
ACQUISITION PLAN
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ACQUISITION PLAN
General

1. GENERAL

1.1 Introduction. Acquisition planning is the internal management control system whereby the efforts of all Bureau personnel responsible for the contractual acquisition of supplies and services are coordinated and integrated for the purpose of obtaining a quality item, in a timely manner, and at the lowest sound price; and to otherwise implement the acquisition management policies of the Bureau.

1.2 Background. The principal purpose of the Acquisition Plan (AP) is to facilitate attainment of specific program objectives as they relate to the Bureau's mission. The AP must identify, therefore, those milestones at which decisions should be made. The AP should provide a matrix for the integration and coordination of the efforts of all Bureau personnel engaged in the management of the contract acquisition process, including those engaged in the program, budget, technical, policy, and acquisition areas. The AP shall include information necessary to predict potential problem areas and delays in advance, measure actual performance in comparison to planned activities, and provide for early resolution of difficulties.

ACQUISITION PLAN
Policy

2. POLICY

2.1 General. It is the policy of the Department (IPR 14-1.50 and 404 DM 1-6) and the Bureau to ensure that all program officials in each contracting activity/location shall prepare an Acquisition Plan (AP) for anticipated contract acquisition requirements for each succeeding fiscal year in order to:

A. Properly schedule the initiation of contract acquisition actions to meet Bureau needs.

B. Plan a uniform and equitable distribution of contract acquisition assignments during an entire fiscal year.

C. Assess the adequacy of current program and contract acquisition resources (human and fiscal) in meeting anticipated acquisition requirements.

D. Establish a management system for monitoring contract acquisition activities and updating acquisition action schedules as requirements/changes occur.

2.2 Scope. An AP shall be prepared by all (non-procurement) program officials at each Bureau contracting activity/location on a program activity basis (including Government-furnished equipment and system support) for contract acquisition activities where each acquisition cost for supplies and services is estimated in excess of \$10 thousand per item for any fiscal year. Each acquisition in excess of \$10 thousand is to be reported, as required by 404 DM and this Supplement. (See Illustration 3).

A. With the exception of the unusual or emergency one-time purchases that may not appear in the AP, no contract acquisitions shall be developed by the Contracting Officer for the succeeding fiscal year until and unless: (1) the AP has been approved by the Acquisition/Assistance Agreement Review Committee (ARC) based on this instruction. (See 19 BIAM Supp. 2, Charter for Acquisition/ Assistance Agreement Review Committee); and (2) the AP Summary (see Illustration 2) is reviewed by Central Office and approved by the Deputy Assistant Secretary - Indian Affairs.

B. Central/Area Office Directors shall exercise the major role and responsibility in planning and developing their respective AP's to phase the acquisitions over the succeeding fiscal year to prevent overloading in the last quarter. Cognizant Contracting Officers shall serve as resource facilitators and coordinators in assisting Bureau personnel in implementing their respective plans.

C. Program managers shall ensure early identification of potential opportunities for contract acquisitions with socially and economically disadvantaged firms. This action will conform to Departmental and Bureau policy

ACQUISITION PLAN
Policy

for minority business enterprises. (See 19 BIAM Supp. 13, Establishment of Small Business/Minority Business Council).

D. Acquisition Plans shall be developed for Bureau needs that are mission-oriented. There shall be a cost-benefit analysis of each acquisition over \$10 thousand and allowance made for sufficient time to obtain competition. The analysis shall be provided as part of paragraph 4.2B below.

E. Noncompetitive acquisitions (Pub. L. 93-638 tribal organizations exempted) shall not be prepared by program officials nor processed by Contracting Officers during the last quarter of the fiscal year except under emergency situations that impact on the health or welfare of constituent Tribal governments. Compliance with this directive is essential for minimizing nonessential end-of-year purchases, as well as guarding against waste and abuse in the procurement process.

F. The provisions of this instruction apply to contracts awarded under the authority of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, 25 U.S.C. 450 et seq.) that exceed \$10 thousand.

ACQUISITION PLAN
Responsibilities

3. RESPONSIBILITIES

3.1 General. Each Central/Area Office Director has overall responsibility for the requisite acquisition planning and for all other management planning for the program. Contracting Officers and their designees shall support the program official by maintaining the AP. The program official shall analyze and prepare the respective Bureau program acquisition activities as an AP for review by the Acquisition/Assistance Agreement Review Committee (ARC), as reflected in 19 BIAM Supp. 2, Charter for Acquisition/Assistance Agreement Review Committee.

3.2 Applicability. The Central/Area Office Director must ensure that the goals and objectives of the AP are realistic, achievable, and consistent with the mission and needs of the Bureau and with the specific Bureau activity the AP supports.

