



Department of Energy
Acquisition Regulation

No. 2000-07
Date 08/17/00

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).

* * * * *

**Subject: Multiple Award Contracts (MAC);
Governmentwide Agency Contracts (GWAC); and,
Federal Supply Schedules (FSS)**

References:

FAR 6.5	<i>Competition Advocates</i>
FAR 8.4	<i>Federal Supply Schedules</i>
FAR 16.5	<i>Indefinite Delivery Contracts</i>
DEAR 916.5	<i>Indefinite Delivery Contracts</i>
Acquisition Letter 2000-02	<i>Small Business Programs</i>
OFPP Guide	<i>Best Practices for Multiple Award Task and Delivery Order Contracting</i>
OFPP Policy Letter 99-1	<i>Small Business Procurement Goals</i>

When is this Acquisition Letter (AL) Effective?

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

When Does this AL Expire?

This AL is in effect until it is canceled and/or relocated to the DOE Acquisition Guide.

Who is the Point of Contact?

Contact Kevin M. Smith in the Office of Procurement and Assistance Policy, at (202) 586-8189, or via e-mail at kevin.m.smith@pr.doe.gov

*Visit our website at www.pr.doe.gov for information on this subject
and other procurement policy issues.*

What is the Purpose of this Acquisition Letter ?

The purpose of this Acquisition Letter (AL) is to provide the necessary guidance and administrative tools to the Department's Contracting Officers to assist them in maximizing the benefits of using Multiple Award Contracts (MAC), Governmentwide Agency Contracts (GWAC), and the Federal Supply Schedule (FSS). All three of these acquisition vehicles are available to Departmental elements for procuring supplies and services and all three offer unique advantages to program personnel in fulfilling a wide range of their procurement requirements.

This AL also provides guidance on using these vehicles to maximize the participation of small businesses as prime contractors in the definition of DOE requirements. This policy applies equally to the acquisition of supplies and services through MACs, GWACs, and the FSS. It is important to note that the use of these streamlined acquisition vehicles does not relieve the Department's Contracting Officers of their responsibilities under DOE's small business contracting initiatives. In fact, all three of these types of procurement vehicles should be utilized to the maximum extent practicable to contribute toward meeting the Department's small business contracting goals.

Responsibilities of Contracting Officers and Procuring Activity Competition Advocates related to the use of these types of procurement vehicles are also highlighted in this AL.

To maximize the benefits available to the Department through the proper use of these procurement vehicles, Heads of Contracting Activities shall ensure that the guidance included in this AL is followed by their procurement and program personnel to the maximum extent feasible.

This AL Consists of the Following Four Sections:

- Section I - Multiple Award Contracts (MACs)**
- Section II - Governmentwide Agency Contracts (GWACs)**
- Section III - Federal Supply Schedules (FSS)**
- Section IV - Small Business Considerations**

What is the Background?

Multiple Award Contracts

Recent Government-wide attention has focused on practices related to the use of Multiple Award Contracts, resulting in the identification of several issues that have become problematic, including:

- ☛ *Inadequate competition* among awardees for the placement of orders.
- ☛ Improper use of the FAR *fair opportunity exceptions* in the placement of orders.
- ☛ Repeated *directed orders* to *preferred contractors*, resulting in sole-source buys.
- ☛ *Inadequately defined requirements* and overly-broad Statements of Work in solicitations and contracts, resulting in cost-type orders directed to a single contractor.
- ☛ *Insufficient time* allowed for contractors to submit proposals for orders.
- ☛ Awarding follow-on orders that *exceed the scope* and amount of the original order.

All of these practices lead to circumvention of the statutory intent behind Multiple Award contracting, which is to streamline the Government's procurement practices through a flexible process that clearly defines agency requirements and increases competition among capable contractors.

GWACs

Multiple award task order contracts may be issued by agencies for their own use, or, the contracts may be established as Governmentwide Agency Contracts (GWAC). GWACs allow other agencies to procure goods or services (primarily for information technology) through contracts awarded and administered by one host agency. In the interest of economy and efficiency, Federal agencies are placing increased emphasis on the use of GWACs. When properly developed and used, these vehicles may enable agencies to further leverage the government's buying power and to satisfy their requirements using contractual vehicles already established by other agencies. The use of GWACs is subject to the indefinite-delivery contracts requirements contained in FAR Subpart 16.5.

