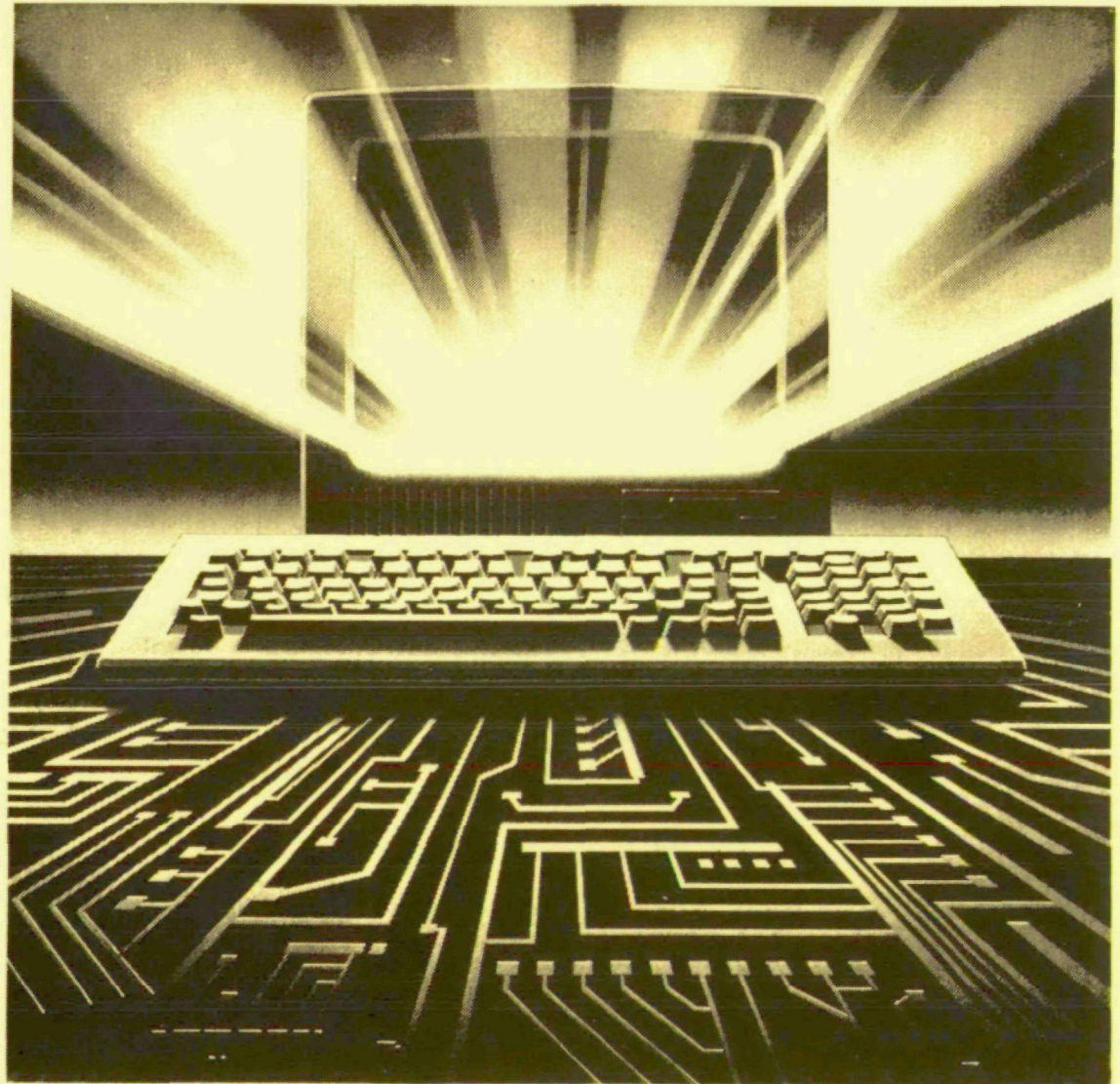




Federal Information Processing (FIP) Resources Acquisition

Planning And Development Guide



**FEDERAL INFORMATION PROCESSING
(FIP) RESOURCES ACQUISITION
GUIDE**

September 23, 1994

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PREFACE

In March 1992, the Environmental Protection Agency's (EPA's) Inspector General (IG) identified problems in the agency's procedures for acquiring and managing Federal Information Processing (FIP) resources, particularly in the processes for acquiring FIP support services. In the wake of these findings, the Office of Information Resources Management (OIRM) committed to improving the agency's FIP acquisition process. This guide provides guidance to EPA personnel on acquiring FIP resources with an emphasis on acquisition by procurement.

The *FIP Acquisition Guide* is intended to address many of the deficiencies identified by the IG and to strengthen the agency's overall process for acquiring FIP resources. Effective acquisition and use of automated data processing equipment (ADPE) and services is critical to achieving EPA's environmental goals and to implementing essential agency business functions. The procedures established in the guide are intended to ensure that EPA acquisitions of FIP resources are well planned, executed, and comply with Federal and EPA Information Resources Management (IRM) requirements.

This guide is being issued at a time when the agency is making a significant investment in re-inventing critical business processes. OIRM is committed to this task and has sought to build flexibility into the FIP approval process where appropriate. The guide also provides for the delegation of OIRM authorities to each Assistant Administrator's organization as a method of flattening and expediting the approval process.

However, many of the requirements that control the acquisition of FIP resources governmentwide are contained in the Brooks Act, General Services Administration (GSA) regulations, and other critical Federal directives (e.g., Office of Management and Budget [OMB] Circular A-130), and are not within EPA's discretion to modify. As GSA, Congress, or other agencies modify their acquisition requirements, OIRM will work to modify its process in kind. In the interim, this guide provides specific guidance for developing, reviewing, and approving critical acquisition documentation in order to facilitate the acquisition process. This is also done to simplify the process of working with complex rules such as the Federal Information Resources Management Regulation (FIRMR).

This guide was developed by OIRM's Oversight and Compliance Support Staff (OCSS) with support from GSA's Federal Systems Integration and Management Center (FEDSIM).

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LIST OF ACRONYMS

AA	Analysis of Alternatives
ADP	Automated Data Processing
ADPE	Automated Data Processing Equipment
AMPB	Architectural Management and Planning Branch
APR	Agency Procurement Request
AR	Approval Requirement
CAP	Contractor-Acquired Property
CBD	Commerce Business Daily
CBI	Confidential Business Information
CD-ROM	Compact Disk-Read Only Memory
CICA	Competition in Contracting Act
CMM	Contracts Management Manual
CO	Contracting Officer
D&F	Determination and Findings
DoD	Department of Defense
DOPO	Delivery Order Project Officer
DSO	Designated Senior Official
DPA	Delegation of Procurement Authority
DR	Documentation Requirement

LIST OF ACRONYMS (Cont'd.)

EBBS	Electronic Bulletin Board Service
EOP	Executive Office of the President
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FED-STDS	Federal Telecommunications Standards
FEDSIM	Federal Systems Integration and Management Center
FIFRA	Federal Insecticide, Fungicide, and Rodenticide Act
FIP	Federal Information Processing
FIPS	Federal Information Processing Standards
FIPS PUB	Federal Information Processing Standards Publication
FIRMR	Federal Information Resources Management Regulation
FISSP	Federal Information Systems Support Program
FMSD	Facilities Management and Services Division
FMSS	Financial Management Systems Software
FSS	Federal Supply Service
FTE	Full-Time Equivalent
FTS	Federal Telephone Services
GAO	General Accounting Office
GFI	Government-Furnished Information

LIST OF ACRONYMS (Cont'd.)

GFP	Government-Furnished Property
GPO	Government Printing Office
GSA	General Services Administration
GSBCA	GSA Board of Contract Appeals
IAG	Interagency Agreement
IG	Inspector General
IGCE	Independent Government Cost Estimate
IP	Implementation Plan
IRM	Information Resources Management
IT	Information Technology
ITF	Information Technology Fund
JOFOC	Justification for Other than Full and Open Competition
LAN	Local Area Network
MAS	Multiple Awards Schedule
MES	Management and Evaluation Staff
MNS	Mission Needs Statement
NASA	National Aeronautics and Space Administration
NDPD	National Data Processing Division
NIST	National Institute of Standards and Technology

LIST OF ACRONYMS (Cont'd.)

NTIS	National Technical Information Service
OAM	Office of Acquisition Management
OARM	Office of Administration and Resources Management
OFPP	Office of Federal Procurement Policy
OCSS	Oversight and Compliance Support Staff
OGC	Office of General Council
OIG	Office of Inspector General
OIRM	Office of Information Resources Management
OMB	Office of Management and Budget
ORD	Office of Research and Development
OSDBU	Office of Small and Disadvantaged Business Utilization
OSS	On-Line Schedule System
OTA	Office of Technical Assistance
P&CV	Performance and Capability Validation
PC	Personal Computer
PO	Project Officer
POTS	Purchase of Telecommunications Services
PR	Processing Requirement
PRP	Procurement Request Package

LIST OF ACRONYMS (Cont'd.)

PRA	Paperwork Reduction Act
QA	Quality Assurance
RA	Requirements Analysis
RCRA	Resources Conservation and Recovery Act
RFP	Request for Proposal
RKR	Recordkeeping Requirement
RTP	Research Triangle Park
SIRMO	Senior Information Resources Management Official
SOW	Statement of Work
SRO	Senior Resource Official
TEP	Technical Evaluation Panel
TSC	Telecommunications Support Contracts
TSCA	Toxic Substances Control Act
WAM	Work Assignment Manager

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1. INTRODUCTION

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The Environmental Protection Agency (EPA) was established in 1970 to protect and enhance the United States environment by controlling and abating air, water, solid waste, chemical, and other toxic pollutants. In accomplishing its mission, EPA has acquired a wide range of Federal Information Processing (FIP) resources to support its research, monitoring, standard setting, and enforcement activities.

Acquisition of these resources is a long and time consuming process. This Guide has been developed by the Office of Information Resources Management (OIRM) to assist EPA personnel in acquiring FIP resources in a timely and efficient manner.

Background

FIP resources have become a mainstay in the operation and execution of EPA's environmental goals. Virtually every organization within EPA relies on FIP resources to conduct day-to-day operational mission and business functions. During a review of EPA's FIP resources, the EPA Inspector General (IG) identified procedural problems with acquiring and managing FIP resources, particularly acquiring FIP support services. OIRM is addressing these problems and is committed to improving the agency's FIP resources acquisition process.



Laws

The majority of requirements that dictate FIP resource acquisition activities are contained in the Brooks Act, the Federal Acquisition Regulation (FAR) (Chapter 1, Title 48, of the United States Code), the Federal Information Resources Management Regulation (FIRMR), and other critical Federal and General Services Administration (GSA) directives. These regulatory documents prescribe specific acquisition activities and analyses and are not within EPA's authority to change.

OIRM is working within the framework of these Federal regulations to strengthen and streamline the EPA acquisition process. OIRM's Oversight and Compliance Support Staff

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(OCSS) has developed the *FIP Resources Acquisition Guide* to address many of the deficiencies identified by the IG.

This guide effectively integrates activities necessary to acquire FIP resources in a timely and efficient manner. The acquisition process presented in this manual is organized into a series of five cyclic phases: Initial Planning, Presolicitation, Solicitation, Source Selection, and Contract Administration. Specific procedures and activities required for an EPA acquisition are divided into 19 steps within these phases. These steps guide the EPA Project Officer (PO) from the initial planning to contract administration.

Objectives

The primary objective of this guide is to provide EPA personnel involved in the acquisition process with the basic information, procedures, and points-of-contact necessary to acquire FIP resources, either through a dedicated FIP procurement or as an embedded component in a larger mission-based contract. In addition, the information and procedures in the guide are intended to ensure that EPA acquisitions of FIP resources comply with Federal and EPA acquisition requirements.

The guide emphasizes the procedures and requirements for acquiring FIP resources through new contracts, since successful contracting is critical to EPA's mission of protecting the environment. However, the guide also steers acquisition personnel through FIRMR requirements that are intended to ensure that all appropriate acquisition alternatives are considered by the client and that the acquisition process results in the best service and performance outcome for the agency.

Scope of this Guide

This guide focuses on the basic procedures and documents required of EPA organizations when acquiring FIP resources, but does not attempt to address every detail of the acquisition life cycle. The range of FIP resource acquisition issues is broad and often complicated, and individual organizations'

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requirements vary greatly. A single guide could not adequately address every situation.

The procedures described in Chapter 4 implement FIP acquisition requirements specifically prescribed in Federal and EPA policies and regulations. These procedures describe the basic processes, documentation, recordkeeping, and approval requirements of the acquisition process, with emphasis on acquisition by new contract. Rather than quoting large portions of the FAR, FIRM, and other reference sources, the appropriate sources are referenced for each step in the process in Appendix D for more detailed information and guidance.

This guide primarily addresses acquisition of FIP resources through contracting. However, other methods of acquiring FIP resources are acknowledged including use of in-house resources, sharing FIP resources through use of an existing contract, and interagency agreements. In the future, OIRM plans to expand the guide to include chapters on other acquisition methods such as developing interagency agreements for acquiring FIP resources.

The initial steps in the process described by this guide are to be applied to all FIP acquisitions regardless of the acquisition method and source used (i.e., contracting, in-house, or interagency). Additional guidance on the interagency agreement process is contained in *EPA's Interagency Agreement Policy and Procedures Compendium*.

The detailed procedures and documents developed by other organizations, such as OIRM and the Office of Acquisition Management (OAM), are not within the scope of this guide. Neither does it provide detailed procedures for "small purchase" (\$25,000 or less) type acquisitions. Primary policy and guidance for small purchases are contained in FAR Part 13 and Chapter 2 of the *EPA Contracts Management Manual (CMM)*. Appendix H contains the basic documentation requirements for small purchases, as well as additional references.

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Relationship to EPA and Governmentwide Guidance

The procedures and guidance provided in this guide conform to FAR, FIRM, applicable Office of Management and Budget (OMB) Circulars, Federal Information Processing Standards Publications (FIPS PUBs), GSA pamphlets, and EPA Directives, Regulations, Manuals, and Handbooks.

A list of regulations, policies, standards, and guidance referenced in this document, or identified as being pertinent to EPA acquisitions, is located in Appendix B.

Suggestions for Using This Guide

The approach, procedures, and activities described in this guide comply with Federal and EPA regulatory documents. This guide is not intended to replace or supersede any mandated or well established acquisition planning approach in effect in EPA offices, but is presented as a guide to developing and/or enhancing an approach when deemed necessary by client management.

The term "client" is used throughout the document to indicate any EPA individual, usually a PO, that initiates, submits for approval, or manages a FIP resources acquisition. Unless stated otherwise (e.g., client management or organization), the guide uses the terms "client," "client PO," and "PO" synonymously.

Chapter 1 of this guide documents the guide's objectives, scope, and orientation. Following the introduction in Chapter 1, the reader should review Chapter 2 which describes the Federal environment in which FIP resources are acquired. The reader should understand the role of Federal and EPA legislation, oversight organizations, and regulations, specifically the contrasting focus of the FAR and the FIRM. The chapter clearly defines and gives examples of FIP resources and summarizes EPA management and budget plans and processes related to acquiring resources. Additionally, the chapter reviews GSA's delegation of procurement authority (DPA) process and

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levels, the various sources for acquiring FIP resources, and EPA organizations intricately involved in the acquisition process. Appendix A lists Federal legislation and oversight organizations which govern FIP acquisitions. Federal and EPA acquisition regulations, policies, and guidance are listed in Appendix B along with instructions on obtaining the documents or references. Appendix C provides guidance on identifying FIP support services.

Chapter 3 presents a high-level overview of the acquisition process, discussing the five phases and the general objective(s) of each phase. This overview provides the reader an introduction to the overall process and enables the reader to ascertain the flow of events comprising the acquisition process.

The specific phases and steps of the EPA acquisition process are detailed in Chapter 4. The process presented in this model is geared toward acquisition by contract, however, the initial planning and analyses conducted during the early stages is relative to all acquisitions, regardless of the method or source. The reader is encouraged to review the entire process and then focus on the steps and activities which pertain to their applicable method of acquisition. Appendix D lists references for each step, enabling the reader to further research the activities involved in the step.

The FIRMR dictates specific activities and analyses for FIP acquisitions, therefore, the reader must determine whether or not the FIP acquisition being undertaken falls within the purview of the FIRMR. Appendix E provides assistance in determining the applicability of the FIRMR to specific acquisitions. Appendix F contains instructions for preparing an Agency Procurement Request (APR) to obtain a DPA from GSA. Detailed information on the contents of a Procurement Request Package (PRP) are listed in Appendix G.

Appendix H provides a brief overview of the "small purchase" process for acquiring FIP resources. Appendix I contains points-of-contact for further information.

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2. FIP RESOURCES ACQUISITION ENVIRONMENT

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Acquiring FIP resources in the current Federal environment is a long, tedious endeavor complicated by the plethora of regulations, varied terminology, pre-acquisition planning activities, and agency-specific requirements and procedures. This chapter documents the Federal environment applicable to FIP resource acquisitions, specifically, highlighting applicable regulatory documents and contrasting the focuses of the FAR and FIRMR; defines and distinguishes categories of FIP resources; provides a high-level overview of related EPA management and budgetary plans; and reviews the GSA delegation of procurement authority process. Additionally, the chapter describes the various methods of acquiring FIP resources and the EPA organization available for assistance in acquiring these resources.

Acquisition Legislation, Oversight Agencies, and Regulations

Federal acquisitions are strictly regulated and affected by numerous Congressional, GSA, OMB, and EPA legislation, committees, agencies, regulations, policies, and guidance.

Federal Legislation

The Federal legislation that directly affects the acquisition of FIP resources include the Brooks Act, the Warner Amendment, and the Paperwork Reduction (and its reauthorization), Competition in Contracting, Computer Security, Office of Federal Procurement Policy (OFPP), and Privacy Acts. These laws are summarized in Appendix A.



Oversight Agencies

Congressional legislation has delegated primary authority for overseeing various aspects of FIP resource acquisitions to GSA, OMB, OFPP, the General Accounting Office (GAO), and the National Institute of Standards and Technology (NIST). Specific responsibilities are listed in Appendix A.

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Regulations

Federal Regulations

The most significant regulations governing FIP resource acquisitions are the FAR and the FIRMR. In addition to these two regulations, the Federal government has published a wide range of regulatory and guidance documents to direct and assist Federal acquisitions. Appendix B contains a list of acquisition-related documents cited in this guide and/or provided as reference or guidance.

The FAR/FIRMR

The FAR, issued in 1984, is the primary regulation affecting Federal agencies acquiring supplies and services with appropriated funds. The FAR prescribes Governmentwide regulations for all Federal acquisitions and is issued under the joint authority of GSA, the Department of Defense (DoD), and the National Aeronautics and Space Administration (NASA). The FAR implements the Competition in Contracting Act (CICA).

FAR Part 39.001 states that "in acquiring information resources, acquisition personnel shall follow the policies and procedures contained in the FAR except in those areas where the FIRMR describes special policies, procedures, provisions, or clauses".

The FIRMR, issued in 1984 and reissued in 1991, is the primary Governmentwide regulation for acquiring, managing, and using **FIP resources**. Issued by GSA with policy direction from OMB, the FIRMR governs Federal agencies' activities in the following areas:

- Acquisition, management, and use of FIP resources
- Issuance of solicitations and contracts requiring the delivery of FIP resources to the Government or, under specified conditions, the use by a contractor of FIP resources
- Creation, maintenance, and use of Federal records

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The FIRMR helps ensure that information resources are acquired, managed, and used to improve service delivery and program management, increase productivity, reduce waste and fraud, and minimize paperwork burdens. It contains provisions that cover a range of Information Resources Management (IRM) areas including IRM planning, records management, information security, and FIP acquisition requirements. With regard to acquisitions, the FIRMR establishes a framework and process for planning, analyzing, acquiring, and managing information resources. This process specifies activities such as conducting requirements analyses, identifying and evaluating alternatives, and planning and implementing the acquisition. The FIRMR refers to these three activities as the Requirements Analysis (RA), Analysis of Alternatives (AA), and Implementation Plan (IP).

Although both the FAR and FIRMR deal with acquisitions, the focus of the two documents is different. The FAR Part 2, Subpart 2.101 defines acquisition as **acquiring, by contract with appropriated funds, supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.**

According to the FAR, acquisition begins at the point when an agency's needs are established and includes the description of requirements to satisfy the needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling the agency's needs by contract.

In FIRMR Part 201-20, the definition of acquisition:

- Consists of a series of steps beginning with the RA and ending with the implementation of the most advantageous alternative to satisfy the requirement
- Includes obtaining FIP resources both from sources external to the agency and through in-house sources

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Under the FIRMR definition, **an acquisition may involve using in-house resources, contracted resources, other agency resources, developing FIP resources (software, hardware, or systems), or a combination of these to meet an agency's need.**

Contrasting the two regulations, the FAR addresses acquisition (i.e., procurement) by contracting, whereas the FIRMR addresses acquiring and managing FIP resources regardless of source. **The term "acquisition" is used in this guide in the broader context of the FIRMR definition. Where this guide focuses on acquisitions involving a contract, the terms "procurement," "contract," or "acquisition by contract" are used for clarity.**

When FIP resources are acquired by contracting, the FIRMR must be used in conjunction with the general procurement and contracting regulations contained in the FAR. The FAR is written primarily for Contracting Officers (COs) and contains rules that pertain to the procurement process. The FIRMR is written for all individuals who deal with FIP resources and contains one Part (201-39) that has rules on the procurement process. **When acquiring FIP resources, if a conflict between FIRMR Part 201-39 and the FAR, the FIRMR generally takes precedence.**



Guidance for determining FIRMR applicability to a specific solicitation or contract is provided in Chapter 4 and Appendix E.

OMB Circulars

The Paperwork Reduction Act of 1980, as amended (PRA), designated OMB as being responsible for providing leadership and coordination of IRM, specifically:

- Developing and implementing a comprehensive set of IRM policies, principles, standards, and guidelines
- Promoting the use of information technology (IT) to improve the use and dissemination of information by Federal agencies

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To satisfy these responsibilities, OMB issued numerous OMB Circulars that provide Governmentwide policy on FIP acquisitions. OMB Circulars pertinent to FIP resource acquisition are listed in Appendix B.

Federal Information Processing Standards and Guidance

NIST develops Federal Information Processing Standards (FIPS) and issues FIPS PUBs as guidance and information documents on specific areas or to detail specifications for FIPS. FIPS PUBs relating to specific documentation requirements for FIP resource acquisitions are listed in Appendix B.

EPA Regulations

EPA has published numerous manuals, handbooks, guidelines, and regulations, which mandate specific activities, detail processes, outline programs, and provide guidance. This guide does not supersede any activities mandated by these documents but is designed to complement these regulations and publications. In particular, this guide expands on the *EPA FIP Resource Acquisition Interim Guidance* dated April 22, 1994. EPA regulatory and policy documents referenced in this guide are listed in Appendix B.

FIP Resources Definition

The term FIP resources encompasses a wide range of equipment, software, and related services. FIRM Subpart 201-4.001 defines FIP resources as "automated data processing equipment (ADPE) as defined in Public Law 99-500, ..." and "any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information -- (1) by a Federal agency; (2) under a contract with a Federal agency that requires the use of such equipment; or (3) requires the performance of a service or the furnishing of a

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product that is performed or produced making significant use of such equipment."

The definition also "...includes -- (1) computers; (2) ancillary equipment; (3) software, firmware [computer programs that are embodied in a physical device that forms part of the equipment; e.g., a chip, board], and similar procedures; (4) services, including support services; and (5) related resources as defined by regulations issued by the Administrator for General Services." Also addressed in the FIRMR (Subpart 201-1.002 and Bulletin A-1, Attachment D) is "embedded FIP equipment." Chapter 4, Step 3, discusses the issue of embedded equipment relative to the FIRMR applicability to FIP resources.

The FIRMR categorizes FIP resources as equipment, software, services, support services, maintenance, related supplies, and systems (any organized combination of the previous six categories). FIRMR Bulletin A-1, which includes detailed definitions and examples of the various categories of FIP resources, incorporates maintenance in the support services category. As a result, this guide addresses FIP resources in terms of five basic categories of equipment, software, services, support services, and related supplies. Exhibit 2-1 defines these five categories, as contained in FIRMR Bulletin A-1, Attachment A, and provides examples of each category.

GSA does not require that a DPA be obtained to acquire FIP-related supplies. Therefore, when discussing policies and procedures pertaining to APRs and DPAs, this guide excludes supplies and addresses only the equipment, software, services, and support services categories.

Terms such as equipment, software, and supplies and their relationship to data processing are generally well understood. Because they are tangible automated data processing (ADP) commodities, their status as FIP resources is clear. However, the terms services and support services are not as easily differentiated. Exhibit 2-2 delineates FIP support services and, when used in conjunction with Exhibit 2-1, clarifies the distinction between services and support services.

CATEGORIES AND DEFINITIONS*	EXAMPLES
Equipment: Any equipment or interconnected system or subsystems of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.	<ul style="list-style-type: none"> • Data processing equipment • Switching equipment • Ancillary equipment • Computers • Telecommunications equipment and networks
Software: Any software, including firmware, specifically designed to make use of and extend the capabilities of FIP equipment.	<ul style="list-style-type: none"> • Software designed to use FIP equipment • Firmware • Common-use software
Services: Any service, other than FIP support services, performed or furnished by using FIP equipment or software.	<ul style="list-style-type: none"> • Teleprocessing • Local batch processing • Electronic or voice mail • Centrex • Packet switching
Support Services: Any commercial non-personal services, including maintenance, used in support of FIP equipment, software, or services.	<ul style="list-style-type: none"> • FIP resource management support services • FIP resource technical support services • FIP resource acquisition support services • FIP resource clerical support services • Maintenance of FIP equipment and software
Supplies: Any consumable item designed specifically for use with FIP equipment, software, services, or support services.	<ul style="list-style-type: none"> • Supplies for maintenance, equipment, or software • Floppy, Compact Disk-Read Only Memory (CD-ROM), and optical disks • Cables, wires, and cartridges

* Definitions are taken from FIRMR Bulletin A-1, Attachment A.