ACQUISITION PLAN
Procedures

4. PROCEDURES

4.1 General. Acquisition planning involves analysis of the contract acquisition requirements and documentation of technical, financial, policy, program, and other acquisition considerations into a comprehensive Acquisition Plan (AP) portraying realistic milestones to be met in achieving the mission and goals of the Bureau and any specific program over its acquisition life-cycle. The AP should be keyed to the Bureau's mission, policy planning, Tribal government needs, and applicable budget submissions, as appropriate.

4.2 Initiation of Acquisition Planning. Acquisition planning shall commence with the initiation of the documentation to obtain program (and higher authority) approval. Ideally, the AP should be prepared concurrently with the request for program funding. However, this approach may not be feasible with a one-time acquisition. For this reason, all Bureau contract acquisition activities shall submit their Acquisition Plan (AP) for the succeeding fiscal year to their respective Acquisition/Assistance Agreement Review Committee (ARC) during the third quarter (April-June) of the current fiscal year, as referenced in 19 BIAM Supp. 2, Charter for Acquisition/Assistance Agreement Review Committee.

A. During budget formulation, acquisition planning shall be accomplished for all proposed contract actions in the following categories with an estimated cost of \$300 thousand or more for each item: (1) ADP equipment, software, and services; (2) Construction, maintenance, repair and alteration of real property; (3) Supplies; (4) Personal property and maintenance thereof; (5) Consulting and management services; (6) Other professional and technical services. Compliance reviews for OMB Circular A-76 shall also be conducted at the time of the annual budget formulation procedure. This planning copy shall be retained by each Contract Office and serve as a performance indicator for the FY + 2 operations.

B. During the third quarter of each fiscal year (April-June), all proposed contract actions in excess of \$10 thousand shall be prepared, reviewed, and reconciled as reflected in this Supplement.

4.3 Requirements for Updates. An AP shall be updated by the program official (as appropriate or necessary) in accordance with specific dates set forth in the AP or with changes which may occur that will materially affect the method of contract acquisition and/or objectives of the AP.

4.4 Compliance. The AP shall reflect data and information for each contract item over \$10 thousand proposed for the succeeding fiscal year.

A. For each contract item, the AP shall include the schedule items in Illustrations 1 and 2. The Illustration 1 shall be retained by the procurement activity as part of its AP file.

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Procedures

B. The AP (as in Illustration 2) approved by the Acquisition/Assistance Agreement Review Committee (ARC) shall be received in Central Office (Code 660/4) no later than September 1 of the current fiscal year. Quarterly updates (if any) shall be provided to the Contracting and Grants Administration Staff (Central Office) during the first week in each quarter of the fiscal year covered by the AP.

C. Central Office shall prepare an analysis and compilation of the total Bureau AP for the next fiscal year. It shall be submitted to the Department in accordance with the requirements of 404 DM. Each Bureau AP shall be approved in writing by the Deputy Assistant Secretary - Indian Affairs. No contracts are to be modified or awarded in the new FY without this approval.

D. Monitoring of procurement planned activities consistent with the submitted AP shall be done by periodic review of data encoded on the IPDS Form DI-1869.

ACQUISITION PLAN
Review and Monitoring

5. REVIEW AND MONITORING

5.1 Responsibility. The AP shall be monitored and updated through coordination by responsible Central/Area Office Directors and the Contracting Officer as changes in requirements occur during the life-cycle of the AP.

A. Bureau executives and their respective Contracting Officers shall exercise appropriate management controls to ensure the effective and efficient implementation of this instruction. Special attention shall focus on: (1) The timely preparation and review of the AP during the third quarter; (2) The reduction of wasteful practices resulting from hurried or unnecessary end-of-year acquisitions; (3) The enforcement of procurement procedures providing sufficient lead-time and cut-off dates; (4) Careful analysis, review and close control of acquisition requirements with potential for high waste vulnerability (consulting services, certain equipment, periodicals, pamphlets, or audiovisual products); (5) Flexibility in allowing revisions of the AP, but only to reflect budget or program direction changes and emergencies; and (6) Resolving disagreements between acquisition and program offices.

B. Each Bureau contracting activity shall initiate and keep a log of major or high waste vulnerability contract actions during the fiscal year. Log entries shall include: acquisition (purchase order or contract) number; amount of the acquisition, including modifications; start-and-end dates of the acquisition; name of contractor; and acquisition requirement.

C. Compliance with, and the effectiveness of, the policy and procedures outlined herein will be evaluated during the course of annual management audits by the Contracting and Grants Administration Staff (Central Office). The Department will monitor adherence to the AP by periodic review of IPDS Form DI-1869.

5.2 Format for AP. Illustration 1 is in the correct format for a required submission of an AP by program officials to their cognizant Contracting Officer and Acquisition/Assistance Agreement Review Committee. It may be modified to suit the contract acquisition being planned. The format shall be used by program officials in preparing an Acquisition Plan (AP) for the succeeding fiscal year for all proposed contract acquisitions in excess of \$10 thousand. Illustration 2 is a Summary Report that is to be provided by each Bureau contracting activity/location to the Contracting and Grants Administration Staff (Central Office) no later than September 1 of the current year.

