Acquisition Services
Process to Support IA Programs

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Topics

- **Pre-Award of Contract**
  - Acquisition Planning
  - Requirement Documents
  - Market Research
  - Independent Government Cost Estimate

- **Contract Formation**
  - Solicitation
  - Source Selection Evaluation Board
  - Contract Types
  - Contract Award

- **Contract Administration**
  - Contracting Officer
  - Contracting Officer’s Technical Representative
  - Contract Closeout
Acquisition

• “Acquisition” means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.
Acquisition Sequence

“Typical” Acquisition Sequence

Acquisition Planning
- Requirements
- Acquisition Plan
- Acquisition Package

Contract Formation
- Solicitation
- Evaluation
- Negotiation
- Award

Contract Administration
- Execution of the Contract
- Contract Closeout
Pre-Award
Acquisition Planning (FAR Part 7)

- “Acquisition planning” means the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
Acquisition Planning Steps

• **Step 1 Define Need and Identify and Document Requirement**
  – Program Office identifies an initial requirement (i.e., goods or services) to support its mission.

• **Step 2 Perform Market Research**
  – The primary reason for conducting market research is to understand what products or services are available and to obtain feedback from industry.

• **Step 3 Develop Acquisition Package**
  – The acquisition package development process comprises six distinct phases that result in a set of required documents that are included:
    • Market Research Report
    • Acquisition Plan
    • Statement of Work /Performance Work Statement /Statement of Objectives
    • Independent Government Cost Estimate
    • Source Selection Plan (SSP)/Tech Evaluation Criteria

• **Step 4 Route 40-1 Document for Signatures**  * Program Office responsibility

• **Step 5 Certify Funds**

• **Step 6 Review Acquisition Package**
  – The CO reviews the Acquisition Package for complexity and completeness and assigns it to a CS. The CS reviews the documents in the acquisition package more closely and works with the Program Office to make any necessary changes to documents prior to posting the Request for Proposal / Request for Quote (RFP / RFQ)
  * OCPO responsibility
Acquisition Plans (AP)

• **Advanced Acquisition Plan**
  – All planned acquisitions in excess of $100,000 must be entered into the Advance Acquisition Plan database by the Program Office before submitting the action to the OCPP

• **Written Acquisition Plan**
  – Individual non-development acquisitions valued in excess of $10,000,000
  – Individual development acquisitions valued in excess of $5,000,000

• Acquisition Plan elements (see checklist)
  – Acquisition Background and Objectives
  – Plan of Action
Description of Requirements

• The initial approach to describing a need is to prepare the *scope of work*:
  – What is needed?
  – When is it needed?
Requirements Documents

• **Scope of Work (SOW)** - describes the *required tasks* in a detailed manner by using a series of orderly *written directions or instructions* on how to achieve a product or service.
  
  – Provides the necessary information for offerors to prepare their response to the requirements in the solicitation and, after award, serves as the standard to measure the performance of the work.
  
  – Provides detailed instructions on how to met and fulfill its requirement
  
  – Contractor follows the instructions
  
  – *LOW flexibility*
Requirements Documents

Performance Based Contracting

• **Performance Work Statement (PWS)** - statement of work for performance-based acquisitions that *describes the required results* in clear, specific and objective terms with measurable outcomes.
  – Government identifies desired results
  – Contractor has flexibility to propose how it will achieve the results
  – **HIGH flexibility**
  – **Performance Requirements Summary (PRS)** - determines what the agency’s needs are and what kind of services and outputs the contractor is to provide, and is developed after analyzing the scope and nature of the work.
  – **Quality Assurance Surveillance Plan (QASP)** - document designed to provide the COTR an effective and systematic surveillance method for evaluating contractor performance.

