



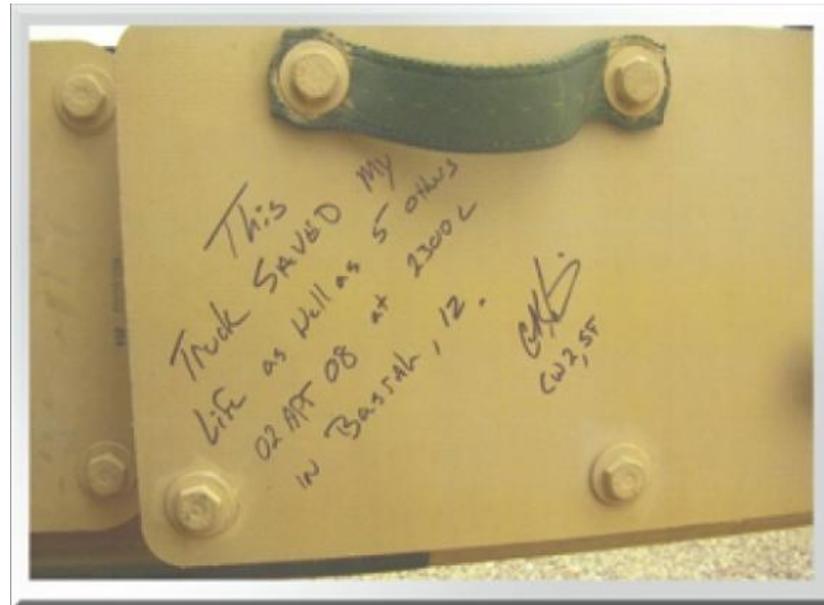
Defense Acquisition University

Acquisition Planning

“Brown Bag Session”

Professor Lawrence Kokocha, Jr.

“Koach”



Acquisition Planning

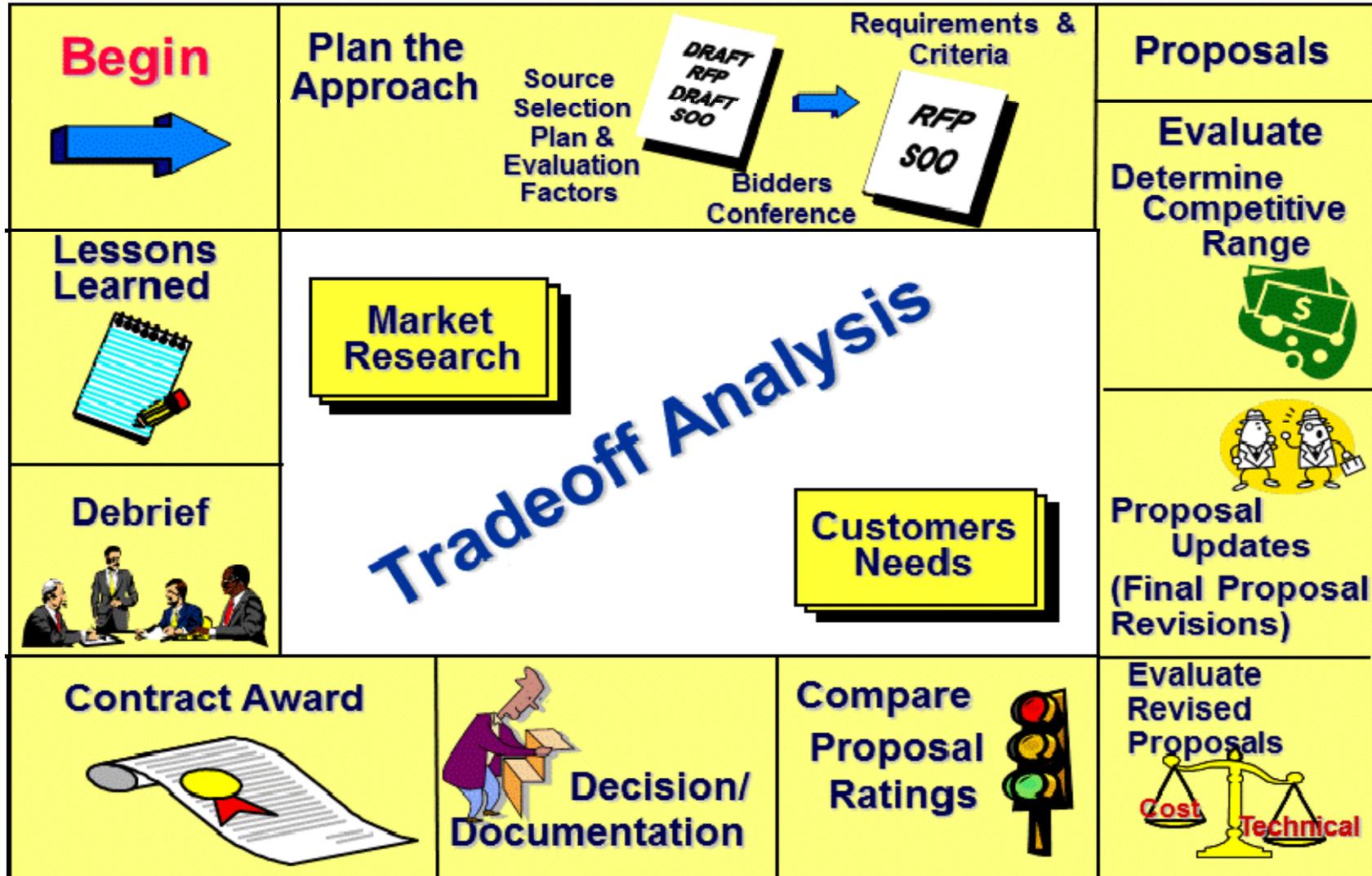
- Before we begin, let's crack open the FAR