U.S. Department of the Interior
Bureau of Indian Affairs

ACQUISITION PLAN FORMAT

A. Instructions. The narrative portion of the AP should be brief but comprehensive. It shall provide not only the background necessary for the Acquisition/Assistance Agreement Review Committee (ARC) to understand each proposed acquisition but also the plan for contract acquisition of the supplies or services, including the rationale and assumptions upon which the AP is predicated. It should reference other documents, where applicable.

B. The AP is to be prepared by the cognizant Bureau program official who anticipates acquisition requirements in the upcoming fiscal year. The completed AP is to be submitted to the Contracting Officer for presentation to the Acquisition/Assistance Agreement Review Committee (ARC) for review and approval. A copy of the approved AP package from each contracting activity is to be forwarded to the Contracting and Grants Administration Staff upon ARC approval no later than September 1 of the current fiscal year. (See Illustration 2).

C. A milestone technique will be employed. The milestone technique identifies (1) the calendar dates at which critical decisions must be made, and (2) time factors that must be observed (e.g., when action is necessary or to make a competitive buy possible). The milestones normally cover the periods from preparation of an Acquisition Request (AR) (see 19 BIAM Supplement 3), awarding of the contract, and the delivery of the acquired item. The milestones tell the story of time, cost, and quantity of desired supplies or services--illustrating milestones which must be recognized in the management decision-making process.

The AP format follows and is to be used by all Bureau contracting activities for projecting each contract acquisition exceeding the threshold level of \$10 thousand. The composite of all proposed acquisition requests at a Bureau contracting activity constitutes the AP package. This composite information is entered in Illustration 2 and submitted to the Contracting and Grants Administration Staff (Central Office).

U.S. Department of the Interior
Bureau of Indian Affairs

Acquisition Plan No. _____

Contract Activity/Location _____ for FY _____

Program _____

Bureau Program Official _____
(Name, Code, Telephone)

Description of Program/System/Service

General Provisions To Support the Acquisition
(Narrative Portion)

1. A description of the supplies or services to be acquired by contract. Include a brief nontechnical description and statement of general application to Bureau mission, policy, goals; to tribal government self-development; and a description of associated materials and services. Discuss related in-house effort.
2. Program Funding, including a summary of monies in the FY budget submissions. Include specific references to budget line items and program elements (where applicable) and estimated cost. Describe the estimated cost for the acquisition and how the cost was derived.
3. Delivery requirement. Describe the basis for establishing the delivery requirement and justification for any urgency, or describe the basis for justification for non-competitive acquisition.
4. Integrated support planning. Describe the extent of interdisciplinary support planning to date, including references to approved plans.
5. Management information/program control requirements. Discuss, as appropriate, what management system will be used by the Bureau to monitor the contractor's effort.
6. Government furnished material/facilities/component breakout. Indicate material and facilities that will be furnished to contractors and any problems associated therewith.

7. Application of "should cost." Describe how the proposed contract amount was determined.
8. Milestone for updating the AP. Indicate when the AP will be updated. (Optional)
9. Proposed sources and basis for selection. If noncompetitive acquisition is recommended, discuss why competition cannot be used and attach justification for noncompetitive procedure.
 - (1) Other considerations, as applicable. Discuss application of Small Business, Buy Indian, Labor Surplus Area, energy conservation and environmental impact measures, special contractual clauses, FPR or 41 CFR deviations, and Indian Self-Determination [Section 7(b)].
 - (2) Milestones for the acquisition cycle. Address the following subjects and any others, as appropriate:
 - (a) Submission date of AR.
 - (b) Contract award date.
 - (c) Date of start/completion of contract work.

Approved: _____ Date _____
Central/Area Office Director

_____ Date _____
Chairperson, ARC

_____ Date _____
Contracting Officer

Summary Report FY 19XX Acquisition Actions
 Location: Bureau of Indian Affairs
 As of 1 September 19XX

Part I: Planned acquisition actions obligating \$300,000 or more:

<u>Description of Action</u> (1)	<u>Estimated Obligation Amount</u> (2)	<u>Planned Quarter for Obligation</u> (3)	<u>Point of Contact at Location</u> (4)	<u>Set-aside Goals</u> (5)
-------------------------------------	---	--	--	-------------------------------

- (1) Provide short narrative description of proposed contract action.
- (2) Estimated dollar value of obligations.
- (3) Quarter within next FY in which you plan to award contract. (e.g., Q III, FY 19XX).
- (4) Name and telephone number of person who can provide more detailed information if needed.
- (5) Dollar amount of this action as set-aside goals for either 8(a), minority (mb), or small business (sb).

Part II: Summary of Planned acquisition actions obligating less than \$300,000.