• **Statement of Objectives (SOO)** - Government-prepared document incorporated into the solicitation that states the *overall performance objectives*. It is used in solicitations when the Government intends to provide the maximum flexibility to each offeror to propose an *innovative approach*.
  – Government provides basic objectives
  – Contractor has flexibility to define best and innovative approach
  – **HIGHEST flexibility**
Market Research

• *Collecting and analyzing information* about the market’s capabilities to satisfy agency needs.
• Market research is conducted to determine if commercial items or non-developmental *items are available* to meet the Government’s needs or could be modified to meet the Government’s needs.
  – Before developing new requirements documents.
  – Before soliciting offers above the Simplified Acquisition Threshold (SAT) ($100k) & above
  – Before soliciting offers below the SAT when adequate information is not available.
  – The extent of market research will vary, depending on such factors as urgency, estimated dollar value, *complexity*, and past experience.
  – Market research involves obtaining information specific to the item being acquired.
Techniques for accomplishing Market Research

- Contact *knowledgeable people* within Government and industry.
- Review *recent market research* for similar items.
- Publish formal requests for information (*RFI*).
- Query *Government and commercial databases*.
- Obtain *source lists* for similar items from other organizations.
- Commercial catalogs and other product literature.
- Conduct interchange meetings or *presolicitation* conferences with potential vendors.
- Internet
Helpful Web Sites

- Small Business Administration Central Contractor Registration (CCR) - [www.ccr.gov](http://www.ccr.gov)
- Anthology of commercial terms & conditions, featuring info from a number of America’s largest companies - [www.arnet.gov/References/fssciate.html-An](http://www.arnet.gov/References/fssciate.html-An)
- Consolidated Contracting Initiative (CCI) - [procurement.nasa.gov/cgi-bin/cci/first.cgi](http://procurement.nasa.gov/cgi-bin/cci/first.cgi)
- Producer Price Index from the Bureau of Labor Statistics - [www.bls.gov/ppiover.htm](http://www.bls.gov/ppiover.htm)
- Federal Procurement Data Center - [www.fpdc.gov/fpdc/fpdc_home.htm](http://www.fpdc.gov/fpdc/fpdc_home.htm)
- GSA - [www.gsaadvantage.gov](http://www.gsaadvantage.gov)
Helpful Web Sites

- Contractor Directory – [www.contractordirectory.com](http://www.contractordirectory.com)
- Industrial Supplies Company Guide - [www.thomasregister.com](http://www.thomasregister.com)
- Search engine for sources (Aircraft, Chemicals, Computers & Electronics, Office Equipment, etc.) – [www.imart.org](http://www.imart.org)
- STAT-USA/Internet is a Government opportunities which replaced the Commerce Business Daily – [www.stat-usa.gov](http://www.stat-usa.gov)
- National Association of Purchasing Management – [www.napm.org](http://www.napm.org)
Request for Information (RFI)

- **CO issues a RFI** during the planning phase of an acquisition and prior to release of the solicitation.
- RFI is a *standard business process* to seek expressions of interests and capabilities of various prospective sources in the marketplace.
- RFI *may elicit information* from a broad base of potential suppliers for the purpose of developing a strategy, building a list of potential vendors, and preparing the solicitation document.
- The **primary purpose** of a RFI is to gather information to help make a decision on what steps to take next.
- Information among industry and the PM, CO, and other participants in the acquisition process can *identify and resolve concerns* regarding the acquisition strategy. This may include proposed contract type, terms and conditions, and acquisition planning schedules.
- Acceptable *to disclose general information* pertaining to agency mission needs and future requirements. Agencies are encouraged to promote early exchanges of information about future acquisitions.
- However, after release of the solicitation, the CO is the **focal point of any exchange with potential offerors**. At this point, discussions are restricted to the CO alone per the expressed requirements of the FAR.
Market Research - Conclusion

• Performing market research is a logical process that, if planned, can provide the information you need to generate and refine requirements & locate sources & information on alternative commercial products, services, & practices.

