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## CHAPTER 4. Acquisition Planning

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## **4.1 Policy**

Acquisition planning is an indispensable component of the total procurement process. The Authority uses acquisition planning as an opportunity to evaluate/review the entire procurement process, so that sound judgments and decision making will facilitate the success of the overall procurement. Procurements shall provide for acquisition planning to consolidate or break apart requirements for more economical purchases and to result in an efficient procurement process. Acquisition planning should be appropriate and proportionate to the complexity and dollar value of the requirement.

## **4.2 Responsibilities**

The Authority department with the requirement is responsible for acquisition planning. Depending on the complexity and dollar value of the requirement, the Authority department planner shall form a team consisting of all those who will be responsible for significant aspects of the procurement, such as procurement, budget, legal, and technical personnel. The planner should review previous plans for similar procurements and discuss them with the key personnel involved in those procurements. At key dates specified in the plan or whenever significant changes occur, and no less often than annually, the planner shall review the plan and, if appropriate, revise it.

## **4.3 Advance Procurement Planning**

Acquisition procurement planning should begin as soon as the Authority need is identified, preferably well in advance of the fiscal year in which contract award or order placement is necessary.

## **4.4 Contents of Written Acquisition Plans**

Acquisition plans must address all the technical, business, management, and other significant considerations that will control the procurement. Acquisition plans must identify those milestones at which decisions should be made. The specific content of the acquisition plans will vary, depending on the nature, circumstances, and stage of the procurement.

## **4.5 Contact with Prospective Contractors**

Contact with prospective contractors is allowed as part of acquisition planning in the course of market research to learn industry capabilities. All contact, formal or informal, should be appropriately documented. The Authority shall not make commitments or representations that would lead a prospective contractor to believe that they will or will not receive an order or contract for the goods or services, including construction. The Authority shall not divulge information to any prospective contractor except as provided in the Authority regulations.

## **4.6 Market Research**

Market research is conducted to determine if commercial items or other items are available to meet the Authority's needs or could be modified to meet the Authority's needs. A description of the Authority's needs stated in sufficient terms is required prior to the conduct of market research. Market research can initiate industry involvement, develop and refine the procurement strategy, obtain price information, determine whether commercial items exist, determine the level of competition, identify market practices, or obtain comments on requirements. The magnitude and degree of formality of the market research should be appropriate to the contemplated procurement.



#### **4.7 Initiation and Approval of Procurement Action**

All procurements, whether for goods, services, architectural and engineering or construction begin in the budget planning process. Each Authority department shall formulate a procurement plan in conjunction with the budget and procurement offices. Each Authority department shall ensure that budget authority exists and that the procurement action sought is contained in the department's annual approved operating or capital budget prior to initiating a procurement action. If the procurement action is a material deviation from the department's approved budget and work plan, the Department Head must submit a written explanation to the General Manager for approval prior to the initiation of the procurement action.

#### **4.8 Specifications and Purchase Descriptions**

Specifications and purchase descriptions shall state Authority needs in a manner designed to promote full and open competition or maximum practicable competition based on the nature of the goods and services including construction being procured.

To the maximum extent practicable, requirements will be stated in terms of (a) functions to be performed; (b) performance required; or (c) essential physical characteristics. Requirements should be defined in terms that enable and encourage the offer of commercial items to the extent that commercial items suitable to meet Authority needs are available.

The Authority may describe a requirement by use of a brand name, provided the description is followed by the words "or equal." This description shall be used only when adequate specifications or a more detailed purchase description cannot be employed. When using a brand name or equal purchase description, the description shall also list the salient characteristics and minimum acceptable features.

Restrictive provisions or conditions may be used only to the extent necessary to satisfy Authority needs.

#### **4.9 Solicitation Provisions and Contract Clauses**

Each Authority department, as part of its acquisition planning, shall consider and identify, any special or additional solicitation provisions or contract clauses that will be required as part of the procurement to ensure contractor performance and/or protect the Authority's interests.

#### **4.10 Authorized Methods of Procurement**

Unless the procurement is exempt from the requirements for competition (under Section 5332 of the Regulations), each Authority department, as part of its acquisition planning, shall consider for use only the authorized methods of procurement listed below:

1. Micro-purchase
2. Small purchase (simplified acquisitions)
3. Sealed bid
4. Competitive proposal
5. Multi-step method
6. Expedited purchase
7. Limited competition
8. Joint agency procurement method
9. Rider procurement method
10. General Services Administration schedule purchases



Procurements that are exempt from the requirements for competition under Section 5332 of the Regulations should be planned according to the chapters on Sole Source, Emergency Procurement, or Categorical Exemptions.

#### **4.11 Multi-year Contracts**

Multi-year contracts are appropriate when the need for the goods or services is reasonably firm and continuing, and covers more than one, but no more than five program years, and funding is only available for the first program year. The Authority's obligations and the contractor's performance are contingent upon the availability of funds.

Multi-year contracts are awarded with the full term and amount of the contract, but must include a provision for a limitation of funds. It is not necessary to establish and exercise an option for each program year after the first. The obligation of funding and the authorization to increase the level of spending is sufficient for the continuation of contract performance.

All multi-year contracts will contain a cancellation clause and a clause conditioning annual extension of the contract on the appropriation of sufficient funds to meet the Authority's obligation.

Each Authority department, as part of its acquisition planning, shall consider the use of multi-year contracts described in the chapter on Special Contracting Methods.

#### **4.12 Multiple-Year Contracts**

Multiple-year contracts buy more than one year's requirement, but no more than five, similar to multi-year contracting, but only the first program year is awarded. Each program year after the first requires the exercise of an option.

All multiple year contracts will contain a clause conditioning annual extension of the contract on the appropriation of sufficient funds to meet the Authority's obligation.

Each Authority department, as part of its acquisition planning, shall consider the use of multiple year contracts for goods and services whenever the extended contract will serve the needs of the Authority.

#### **4.13 Indefinite Delivery Indefinite Quantity Contracts**

Each Authority department, as part of its acquisition planning, shall consider the use of Indefinite-delivery, indefinite-quantity contracts in accordance with the chapter on Indefinite Delivery Indefinite Quantity Contracts, when the exact times or the exact quantities of future deliveries will not be known at the time of contract award.

#### **4.14 Use of Options**

Each Authority department, as part of its acquisition planning, shall consider the use of options in accordance with the chapter on Special Contracting Methods to procure additional goods, services, or construction. Options may be considered for award for individual elements of work that can be separately priced and are based on availability of funds or annual requirements for recurring needs.

#### **4.15 Stock Replenishments**

Each Authority department, as part of its acquisition planning, shall check with the Logistics Branch of Procurement for availability of the desired item in inventory prior to initiating a procurement action.



#### **4.16 Pre-Qualification**

Each Authority department, as part of its acquisition planning, may consider pre-qualifying prospective contractors or products. The department head or designee shall prepare a written justification stating the necessity for establishing the qualification requirement and specifying why the qualification requirement must be demonstrated before contract award. The justification shall specify only those least restrictive requirements that a prospective contractor (or its product) must satisfy in order to become qualified. The likely costs for testing and evaluation that will be incurred by prospective contractors and Authority should be included.

When a pre-qualified list is established, a validity period will be set at which time the list shall expire. The validity period will be set on a case-by-case basis and should be based on the nature of the requirements that a prospective contractor (or its product) must satisfy.

#### **General Services Administration Schedule Purchases**

Each Authority department, as part of its acquisition planning, may consider General Services Administration Schedule Purchases to satisfy its requirement. The Contracting Officer must determine the use of General Services Administration Schedule Purchases to be in the Authority's best interest.