	Q I	Q II	Q III	Q IV	TOTAL
<u>Actions</u>	<u>Obligations*</u>	<u>Actions</u>	<u>Obligations*</u>	<u>Actions</u>	<u>Obligations*</u>
1,000	\$1,000,000	4,000	\$2,000,000	10,000	\$15,000,000
*	\$ 500,000 (sb)	\$ 400,000 (8(a))	\$ 8,000,000 (m/sb)	2,000	\$1,000,000
				(mb)	\$ 60,000
					\$ 8,960,000

E X A M P L E

* Indicate dollar amount each quarter as set-aside goals for either 8(a), minority (mb) or small business (sb).

Part III: Estimated Small Purchase Activity.

- (1) Estimated Total Transactions (excluding P.L. 93-638): _____.
- (2) Estimated Total Dollar Value (000): \$ _____.
- (3) Estimated Total P.L. 93-638 Transactions: _____.
- (4) Estimated Total Dollar Value (000): \$ _____.

DEPARTMENTAL MANUAL



TRANSMITTAL SHEET

PART 404 DM 1-6	SUBJECT PROPERTY AND SERVICES Procurement Planning	RELEASE NUMBER 2388
FOR FURTHER INFORMATION, CONTACT Office of Acquisition and Property Management		DATE FEE 17 1982

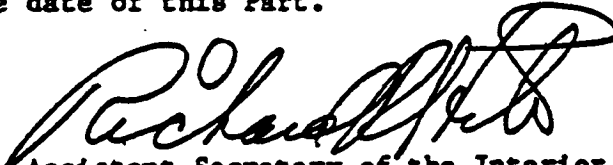
EXPLANATION OF MATERIAL TRANSMITTED:

This release transmits a new DM Part which provides instructions for implementing a procurement planning system within the Department of the Interior.

This new Part is structured as follows:

- Chapter 1 Purpose; Objectives
- Chapter 2 Scope; Policy; Criteria
- Chapter 3 Authority; Responsibility
- Chapter 4 Definitions
- Chapter 5 Procedures
- Chapter 6 Reports

Each bureau is requested to provide the Office of Acquisition and Property Management (PAM) with two copies of their implementing instructions within 60 days of the date of this Part.


Deputy Assistant Secretary of the Interior

FILING INSTRUCTIONS

Remove:

None

Insert:

404 DM 1-6
(15 sheets)

1.1 Purpose

A. Procurement planning is the process by which the efforts of all Department of the Interior personnel responsible for the acquisition of supplies and services by contract are integrated and coordinated.

B. Its purpose, therefore, is to provide management and other affected parties with information to identify and schedule procurement requirements in advance of needs so as to ensure adequate lead time to accomplish the procurement actions necessary to meet program requirements. In addition, an effective procurement planning system will enable bureaus and offices to avoid the traditional year-end rush to obligate expiring funds; to establish realistic business and economic development procurement goals and to monitor their achievement; to identify and monitor commercial/industrial services as required by OMB Circular A-76 (See 403 DM 1-11); to assist in the review of proposed consultant service contracts in accordance with the requirements of OMB Circular A-120 (see 365 DM 1); and to assist in workload planning in both the program office and the contracting office.

1.2 Objective. To analyze each applicable contract requirement in terms of what is needed, when it is needed, and where it is needed and then to develop a plan for acquiring the needed supplies or services within the constraints of law, policy, technology, personnel, resources, organization, and external business and economic factors.

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Property and Services

Part 404 Procurement Planning

Chapter 2 Scope; Policy; Criteria

404 DM 2.1

2.1 Scope. This Part 404 DM applies to all bureaus and offices within the Department of the Interior.

2.2 Policy. It is Departmental policy that procurement planning shall be accomplished to assure that contracts, meeting all the requirements of law, policy, and regulation, are issued in a timely manner. Within the Department of the Interior, formal procurement planning will be accomplished on two levels of detail.

2.3 Advance Procurement Plans

A. The first level of procurement planning is accomplished during budget formulation and identifies contractual effort associated with bureau and office budgets, coordinates that effort with the appropriate contracting office, and schedules it in such a manner that both program and contracting office objectives are met in the most efficient and effective manner possible. Planning during budget formulation is on a macro or gross level, and it is primarily the responsibility of the program or requiring office.

B. During budget formulation, advance procurement planning shall be accomplished for all proposed contract actions in the following categories with an estimated cost of \$300,000 or more:

- (1) ADP equipment, software, and services*
- (2) Construction, maintenance, repair and alteration of real property
- (3) Supplies
- (4) Personal property and maintenance thereof
- (5) Consulting services
- (6) Other professional and technical services

C. While the threshold for formal advance procurement planning is set at \$300,000, bureau and office management should strive to develop advance procurement planning techniques that will:

* The Office of Information Resources Management is presently working on an update to 306 DM which will include significant detail direction on the planning required for the acquisition of ADP equipment, software, and services. When published, advance procurement planning for ADP equipment, software, and services must meet the requirements of 306 DM.

