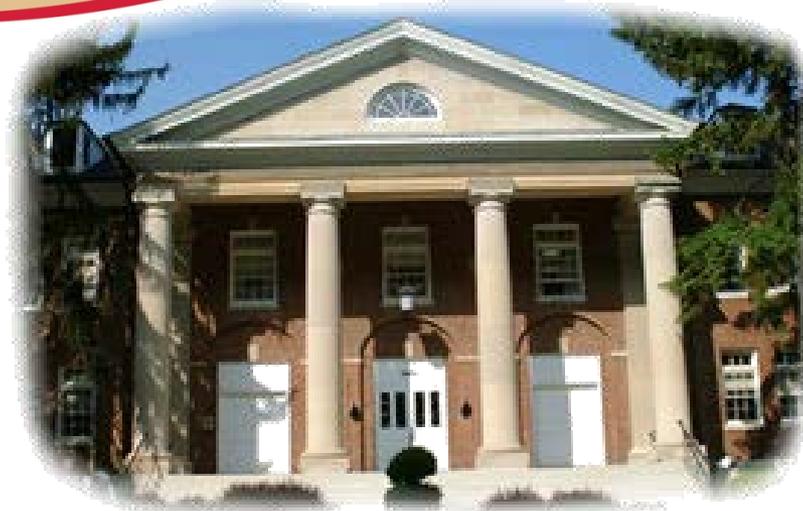




Defense Acquisition University



Competition and Contracting Methods

Presented by:

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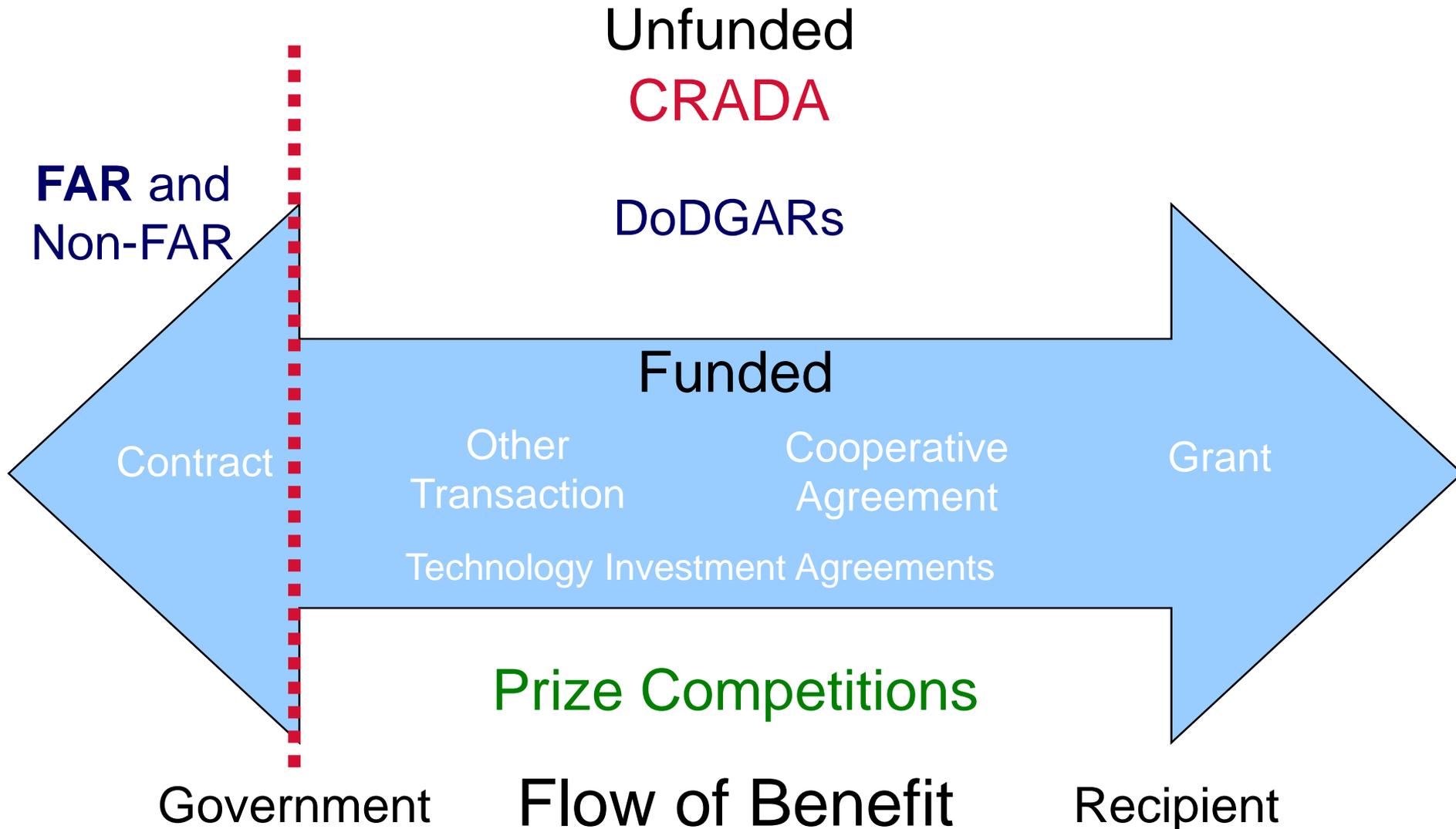
John Krieger (703) 805-5046