Federal Supply Schedules

Another effective procurement tool available to the Department's Contracting Officers is the Federal Supply Schedule (FSS) managed by the General Services Administration (GSA). The FAR, in Subpart 8.4, sets forth the policy for using this kind of acquisition vehicle, which has proven to be an expeditious method to procure a wide variety of quality products at competitive prices. Under the FSS, GSA awards contracts to commercial firms to provide supplies and services for given periods of time for use by all federal agencies. Over the past few years, the diversity of supplies and services available through this program has increased enormously, resulting in increased opportunity for leveraged buying by federal agencies.

Small Business Programs

Acquisition Letter 2000-02, *Small Business Programs*, was recently issued to provide DOE Contracting Officers, and through them to the Department's major contractors, guidance and administrative tools to most effectively utilize small businesses in the award of DOE prime and subcontract awards. AL 2000-02 also provided new strategies to be used when procuring requirements through MACs and the FSS. To ensure that the Department's socioeconomic objectives are achieved, consideration must be given to small businesses when using the procurement vehicles identified in this AL.

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I. Multiple Award Contracts

What is a Multiple Award Contract?

A multiple award contract is a type of indefinite quantity contract that is awarded to multiple contractors from a single solicitation. Delivery of supplies, or performance of services, is then made via individual orders placed with one of the contractors. All contractors receiving awards under a solicitation are given a fair opportunity to be considered for each task/delivery order issued during the life of the contracts.

What are the advantages of using Multiple Award Contracts?

Multiple award contracts offer many advantages that result in more efficient and effective buying of recurring supplies and services, including:

- ✓ *Streamlining* the awarding and ordering process.
- ✓ Ensuring *fast delivery* of the required products/services.
- ✓ Allowing the Government to *leverage its buying power* to get best values, to receive high quality goods and services, and to take advantage of latest technological changes in the marketplace.
- ✓ Streamlining the order closeout process.

When should you use multiple award contracts?

The FAR requires Contracting Officers to use multiple award contracting methods to meet their procurement needs for recurring products and services *to the maximum extent practicable*, except for advisory and assistance services. For advisory and assistance services, Contracting Officers are *required* by the FAR to make multiple awards when the amount of the services *exceeds \$10,000,000* and when the period of performance *exceeds three years*.

Proper advance planning and market research help Contracting Officers make appropriate decisions on when to use multiple awards, as well as when multiple awards are not appropriate (FAR 16.504(c) identifies several conditions under which Contracting Officers do not use multiple award contracting methods). Factors to be considered in making these decisions include complexity of the requirement, duration of the effort, required resources, and the ability to maintain competition among awardees throughout the period of performance. To ensure that competition will exist for the subsequent placement of orders, Contracting Officers must determine during advance planning that there are two or more contractors that are generally capable of performing the required work. Awarding to contractors that only specialize in certain areas of the required work will inhibit competitive placement of orders after contract awards are made. Contracting Officers are to *document the contract file* with the rationale for decisions made in the planning for, and the awarding of, multiple award contracts.

How is price/cost evaluated when making multiple awards?

- Although final pricing of supplies or services is not determined until orders are issued, Contracting Officers are still required to consider cost to the Government in the initial evaluation of offers leading to the award of multiple contracts.

The Comptroller General recently reiterated that competitive solicitations must include cost or price to the Government as an evaluation factor, and agencies must consider cost or price to the Government in evaluating competitive proposals, even for multiple award contracts. Contracting Officers can not eliminate proposals from consideration for award of a contract without taking into account the relative cost of that proposal to the Government. This is a statutory requirement that is not satisfied by the practice of considering cost or price only after contract award, when individual task/delivery orders are issued.

Contracting Officers must develop a basis upon which the evaluation of cost/price factors can be considered in the initial award of multiple contracts to assess the Government's best estimate of the likely relative cost to the Government.