FAR Part 1

Acquisition Planning - Overview

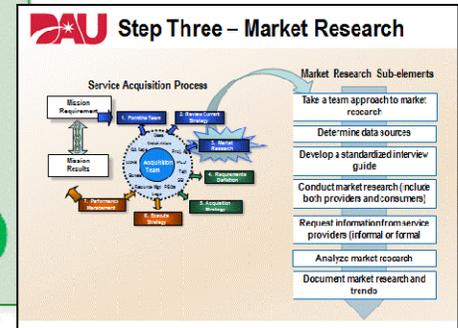
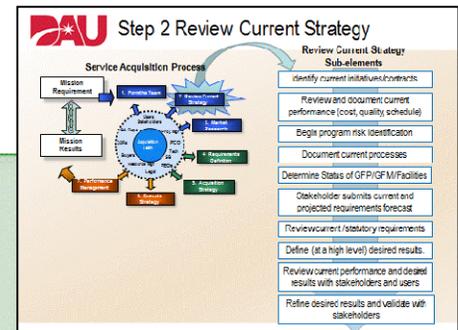
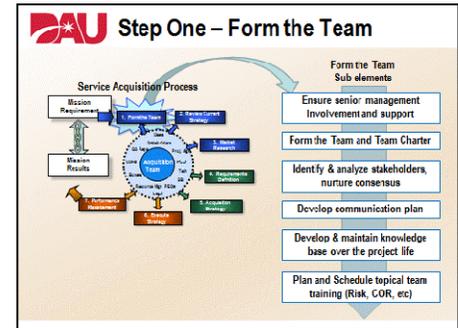
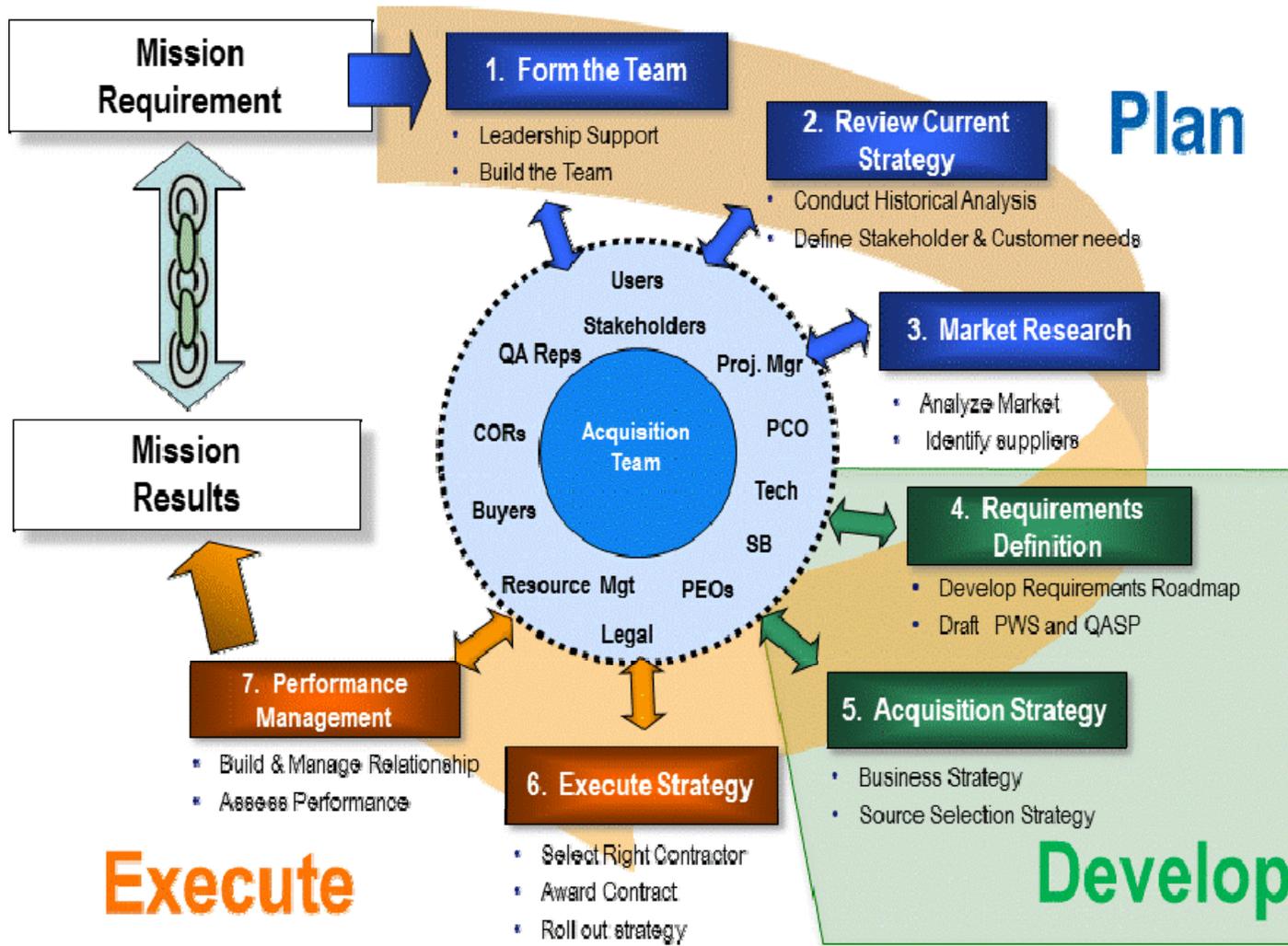
- Why?
- Who?
- When?
- What?
 - Written Plan
- Current Strategy and Desired Results
- Market Research
- Developing Requirements

Pre-Award Contracting Process



Learn. Perform. Succeed.

Acquisition Process



Learn. Perform. Succeed.

Acquisition Pre-Award Process

Identify and Define the Requirement

Acquisition Planning

Market Research

Develop the Requirements Documents

Government Property

Independent Government Estimate

Purchase Request (PR) and Funding

Evaluation Criteria

Learn. Perform. Succeed.



“Supporting the Mission”

What Mission?

- The Customer's Mission
- The customer is ...
 - The requiring activity
 - The user
 - AND the taxpayer



Learn. Perform. Succeed

DAU



What Requirement?

Work with the IPT to . . .

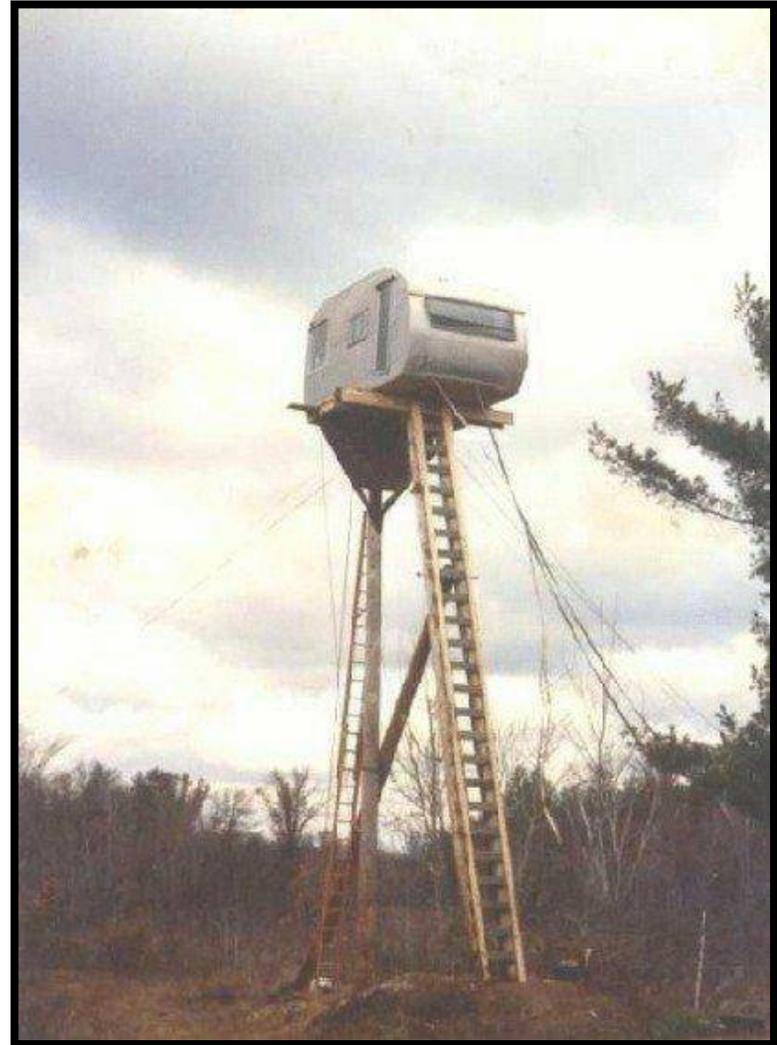
- ✓ Define the requirement
- ✓ Develop the strategy for procuring the requirement
- ✓ Develop the written requirements package
- ✓ Decide how the requirements will be met and completed
- ✓ Determine how much the requirement will cost