FIP RESOURCES

Exhibit 2-1

<ul style="list-style-type: none"> • FIP Resource Management Support Services <ul style="list-style-type: none"> -- IRM Planning -- Requirements Analysis (RA) -- Analysis of Alternatives (AA) -- Security -- Quality Assurance (QA) -- Network Analysis and Design 		<ul style="list-style-type: none"> -- Systems Analysis and Design -- Conversion Study -- Risk Assessment -- Capacity Management -- Training
<ul style="list-style-type: none"> • FIP Resource Technical Support Services <ul style="list-style-type: none"> -- Facilities management (including operation of Government-furnished FIP equipment) -- Conversion -- Computer output microfilming -- Network installation and/or operation -- Network management -- Computer performance evaluation performed by contractors -- Custom software development -- Performance and capability validation (P&CV) 		
<ul style="list-style-type: none"> • FIP Resource Acquisition Support Services <ul style="list-style-type: none"> -- Specifications/statement of work (SOW) development -- Source selection material development 		
<ul style="list-style-type: none"> • FIP Resource Clerical Support Services <ul style="list-style-type: none"> -- Source data entry 		
<ul style="list-style-type: none"> • Maintenance of FIP Equipment and Software <ul style="list-style-type: none"> -- Equipment diagnostic and repair services -- Field modifications to FIP equipment -- Modifications and upgrades to FIP software 		

EXAMPLES OF FIP SUPPORT SERVICES

Exhibit 2-2

NOTES**TASK/
INTENT**

To assist in determining whether a specific task is a FIP or non-FIP resource, the purpose and intent of the task should be examined. In identifying FIP support services, it is useful to focus on the task requirements, labor categories, and deliverables. Is the task related to FIP, or does it merely make use of a FIP resource, such as a personal computer (PC), as a tool to perform a non-FIP task? GSA recognizes that many routine tasks today are performed using automated tools like PCs. Just because a task involves the use of an automated tool, that task is not automatically a FIP support service resource. Examples of non-FIP tasks that may use computers and software are composing business correspondence or performing scientific analyses.

More extensive information regarding FIP resources, including definitions, examples, and information on applicability, policy, and exceptions can be found in the attachments to FIRMR Bulletin A-1. Appendix C also provides guidance for identifying FIP support services. **This guidance is tailored to EPA's scientific and regulatory environment and should assist the reader in distinguishing FIP support services and non-FIP resources.**

FIP Resources Planning and Budgeting

Acquiring FIP resources is not a stand-alone process. Just as each individual acquisition has a life cycle, it, in turn, is a component in the overall agency IRM life cycle. This chapter presents an overview of the planning and budgeting context within which FIP resource acquisitions must take place and provides a basis for technical staff and POs to better understand the acquisition requirements established by the FAR and FIRMR.

Management Plans

PLANS

EPA develops and maintains both an Agency Strategic and Multiyear IRM Implementation Plan to satisfy Federal requirements for addressing and projecting future FIP resource needs. The PRA of 1980 requires Executive agencies to develop and annually revise a five-year plan for meeting their IT

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needs. OMB Circular A-130 implements the PRA requirement for Executive agencies to establish multiyear planning processes for acquiring and operating IT.

The Agency IRM Strategic Plan articulates EPA's overall IRM mission, vision, and goals. It outlines the strategies to be undertaken to accomplish the goals. This is a high-level statement of direction which guides investment in and management of FIP resources. The IRM Strategic Plan establishes the basis for each component organization's (e.g., Assistant Administratorship's) Multiyear IRM Implementation Plan. The agency's Executive Steering Committee establishes the Agency IRM Strategic and Multiyear Plans. Each organization's Senior Information Resources Management Official (SIRMO) is responsible for establishing IRM plans for their organization.

The Multiyear IRM Implementation Plan demonstrates how well individual IRM activity plans fit together to meet the overall mission-related needs of the agency. Multiyear Plans:

- Define the objectives, projects, and initiatives necessary to implement the strategies in the strategic plan
- Examine current areas of FIP resource applications
- Identify the future resources needed to carry out projects and initiatives and serve as the basis for budget requests
- Identify costs associated with technology and services

Tactical Plans are developed to identify, schedule, manage, and control the tasks necessary to accomplish individual projects and initiatives identified in the Multiyear Plan. Tactical planning may address any type of activity (e.g., an office reorganization, a management study, or a FIP resources acquisition). The tactical plan defines the work to be completed and resources to be used within a fiscal year.

In the context of managing FIP resources, an activity may be quite broad in scope. For example, one IRM activity defined as "software modernization" might include all tasks associated with

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the modernization of software to include code conversion and software improvement. Another activity may be more narrow in scope, such as establishing a data element dictionary/directory or acquiring specific FIP equipment or services.

Additional FIP resources required to accomplish initiatives identified in the Multiyear Plan may be identified during development of tactical plans. Tactical plans are developed by the staff of individual Program Offices.

FIP Resources Budgeting

The budget process begins long before the fiscal year for which the budget is formulated. OMB requires agencies issue a "call for estimates" requesting budget input from their organizations approximately 12 months prior to the fiscal year in question. For example, a call issued in October of 1994 is for Fiscal Year 1996. Because of the extensive budget lead time required, organizations must do strategic and multiyear implementation planning to clearly define their FIP resource requirements and the budget impact of those requirements before the call for estimates.

To accomplish this, each agency organization must:

- Examine strategic, multiyear, and tactical plans to identify and/or reassess those information needs and associated FIP resource requirements that will require funding in the fiscal year(s) for which budgeting is taking place
- Use appropriate techniques to identify and/or reassess any shortfalls in capacity or bottlenecks that may adversely affect services and/or budgets for augmenting or replacing ADPE, software, and/or systems
- Perform requirements and economic analyses to provide a sound basis for estimated budget figures



Budget

All organizations should incorporate planned acquisitions in the regular budget cycle. If this is not done, then the acquisition process may be lengthened substantially until funds become available.

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Technology and cost projections based on presolicitation activities such as RAs and AAs should be reviewed at critical points throughout the acquisition process to accommodate technological advances and price changes.

Acquisition Delegations

The Brooks Act (Public Law 89-306, 1965) assigned exclusive authority to GSA to purchase, lease, and maintain FIP resources for Executive branch agencies. GSA re-delegates authority to acquire FIP resources to Federal agencies such as EPA via DPAs. GSA has three types of DPAs:

- Specific Acquisition Delegations - Specific acquisition delegations are granted by GSA to cover individual acquisitions not covered under a specific agency or regulatory delegation. The specific acquisition delegation is almost always the method used by GSA to grant EPA authority to acquire FIP resources which exceed regulatory delegation. This type of delegation is obtained by submitting an APR to GSA requesting authorization to acquire FIP resources by contract.
- Specific Agency Delegations - Specific agency delegations are granted only after GSA performs an Information Resources Procurement and Management Review and finds that the agency's performance merits a higher delegation threshold than the regulatory delegation.
- Regulatory Delegations - The existing regulatory delegation defined in FIRMR Subpart 201-20.305 allows Federal agencies to procure FIP resources directly without prior approval from GSA if:
 - ◊ The dollar value of any individual type of resource (with the exception of FIP-related supplies) including all optional quantities and periods **over the life of the contract**, does not exceed \$2.5 million (\$250,000 for a specific make and model specification or for requirements available from only one responsible

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source) and either paragraph (a)(1)(i), (a)(1)(ii), or (a)(1)(iii) in FIRMR Subpart 201-20.305 applies (these paragraphs refer to telecommunications within the scope of Federal Telephone Services [FTS]-2000 services or GSA's Consolidated Local Telecommunications Services Program).

- ◇ The agency is procuring financial management systems software and services and support related to implementing such software by using the GSA Financial Management Systems Software (FMSS) mandatory multiple awards schedule (MAS) contracts.
- ◇ The agency is procuring FIP-related supplies (defined in Exhibit 2-1) regardless of cost.

If a procurement exceeds the \$2.5 million or \$250,000 cost thresholds in any one of the four remaining FIP resource categories, over the life of the contract, the FIRMR requires the agency to have a specific agency delegation or specific acquisition delegation. This applies to new contract acquisitions and to modifications for additional expenditures under existing contracts.

When other than the regulatory delegation is required, EPA must submit an APR to obtain an alternate DPA from GSA, thereby increasing the regulatory threshold for one or more FIP resource categories. The specific acquisition delegation is the type most frequently obtained by EPA. This type of DPA applies only to the contract(s) cited in the APR and authorizes EPA to procure FIP resources up to the new dollar threshold **only on that contract**. The term DPA used throughout the remainder of this guide refers to a specific acquisition delegation, unless indicated otherwise.



FIP resource requirements must not be fragmented into separate procurements in an attempt to circumvent the DPA thresholds stated in the FIRMR. This contracting practice violates Federal acquisition regulations and could affect the amount of authority EPA is delegated.

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Acquisition Sources

Acquiring FIP resources in accordance with the FIRMR can be accomplished through numerous sources. Unlike the FAR which focuses on acquisition by contract, the FIRMR addresses acquiring resources regardless of the source. These sources include in-house sources, external sources (contracts, other agencies), development, or a combination of these. The FIRMR requires agencies to examine these various sources in determining the best method of acquisition. In general, the "best" acquisition method for any given FIP resource is the one which enables EPA to meet system performance requirements and specifications at the lowest cost within the shortest possible time.

In some instances, the FIRMR mandates acquisition methods when obtaining certain FIP resources. For example, at a number of locations in the United States, GSA requires agencies to use consolidated local telecommunications service unless such consolidated service cannot meet an agency's requirements. Aside from such regulatory constraints, however, the most desirable acquisition method for any given FIP resource is determined on a case-by-case basis after consideration and analysis of the various methods.

Acquisition Methods

The various methods to be considered when acquiring FIP resources are listed below. The order in which these are presented does not signify preference or priority over any other method. However, all other feasible acquisition methods should be adequately considered before beginning a new (contract) procurement. Specific FIRMR references for each method are listed in Appendix D.

- **Resource Sharing** - Resource sharing allows EPA to use another agency's FIP resources to meet specific needs, e.g., using one of the Federal Data Processing Centers to process personnel data. Resource sharing is frequently done on a "fee-for-service" basis. The method for this is normally an interagency agreement (IAG).

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- **In-House** - Using existing EPA FIP resources, training existing personnel, or hiring additional personnel should be considered as a means of satisfying requirements (e.g., excess equipment, in-house computer programming staff).
- **New Procurement** - When other options are not feasible or appropriate, a new contract may be considered. Types of contracts include sealed bid, negotiated, and small purchase. Sealed bid contracts are competitive bids with the contract awarded to the bidder who meets the requirements and is most advantageous to the Government. Negotiated contracts use either competitive or other than competitive proposals and discussions to award the contract. Additionally, FIP resources can be acquired under the small purchase program when the items cost less than the small purchase threshold of FAR Part 13.
- **Existing Contracts** - Various contracts for providing FIP resources to EPA components may be in place at any given time. These may include program or mission-based contracts, or agencywide (often OIRM managed) contracts for hardware, software, services, etc. These contracts usually provide economies of scale and help to ensure compliance with agency and Governmentwide standards. When feasible, their use to satisfy new requirements will help avoid unnecessary duplication of effort by client, OIRM, and OAM staff.
- **Lease** - FIP resources can be leased via new or existing contracts.
- **Reuse** - FIP resources considered excess to EPA organizations or other agencies must be considered for use prior to acquiring new FIP resources. Reuse includes obtaining FIP items through the GSA Excess FIP Equipment Program or purchasing used FIP items on the open market at lower cost than new items.
- **Conversion** - Conversion of FIP resources involves changing from current FIP resources to new FIP resources

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either by adding to or upgrading existing FIP hardware and software to prolong its useful life or completely swapping current FIP resources for new, technically different, hardware and software. Conversion usually involves at least some procurement of resources, either through an existing contract or a new contract.

- GSA Federal Supply Schedules - The GSA Federal Supply Schedule is a mandatory source for widely used items for which supplies have been solicited by GSA to obtain favorable pricing for, and ready access by, all Government agencies.
- GSA Nonmandatory Schedule Contracts for FIP Resources - GSA provides various service and assistance programs and contracts to help agencies meet their IRM requirements. (These are not part of the Federal Supply Service [FSS] schedule program covered in FAR Subpart 8.4.)
- Telecommunications Support Contracts - GSA, through its Telecommunications Support Contracts (TSC) can provide Federal agencies with access to expertise in voice/data/video systems analysis, systems integration, network engineering and design, RA, specification development, system testing and acceptance, strategic and tactical planning, and other related services.
- Purchase of Telecommunications Services Contracts - GSA has established nonmandatory Purchase of Telecommunications Services (POTS) contracts to provide telecommunications supplies and services, including purchase, installation, maintenance, repair, de-installation, and relocation of both contractor-provided and Government-owned telephone equipment, throughout the country. The POTS contracts are available for use by all Federal agencies.
- GSA Mandatory-for-Use Programs - GSA operates several mandatory programs which are required to be used by Federal agencies unless the agency has a specific

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exception to the program. Examples of GSA Mandatory-for-Use Programs include:

- ◇ FTS-2000
- ◇ Consolidated Local Telecommunications Service
- ◇ GSA POTS Contracts (mandatory for certain locations)
- ◇ National Security and Emergency Preparedness
- ◇ FMSS Mandatory MAS Contracts Program
- GSA Mandatory-for-Consideration Programs - GSA operates and manages services and assistance programs which must be used if EPA requirements can be met by the programs and using them is the most advantageous alternative to the Government. Examples of the Mandatory-for-Consideration Programs include:
 - ◇ Federal Software Exchange Program
 - ◇ Telecommunications Assistance Programs and Services

These sources are detailed in the *GSA Acquisition of Federal Information Processing Resources Overview Guide*.

Trail Boss Program

GSA has established the "Trail Boss" program as an alternative means of managing major FIP acquisitions. This program allows an agency to appoint a single acquisition manager, the Trail Boss, with the authority and responsibility to manage an integrated programmatic, technical, and contracting support team. By definition, a Trail Boss must have prior experience with major FIP resource acquisitions. Use of the Trail Boss program can facilitate major FIP acquisitions. (See FIRMR 201-20.305 and FIRMR Bulletin C-7.)

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Organizational Support

Acquisition of FIP resources within EPA is not the sole responsibility of the client PO but requires the coordinated efforts of several organizational components. When initiating an acquisition, client POs must understand the intricate working relationships among EPA organizations. These organizations are delegated specific responsibilities in the acquisition process but, in addition, are readily available to assist the PO in initiating and managing the acquisition project. POs should take full advantage of the expertise and services provided. Early and continual coordination with these organizations will facilitate the acquisition and ensure that EPA acquires IT and services in a cost-effective and appropriate manner.

Office of Acquisition Management

OAM is responsible for implementing contracts to acquire the full range of goods and services for EPA. OAM COs provide assistance in acquiring FIP resources, particularly when the acquisition involves establishing a new contract.

Early coordination with OAM is vital to a smooth acquisition. OAM coordinates all agency contracts and can, therefore, provide information on existing or interagency contracts which can be used to acquire FIP resources. The CO prepares, publicizes, and issues solicitations for FIP resources with coordination and assistance from the client organization. The client PO works closely with the CO in developing formal acquisition documents and procedures including the acquisition plan, market surveys, solicitation and evaluation documents, and evaluating proposals.

Office of Information Resources Management

OIRM is responsible for the management of the FIP resource acquisition process within EPA to ensure compliance with Federal and agency regulations, policies, and procedures. OIRM manages EPA's DPA process for acquiring FIP resources in coordination with GSA. Also, OIRM manages EPA's IRM

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strategic planning process. The IRM Strategic Plan establishes a framework for agency acquisitions of FIP resources.

OIRM is a valuable source of information for the client PO. Coordination with OIRM should begin as soon as the client determines a requirement for FIP resources exists. OIRM can provide vital information on existing OIRM-managed agencywide contracts and other Governmentwide FIP resource vehicles. OIRM also works with POs to comprehensively analyze the organization's FIP resource requirements and consult on the development of the IRM portions of an acquisition. For FIP resource acquisitions that require a DPA from GSA, the Director, OIRM has been delegated responsibility for approving APRs prior to submitting them to GSA.

Oversight and Compliance Support Staff

OCSS implements OIRM's FIP resource acquisition oversight authorities. OCSS reviews FIP resource acquisitions to ensure compliance with applicable agency and Federal regulations and policies.

OCSS also provides training and technical consultation to agency acquisition and IRM personnel. OCSS Desk Officers are assigned to specific Headquarter's and Regional programs and administrative organizations to provide individualized support to the client POs. OCSS also serves as EPA's liaison to GSA and reviews and processes APRs for transmittal to GSA.

Office of Small and Disadvantaged Business Utilization

The Office of Small and Disadvantaged Business Utilization (OSDBU) coordinates EPA opportunities for small and disadvantaged businesses in cooperation with, and under guidance from, the Small Business Administration, the Department of Commerce, and GSA. This office assists EPA organizations in participating in Federal preferential procurement programs for small and disadvantaged businesses that meet the applicable regulatory criteria. In some instances,

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the lead time for acquiring FIP resources can be reduced when taking advantage of these programs.

SIRMOs for Programs, Regions, and Administrative Organizations

SIRMOs for Regions and Headquarter's program and administrative organizations (e.g., Office of Inspector General [OIG] and Office of General Council [OGC]) are responsible for effectively planning for and managing FIP resources within their respective organizations. Each organization's SIRMO is responsible for directing officewide information resources planning and budgeting. SIRMOs also are responsible for ensuring that the organization's information systems and technology acquisitions are in accordance with published regulations, policies, standards, directives, and guidance. SIRMOs project long-range FIP requirements in the context of both organizational and agency environments and ensure the requirements **originate from and are supported by** the strategic and multiyear IRM plans and budgets.

Early coordination with SIRMOs is necessary to prevent duplication of effort and resources within the organization as well as for approval of required acquisition documentation. Client POs work closely with SIRMOs in identifying FIP resource needs and alternative sources of acquisition. SIRMOs are authorized to approve FIP resource acquisitions within specific thresholds stipulated in EPA Delegation 1-10. Acquisitions exceeding these thresholds require OIRM approval in addition to the SIRMO's. Finally, any acquisition (FIP or non-FIP) that exceeds \$1 million, requires approval by the organization's Senior Resource Official (SRO).

3. ACQUISITION PROCESS OVERVIEW

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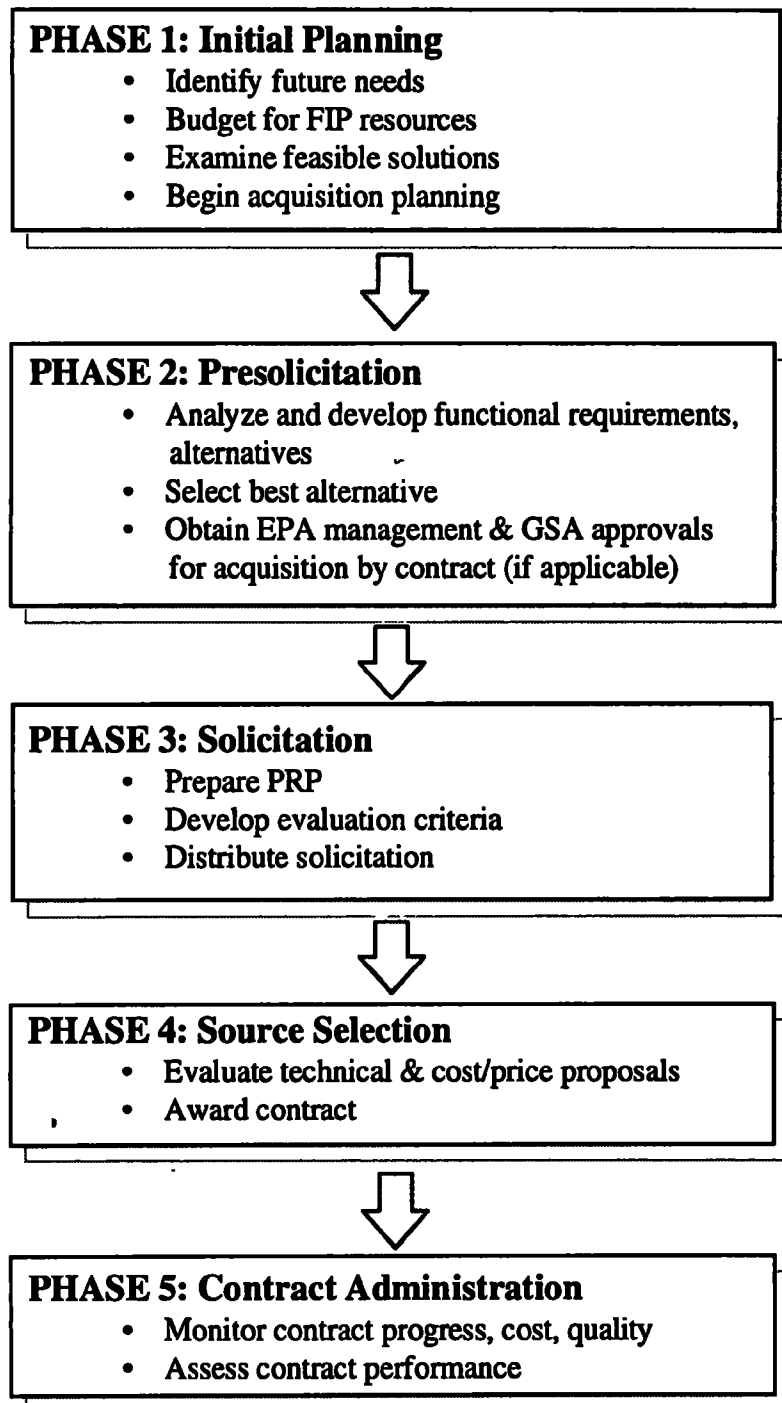
The acquisition process is a series of life cycle activities designed to provide an agency with efficient and effective technology and services to support information needs. Well developed acquisitions effectively integrate all mandated Federal and EPA requirements to ensure a smooth acquisition. This chapter presents a high-level overview of a "typical" Federal acquisition process, familiarizing the reader with the purpose and scope of each phase and establishing the logical sequence of the process.

The acquisition process as presented in this guide is divided into five life cycle phases: Initial Planning, Presolicitation, Solicitation, Source Selection, and Contract Administration. Exhibit 3-1 illustrates the five phases and the main objectives of each phase.

The FIRMR places special emphasis on the early phases of the acquisition life cycle. The special planning and analytical requirements it establishes are intended to ensure that all contract SOWs flow from well-structured statements of functional requirements. Planning and analytical requirements are the focus of the first two life cycle phases of the process. **These planning and analytical requirements represent a departure from the customary practice of developing the SOW as the first step of the acquisition process.**

DETOUR →

This overview focuses on the "contract" approach to acquiring FIP resources and, therefore, includes the type of activities necessary to obtain FIP resources by contract. Acquisition by other than contracting will not necessarily require all activities in this chapter, however, the initial planning activities should be applied to any type of acquisition to ensure that EPA needs are satisfied in the most technologically appropriate and cost effective manner.

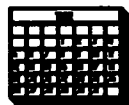
**ACQUISITION LIFE CYCLE****Exhibit 3-1**

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PLANS



Coordinate



Phase 1 - Initial Planning Phase

The decision to initiate an acquisition for FIP resources should be made in the context of a deliberate and strategic planning process. Within EPA, FIP resource planning begins with the agency's IRM Strategic Plan. This plan establishes the basis for each organization's Multiyear IRM Implementation Plan, which defines the objectives, projects, and initiatives necessary to implement the strategies in the IRM Strategic Plan.

To facilitate the process of planning and analysis, an organization's management should focus on its information requirements. Key functional areas for consideration when determining information requirements include information collection, processing, transmission, dissemination, storage, retrieval, and disposal. Other areas of consideration include agency records management requirements, current system limitations, sensitivity of information, the impact of new or planned agency initiatives, and the current "state-of-the-art" in IT. In all cases, information and FIP resource requirements must clearly be driven by the agency's mission and goals.

Identifying the need for FIP resources in advance of when they will be needed is critical. The lead time for determining budget requirements for FIP resources normally is approximately two years. Most agencies "call for budget estimates" approximately 12 months before the fiscal year for which the budget is being formulated. At this point, the agency must have identified the general FIP resource requirements that will be met in the fiscal year being budgeted for, feasible alternatives for meeting those requirements, and the approximate costs.

If this process results in a decision to acquire FIP resources by contract, then the client and the CO should begin formulating the acquisition plan. In planning and budgeting for FIP resources, it should be kept in mind that the typical lead time for acquiring FIP resources by contract is between 18 and 24 months. When specific programs such as small and disadvantaged business set-asides or GSA's Trail Boss program are used, the lead time for acquiring FIP resources can be reduced.

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Phase 2 - Presolicitation Phase

The Presolicitation Phase encompasses the analyses, documentation, and approvals required to advance the acquisition project to the point of preparing the solicitation document. Client organizations are responsible for several initial presolicitation activities including: determining FIP resource needs, defining requirements, evaluating alternatives, selecting the alternative most advantageous to the Government, preparing an IP, and (if required) preparing a conversion study and an APR to GSA. Client organizations may request technical assistance from the appropriate IRM organization in performing these tasks.

The majority of FIRMR-mandated analyses and tasks required for a FIP resource acquisition are to be completed during this phase. As soon as the client determines that an acquisition will be by contract, the organization should contact OAM. CO involvement in the early phases of the acquisition can help avoid unnecessary work and problems later in the process. At a minimum, the client should work with the CO in performing the following tasks:

- Developing the individual acquisition plan (this process begins in the Initial Planning Phase)
- Conducting a market survey
- Preparing Justification for Other than Full and Open Competition (JOFOC) (if necessary)



After the most technological/cost effective alternative has been determined and approval to continue has been granted by the appropriate EPA organization and, if applicable, GSA, the client PO can progress to preparing the actual solicitation package in Phase 3.