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Property and Services

Part 404 Procurement Planning

Chapter 2 Scope; Policy; Criteria

404 DM 2.3C(1)

- (1) cause at least 90% of their transactions to be "planned" in some manner, and
- (2) provide rapid and accurate support to the Office of Small and Disadvantaged Business Utilization (OSDBU) for use in the goal setting process for business and development programs as described in Interior Procurement Regulation (IPR) § 14-1.704-4.

2.4 Individual Contract Plans.

A. The second level of procurement planning is accomplished on a micro or detail level. This planning is accomplished primarily within the contracting office and consists of developing or refining the procurement strategy, identifying each of the factors impacting the procurement action, and scheduling each of the events necessary in order to assure the appropriate contract(s) can be awarded in time to meet legitimate program needs.

B. Except as provided in C below, detailed contract plans shall be prepared for all contemplated purchases by contract with an estimated value of over \$10,000 including but not limited to:

- (1) decisions made pursuant to OMB Circular A-76, Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government. (See 403 DM 1-11); and
- (2) Secretarial determinations and findings made pursuant to 41 C.F.R. 1-3.303. (See 41 C.F.R. 14-3.303(b), Department of the Interior Procurement Regulations.)

C. Individual contract plans do not need to be developed for:

- (1) Contracts and orders with a value of \$10,000 or less,
- (2) Orders placed against mandatory contracts and schedules, for example, Federal Supply Schedules, and,
- (3) Emergency purchases made pursuant to 41 C.F.R. 1-3.202 where preparation of an individual contract plan would result in an unacceptable delay in contract award.

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Property and Services

Part 404 Procurement Planning

Chapter 3 Authority; Responsibility

404 DM 3.1

3.1 Authority. This Part 404 DM is based on the requirement for advance procurement planning established in 41 CFR 14-1.50.

3.2 Responsibility

A. Each bureau and office will develop the detailed methods and procedures necessary to implement the policy prescribed in Part 404 DM. Where practicable, Automatic Data Processing (ADP) systems should be used to assist personnel in accomplishing the planning tasks prescribed herein. Where ADP systems are not readily available, manual methods will be utilized.

B. Advance procurement planning during budget formulation is primarily the responsibility of the project manager or requiring activity with the advice and coordination of the contracting office and business utilization and development specialist.

C. Individual contract planning during budget execution recognizes that the project manager, or other official responsible for the project concerned, has overall responsibility for the necessary procurement planning as he or she has for all other planning for the project. However, primary responsibility rests with the contracting officer to prepare and maintain the individual contract plans, following the overall guidance of the project manager, and coordinating with and enlisting the aid of, as appropriate, cognizant engineering, technical, financial, supply, maintenance, business utilization and development, legal and other functional personnel.

D. The organization or person responsible for preparing the planning documents is also responsible for revising such documents throughout their useful life.

Supp. 4, Release 1, 10/19/83

2/17/82 #2388
New

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Property and Services

Part 404 Procurement Planning

Chapter 4 Definitions

404 DM 4.1

4.1 Procurement administrative lead time (PALT). The time required by a contracting office to go through each of the steps necessary to award a contract. PALT is measured from the receipt of a fully coordinated purchase request or authorization to the actual physical distribution of the subsequent contract to a contractor.

4.2 Purchase request or authorization: A completed and approved requisition (Form DI-1 or equivalent), citing fund certification and including a full description of product or services to be acquired, with a copy of all necessary drawings, specifications and advance approvals.

Supp. 4, Release 1, 10/19/83

2/17/82 #2388
New

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Property and Services

Part 404 Procurement Planning

Chapter 5. Procedures

404 DM 5.1

5.1 General. Each bureau and office shall establish the methods, procedures and approval levels necessary to accomplish procurement planning in accordance with the guidelines set forth herein. To the extent procurement planning systems are already in existence, they should be utilized, modified and updated rather than develop entirely new systems.

5.2 Initiation. Procurement planning should be initiated as early as practicable. Advance procurement plans must be finalized by September 30 for the succeeding fiscal year. Ideally, advance procurement plans should be fully developed, coordinated, approved, and distributed prior to the start of the fiscal year to which they apply. However, it is recognized that this may not always be possible. Individual contract plans should be initiated as soon as the contracting activity becomes aware of a contract requirement meeting the threshold established in 404 DM 2.4.

5.3 Revisions. As with any planning document, periodic revisions may be necessary throughout its useful life. Revisions should be accomplished to accommodate changes which materially affect the method of procurement and/or the objectives of the plan. Revisions should not be made for minor matters. Revisions to all planning documents should be approved at the same level which approved the basic documents.

5.4 Advance procurement planning during budget formulation. (See Illustration 1)

A. Identify, during the latter stages of the budget formulation process, procurements which are planned to be accomplished. 404 DM 5, Appendix 1 provides an illustrative format for a typical advance procurement plan.