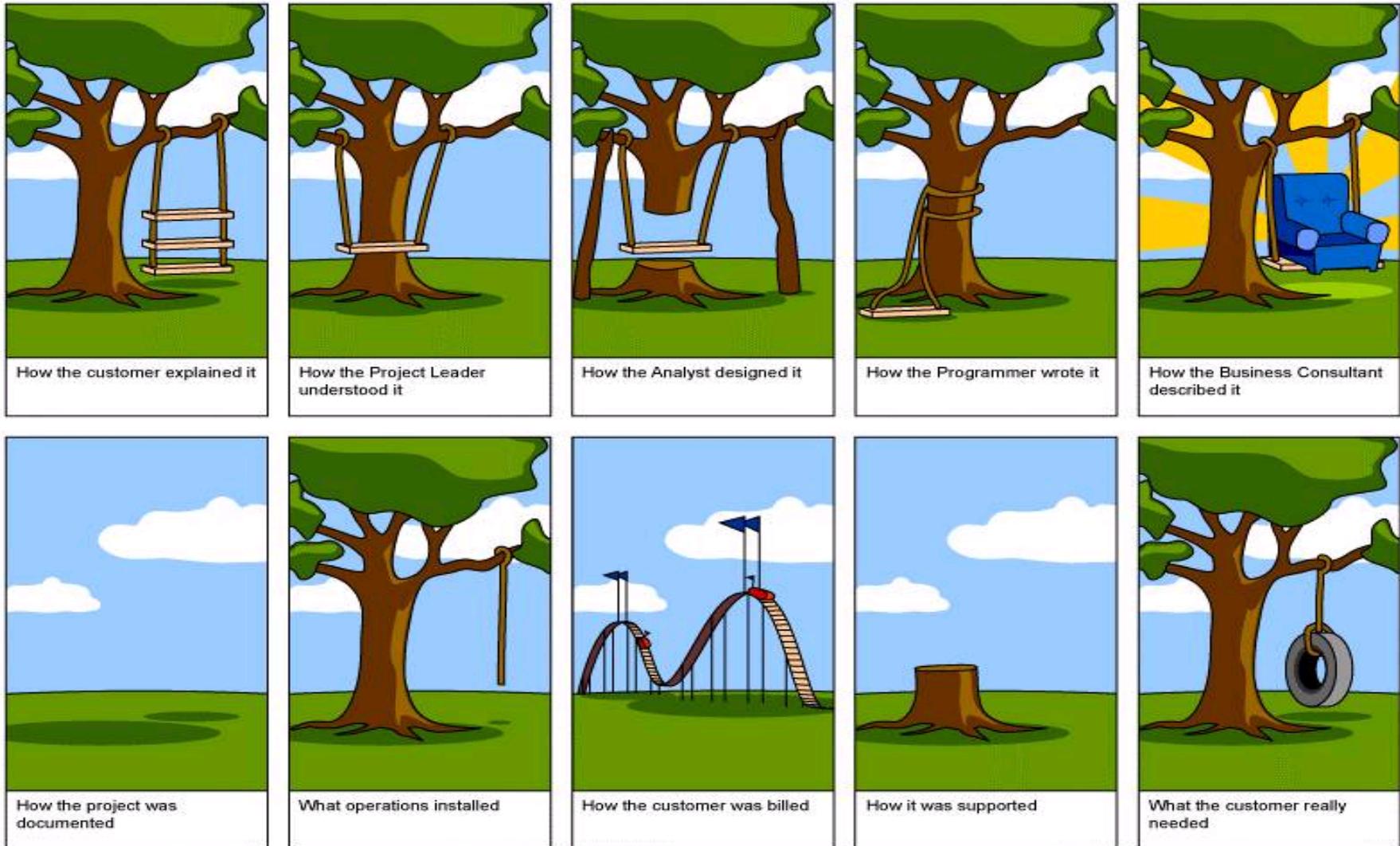
Condo for Rent

One-bedroom
High-rise unit
Overlooks the ocean
Nestled among lush greens
Lovely ocean view from every
window!

Near Palm Beach in Jupiter, FL
Weekends \$200 for three nights
\$400 for the week.



Acquisition Planning – Why? TO AVOID . . .