NOTES**Phase 3 - Solicitation Phase**

This phase focuses on preparing and distributing the solicitation to potential bidders. The client prepares the SOW including specifications for Section C of the solicitation, works with the CO to define evaluation criteria, and provides input to other sections of the solicitation related to user requirements. Large, complex acquisitions require establishing formal procedures to evaluate an offeror's technical and cost proposals. These procedures should be established prior to releasing the solicitation. The CO prepares, publicizes, and issues the solicitation and may be assisted by client or IRM personnel.

Phase 4 - Source Selection Phase

Activities in this phase center on preparing for, receiving, and evaluating the proposals. The Technical Evaluation Panel (TEP) can consist of representatives from the client organization, the client's IRM organization, and other organizations such as OIRM, as appropriate. The TEP evaluates the technical proposals based on the evaluation criteria and procedures established in Phase 3. The CO is responsible for cost/price evaluation and the source selection decision based on technical and cost evaluation results. The CO awards the contract.

Phase 5 - Contract Administration Phase

The last phase focuses on monitoring the contract. Once the contract has been awarded, the CO normally delegates the responsibility for certain functions such as monitoring the contractor's progress, tracking costs, and inspecting and accepting deliverables to the client PO. EPA often further delegates many of these tasks to Delivery Order Project Officers (DOPOs) and Work Assignment Managers (WAMs).

Post-implementation reviews and ongoing assessments of performance can provide input to an agency's FIP resources

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planning process. This information should be provided to planners so that system enhancements and replacements can be accomplished as needed.

Contract management reviews are required by the FIRMR and provide feedback regarding the adequacy and management of contract acquisitions of FIP resources. Costs are tracked by FIP resource category to ensure delegated procurement thresholds are not exceeded and to determine improvements in the management process.

4. ACQUISITION PROCESS AND PROCEDURES

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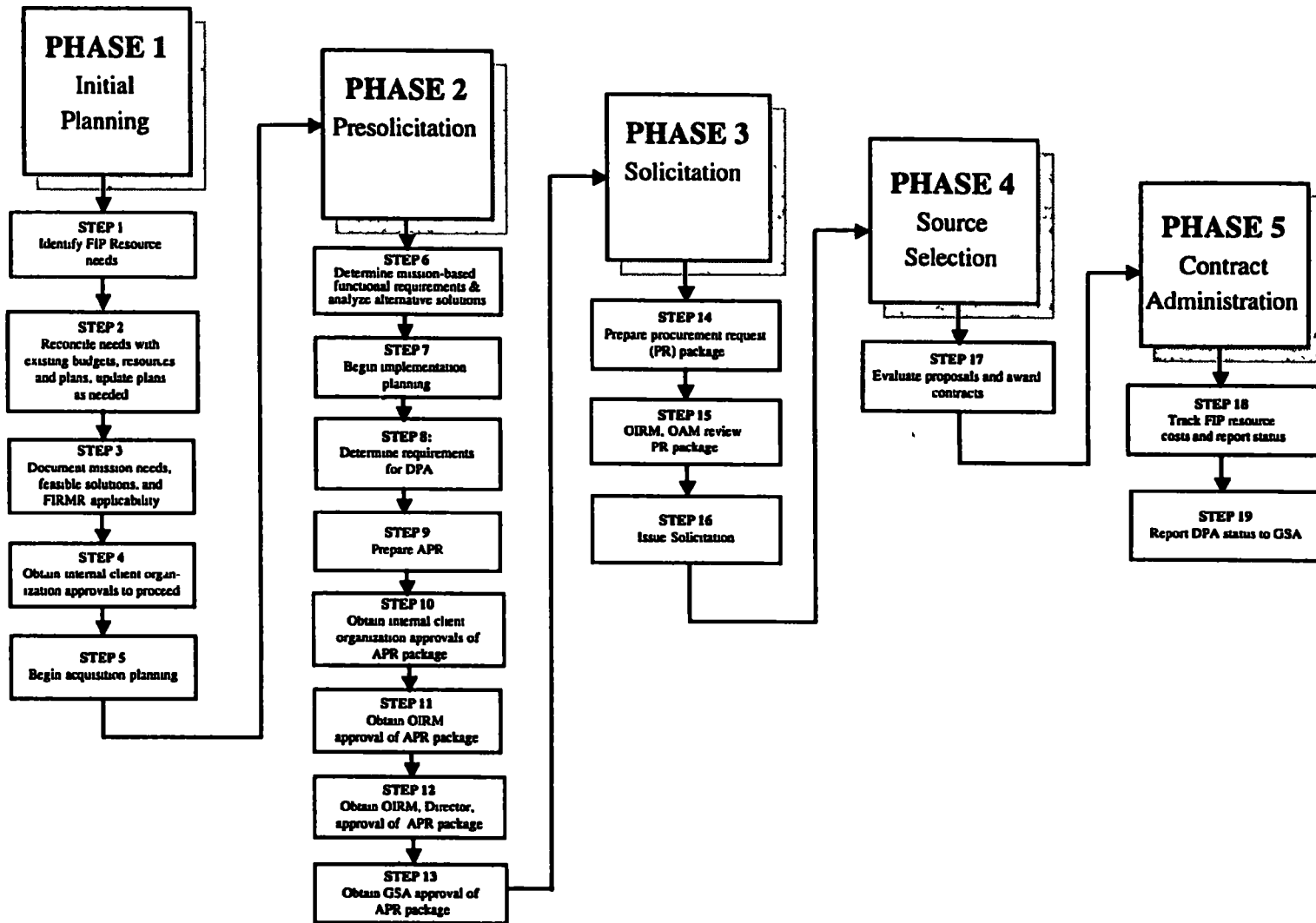
The acquisition process presented in this guide is a series of five cyclic phases which guides the reader through acquiring resources and reporting on acquisition progress. Each phase is divided into steps which include specific activities, procedures, and requirements. This chapter details the specific phases and steps comprising the process. The narrative for each step includes a statement of the purpose or objective of the step and a description of the process and results. The action taken or result(s) of each step is annotated as:

- Documentation Requirement
- Processing Requirement
- Recordkeeping Requirement
- Approval Requirement

Exhibit 4-1 illustrates the acquisition process' 5 phases and 19 steps.

The process detailed in this chapter focuses on acquiring FIP resources by contract. Other methods of acquiring FIP resources (e.g., in-house, sharing, excess, GSA-mandated for use) vary from the process presented in this guide. However, the acquisition process through Step 7 Begin Implementation Planning is basically the same for most acquisitions regardless of the acquisition method and source and should be followed until subsequent procedures are issued. The process description and the specific procedures it contains, should be viewed as a QA checklist.

The term "client" is used throughout the document to indicate any EPA individual, usually a PO, that initiates, submits for approval, or manages a FIP resources acquisition. Unless stated otherwise (e.g., client management or organization), the guide uses the terms "client," "client PO," and "PO" synonymously.



ACQUISITION PHASES AND STEPS

Exhibit 4-1

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"Client organization" refers to the PO's organization within EPA, or the organization on whose behalf the acquisition is being conducted. "Client organization management" refers to the appropriate organizational chain of command for review and approval of required acquisition documents. Signature authority for client organization management approvals is at the Division Director (or equivalent) level or above.

The roles of POs, managers, SIRMOS, SROs, COs, and other staff and oversight officials are referenced throughout the process. The PO, in particular, has a critical role in ensuring the success of any FIP resource acquisition. As described in this chapter, the PO is responsible for developing a number of key acquisition documents and for steering an acquisition through the various stages of the approval process. Exhibit 4-2 lists the actions taken during the various phases and the responsible party, concurring or coordinating organization, and/or the approving authority.

EPA personnel involved in FIP resources procurement should review the following regulatory and guidance documents: FAR Part 6, Acquisition Planning; FAR Part 34, Major Systems Acquisitions; FIRMIR Part 201-1 through 201-24 and 201-39; EPAAR 1510, Specifications, Standards, and Other Purchase Descriptions; EPAAR 1534, Major Systems Acquisitions; and appropriate parts of the *EPA Property Manual*. Appendix D lists the specific references by each step in the process.

This chapter is based on FAR, FIRMIR, and EPA policy and guidance. It is intended not only to ensure that EPA's acquisitions comply with these directives, but also to foster quality in planning for, acquiring, and managing FIP resources. Review and approval procedures prescribed in this guide are not intended to replace or negate any existing internal review or acquisition approval procedures.

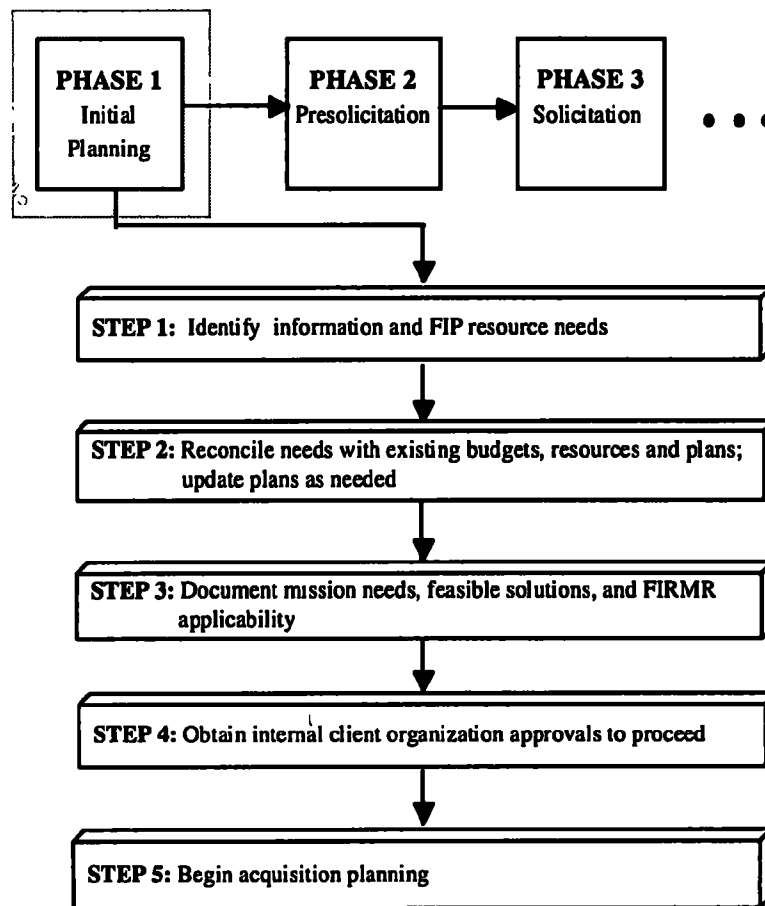
	Responsible Party	Concur/ Coordinate	Approve
PHASE 1 - INITIAL PLANNING PHASE			
STEP 1: Identify information and FIP resource needs - Identify future FIP resource requirements	Client Org	SIRMO	
STEP 2: Reconcile needs with existing budgets, resources, and plans; update plans as needed - Reconcile costs with plans, budget - Identify potential sources of FIP resources	Client PO	SIRMO, Client IRM	
	Client PO	SIRMO, OAM, OIRM, Other Organization SIRMOs or POs	
STEP 3: Document mission needs, feasible solutions, and FIRMR applicability - Prepare Mission Needs Statement (MNS) - Prepare Feasibility Statement - Prepare FIRMR Applicability Statement	Client PO		
	Client PO		
	Client PO		
STEP 4: Obtain internal client organization approvals to proceed - Consolidate MNS, Feasibility, and FIRMR Applicability Statements - Prepare cover memo and submit analysis package to client management - Review, approve, return - Submit package to SIRMO (SRO if required) - Review, approve, return - Maintain package and approvals for future review	Client PO		
	Client PO		
			Client Mgmt
	Client PO		
			SIRMO, SRO
	Client PO		
STEP 5: Begin acquisition planning - Coordinate Acquisition Plan - Develop and update portion's of Acquisition Plan	OAM, CO		
	Client PO, SIRMO	OAM, OSDBU	
PHASE 2 - PRESOLICITATION PHASE			
STEP 6: Determine mission-based functional requirements and analyze alternative solutions - Develop Requirements Analysis - Develop Alternatives Analysis	Client PO		
	Client PO		
STEP 7: Begin implementation planning - Develop IP Support services Other client-acquired resources National Computer Center acquired resources - Maintain IP and modification's for review			
	Client PO		
	Client PO		
	OIRM		
	Client PO		
STEP 8: Determine requirement for DPA - Estimate cost of resource for entire life of contract - Prepare a DPA Applicability/Non-Applicability Statement and cover memo - Review and concur/non-concur on DPA applicability - Maintain cost estimate, applicability statement, and concurrences for review	Client PO		
	Client PO		
		Client Mgmt, SIRMO, SRO	
	Client PO		
STEPS 9 THROUGH 13 ARE TO COMPLETED IF A DPA IS REQUIRED. OTHERWISE, PROCEED TO STEP 14.			
STEP 9: Prepare APR - Prepare APR package	Client PO		

	Responsible Party	Concur/ Coordinate	Approve
STEP 10: Obtain internal client organization approvals of APR package - Submit package to management for approval - Review and approve APR package - Prepare cover memo for submission to OIRM - Maintain APR package and approvals for future review			
	Client PO		
			Client Mgmt, SIRM, SRO
	Client PO		
STEP 11: Obtain OIRM approval of APR package - Submit APR package to OIRM - Review and approve APR package	Client PO		
			OIRM
STEP 12: Obtain OIRM Director approval of APR package - Prepare cover letter to GSA - Submit package to director, OIRM - Review and approve APR package - Submit package to GSA - Maintain APR package for future review			OIRM
	OIRM		
			Director, OIRM
	Director, OIRM		
	Client PO		
STEP 13: Obtain GSA approval of APR Package - Approve APR package - Correspond with GSA on package - Forward approved DPA to client or assist with appeal			GSA
	OIRM		
	OIRM		
PHASE 3 - SOLICITATION PHASE			
STEP 14: Prepare PRP - Develop PRP - Develop security plan - Prepare memo requesting approval - Submit PRP for approval (approval is dependent on \$ amount)			
	Client PO	OAM, OSDBU	
	Client PO		
	Client PO		Client Mgmt, SIRM, SRO
STEP 15: OIRM and OAM Review PRP - Submit PRP to OIRM - Review and approve PRP - Submit PRP to OAM - Review and approve PRP - Initiate solicitation preparation - Maintain PRP and concurrences for future review	Client PO		
			OIRM
	Client PO		
		OIRM, OSDBU, Client PO	OAM
			OAM
	Client PO		
STEP 16: Issue Solicitation - Advertise acquisition as required - Issue solicitation to requesting vendors, as appropriate	OAM		
	OAM		
PHASE 4 - SOURCE SELECTION PHASE			
STEP 17: Evaluate proposals and award contract - Develop technical instructions and evaluation criteria - Evaluate technical proposals - Award contract	OAM, Client PO		
	TEP		
	OAM		
PHASE 5 - CONTRACT ADMINISTRATION			
STEP 18: Track FIP resource costs and report status - Track contract costs			
	Client PO, CO		
STEP 19: Report DPA status to GSA - Provide GSA required DPA status and contract expenditures information			
	OIRM		

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Phase 1 - Initial Planning Phase

The Initial Planning Phase is designed to guide the client through identifying the FIP resource needs to initiating acquisition planning. This phase fulfills Federal and EPA acquisition planning requirements. The planning activities and documentation developed during this phase lay the groundwork for a successful FIP resources acquisition. Exhibit 4-3 illustrates the steps in Phase 1 - Initial Planning Phase.



PHASE 1: INITIAL PLANNING

Exhibit 4-3

NOTES**Step 1 - Identify Information and FIP Resource Needs**

Step 1 implements the initial planning process. This step generally describes the process that EPA organizations should follow to evaluate how FIP resources will be used to support the organization's mission and goals.

All major operating organizations (Assistant Administratorships) within EPA, are required to identify their long-range and immediate FIP resource needs in order to effectively plan for and manage these resources. This planning process involves the organization's SIRM and SRO and should reflect the information management needs of the entire organization, down to the branch and section level. To adequately identify FIP resource needs, it is first necessary to have a thorough understanding of the information requirements of the organization. These needs must be viewed within the context of both the organization and agency's information management environment.

Process and Results**Processing Requirement**

Client organizations are responsible for identifying FIP resource needs. The first step for a client organization to take is to determine its information needs, in functional terms. Basic questions to answer, among others, include:

- What information must be collected, processed, distributed, and stored; and where it is located?
- How much of it is there?
- What are its format, processing, communications, storage, reproduction, and accessibility requirements?
- What are its reliability requirements?
- What are its security requirements?

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Information need identification and analyses can be facilitated through direct observations; surveys; internal program management studies, reports, audits, and reviews; existing contract reviews; etc. Once the information needs are understood, the client can identify and verify the extent to which FIP resources (e.g., computers, software, data entry services) are necessary to meet these needs.



Federal and EPA policies prescribe that FIP resource requirements be mission-based. For example, to implement a new Clean Air Act requirement, EPA regulations could require emission sources to submit annual emission monitoring reports. These reports could contain valuable monitoring data for the National Air Program. The Program Office's need to effectively manage this data represents an "information need or requirement". As a result, the Program Office (i.e., client) needs to consult with management and the SIRMO to determine the extent to which new FIP resources will be needed.

Neither the IRM strategic nor multiyear planning processes will identify all agency requirements for FIP resources and new requirements will continue to emerge as needs change. Regardless of how or when an information requirement is identified, the client organization is responsible for verifying the information requirement and consulting with the SIRMO to determine whether the needs are addressed by the organization's Multiyear IRM Implementation Plan, whether the need conforms to the plan, or whether the plan needs to be modified to reflect the new need.

The agency's IRM Strategic Plan and an organization's Multiyear IRM Implementation Plan are valuable references in evaluating organizational FIP resource needs. If the review of these planning documents indicate the need to acquire FIP resources, the acquisition must adhere to the remaining steps of the Initial Planning Phase.

NOTES**Step 2 - Reconcile Needs with Existing Budgets, Resources, and Plans; Update Plans as Needed**

Step 2 begins the process of verifying that the client's perceived needs conform to existing IRM plans and the organization's current and projected budgets. It also provides the client the opportunity to identify possible existing sources for meeting the organization's FIP resource needs. Again, an organization's SIRMO is an important point-of-contact in this assessment process.

When a need for FIP resources is first identified, the client organization must ensure that the acquisition is conducted in accordance with the agency's and the client organization's IRM planning and budgeting processes. To receive the necessary approvals, the FIP resource need must be supported by the technical and budgetary aspects of the organization's IRM plan and budget.

New and unforeseen needs, or new advances in ADP technology, may require an organization to modify its needs analysis. The new information should be factored into existing plans and budgets. This reconciliation of new realities with existing plans and budgets is an iterative process and should be considered at crucial points in the planning and acquisition life cycles. For large FIP procurements, this step is particularly critical when a new contract will be established to acquire the FIP, particularly because of the difficulty of modifying the contract afterward.

Reconciling perceived needs with existing plans and budgets early in the process ensures:

- Consistency between an organization's acquisition initiative and its IRM plans and budget projections.
- The need for in-house full-time equivalent (FTE) resources is adequately considered when it is determined to be the most cost effective means of fulfilling the need, or most advantageous to the Government.

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- Opportunities to separate and/or consolidate FIP resource requirements or share existing FIP resources are considered.
- New requirements are incorporated within the planning and budgeting process.

These actions strengthen the budget request and negotiation process by linking specific acquisition plans to larger organizational goals. They also help identify opportunities to acquire FIP resources through existing contracts or other means, thus eliminating the need to undertake the lengthy (up to two years) process of acquiring FIP resources through a new contract.

Process and Results

**Processing
Requirement**

The client reconciles FIP resource needs with existing plans, budgets, and FIP resource availability. The client, generally the PO, or mid-level management, should consult with the SIRMO and review the agency's and organization's IRM plans. These IRM plans should describe missions, goals, and objectives, and provide resource estimates for attaining those goals.

Acquisitions can take considerable time and extend across fiscal years; therefore, budgeting and planning for FIP resources acquisitions should begin as soon as the need for FIP resources is identified. For example, as new legislation is passed by Congress or a decision to issue new regulations is made by the agency, organizations should consider the implications of these changes to their long-term information needs and the effects on existing data and FIP resources (e.g., hardware, software, systems).

**Processing
Requirement**

Early in the process, the client should identify alternative sources for meeting the organization's FIP resource needs. This "preliminary survey" is a high-level poll of any options that may be available for satisfying the needs. This survey will save time and avoid potential duplication of effort and resources. Additionally, the FIRMR requires organizations to investigate and consider alternative resources prior to initiating a new

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contract. Alternative method/sources of acquiring resources are detailed in Chapter 2.

The client organization's SIRM must verify whether or not existing FIP resources can be used to meet the need, therefore, the client PO should consult with the SIRM at both the beginning and the end of this high-level review process. Additionally, the client PO should coordinate with the following:



Coordinate

- OAM to determine if there are any other existing or proposed procurements of FIP resources with the potential to satisfy the organizational needs. In addition, the client should investigate the possibility of obtaining the needed resources from another agency through an IAG. Guidance on the IAG process is contained in *EPA's Interagency Agreement Policy and Procedures Compendium*.
- SIRM in other organizations and POs of existing contracts that may be used by the client organization.
- OIRM to identify centrally managed contracts and contracts managed by other Federal agencies, including GSA's Federal Information Systems Support Program (FISSP) (zone contracts) and DoD, where applicable, and available for EPA use. Sources of information regarding potentially usable contracts and other sources include the various IRM-related periodicals, the **Commerce Business Daily** (CBD), GSA's Electronic Bulletin Board System (EBBS) and On-Line Schedule System (OSS) (see Appendix B), and informal "networking" among IRM and acquisition professionals.

The process of identifying FIP resource needs, reviewing potential alternative sources, documenting critical information, and coordinating with appropriate parties requires an early commitment of staff resources by the organization. The level of effort is often underestimated, leading to delays later in the acquisition process.

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The potential sources/methods identified in this step are analyzed in Step 3 to determine which sources are feasible for meeting the client's FIP resource needs. However, in the event an available contract is identified as a potential source, the PO should answer the following questions:

- Does the potential source meet all needs and quantities?
- Is the timeframe of availability sufficient to satisfy needs?
- What are the overhead or management costs versus costs of establishing and managing an in-house contract?
- What is the lead-time, if any, for accessing any of the viable existing contract vehicles?

After the client PO has identified possible methods of satisfying the needs, the estimated costs must be reconciled with existing budgets to ensure their adequacy. Resource needs and budgets will have to be reassessed and revised following the detailed analysis of the alternatives in the process (Step 6).

Step 3 - Document Mission Needs, Feasible Solutions, and FIRMR Applicability

This step begins the analytical activities of the initial planning phase and requires the client PO to complete three specific analyses:

- Mission Needs - The mission needs analysis involves analyzing and documenting the information needs and any FIP resource needs to be met by the acquisition to support the organization's and agency's missions.
- Feasible Solutions - This analysis identifies potentially feasible solutions for meeting the mission needs.
- FIRMR Applicability - This analysis determines and documents whether or not the FIRMR is, or may be, applicable to the acquisition.

NOTES***Process and Results***

The client PO must prepare a Mission Needs and Feasibility Statement that is commensurate with the size and complexity of the need. It must contain sufficient information for the SIRMO and client organization management to:

- Understand the information management problem that is being addressed
- Assess the need for FIP resources
- Evaluate the adequacy and feasibility of the potential solutions
- Determine whether to proceed with the acquisition

In the mission needs analysis portion of the document, the client PO must describe the organization's information needs and how the proposed acquisition of FIP resources will help support those needs. The analysis should be clear and concise and justify the need for acquiring the resources. Client management will need to review the analysis to determine how and whether to proceed with the acquisition.

The feasibility analysis section identifies and describes all potential solutions at a high level and determines which solutions are feasible. This analysis is the basis for the detailed AAs conducted in Step 6.

These two analyses are documented in the Mission Needs and Feasibility Statement. This statement **does not need to contain detailed descriptions or costs**; however, the cost estimates included should be based upon a realistic assessment of needs and budget projections. This document is the foundation for acquisition planning, RAs, and AAs required by FIRMR Part 201-20 and completed in Step 6 for all FIP resource acquisitions, regardless of type or size. Therefore, the need for the Mission Needs and Feasibility Statement to be accurate and comprehensive cannot be overemphasized.

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Following completion of the Mission Needs and Feasibility Statement, the client PO determines whether the FIRMR applies to the proposed acquisition or not and prepares the FIRMR Applicability Statement which describes in detail the rationale for that determination. Additional FIRMR requirements may apply when an acquisition containing a FIP resources component is accomplished by contracting. Whether FIP resources are actually to be supplied to EPA, or are required to be used by the contractor in providing the contract deliverable, the acquisition must be conducted in accordance with the applicable policies and procedures in FIRMR Part 201-39, as well as FIRMR Part 201-20.

Federal policy states that FIP resource needs should be aggregated on an organizational or functional basis when feasible, and that requirements for FIP resources not be segmented to avoid regulatory limits (especially dollar limits). An organization's SIRM can assist in identifying opportunities to consolidate FIP requirements across an organization (e.g., across Program Offices or Divisions.)

When FIP resource requirements are identified in conjunction with non-FIP requirements, the client organization should consider whether to separate the FIP resource component into a separate acquisition. A stand-alone contract should be considered whenever the FIP resource component is separable and of sufficient size. Often this is not a simple matter. One important test of separability when acquiring FIP support services is whether programmatic technical knowledge is essential to performing the support service tasks. Guidelines regarding separability are contained in FIRMR Subpart 201-20.305. The potential cost of creating multiple contracts should also be considered.

Mission Needs Statement

The Mission Needs Statement (MNS) provides a high-level description of the organization's information needs, their affect on the ability to accomplish the organization's mission, and how the proposed FIP resources acquisition will meet these needs. The document should describe how the proposed FIP resources acquisition will support attainment of the organization's

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programmatic and IT goals. It should also reflect agency IRM goals (e.g., data standardization and integration), where appropriate.

