



United States
Department of
Agriculture

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Office of the
Assistant Secretary
for Administration

ACQUISITION OPERATING PROCEDURE (AOP)

Office of Procurement
and Property
Management

FROM:

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SUBJECT: AOP No. 3: Acquisition Planning

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◆ **PURPOSE:** This Acquisition Operating Procedure is to provide guidance through the use of a template for Acquisition Planning. The Acquisition Plan addresses the technical, business, management, and other significant considerations that control the acquisition. The specific content of the Acquisition Plan will vary, depending on the nature, circumstances, and stage of the acquisition.

◆ **EFFECTIVE DATE:** This AOP is effective on SEP 13 2013.

◆ **REVISIONS:** AGAR Advisory Number (No.) 83 that established the Acquisition Strategy and Review Procedure expired. This AOP in its entirety is replaced with guidance pursuant to Acquisition Planning; and contents relating to AGAR Advisory No. 83 have been removed.

This AOP replaces AOP No. 3, dated March 4, 2008.

◆ **AUTHORITIES:** FAR Subpart 7.1 and AGAR Subpart 407-1 Acquisition Plans

◆ **PROCEDURE:**

1. Preparation of the Acquisition Plan shall be a collaborative effort between the contracting personnel and the program office officials.
2. Contracting officers will complete an Acquisition Plan for **all** proposed contract actions **above** the simplified acquisition threshold (SAT) **prior** to issuing the solicitation.
3. The Acquisition Plan template for all proposed contract actions above SAT is shown in Attachment 1.

◆ **EXPIRATION DATE:** This AOP will remain in effect until canceled.

SAMPLE TEMPLATE

ACQUISITION PLAN

Project: *{Insert title}*

In accordance with FAR 7.1, *Acquisition Planning* and with agency procedures, in order to facilitate attainment of the acquisition objectives, the acquisition plan must identify those milestones (see paragraph B(21)) where decisions are to be made. The acquisition plan must address all the technical, business, management, and other significant considerations that will control the acquisition. The specific content of plans will vary, depending on the nature, circumstances, and stage of the acquisition.

I. ACQUISITION BACKGROUND AND OBJECTIVES:

- (1) Statement of Need. *{A brief description of the need}*.

- (2) Applicable conditions. *{State all significant conditions affecting the acquisition, such as}-*
 - (i) Requirements for compatibility with existing or future systems or programs.

 - (ii) Any known cost, schedule, and capability or performance constraints.

- (3) Cost. *{Establishes cost goals for the acquisition and the supporting rationale supporting, and explain 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 (FAR 15.407-4)}*.

- (4) Capability or performance. *{Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need}*.

- (5) Delivery or Performance Period Requirements. {Describe the basis for establishing delivery or performance-period requirements (FAR 11.4). Explain and provide 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. {Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals}.
- (7) Risks. {Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks}.
- (8) Acquisition streamlining. {If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to}-
 - (i) Encourage industry participation by using draft solicitations, pre-solicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements {Discuss specific strategy}.
 - (ii) Select and tailor only the necessary and cost-effective requirements, if applicable.
 - (iii) State the timeframe for identifying which specifications and standards, originally provided for guidance only, shall become mandatory, if applicable.

II. PLAN OF ACTION

- (1) Sources. {Indicate prospective sources that can meet the need. Consider required sources of supplies or services (FAR 8); sources identifiable through databases including the Government-wide database of contracts at <https://www.contractdirectory.gov/contractdirectory>; include consideration of small business concerns (FAR 19)}.
 - (i) Bundling Impact of Small Businesses. {If the acquisition involves bundling, discuss the impacts of any bundling with small businesses participation (FAR 7.107) (15 USC. 644(e))}.
 - (ii) Incumbent Contractor Contract and Other Contracts. {If the acquisition involves bundling, identify the incumbent contractors and contracts affected by the bundling}.
 - (iii) Market Research. {Address the extent and results of the market research and indicate the impact on the various elements of the plan (FAR 10)}.

(2) Competition.