- For products, offerors can be requested to submit fixed prices for the term of the contract, which allows for an appropriate evaluation.
- For services, a combination of several approaches may provide the most comprehensive way to accomplish the required cost evaluation. Proposed labor rates and mark-up rates can be requested for evaluation purposes. Offerors may also be directed to provide a fully detailed cost proposal for a sample task order for one of the services to be performed under the contract. Historical information on past similar projects can be used to estimate the labor mix and materials. Offerors' responses to the sample task order can provide insight into their technical and staffing approach and can therefore provide a reasonable basis to assess the relative cost of the competing proposals.

How do you issue work to awardees?

Although Contracting Officers have broad discretion to determine how work will be issued to awardees under multiple award contracts, the procedures and selection criteria to be used must be identified in the solicitation and resulting contracts, and must provide for a *fair opportunity to be considered* to all awardees to compete for tasks/orders that are subsequently issued.

In making decisions on which awardee receives individual task/delivery orders, Contracting Officers consider the following factors in determining the overall best value to the Government:

- Cost/price.
- Past performance on earlier tasks under the multiple award contract.
- Quality of deliverables.
- Cost control.
- Any other factors that the Contracting Officer believes are relevant.

For services, Contracting Officers use *performance based task orders* to the maximum extent practicable in describing the work to be performed by the awardee. Task orders and work statements written in this manner focus on the Department's performance expectations in terms of outcomes of the work to be performed and the final desired results, not on how the work is to be performed by the contractor. Performance based task orders allow optimal flexibility for contractors to perform the needed services in an efficient manner.

How can you ensure Fair Opportunity exists for all awardees under your multiple awards?

Contracting Officers, and their requiring customers, must fully understand the concept of fair opportunity and how they can best meet that intent. This is done by ensuring that adequate planning occurs to support the determinations made leading to the use of multiple award contracting practices, and by ensuring that contract files include adequate documentation to support the decisions made in the award of multiple contracts, and in the issuing of task/delivery orders. Contracting Officers also must avoid using ordering practices that preclude fair opportunity - such as the *allocation of orders among awardees*, and the *direction of orders to preferred awardees*. These practices result in less than fair consideration being given to all awardees under a multiple award contract.

What are Contracting Officer responsibilities?

Contracting Officers can ensure that fair opportunity exists for all awardees under MACs, and still keep the multiple award process simple and streamlined, by following these guidelines to the maximum extent practicable:

- Use performance based Statements of Work that specifically define the required services.
- Make program requiring customers aware of the availability of these efficient and effective acquisition tools that can streamline the process for meeting their needs.
- Spell out the entire ordering process in the solicitation and contract.

- ☛ Make sure that your program requiring customers fully understand the concept of fair opportunity and how to meet that intent by competing orders after the multiple contracts are awarded.
- ☛ Adequately document the file to show your ordering practices and any exceptions to the fair opportunity requirement.
- ☛ Inform all awardees under a multiple award contract if you plan to cite an exception to the fair opportunity requirement in placing an upcoming order.
- ☛ Don't award follow-on/add-on orders inappropriately; re-compete additional needs/orders whenever possible.
- ☛ Maximize the use of fixed-price orders.
- ☛ Continually search the market to find new contractors who can meet your customers' needs.

What are Procuring Activity Competition Advocate responsibilities?

- ☛ The Procuring Activity Competition Advocate is responsible for ensuring that competition requirements are met for the activity's procurement actions. This includes ensuring that the FAR preference for using multiple awards is met, and that all awardees are given a fair opportunity to be considered for all orders issued under multiple award contracts.

How are Ordering Procedures and requirements established in contracts?

FAR 16.504(a)(4) requires multiple award solicitations and contracts to state the procedures and selection criteria that the agency will use to provide awardees a fair opportunity to be considered for each order, and FAR 16.505(b) sets forth the guidelines for developing the ordering procedures. The Contracting Officer is given broad discretion in developing appropriate order placement procedures, and is allowed to use streamlined procedures, including oral presentations and minimal submission requirements. Additionally, the Contracting Officer is not required to contact each awardee before selection if the Contracting Officer has information available to ensure each awardee is provided a fair opportunity to be considered for each order.