The MNS should briefly describe the functions, program areas, and user personnel (or organizations) affected by the information needs and associated FIP resource needs. For example, if the Resources Conservation and Recovery Act (RCRA) Division in each region needs information to track and monitor corrective actions at hazardous waste facilities, the need should be stated in the document. In addition to the current need, briefly describe the current information and FIP resources environment and its support systems (automated and non-automated), equipment, services used, staffing, limitations, confidential business information (CBI) and other security requirements, and any other special considerations.

The document should identify the problems with the current environment that hinder accomplishing the organization's mission and/or meeting information needs. The objective of the acquisition should be to retain the positive aspects of the current environment, while correcting deficiencies. Specifically, if a new contract is intended to replace an existing contract, the analysis should include a description of the FIP resources delivered through the current contract. The problem and current environment must be sufficiently documented to support the identification of feasible solutions. The mission needs documentation provides a foundation for the RA performed in Step 6.

Feasibility Statement

The Feasibility Statement describes and evaluates, at a high level, potential solutions for satisfying the FIP resource needs. It is a screening tool intended to eliminate potential solutions that are not viable and focus on those that appear to be feasible. The potential solutions identified in this statement form the basis for the more detailed alternatives analysis performed in Step 6. The feasibility analysis includes a high-level estimate of the technical and economic characteristics and risks associated with each solution. Each organization's goals and information needs for meeting those goals will be different.

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The analysis in the Feasibility Statement should build upon the information collected and potential solutions identified in Step 2, stating any assumptions and constraints that apply. State the methodology and criteria used to determine potential solutions. Solutions selected must be capable of meeting mission needs.

Provide a brief description and a high-level cost estimate for each feasible solution. The descriptions must explain how each solution could meet the organization's requirements. It should also describe any effects the option may have on other existing or proposed acquisitions and systems. The analysis should briefly address issues such as timing, scope, availability, staffing, and management considerations.

A rationale for eliminating any potential solutions that are not considered feasible must be included in the document. Include a proposed schedule for subsequent activities (e.g., RA, AA, IP), and state when the resource must be placed in service.

This analysis will determine feasible solutions to satisfying the FIP resource needs. These solutions will then be thoroughly analyzed in the AA (Step 6) to determine the most advantageous alternative for the Government.

After completing the Feasibility Statement, the client PO may be able to determine whether a new contract will be necessary to satisfy the requirement, or whether an existing contract, sharing of resources, an IAG, or other solution would be most appropriate. If more than one feasible solution is identified, however, further analysis will be necessary before a final decision can be made.

FIRMR Applicability Statement

The FIRMR governs the acquisition, management, and use of FIP resources. In this step, the client PO must determine whether the acquisition provisions of the FIRMR apply to the proposed FIP resources acquisition. When the FIRMR acquisition provisions apply, the FIRMR establishes a series of procedural and documentation requirements intended to ensure successful FIP resource acquisitions. (Note: When the phrase

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"FIRMR applicability" is used in this chapter, it refers strictly to the acquisition provisions of the FIRMR and not the entire set of requirements established by this regulation).

At a minimum, these FIRMR requirements include completion of an RA, AA, IP, and, if applicable, a Conversion Study and an APR. The decision concerning FIRMR applicability should be re-evaluated if the scope, substance, or size of the acquisition changes significantly.

As stated in FIRMR Parts 201-1 and 201-39, "the FIRMR applies to the acquisition, management, and use of FIP resources by Federal agencies." In other words, FIRMR policies and procedures must be followed whenever FIP equipment, software, services, support services, FIP-related supplies, and systems are acquired by a Federal agency, whether by contracting or other method, for its own use or for the use of a non-Federal user designated by a Federal agency.

Additionally, the FIRMR applies to any solicitation or contract that requires the performance of a service or the furnishing of a product that is performed or produced making **significant** use of FIP resources that are **not incidental** to the performance of the contract.

Significant use means:

- The service or product could not reasonably be produced or performed without the use of FIP resources; **and**
- The dollar value of FIP resources used by the contractor to perform the service or produce the product will likely exceed \$500,000 or 20 percent of the estimated cost of the contract, whichever is lower.

FIP resources are incidental when:

- None of the principal tasks of the contract depend directly on the use of FIP resources; **or**
- Nothing in the contract has the effect of substantially restricting the contractor's discretion in the acquisition and

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management of FIP resources (whether or not the use of FIP resources is specifically stated in the contract).

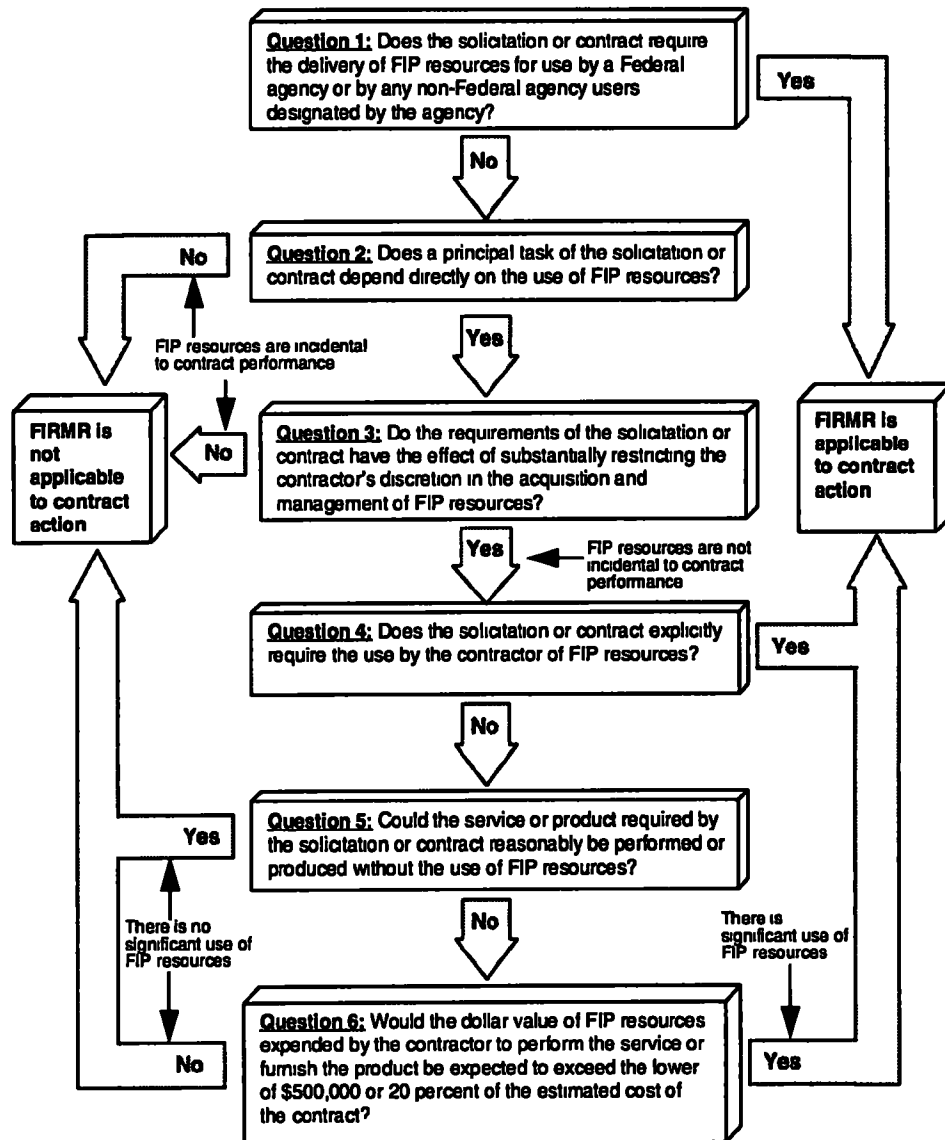
Exhibit 4-4 is a flowchart containing six questions designed to assist procurement personnel in determining whether the FIRMR applies to the FIP resources in the solicitation based on the criteria described above.

Question 1 asks: "Does the solicitation or contract require the delivery of FIP resources for use by a Federal agency or by any non-Federal agency users designated by the agency?" Whenever the answer to this question is "Yes," the FIRMR applies, regardless of the dollar value of the FIP resource(s) required. The key consideration in Question 1 is "delivery" of FIP resources. If the solicitation or contract does not require delivery of FIP resources, then the FIRMR may still apply if the FIP resources of the solicitation meet the criteria of "significant use of non-incidental FIP resources."

Questions 2, 3, and 4 of the flowchart focus on identifying "incidental" versus "non-incidental" uses of FIP resources. The FIRMR does **not** apply to FIP resources that are "incidental" to contract performance. If, however, the FIP resources are "not incidental" to contract performance, then Questions 5 and 6 must be considered to determine whether there is "significant use" of the FIP resources in question.

**TASK/
INTENT**

Even with the guidance provided by the FIRMR flowchart, determining FIRMR applicability and the associated requirements is not an exact science. The dollar value of a requirement is not always a major criterion nor is the fact that a computer is used to perform a task determinative of whether a task is defined as a FIP resource. Often the way in which an SOW or requirement is structured or worded can make a crucial difference. For example, if a computer is used to do tasks that were once performed manually (e.g., perform statistical analysis of an array of data), use of the computer is considered use of a "tool", and performance of that task is most likely not a FIP resource requirement.



**FIRMR APPLICABILITY DECISION FLOW CHART
FOR ACQUISITIONS BY CONTRACT**

Exhibit 4-4

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If, however, the SOW describes "how" the work of a task or contract is to be performed (e.g., using a computer), as opposed to focusing on the substantive requirement (e.g., statistical analysis), the FIRMR criteria for non-incidental use may be triggered. This situation is best avoided by writing an SOW, task, or contract requirement in "functional" terms.

A functional requirement describes "what" work is required, not "how" the work is to be performed. It describes the service, product, or deliverable required by the Government and does not dictate how the contractor should satisfy the requirement. Writing contract requirements in functional terms is a recommended contracting practice.

FIRMR Subpart 201-1.002 and FIRMR Bulletin A-1 provide more detail on determining FIRMR applicability. Appendix E also provides additional guidance.

Once FIRMR applicability has been determined, the client PO should consider the following:

- When FIP and other resources (non-FIP goods or services) are acquired through a contract action, the FIRMR only applies to the FIP resources.
- When the FIRMR requires inclusion of provisions and clauses controlling the contractor's acquisition of FIP resources, the FIRMR **does not** apply to the FIP resources acquired by the contractor that are **incidental** to contract performance.

Embedded Equipment is FIP equipment that is an integral part of the product, where the principal function of the product is **not** the "automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information". A microprocessor contained in scientific or chemical analysis equipment used for analyzing air and water is an example of embedded equipment.

The FIRMR does not apply to acquiring, managing, and using products containing **embedded equipment** when:

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- The embedded FIP equipment would need to be substantially modified to be used other than as an integral part of the product, or
- The dollar value of the embedded FIP equipment is less than \$500,000 or less than 20 percent of the value of the product, whichever amount is lower

Step 4 - Obtain Internal Client Organization Approvals to Proceed

This step obtains all necessary client organization approvals of the Mission Needs and Feasibility and FIRMR Applicability Statements and authorization to proceed with the acquisition. The client PO will need approval from Division-level management, the SIRMO, and, under certain conditions, the SRO.

Within EPA, the SIRMO for the originating office is responsible for direction of officewide information resources planning and budgeting. The SIRMO also ensures that the office's information systems and IT acquisitions comply with Federal/EPA regulations and policies and are consistent with the agency's IRM plans. In addition, any procurement (i.e., FIP or non-FIP) over \$1 million dollars must be approved by the SRO in accordance with EPA Order 1130.2. Consequently, it is recommended that the client PO coordinate with the SRO to determine whether their approval is required here or later in the process.

**Coordinate**

The client PO must take the initiative here, and throughout the acquisition process, to make certain that all required documentation is complete and well supported and that all required reviews and approvals are accomplished in a timely manner.

Process and Results

**Document
Requirement**

The client PO consolidates the Mission Needs and Feasibility and FIRMR Applicability Statements into one package to facilitate the review and approval process. The PO prepares a

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cover memo requesting appropriate client management review and approval and SIRM O concurrence (e.g., signature lines). The memo summarizes or references the results of the analyses, particularly with respect to the FIRMR applicability determination. This step applies to all types of FIP resource acquisitions (e.g., new contracts, IAGs, and delivery orders/work assignments if required by the client's internal office policy).



The client PO submits the package to internal management for review and approval. Client management reviews the package and approves it or returns it to the client PO for revision, clarification, etc.

After receiving internal management approval, the PO forwards the package to the SIRM O for review and concurrence. The SIRM O's review should verify the following:

- The FIP resources in question are appropriate for supporting the information needs and are in conformance with organizational and EPA IRM planning and policies (as discussed in Step 2).
- No other similar efforts are underway that may affect this effort.
- No need exists to provide excess capacity to other organizations and no opportunities exist to meet requirements from existing FIP resources.
- Needs are adequately described, in functional terms, and in a manner that does not unnecessarily eliminate viable alternatives from consideration.
- The identified alternatives are as complete as possible and can satisfy needs.
- Estimated costs are realistic and conform to IRM and programmatic short and long-term plans and budgets.
- The PO's FIRMR applicability determination is valid.

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Upon review of the package, the SIRMU may offer recommendations or advice, return it for revisions, or concur with the package and its findings.

If, after internal management and SIRMU reviews, it is determined that the FIRMR does not apply to the acquisition, the acquisition does not require OIRM approval. The PO should follow applicable standard Federal and EPA procurement procedures for non-FIRMR applicable acquisitions.

Even if it is determined that the FIRMR does not apply to the acquisition, the PO should recognize that the initial determination of FIRMR applicability is based on the high-level mission needs and feasibility analysis. In some instances, FIP requirements will emerge as the SOW is developed. As a result, the question of FIRMR applicability may have to be considered more than once for an acquisition.



The entire Mission Needs, Feasibility and FIRMR Applicability Statement package, including approvals, must be maintained in the client's permanent acquisition file and must be available for OIRM or other official review. This applies to all other decision and approval documents in the acquisition life cycle, as well.

When the PO sends the procurement package to OAM for approval and action, the CO may conclude that the FIRMR applicability is unclear and request OIRM review and approval of the procurement package. This review may delay contract processing, particularly if the initial analysis is determined to be incomplete or inaccurate. Thus, client management should monitor the subsequent acquisition documents against the initial mission needs/feasibility "baseline," and any revisions to the baseline document. The client must ensure that all necessary actions are taken to meet FIP acquisition requirements.

Step 5 - Begin Acquisition Planning

This step addresses the preliminary planning activities required to accomplish an acquisition. If the Feasibility Statement determined that acquisition by contract is the **only**

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feasible alternative, an individual acquisition plan as prescribed by the FAR and EPA policy is initiated.

The FAR states that acquisition planning "should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award is necessary. In developing the plan, the planner shall form a team consisting of all those who will be responsible for significant aspects of the acquisition, such as contracting, fiscal, legal, and technical personnel". "Acquisition planning" and the "acquisition plan" mandated by the FAR are clearly oriented toward acquisitions by contract and address the contracting, rather than technical and operational aspects of the acquisition.

FIP resources implementation planning, required by the FIRMR, applies to all FIP resource acquisitions, whether by contract or not. Implementation planning normally follows development of the AA and addresses the technical, operational, and logistical aspects of placing the selected alternative into operation. FIP resource implementation planning is discussed in Step 7.

Acquisition planning is a dynamic process that begins early by identifying needs and available funds, and may extend beyond contract award to address ongoing contract administration. The result is an individual acquisition plan that identifies the activities and tasks involved, the roles and responsibilities of program personnel and the acquisition team, schedules, costs, risks, and other contract-related considerations. The plan is a living document that will evolve as the key elements of the acquisition (e.g., SOW) progress.

Process and Results

Chapter 1 of the *EPA Contracts Management Manual* discusses planning responsibilities. It sets a threshold of \$5 million (\$25 million for Superfund) above which a written individual acquisition plan for an individual procurement is required. Chapter 1 assigns the leadership role for the acquisition plan to the OAM CO for the acquisition. Acquisitions requiring a DPA are required to have an acquisition plan even if less than the \$5 million threshold.

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The client PO and SIRMOM develop initial portions of the individual acquisition plan, and continue developing or updating the plan as the acquisition progresses. The PO obtains OAM and OSDBU assistance and guidance as appropriate.

Advanced planning is necessary to ensure that contract management resources will be available for the acquisition, to begin developing tentative schedules for completing analyses, to develop source selection documents, and to form the acquisition team. During the reconciliation process described in Step 2, the client should have reconciled whether or not an existing contract or other source is available, identified long-range acquisition milestones, and identified budgetary constraints that may affect the acquisition process.

For major procurement of FIP resources, OIRM recommends that the client PO attend or have already attended the GSA Trail Boss training. The Trail Boss training is designed to strengthen the acquisition skills of agency staff and to enable an organization to acquire FIP resources in a more expeditious manner.

Development of the acquisition plan for a Trail Boss acquisition still must be carefully planned, coordinated with OIRM, and approved in advance by OAM. The team should consist of representatives from the client's IRM organization or staff, SIRMOM, OIRM, the Program Office, OAM, and other organizations if appropriate. If possible, the team should participate in preparing parts of the acquisition plan. For example, the team should be involved in determining the source selection criteria for award.



The acquisition plan should be reviewed and updated throughout the acquisition life cycle. Item five of the APR (prepared in Step 9) requires information on the "contracting approach". Therefore, the client PO must at least perform preliminary acquisition planning prior to completing the APR.

The level of effort expended should correspond to the estimated cost and complexity of the resources to be acquired. If the PO expects the FIP resources component of the acquisition to exceed EPA's regulatory or specific agency

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delegated procurement authority, then additional time should be allowed for obtaining a DPA from GSA.

When developing a plan for acquiring resources by contract, the PO should keep in mind that solicitations should promote full and open competition to the greatest extent possible; thus allowing all responsible offerors the opportunity to compete. Avoid **unnecessary** restrictions in the solicitation such as educational level, experience, location, or performance requirements that may restrict competition while not providing for improved performance. Through the competitive process, EPA obtains the best possible price, and may discover an innovative solution to the problem.

Limiting competition can result in numerous problems. These problems are usually encountered after valuable resources have been expended. A thorough, well executed plan will help avoid:

- A potential for protest
- GSA disapproval based on unnecessary constraints on competition
- OMB or Congressional intervention
- Acquiring resources that are not the most advantageous to the Government

NOTES**Phase 2 - Presolicitation Phase**

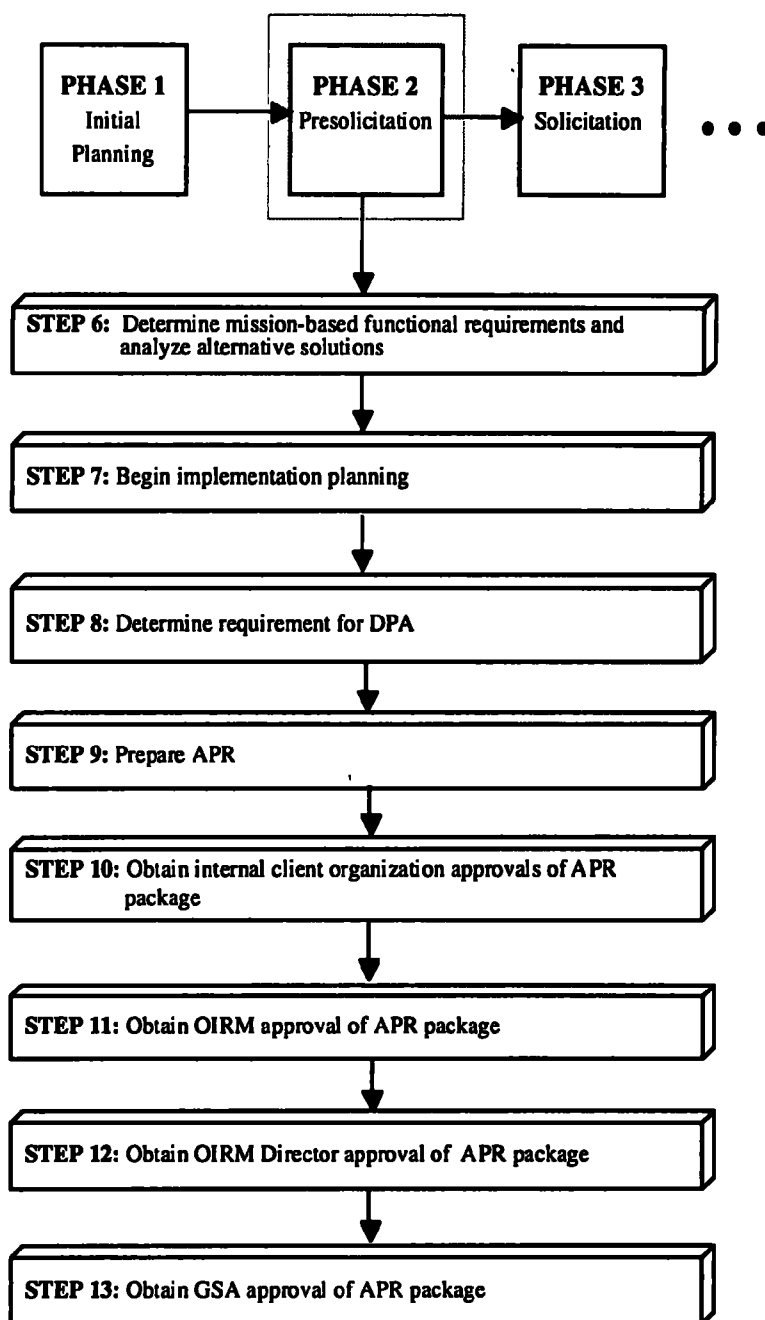
Phase 2 - Presolicitation Phase of the acquisition life cycle builds on the planning and analyses accomplished during the Initial Planning Phase. In this phase, the client identifies specific functional requirements and alternatives and, if required, satisfies Federal requirements to obtain an APR. In this phase, RAs, AAs, and other documents required by Federal regulations are produced, building on the Mission Needs, Feasibility, and FIRMR Applicability Statements developed in the previous phase. Exhibit 4-5 illustrates the steps in the Presolicitation Phase.

All FIRMR-applicable acquisitions go through basically the same procedures, up through development of the IP in Step 7. The analyses and documentation produced during this phase provide the basic information from which the solicitation documents will be developed in the next phase. **If a DPA is not required, the client PO can dispense with Steps 9 through 13 and proceed to Step 14.**

**DETOUR****Step 6 - Determine Mission-Based Functional Requirements and Analyze Alternative Solutions**

This step fulfills the FIRMR requirements to identify functional requirements; analyze feasible alternative solutions; and select the alternative most beneficial to the Government. Client organizations undertaking an acquisition of FIP resources, either by contract, in-house sources, or other means, must perform and document an RA and an AA. The RA and AA build and expand upon the Mission Needs and Feasibility Statement developed in Step 3.

The RA describes information needs identified by an organization as necessary to meet its mission, identifies the FIP resources needed to meet those needs, and serves as the basis for the AA. It also identifies, outlines, and establishes the basis for the FIP resources described in the SOW (i.e., Description/Specifications Section) in the solicitation document.

**PHASE 2: PRESOLICITATION****Exhibit 4-5**

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Good
Practice



Document
Requirement

The AA identifies and evaluates the various alternatives for meeting the requirements identified in the RA, comparing the technical and economic (i.e., cost/benefits) merits of each feasible alternative. The "bottom line" objective of the AA is to select, from all available feasible alternatives, the one that fulfills the need satisfactorily and is the most cost effective to the Government.

Although a formal RA and AA are not required for acquisitions to which the FIRMR does not apply, the same type of analytical process should be used in selecting the most advantageous alternative and writing the contract/solicitation SOW.

Process and Results

The client PO develops the RA and AA. For both of these analyses, a **rule of reason** should guide decisions regarding the documents' length and detail. The rule of reason, as it applies to the size and complexity requirement, can be interpreted in several ways. First, if an acquisition consists entirely or mostly of FIP resources, it is presumed to be an important IRM acquisition and one requiring comprehensive planning and analysis.

Another acquisition type that requires careful planning and thorough analysis is a mission support contract that contains a high cost FIP resource component. In these cases, the level of detail, documentation, and justification will be higher than other acquisitions where the FIP resources are less mission-critical. By contrast, mission-based contracts with a small amount of FIP embedded in them will require less extensive analysis and documentation. However, both of these analyses must clearly describe the FIP resource required and how they will address the program's information management needs. If an RA can not meet this criteria, it can not be approved. Similarly, the AA should articulate why the selected alternative represents the best solution for the program and the agency.

NOTES**Requirements Analysis**

The RA analyzes and documents the FIP resource requirements, in functional terms, and provides the basis upon which various alternative solutions for meeting the requirements can be analyzed and evaluated. The RA is based on the high-level needs identified in the MNS prepared in Step 3. First, the **information needs** of major program functions (e.g., water quality monitoring) must be identified and described. Information needs should be linked to agency and program missions. Next, the FIP functional requirements must be described concretely and objectively in the context and terms of the activities they will support (e.g., processing storage and maintenance of water quality data for ecosystem characterization activities).

The FIRM Subpart 201-20.1 lists a number of factors that the RA must address as one formulates and documents the FIP requirements for an acquisition. They are:

- **Information Needs** - Determine information needs by considering the need to collect and/or provide information to and obtain information from the public, regulated entities, other organizations within EPA, and other Governmental agencies, and by determining available sources of information. Also consider information format, media, quantity, integrity, security, and timeliness requirements.
- **System Life** - When developing, enhancing, or modernizing an ADP system, determine the system life for costing purposes when the AA is performed. The span of the system's projected life is from installation (implementation) to disposal/completion, or replacement, and must be established in the RA. If the acquiring organization can predict reuse of the FIP resource by another component within the agency after it no longer meets the acquiring organization's needs, include the reuse period in the system life. (When describing requirements for services, system life can be translated to the time over which the services will be needed. When

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contracting for services, it may be synonymous with contract life, including all periods and options.)