John Pritchard (703) 805-3800

Agenda

- **Identify When Competition is Required**
- **Methods of Contracting**
 - FAR Part 8 – Required Sources Of Supplies And Services
 - FAR Part 12 – Acquisition Of Commercial Items
 - FAR Part 13 – Simplified Acquisition Procedures
 - FAR Part 14 – Sealed Bidding
 - FAR Part 15 – Contracting By Negotiation
 - FAR Part 16 – Types Of Contracts
 - FAR Part 17 – Special Contracting methods
 - FAR Part 35 -- Research And Development Contracting
- **Methods Other Than Contracting**

FAR and Beyond

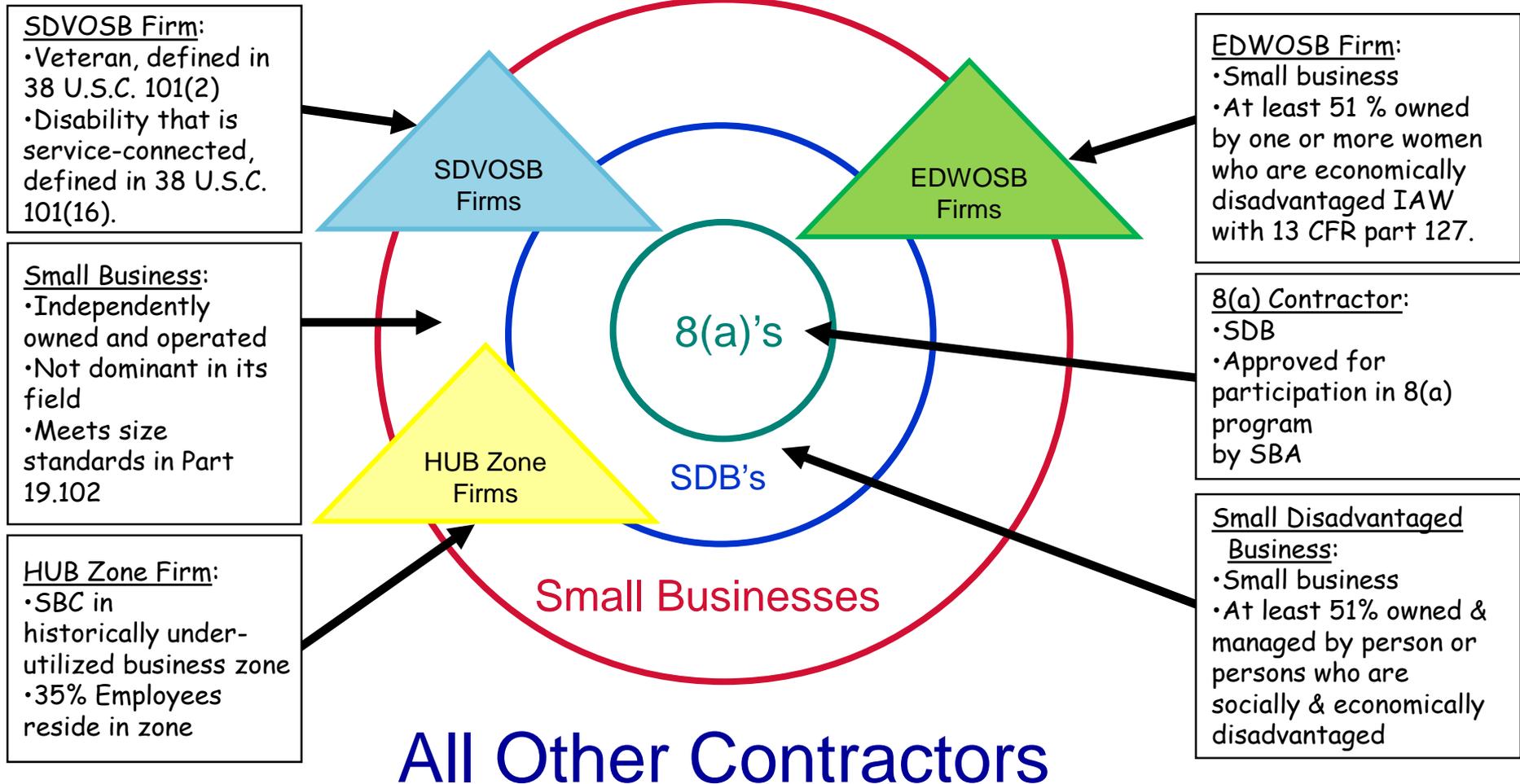


FAR Part 6 – Competition Requirements

Types of Competition

- **Full and Open Competition**
 - FAR Part 6.101(b): “Contracting Officers shall provide for full and open competition through use of the competitive procedure(s) contained in this subpart that are best suited to the circumstances of the contract and consistent with the need to fulfill the Government’s requirements efficiently.”
- **Full and Open After Exclusion of Sources (FAR 6.2)**
 - Allows for limiting competition when:
 - Establishing or maintaining alternative sources
 - Set Asides
 - Small Business concerns
 - Section 8(a) competition
 - HUBZone small business concerns
 - Service-disabled veteran-owned small business concerns
 - Economically disadvantaged women-owned small business (EDWOSB) concerns or women-owned small business (WOSB) concerns eligible under the WOSB Program
 - Local firms during a major disaster or emergency.
- **Other Than Full and Open Competition (FAR 6.3)**
 - Seven statutory exceptions for “Full and Open competition”