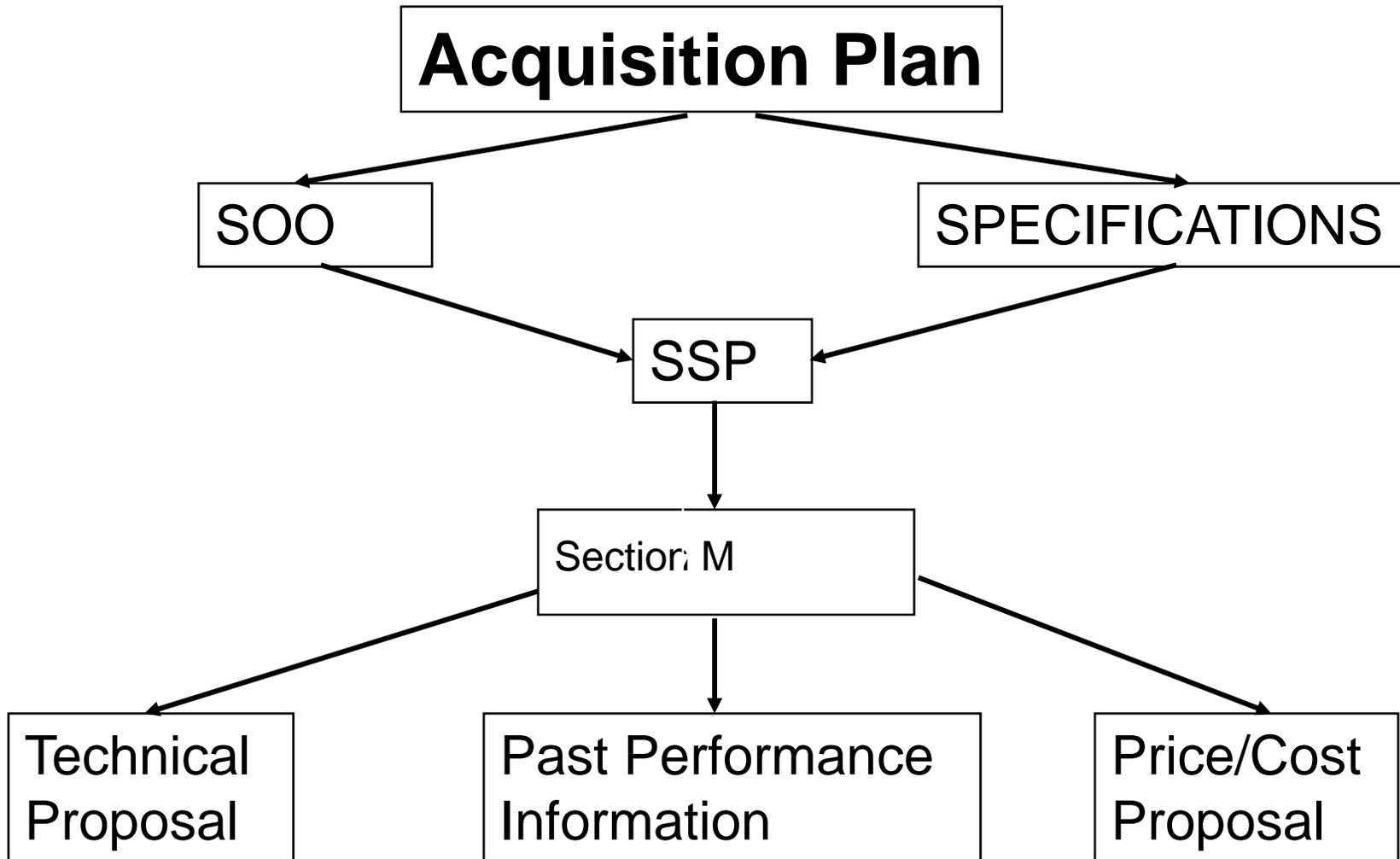


Learn. Perform. Succeed.

Acquisition Planning – Why?

- FAR 7.102: To “promote and provide for...”
- Maximum commercial item or NDI use
- Maximum competition
- Select Appropriate Contract Type
- Consider pre-existing contracts before awarding a new contract
- *To ensure that the Government meets its needs in the most effective, economical, and timely manner*

Acquisition Plan



Acquisition Planning - Who?

- Integrate the efforts of all personnel responsible for significant aspects of the acquisition
 - The Agency Head
 - Program Manager or Other Official Responsible for the Program
 - Contracting Officer/Contract Specialist
 - Technical Specialist
 - Performance Assessment Personnel
 - Nominated Contracting Officer Representative (COR)
 - Quality Assurance Evaluator (QAE)

Acquisition Planning - Who? (Cont)

- Integrate the efforts of all personnel responsible for significant aspects of the acquisition
 - Cognizant Competitive Advocate
 - Requirements and Logistics Personnel
 - Single Manager for Conventional Ammunition (SMCA) For procurement of conventional ammunition, as defined in DoDD 5160.65

Acquisition Planning – Who? (Cont)

Have We Thought of Everyone?

- Customer/User
- Logistics
- Small Business Specialist
- Cost/price analyst
- Finance/budget officer
- Legal advisor
- Others?

Acquisition Planning – When?

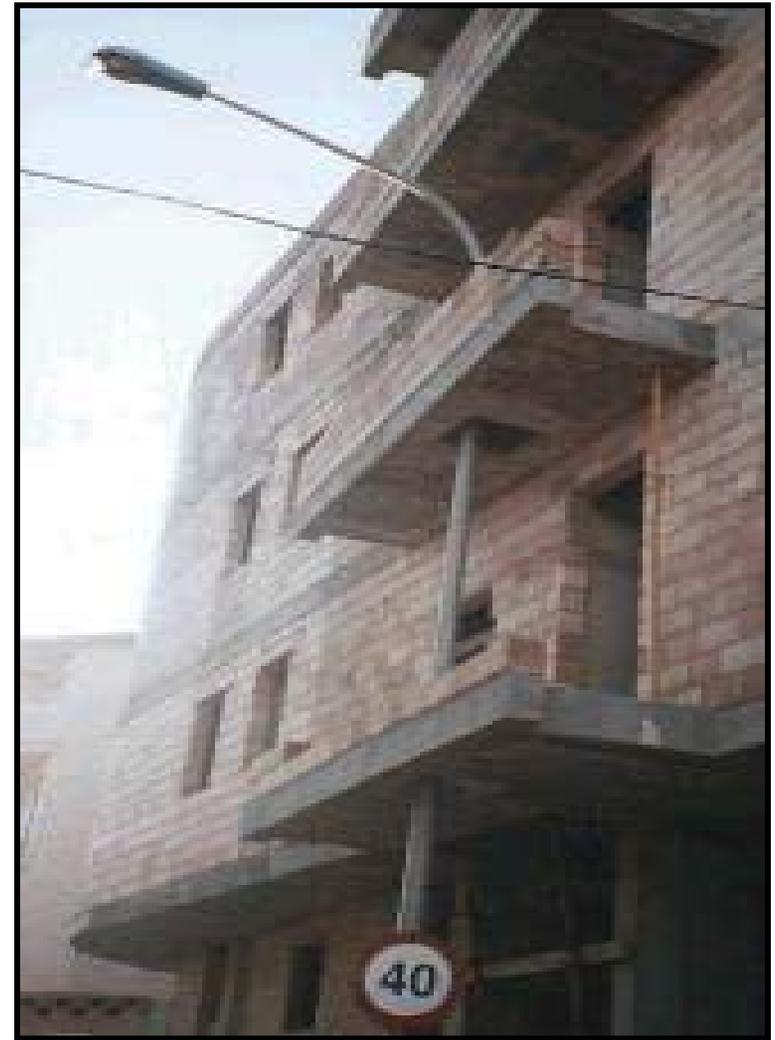
- FAR 7.102: ALL ACQUISITIONS

Acquisition Planning – When?

Agencies shall perform acquisition planning and conduct market research for all acquisitions...

FAR 7.102(a)

Learn. Perform. Succeed.



Acquisition Planning – When?

– DFARS 207.103 WRITTEN ACQUISITION PLAN

- Acquisitions for development, as defined in FAR 35.001, when the total cost of all contracts for the acquisition program is estimated at \$10 million or more
- Acquisitions for production or services when the total cost of all contracts for the acquisition program is estimated at \$50 million or more for all years or \$25 million or more for any fiscal year
- Any other acquisition considered appropriate by the department or agency
- Written plans are not required in acquisitions for a final buy out or one-time buy. The terms "final buy out" and "one-time buy" refer to a single contract that covers all known present and future requirements. This exception does not apply to a multiyear contract or a contract with options or phases

Written Acquisition Plan – What?