- **Description of Requirements** - Provide a discussion of why the FIP resources are necessary to meet mission-related needs. Describe information requirements in functional and performance terms. Explain how the required resources will support organizational goals and objectives. Identify opportunities for increased economy and efficiency, new or changed program requirements, or deficiencies in existing capabilities. Describe requirements in a manner to allow for full and open competition (unless otherwise fully justified). Document quantitative or qualitative requirements that must be met.
- **Compatibility-Limited Requirements** - This type of requirement must be included in the JOFOC, which is part of the PRP discussed in Step 14 and in Appendix G. It is a required document for the PRP.
- **Specific Make and Model Justifications** - This type of requirement also must be included in the JOFOC, which is part of the PRP discussed in Step 14 and in Appendix G. It is a required document for the PRP.
- **Accessibility Requirements** - Consider accessibility requirements for people with disabilities or impairments. FIRMR Bulletins C-8 and C-10 provide guidance on the topics of disabilities and impairments.
- **Security Requirements** - Identify security requirements necessary to protect classified and sensitive information. (This includes special attention to protection and handling of Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA], Toxic Substances Control Act [TSCA]), and any other CBI.) List the potential threats and hazards and describe the measures necessary to provide protection. Identify necessary physical and environmental security safeguards.
- **Space and Environmental Requirements** - Identify space and environmental requirements as they apply to



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personnel, supplies, equipment, etc. For example, hardware acquisitions must consider facility size, floor plans, cooling and heating requirements, and utility layout and availability.

- Workload and Related Requirements - Consider such factors as projected processing, storage, data entry, communications, and support services workload requirements over the system life (or life of the services to be acquired), and how best to address workload uncertainties. Also, consider expandability requirements, performance evaluation of currently installed FIP resources, and contingency requirements for FIP resources whose loss or failure would prevent EPA from performing its mission.
- Records Management Requirements - Include records management factors in the RA. Consider essential records, records retention, disposition requirements, and integrating electronic records with other agency records. Also consider existing or planned intra- or interagency interoperability requirements.

For each functional requirement that FIP resources will support, the RA should address the applicability and issues relating each item to the acquisition. Items that are not applicable should be stated as such with a brief explanation, as necessary.

As previously noted, the **rule of reason** should ensure the effort expended on the RA is commensurate with the size and complexity of the acquisition project. This rule, however, does not exempt EPA organizations from sufficiently analyzing and documenting requirements. **Even though the guidance presented in this guide will be most useful for significant system acquisitions, the information can be successfully applied to more modest information management tasks (e.g., data entry, local area network [LAN] administration, and limited computer programming requirements) found in smaller FIP contracts.**



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Requirements included in the RA must be quantified to the extent practical as well as described in functional terms. Quantification may be in terms of processing volumes, actions completed, staff-hours expended, or whatever form of measurement is appropriate to the work being supported or performed.

The traditional, most popular analytical methods for gathering information for an RA are included as follows:

- **Workflow Analysis** - A workflow analysis is a "top down" analysis of the flow of work that the FIP resources will accomplish or support. Workflow analysis requires defining system inputs, system outputs, and the processes that translate the inputs to the outputs. The "system" involved may be either manual or automated, or a combination of the two. Workflow analysis may require diagramming the flow of work.
- **User Survey** - A user survey projects requirements from the end-users upward. This method often is well suited to analyzing requirements for support services. The users are surveyed regarding their current and projected needs. The needs are aggregated to find total requirements for the organization requiring the FIP resources. User surveys can be supplemented by focus group discussions and interviews with key users, personnel responsible for programs that will use the FIP resources, and information systems personnel. Surveys are well suited for collecting requirements for distributed resources. Surveys are also well suited for collecting requirements for a central resource that is required by distributed user customers.
- **Current Situation Review** - A current situation review begins by reviewing the agency's current FIP resource requirements and determining a reasonable model of what resources are required to meet the current workload. Like the user survey method, this method often is well suited to analyzing requirements for support services. Situation review may involve staffing, equipment, PCs, or other quantitative measures of resources. The review is conducted by personnel performing the RA in conjunction

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with managers of the current program who are familiar with the functions to be performed. Once an ideal set of current requirements is determined, growth projections are made for each of the future periods of the system life. Current situation review is often well suited to analyzing staffing support services requirements.

There are other, less traditional, analytical methods for gathering information that have evolved from developments in business area analysis and data modeling. These less traditional methods should be considered when a significant FIP acquisition is envisioned. These methods are documented in GSA's *A Guide to Alternate Requirements Analysis Methodologies* (September 1990) and include:

- Reverse Engineering - Reverse engineering is the process of analyzing an existing system to define current system requirements; thus, providing the basis for users to determine requirements for a new or modernized system. This method is particularly useful when an organization invested considerable resources in the current system and has limited funds to upgrade the system.
- Delphi Method - The Delphi Method is a process of developing a series of questionnaires, sending them to a panel of "experts" for responses, then tabulating and analyzing the results to generate system requirements. The process is iterative with all responses analyzed before the next specialized questionnaire is written. The Delphi Method is applicable when experts are widely separated geographically and cannot be easily brought together for meetings.
- Interactive Design - Interactive design is based on facilitated workshop participation by representatives of the user community and the technical organization. This method fosters a team approach and may be most effective for systems that are used by operational business (non-computer) professionals.

NOTES**Analysis of Alternatives**

The purpose of the AA is twofold: first, to analyze and evaluate various alternative technical solutions for satisfying the functional requirements and secondly, to help determine which acquisition source is the most advantageous for the Government. Ideally, the RA and AA process should end with a recommendation for the alternative that is technically and operationally capable of satisfying the requirement and that demonstrates the best comparison of benefits to costs.

The AA builds and expands on the Feasibility Statement prepared in Step 3, as well as the detailed functional requirements in the RA. The AA should address the solutions identified as potentially workable in the Feasibility Statement, and any new solutions that may become evident following the RA process. Particular attention should be given to the use of in-house resources; interagency resource support; contracting, which includes purchasing or lease-to-purchase of equipment; using existing contracts; sharing resources; re-use of existing resources; and GSA's mandatory-for-use programs (e.g., FTS-2000) and mandatory-for-consideration programs (e.g., the Federal Software Exchange Program and the Excess FIP Equipment Program).

Prior to conducting a full-scale AA, the PO should consider whether the results of the RA, or other new information, make any of the potential solutions identified in the Feasibility Statement no longer viable. For example, using the user survey technique, an organization may discover its information processing requirements are growing more rapidly than anticipated, and enough so that the option of using an existing contract is no longer feasible.

Because acquisition requirements can change and because new acquisition issues may arise in the RA process, the PO should screen the remaining alternatives using the following criteria prior to conducting the AA:

- Can the potential solution satisfy the functional requirements as described in the RA?

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- Have administrative and implementation cost issues arisen since the Feasibility Statement (e.g., significant changes in overhead rates)?
- Have organizational issues arisen since the Feasibility Statement that make a solution impractical (e.g., loss of staff or elimination of a function)?
- Do all solutions continue to be viable based on capacity or availability considerations (e.g., lifespan or ceiling of an existing contract)?
- Have compatibility-limited specifications or sole-source requirements been identified in the RA process? Do these requirements need to be confirmed through a market survey, or do they potentially affect the scope of viable alternatives?

If the answers to these questions eliminate an alternative that was once considered feasible, then the rationale for eliminating the option should be documented in the AA, and further analysis of the option is not required.



The FIRMR requires agencies to perform a market survey to determine available technology or contracts that can meet requirements. The market survey is a cornerstone of the AA and should be performed whether the client specifies requirements functionally or identifies specific service characteristics or methods. POs should consult OAM for guidance in performing a market survey.



The market survey will provide the organization with knowledge of what FIP resources are available from private industry and other parts of the Government, including verifying the technical feasibility of satisfying requirements; determining the amount of available competition; collecting cost information for estimates and comparative cost analyses; and identifying industry norms and business practices for acquiring or using FIP resources.

The level of effort and description in the AA should reflect the size and complexity of the requirement to be satisfied. Again,

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the **rule of reason** should be applied in developing the AA. For example, if only one viable alternative can be identified, then the analysis need only compare the costs, benefits, and risks of that alternative to the current situation (e.g., existing contract), at a reasonable level of detail. However, when the analysis identifies more than one viable alternative, the AA must fully consider four factors in reviewing each alternative:

- Cost of each alternative
- Benefits of each alternative
- Risks associated with each alternative
- Sensitivity of each alternative to changing assumptions (e.g., staffing, organization, mission)

Following the narrative description of all of the alternatives that were considered, the AA must contain an analysis of the costs and benefits of each alternative.

COSTS - The cost analysis must include, for each alternative, an estimate of the various costs associated with that alternative and a total for the entire acquisition. This information needs to be broken-out by FIP resource type. For acquisitions of FIP support services, the cost analysis should indicate the types of support services being acquired and the approximate percent of the total FIP represented by each type. The following categories of FIP support services should be used in presenting this information:

- Studies, Consulting, and Outside Training
- New Systems Development
- Systems Enhancements
- ADP User and Operational Support

If the anticipated cost of the FIP resource acquisition is \$50,000 or less, cost analysis may be limited to demonstrating that the benefits of the acquisition will outweigh the costs. When the cost of the acquisition is above \$50,000, the preparer must calculate the total projected cost for each feasible alternative, using the present value of money. "Present value" is

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the concept of discounting dollar values for out year cost projections to allow for the decreasing value of money over time. OMB Circular 94 and FIPS PUB 64 contain guidance on present value discounting. FIPS PUB 64 also contains detailed guidance on performing cost/benefit analyses.

The total estimated cost for each alternative must include both recurring and non-recurring costs over the life of the system and any other costs identified with the alternative that can be accrued either before or after the system life period. System life costs refer to the cost of acquiring, operating, maintaining, and disposing of or terminating the system, equipment, services, or other resources being analyzed.

**Processing
Requirement**

If applicable, a conversion study should be performed as required by the FIRMR and the cost included in the AA. The conversion study identifies transition planning issues, timing, logistics, cut-overs, and cost issues that will likely be encountered as the acquisition is implemented. Conversion studies are required for all FIP resource acquisitions except for initial acquisitions where no FIP resources exist; acquisitions of FIP peripheral equipment only; or the exercise of a purchase option under a leasing agreement. Costs are to include costs of conversion and other expenses directly related to conversion. FIRMR Bulletin C-14 should be consulted for more details. Automated software conversion cost models are available through GSA's Office of Technical Assistance (OTA).

Whenever in-house and contracting alternatives are identified as viable alternatives, consult OMB Circular A-94 for information pertaining to the in-house costs. If more than ten FTE are involved, an OMB Circular A-76 commercial activities analysis is required. Commercial activities are basically considered a non-government function. For example, the purpose of EPA is not to provide security, computer programming, janitorial, or cafeteria services. These services may be required, but they can be provided by commercial entities. OMB Circular A-76 prescribes criteria for selecting in-house performance over performance by a commercial source based on cost considerations. OMB Circular A-104, "Leases of Capital Assets" should be consulted for consideration in leasing FIP equipment.

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BENEFITS - The benefits analysis examines both program and IRM benefits. Program benefits are realized when FIP resources are used to improve an organization's ability to complete its mission. IRM benefits are improvements in the management or service-providing characteristics of the resources themselves (e.g., improved reliability, accuracy, usability, or administration).

Benefit descriptions must relate to EPA's mission, goals, functions, and operating environment and, wherever possible, be expressed in quantifiable terms. The rule of reason should guide the level of analysis and the need to quantify benefits. At a minimum, the program and service benefits must be listed and described quantitatively. While quantifiable and non-quantifiable benefits are important, quantifiable benefits are objective and strengthen the justification for acquiring FIP resources. If the FIP resources of a new contract are similar to those of the existing contract it replaces, then the analysis can be tailored to emphasize the differences.

Some benefits, especially those resulting from the acquisition of professional and technical services, are difficult to quantify. Generally, the more tangible the service or products, the easier it is to identify and quantify benefits.

One approach to documenting non-quantifiable benefits is to assign a value to benefits as a percentage of a related activity. For example, if more effective facility management services would make the FIP facility more available, thus allowing the agency to process its forms more efficiently, the percentage value of that increased efficiency could be used to estimate the benefit of the service.

In some cases, the client may sufficiently establish the expected benefits of acquiring a resource by examining the threshold at which it becomes worthwhile. For example, if the agency's programs spend \$500 million and the resources to be acquired would cost \$50 million, the agency may consider the alternative feasible if it believes that, in addition to any other quantitative or qualitative benefits, the programs would be at least 10 percent more efficient. The client would still need to

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compare the value of this alternative to all others available to determine its desirability.

RISKS - While documenting the alternatives, the organization should consider the risks inherent in each alternative and the general risks that the project faces regardless of the alternative chosen. Some major risk factors for client organizations to consider when evaluating technical alternatives are:

- **Instability of Requirements** - If the requirements are likely to change (e.g., pending legislation will affect the EPA's mission or increase or decrease the workload), the risk of not accomplishing the mission or meeting goals increases.
- **Project Scope** - An increase in the number of organizations involved and the number of people involved increases the risk.
- **Project Management Ability** - Risk decreases when the project manager fully controls resources and has the authority to commit them as needed.
- **Project Staffing Levels and Skills** - If the mix of project staff and skill does not match the project requirements, the risk of failure increases.
- **Availability of Funds** - Inadequate funding can cause project managers to make poor decisions for the sake of economy. It is important to scale the effort to the funding available.
- **Number and Types of Programs the Resources Support** - The more diverse the programs, the less likely that the resources can support all of them equally and the greater the risk.
- **Senior Management Support** - Risk should decrease as senior managers become more involved.

Any noteworthy risk issues should be documented in the AA.

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SENSITIVITY - After analyzing the cost, benefits, and risks, the PO tests the sensitivity of the analysis, overall and for each alternative, to changes in assumptions and constraints. For example: If an FTE constraint were removed, would an acquisition be necessary? Assuming the organization can use an existing contract, would the life of the contract meet the organization's needs? Assuming out-sourcing is feasible, would out-sourcing allow EPA to upgrade its existing processing environment? Would an increase or decrease in a given cost factor affect the desirability of one alternative more than another? The results of this exercise are documented in the Sensitivity Analysis section of the AA.

Step 7 - Begin Implementation Planning

Implementation planning addresses the planning, coordinating, and assignment of responsibilities for placing the selected alternative into operation. This step implements this planning process.

The FIRMR requires Federal agencies to develop an IP, commensurate with the size and complexity of the selected alternative. The IP addresses the technical, operational, and logistical aspects of placing the alternative into operation. It identifies the tasks that must be accomplished, schedules, and responsibilities. The purpose of the IP is to ensure the agency is well prepared to manage the FIP resources being acquired, particularly in the early phase of contract implementation.

The client organization should designate an individual that will be responsible for executing the IP. To the extent possible, this individual should have primary management authority for all the activities necessary to implement the selected alternative (excluding contracting authority). This person can also be the client PO or another person designated specifically for the role.

Process and Results



For FIP support services, the client organization develops the IP. For hardware, software, telecommunications, and FIP services that are acquired, operated, and managed centrally at EPA's National Computer Center, the National Data Processing

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Division will develop the IP. The client organization will develop the IP for those items that they acquire, operate, and manage.

An IP focuses on implementing the selected alternative and successfully placing the FIP resources into service. The IP describes tasks, resources, key personnel, and schedules to ensure successful implementation and includes agency and contractor responsibilities. Tasks described in the plan include meetings, briefings, installation, testing, training, maintenance, and security planning. Resources include funds, hardware, software, training, and facilities. Key personnel should include individuals involved in the technical oversight of FIP activities or services and relevant information on professional qualifications. The schedule combines tasks and responsibilities with a timeline for achieving the implementation. As with most technical documents, any assumptions, constraints, or risks should be identified and understood by those affected by the IP.

The IP is distinctly different from the acquisition plan. **FAR Part 7 focuses on contract/procurement activities**, prescribing that acquisition planning activities begin as soon as the mission need has been established. The acquisition plan addresses the activities and responsibilities that apply to acquiring FIP resources by contract. **FIRMR Part 201-20 requires an IP for all acquisitions of FIP resources, whether by contract or not**, and addresses the technical, operational, and logistical aspects of implementing the alternative selected as a result of the AA.

Conceivably, multiple IPs may be needed to support a single acquisition if multiple FIP resources and/or multiple site locations are involved. For example, one IP may address only the hardware and facilities components; whereas another IP may address the software, conversion, or telecommunications components of the FIP resources. The "size and complexity" of the acquisition will determine the extent of implementation planning.

The IP should be started as soon after selection of the optimum acquisition alternative as possible. At the latest, the IP must be in place in time for submission with the APR or PRP, as appropriate. The IP should be updated as the acquisition

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progresses and should continue to be updated during contract start-up. Newly identified facts, constraints, and decisions that develop along the way will cause some plans to be revised and others to be addressed in more detail than they were in the beginning.

The client PO will need to obtain internal management and SIRMO concurrence/approval for the IP. The IP will also be submitted to OIRM as a part of the PRP (Step 10). In addition, the IP (and significant modifications) must be maintained in the client's permanent acquisition file and be available for OIRM or other official reviews.

Step 8 - Determine Requirement for DPA

This step determines whether a DPA from GSA is required for the proposed procurement. The FIRM does not require organizations obtain a DPA from GSA for FIP-related supplies. Therefore, references to APRs and DPAs in this guide are referring to equipment, software, services, and support services categories.

When GSA authorizes an agency to procure FIP resources for itself, GSA is delegating procurement authority to the agency, as authorized under existing regulations. GSA issues the following three delegations:

- Specific Acquisition Delegations - Granted by GSA to cover individual acquisitions exceeding the dollar threshold of the regulatory delegation.
- Specific Agency Delegation - Granted after GSA performs an Information Resources Procurement and Management Review to agencies whose performance merits a higher delegation threshold than the regulatory threshold.
- Regulatory Delegation - Establishes dollar thresholds below which agencies may procure FIP resources without obtaining GSA approval. Currently, the dollar threshold of any individual FIP resource, including all optional quantities and periods over the life of the contract (with the exception of FIP-related supplies), is \$2.5 million

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(\$250,000 for a specific make and model specification or for requirements available from only **one** responsible source).

These delegation categories are discussed in detail in Chapter 2.

Specific acquisition delegations are required when a procurement exceeds the \$2.5 million or \$250,000 cost thresholds in any one of the four remaining FIP resource category, over the life of the contract. This applies to new contract acquisitions and modifications for additional expenditures under existing contracts.



It is imperative that FIP resource requirements not be separated into multiple procurements in an attempt to circumvent the DPA thresholds stated in the FIRMR. Federal acquisition regulations prohibit this activity and penalties can be imposed on agencies and/or persons involved in this practice (e.g., GSA can cancel not only the specific DPA but the agency DPA as well).

A specific acquisition delegation authorizes the requesting agency to procure FIP resources up to the new dollar threshold **established for that specific contract**. This authorization is accomplished by submitting an APR.

Process and Results

The client PO develops a cost estimate for the FIP resource procurement over the entire life of the contract. The Feasibility Study and AA performed during earlier steps establish the basis for the client to estimate the costs of **each** FIP resource category in the procurement, and an overall total. The cost data will be used to determine DPA applicability and support the development of the Independent Government Cost Estimate (IGCE) for the PRP in Step 14.

In estimating the FIP resource costs, the client must ensure that the **full** cost of each resource is included. For example, when calculating FIP-related labor costs, fully loaded rates must be used. For example, the total cost of a software developer

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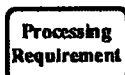
with an estimated off-site hourly rate of \$30 and an estimated need of 10,000 hours over the life of the contract may appear to be \$300,000. However, when direct labor hours are subject to overhead charges at 80 percent of labor and general/administration charges at 20 percent of labor, the total cost of this FIP resource could be as high as \$600,000.

Cost estimating is not an exact science although there are various methods which can be used to raise the level of precision. One approach is to use historical information (e.g., cost data from similar existing contracts). However, these estimates must reflect future needs and conditions. Estimates for each FIP resource category should consider maximum case scenarios and include some flexibility for changes that could affect total FIP resource costs (e.g., bidder proposes additional FIP resources).

GSA will grant a DPA only for the amount of FIP resources identified in the APR, therefore, it is important to avoid underestimating costs. When a DPA is required, it takes less time and effort to request a higher procurement authority initially, within reason, than to amend the APR. The cost estimates must be realistic and based on well-developed estimates of resource costs.



Using these cost estimates and applying FIRMR cost thresholds and other criteria (see FIRMR Bulletin C-5), the PO can determine whether a specific acquisition DPA is required. The client PO documents the findings in a written statement of DPA applicability (or non-applicability) for the proposed procurement. This document should include enough background and description of the requirement, cost information, and the client's rationale, to enable a reviewer (e.g., SIRMO) to verify the accuracy of the DPA applicability determination. The estimated cost data should be summarized in tabular form, including sufficient detail to support the client's decision.



The client PO prepares a cover memorandum requesting written concurrence and submits the DPA Applicability Statement to both appropriate client management and the SIRMO. As discussed in Step 4, SRO concurrence may also be required at this stage and the client PO is encouraged to

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coordinate this issue as appropriate. (Note: To streamline the internal approval process, client organizations may want to consider delegating SRO approval authority to the SIRMO for FIP acquisitions.)



Client management, SIRMO, and if appropriate, SRO concur with the DPA Applicability Statement. After obtaining the required concurrences, the client PO proceeds to the next appropriate step in the process.

- If a DPA is required, the client PO must prepare an APR (Step 9) for submission to GSA.
- If a DPA is not required, the client PO skips Steps 9 through 13 and proceeds with preparing the internal EPA PRP (Step 14).



Copies of the DPA Applicability Statement, written concurrences, and all documentation supporting the FIP resource cost estimates must be maintained as part of the client's permanent acquisition file and be available for OIRM or other official reviews when required.

Step 9 - Prepare APR

The APR, prepared in this step, is the formal vehicle for requesting a DPA from GSA when a specific acquisition delegation is required. Federal regulations require the agency's Designated Senior Official (DSO), or an official designated by the DSO, to submit an APR to GSA for any acquisition that exceeds FIP resource procurement ceilings as prescribed in FIRMR Subpart 201-20.305. EPA's DSO has designated the Director, OIRM, responsibility for approving APRs and requesting DPAs from GSA.

The APR provides concise information justifying the need for the FIP resource procurement and an increase in the FIRMR acquisition authority. The APR also establishes that adequate and proper agency resources are available to support the proposed FIP resources before and after award.

NOTES***Process and Results***

When a DPA is required, the client PO completes the APR package in accordance with FIRMR Bulletin C-5, Instructions For Preparing An Agency Procurement Request (APR), addressing all applicable items (see Appendix F). The more thoroughly a client has developed the RA, AA, IP, and acquisition plan in previous steps, the easier it will be to prepare the APR package.

EPA requires the RA, AA, and IP be submitted with the APR package. In addition, OIRM, OAM, or GSA may require various "regulatory compliance" documents listed in Item 7 of the APR be submitted during their reviews. Approval from OIRM and concurrence from OAM may depend on the client's ability to provide the status or copies of that documentation, if requested. The client PO must submit all APR documentation in hardcopy and electronic media to OIRM/OCSS (i.e., 3.5" disk in WordPerfect 5.1 or earlier version).

Step 10 - Obtain Internal Client Organization Approvals of APR Package

Internal management and SIRMO approval of the APR package are obtained in this step prior to submitting the APR package to OIRM. Internal review and approval provides QA to the acquisition process.

The client PO forwards the completed APR package, including the RA, AA, IP, and a cover memo requesting review, comment, and written approval (e.g., signature lines), to the client organization management (including the SRO). The client's SIRMO must concur with the APR package prior to submission to OIRM. OIRM will not review the package and will return the package if it is not signed by the SIRMO. (Note: Special acquisition procedures for the Trail Boss program are described in FIRMR Bulletin C-7.)

Compliance with the established signature procedure expedites the process and ensures the intended QA aspects of the internal review and approval process. This procedure works

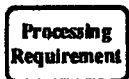
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best when the SIRMO and other client management personnel have participated in developing and reviewing the APR package and when the client has coordinated with OIRM during this process.

Process and Results



The client submits the APR package to client management for review, comment, and approval. A Division Director or higher official, depending on the internal procedures of each Assistant Administrator's organization, must approve and sign the memo.



After the package has been approved in writing by client organization management, the client PO forwards the package to the SIRMO for review, comment, and approval. As discussed in Step 4, procurements exceeding the \$1 million dollar threshold as defined in EPA Order 1130.2 also require approval from the SRO.



Upon receiving the required client organization management, SIRMO, and, if required, SRO, approval, the client PO prepares a cover memorandum that requests OIRM approve the package and submit it to GSA.



Copies of the APR package, cover memos, and written concurrences must be maintained as part of the client's permanent acquisition file and be available for OIRM or other official reviews when required.

Step 11 - Obtain OIRM Approval of APR Package

OIRM approval of the APR package is obtained in this step prior to forwarding the package to the Director of OIRM for approval and subsequent submission to GSA. This review serves as a QA measure to verify the accuracy and completeness of the APR package.

NOTESProcessing Requirement***Process and Results***

The client PO submits the APR package to OIRM for approval. APR packages requiring OIRM approval should be sent to OCSS at the following address: Chief, Oversight and Compliance Staff, Mail Code 3401. For procurements containing FIP hardware, software, or service, OCSS will coordinate its review with the National Data Processing Division.

OIRM will verify the completeness of the APR package and the correctness of the FIP resources component. If the package is incomplete, the client will be notified and review of the APR package will be postponed until critical documents such as the RA, AA, IP, and required approvals are received.

Step 12 - Obtain OIRM Director Approval of APR Package

Senior EPA approval of the APR is required in this step prior to transmitting the package to GSA. The EPA DSO delegated responsibility for implementing FIRMR policies and approval of all APRs to the Director, OIRM. The Director, OIRM, therefore, approves, signs, and transmits all agency APRs to GSA.

Process and ResultsProcessing Requirement

Document Requirement



Approval Requirement



Recordkeeping Requirement

When an APR package has received all necessary EPA concurrences and approvals, OIRM prepares a cover letter to GSA, attaches the letter to the APR package, and submits the package to the Director, OIRM, for signature.

The Director reviews the package, requests resolution of any outstanding issues, approves the package, signs the cover letter, and transmits the package to GSA.