(i) Promoting Competition. *{Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition. If full and open competition **is not** contemplated, attach the appropriate Justification & Approval cited the authority in FAR 6.302, and agency procedures AOP 5 & AOP 10}*.

(ii) Identify the Major Components or Subsystems.

(A) Breakout Plans. *{Discuss component breakout plans relative to these major components or subsystems}*.

(B) Component/Subsystems Competition. *{Describe how competition will be sought, promoted, and sustained for these components or subsystems}*.

(iii) Competition of Spare and Repair Parts.

(A) Spare and Repair Part Competition. *{Describe how competition will be sought, promoted, and sustained for spares and repair parts}*.

(B) Key Logistic Milestones. *{Identify the key logistic milestones, such as technical data delivery schedules and acquisition method coding conferences that affect competition}*.

(iv) Subcontract Competition.

(A) Subcontract Competition. *{When effective subcontract competition is feasible and desirable, describe how subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition}*.

(B) Subcontract Barriers *{Identify any known barriers to increasing subcontract competition and address how to overcome them}*.

(3) Contract Type Selection. *{Describe how the contract type supports the acquisition; e.g., complexity of the requirements, uncertain duration of the work, contractor's technical capability and financial responsibility, or adequacy of the contractor's accounting system), and associated reasoning essential to support the contract type selection}*.

(4) Source-Selection Procedures. *{Discuss the source-selection procedures or evaluation panel procedures, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives (FAR 15.3)}*.

(i) If an Earned Value Management System (EVMS) is required (*FAR 34.202(a)*) and a pre-award Integrated Baseline Review (IBR) is contemplated, *{Discuss}* –

(A) How the pre-award IBR will be considered in the source selection decision.

(B) How it will be conducted in the source selection process (*FAR 15.306*).

(C) Whether Offerors will be directly compensated for the costs of participating in a pre-award IBR.

(5) Acquisition considerations.

(i) For each contract contemplated, *{Discuss}* –

(A) Use of multiyear contracting, options, or other special contracting methods (*FAR Part 17*).

(B) Any special clauses, special solicitation provisions, or FAR deviations required (*FAR 1.4*)

(C) Whether sealed bidding or negotiation will be used and why.

(D) Whether equipment will be acquired by lease or purchase (*FAR 7.4*) and why.

(E) Any other contracting considerations.

(F) Provide rationale if a performance-based acquisition will not be used or if a performance-based acquisition for services is contemplated on other than a firm-fixed-price basis (*FAR 37.102(a)*, *37.6 16.103(d)*, *16.505(a)(3)*).

(ii) For each order contemplated, *{Discuss}* –

(A) Information Technology acquisitions. *{Explain how the capital planning and investment control requirements of 40 U.S.C. 11312 and OMB Circular A-130 will be met (FAR 7.103(v) and FAR 39)}*.

(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) *{Discuss}* -

- (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. *{Discuss}* -

- (iii) Information Technology Acquisitions using Internet Protocol. *{Discuss whether the requirements documents include the Internet Protocol compliance requirements specified in (FAR 11.002(g)) or a waiver of these requirements has been granted by the agency's Chief Information Officer}*.

- (iv) Contract and Order Contemplated. *{For each contract and order, discuss the strategy to transition to firm-fixed-price contracts to the maximum extent practicable. During the requirements development stage, consider structuring the contract requirements, e.g., contract line items in a manner that will permit some, if not all to be awarded on a firm-fixed-price basis, either in the current contract, future option years, or follow-on contracts. This will facilitate an easier transition to a firm-fixed-price contract because a cost history will be developed for a recurring definitive requirement}*.

- (6) Budgeting and Funding. *{Include budget estimates, explain how they were derived, and discuss the schedule for obtaining adequate funds at the time they are required (FAR 32.7)}*.

- (7) Product or Service Descriptions. *{Explain the choice of product or service description types (including performance-based acquisition descriptions) to be used in the acquisition}*.

- (8) Priorities, allocations, and allotments. *{When urgency of the requirement dictates a particularly short delivery or performance schedule, certain priorities may apply. If so, specify the method for obtaining and using priorities, allocations, and allotments, and the reasons (FAR 11.6), if applicable}* .