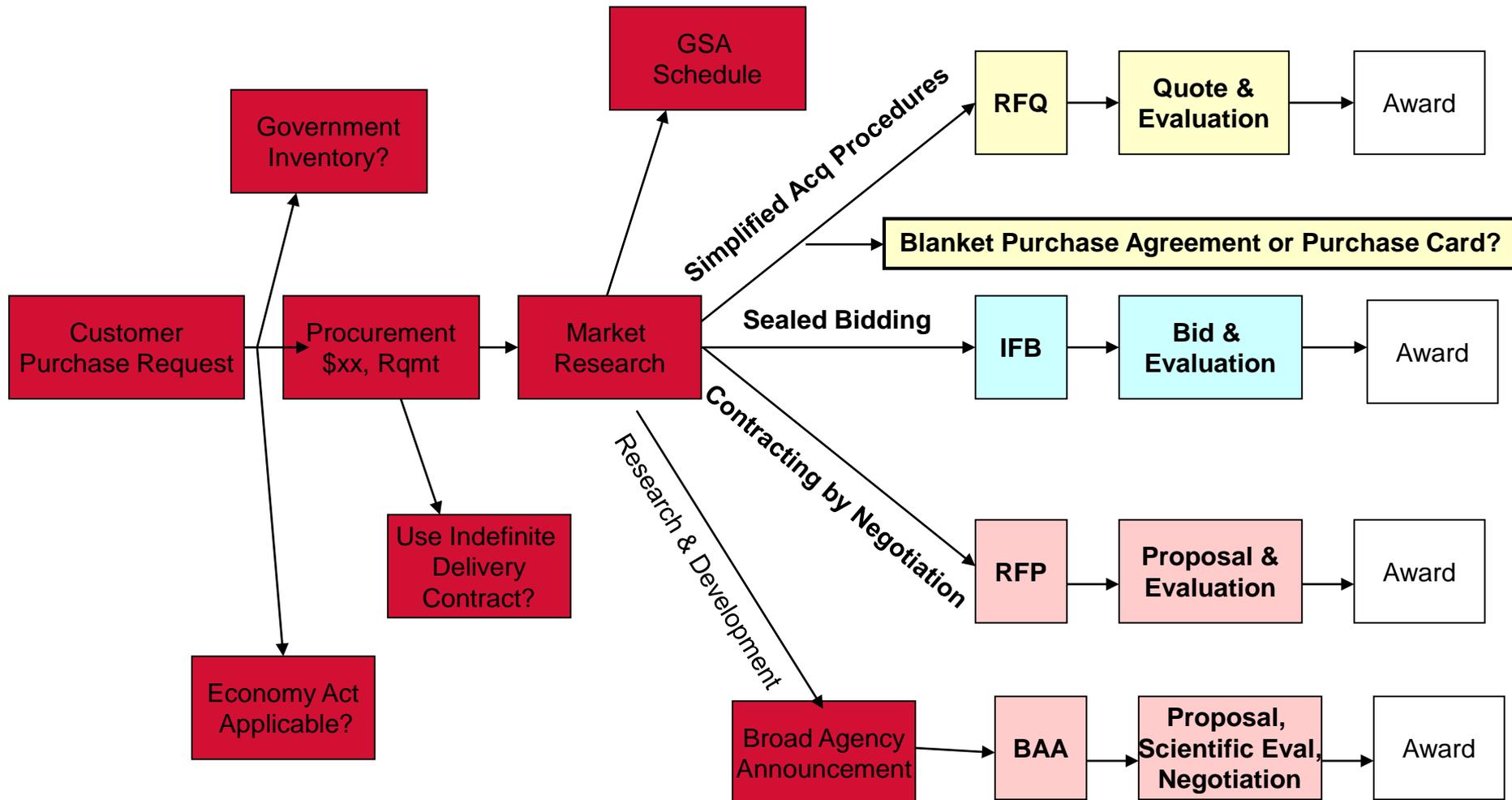
Socio-Economic Programs



P.L. 111-240 "Small Business Jobs Act of 2010" created Socioeconomic Program Parity among 