Model solicitation provisions and contract clauses for multiple award contract ordering procedures were published in AL 96-03, the FASA Implementation Handbook. Since that time, DOE offices have established their ordering procedures and requirements in local clauses based on the FASA Handbook models. The DOE Acquisition Guide, which is pending a complete re-issue, will include a new chapter containing model local clauses for consideration and use by DOE Contracting Officers, including clauses addressing multiple award contract ordering procedures.

How has the FAR coverage for MACs recently changed?

Recent changes to FAR Subpart 16.5 (in FAC 97-17) on Multiple Award Contract procedures are intended to clarify what contracting officers should consider when planning for multiple awards of indefinite-delivery contracts, and how orders are to be placed against the resultant contracts. The FAR changes were made to correct some recently identified Government-wide deficiencies in the process by stressing the key factors the Contracting Officer must consider when deciding if a multiple award contract is appropriate, and requiring contracting officers to document decisions in planning and placing orders under multiple award contracts. The FAR now emphasizes the use of performance-based statements of work in placing orders, and provides guidance on how to develop order placement procedures. Contracting officers are also now required to consider cost or price as one of the factors in each selection decision for orders, and must document the rationale for the final cost.

Other changes to the FAR include:

- ✓ The contracting officer must include the name, address, telephone number, facsimile number, and e-mail address of the agency task and delivery order ombudsman in the solicitation and contracts if multiple awards will be made.
- ✓ The contracting officer must consider the following when deciding if a multiple award contract is appropriate -
 - Avoiding situations in which awardees specialize exclusively in one or a few areas within the statement of work.
 - The scope and complexity of the contract requirement.
 - The expected duration and frequency of task or delivery orders.
 - The mix of resources a contractor must have to perform expected task or delivery order requirements.
 - The ability to maintain competition among the awardees throughout the contract's period of performance.
- ✓ The contracting officer must establish prices for each order that was not priced under the basic contract by using the policies and methods in FAR Subpart 15.4.

II. Governmentwide Agency Contracts (GWAC)

What is a GWAC?

A Governmentwide Agency Contract (GWAC) is a multiple award contract issued by one host agency that may be used by other Federal agencies to procure products and services (primarily for information technology). Generally, the maximum value of the contract is the value of the host agency's requirement plus an additional 20% for other agencies. As an example, if the host agency's requirements were \$500 million, the maximum value of the contract would be \$600 million, which includes the additional 20%. There is also a limitation on how much of the total contract value one agency can use. This amount varies and is determined by the host agency, which normally adds a small administrative fee. The use of GWACs is subject to the indefinite-delivery contracts requirements contained in FAR Subpart 16.5. However, GWACs are not subject to the requirements and limitations of the Economy Act as specified in FAR 17.5 - Interagency Acquisitions Under the Economy Act.

In order to affirm a commitment to sound competition and other contracting philosophies, and to improve the processes associated with GWACs, a series of principles have been established to guide the conduct of business under GWACs. The *Multiagency/GWAC Program Managers Compact* is a consensus on principles applicable to the acquisition of services under multiagency contracts and Governmentwide acquisitions. The Compact establishes principles on structuring GWACs, accepting and processing task orders, administering orders, and recompeting or establishing new contracts. You can read this Compact on the General Services Administration's Acquisition Reform Network Homepage at: <http://www.arinet.gov/References/magycom.html>.

What are the advantages of using GWACs?

GWACs offer Federal agencies the advantage of flexibility in meeting their various information technology requirements through one umbrella contract. These contracts are administratively less burdensome than if an agency were to conduct its own series of individual procurements, and procuring agencies realize savings through reduced procurement and administrative costs and through volume buying pricing. Host agencies generally have limitations on the amount of products or services that other agencies may buy, and each GWAC should be reviewed for its own particular conditions of use.

What products and services are available on GWACs?