B. Determine the appropriate procurement administrative lead times (PALT) for each planned contractual action. Procurement lead times for the purpose of advance planning do not need to reflect each individual step in the procurement process in the same manner as an individual contract plan. Rather, lead times should be expressed in a macro-sense reflecting the overall time from receipt of the procurement request through distribution of the subsequent contract; for example, 180 days. In establishing appropriate lead times the following should be considered:

- (1) the commodity being purchased; e.g., supplies, services, construction, etc.

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Part 404 Procurement Planning

Chapter 5 Procedures

404 DM 5.4B(2)

- (2) the procurement method; e.g., procurement preference set aside, advertised, competitive negotiation, non-competitive negotiation, etc.
- (3) the dollar value of the procurement.

C. Establish purchase request/authorization release dates based on the standard PALTs.

D. Assure that procurement planning documentation is fully coordinated between the program/requirements activity and the contracting activity and approved at an appropriate level.

E. Prohibit release of purchase requests/authorizations to contracting offices if the expiration date of funds involved does not provide sufficient procurement administrative lead time. Exceptions may be permitted if specific coordination and agreement is reached with the contracting office that the procurement can be accomplished on a priority basis within the time available.

5.5 Individual contract plans. Detail plans for individual contractual actions should be tailored to the specific item being purchased. 404 DM 5, Appendix 2, reflects the level of detail required to properly plan for a major purchase while 404 DM 5, Appendix 3, reflects the detail expected on a relatively low value, routine, noncomplex purchase. Each purchasing activity should adopt a businesslike, common sense approach to the level of detail planning required for individual purchasing actions.

5.6 Standard Times. Bureaus are encouraged to develop and use, where appropriate, standard times for individual milestones in individual contract plans and for advance procurement plans if they realistically reflect optimum processing times, are updated on a regular basis, and permit some adjustment by the contracting office to reflect actual or potential circumstances.

5.7 Guidelines for plan development. The following should be considered when developing individual contract plans.

A. Remember that the purpose of procurement planning is to facilitate attainment of bureau and office objectives.

B. Plans should be tailored to suit the needs of the bureau and office and the requirements of the procurement.

C. The plan is the matrix for integrating and coordinating the efforts of all personnel engaged in the procurement process.

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Part 404 Procurement Planning

Chapter 5 Procedures

404 DM 5.7D

D. The narrative portion of the plan should be brief, but comprehensive. It should provide sufficient background to understand the procurement, the plan for contracting for the system, commodity, item or service, and the rationale and assumptions upon which the plan is predicated. It should reference other documents rather than repeat their contents.

E. The use of milestone charts introduces discipline into the planning process by identifying in graphic form the points at which critical decisions must be made and time factors that must be observed when action is necessary to produce an item or to make a competitive buy possible. The chart not only forces consideration of all factors involved, but it also provides a visual portrayal of the decisions necessary to achieve objectives and indicates the time at which they should be made. However, it is important to recognize that the format of a milestone chart is flexible, because the same milestones may not be present in every case.

F. The extent of coverage of each plan will, naturally, depend on the circumstances in existence at the time procurement planning begins. Contracting offices may develop plans to cover an entire system or project; to cover a single solicitation/contract; they may consolidate several individual solicitation/contract efforts into a single plan; or they may wish to develop a single plan to cover one solicitation and several resulting contracts.

5.8 Disposition of Individual Contract Plans. The individual contract plan should be filed with and become a part of the official contract file to which it pertains.

PROCUREMENT PLANNING DURING BUDGET FORMULATION

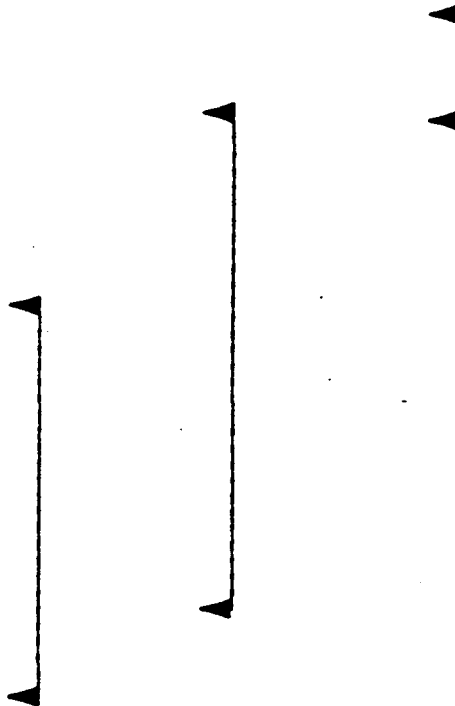
(FIGURE 1)

OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT

Begin gathering and coordinating data for advance procurement plans

Prepare and revise as appropriate advance procurement plans in coordination with purchasing office