- (9) Contractor versus Government performance. *{Address the consideration given to OMB Circular No. A-76 (FAR 7.3, if applicable)}*.

(10) Inherently Governmental Functions. {Address the consideration for inherently government and closely associated function (FAR 7.5)} .

(11) Management Information Requirements. {Discuss, as appropriate} –

(i) Monitor Contractor's Efforts. (Explain what management system will be used by the Government to monitor the contractor's effort).

(ii) EVMS Methodology. {If EVMS is to be used, discuss the methodology the Government will employ to analyze and use the earned value data to assess and monitor contract performance}.

(iii) EVMS Compliance. {Discuss how the Offeror's/contractor's EVMS will be verified for compliance with the American National Standards Institute/Electronics Industries Alliance (ANSI/EIA) Standard-748, Earned Value Management Systems, and the timing and conduct of integrated baseline reviews (whether prior to or post award). (FAR 34.202), if applicable}.

(12) Make or Buy. {Discuss any consideration given to make-or-buy programs (FAR 15.407-2)}

(13) 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, if applicable}.

(14) Logistics considerations. {Describe} –

(i) The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing (FAR 7.3), support for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission (FAR 25.301-3); and distribution of commercial items.

(ii) The reliability, maintainability, and quality assurance requirements, including any planned use of warranties (FAR 46).

(iii) The requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data (FAR 27).

(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.

- (15) Government-Furnished Property. {Discuss or indicate any Government property plan to be furnished to contractors, and discuss any associated considerations, such as its availability or the schedule for its acquisition (FAR 45.102)} .
- (16) Government-Furnished Information. {Discuss any Government information, and distribution of the information, such as manuals, drawings, and test data, to be provided to prospective Offerors and contractors. Indicate which information that requires additional controls to monitor access and distribution (e.g., technical specifications, maps, building designs, schedules, etc.), as determined by the agency, is to be posted via the enhanced controls of the GPE at <http://www.fedbizopps.gov> (FAR 5.102(a))}.
- (17) Environmental and Energy Conservation Objectives. {Discuss} –
- (i) All applicable environmental and energy conservation objectives associated with the acquisition (FAR 23).
 - (ii) The applicability of an environmental assessment or environmental impact statement (40 CFR 1502).
 - (iii) The proposed resolution of environmental issues, and any environmentally-related requirements to be included in solicitations and contracts (FAR 11.002 and 11.303)}.
- (18) Security Considerations.
- (i) Classified Matters. {Acquisitions dealing with classified matter, discuss how adequate security will be established, maintained, and monitored (FAR 4.4)}.
 - (ii) Information Technology. {Discuss how agency information security requirements will be met}.
 - (iii) Physical Access to Federally-Controlled Facility/Information System. {Discuss how agency requirements for personal identity verification of contractors will be met (FAR 4.13)}.
- (19) Contract Administration.
- (i) Contract Administration and Contract Performance. {Describe how the contract will be administered and discuss contract performance measurements}.
 - (ii) Inspection and Acceptance. {In contracts for services, include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced}.

(20) Other Considerations. {Discuss, as applicable}.

- (i) Standardization concepts.
- (ii) Industrial Readiness Program.
- (iii) Defense Production Act.
- (iv) Occupational Safety and Health Act
- (v) Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act)
(FAR 50.2)
- (vi) Foreign sales implications.
- (vii) Special requirements for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission.
- (viii) Any other matters germane to the plan not covered elsewhere.

(21) Milestones for the Acquisition Cycle. {Attach or list the complete milestone schedule, which should address the following steps and any others milestone as appropriate}.

- Acquisition plan approval.
- Statement of Work/Performance Work Statement/Statement of Objectives.
- Specifications.
- Data requirements.
- Completion of acquisition-package preparation.
- Purchase Request.
- Justification and Approvals for other than Full and Open Competition, if applicable and/or Determination & Findings approvals, if required.
- 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.

(22) *Participants Involved in Preparation of the Acquisition Plan. {List the individuals that participated in preparing the acquisition plan and providing the contact information}.*

Name of Participant

Title _____

Organization _____