• Conducting market research up front may take time and effort we may initially feel too busy to spend; however, the benefits down the road in terms of a smoother, faster buy with fewer performance problems makes it more than worthwhile.
What is an IGCE?

The Independent Government Cost Estimate (IGCE) is the Government's *estimate of the resources and their projected costs* that a contractor would incur in the performance of a contract.

- These resources/costs include
  - Direct Costs: labor and material
  - Indirect Costs: fringe benefits, overhead, and G&A
  - Other Direct Costs: supplies, equipment, transportation, DBA insurance, and OCONUS special allowances
  - Profit or fee

IGCE is *For Official Use Only*

IGCE is not:
- Vendor quotes
- To be shared outside the Program Office and OCPO
IGCE

• Use of the IGCE:
  – the benchmark to determine
    • Contract Budget Amounts
    • Also Price Reasonableness

• No standard methodology for preparing an IGCE
  – Use whatever method provides the best estimate and satisfies the requirement for
    • Just a number or
      • A good, realistic projection of the expected cost/price

• Should be structured, realistic, supportable, etc.
IGCE Revisions

• The IGCE is not set in stone!
  – The IGCE can be revised based on,
    • new price/cost information,
    • the preparation of the solicitation,
    • the honing of RFP requirements,
    • and for its other uses.
      – contract budgetary amounts
      – price reasonableness benchmark

• The IGCE should be completed prior to the solicitation’s release on “the street.”
IGCE: Conclusion

• An IGCE is the **best attempt** at projecting a future price or prices
  – If you could predict the future, you wouldn’t be working for the government
  – You would be rich!

• The IGCE is a **procurement sensitive document**
  – Access shall be on a need to know basis
Acquisition Package Checklist

- **Market Research** means collecting and analyzing information about capabilities within the market to satisfy agency needs.

- **Acquisition Plan** comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.

- **Requirements Document**
  - **Scope of Work (SOW)**
  - **Performance Work Statement (PWS)** - statement of work for performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes.
    - **Performance Requirements Summary (PRS)**
    - **Quality Assurance Surveillance Plan (QASP)**
  - **Statement of Objectives (SOO)** - Government-prepared document incorporated into the solicitation that states the overall performance objectives. It is used in solicitations when the Government intends to provide the maximum flexibility to each offeror to propose an innovative approach.

- **Independent Government Cost Estimate (IGCE)**
Acquisition Package Checklist

- FEMA Form 40-1, Requisition and Commitment for Services and will all Program Office “approval” signatures

- Evaluation Criteria

- Reviews and Approvals Obtained
  - CIO Review
  - Small Business
  - DHS
  - Security
  - OSHE

- Contract Type Recommendation
  - Firm Fixed Price (FFP)/No justification required
  - Cost-Reimbursement (CR)/Requires justification
  - Time-and-Materials or Labor-Hour (T&M, LH)/Requires justification
  - Hybrid – FFP and T&M or LH

- Basis of Evaluation
  - Best Value Trade-off
  - Lowest Price, Technically Acceptable.
Contract Formation
Contract Formation Steps

After Acquisition Planning ends:

- **Step 7: Develop solicitation**
  - CO/CS reviews the acquisition package
  - Create the contract file
- **Step 8: Post solicitation**
  - Post on internet
  - Email to potential vendors
  - Respond to questions about solicitation from vendors with input from Program Office
- **Step 9: Review proposals during the source selection process**
  - Initiate the proposal evaluation process
  - Review cost proposal
  - Negotiate with potential vendors, if necessary
  - Congressional Notification, if necessary
- **Step 10: Award the contract**

*OCPO responsibility
*Program Office responsibility
Source Selection Plan (SSP)

• **Critical element** of every acquisition
  – Each solicitation is required to inform prospective contractors of how the Government will evaluate their proposals
  – Government must then conduct and document the evaluation process in the manner stated in the solicitation
  – Failure to do so invites protest and delay, and puts the accomplishment of the mission at risk