- What does a written acquisition plan contain?
 - FAR 7.105
 - PGI 207.105

Acquisition Planning – Written Plan

ACQUISITION BACKGROUND AND OBJECTIVES

(1) Statement of need

- Brief
- Technical/Contractual History Summary
- Feasible Alternatives
- Related In-House Efforts

Acquisition Planning – Written Plan

ACQUISITION BACKGROUND AND OBJECTIVES

(2) Applicable conditions

- Compatibility requirements with existing or future systems or programs
- Known Cost, Schedule, Capability and Performance Constraints

Acquisition Planning – Written Plan

ACQUISITION BACKGROUND AND OBJECTIVES

(3) Cost

- Life Cycle Cost (How Considered)
- Design to Cost
 - Include Rationale for Quantity, Learning Curve, Economic Adjustment Factors
- Application of Should Cost

Acquisition Planning – Written Plan

ACQUISITION BACKGROUND AND OBJECTIVES

- (4) Capability or performance
- (5) Delivery or performance-based requirements
- (6) Trade-offs - Cost, Performance and Schedule
Consequences
- (7) Risks
 - Technical, Cost and Schedule
 - Efforts to Reduce

Acquisition Planning – Written Plan

ACQUISITION BACKGROUND AND OBJECTIVES

(8) Acquisition Streamlining

- Encourage Industry Participation
- Select/Tailor Necessary/Cost Effective Requirements Only
- State Timeframe to Identify Mandatory Specifications and Standards

Acquisition Planning – Written Plan

PLAN OF ACTION

(1) Sources

- FAR Part 8
- FAR Part 19 (Types and Impact of Bundling on Participation)
- FAR Part 10 (Extent, Results and Impact on Plan)

Acquisition Planning – Written Plan

PLAN OF ACTION

(2) Competition

- How Sought, Promoted Sustained
- FAR 6.302 Basis of Application Authority, Sources and Why Not Obtained
- How Sought, Promoted and Sustained for Spares/Repairs
- Subcontract Opportunities

Acquisition Planning – Written Plan

PLAN OF ACTION

(3) Contract Type Selection

- Rationale
 - Complexity
 - Uncertain Duration
 - KTRs Technical Capability, Financial Responsibility, Adequacy of Acct System
- Support Documentation from Technical Personnel

Acquisition Planning – Written Plan

PLAN OF ACTION

(4) Source-selection procedures

- Timing for Submission/Evaluation of Proposals
- Relationship of Evaluation Factors to Attainment of Acquisition Objectives

Acquisition Planning – Written Plan

PLAN OF ACTION

(4) Source-selection procedures (Continued)

- When Earned Value Management System (EVMS) Required
- How will pre-award Integrated Baseline Review (IBR) be considered in the source selection decision?
- How will IBR be conducted in SS Process?
- Will Offerors be directly compensated for participation pre-award IBR costs

Acquisition Planning – Written Plan

PLAN OF ACTION

(5) Acquisition considerations – For each contemplated Contract

- Multiyear Contracting, Options, Other Special Contract Methods
- Special Provisions, Clauses, FAR Deviations
- IFB or RFP and Why
- Equipment Acquired via Lease or Purchase
- Rationale if not Performance Based Acquisition (PBA) or if PBA for Services and ;other than Firm-Fixed Price

Acquisition Planning – Written Plan

PLAN OF ACTION

- (5) Acquisition considerations – For each contemplated Order
- For IT how the capital planning and investment control requirements of 40 U.S.C. 11312 and OMB Circular A-130 will be met
 - Why this action benefits the Government
 - When agency can accomplish its mission more efficiently and effectively
 - When ordering through IDIQ facilitates access to FAR Part 19 Concerns
 - For IT using Internet Protocol
 - Whether requirements documents include the Internet Protocol compliance requirements specified in 11.002(g) or a waiver by Agencies Chief Information Officer

Acquisition Planning – Written Plan

PLAN OF ACTION

(5) Acquisition considerations – For each contemplated Contract and Order

- Strategy to transition to firm-fixed-price contracts to the maximum extent practicable

Acquisition Planning – Written Plan

PLAN OF ACTION

- (6) Budgeting and funding
 - Estimates, How Derived, Schedule for obtaining when required
- (7) Product or service description
- (8) Priorities, allocations, and allotments
 - If urgent, method to obtain and reason
- (9) Contractor versus Government performance
 - Consider OMB Circular No. A-76

Acquisition Planning – Written Plan

PLAN OF ACTION

(10) Inherently governmental functions

- Considerations

(11) Management information requirements

- System used by Government to monitor contractor's effort
- If EVM:
 - Methodology
 - How KTR EVMS will be verified for compliance with the American National Standards Institute/Electronics Industries Alliance (ANSI/EIA) Standard-748, EVMS
 - Timing and conduct of IBRs

Acquisition Planning – Written Plan

PLAN OF ACTION

(12) Make or buy

(13) Test and evaluation

- Test program of the contractor and the Government
- Test program for each major phase of a major system acquisition
- If concurrency, extent to be accomplished before production release

• (14) Logistics considerations

Acquisition Planning – Written Plan

PLAN OF ACTION

(15) Government-furnished property

- To be furnished, availability, schedule

(16) Government-furnished information

- Examples: Manuals, Drawings, and Test Data, to be provided
- Monitor Access and Distribution (Tech Specs, Maps, Bldg Designs, Schedules)

(17) Environmental and energy conservation objectives

Acquisition Planning – Written Plan

PLAN OF ACTION

(18) Security considerations

- Established, Maintained, Monitored
- IT -- How Info Security Requirements Met
- Personal Identity Verification of KTRs

(19) Contract administration

- Inspection/Acceptance Enforced

Acquisition Planning – Written Plan

PLAN OF ACTION

(20) Other considerations

- Standardization
- Defense Production Act
- Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act)
- Foreign Sales Implications
- Special requirements for contracts to be performed in a designated operational area or supporting a diplomatic or consular mission;
- Industrial Readiness
- OSHA

Acquisition Planning – Written Plan

PLAN OF ACTION

(21) Milestones for the acquisition cycle

- 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 and F approval.

Acquisition Planning – Written Plan

PLAN OF ACTION

(21) Milestones for the acquisition cycle (Continued)

- 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.

Acquisition Planning – Written Plan

PLAN OF ACTION

(22) Identification of participants in acquisition plan preparation (Include Contact Info)

7.106 -- Additional Requirements for Major Systems

7.107 -- Additional Requirements for Acquisitions
Involving Bundling

7.108 -- Additional Requirements for Telecommuting

Acquisition Planning

Quality Assurance Surveillance Plan (QASP)

Should include...