Products available on GWACs include:

- Mainframes
- Desktop computers
- Portable computers
- Hardware
- Peripherals
- Software
- Barcoding systems

Services available on GWACs include:

- Maintenance
- Training
- Software Application
- Digitizing
- Technical support

Where can you find information on using GWACs?

Remember that each GWAC has its own particular rules and conditions, which are spelled out in the actual contract. The following are some of the Internet websites that post information on GWACs, the types of supplies and services available, and agency points of contact:

• General Services Administration

www.itpolicy.gsa.gov/mke/gwac/contrtoc.htm

(Various GWACs, types of supplies/services, and agency points of contacts)

<http://www.fedcac.gsa.gov/millennia.htm>

(Broad range of high-quality information technology (IT) services under multiple award contracts managed by the Federal Computer Acquisition Center)

<http://www.fedcac.gsa.gov/Telis.HTM>

(Support for designing, documenting, programming, implementing, managing, maintaining, and supporting local and wide area networks)

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- Department of Defense
<http://www.disa.mil/D4/diioss/deisiichar.html>
(Systems Engineering and Technical Integration Support Services)
- Department of Transportation
<http://itop.dot.gov/itop/>
(Information Technology systems engineering, management, maintenance, and Security)
- National Aeronautics and Space Administration
<http://ec.msfc.nasa.gov/hq/cci/adpmass.html>
(A listing of inter-agency contracts)

<http://outsource.gsfc.nasa.gov/>
(Desktop computing and communications support)
- Department of Justice
<http://www.usdoj.gov/jmd/irm/sts/assist/doj.htm>
(Hardware maintenance and technical services)

III. Federal Supply Schedules

What is a Federal Supply Schedule?

A Federal Supply Schedule (FSS), also known as a Multiple Award Schedule (MAS), is a listing of contractors who have been awarded contracts for supplies or services by the General Services Administration (GSA) which can be used by any Federal agency. There are also specialized schedules, such as the Management, Organizational and Business Improvement Services (MOBIS) schedule, that allow procuring activities to focus their selection of contractors to special areas of interest.

GSA awards competitive contracts to commercial firms that give the Government the same or better discounts than they give their best customers. These discounts are then passed on to other agencies through various schedules. The FSS program mirrors commercial buying practices more than any other procurement process in the Federal Government, and offers federal agencies a simplified process for getting their required products and services at volume buying prices.

What are the benefits of using the FSS?

- Significantly reduced acquisition time.
- All competition requirements have been met.
- Volume purchase prices that are fair and reasonable.
- Quick delivery.
- Contractors accept the GSA SmartPay Card.
- No Commerce Business Daily (CBD) synopsis requirements - GSA has already issued the synopsis.
- Schedule orders count toward small business goals.
- Access to state-of-the-art technology and quality services and products.
- Compliance with environmental requirements for applicable services and products.
- Agencies can establish Blanket Purchase Agreements (BPA) for recurring needs.

What services are available through the FSS?

Some of the services available to all Federal agencies through the FSS are:

- Engineering services - including planning, design, integration and testing.
- Financial services - including auditing, management and reporting.
- Environmental advisory services - including planning, compliance, and waste management.
- Personal property management services.
- Information technology services.
- Travel services.
- Transportation services.
- Vehicle acquisition and leasing services.

What services are available on the MOBIS Schedule?

The Management, Organizational and Business Improvement Services (MOBIS) schedule is a specialized schedule identifying contractors who have been selected by GSA to help federal agencies improve their management and organizational effectiveness. The services available through MOBIS include:

- Process and systems improvement.
- Business process engineering.
- Change implementation.
- Training.
- Privatization support and documentation for A-76 needs.
- Strategic and business planning.
- Benchmarking and performance management.
- Program integration and project management.
- Alternate dispute resolution.

What supplies are available through the FSS?

The FSS offers many categories of products for federal agencies to buy, including:

- Office supplies.
- Paper products.
- Furniture.
- Office equipment.
- Scientific equipment.
- Hardware, tools and appliances.
- Information technology products.
- Software.
- Copying equipment and supplies.
- Telecommunications equipment.