• **Program Office** is responsible for identifying the SS Board members
  – Right people at the right time
Evaluation Factors

- Should correspond to the *specific technical requirements* in the SOW/PWS/SOO
- When a SOW, requirements are based on compliance with *Government-prepared specifications* in the SOW
- Each factor must be *ranked* in order of importance
- *Must include* past performance and cost/price
- *Adjectival ratings* (excellent, outstanding, good, satisfactory and unsatisfactory) applied to non-cost factors
- *Best Value* – solicitation must state that the Government reserves the right to pay more for an excellent proposal
Evaluation Factors

• **Past Performance**
  – Control of costs
  – Innovative use of resources to achieve contract objectives
  – Customer satisfaction
  – Quality of Service or deliverables

• **Technical Management**
  – Quality Control Plan
  – Risk Management Plan
  – Flexible and responsive staffing procedures

• **Other Factors**
  – Number of certified trainers on staff
  – Experience and education of senior management
  – Use of Government-furnished property or facilities

• **Cost/Price Factor**
  – OCPO will include the preferred cost breakdown format to include in the solicitation for the vendor’s use in submitting their cost proposal
Solicitation

- Request for Proposals (RFP)
- RFP’s are used in *negotiated acquisitions* to solicit offers for business opportunities.
Contract Types

- Firm, Fixed-Price (FFP)
- Time-and-Materials (T&M) or Labor Hour (LH)
- Cost Reimbursement (CR)
- Indefinite-Delivery Indefinite-Quantity (IDIQ)
Emergency Acquisitions

- **Federal Acquisition Regulations** (FAR) Chapter 1 Part 18
  - 18.001 Definition
  - 18.111 Oral requests for proposals
  - 18.112 Letter contracts
  - 18.114 Contracting with the Small Business Administration (The 8(a) Program)
  - 18.115 HUBZone sole source awards
  - 18.116 Service-disabled Veteran-owned Small Business (SDVOSB) sole source awards
Emergency Acquisitions

- 18.102 Central contractor registration (CCR)
- 18.103 Synopses of proposed contract actions
- 18.104 Unusual and compelling urgency
- 18.203 Emergency declaration or major disaster declaration
Contract Administration
After Contract Award

• The Contracting Officer (CO) has lead responsibility for contract administration
  – *Signs contract*
  – *Legal responsibility*

• The Contracting Officer’s Technical Representative (COTR) supports the CO
Contracting Officer (CO) Roles

• Translates the *Federal Acquisition Regulation (FAR)* and other laws/regulations/local policies

• Ensures all *contract actions* are taken within lawful constraints of contract

• Authorized to *give direction* which *changes* the requirements of the contract

• Ensures contractor is performing work specified in contract in *compliance* with all terms and conditions
Contracting Officer’s Technical Representative (COTR)

- The COTR is a government official appointed in writing by the Contracting Officer and is the technical liaison between the contractor and the Contracting Officer.
- Provides contract administration and technical monitoring of a contract during the period of performance with respect to the terms and conditions of the contract and the statement of work.
Most Essential Roles and Duties of COTR

- **Pre-Award** (Prepare a Requirements Package/Purchase Request Work Package)
- Pre-award **Technical Assistance**
- **COTR folder** (establish and maintain appropriate record-keeping files)
- **Post-Award Orientation**
- **Monitor Contractor Performance** (Quality Assurance Surveillance Plan)
- Direct **Technical Monitors** in the performing contract monitoring activities
- Perform **inspection and acceptance actions**; inform CO when rejecting or accepting nonconformance
Most Essential Roles and Duties of COTR

• Document contractor **performance**
• Review and recommend **contract modification** requests and prepare a technical evaluation to support a determination that the change is not outside the scope of the contract
• Support the recommendation to exercise an **option**
• Notify the CO about a **delay** in the delivery or performance schedule under the contract
• Identify and determine the necessity of a **Stop Work Order**
Most Essential Roles and Duties of COTR