- Description of Roles and Responsibilities of those Implementing the QASP
- Explanation of Methods and Frequency
- Documentation Levels required by Government and Contractor
- Procedures for Resolving Discrepancies
- How Gov't will Notify Contractor of deficiencies, and
- How Gov't will determine Contractor's Degree of Responsibility

The QASP is NOT incorporated into the contract

Don't duplicate the contractors QA program, practice insight rather than oversight



Review and Document Current Performance

Cost / Quality / Schedule

- What is the current perception of performance?
 - Is it measureable?
 - Identify any current performance problems?
 - From Government perspective
 - From Contractor perspective
- What is the current cost?
 - What is the expectation for future costs?
 - Could we gain price/cost advantage by realigning expectations in specific areas?
- Is the current service being delivered on a timely basis?

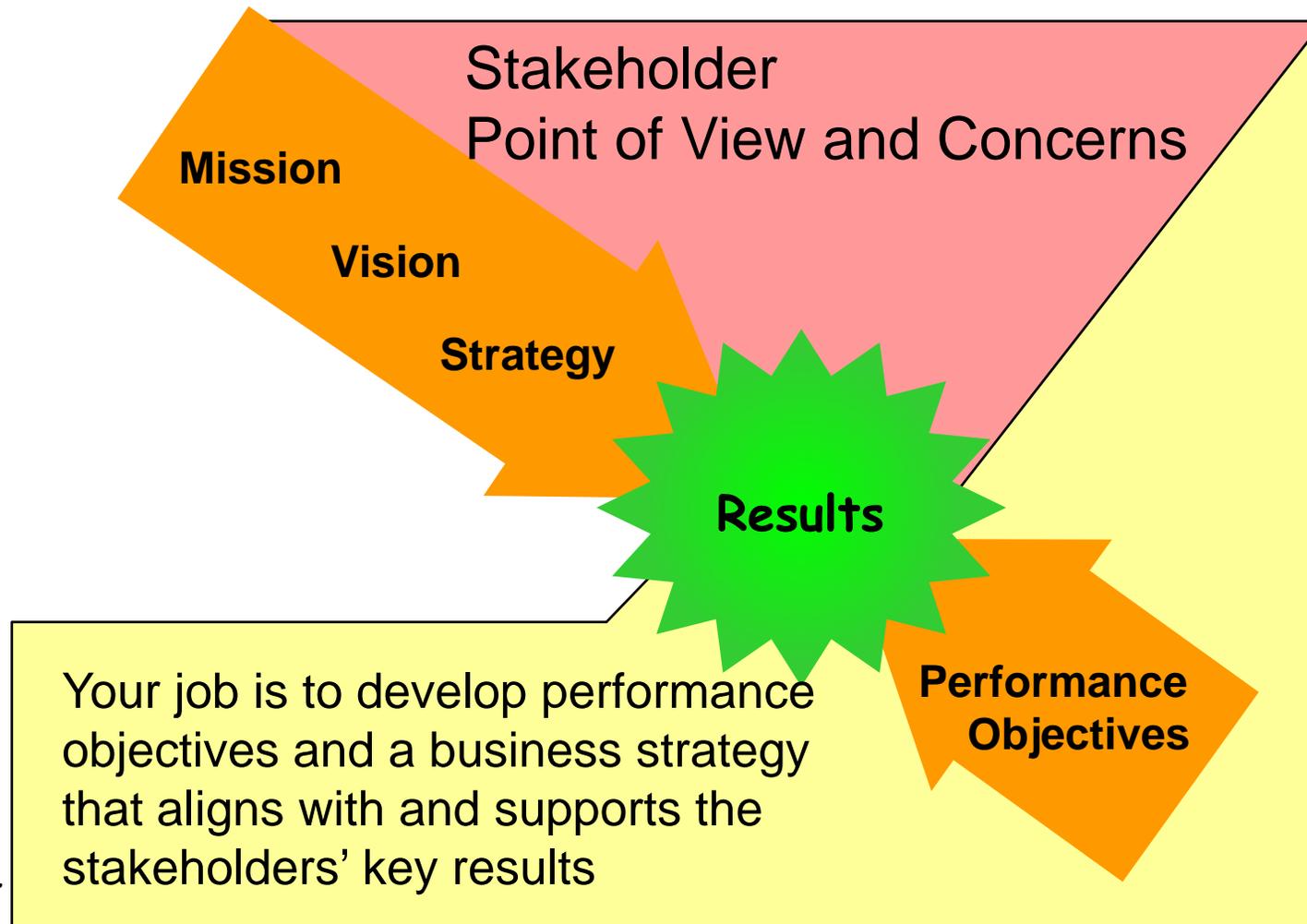
Review and Document Current Performance

Cost / Quality / Schedule

- Determine how your Stakeholder(s) define success
 - Does the current product/service satisfy stakeholder and customer needs?
 - If not, why not? Define this as specifically as possible
- Assess the current level of performance
 - Are the customers currently satisfied?
 - If not what needs to change?
 - Could we gain price/cost advantage by realigning expectations in specific areas?
 - Less in some areas, but perhaps a higher level in others?
 - How do your stakeholders and customers define their performance outcomes?
- Capture stakeholders concerns through an interview

Align Mission And Performance Objectives

- Focus on what outcomes or results are required, not on what resources are needed



Learn.

Focus On The Desired Results

- Focusing the team on the desired results is predicated on knowing the answers to two questions...
 - “What performance results do we need?”
 - “How will we know when we get them?”
- The answers to these two questions are found in the Performance Work Statement
 - Performance Tasks
 - Performance Standards
 - Performance Assessment

Market Research – What is It?

Tactical and Strategic

Market Surveillance

- Ongoing Familiarity With a Market
 - Trade Shows
 - Research Reports
 - Trade Journals
 - Symposia Proceedings
 - Internet
 - Professional Organizations
 - Other sources

Market Investigation

- Collect, Evaluate & Analyze Specific Information to meet Agency Needs
 - Identify potential sources
 - Survey Manufacturers
 - Analyze Responses
 - Terms and conditions

Product Available

- Proceed with
 - Commercial Buy
 - Components
 - Non-commercial

Purpose

- Revise Requirement?
- New Development?
- Existing Documents?



Learn. Perform. Succeed.

Market Research – Formal Approach

Usually Organized by the Contracting Officer:

Industry Day Conferences

Public Hearings

Pre-solicitation Notices

Draft RFP/Specification

Pre-solicitation Conference

One-on-One Meetings



Timeliness, Quality, Cost & Tradeoffs

Market Research

Helps you identify:

- Who's buying this service?
 - Both in the government and private industry
- Who's providing this service?
 - To government and private industry
- How is the service being purchased?
 - Types of contracts, incentives, how they are structured
- How are the contractors delivering the service?
 - Address performance results, measures/metrics, customer satisfaction, cost and value assessments
- Required for all acquisitions

Team Approach for Market Research

- Requires a team approach
 - Integrated team design should build bridges
 - All members participate and share information
 - Allows for the necessary “cross-check”
 - Team shares depth and breadth of knowledge
- Leverage team expertise
 - As team develops their understanding of requirements and the business solution their ability to analyze the marketplace increases.