How do you place orders under the FSS?

The ordering procedure you use under the FSS depends on the dollar amount of the supplies or services you are acquiring.

- For purchases at or below the micro-purchase threshold of \$2,500, you can place orders with any FSS contractor.

- For purchases over the micro-purchase threshold of \$2,500, you need to look at a minimum of three price lists to select the "Best Value." (In repetitive buys, you should attempt to vary the price lists selected.) A selection based on the Best Value means that you consider factors other than the lowest price in determining which contractor to place the order with. These other factors may include criteria such as past performance, probable life, warranty, environmental and energy efficiency considerations, maintenance availability, technical qualifications, and trade-in considerations.
- Each schedule in the FSS has an identified *maximum order threshold*. This threshold is not meant to limit the amount of your purchase, but is intended to represent the point at which you could benefit from better pricing. In addition to following the procedures for purchases over the micro-purchase threshold, you need to consider additional contractors on the schedule and you need to seek price reductions from the contractor providing the best value.
- For repetitive product and service requirements, agencies may set up Blanket Purchase Agreement's (BPA) with schedule contractors, which may allow for additional quantity/volume discounts. A sample BPA is available at the GSA website at <http://pub.fss.gsa.gov/sched/>.
- For professional services based on hourly rates, you need to prepare a Request for Quotes (RFQ) that includes a *performance-based* description of the work you want performed. Send the RFQ to at least three schedule contractors requesting a firm-fixed price or a ceiling price. GSA also encourages you to request oral presentations from the contractors. Full details for ordering services on the FSS are at <http://pub.fss.gsa.gov/sched/>.

(See FAR 8.4 for detailed guidelines on ordering from the FSS.)

What is the "GSA Advantage"?

The GSA Advantage is an electronic on-line shopping service for federal employees to use in buying items available under the FSS. Once on-line, you can search for specific product information, review delivery options, conduct price comparisons, order your required products and services, and pay for your order with the GSA SmartPay Card.

Can you negotiate FSS prices down further?

Yes. This is one of the benefits of using the FSS. Each agency can further negotiate schedule prices with vendors to get discounts over and above those negotiated with GSA, for both supplies and services. This allows both you and the FSS vendor to take advantage of promotions, excess inventory, technological advancements, volume buys, and delivery schedule options.

- DOE Contracting Officers should pursue better pricing when purchasing from the FSS to the maximum extent practicable.

How do you access the FSS and the GSA Advantage?

GSA's website for the FSS and the GSA Advantage is at <http://www.fss.gsa.gov> and contains everything you need to know for using the schedules and for on-line shopping. The site is updated daily and contains all the commercial products and services that are available by schedule number and title. You can also search the site by contractor name, contract number, special item number, or key word.

IV. Small Business Programs

How are Small Business programs affected by this AL?

- Contracting Officers should consider small business participation in their acquisition strategies to the maximum extent feasible when using MACs, GWACs, and the FSS.

As outlined in Acquisition Letter 2000-02, *Small Business Programs*, the Department's contracting policies are intended to fulfill Federal policies that offer maximum opportunities to small businesses to expand the industrial base and increase competition in the Federal marketplace. The recently issued OFPP Policy Letter 99-1, *Small Business Procurement Goals*, establishes Government-wide goals for contracting with small businesses, small disadvantaged businesses, women-owned small businesses, and HUBZone small businesses. AL 2000-02 highlights numerous opportunities available to Contracting Officers for improving the Department's performance in making awards to small businesses including multiple award contracting and buying from the Federal Supply Schedules, both of which count toward the Department's small business contracting goals.

Multiple Award Contracts and GWACs

The size and scope of multiple award contracts can present obstacles for small businesses that wish to compete, even though these firms have demonstrated their ability to be competitive in providing professional and technical services. Accordingly, solicitations for multiple award contracts should be structured in such a manner that will provide maximum opportunities to small and small disadvantaged business firms to win prime contracts, which then will allow them to compete for individual orders under the contracts.