8(a) Program, HUBZone Program, and SDVOSB Procurement Program.

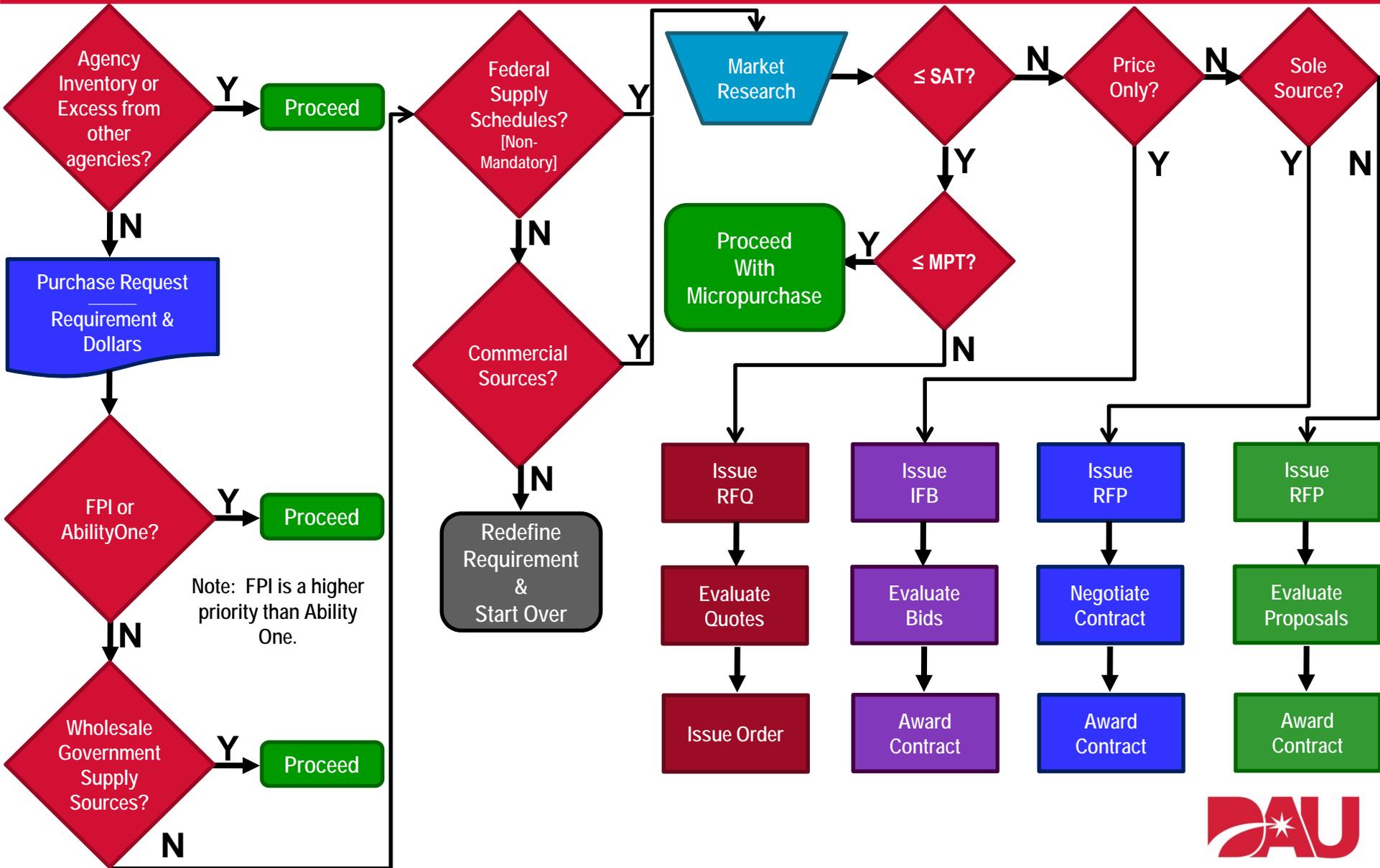
Different Procedures for Contracting Goods and Services