Conducting Market Research

- Decide who will do what and by when
 - Research methods
 - Interviews, questionnaires, literature search
 - Sources of information – buyers and sellers
 - Timeline – don't skimp on market research time!
- Develop standard interview guide
 - Match to priorities and lessons learned
 - Form leading questions, not “yes or no” questions
 - Decide what the team will do with the answer before you ask the question
- Use a structured method for collecting information

Talk to Public Sector Counterparts

- Innovations are occurring in public sector
 - Consider DoD and non-DoD public agencies
 - May even find solutions with state and local agencies
- Cross-agency cooperation and collaboration
 - Many federal agencies have “solved” your problem
 - Could provide services through an interagency agreement or through an existing multiple-award contract vehicle
 - Agencies with similar needs may be able to provide lessons learned and best practices

Talk to Private Sector Companies

- Contact with vendors and suppliers for purposes of market research is encouraged
- Should understand commercial offerings, capabilities, and business practices
- Some of the traditional ways to do this include
 - Issue “sources sought” type notices
 - Requests for Information
 - Hold pre-solicitation conferences
 - Cold Call! Pick up the phone and call company representatives

The real key is to begin market research early in the Acquisition Process

Consider One-on-One Meetings With Industry

- One-on-one meetings are more effective than pre-solicitation or pre-proposal conferences
- Effective in focusing on:
 - Commercial and industry best practices
 - Performance metrics and measurements
 - Innovative delivery methods for the required services
 - Incentive programs that providers have found effective
- Consider industry associations - i.e. Professional Service Association (PSA), Armed Forces Communications and Electronics Association (AFCEA)

**What benefit can you get from
in-depth one-on-ones?**

One-on-One Meetings (Continued)

- One-on-ones can:
 - Expand the range of potential solutions
 - Change the very nature of the acquisition
 - Enhance the performance-based approach
 - Be your first step to an “incentivized” partnership
- FAR 15.201(f) provides “General information about agency mission needs and future requirements may be disclosed at any time.”

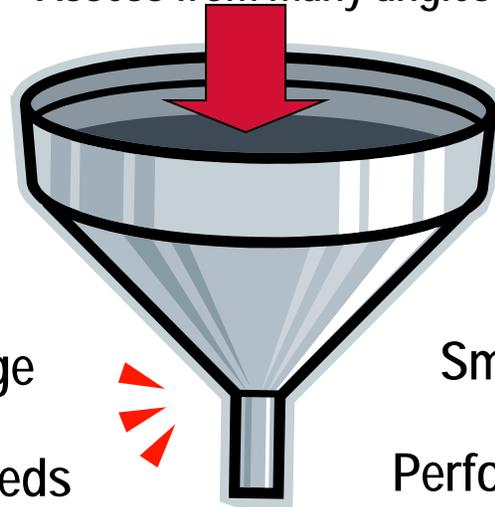
Master Market Knowledge

- What are “best practices” for defining and acquiring this type of service
 - Industry
 - Government
- What is your leverage in the market
- Is there adequate competition
- Who is driving innovation and improvements
- What are Small Business opportunities and suppliers

Market Research Analysis and Impact

MARKET DATA Collected

Assess from many angles



New technologies

Competition

Market Leverage

Compare/Contrast to Needs

Pricing/Value Comparisons

Market Trends (Supply/Demand)

Small Business Opportunities

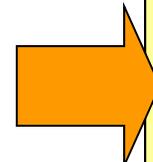
Performance Metrics

Conduct

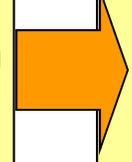
MARKET ANALYSIS

Whole Team
reviews
assessments

Learn. Perform. Succeed.

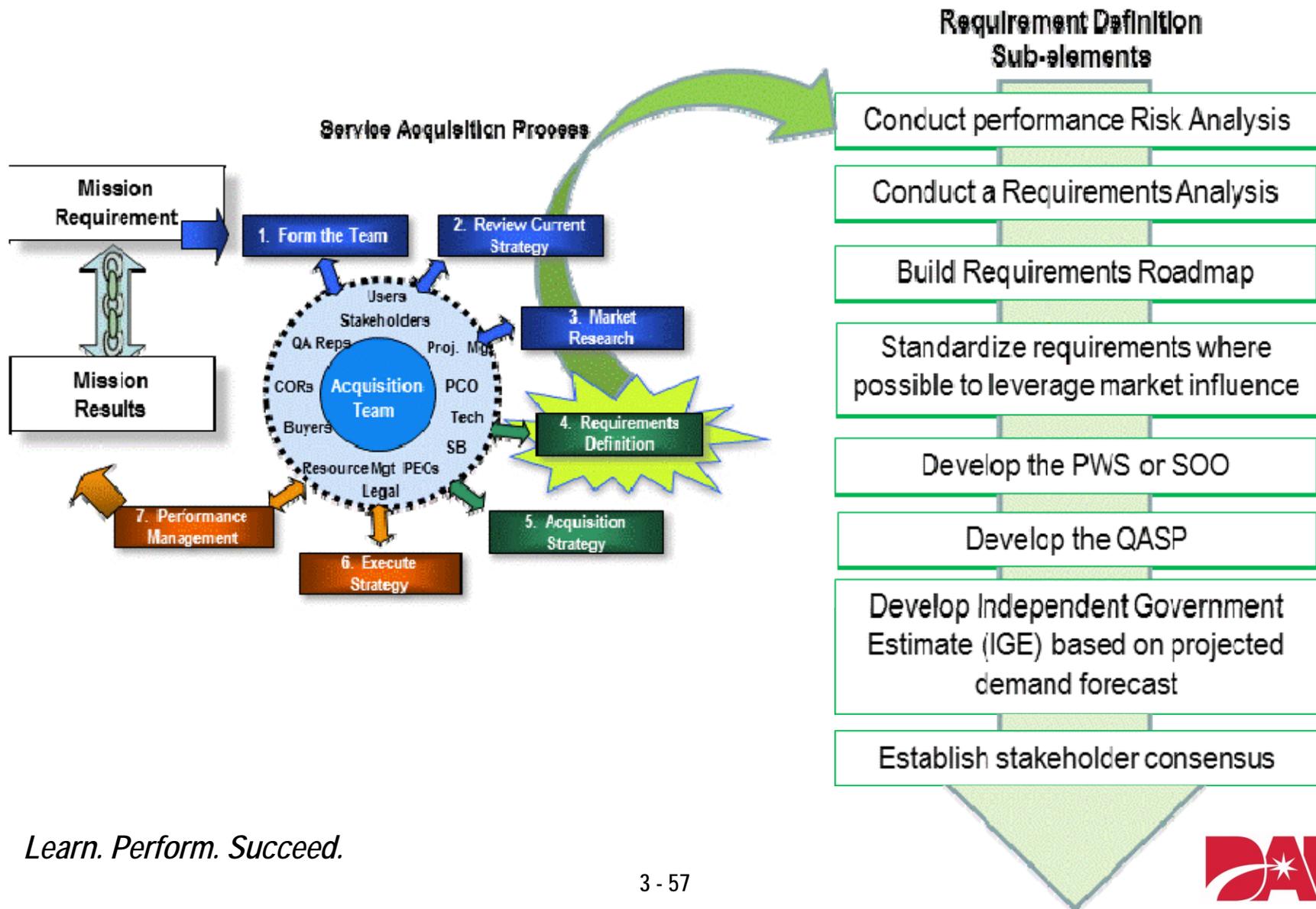


**Market
Research
Report**



**Business
Case for
Change**

Requirement Definition



Learn. Perform. Succeed.



