in paragraph A.3 of the Acq Plan.]

The timeframe for implementation of this strategy is [number of months or calendar date to make the award. List the important steps from the Milestones in paragraph B.20 of the Acq Plan, and state when they will occur.]

[Make sure that some of the text continues onto the approval page.]

Approve _____

Disapprove _____

Let's Discuss _____

Linda M. Springer
Director

Attachment [The attachment is the acquisition Plan]

ACQUISITION PLAN

TITLE:

INITIATING OFFICE:

CONTRACTING OFFICER:

CONTRACTING OFFICER'S REPRESENTATIVE:

SUMMARY:

CONTENTS

A. Acquisition background and objectives

1. Statement of need.

Why the acquisition is needed:

A summary of the technical and contractual history of the acquisition:

Feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort:

2. Applicable conditions.

Significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs; and any known cost, schedule, and capability or performance constraints:

3. Cost.

Cost goals for the acquisition and the rationale supporting them:

Related cost concepts to be employed, including, as appropriate, the following items:

(i) *Life-cycle cost*. Discuss how life-cycle cost will be considered. If it is not used, explain why. If appropriate, discuss the cost model used to develop life-cycle-cost estimates.

(ii) *Design-to-cost*. Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning-curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

(iii) *Application of should-cost.* Describe the application of should-cost analysis to the acquisition (see 15.407-4).

4. Capability or performance.

The required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired:

How they are related to the need:

If the required supplies must be Section 508 Compliant, state that here, and indicate in item B.4. that a special clause will be used.

5. Delivery or performance-period requirements.

The basis for establishing delivery or performance-period requirements:

Description of, and reasons for, any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition:

6. Trade-offs.

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

7. Risks.

Technical risk, the efforts that are planned or underway to reduce it, and the consequences of failure to achieve goal:

Cost risk, the efforts that are planned or underway to reduce it, the consequences of failure to achieve goals, and, if concurrent development and production is planned, the effects on risk:

Schedule risk, the efforts that are planned or underway to reduce it, and the consequences of failure to achieve goals, and, if concurrent development and production is planned, the effects on risk:

The exit strategy—what we would do if we want (or need) to get out of this contract:

8. Acquisition streamlining. [Note: This is applicable only if the requiring organization designates the program or acquisition as subject to acquisition streamlining.]

Plans and procedures to encourage industry participation by using draft solicitations, presolicitation conferences, and other means of stimulating industry involvement during design

and development in recommending the most appropriate application and tailoring of contract requirements:

Plans and procedures to select and tailor only the necessary and cost-effective requirements:

The timeframe for identifying which of those specifications and standards, originally provided for guidance only, shall become mandatory:

B. Plan of action

1. Sources.

Prospective sources of supplies or services that can meet the need:

Are these sources:

- Required sources of supplies or services?
(If so, identify the appropriate law or regulation.)
- Identifiable through databases including the Governmentwide database of contracts and other procurement instruments intended for use by multiple agencies available at www.contractdirectory.gov?
(If so, identify the database.)
- Small businesses, veteran-owned small businesses, service-disabled veteran-owned small businesses, HUBZone small businesses, small disadvantaged businesses, or women-owned small businesses?
(If not, explain why small businesses will not be solicited.)

Is this acquisition the result of “bundling”? (Bundling means consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern concerns.)

(If so, describe the impact that bundling might have on small business participation, and identify the incumbent contractors and contracts affected by the bundling.)

Extent and results of the market research and the impact on the various elements of the plan:

2. Competition.

(i) Competition will be sought, promoted, and sustained throughout the course of the acquisition as follows:

(If full and open competition is not contemplated, cite the authority in FAR 6.302, discuss the basis for the application of that authority, identify the source(s), and discuss why full and open competition cannot be obtained.)

(ii) The major components or subsystems are:
Plans to breakout these major components or subsystems:
Competition will be sought, promoted, and sustained for these components or subsystems as follows:

(iii) Competition will be sought, promoted, and sustained for spares and repair parts as follows:

The key logistic milestones, such as technical data delivery schedules and acquisition method coding conferences, that affect competition are:

(v) Is effective subcontract competition both feasible and desirable?

If so,

- Subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition as follows:
- Known barriers to increasing subcontract competition, and methods available to overcome them, are as follows:

3. Source-selection procedures.

Source-selection procedures for the acquisition, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives, are as follows:

4. Acquisition considerations.

(i) For each contract to be awarded in accordance with this plan, discuss:

- Contract type selection;
- Use of multiyear contracting, options, or other special contracting methods;
- Any special clauses (for example, a clause requiring Section 508 compliance), 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;
- The strategies for implementing performance-based contracting methods, if the contract will be for services, or the rationale for not using those methods if a performance-based contract for services is contemplated on other than a firm fixed price basis; and
- Any other contracting considerations.

(ii) For each order to be awarded in accordance with this plan, discuss:

(A) For information technology acquisitions, how the capital planning and investment control requirements of 40 U.S.C. 1422 and OMB Circular A-130 will be met (see 7.103(t) and Part 39); and

(B) Why this action benefits the Government, such as when:

(1) The agency can accomplish its mission more efficiently and effectively (*e.g.*, take advantage of the servicing agency's specialized expertise; or gain access to contractors with needed expertise); or

(2) Ordering through an indefinite delivery contract facilitates access to small business concerns, including small disadvantaged business concerns, 8(a) contractors, women-owned small business concerns, HUBZone small business concerns, veteran-owned small business concerns, or service-disabled veteran-owned small business concerns.

5. Budgeting and funding.

Include budget estimates, explain how they were derived, discuss the schedule for obtaining adequate funds at the time they are required, and cite the funding source in order to facilitate validation that the funds are available.

