



DATE: February 26, 2014

TO: Procurement Directors

FROM: Director
Contract and Financial Assistance Policy Division
Office of Policy
Office of Acquisition and Project Management

SUBJECT: Complex-Wide Strategic Sourcing - Update

SUMMARY: Policy Flash 2008-03 transmitted information on the enhanced strategic sourcing website as well as an order of precedence for considering the use of strategic sourcing agreements first. Policy Flash 2008-42 provided clarification on the use of agreements placed by the Department of Energy (DOE), the Integrated Contractor Purchasing Team (ICPT) and the Supply Chain Management Center (SCMC), and describing how they met the Competition in Contracting Act, the Federal Acquisition Regulation, the DOE Acquisition Regulation, prime contractor terms and conditions for subcontracting, and other relevant policies and procedures.

This Policy Flash brings these two Policy Flashes up to date.

There are many Department-wide strategic sourcing instruments that have been awarded for goods and services that are commonly acquired across the DOE complex. These instruments have been awarded in accordance with all applicable Federal and DOE regulations/policies and are available for use by authorized DOE federal and major site and facility contractor personnel (it is noted that ICPT and SCMC agreements are available for use by authorized contractors only; DOE Federal activities may not place orders under ICPT and SCMC agreements).

The use of these instruments offers numerous cost, time, and resource benefits, including significant leveraged discounts for commonly acquired goods and

services and enhanced socio-economic goal achievement (most awardees are small, disadvantaged, 8(a), service disabled, veteran-owned, etc.).

The agreements placed by the DOE, ICPT, and the SCMC have met all applicable requirements of the Competition in Contracting Act, the Federal Acquisition Regulation, the DOE Acquisition Regulation, prime contractor terms and conditions for subcontracting, and other relevant policies and procedures. Therefore, orders may be placed under these agreements pursuant to the ordering instructions of the individual agreements. No further requirements apply pertaining to competition, further price analysis/justification, additional review of the terms and conditions contained in these agreements, etc.

Moreover, even though an activity may be able to achieve a slightly greater price savings by awarding its own agreement for goods/services covered by an ICPT, SCMC or DOE agreement, such savings would be significantly offset by the additional cost in resources and time to solicit, evaluate, and award a separate agreement for the same goods or services. With respect to orders placed against SCMC catalog agreements by FMCs, the Contracting Officer subcontract review and consent will not be required as long as modifications to the catalog pricing or provisions are not made.

DOE Procurement Directors should establish internal processes that place consideration of established DOE agreements at the top of the order of precedence of acquisition strategies when conducting acquisition planning for goods and services, to include coordinating similar requirements with their FMC Purchasing Managers for use of ICPT, SCMC, and applicable DOE Federal agreements (e.g., via the FMCs approved purchasing system). Additionally, internal independent review and oversight functions/processes at both the Federal contracting activity and FMC purchasing activity levels should challenge use of acquisition strategies to acquire goods and services that do not consider use of these agreements.

More information and details on complex-wide strategic sourcing and the ICPT, SCMC and DOE Federal level agreements is available at:

<http://energy.gov/management/strategic-sourcing>.

This Flash will be available online at the following website:

<http://energy.gov/management/office-management/operational-management/procurement-and-acquisition/policy-flashes>.

Questions concerning this policy flash should be directed to Scott Clemons of the Strategic Programs Division, Office of Contract Management, Office of Acquisition and Project Management at (202) 287-1544.