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Acquisition Regulation

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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).

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Subject: Site Utilization and Management Planning

References:

FAR Part 7 – Acquisition Planning

When is this Acquisition Letter (AL) Effective?

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

When does this AL Expire?

This AL remains in effect until superseded or canceled.

Who is the Point of Contact for this AL?

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Visit our website at **www.pr.doe.gov** for information on Acquisition Letters and other policy issues.

What is the Purpose of this AL?

The purpose of this AL is to provide guidance on the development of site utilization and management information for each Department of Energy (DOE) site. Documentation of such information will be a condition of the award of any contract for the management and operation, the integration or restoration of a DOE site or privatization of function(s) at a DOE site.

What is the Background?

Since 1995 the Department has identified institutional planning as a prerequisite to acquisition planning and major procurement decisions, particularly the extend/compete process. This process has been important to assure that those decisions are not merely a perpetuation of the status quo at the particular DOE site. More than ever in DOE's history, DOE sites have program responsibilities to multiple DOE program offices, and each year there are additional responsibilities added while others may be deleted. This situation complicates the process of developing an appropriate acquisition strategy that will assure successful accomplishment of all program goals. It also can put one DOE program's objectives in direct competition with another for the dwindling resources available at the DOE site.

As it has evolved, this institutional planning process has proved helpful to ensure "buy-in" by all program sponsors and DOE senior management. It has also helped to identify alternative acquisition strategies specifically designed to obtain mission objectives. These results have been achieved because the process has aided analysis of a contract approach leading to consolidation or reorganization of existing contracts. In addition, it has exposed and aided in resolution of a lack of compatibility in the goals of the site, represented programs, and the DOE Strategic Plan. This Acquisition Letter provides guidance for the development and coordination of site utilization and management information needed prior to initiation of the acquisition process.

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Guidance Included in this Acquisition Letter

I. Why is it Necessary to Develop Site Utilization and Management Information? 3

II. What Impact Does this Process Have on Acquisition Planning? 3

III. When Must the Information be Developed? 4

IV. Who has the Responsibility to Develop the Information? 4

V. How should the Information be Documented? 4

VI. How is the Site Utilization and Management Information to be Coordinated? 4

VII. What does Site Utilization and Management Information Consist of? 5

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I. Why is it Necessary to Develop Site Utilization and Management Information?

No major acquisition at a given DOE site can stand on its own. It is merely a part of a larger strategy designed to carry the site from the present to its ultimate goal such as remediation, closure, or continuing to perform the existing mission or a modified mission. No business strategy can be adopted for a specific procurement unless the Head of the Contracting Activity, the contracting officer, the program managers, and all others involved are aware of the part the individual acquisition will play in attaining the site's mission. Many DOE sites have responsibilities to more than one DOE program. Each program may have its own plan for activities at the site; however, those individual activities must be considered in the context of all of the other programs at the site to establish one master strategy for the attainment of the site's mission. In addition, the missions at the site may change yearly, with the significant potential effects on planned acquisitions.

It is not in DOE's interest that each program should plan to accomplish its mission and account for its budget in isolation, not recognizing the effects on the sites upon which it relies. Major changes in mission or organization of a site may occur. A danger exists that a requirement may be solicited and a contract awarded, but actually be at odds with the site's attainment of its ultimate goal.

Site utilization and management information brings together in one document the long term (5- 10 year) objectives of the DOE site with the business strategy for attaining it. The information is necessary to record the different parts of the DOE organization, program, site, and support offices will play and to reconcile the intention of each of those participants.

Site utilization and management information must represent the coordinated perspective of the Department's senior management. It may be developed from existing plans or generated as a new plan. The documentation will provide a single structure, approved by all involved participants for pursuit of DOE's mission at each site.

No DOE contracting officer is authorized to award any management and operating contract or other contract subject to this AL either competitively or noncompetitively or through the exercise of an option, unless the requirement is derived from, and the acquisition strategy is consistent with site utilization and management information approved by senior management.

II. What Impact Does this Process Have on Acquisition Planning?

Acquisition planning must be a process of meeting DOE's needs with regard to the site. Each proposed acquisition must be analyzed in light of the site utilization and management requirements. The fact that a requirement has previously been acquired using a certain statement of work or in a certain manner, does not assure that the previous method continues to be in the Department's best interest. A restructuring of a requirement may be more appropriate. A reorganization of all requirements at the site may be appropriate. The type of contract or other strategy may need to be changed to fit the then known needs of the site.

III. When Must the Information be Developed?

Site utilization and management information for an individual DOE site must be completed prior to the development of an acquisition plan for the management or operation of a DOE site. This includes the noncompetitive award or the competition of a contract for management and operation, integration, or environmental restoration of a DOE site. It also includes the privatization of any significant function at the site.

IV. Who has the Responsibility to Develop the Information?

The Cognizant Secretarial Officers(CSOs) are responsible for the development and documentation of site utilization and management planning information. In fulfilling this responsibility, CSOs should work closely with the Lead Program Secretarial Officer (LPSO) for the site, the manager of the operations office, other offices having programs as the site, and support offices.

V. How should the Information be Documented?

The purpose of this requirement is NOT to duplicate site planning requirements or activities that already exist within the Department. This requirement does not demand a specific report or documentation format. It does require the completion of site planning and the provision of certain information prior to the development of acquisition plans for certain types of DOE requirements. To the extent that such a planning process already exists, it should be undertaken with the intent to satisfy the requirements stated herein so that one document will be created serving two or more functions. Conversely, if the information exists in multiple planning documents, the specific site utilization and management information may be extracted from them.

VI. How is the Site Utilization and Management Information to be Coordinated?

Site utilization and management information will be concurred in by the LPSO, CSO(s), other DOE programs with missions at the site, and the operations office manager, as appropriate. The planning information should also be reviewed by the Deputy Secretary in his role as the Department's Chief Operating Officer and the appropriate senior procurement executive. The Field Management Council may be used as a resource to resolve disagreements. Once adopted the site plan should be periodically amended to reflect any subsequent changes in the mission of the site. The information should also be updated and revised prior to a noncompetitive extension of an existing contract, the competitive award of a new contract, or the exercise of any contract option.

VII. What does Site Utilization Management Information Consist of?

Site utilization and management information shall take into account the mission of the site in support of each DOE program the functions of which are being performed at the site or are to be performed at the site. The information shall be sufficiently specific to relate the mission and performance objectives for each DOE program over the next 5-10 years. That information should discuss years three, four and five in greater detail and should also discuss years one and two with specificity. The mission for each program is to be related to the budget provided by the relevant DOE program.

A site utilization and management information shall include:

1. A discussion of the site's responsibilities under the DOE Strategic Plan;

2. An identification of the DOE Program Offices with work at the specific site and a detailed description of that work and the intended objectives;

   (a) projection of business line activities, e.g., new and developing missions or significant changes to the current mission, including any reduction or expansion;

   (b) interrelationship among business line activities, including identification of their relative significance and reconciliation of competing mission objectives and any other open issues;

   (c) any internal or external events that may affect site operations; and

   (d) any local area considerations.

3. The current and planned budget to accomplish each of the objectives of each program (this must include a discussion of contingent plans to deal with the effect of reduced appropriations);

4. A discussion of the management approach to be employed to control changes to the work as planned and the assignment of unexpected work;

5. A discussion of infrastructure at the site to support each program predicated upon full integration of site program planning, management, and assessment; and

6. A discussion of the current "contractual configuration" and future plans for achieving its Departmental responsibilities, including any planned "privatization" of site functions.