6. Product or service descriptions.

The product or service description types used in the acquisition (including performance-based contracting descriptions) were chosen for the following reasons:

7. Priorities, allocations, and allotments.

Does the urgency of the requirement dictate a particularly short delivery or performance schedule?

(If so, identify the priorities that apply, the method for obtaining and using priorities, allocations, and allotments, and the reasons for them.)

8. Contractor versus Government performance.

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

9. Inherently governmental functions.

Address the consideration given to OFPP Policy Letter 92-1 (see Subpart 7.5).

10. Management information requirements.

The following management information system will be used by the Government to monitor the contractor's effort:

11. Make or buy.

Discuss any consideration given to make-or-buy programs.

12. Test and evaluation.

To the extent applicable, describe the test program of the contractor and the Government. Describe the test program for each major phase of a major system acquisition. If concurrency is planned, discuss the extent of testing to be accomplished before production release.

13. Logistics considerations.

(i) Assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing, and distribution of commercial items:

(ii) Reliability, maintainability, and quality assurance requirements, including any planned use of warranties:

(iii) Requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data:

(iv) Standardization concepts, including the necessity to designate, in accordance with agency procedures, technical equipment as "standard" so that future purchases of the equipment can be made from the same manufacturing source:

14. Government-furnished property.

The following property will be furnished to contractors, including material and facilities:

Associated considerations, such as the availability or schedule for acquisition of Government-furnished property, are as follows:

15. Government-furnished information.

The following Government information, such as manuals, drawings, and test data, will be provided to prospective offerors and contractors:

16. Environmental and energy conservation objectives.

Applicable environmental and energy conservation objectives associated with the acquisition:

Applicability of an environmental assessment or environmental impact statement (see 40 CFR 1502):

The proposed resolution of any environmental issues:

Any environmentally-related requirements to be included in solicitations and contracts:

17. Security considerations.

Does the acquisition deal with classified matters?

(If so, discuss how adequate security will be established, maintained, and monitored).

18. Contract administration.

The contract will be administered as follows: (In contracts for services, include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced.)

[Example:

The Contracting Officer (CO) will be responsible for general oversight of administration responsibilities concerning the purchase, installation, configuration, and testing of the equipment. The CO will also be making contract-related determinations and findings, settling contract disputes, and administratively closing out the contracts after acceptance is complete.

A Contracting Officer's Representative (COR) will be assigned, who will issue work orders for the services as specified in the statement of work. The COR will evaluate the contractor's performance based on quality, timeliness and quantity of work as defined in the contract and be responsible for entering receiving reports and approving invoices.]

19. Other considerations.

If applicable, include and discuss:

- Standardization concepts;
- The industrial readiness program;
- The Defense Production Act;
- The Occupational Safety and Health Act;
- Foreign sales implications;
- Any other matters germane to the plan not covered elsewhere; and
- Contract bundling.

20. Milestones for the acquisition cycle. [Provide a date for each of the following steps, and add any others that are appropriate.]

Acquisition plan approval.

Statement of work.

Specifications.

Data requirements.

Completion of acquisition-package preparation.

Purchase request.

Justification and approval for other than full and open competition where applicable and/or any required D&F approval.

Issuance of synopsis.

Issuance of solicitation.
Evaluation of proposals, audits, and field reports.
Beginning and completion of negotiations.
Contract preparation, review, and clearance.
Contract award.

21. Identification of participants in acquisition plan preparation.

The following individuals participated in preparing the acquisition plan:

<u>Name</u> _____	<u>Organization</u> _____	<u>Phone</u> _____
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Attachment 3

Milestone Charts

< not currently available – under development >

Attachment 4

Acquisition Plan Addendum Template
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MEMORANDUM FOR LINDA M. SPRINGER
Director

THROUGH: RONALD C. FLOM
Associate Director
For Management Services Division

FROM: KAY T. ELY
Deputy Assistant Director
Center for Contracting, Facilities &
Administrative Services

SUBJECT: ADDENDUM TO THE ACQUISITION PLAN TO [same brief
description used in original acquisition plan]

Ref: Acquisition Strategy Memorandum dated [date original acquisition
plan was signed by SPE, Deputy Director or Director] for [purpose of the original requirement]

Issue

We request you concur with our intent to extend the U.S. Office of Personnel Management's (OPM) contract with [Name of Awardee Contractor] in order to provide additional [Insert services, supplies, or added timeframe that increases the contract amount.]

Background

The current contract with [Name of Contractor] for [briefly list or describe the current services/supplies and timeframe for the original contract.] This contract [extension in time, or increase in quantity] is necessary to [describe reason for the needed change to the existing contract beyond original terms approved.]

Our Request for Proposal (RFP) for the [Insert the name of the RFP] was posted on [date RFP was issued], and closed [date RFP closed.] Technical Evaluation Panel (TEP) met on [include appropriate dates for evaluation and selection process.] Their findings were presented to the Center for Contracting, Facilities and Administrative Services on [date Evaluation Team provided recommendation.]. The Competitive Range determination was finalized on [date]. We issued interrogatory questions to the vendors in the competitive range and their responses were due [date]. These actions were completed on [date] with contract award on [date]. Note any additional information about the procurement process you feel would be helpful to management in making their decision regarding this action.

Recommendation

We recommend you concur with our acquisition strategy for additional funding of [amount] in order to [briefly describe cost driver – additional quantity, time or both.]

Concur

Do not concur

Let's discuss

Linda M. Springer, Director
[Of course, if SPE is approving, his signature
block be inserted here.]

Date

ing here.