FAR Parts 8, 12, 13, 14, 15, 17 and 35



FAR Business Alternatives Flowchart

FAR Parts 8, 12, 13, 14, and 15



FAR Part 8 – Required Sources Of Supplies And Services

GSA Federal Supply Schedule

FAR Part 8

- GSA has set up giant ID/IQ vehicles
 - Place task (services) or delivery (supplies) orders against basic contract
- Competition, synopsis and set aside requirements are met; No purchase limits
- Order directly from schedule or write own BPA's with one supplier or teams
- Easy for user - timely, tailored, large and small orders, and monthly payment
 - <http://www.fss.gsa.gov>
 - <http://www.gsaadvantage.gov>

¹⁰Must meet Section 803 requirements (DFARS 208.204-70)

FAR Part 12 – Acquisition Of Commercial Items

Commercial Items

- Clear Preference for Commercial Items
- Certain Laws Modified/Not Applicable
 - CAS Compliance
 - Truthful Cost or Pricing Data
 - Commercial Data Rights
 - Modified Termination Clauses
- Contract Type
 - FFP, FP(EPA), or T&M



FAR Part 13 – Simplified Acquisition Procedures

Simplified Acquisition Procedures

FAR Part 13

- Simplified Acquisition Threshold - \$150K
 - Up to \$6.5M if a Commercial Acquisition
- 15 Laws Do Not Apply
- Electronic Preferred Means
- Micro Purchases < \$3000
- Procurements >\$3000 and <\$150K Reserved for Small Business

FAR Part 14 – Sealed Bidding

FAR Part 14

And

FAR Part 15 – Contracting By Negotiation

FAR Part 15

Features of Contracting Methodologies

Defense Procurement Procedures	Methods of Contracting	Conditions for Use	Solicitation Type	Contractor Response	Nature of Review	Award Decision	Contract Type
Competitive	Sealed Bid	<ul style="list-style-type: none"> • Sufficient Time • Competition Exists • Award on Price • No Discussions 	IFB	Bid	Responsive & Responsible	Low Price	FFP FP(EPA)
	Two-Step Sealed Bid	<ul style="list-style-type: none"> • Sufficient Time • Competition Exists • Award on Price • No Discussions • May Have Discussions in Step One Only 	RFTP	Technical Proposal	Acceptable or Unacceptable	Low Price	FFP FP(EPA)
			IFB	Bid	Responsive & Responsible		
	Competitive Proposal (Negotiation)	One of the Above Conditions Does Not Exist	RFP	Proposal	All Factors, "Trade-off" Eval. Criteria	Integrated Assessment	All
	Competitive Proposal (Negotiation) LPTA	One of the Above Conditions Does Not Exist	RFP	Proposal	Acceptable or Unacceptable	Low Price	All
Non-Competitive	Sole Source Proposal	<ul style="list-style-type: none"> • Only One Source • Approved J&A 	RFP	Proposal	Fair and Reasonable Price	None	All