- Assist the CO in analyzing a claim, recommend settlement position, and participate in the resolution process
- Provide sufficient evidence of a contract breach and suggest appropriate contract remedy and assist in evaluating contractor response
- Recommend to CO whether to authorize payment against an invoice in full, in part, or not at all
- Contract closeout
Financial Management Responsibilities

- Maintain a burn rate spreadsheet that depicts obligations, expenditures, work request expend,
- Review requests for payment (invoices) to accept work and authorize payments.
  - Perform a methodical review and approval of invoices and ensuring that the Government makes payments to contractors only for goods and services received and accepted pursuant to contractual terms and conditions.
  - Reporting any invoice discrepancies to the CO and providing documentation to support the representation.
  - Evaluate progress payment requests based on costs incurred and actual work accomplished.
  - Provide written documentation to the contractor to support a rejected or partial paid invoice.
  - If the invoice is rejected or partial paid, the COTR of Record will complete a Receiving Document and a Rejection Letter (if required) within seven (7) days after receipt of the invoice. The Rejection Letter will detail the specific reason(s) for rejection or partial payment and will include examples, if available.
Contract Closeout

- Contract closeout occurs only when the contractor and Government have fulfilled their obligations in a timely manner, all outstanding contract administration issues have been resolved, and all records are correctly disposed.
- Contract closeout ensures Government funds were properly expended, excess funds have been de-obligated, Government property (if used) is properly returned or disposed, contractor releases from further claims are obtained, and the contractor's performance is evaluated for future Government use.
- Contract closeout actions are the primary responsibility of the CO.
  - But the assistance of the COTR will be necessary to certify the contractor rendered all services in a satisfactory manner and all deliverables are complete and acceptable.
- COTR initiates the closeout process and fully cooperates with the CO throughout the closeout process.
- Failure to complete contract closeout in a timely manner increases Government cost given that the passage of time makes it more difficult to obtain the necessary information.
COTR Tiered Requirements/Training

• Tier I Certification
  – Contracts up to $5M
  – 40 hours of Initial COTR Training – Includes 2 hours of Procurement Ethics Training (new)
    • Free online training for the initial COTR training requirements can be accessed through Federal Acquisition Institute (FAI)
    • Vendor training is also available

• Tier II Certification
  – Contracts $5M to $57M
  – Tier I Certification PLUS 3 additional courses:
    • Market Research and Commercial Item Acquisitions
    • Federal Contracting Basics
    • Federal COTR Training Program

• Tier III Certification
  – Contracts $57M and above
  – Tier I and II Certification PLUS 3 additional courses
    • Negotiation Strategies and Techniques
    • Performance-Based Acquisition: Preparing Work Statements
    • Pre-award Business Decisions in Contracting

• Biennial Training requirement for all Tiers: 40 hours of training
  – 20 hours of technical competency training
  – 18 hours of business competency training
  – 2 hours of ethics training

• Annual Training requirements for all Tiers
  – 13 hours of training = 12 hours of acquisition related training + 1 hour of ethics training
Points of Contact

• Recovery Branch Chief, Acquisition Operations Division (AOD), Office of the Chief Procurement Officer (OCPO)
  – Lester Ingol lester.ingol@dhs.gov
• Recovery Portfolio Manager, Acquisition Program and Planning (APPD), OCPO
  – Yong Foston yong.foston@dhs.gov
• OCPO
  – Assist with Market Research
  – Assist with preparation of Pre-Acquisition Documents
  – Provide suggestions for Strategic Sourcing
  – Provide suggested contracting methods
  – Administer and Award contracts
  – Provide oversight of contracting actions
Other Resources

• **On the FEMA Intranet – Management section**
  – A Guide to the FEMA Acquisition Process
  – FEMA Acquisition Planning: A Guide to Preparing Acquisition Packages