



Department of Energy
Acquisition Regulation

No. AL99-04
Date June 23, 1999

ACQUISITION LETTER

The Procurement Executive is issuing this Acquisition Letter through a delegation from the Secretary and under the authority of the Federal Acquisition Regulation (FAR), Section 1.301 (a)(2),

*****Plain Language Note *****

In his memorandum dated June 1, 1998, the President directed the federal government to begin using plain language in its written communications. This Acquisition Letter is a revised format as part of our continuing effort to comply with the intent of the President's request. We will publish future Acquisition Letters in this plain language format and we welcome your comments on our approach, as well as your suggestions for additional ways we can simplify our written products - please contact Kevin Smith in the Office of Procurement and Assistance Policy at kevin.m.smith@hg.doe.gov or at 202-586-8189.

Subject: Consortium Buying

When is this Acquisition Letter effective?

This AL is effective 10 days after the date of issuance.

When does this Acquisition Letter expire?

This AL is effective until it is canceled.

Whom do you contact for more information?

Contact Ed Lovett of the Office of Procurement and Assistance Management on 202-586-9051 or send E-mail to Ed.Lovett@pr.doe.gov.

What is the purpose of this Acquisition Letter?

The purpose of this AL is to provide guidance regarding Contracting Officers' consideration of consortium buying during their review of a contractor's purchasing system.

What is the Background?

In order to take advantage of the volume of transactions awarded by the DOE complex and to reduce duplication and administrative costs, an Integrated Contractor Purchasing Team (ICPT) was organized in 1995 on a test basis. In 1997 it was officially chartered by the Procurement Executive. The ICPT was established to: (1) aggressively pursue consortium buying opportunities that represent procurement leveraged savings for DOE complex-wide contractors; (2) provide long term strategies via an

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established Executive Steering Council and individually chartered Product Teams; and (3) provide a vehicle for communication of consolidation initiatives, marketing methodology, and procurement related issues of the DOE contractor community. The ICPT has been successful in awarding several agreements for a wide range of items at substantial discounts from "list" and GSA schedule prices.

What must the Contracting Officer do when reviewing a contractor's purchasing system?

The Contracting Officer should examine the contractor's policy and practices for using ICPT awarded agreements when purchasing supplies and services and for participating as a Product Team member in consortium buying activities. It is expected that to the extent the contractor purchases the types of supplies or services subject to ICPT or DOE consortium purchase agreements, that the contractor will make maximum practicable use of these agreements. Contractors with substantial purchasing activity should also participate as ICPT members or Product Team members.

Is there anything else the Contracting Officer can do to facilitate the use of DOE complex-wide purchasing agreements?

Yes. Contracting Officers should alert their major facilities management contractors to the ICPT home page at <http://www.inel.gov/procurement/litco/icpt.html> or provide them a copy of the DOE approved ICPT charter, Attachment 1. Contracting Officers should also regularly refresh their own knowledge of available agreements and work with their contractors to assure that these agreements are used to maximum extent practicable in order to reduce costs.

Attachment

CHARTER

Purpose:

The Integrated Contractor Purchasing Team (ICPT) is established to: (!) aggressively pursue consortium buying opportunities that represent procurement leveraged savings for DOE Complex- Wide Prime Contractors; (2) provide long term strategies via an established Executive Steering Council and individually chartered Product Teams; and (3) provide a vehicle for communication of consolidation initiatives, marketing methodology and procurement related issues of the Prime Contractor community.

ICPT Structure:

The ICPT will consist of an Executive Steering Council and Product Teams individually chartered as new commodities or services are accepted as consolidated purchasing candidates by the Steering Council.

The Executive Steering Council shall:

- Consist of a Chair
- Consist of representatives from a minimum of five (5) DOE sites
- Not exceed representation from more than eight (8) sites including the site represented by the Chair

The Chair shall be:

- Limited to a two (2) year term
- Selected from the Executive Steering Council membership
- Recommended by the Executive Steering Council
- Approved and appointed by the DOE Procurement Executive or designee

The Product Teams :

- Shall consist of purchasing and technical professionals from interested Prime Contractors from across the DOE Complex
- Shall be championed by a Steering Council member

Responsibilities and Authorities:

The Executive Steering Council shall:

- Identify the targets, goals and objectives of the ICPT
- Schedule ICPT meetings including teleconferences
- Meet no less than semi-annually
- Approve commodities/services, initiatives, subgroups, and designees for ICPT action items to meet the ICPT objectives.

The Product Team shall:

- Research targeted product/services areas
- Negotiate/execute ICPT BOAs
- Participate in ICPT teleconferences/meetings as necessary