3. Finalize advance procurement plans; prepare summary report in accordance with 404 DM 6 and its Appendix 1



ADVANCE PROCUREMENT PLAN - FY XX

OFFICE OF OCEANBED MINING
Bureau/Office

BASIC: July 15, 19XX Date
REVISION NO. 4 September 3, 19XX Date

REQUIRING ACTIVITY: Program Manager, Office of Oceanbed Mining

PURCHASING ACTIVITY: Los Angeles Purchasing Office

Description of Supplies or Services Required	Estimated Cost	Sole Source	Potential Source(s)	Remarks	Required or Desired Delivery Date	Estimated Production Lead Time	Contemplated Procurement Method and Procurement Administrative Lead Time	Purchase Request/ Authorization to Buying Office
Design, develop test, and evaluate Deep Ocean Mining Vehicle (DOMV)	\$ 8 million	Yes	Omega Mining Equipment, Co., Inc.	See report A-516 dated Jan. 11, 19XX for discussion of the significance of this project	June 15, 1990	2-years	Negotiated 180 days	Jan. 11, 1988
Survey of Potential Mining Areas	\$ 3 million	No	ABC Engineers, PA Ocean Measurement Ltd. XYZ Surveys, Inc.	None	Feb. 15, 1988	13 months	Small Business Set Aside 150 days	July 7, 1986

PREPARED BY: J. Smith, Planning Division

APPROVED BY: C. Jones, Project Manager

404 DM 5
Appendix 2

ILLUSTRATIVE CONTRACT PLAN FORMAT FOR THE PROCUREMENT
OF A COMPLEX HIGH VALUE ITEM

Project Identification: _____

Bureau/Office: _____

Contracting Officer: _____

Approvals:

Procurement: _____ Date: _____

Project Manager: _____ Date: _____

1. Description: Description of supplies and services covered by this procurement plan. A brief non-technical description including its intended use, if appropriate.
2. Project Funding: Include specific reference to budget line items, fund citations, purchase request or authority, total estimated cost, and planned obligation date. If this plan covers multiple contracts and/or incrementally funded contracts, include as an attachment 2, a planned obligation schedule. (See Format 1)
3. Delivery Requirements: What are the delivery requirements and what is the basis for establishing those requirements? Does the required delivery date or initial operational capability (IOC) date impact the overall procurement strategy? In what way? Would that strategy change if the delivery or IOC date were slipped? For example, an early delivery date may require a sole source procurement whereas if the date were changed, competitive proposals could be sought.
4. Background: Provide a brief statement of the technical and contractual history of the supplies or services being procured.
5. Risk: Describe the major areas of technical, schedule, and financial risk involved and what efforts are planned to overcome or reduce them. For example, use of cost type contracts in lieu of fixed price type contracts; use of competitive prototype models; employment of outside engineering assistance; development of "slip and slide" provisions within the contract itself.
6. Program Control: Discuss, as appropriate, what management system will be used by the government to monitor the contractor's performance. For example, critical path method (CPM) for construction and line-of-balance (LOB) for production, are just two of many types of management systems.

7. Application of OMB Circular A-76. If this procurement action is in support of or results from an A-76 decision, briefly summarize the A-76 analysis or decision process and indicate where further detailed information can be obtained.

8. Reserved.

9. Special Terms or Conditions: Discuss special contract terms and conditions or required deviations from FPR and/or IPR.

10. Milestone Chart(s). Provide a milestone chart or charts showing the significant steps necessary to complete this procurement action. (See Format 2)

11. Recommended procurement approach.

(a) Proposed source or sources and proposed source selection procedure.

(b) Proposed procurement method and reasons why that method was selected. If advertised, will this be a single-step or two-step action? If negotiated, will this be a competitive negotiation or noncompetitive negotiation? What is the negotiation authority?

(c) What is the recommended contract type?

(d) Will cost or pricing data be required? If so, will a pre-contract audit be requested?

(e) Will a letter contract be required and if so, are you planning to include a not-to-exceed ceiling price and a negotiation schedule?

(f) Will contract warranties or guarantees be used? What are they planned to be?

(g) Will contract options be used? On what items?

(h) What considerations have been given to the use of multi-year contracts?

(i) In the event this contract must be interfaced with another, what arrangements are being made to assure that both contractors:

- (1) agree to work together cooperatively;
- (2) exchange necessary data and information;
- (3) have a means of settling disputes between themselves that mitigates any harm to the Government that may result therefrom.

(j) What special incentive provisions are contemplated, for example, award fees, cost, performance, or schedule incentives?

(k) What special financial arrangements are contemplated; such as, progress payments, assignments of claims, advance payments, guaranteed loans, and economic price adjustment clauses?

(l) Discuss applicability of appropriate set aside programs; e.g., small and minority business, and labor surplus set asides. Also discuss application of P.L. 95-507. (See attached DI-1886.)

(m) Are there any other factors which should be considered?