Copies of the APR package, cover memo, GSA cover letter, and written concurrences and approvals must be maintained as part of the client's permanent acquisition file and be available for OIRM or other official reviews when required.

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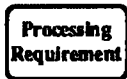
Step 13 - Obtain GSA Approval of APR Package

The purpose of this step is to obtain GSA-required approval for the DPA.

Process and Results



Approval
Requirement



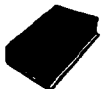
Processing
Requirement

GSA reviews the APR package and either grants a DPA with specified reporting requirements, asks for additional information, or disapproves the request. When OIRM receives a request from GSA for additional information, OCSS acts as a facilitator. OCSS will communicate information requests, provide technical assistance to the PO in preparing the required information, and forward the information to GSA.

When OIRM receives notice from GSA that a DPA is approved, OIRM notifies the client. If GSA disapproves the APR, OIRM assists the client with the appeal process (discussed in FIRMR Bulletin C-5), if appropriate.

Generally, GSA takes prompt action on an APR. However, the client's ability to provide information, if requested, regarding the regulatory compliance documentation listed in item 7 of the APR (see Appendix F) is critical to obtaining GSA's approval. GSA may also conduct a comprehensive review of the proposed acquisition before issuing a DPA, and may require additional information (e.g., request to review the analyses, acquisition plan, or the regulatory compliance documentation listed in item 7 of the APR).

If GSA has not responded to the APR after 20 workdays, plus 5 workdays for mailing, the FIRMR allows an agency to proceed with the procurement action as though GSA had issued the DPA. (Note: If GSA cannot complete action on the APR within 20 workdays, it is their policy to suspend the case and notify the agency of the action to be taken.)



Document
Requirement

GSA approval of APRs frequently is accompanied by requirements for both pre-award and post-award reporting. The client PO and/or CO must comply with these requirements and

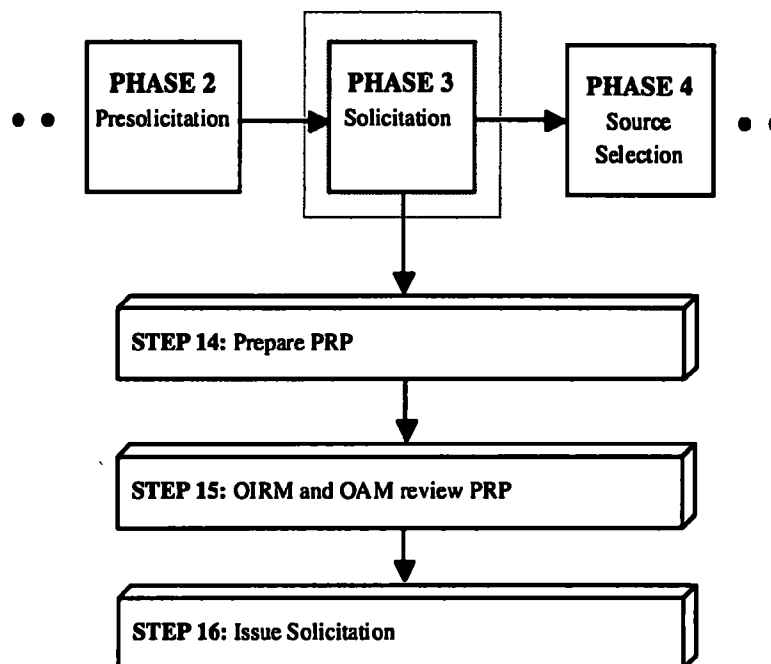
NOTES**Processing
Requirement**

submit the information to OIRM for reporting to GSA. (Step 19 contains information on post-award reports). Pre-award reports are primarily for status and to identify problems or changes.

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Phase 3 - Solicitation Phase

Once GSA has granted the DPA (or not responded), EPA continues with the acquisition. The Solicitation Phase activities focus on preparing the various documents that make up the internal EPA PRP, obtaining the necessary OIRM and OAM approvals, and issuing the solicitation. Exhibit 4-6 illustrates the steps in the Solicitation Phase.

**PHASE 3: SOLICITATION****Exhibit 4-6****Step 14 - Prepare PRP**

This step addresses preparation of the PRP for submission to EPA management. This step is completed after the DPA has been obtained from GSA, Step 13, or after determining that a DPA is not required, Step 8.

The PRP may include, but is not limited to, standard forms, abstracts, an SOW, proposal instructions, proposal evaluation

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criteria, procurement justification documents, and cost information. The specific contents of the PRP depend on the nature of the acquisition.

Process and Results

Conferring with OAM and OSDBU, as appropriate, the client PO develops the PRP. The contents of the PRP depend on specific client organizational requirements, OAM requirements, and/or the client's acquisition strategy. The Procurement Request Rationale Checklist (Checklist) in Chapter 2, Attachment F, of *EPA Contracts Management Manual* lists the documents to be included in the PRP.

The Checklist is a valuable aid in developing the PRP. The Checklist and all applicable documents contained in the list are required to be included in the PRP above the small purchase threshold (currently \$25,000). Documentation guidance for small purchase acquisition is contained in Appendix H. The Checklist also contains questions and requests for information that apply to the specific type of procurement being conducted. All items on the Checklist must be addressed. If an item does not apply, mark it "not applicable."

Documents listed in the Checklist include the following:

- Procurement Request/Order (EPA Form 1900-8)
- Procurement Abstract
- Statement of Work (SOW)
- Concise Technical Proposal Instructions
- Competitive Technical Evaluation Criteria
- Justification for Other Than Full and Open Competition (JOFOC)
- Determination and Findings (D&F) to Provide Full and Open Competition After Exclusion of Source (see FAR 6.2)

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- Justification for Advisory and Assistance Services
- Justification of Need - Government-Furnished Property (GFP)
- Quality Assurance (QA) Review Form
- Recommended Sources List
- Reports Description
- Discussion of Controls for Sensitive Contracting
- Discussion of How Procurement Fits into Overall Contracting Strategy (if required)
- Independent Government Cost Estimate (IGCE)
- Designation and Appointment of Project Officer/Work Assignment Manager/Delivery Officer (EPA Form 1900-65)

In addition to the above, the following may be included in the PRP, as required:

- TEP Members Listing
- Procurement Integrity Certifications for Procurement Officials
- Request for Approval of Contractor Access to TSCA CBI (EPA Form 7740-17)
- ADP Approval Memorandum
- Any Program-Specific Information Security Forms that Apply

Appendix G contains a description of the documents listed above, as well as guidance on topics to consider while developing the documents.

NOTES

The documents in the PRP contain information that forms the basis for many sections of the solicitation document that is developed by OAM in Step 15. For example, the SOW developed by the client organization is a major part of Section C (Description/Specifications) of Federal solicitations and contracts and contains information incorporated into Section F (Deliveries or Performance) and potentially Chapter H (Special Contract Requirements). The technical proposal instructions become a part of Section L (Instructions, Conditions, and Notices to Bidders); and technical evaluation criteria become part of Section M (Evaluation Factors for Award).

The quality of the documents developed by the client directly affects OAM's level of effort, response times, and eventual contract award. Documents that are poorly prepared or incomplete usually result in delaying the solicitation release. They also may cause delays upon release due to numerous vendor questions, amendments to the solicitation in response to vendor inquiries, evaluation problems due to vague and ambiguous evaluation criteria, and vendor protests. They can also result in unsatisfactory contract deliverables.

It is important to identify and quantify the performance and/or the desired outcomes of the contractor's efforts. The quantitative or qualitative requirements identified in the RA (see Step 6) should be used to form the basis of these requirements in the SOW. The SOW should not focus on detailed procedures, rather the solicitation's requirements should be stated in functional terms. There should also be a clear means of attesting to the quality of work or service performed under the contract by EPA. Supplement #2 to OMB Circular A-76 provides guidance on writing and administering performance SOWs for service contracts.

Information security is highly important in the procurement process just as it is in other areas of IRM. The client and OIRM must be aware that many of the documents associated with the PRP can contain confidential information. Such materials must be protected against loss or unauthorized disclosure.

Unauthorized access to the SOW, Technical Evaluation Criteria, IGCE, and other PRP documents containing

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procurement-specific requirements or financial data could have serious negative consequences. Such access could provide an unfair advantage to an individual contractor and, among other results, force OAM to revisit the entire procurement process and embarrass the agency. These problems can be avoided when the client and all authorized users of the information follow the basic security procedures outlined in EPA's *Information Security Manual* and other applicable directives cited in this guide.

The client PO is responsible for the following security actions:



- Identify the PRP's confidential documents
- Assess the risks associated with the availability, integrity, and confidentiality of these documents
- Develop a security plan with security objectives and handling guidelines designed to reduce all risk factors to an acceptable level



All agency personnel that have access to the PRP are required to adhere to the client's information security plan, protecting all identified documents in accordance with the plan. This includes the client PO and client, OIRM, and OAM staff that are involved in preparation of, or handle any part of the PRP.

The client also must assess the security plans that pertain to either data or systems that are involved in the performance of the contract and identify any sensitivity and/or confidentiality issues or requirements in the SOW. Contractor access to CBI is an example of such sensitive issues. Access to FIFRA and TSCA CBI are addressed specifically in agency policy and procedures (see Appendix B). These security issues must be addressed in the RA "security requirements," as discussed in Step 6 of this guide and documented in Section 12 of the SOW (Special Areas of Concern), as described in Appendix G.



The client PO prepares a cover memo requesting written approval (e.g., signature lines). The client PO submits the package to client organization management, the SIRM, and if the procurement request exceeds \$1 million dollars, the SRO, for approval.

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Client management approval must be indicated by the signature of a Division Director or higher official. Upon receiving written client management and SIRMOS approvals, the client forwards the PRP to OIRM for review and approval. Exceptions to the approval process are discussed below:

- Acquisition of Microcomputer Hardware and Software under SIRMOS Delegated Purchasing Authority - SIRMOS are authorized to approve acquisitions of microcomputer hardware and software without obtaining OIRM approval. This authorization is subject to several specific restrictions, as specified in EPA Delegation 1-10A.
- Acquisition of FIP Support Services under SIRMOS Delegation - OIRM's QA review and approval authority for FIP support services acquisitions may be delegated to the SIRMOS of an Assistant Administrator's organization. Where this delegation has been granted, OIRM review and approval are **not required for non-DPA FIP support services** procurement. In these cases, the SIRMOS will be responsible for performing the QA review and approval function. Therefore, the client PO should consult with their SIRMOS to determine whether the organization has delegated status. OIRM's OCSS will monitor the performance of this delegation through its FIP Acquisition Management Review Program. (The PRA requires agencies establish a review program to ensure the efficient and effective management of information resources.)

Step 15 - OIRM and OAM Review PRP

OIRM and OAM review and approve the PRP in this step, thereby providing QA, reducing potential risks, and expediting the acquisition as efficiently as possible.

OIRM reviews the PRP to:

- Verify that requirements, specifications, tasks, deliverables, and acceptance criteria are well structured and clearly described in quantitative and qualitative terms

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- Review the cost information to verify skill categories, labor hours, and that estimates are clearly identified and justified
- Verify the accuracy of required FIRMR and agency IRM analyses and documentation

Packages requiring OIRM review should be sent to OCSS at the address given in Step 11. OAM reviews the PRP for completeness and compliance with contracting regulations.

Process and Results

Depending on whether an organization has been delegated authority to approve the FIP resources included in the procurement, the PRP will be handled differently during the review. For delegated organizations, POs should simply route the PRP to the SIRMO instead of OIRM. For non-delegated organizations, OIRM review and approval is required in addition to SIRMO review and concurrence.

OIRM's review of the procurement package is intended to ensure compliance with the FIRMR and agency IRM policies. OIRM reviews and verifies the accuracy of key analytical and decision documents (e.g., RA, AA, IP, FIRMR Applicability Statement, and SIRMO concurrence) for FIP resources procurement that do not require a DPA. (For procurements requiring a DPA, OIRM becomes involved in Step 11.) The review also provides a QA check on important IRM acquisition-related documents and issues (e.g., SOW, security analysis) to ensure they reflect sound information management practices.

OIRM prefers to review the complete procurement package but requires as a minimum the following for review and approval of FIP support service components: (1) SIRMO approval or concurrence signature; (2) an IGCE including a breakdown of FIP resources by type for each task and for the entire contract; (3) the FIRMR Applicability Statement, describing the rationale for determination; (4) the RA, AA, and IP for the FIP resources in the solicitation (unless previously submitted for an APR); (5) a Conversion Study if applicable; and (6) the Statement/Scope of Work.

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OIRM approves the PRP and returns it to the client PO.

The client PO forwards the approved PRP with OIRM approval (or SIRM approval memo in delegated organizations) to OAM for review and necessary action.

OAM reviews the PRP for completeness and compliance with contracting regulations and guidelines. OAM coordinates with the client, OIRM (or delegated SIRM), and OSDBU as appropriate. After coordination and approval, OAM begins developing the solicitation for release to the appropriate vendors.

Copies of the PRP and all written concurrences and approvals must be maintained as part of the client's permanent acquisition file and be available for OIRM or other official reviews when required.

Step 16 - Issue Solicitation

OAM issues a synopsis of the procurement in the CBD and issues the solicitation to all vendors that request the package in response to the CBD (see Step 14).

Process and Results

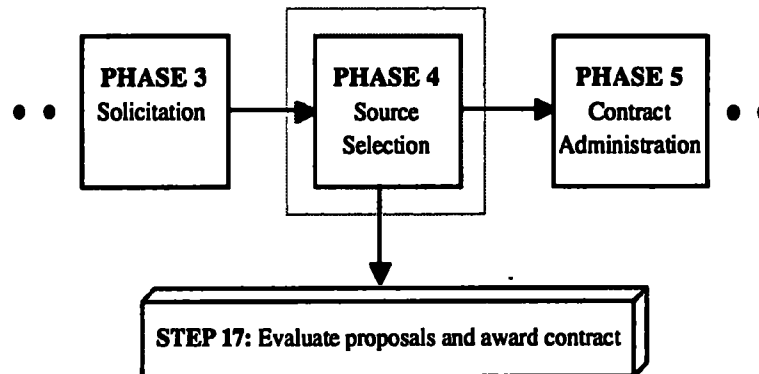
} OAM prepares and issues a synopsis in the CBD as required by the FAR Subpart 5.2 and FIRMR Subpart 201.39.

OAM then issues the solicitation to vendors appropriate to the type of acquisition (i.e., full and open competition, limited competition, sole-source procurement, small business procurement, or 8(a) procurement).

The solicitation must require the offerors to itemize their cost proposals by individual FIP resource category.

NOTES**Phase 4 - Source Selection Phase**

The Source Selection Phase culminates the acquisition of FIP resources by evaluating the proposals and selecting the one that is most advantageous to the Government. There is only one step in the Source Selection Phase as illustrated in Exhibit 4-7.

**PHASE 4: SOURCE SELECTION****Exhibit 4-7****Step 17 - Evaluate Proposals and Award Contract**

In this step, the proposals are evaluated in accordance with the plans developed earlier in the process and the contract is awarded.

Process and Results

Processing
Requirement

The OAM and client jointly develop the "Technical Proposal Instructions" incorporated into Section L of the solicitation and "Technical Evaluation Criteria" incorporated into Section M of the solicitation.

Processing
Requirement

The TEP evaluates the proposals for compliance with the technical requirements in the solicitation, under the guidance of OAM. OAM conducts the cost evaluation.

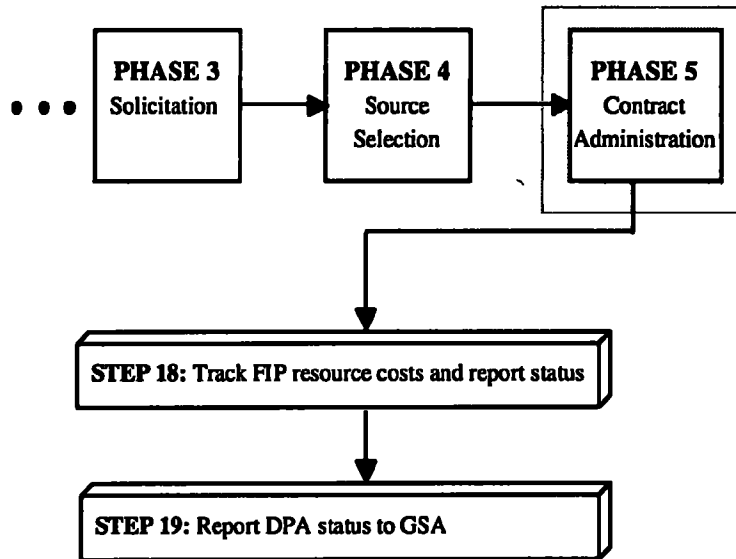
NOTES**Processing
Requirement**

After all TEP questions and OAM contracting issues are resolved, OAM awards the contract. Contract clauses must contain requirements for the vendor to itemize costs/charges for FIP resources by individual FIP resource category.

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Phase 5 - Contract Administration Phase

After the contract is awarded, the client is responsible for tracking and reporting the status of the contract to OIRM, the CO, and GSA. Exhibit 4-8 illustrates steps included in the Contract Administration Phase that are required by the FIRMR.



PHASE 5: CONTRACT ADMINISTRATION

Exhibit 4-8

Step 18 - Track FIP Resource Costs and Report Status

This step involves contract management responsibilities, which include tracking costs by FIP resource category and reporting the progress and status to client program management, OIRM, and the CO. This step is intended to ensure that regulatory, agency, and specific-acquisition DPA thresholds are not exceeded; to comply with DPA reporting requirements; and to provide information for other management-related purposes. It also applies to the FIRMR applicable FIP resources of the contract and not to those FIP resources that

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are incidental to the acquisition. (Note: Incidental costs do not need to be tracked.)

Process and Results

**Processing
Requirement**

To ensure that contract costs do not exceed FIRMR, DPA, and contract cost limits, the client PO and CO track the usage and total costs of FIP resources by individual resource category over the life of the contract. The PO/CO must report all information specified in the DPA reporting requirements to OIRM.

In addition to compliance considerations in tracking FIP resources expenditures, the information collected will provide the agency with important cost data for benchmarking future acquisitions and evaluating current contractor performance.

Unless otherwise specified by OIRM or GSA, when the expenditures of any one FIP resource category under a contract, reach 85 percent of the DPA threshold, the PO and CO should evaluate the need to request an adjustment to the delegated threshold. As a result of this evaluation, the client may need to request a DPA or an amendment to an existing DPA. The CO must notify OIRM of the results of this evaluation and the actions to be taken.

Step 19 - Report DPA Status to GSA

The purpose of this step is to ensure EPA complies with GSA established reporting requirements on the status of the DPA. GSA places requirements for status reporting on every DPA it issues. EPA's reporting will conform to the instructions for each specific DPA.

Process and Results

**Processing
Requirement**

OIRM provides GSA with:

- Contract award information within 30 days of contract award
- Six twelve month expenditures information

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- Biennial DPA status reports
- Any other information required as part of the approved DPA

A. LEGAL ACQUISITION AUTHORITIES

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This Appendix details the Federal legislation that establishes the policy for the Federal Information Processing (FIP) acquisitions and the agencies, organizations, and committees responsible for overseeing Federal acquisitions.

Federal Legislation

Federal laws that directly affect the acquisition of FIP resources include the Brooks Act, the Warner Amendment, the Paperwork Reduction (and its reauthorization), Competition in Contracting, the Computer Security, the Office of Federal Procurement Policy (OFPP), and Privacy Acts. The Warner Amendment (1981) does not affect the Environmental Protection Agency (EPA) and is not discussed in this guide.

The Brooks Act (1965), as amended, established the requirements for managing automated data processing equipment (ADPE) and grants specific authority and responsibility to the General Services Administration (GSA), the Office of Management and Budget (OMB), and the Department of Commerce. The Act directs GSA to coordinate and provide for the economic and efficient purchase, lease, and maintenance of ADPE by Federal agencies. The Act charges OMB with fiscal control and developing administrative and management policy for FIP resources. Under the Brooks Act, the National Institute of Standards and Technology (NIST), an organization within the Department of Commerce, is responsible for providing scientific and technological services to agencies for ADPE and for developing and maintaining standards to maximize agencies' ability to share computer programs and data.

The Privacy Act (1974), as amended, protects information, pertaining to individuals, that is maintained in Federal information systems. Federal agencies and employees are responsible for (1) maintaining the confidentiality of data included by the Act and (2) ensuring that data concerning individuals and maintained in Federal information systems are accurate.

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The Paperwork Reduction Act (PRA) (1980), as amended, was enacted to accomplish the following:

- Minimize the Federal paperwork burden
- Minimize the cost to the Federal Government of controlling information
- Maximize the usefulness of information collected by the Federal Government
- Make uniform Federal information policies and practices
- Ensure that automated data processing (ADP) and telecommunications technologies are acquired and used to improve service and program management, increase productivity, reduce waste and fraud, and reduce the information processing burden for the Federal Government and for persons who provide information to the Government
- Ensure that the control of information by the Federal Government is consistent with applicable laws relating to the Privacy Act

The PRA prescribes that each Executive agency designate a senior official to systematically inventory information systems and to develop procedures for implementation of the Act. The OMB Office of Information and Regulatory Affairs has overall authority for implementation of the PRA and defines requirements in OMB Circular A-130.

The Paperwork Reduction Reauthorization Act (1986) expands the Brooks Act definition of ADPE to include the merging of FIP, telecommunications, and related technologies. The Act combined the old ADP and Federal Telecommunications Funds into one Information Technology Fund (ITF). Also under the Act, the GSA Board of Contract Appeals (GSBCA) was given permanent jurisdiction over ADP protest resolution.

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The Competition in Contracting Act (CICA) (1984) mandates a policy of full and open competition. The CICA requires that all responsible vendors be allowed to compete to receive a contract award. This means that a Statement of Work (SOW) or specifications must not be restrictive (i.e., not be written around one vendor's product or qualifications). The Federal Acquisition Regulation (FAR) Part 6 provides seven exceptions to this rule, which must be justified based on specific criteria and approved by the Office of Acquisition Management (OAM).

The CICA also reinforces the Government's policy of placing a proportion of its acquisitions, including contracts and subcontracts, with small and small disadvantaged businesses.

The Computer Security Act (1987) contains provisions for protecting computer-related assets (e.g., hardware, software, and data). The Act assigns responsibility for developing computer security guidelines and standards to NIST. The Act also requires agencies to identify systems that contain sensitive data and develop a security plan for each of them.

The Office of Federal Procurement Policy Act (1974) contains provisions regarding inherently Governmental functions and procurement integrity that apply to contractors and Government officials involved in Federal procurements. Failure to comply with this act could result in administrative actions and/or contractual, civil, and criminal penalties.

- Inherently Governmental Functions - OFPP Order 92-1 and EPA Order 1900.2 list the types of activities that cannot be performed by vendors. (OFPP 92-1: Federal Register, Volume 57, Number 190, pp. 45096-45103, September 30, 1992.)
- Procurement Integrity - The procurement integrity provisions of the OFPP Act state that procurement officials shall not:
 - ◊ Solicit or accept any promise of future employment with a "competing contractor"

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- ◇ Ask for or accept any money or thing of value from a "competing contractor"
- ◇ Disclose any proprietary or source selection information to unauthorized individuals

Oversight Organizations

The following Government organizations have primary authority for overseeing various aspects of FIP resource acquisitions.

General Services Administration - GSA coordinates and provides for the economic and efficient purchase, lease, and maintenance of ADPE by Federal agencies. GSA issues changes to the Federal Information Resources Management Regulation (FIRMR) and conducts other acquisition activities, such as granting delegations of procurement authority (DPAs) and conducting Information Resources and Procurement Management Reviews. GSA also issues the Federal ADP and Telecommunications Standards Index which contains a listing of Federal standards and terminology for use in solicitations.

GSA is prohibited from impairing or interfering with an agency's determination of its data processing requirements, including developing specifications and selecting types and configurations of equipment. GSA also cannot control an agency's use of the equipment.

General Services Administration Board of Contract Appeals - The GSBCA is responsible for resolving disputes relative to contracts with GSA, the Department of the Treasury, the Department of Education, the Department of Commerce, and other independent Government agencies such as EPA. The Board also is empowered to hear and decide protests arising out of ADP procurements Governmentwide. Although the Board is located within the agency, it functions as an independent tribunal.

B. REGULATORY AND REFERENCE DOCUMENTS/SOURCES

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Laws

This Appendix provides a list of Federal and Environmental Protection Agency (EPA) documents and programs cited in this guide or identified as providing valuable information or services relative to Federal Information Processing (FIP) acquisitions. Specific parts of the Federal Acquisition Regulation (FAR) and the Federal Information Resources Management Regulation (FIRMR) applicable to the activities included in this guide are also listed.