Agreements

- **Basic Agreements and Basic Ordering Agreements Are Not Contracts**
 - Written instrument of understanding
 - Used when there are likely substantial future contracts (orders)
- **Basic Agreement**
 - Contains contract clauses applying to future contracts between the parties during its term.
 - Contemplates separate future contracts.
- **Basic Ordering Agreement**
 - Terms and conditions applying to future contracts (orders)
 - A description, as specific as practicable, of supplies or services to be provided
 - Method for pricing, issuing, and delivering future orders

Blanket Purchase Agreements (BPA's)

- Establishes “charge accounts” with qualified sources of supply to fill recurring requirements
 - Covers a variety of items under a broad class of supply
- Can't avoid competition or small business set-aside programs
- Orders can only go up to the Simplified Acquisition Threshold
 - Exceptions are BPA's established under GSA Federal Supply Schedule

FAR Part 17 – Special Contracting Methods

Interagency Acquisitions

- **Economy Act, 31 U.S.C. § 1535**
 - Applies absent other authority (e.g., Government Employees Training Act).
- **Federal Supply Schedule (FSS)**
 - Federal Property and Administrative Services Act of 1949
 - 41 U.S.C. § 259 (b)(3)
- **Government Wide Acquisition Contracts (GWAC)**
 - Executive agent designated by OMB pursuant to the Clinger-Cohen Act, 40 U.S.C. § 1412(e)
 - Delegation GSA under authority of the Brooks Act, 40 U.S.C. § 759.
 - Economy Act does not apply
- **Multi-Agency Contract**
 - Includes contracts for IT established pursuant to the Clinger-Cohen Act, 40 U.S.C. § 1424(a)(2).
 - Economy Act does apply

FAR Part 35 -- Research And Development Contracting

Broad Agency Announcement (BAA) (Basic and Applied Research)

- The BAA shall describe —
 - Agency's research interest;
 - Criteria for selecting proposals, their relative importance, and the method of evaluation;
 - Acceptance period; and
 - Instructions for the preparation and submission of proposals.
- Must be publicized at least annually through Government wide point of entry (GPE).
- Uses Peer or Scientific Review with written evaluation reports on individual proposals
- Proposals need not be evaluated against each other.
- The primary basis for selecting proposals for acceptance shall be technical, importance to agency programs, and fund availability. Cost realism/reasonableness shall be considered to the extent appropriate.

Methods Other Than Contracting

Don't Want To Use The FAR?

VEHICLES

	Purpose	Authority	Regulation
Acquisition Contract	Acquire supplies and services	10 U.S.C. § 2301	FAR
Grant	Transfer money, property, or services to accomplish a public purpose of support or stimulation with limited government involvement	31 U.S.C. § 6304	DoDGARs
Cooperative Agreement	Similar to a Grant, but has more government involvement	31 U.S.C. § 6305	DoDGARs
Cooperative Research & Development Agreements (CRADA)	Transfer of technology available at federal labs to commercial, state and local government or universities through cooperative and mutually beneficial R&D	15 U.S.C. § 3701	No
“Other Transactions”	Conduct research and develop prototypes directly relevant to weapons and weapon systems	10 U.S.C. § 2371	DoDGARs [Portions]

Features of Contracting Methodologies

Defense Procurement Procedures	Methods of Contracting	Conditions for Use	Solicitation Type	Contractor Response	Nature of Review	Award Decision	Contract Type
Competitive	Sealed Bid	<ul style="list-style-type: none"> • Sufficient Time • Competition Exists • Award on Price • No Discussions 	IFB	Bid	Responsive & Responsible	Low Price	FFP FP(EPA)
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Non-Competitive	Sole Source Proposal	<ul style="list-style-type: none"> • Only One Source • Approved J&A 	RFP	Proposal	Fair and Reasonable Price	None	All
"Other Transactions"	Agreement Non-FAR Contract	<ul style="list-style-type: none"> • Research • Prototype Projects • Directly Relevant to Planned Weapon System 	Commercial RFP or BAA	Proposal	Viability and Affordability	Requirement Satisfaction and Affordability	FP/Cost Milestone Payments