(n) Identification of personnel participating in the preparation of this plan.

<u>Name</u>	<u>Representing</u>	<u>Office</u>	<u>Phone</u>
	(functional area)		

OBLIGATION SCHEDULE

<u>TASK OR ACTION</u>	<u>DATE</u>	<u>OBLIGATION AMOUNT</u>	<u>CUMULATIVE OBLIGATION</u>
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COORDINATED:

PROJECT MANAGER: _____ DATE _____

CONTRACTING OFFICER: _____ DATE _____

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2/17/82 #2388
New

MILESTONE SCHEDULE

(TYPICAL)

<u>EVENT</u>	<u>STANDARD TIME</u>	<u>PLANNED DATE</u>	<u>REV. 1</u>	<u>REV. 2</u>	<u>ACTUAL DATE</u>
1. Procurement Plan Approved					
2. Requisition Received					
3. Statement of Work Received					
4. Determination and Findings Approved					
5. Special Approvals Received					
6. Solicitation Issued					
7. Proposal Received					
8. Technical Evaluation Complete					
9. Negotiations Begin					
10. Negotiations End					
11. Contract and File Complete					
12. Contract Review Complete					
13. Contractor's Signature					
14. Contracting Officer's Signature					
15. Contract Distributed					

ILLUSTRATIVE CONTRACT PLAN FORMAT FOR LOW VALUE,
ROUTINE, NON-COMPLEX ITEM

PROCUREMENT PLAN

Part I Requirement:

a. Purchase Request No. _____ Date Received _____ Assigned Buyer: _____

b. Item description: _____

c. Quantity: _____ Estimated Unit Price: _____ Estimated Total Price: _____

d. Delivery Schedule: _____

Part II Purchase History:

<u>Date</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Method of Procurement</u>		<u>Competitive Bids/Offers</u>	
			<u>Advertised</u>	<u>Negotiated</u>	<u>Number</u>	<u>\$Range</u>

Part III Special Considerations:

	<u>100%</u>	<u>Partial</u>	<u>None</u>
a. Set aside: Small Business			
Labor Surplus			
8(a) Program			

(See attached DI-1886.)

b. Quantity Options: _____ % c. Price Escalation: _____ %

c. Contractor Warranties: Yes No

_____ _____

Part IV Proposed Method of Procurement

	Competitive	Non-Competitive	Authority
a. Negotiated:	_____	_____	_____

	Single step	Two step
b. Advertise:	_____	_____

	<u>STANDARD</u> <u>TIME</u>	<u>PLANNED</u> <u>TIME</u>	<u>REV.</u> <u>1</u>	<u>REV.</u> <u>2</u>	<u>ACTION</u> <u>DATE</u>
c. Schedule:					
Issue IFP/RFP/RFQ					
Receive BIDS/Proposals					
Evaluate/Negotiate					
Award					

d. Remarks:

Signature: _____
Contracting Officer/Buyer

Date: _____

Approved: _____
Title

Date: _____

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DEPARTMENT OF THE INTERIOR
DEPARTMENTAL MANUAL

Property and Services

Part 404 Procurement Planning

Chapter 6 Reports

404 DM 6.1

6.1 Advance Procurement Plan Summary Report.

A. A summary of each bureau's advance procurement plans developed during budget formulation, will be forwarded to the Office of Acquisition and Property Management (PAM) by November 15 of each year for the current fiscal year. This summary will be in the format shown in 404 DM 6, Appendix 1. Report control symbol #3-DOI-81-051 has been assigned to this reporting requirement.

B. The Office of Acquisition and Property Management will use the summary reports to track planned actions against actual accomplishments as reported in the IPDS and to select those few critical contracts which will be closely monitored in carrying out its assigned procurement management oversight responsibilities.

Summary of FY 19XX Planned Contract Actions

(Bureau/Office)
 As of 30 September 19XX

Part I: Planned contract actions obligating \$1,000,000 or more

Description of Action (1)	Estimated Obligation Amount (2)	Planned Quarter for Obligation (3)	Point of Contact within Bureau or Office (4)
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- (1) Provide short narrative description; e.g., replace roof on power house
- (2) Estimated dollar value of obligations, e.g., \$1.2 million
- (3) Quarter within FY in which you plan to award contract; e.g., Q III, FY 1982
- (4) Name, address, and telephone number of person who can provide more detailed information if needed, e.g., Ms. Jane Doe, Office of Construction Management, FTS 123-4567

Part II: Summary of Planned contract actions obligating less than \$1,000,000. (Valid statistical or parametric estimating techniques may be used to develop these planning estimates)

	Q I		Q II		Q III		Q IV		Total	
	Actions	Obligations	Actions	Obligations	Actions	Obligations	Actions	Obligations	Actions	Obligations
1,000	\$1,000,000	4,000	\$2,000,000	10,000	\$15,000,000	2,000	\$1,000,000	17,000	\$19,000,000	

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