Public Law

- PUBLIC LAW 99-500

Federal Acquisition Regulation

Individual subscription to the FAR can be ordered by writing or calling:

Superintendent of Documents
U.S. Government Printing Office (GPO)
Attn.: Order Desk
Washington, DC 20401
(202) 783-3228

The FAR is also available at the EPA Headquarters Library. Sections of the FAR pertinent to FIP resources acquisitions include:



Regulations

- | | |
|---------------|---------------|
| • FAR PART 1 | • FAR PART 15 |
| • FAR PART 2 | • FAR PART 16 |
| • FAR PART 4 | • FAR PART 17 |
| • FAR PART 6 | • FAR PART 34 |
| • FAR PART 7 | • FAR PART 37 |
| • FAR PART 13 | • FAR PART 39 |
| • FAR PART 14 | • FAR PART 45 |

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Regulations

Federal Information Resources Management Regulation

Sections of the FIRMR pertinent to FIP resources acquisitions include:

- FIRMR 201-1
- FIRMR 201-2
- FIRMR 201-3
- FIRMR 201-4
- FIRMR 201-5
- FIRMR 201-6
- FIRMR 201-7
- FIRMR 201-8
- FIRMR 201-9
- FIRMR 201-10
- FIRMR 201-11
- FIRMR 201-12
- FIRMR 201-13
- FIRMR 201-14
- FIRMR 201-15
- FIRMR 201-16
- FIRMR 201-17
- FIRMR 201-18
- FIRMR 201-19
- FIRMR 201-20
- FIRMR 201-21
- FIRMR 201-22
- FIRMR 201-23
- FIRMR 201-24
- FIRMR 201-39
- FIRMR BULLETIN A-1
- FIRMR BULLETIN C-5
- FIRMR BULLETIN C-6
- FIRMR BULLETIN C-7
- FIRMR BULLETIN C-10

Office of Management and Budget Circulars

The Office of Management and Budget (OMB) Circulars and Bulletins can be obtained by writing or calling:

Executive Office of the President (EOP)
726 Jackson Place, NW
Room 2200
Washington, DC 20503
(202) 395-7332



Regulations

OMB Circulars pertinent to FIP resources acquisitions include:

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- OMB CIRCULAR A-11
- OMB CIRCULAR 109
- OMB CIRCULAR 120
- OMB CIRCULAR 130
- OMB CIRCULAR A-76
- OMB CIRCULAR A-94
- OMB CIRCULAR A-104
- SUPPLEMENT NO. 2 TO OMB CIRCULAR A-76

Federal Information Processing Standards and Guidance

The Federal Information Processing Standards Publications (FIPS PUBs) can be obtained by writing or calling:

National Technical Information Service (NTIS)
Attn.: Document Sales
5185 Port Royal Road
Springfield, VA 22161
(703) 487-4650

Most FIPS PUBs also are available at the EPA Headquarters Library. FIPS PUBs pertinent to FIP resources acquisition include:

- FIPS PUB 38
- FIPS PUB 64



Regulations

General Services Administration Publications

Copies or information regarding the General Services Administration (GSA) documents referenced in this guide (see below) can be obtained from GSA's Information Resources Management (IRM) Reference Center, at:

IRM Reference Center (KML)
General Services Administration
18th and F Street, NW
Washington, DC 20405
(202) 501-4860

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GSA publications pertinent to FIP resource acquisitions include:

- ADP and Telecommunications Standards Index
- A Guide for Acquiring FIP Support Services
- A Guide for Acquiring Systems Integration Services
- A Guide for Acquiring Maintenance Services
- A Guide for Acquiring Commercial Software
- A Guide to Alternate Requirements Analysis Methodologies
- A Guide for Contracting Officers' Technical Representatives
- A Guide for Evaluating Proposals and Bids
- A Guide for Requirements Analysis and Analysis of Alternatives
- A Guide for Using GSA's Schedule Contracts for FIP Resources
- GSA Standard Solicitation Documents
- Overview Guide: Acquisition of Information Resources
- Performing a Requirements Analysis for Acquisition of FIP Equipment
- Source Selection Procedures: Lessons Learned
- Source Selection Procedures Handbook

Information regarding GSA's Electronic Bulletin Board Service (EBBS) containing current IRM acquisition information is available from GSA's Evaluation and Analysis Branch at (202) 501-4305.

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Regulations

Information regarding GSA's On-Line Schedule System (OSS), an electronic bulletin board and data base system providing access to IRM schedule contractor's catalogs, is available from GSA's Planning and Support Division at (202) 501-7510.

Environmental Protection Agency**EPA Order**

- EPA Order 1510

EPA Regulations

EPA regulations pertinent to FIP resources acquisition include:

- EPAAR 552.235
- EPAAR 1505.27
- EPAAR 1506
- EPAAR 1506.371
- EPAAR 1510
- EPAAR 1515.6
- EPAAR 1519
- EPAAR 1534
- EPAAR 1552.215



Regulations

EPA Manuals, Handbooks, and Guides

EPA manuals, handbooks, and guides pertinent to FIP resources acquisition include:

- Bankcard Training and Call Ordering Officer Course Manual
- Cardholder Instructions, The U.S. Government Credit Card
- Contracts Management Manual
- Delegations Manual
- Federal Information Processing (FIP) Resource Acquisition, Interim Guidance
- Information Security Manual



Regulations

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- Interagency Agreement Policy and Procedures Compendium
- IRM Policy Manual
- Preferential Procurement Program Handbook for Project Officers, Contract Officers, and Small Business Specialists
- Project Officers's Handbook
- Property Manual
- Risk Analysis Guideline
- Small Purchases, A Guide for Program Offices
- Strategic and Multiyear Plan Document
- System Design and Development Guidance Manual
- Toxic Substances Control Act (TSCA) Confidential Business Information Security Manual

Miscellaneous

Miscellaneous publications pertinent top FIP resource acquisitions include:

- Commerce Business Daily (CBD)
- Federal Telecommunications Standards (FED-STDS)
- National Data Processing Division (NDPD) Operational Policies Manual
- Office of Acquisition Management (OAM) Guide for Preparing Independent Government Cost Estimates
- Office of Administration and Resources Management (OARM) Procurement Policy Notice 93-07
- Office of Federal Procurement Policy (OFPP) Order 92-1

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- Office of Information Resources Management (OIRM)
Delegation 1-10A
- Program Specific Information Security Manuals

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C. IDENTIFYING FIP SUPPORT SERVICES

NOTES

INTENT/
PURPOSE

This Appendix provides guidance on identifying Federal Information Processing (FIP) support services. The questions from FIRMR Bulletin A-1 that are referred to below are provided in Exhibit 4-4.

Identify the Intent/Purpose of the Contract or Task

The task requirements, labor categories, and deliverables serve as a guide in making the FIP, incidental FIP, or non-FIP resource determination along with the **intent** or **purpose** of the task.

It is easy to identify FIP resources when the Environmental Protection Agency (EPA) needs information technology (IT) systems built or maintained or staffing of a computer facility or services center. Programmers, computer analysts, computer operators, data entry clerks, and other automated data processing (ADP)-related categories are clearly FIP support services.

If a task requirement is described in ADP terms, historically understood as an ADP-related function or service, or clearly for production of an ADP-related product for use by EPA or user designated by EPA, then the effort associated with that task is a FIP resource.

If the answer to the Federal Information Resources Management Regulation (FIRMR) Bulletin A-1 guidance question 1 is "Yes," the FIRMR is applicable to the contract action. If these qualifiers are not present, the effort **may not be** a FIP support service.

INTENT/
PURPOSE

If the **intent** or **purpose** is to provide a non-ADP related professional service or produce a non-ADP related product involving the use of ADP-related equipment or services or agency

NOTES

FIP resources, further examination of the task or requirement is needed.

Generally, when non-ADP functions or services are required (e.g., scientific or engineering analysis and reports) and the contractor produces a product (e.g., an analytical report) or has **discretion** to perform a service using ADP resources, FIP resources are **incidental** to the contract or task. In this case, the answer to FIRMR Bulletin A-1 guidance question 1 is "No" since there is no delivery of FIP resources, question 2 is "Yes" as the task depends on FIP resources, and question 3 is "No" since the contractor has discretion in the acquisition and management of FIP resources. Based on answers 1 and 3, the FIRMR **does not** apply.

As another example, a task requires chemical information/data submission review, development of an abstract of the information/data submission, and recording of the abstract into an EPA information system. If, as in this example, the effort to "record" the abstract on an automated system is intended to be accomplished by a chemist and is typical of what a chemist would do, then the computer is simply considered a tool and the "recording" is **incidental to the intent or purpose**.

INTENT/
PURPOSE

However, when the "recording" is intended to be accomplished by a data entry clerk, is a significant effort in the overall task, does not require specialized subject matter expertise, and/or is not associated with development of the abstract, a data entry FIP support service capability is suggested. The FIRMR is applicable to the contract action for this type of support service and estimated costs are categorized as a FIP support service resource in the cost estimate. The labor category requirements section (if appropriate for the contract type) of the solicitation package should also reflect this need. The answer to FIRMR Bulletin A-1 guidance question 1 is "Yes" since the task requires data entry support services.

The intent of the contract/task, good judgement, and a clear statement of work (SOW) are key to identifying FIP resources, computing the "total value" of those FIP resources over the life of the contract and determining the applicability of the FIRMR to the procurement action.

NOTES

Consider the Traditional Nature of the Work or Task (i.e., Pre-Computer Era)

The previous example emphasized the importance of determining whether the FIP resources in a solicitation are the focus of the solicitation or simply a tool to be employed in performing the work of the solicitation. When FIP resources (e.g., computer or software) are used exclusively as tools to perform non-FIP work, they are rarely considered FIP or FIRMR applicable. Considering the traditional nature of the work or task, pre-computer era is a good guide for making the FIP, non-FIP assessment.

For example, before the computer age, clerks used Address-O-Graph machines, address plates, or card files to maintain a mailing list. Now the most efficient method of maintaining a mailing list is by using a personal computer (PC) with assorted off-the-shelf software. If a task requires maintenance of a mailing list, this is still a clerical function even if a PC is used, and the time supporting this task is not a FIP support service.

The answers to FIRMR Bulletin A-1 guidance question 1 is "No" since there is no delivery of FIP resources, question 2 is "Yes" because the task depends on use of FIP resources; and question 3 is "No" assuming the task requirements do not restrict the contractors discretion in acquisition and management of FIP resources. Therefore, the task is not a FIP resource and the FIRMR does not apply.

Note that the answer to FIRMR Bulletin A-1 guidance question 2 depends on the size of the effort and specific requirements. If "No" is appropriate, additional questions are not required since no FIP issues are present.

Again, a support service is identified as a FIP support service **only** when the intent of the task is clearly ADP-related or the labor category is traditionally ADP-related (e.g., data entry clerk, programmer, computer analyst).

INTENT/
PURPOSE

NOTES

Consider Less Obvious FIP Support Services When in Doubt

**INTENT/
PURPOSE**

When the **intent** of a contract or contract task is unclear on FIP resource issues, or when the contract's SOW language fails to clearly address requirements or mention computer-related requirements, the identification of FIP support services become more difficult.

Listed below are three contract/task scenarios to help identify less obvious FIP support services.

- **Scenario 1** - Chemical/engineering professionals are required to provide expertise necessary in the development of a new computer simulation model for EPA. Deliverables associated with this task are software and documentation. The answer to FIRMR Bulletin A-1 guidance question 1 is "Yes" because this is clearly a **FIP support service task**. However, the chemists/engineers are required to provide **only** scientific/engineering expertise.

**INTENT/
PURPOSE**

Although the **intent** of the task is development of a computer-based model, the chemist/engineers are not tasked with performing any FIP-related tasks. Therefore, their efforts are **not** considered part of FIP support services.

If, however, the contractor proposes, and subsequently uses, chemical or engineering professionals that are accomplished programmers to actually develop the program's software, then the time these persons devote to programming is accountable as a FIP support service. If the efforts required to provide technical and programming expertise are so closely related they cannot be reasonably separated, the total time expended for this task is counted as a FIP support service resource. If the efforts are separable, **only** the time expended on software development is considered a FIP support service resource.

NOTES**INTENT/
PURPOSE****INTENT/
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PURPOSE**

- **Scenario 2** - An office has a need for services to staff a records or dockets unit.

Clearly the overall **intent** of this need is **not** FIP-related. When a personal computer is used to perform what was once a manual records management function, then the computer is essentially a replacement tool for pen and paper records and the FIP resource is considered **incidental** to performance of the task and is **not** a FIP support service.

However, if a contractor is also tasked with modifying the indexing software used to manage records, the **intent** of the task is to provide FIP support services. Since, under this condition, this would involve "delivery" of FIP resources, the answer to FIRMR Bulletin A-1 guidance question 1 becomes "Yes, and the FIRMR is applicable to **this task** and needs to be estimated as a FIP resource. Note: The FIRMR only applies to the software development performed under the acquisition task.

- **Scenario 3** - EPA wishes to contract for scientific and/or engineering regulatory analyses of data, including delivery of reports based upon the analyses. The contract requires the contractor to use EPA developed and certified software to perform the regulatory analysis. The software requirement dictates that the contractor obtain a Novell-based local area network (LAN). The total cost of the contract over its life is an estimated \$3,000,000; the total cost for the contractor to establish and maintain the LAN over the contract life is an estimated \$200,000.

The **intent** or **purpose** of the contract is to provide scientific and/or engineering analysis of data and analytical reports. However, the contractor will provide FIP services to operate the software. EPA has taken the discretion away from the contractor as to the acquisition of FIP software by requiring specific proprietary software.

The answers to FIRMR Bulletin A-1 guidance question 1 is "No" since EPA is not acquiring FIP resources; question 2 is "Yes" because the principal task depends on EPA

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furnished software and software system operation; question 3 is "Yes" since the proprietary software requirement limits contractor discretion; and question 4 is "Yes" because the requirement for FIP resources is explicit. The "Yes" answer to question 4 clearly indicates the FIRMR **does** apply to the contract action.

The estimated costs of all FIP resources is \$200,000 over the contract life. Since this is below the FIRMR-authorized \$2.5 million applicable ceiling, the FIRMR applies to part of the contract but EPA **does not** have to obtain a GSA delegation of procurement authority (DPA).

D. KEY REFERENCES AND AUTHORITIES BY STEP

NOTES

This Appendix lists the key references and authority documents for each Phase and Step of the acquisition process.

The Environmental Protection Agency (EPA) classifies regulatory documents into four categories:

- Policy - Provides direction and addresses the "what" and "why." It is a basic statement of principles. Policies include authorities, identify key organizations responsible for implementation, and are considered by EPA as mandatory.
- Standards - Provide a system of measurement and a basis of comparison by which adherence to policy can be determined.
- Procedures - Explain how to perform work to comply with policy and to achieve applicable standards. They often involve prescribed documentation and work flows and are considered by EPA as mandatory.
- Guidance - Documents recommend various approaches or formats, but are not mandatory.

PHASE 1 - INITIAL PLANNING PHASE

Step 1 - Identify Information and FIP Resource Needs

FIRMR 201-18 (*policy*) prescribes policies and procedures regarding agency planning and budgeting for the Federal Information Processing (FIP) resources, the requirement for a 5-year plan for meeting the agency's information technology (IT) needs, and submission of the 5-year plan to the General Services Administration (GSA).

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FIRMR 20.1-20.305 (*policy*) discusses desirability of separating FIP resources from non-FIP resources when contracting.

The agency's or client organization's strategic and multiyear plans (*guidance*) provide the high-level strategy for the Information Resources Management (IRM), including budgeting and FIP resources acquisitions.

OMB Circular A-130 (*policy*) requires agencies to establish a strategic planning process for acquiring IT.

EPA Directive 2100 (henceforth referred to as the EPA IRM Policy Manual) (*policy*) prescribes IRM functions such as mission-based planning, budgeting, and acquisition planning. The manual also establishes the principles that govern EPAwide planning, and defines the roles and responsibilities for implementing those principles.

EPA System Design and Development Guidance Manual (*guidance*) provides information on how to document a problem and justify the need for an IT solution. It also provides guidance for the acquisition and management of IT.

FIRMR Bulletin A-1 (*guidance*) will help client organizations structure their thinking in determining needs for FIP resources. Bulletin A-1 provides the following:

- Definitions and examples of FIP resources
- Information regarding FIRMR applicability, policy, and exceptions
- Examples of FIRMR applicability when contracting for FIP resources

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Step 2 - Reconcile Needs with Existing Budgets, Resources, and Plans; Update Plans as Needed

FIRMR 201-18 (*policy*) requires agencies to develop a 5-year plan for meeting IT needs that reflect current and future program and mission needs. The plan must reflect budget constraints, form the basis for budget requests to OMB, serve as a basis for requirements analyses, be updated as needed (at least annually), and ensure participation of program areas, IRM organizations, and contracting and budgeting functions. It also requires agencies to "ensure that acquisition of FIP resources is in accordance with the updated 5-year plan."

OMB Circular A-11 (*policy*) provides detailed instructions on preparing budget estimates, and requires budget justification for data processing and telecommunications resources based on mission need.

OMB Circular A-130 (*policy*) requires agencies to "establish multiyear strategic planning processes for acquiring and operating IT that meet program and mission needs, reflect budget constraints, and form the basis for their budget requests."

EPA IRM Policy Manual (*policy*), Chapter 2, implements the FIRMR requirements for EPA to effectively plan for acquiring information resources and technology and to tie the planning process to the budget process. It identifies the Senior Information Resources Management Official (SIRMO) as the responsible official for ensuring integration of budgets with IRM plans for their programs.

EPA Interagency Agreement Policy and Procedures Compendium (*policy and guidance*) provides guidance on the interagency agreement process and documentation requirements.

NOTES**Step 3 - Document Mission Needs, Feasible Solutions, and FIRMR Applicability**

FIRMR 201 (*policy*) describes alternative sources for acquiring FIP resources as follows:

- Procurement new (by new or existing contract)
 - ◊ Negotiated - (FIRMR 201-39.15; Bulletin C-4)
 - ◊ Sealed Bid - (FIRMR 201-39.14; Bulletin C-4)
- Procurement new (by new or existing contract) for Small Purchases - FIRMR 201-39.803-1; 201-39.13
- Lease (by new or existing contract) - FIRMR 201-21.202; 201-39.5202-4
- Reuse - FIRMR 201-4.001; 201-17.001; 201-20.103-2 and .203-1; 201-24.202; Bulletins B-1, C-2 (Disposition and Reuse), C-27 (Reuse of Outdated Federal Information Processing (FIP) Equipment, C-29 (Acquisition of Used Computer Equipment by the Federal Government), and C-30 (Replacement of, and Screening for, FIP Equipment Under Exchange/Sale Authority)
- Conversion - FIRMR 201-4.001; 201-20.103-4, .203-4, and .304; 201-21.501 and .502; 201-39.1402-1 and .1501-1; Bulletins A-1, B-1, C-5, C-9, C-11, C-14, C-18, and C-26)
- GSA Federal Supply Schedules (mandatory) - FIRMR 201-39.801; FAR 8.4)
- GSA Nonmandatory Schedule Contracts for FIP Resources - FIRMR 201-39.803; Bulletin C-9 (Nonmandatory GSA Services and Assistance Programs)

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- GSA Mandatory-for-Use Programs - FIRMR 201.20.203-1; 201-24.000 and .001; 201-24.1; Bulletins B-4 and C-15)
- GSA Mandatory-for-Consideration Programs - FIRMR 201-24.000; 201-24.001; 201-24.2)
- Resource Sharing - FIRMR 201-20.203-1; 201-20.305-1; Bulletins C-1 (Telecomm), C-11 (Sharing of Automatic Data Processing (ADP) Resources), and C-15 (Mandatory Telecomm)

FIRMR 201-1 (*policy*) prescribes the extent to which the FIRMR applies to (among other things) the acquisition of FIP resources.

FIRMR Bulletin A-1 (*guidance*) defines and provides examples of FIP resources and FIRMR applicability.

FIRMR 201-20 (*policy*) requires agencies to base requirements on mission needs. EPA's IRM Policy Manual requires EPA managers to plan, budget, acquire, maintain, and operate FIP resources in a manner that meets the documented mission needs of the various programs within EPA.

FAR Part 34 (*policy*) describes acquisition policies and procedures for use in acquiring major systems consistent with OMB Circular A-109.

GSA Acquisition of Federal Information Processing Resources Overview Guide (*guidance*) provides guidance on the Federal acquisition process for FIP resources.

OMB Circular A-109 (*policy*) primarily addresses major information systems. Circular A-109 complements the FIRMR by prescribing that agencies express needs in terms based on an analysis of the agency's mission.

EPAAR 1534 (*policy*) implements FAR part 34 and OMB Circular A-109 in EPA by prescribing agency policies, procedures, and acquisition strategy for major systems. EPAAR 1534 also defines a major system, as well as other key terms.

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EPA Interagency Agreement Policy and Procedures Compendium (*policy*) provides guidance on developing agreements between agencies for sharing of FIP resources.

EPA System Design and Development Guidance Manual (*guidance*) provides information on how to document a problem and justify the need for an IT solution. It also provides guidance for the acquisition and management of IT. It includes guidance on identifying and evaluating feasible options.

FIPS PUB 64 (*standard*) is a valuable reference for preparing a mission needs statement, feasibility study, or cost/benefit analysis. Although this document is specifically targeted at software, the guidance contained in it can readily be adapted to other FIP resources.

Step 4 - Obtain Internal Client Organization Approvals to Proceed

EPA IRM Policy Manual (*policy*) designates SIRMOS' responsibilities for "directing and managing officewide information resources planning and budgeting," and for assuring that the information systems and technology acquisitions within their organizations comply with Federal and EPA policies and regulations.

Step 5 - Begin Acquisition Planning

FAR Part 2 (*policy*) states the "acquisition begins at the point where agency needs are established and includes the description of requirements."

FAR Part 7 (*policy*) requires agencies to begin acquisition planning "as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award is necessary." Part 7 discusses the acquisition planning process and the content of written acquisition plans in some detail.

EPA Contracts Management Manual (*policy*), Chapter 1, prescribes EPA acquisition planning requirements.

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EPA Preferential Procurement Program Handbook For Project Officers, Contract Officers, and Small Business Specialists (*policy*) establishes policies and procedures, and assigns responsibilities for implementing the Small and Disadvantaged Business Utilization Program.

FIRMR Bulletin C-5 (*guidance*) describes instructions for preparing an Agency Procurement Request (APR). The "contracting approach" addressed in the Acquisition Plan is an item that must be addressed in the APR.

EPA Project Officer's Handbook (*guidance*) contains a "Suggested Acquisition Planning Checklist" in Chapter 3.

GSA has issued a number of valuable guides pertaining to FIP acquisitions (*guidance*). A list of current titles is provided in Chapter 1, of this guide.

In addition to the acquisition guides, GSA's Office of Acquisition Policy has published a pamphlet entitled Source Selection Procedures: Lessons Learned (*guidance*).

PHASE 2 - PRESOLICITATION PHASE

Step 6 - Determine Mission-Based Functional Requirements and Analyze Alternative Solutions

The following documents pertain to a Requirements Analysis (RA):

- FIRMR 201-20.1 (*policy*) provides guidelines for performing an RA and the approach that should be taken to describe requirements.
- OMB Circular A-130 (*policy*) compliments the FIRMR by requiring agencies to "...document the requirements that each major information system is intended to serve...".

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- EPA System Design and Development Guidance Manual (*guidance*) provides information on how to document a problem and justify the need for an IT solution. It also provides guidance for the acquisition and management of IT. It includes guidance on identifying and evaluating feasible options.
- EPA IRM Policy Manual, Ch. 2(5e) and Ch. 3(5) (*policy*), discuss requirements-related considerations.
- EPA Information Security Manual (*policy*) will assist the client in determining security requirements.
- EPA Risk Analysis Guideline (*Temporary Directive*) can assist in analyzing risk of information systems and automated data processing (ADP) platforms.
- FIPS PUB 38 (*standard*) provides guidelines on, among other topics, development of functional requirements documents.
- GSA's Guide to Alternative Requirements Analysis Methodologies (*guidance*) describes non-traditional methods of performing an RA, such as re-engineering, the Delphi Method, and interactive design methods.
- GSA's Performing A Requirements Analysis for Acquisition of FIP Equipment (*guidance*) follows the FIRMR and life cycle management guidelines and also describes how to document the RA. Although the focus of this guide is FIP equipment, it may be useful when performing RAs for other FIP resources.

The following documents pertain to an Analysis of Alternatives (AA):

- FIRMR 201-20.2 (*policy*) provides guidelines for performing an AA, including performing a cost/benefit analysis.

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- FAR Subpart 7.105(b) (*policy*) discusses the need for market surveys when analyzing alternatives. A market survey is one aspect of performing an AA.
- EPAAR (*policy*) Subsection 1505.270 pertains to market surveys and Subsection 1506.371 addresses the "conduct of market surveys."
- OMB Circular A-76 (*policy*) requires agencies to determine whether commercial activities should be performed under contract with commercial sources or in-house using Government facilities and personnel.
- OMB Circular A-94 (*policy*), Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs, can be useful to clients performing an AA.
- OMB Circular A-130 (*policy*) compliments the FIRMR by requiring agencies to "seek to satisfy new information needs through...interagency or intergovernmental sharing of information..; and to acquire IT in a competitive manner that minimizes total life cycle costs."
- FIPS PUB 64 (*standard*) is a valuable reference for preparing a cost/benefit analysis, including a description of alternatives.
- OMB Circular A-11 (*policy*) is the basis for the Office of Information Resources Management's (OIRM's) integrated planning and budgeting data call. This is a useful reference for planning and accounting for cost estimates derived from the AA. This will allow for easier coordination of AA cost data with the planning process and responding to OMB requests.
- GSA's Preparing Software Conversion Studies (*guidance*), is helpful in identifying software conversion costs. The handbook is available through the GSA's Office of Technical Assistance, Federal Software Management Support Center.

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GSA's Guide for Requirements Analysis and Analysis of Alternatives is pertinent to both the RA and AA.

Step 7 - Begin Implementation Planning

FIRMR 201-20.3 (*policy*) prescribes policies and procedures for the IP; addresses using FIP Standards (FIPS), Federal Telecommunications Standards (FED-STDs), interim standards, and agency-unique standards; and addresses capability and performance validation requirements.

EPA Information Security Manual (*policy*) may be useful when considering implementation issues. Also refer to any program-specific information security manuals that apply.

GSA's ADP and Telecommunications Standards Index (*guidance*) lists Federal and industry standards, and provides terminology that can be used in solicitations.

Step 8 - Determine Requirement for DPA

FIRMR 201-20.305 (*policy*) contains information pertaining to delegation of procurement authority (DPA) types and applicability, cost thresholds, and other criteria.

The following FIRMR Bulletins contain additional information on topics in this section, as indicated, as they apply to DPA requirements.

- FIRMR Bulletin C-5 (Delegation of GSA's Exclusive Procurement and Multi-year Contract Authority) (*guidance*).
- FIRMR Bulletin C-6 (Federal Information Resources Management Review Program) (*guidance*).
- FIRMR Bulletin C-7 (Trail Boss Program) (*guidance*).

NOTES**Step 9 - Prepare APR**

EPA IRM Policy Manual (*policy*) prescribes IRM functions such as mission-based planning, budgeting, and acquisition planning. The manual also establishes the principles that govern agencywide planning, and defines the roles and responsibilities for implementing those principles.