Developing Requirements

When developing requirements:

Use market research

Promote full and open competition

Limit use of restrictive provisions to satisfy agency needs

Look for commercial solutions

Limit Design Specs, focus on functional, performance & physical characteristics

Developing the Requirements Document

The KO and contractor need a concise description of what the customer needs... good questions to ask:

The Team should consider:

- The intended use for the product or service
- How often it will be used and/or quantity of item needed
- The competitive climate
- Resources and research available on the product or service
- Statutes, rules, policies or legislative action that might impact
- Current environment, constraints or framework
- Controls available to ensure successful performance
- Items to be physically delivered i.e. deliverables (design, report, prototype, software)
- Priorities
- Risks

Developing Requirements - Specifications

What is this?

- Galvanized heavy gauged spring
- No slip finger grip ends
- Interlocking bite
- Outer-locking coils to maintain stability
- Non Staining
- Non-strategic, environmentally friendly materials

Specifications



Developing Requirements - Specifications

DESIGN	PERFORMANCE	FUNCTIONAL
<ul style="list-style-type: none"> • Describes in precise detail materials employed • Manner work is to be performed • How to do it! 	<ul style="list-style-type: none"> • Sets forth an objective or standard to be achieved • Contractor expected to exercise ingenuity in achieving objective or standard, selecting the means and assuming corresponding responsibility • Preferred for service contracts 	<ul style="list-style-type: none"> • Describes work to be performed in terms of end purpose or ultimate objective • May be described as a "subset" of performance specifications • Preferred for supply contracts

FAR 11.002

Many Specifications "mingle" the types together

Learn. Perform. Succeed.

Where to Find Specifications

DoD specifications	Government Specifications (Other than DoD)	Commercial Item Descriptions
<ul style="list-style-type: none"> • MIL-STD-961 • DoD 4120.24-M 	<ul style="list-style-type: none"> • GSA FPMR 101-29 HDBK 	<ul style="list-style-type: none"> • DoD 4120.24-M • GSA FPMR 101-29 HDBK
See FAR 11.201(d)		

Non-government (Commercial) Specifications

- Applicable National or International Technical, Professional, or Industry Standards Body;
 - American National Standards Institute (**ANSI**)
 - American Society of Mechanical Engineers (**AMSE**)
 - International Electro-technical Convention (**IEC**)
 - International Organization for Standardization (**ISO**), etc.

Statement of Work (SOW)

The portion of the contract that describes work to be done through the use of:

Specifications
& Detailed
Quality
Standards

Minimum
requirements

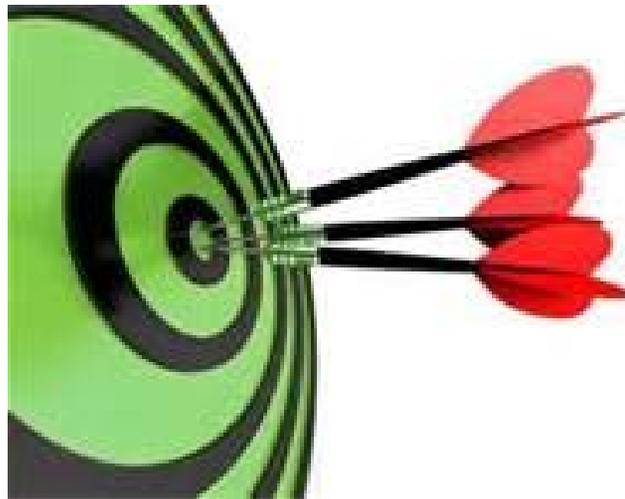
Quantities

Performance
dates

Time and
location of
performance

Performance Work Statement (PWS)''

Means a statement of work for performance-based acquisitions that describes the required results in *clear, specific* and *objective* terms with measurable outcomes



Statement of Objectives (SOO)

Government Prepared Document Incorporated into the Solicitation that:

- States the overall performance objectives
- Used in Solicitations when Government Intends to Provide:
- Maximum flexibility to each offeror to propose an innovative approach

Offerors then Write SOW or PWS Based on their Approach

- Methods
 - Skill Mix
 - Schedules
 - Quality Control
- Winning SOW/PWS Incorporated into final Contract

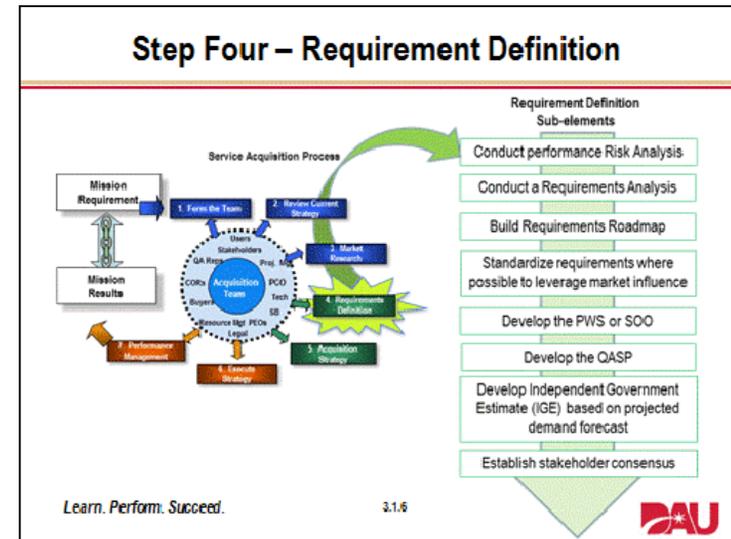
How to Write a SOW / PWS / SOO

Visit the Service Acquisition Mall for help!

http://sam.dau.mil/Content.aspx?currentContentID=step_four_requirements_definition

Make sure you understand:

- ✓ Work to be performed
- ✓ Location of the work
- ✓ Period of performance and timeline
- ✓ Deliverable schedule
- ✓ Any distinct requirements
 - Security clearances
 - Travel required
 - Special skills or knowledge



Acquisition Planning - Summary

- Why?
- Who?
- When?
- What?
 - Written Plan
- Current Strategy and Desired Results
- Market Research
- Developing Requirements