AL 2000-02 identifies several techniques to fill program requirements under multiple award contracts that can increase small business participation, including: identifying small business opportunities early in the acquisition process; considering the potential for teaming arrangements among small businesses; conducting total and/or partial small business set-asides; and, where set-asides are not practicable, reserving some of the resultant awards for small businesses.

- When using another agency's contracting vehicle (such as when placing an order under a GWAC) the Department is not relieved from its responsibility to provide prime contract opportunities for small businesses to the maximum extent feasible.

Federal Supply Schedules

The award of orders placed under GSA's FSS schedules to small businesses are counted as DOE accomplishments for goaling purposes. AL 2000-02 also identifies additional techniques for increasing small business participation when the Department fills its requirements from the FSS, including: targeting small business firms that offer the required services or products by coordinating with requestors to identify three or more small businesses that hold relevant FSS contracts; limiting, when appropriate, FSS competitions to specific categories, e.g. woman-owned small businesses or small disadvantaged businesses; and, targeting small businesses for micropurchases (orders < \$2,500).

FAR Parts 8 and 38 were recently revised (in FAC 97-18) to ensure that small businesses holding contracts under the Federal Supply Schedules are afforded the maximum practicable opportunity to compete for and receive FSS orders. The new FAR guidance encourages ordering offices to consider the availability of small business concerns under the schedule and encourages ordering offices to consider small businesses when conducting evaluations before placing an order. AL 2000-02 places further requirements on DOE Contracting Officers to maximize the award of purchases to small businesses holding contracts with the FSS. The AL specifically states that Contracting Officers are to target FSS order competitions to small business firms. Contracting Officers are to coordinate with requestors to identify three or more small businesses that hold relevant FSS contracts. FSS order competitions should be further limited, when appropriate, to specific socio-economic categories of small businesses, such as woman-owned or small disadvantaged businesses.

The Small Business Administration (SBA) and GSA have recently teamed up to further help small businesses that participate in SBA's 8(a) Business Development program become more competitive and profitable. The partnership agreement, signed in June 2000, is a joint effort by both SBA and the GSA to increase participation of 8(a) firms in the FSS program, boost the number of contract dollars awarded to 8(a) firms, and allow Federal agencies to count the awards given to 8(a) firms toward their own 8(a) goals. Government-wide implementation guidance is being developed and will be issued by SBA and GSA soon.

What procedures should you follow when consolidating requirements?

There may be questions as to whether the interim rule communicated in FAC 97-15 (64 FR 72414), or the "anti-bundling" legislation on which it is based, applies to "orders" placed against existing contracts awarded by other agencies. It is clear that the potential harm which both the legislation and the regulations are intended to preclude or mitigate may occur whether the "bundled" requirement is acquired through a new award or an order placed under an existing contract. DOE's objective is to maximize small business participation (particularly at the prime contract level) and the Department should avoid, to the extent practical, consolidation strategies that conflict with this objective.

Accordingly, when considering a consolidation of requirements that may adversely affect small business interests, you should follow the direction of Acquisition Letter 2000-02 and perform the analytical requirements of FAC 97-15 regardless of the intended vehicle. If you believe that a consolidation is warranted, but that the requirement cannot be set-aside, you should coordinate with and obtain the "buy-in" of the Office of Small Disadvantaged Business Utilization at the early stages of acquisition planning.

- Practices such as the "bundling" of requirements must be avoided when such consolidation could be adverse to small business interests. Program and procurement personnel must re-consider strategies when consolidated requirements could not be met through an award under an appropriate small business set-aside program.



Department of Energy

Washington, DC 20585

August 18, 2000

MEMORANDUM FOR: DISTRIBUTION

FROM:


GWENDOLYN S. COWAN, DIRECTOR

OFFICE OF PROCUREMENT AND ASSISTANCE POLICY

SUBJECT: ACQUISITION LETTER 2000-08

Attached is Acquisition Letter AL-2000-08 (dated 8-18-00) titled Site Utilization and Management Planning. This package has been reviewed by the Field Management Council and has been approved by the Deputy Secretary.

For questions or comments concerning this Acquisition Letter please contact Robert Webb of this office at (202) 586-8264.