FIRMR Bulletin C-5 (*guidance*) describes the procedures for requesting a delegation of the General Services Administration's exclusive procurement authority for a specific acquisition. Attachment A of Bulletin C-5 provides the instructions for preparation of an APR.

FIRMR Bulletin C-7 (*guidance*) discusses "Trail Boss" FIP resource acquisitions.

Step 10 - Obtain Internal Client Organization Approvals of APR Package

EPA IRM Policy Manual (*policy*), Chapters 1, 4, and 6, address IRM, software management, and automated data processing equipment (ADPE) resources management respectively. The IRM Policy Manual provides policy on IRM-related management controls, reviews, and approvals.

EPA Delegations Manual (*policy*), Delegation 1-84, 1-10, and 1-10A, assign OIRM responsibility and authority for FIP resource acquisition and management.

Step 11 - Obtain OIRM Approval of APR Package

EPA IRM Policy Manual (*policy*), Chapters 1, 4, and 6, address IRM, software management, and ADPE resources management respectively. The EPA IRM Policy Manual also establishes the principles and requirements governing these FIP resources and designates OIRM responsibility for managing these resources.

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EPA Delegations Manual (*policy*), Delegation 1-84, 1-10, and 1-10A, assign OIRM responsibility and authority for FIP resource acquisition and management.

Step 12 - Obtain OIRM Director Approval of APR Package

FIRMR Subpart 201-2 and Subpart 201-20.35 discuss the role of the Designated Senior Official (DSO).

EPA Delegations Manual (*policy*), Delegation 1-84 prescribes that the DSO is responsible for implementing FIRMR policies and approving all APRs, Delegation 1-84 assigns OIRM responsibility for FIP resource acquisition and management.

EPA IRM Policy Manual (*policy*) describes OIRM responsibility for FIP resource acquisition and management.

Step 13 - Obtain GSA Approval of APR Package

FIRMR Subpart 201-20.305 (*policy*) discusses GSA's DPA.

FIRMR Bulletin C-5 (*guidance*) describes GSA's authority and the review and response activities involved with an APR. Bulletin C-5 also describes an agency's recourse when GSA disapproves an APR.

PHASE 3 - SOLICITATION PHASE

Step 14 - Prepare PRP

FIRMR 201-39 (*policy*) sets forth the rules for acquiring FIP resources by contracting. Subpart 201-39.6 addresses competition requirements and 201-39.10 addresses specifications and standards.

FIRMR 201-20.3 (*policy*) prescribes the use of FIPS.

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FAR Part 4 (*policy*) requires an Independent Government Cost Estimate (IGCE). The Office of Acquisition Management (OAM) has issued a draft titled Guide for Preparing Independent Government Cost Estimates, dated March 26, 1993, which must be used to do an IGCE.

FAR Part 6 (*policy*) prescribes competition requirements, including full and open competition and other than full and open competition.

FAR Part 13 (*policy*) discusses small purchase procedures and requirements.

FAR Part 37 (*policy*) describes Government policy and the responsibilities of organizations when contracting for services.

EPA Contracts Management Manual (*policy*), Chapter 2, provides guidance on preparing procurement requests and related documents (including discussion of small purchases) and requires management approval before the Contracting Officer (CO) processes the contract action. A copy of OMB Circular A-120, "Use of Consulting Services," is provided in the Contracts Management Manual (CMM).

EPA Delegations Manual (*policy*), Delegation 1-10A, describes SIRMO approval authority limits.

EPA IRM Policy Manual (*policy*), Chapters 4, 6, and 8, delegate OIRM responsibility for acquiring general purpose, non-application-specific software, and for approving system-oriented proprietary software. The manual also assigns OAM responsibility for ensuring that all policy, standards, and guidelines specified by OIRM are incorporated in request for proposals (RFPs), contracts, and subcontracts and are specified by the Office of Grants and Debarment in Interagency Agreements, Cooperative Agreements, and Grants. It establishes a comprehensive agencywide security program to safeguard EPA information resources. It also sets forth EPA's information security policy for manual and automated systems and assigns individual and organizational responsibilities.

EPA Information Security Manual (*policy*).

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NDPD Operational Policies Manual (*policy*).

EPA TSCA Confidential Business Information Security Manual (*policy*) requires that a Request for Approval of Contractor Access to Toxic Substances Contract Act (TSCA) Confidential-Business Information (CBI) (EPA Form 7740-17) be included in the PRP when it is routed for approval.

EPAAR 552.235 (*policy*) provides information pertaining to screening for claims of CBI, treatment of CBI, and data security for the Federal Insecticide, Fungicide, and Rodenticide (FIFRA) and TSCA CBI.

EPAAR 1515.6 (*policy*) provides information pertaining to source selection.

EPAAR 1519 (*policy*) implements FAR Part 19, which pertains to small business and small disadvantaged business concerns.

OARM Procurement Policy Notice 93-07 (*policy*) establishes policy and procedures for procurement actions under which EPA may furnish FIFRA and TSCA CBI.

OIRM Delegation 1-10A (*policy*) includes a description of OIRM's delegation of FIP resources procurement authority to SIRMOS.

OMB Circular A-76 (*policy*) discusses requirements pertaining to inherently Governmental functions.

OMB Circular A-94 (*policy*) provides guidelines for using discount rates when performing cost/benefit and economic analyses.

Supplement No. 2 to OMB Circular A-76 (*guidance*) is entitled "A Guide For Writing and Administering Performance Statements Of Work For Service Contracts." This guide may be helpful when reviewing either agency-developed or contractor-developed work statements. Another supplement to Circular A-76 contains a "Cost Comparison Handbook."

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The GSA Standard Solicitation Documents (*guidance*) currently are available in electronic format and can be obtained through the United States Government Printing Office (GPO); stock number 022-003-01175-7. The following FIP resources categories are addressed in the GSA Standard Solicitation Documents series: FIP Software; FIP Maintenance; FIP Equipment; and FIP Systems.

Step 15 - OIRM and OAM Review PRP

FIRMR 201-39.6 and 201-39.10 (*policy*) set forth the rules for acquiring FIP resources by contracting.

EPA IRM Policy Manual (*policy*), Chapters 1, 4, and 6, address IRM, software management, and ADPE resources management respectively, establishing the principles and requirements governing these FIP resources.

EPA Delegations Manual (*policy*), Delegations 1-10 and 1-10A, assign responsibilities and authority for reviewing and approving FIP resource acquisitions.

Supplement No. 2 to OMB Circular A-76 (*guidance*) is entitled "A Guide For Writing and Administering Performance Statements of Work For Service Contracts." This guide may be helpful when reviewing either agency-developed or contractor-developed work statements.

Step 16 - Issue Solicitation

FIRMR 201-39 (*policy*) sets forth the rules for acquiring FIP resources by contracting.

FAR Subpart 1.6 (*policy*) discusses the CO's authorities and responsibilities.

FAR Subpart 5.2 (*policy*) and EPAAR 1505 and EPA Delegation 1-10A (*policy*) discuss publicizing contract actions.

FAR Parts 13 through 17 and 19 (*policy*) prescribe policy and procedure for contracting methodology.

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EPA IRM Policy Manual (*policy*), Chapter 4, prescribes the policies for acquiring software. Chapter 8 prescribes EPA's information security policy.

PHASE 4 - SOURCE SELECTION PHASE**Step 17 - Evaluate Proposals and Award Contract**

FIRMR 201-39 (*policy*) sets forth FIRMR contracting policies and procedures in a single part organized for consistency with the FAR. This part contains only those contracting policies and procedures that are unique to FIP resources.

FAR Subpart 15.6 (*policy*) prescribes policies and procedures for selecting sources in competitive negotiated acquisition.

FAR Parts 13 through 17 and 39 (*policy*) prescribe policy and procedure for contracting methodology.

EPAAR 1515.6 (*policy*) establishes EPA policies and procedures for the source evaluation and selection processes.

EPAAR 1552.215 (*policy*) addresses the source evaluation and selection process for negotiated procurements.

EPA Contracts Management Manual, Chapter 11, (*policy*) provides guidance on safeguarding vendors' bids and proposals.

GSA's Source Selection Procedures handbook (July 1987) (*guidance*) includes guidance on staffing for selection, the selection plan, evaluation, selection, and report and records keeping.

GSA's Source Selection Procedures: Lessons Learned (March 1991) (*guidance*) provides useful planning information for source selection and evaluation reporting.

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PHASE 5 - CONTRACT ADMINISTRATION PHASE

Step 18 - Track FIP Resource Costs and Report Status

FIRMR 201-2 (*policy*) holds the DSO and designated agency officials accountable for acquisitions acquired under a DPA.

FIRMR Bulletin C-5 (*guidance*), Attachment A, Instructions For Preparing An Agency Procurement Request: Item six of the APR requires the cost of the contract to be identified by type of FIP resource for the contract life. These costs must "include all anticipated optional quantities, resources, and periods."

GSA's A Guide For Contracting Officers' Technical Representatives (*guidance*) provides useful information regarding the roles and responsibilities of the PO.

Step 19 - Report DPA Status to GSA

DPAs granted by GSA prescribe reporting requirements (*policy*).

FIRMR Subparts 201-22.202 and 201-22.203 (*policy*) discuss GSA's Information Resources Procurement and Management Review Program, which includes agency DPA procurements

Appendix D. Key References and Authorities by Step

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E. DETERMINING FIRMR APPLICABILITY

NOTES

This Appendix provides guidance on determining when the Federal Information Resources Management Regulation (FIRMR) applies to an acquisition.

The two examples presented in this Appendix are intended to describe the FIRMR applicability determination rationale. They are based on real contract situations and discuss the identification of Federal Information Processing (FIP) resources, FIRMR applicability, and other Information Resources Management (IRM) considerations.

Example 1

An office requires services to perform simulation modeling in support of regulatory impact analysis. The office has determined the services are best acquired through the procurement process.

The services needed include:

- Performing computer-based simulation model executions on the Environmental Protection Agency's (EPA's) central computing facility
- Statistical and graphical analysis and interpretation of model results
- Quality control of all data used in the performance of the contract
- Development and testing of algorithms to compute contaminant concentrations (integration of these algorithms in the software is tasked under another contract)
- Development of visualizations (movies)
- Analysis for development of a model evaluation protocol and diagnostic model evaluation exercises using field data

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Deliverables for this contract include:

- Tabular, statistical, and graphical analysis documents in both hard copy and on disk in Wordperfect or ASCII format
- Briefing packages which must include text, graphics, overhead transparencies, and/or slides
- Graphics and movies of simulation model outputs on video media
- Copies of all scenario data outputs on magnetic tape or floppy disk

Other Government-owned personal computer (PC) equipment and software is available for contractor use on-site. EPA will maintain the equipment under an existing maintenance contract.

Knowledge and experience requirements identified in this contract include various physical science, engineering and natural resource scientists with masters degrees and higher; technical writers; and clerical personnel. All must have a working knowledge of computers and the operation of related software.

Discussion - To determine if and how the FIRMR applies to the contract option, the originating office personnel responsible for developing this solicitation should apply the following test questions to the solicitation:

1. Does the solicitation require delivery of FIP resources for use by EPA or any non-Federal agency users designated by EPA?

"No" is the answer to this question. The purpose of the solicitation is to provide scientific analysis reports, listings and quality control of data used, and graphical depictions of the model simulations.

2. Does a principle task of the solicitation depend directly on the use of FIP resources?

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"YES" is the answer to this question. The solicitation requires the contractor to use the EPA central computing facilities to run model simulations. Also, other tasks are expected to require the use of computer equipment.

3. Do the requirements of the solicitation have the effect of substantially restricting the contractor's discretion in the acquisition and management of FIP resources?

"No" is the answer to this question. The contractor is not acquiring FIP resources and will either supply its own equipment or will use government-owned equipment and software. Time share services on the EPA computer, if needed, are provided by the originating office.

Since no FIP resources are being acquired in this procurement and "NO" is the answer to this third question, further questions are unnecessary. The FIRMR's acquisition requirements for new contracts do not apply to this contract action and, therefore, a Requirements Analysis (RA), Analysis of Alternatives (AA), and Implementation Plan (IP) are not mandatory parts of the solicitation package.

Other IRM-Related Considerations - Because the use of EPA's computer simulation model and central computing facilities is involved, the solicitation should identify any requirements for the contractor to adhere to EPA operational and security policies and plans when using the simulation model.

Identification of any requirements for training in the use of the simulation model and adherence to Federal and EPA records management policies and procedures is also required for dealing with records associated with regulatory development.

Example 2

An office requires computer modeling and visualization software to support environmental regulatory impact analysis.

The system life and full life cycle costs were estimated and analyzed to determine the cost-to-benefit ratio for the proposed

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system and all alternative solutions. Based on the results, the originating office determined that the most advantageous alternative to fulfill this requirement is to contract for software development. Management commitment and approval to proceed was obtained and the EPAAR 1534 (Major Systems Acquisition) requirements were reviewed for relevance and followed where applicable.

The services needed include:

- Developing software based on EPA approved and provided algorithms and requirements
- Optimizing software to run on the Agency's high performance computer platform
- Developing visualization software
- Developing "tools" (e.g., PC or workstation software "tools") for assessment of area specific effects of emission control strategies on environmental conditions
- Managing and transferring all model input and output data files between a number of computer systems and platforms
- Developing data sets for identified conditions for use in model runs, providing data quality assurance (QA)
- Statistical and graphical analysis, interpretation of model test results, and graphical displays of observed and processed data

Government-owned computer equipment and software is available for contractor use in Government facilities in this effort.

Discussion - To determine if and how the FIRMR applies to the contract option, the originating office personnel responsible for developing this solicitation should apply the following test question to the solicitation:

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1. Does the solicitation require delivery of FIP resources for use by EPA or any non-Federal agency users designated by EPA?

"YES" is the answer to this question. This solicitation supports regulatory development and analysis by developing and/or acquiring software for use by EPA (i.e., FIP software and support services). Whenever "YES" is the answer to this question, more questions on FIRMR applicability are unnecessary. The FIRMR applies and an RA, AA, and IP must accompany the solicitation package to OIRM and OAM and the originating office must compute the total FIP resource cost over the life of the contract to determine if a delegation of procurement authority (DPA) is required.

FIP Resource Total Contract Cost Determination - The solicitation tasks primarily involve FIP resources (e.g., software development). They also include some non-FIP needs (e.g., scientific services). The originating office must estimate the total contract life cost for each category of FIP resource involved in this solicitation.

The first step is to determine which efforts are allocable as FIP resources and which are not. Scientific services "tasks" requiring only scientific expertise include:

- Developing data sets for identified conditions for use in model runs, providing data QA
- Statistical and graphical analysis, interpretation of model test results, and graphical displays of observed and processed data

These "scientific" tasks determine valid data, interpret results, and appropriately display the data and results for scientific review, evaluation, and verification. They and their associated cost estimates are **not** allocable as FIP resources. Once these non-FIP resources have been identified and quantified, the task of quantifying the FIP resources of the acquisition become much more straightforward.

NOTES

DPA Determination - For purpose of determining if a DPA is required, the originating office must estimate the total contract life costs for each category of FIP resources.

The contract's estimated total contract life is 3 years, including all periods and options. Total estimated FIP resource costs over the contract's life is \$6 million. The cost estimate is broken down as follows:

FIP Hardware	0-
FIP Software	\$ 250,000
FIP Services	-0-
FIP Support services	\$5,400,000
FIP Supplies	<u>\$ 50,000</u>
Total FIP Resources	\$5,700,000

Total Other Than FIP Resources \$ 300,000

Total Contract Costs----->\$6,000,000

Contract Life - 3 years.

The FIRM does not apply to the "non-FIP" portion of the solicitation. However, since FIP support services are expected to exceed \$2.5 million, a DPA from the General Services Administration (GSA) is needed before this solicitation may proceed.

Government-furnished computer equipment and software are not part of the estimate because these items are government-owned and their cost is not a factor in this solicitation.

Other IRM-Related Considerations - The use of EPA's computer simulation model and central computing facilities is involved; therefore, the solicitation should identify any requirements for the contractor to adhere to EPA operational and security policies and plans when using the simulation model.

Furthermore, model development requires adherence to the EPA's systems life cycle and software development policies, procedures, and guidance. The originating office should also

review FIP and Agency standards to determine their relevance to implementation of the model software.

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F. INSTRUCTIONS FOR PREPARING AN AGENCY PROCUREMENT REQUEST

NOTES

The Program Office initiating the acquisition must use the format prescribed in the Federal Information Resources Management Regulation (FIRMR) Bulletin C-5, Attachment A, when preparing an Agency Procurement Request (APR). Attachment A is provided in its entirety herein (with minor revisions in agency references) for the convenience of Program Office staff. It is important to note that all ten (10) categories identified in the instructions must be included in every APR package.

Agency Information

Provide agency name, address, and location where the Federal Information Processing (FIP) resources will be installed or services will be performed. (Note: Be sure to discuss expansion potential or other growth options possibly required during the life of the contract.)

Provide the name, position title, organizational identity, and telephone number of the senior program, technical, and contracting officials assigned to the acquisition and a description of the organizational structure to support these officials during the acquisition.

When the dollar value of the acquisition is \$25 million or more, for each official identified above, provide the following information:

- Experience in previous major FIP resource acquisitions.
- Responsibilities, scope of authority, and reporting structure with respect to the acquisition.
- Whether assignment to the acquisition is full or part-time and, if part-time, the nature of other responsibilities.

NOTES**Project Title and Description**

Provide the project title and a brief but specific description of the primary agency programs that the FIP resources will support. (Note: Include a description of the relationship of the project to agency missions and programs, a brief description of the major information systems involved, and the project's objectives.)

Current Support

Provide a brief but specific description of the current FIP resources supporting these programs. (Note: The "Current Environment" section of the Mission Needs Statement (MNS) and the "current system" description in the Requirements Analysis (RA) may be helpful in completing this section.)

FIP Resources To Be Acquired

Provide a brief but specific description of the FIP resources to be acquired during the contract life. Include pertinent information about the applications (e.g., automated data processing [ADP], telecommunications) that will help the General Services Administration (GSA) understand the requirements. This description should describe how changing requirements will be satisfied (e.g., resources required for system expansion, anticipated augmentations, upgrades, and other system modifications) during the contract life, if such requirements will be included in the solicitation.

(Note: Establish clear requirements for the scope of the program and procurement, but avoid being so specific that the ability to subsequently modify the requirements will be hindered. If applicable, briefly address the relationship of the required FIP resources with any other associated acquisitions.)

Contracting Approach

Indicate whether or not the proposed contracting approach is to satisfy a requirement using a specific make and model

NOTES

specification and whether compatibility-limited requirements will be used. (Note: The contracting approach should substantiate that either the acquisition will maximize competition or that sole source is the agency's only option.)

Identify, by fiscal year and quarter, the planned milestones for release of the solicitation and contract award. (Note: Provide dates for the key milestones such as Commerce Business Daily (CBD) announcement, release of the Request for Comments and Request for Proposals (RFPs), request for Best and Finals, and contract award.)

If the request involves a pilot or prototype, describe the strategy for the follow-on implementation phase. (Note: Discuss how competition will be ensured in the follow-on implementation phase [e.g., how the agency will ensure that the pilot contractor does not have an unfair advantage for the follow-on].)

Indicate whether or not the acquisition plan (see the Federal Acquisition Regulation [FAR] 7.104 (c)) contemplates contracting under policies and procedures for:

- Full and open competition (see FAR Subpart 6.1)
- Full and open competition after exclusion of sources (see FAR Subpart 6.2)
- Other than full and open competition (see FIRM Subpart 201-39.6 and FAR Subpart 6.3). In addition, provide the applicable statutory contracting authority cited in FIRM Subpart 201-39.6 or FAR 6.302-1 through 6.302-7 permitting the use of such procedures

Estimated Contract Life and Cost

The estimated contract cost of the acquisition is to be identified by type of FIP resource for the contract life, and includes all anticipated optional quantities, resources, and periods. Detailed cost breakdowns may be included when necessary to describe clearly the estimated cost. The estimated total contract cost (for all years) should correspond to the planned contract life. The delegation of procurement authority

NOTES

(DPA) resulting from this submission (this APR) will be limited to the contract cost and years set forth in it (this APR).

FIP Resource**Estimated
Contract Cost**

-FIP Equipment

-FIP Software

-FIP Services

-FIP Support Services

-FIP-Related Supplies

TOTAL FIP Resources

TOTAL Other Than FIP Resources

TOTAL Contract Cost

-Contract Life (Years)

(Note: Include optional quantities and periods in the APR when a required DPA involves those options. Without optional quantities and periods, the agency will not have sufficient ceilings to exercise those options. The solicitation must include all such options, proposals must include pricing for those options, and the awarded contract must reflect the options or each option represents a sole source procurement and cannot be exercised under that contract.)

Regulatory Compliance

Provide a statement to indicate that the agency reviewed and complied (or will comply) with all applicable regulations; or list the deviations from the regulations that apply to this request for approval and provide an explanation for each deviation request.

Provide the date of completion or most recent update of the following documentation, or indicate not applicable (see FIRMR Part 201-20):

NOTES**Documentation****Date**

- | | |
|---|----------|
| • Requirements analysis. | mm/dd/yy |
| • Analysis of alternatives. | " |
| • Determination to support compatibility-limited requirements. | " |
| • Conversion study. | " |
| • Certified data to support a requirement available from only one responsible source. | " |
| • Certified data to support a requirement using a specific make and model specification. | " |
| • Description of planned actions to foster competition for subsequent acquisitions. | " |
| • Justification for more than one agency to provide switching facilities or services at building locations. | " |
| • Exception to the use of Federal Telephone Service (FTS)/FTS-2000 mandatory network services. | " |
| • Exception to the use of GSA local telecommunications service mandatory switching services. | " |

(Note: If an item is listed as "not applicable," indicate the reason why it is "not applicable.")

Agency Remarks

Provide additional information concerning any of the above items or special conditions associated with this acquisition; e.g., building construction/modification required by EPA. As

NOTES

applicable, request GSA multiyear contracting authority for telecommunications resources.

(Note: Use the exact words that EPA would prefer GSA to use in the granted Delegation of Procurement Authority.)

Agency/GSA References

Provide references to related GSA delegations (including previous GSA case numbers), meetings, telephone discussions, etc.

Authorization

EPA-authorized signature, position title, organizational identity, date.

(Note: The agency's Designated Senior Official (DSO) must review and sign all APRs. At EPA this responsibility is delegated to the Director, OIRM.)

G. CONTENTS OF THE PROCUREMENT REQUEST PACKAGE

NOTES

The following paragraphs describe the documents listed in the Procurement Request Rationale Checklist and others that also must be included in the Procurement Request Package (PRP), as applicable. The Checklist itself must be included in the package, as well. Whether some of the documents must be submitted or not depends on the nature of the specific acquisition.

EPA FORM 1900-8. PROCUREMENT REQUEST/ORDER

Form 1900-8 is the standard Environmental Protection Agency (EPA) form that describes the proposed procurement and expenditures of the contract. Form 1900-8A may also be used if additional information is provided. It is mandatory that Form 1900-8 be completed.

PROCUREMENT ABSTRACT

The Procurement Abstract is a summary of the statement of work (SOW). It also synthesizes the nature of the procurement, including the organization affected by the procurement, the Federal Information Processing (FIP) resources involved, schedule or estimated system life, and any other information the Contracting Officer (CO) believes is necessary to include. The abstract is used by the CO to notify vendors of the acquisition in the Commerce Business Daily (CBD). The CBD is published by the Department of Commerce to advertise acquisition opportunities and contract awards.

STATEMENT OR SCOPE OF WORK

The data gathering, analyses, and decisions made prior to this point will strongly influence the SOW and solicitation (e.g., the results of the requirements analysis [RA] are incorporated into the SOW). SOW development is a critical procurement process because the SOW becomes a part of the contract and is contractually binding on the contractor and the Government. Furthermore, the SOW translates into cost and profit so every

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word in the SOW is scrutinized and interpreted by offerors in an effort to reduce cost and increase profit.

The following are general guidelines for writing a SOW:

- Describe what EPA will expect the vendor to accomplish, including deliverables and delivery schedule, to satisfy EPA's requirements.
- Describe work in clear, concise functional terms being careful to describe "what" EPA wants and not "how" to accomplish the tasks. The "how" is up to the vendor to propose in the response to EPA's solicitation. The offerors' methodology is evaluated by EPA to help determine the best value for the Government. In some cases, specific tools or methodologies are justified and the SOW should clearly reflect these requirements; however, in most cases an open solution allows the offerors to provide more creative, innovative solutions in their proposals.
- Logically and consistently format the subsections (e.g., hardware requirements in one section, software requirements in a separate section).
- The SOW should promote and provide for full and open competition and avoid even the appearance of vendor bias.

The solicitation and cost proposal instructions will require the offerors to itemize their cost proposals by individual FIP resource category. The resultant contract must require the winning contractor to itemize all invoices by individual FIP resources category.

SOWs submitted to the Office of Information Resources Management (OIRM) and Office of Acquisition Management (OAM) should follow the basic format prescribed below, regardless of the contract type or FIP resources acquired:

- Section 1: Title - Provides the title of the program or acquisition.

NOTES

- **Section 2: Period and Place of Performance** - Identifies the dates the contract authorizes the contractor to work and for which the Government is liable. This period is normally identified from date of contract award until the end of the current contract. This section also identifies the place(s) where the contractor will perform the work; if necessary, that performance may be at a Government facility. The contract should include adequate "option years."
- **Section 3: Project Background Information** - Describes the circumstances leading up to the acquisition, other related contracts or activities, and the office(s) affected by the acquisition.
- **Section 4: Purpose and Scope** - Describes the purpose and expected outcome of the acquisition. This section also describes what the acquisition encompasses (scope). It provides boundaries for later determining whether or not a contract modification to add additional tasks or requirements, or to change existing task requirements, is within the scope of the contract. If a modification request is "out of scope," that modification cannot go forward for CO signature. (Note: When the original RA, Analysis of Alternatives (AA), and SOW are carefully researched and written, the need for contract modifications is greatly reduced.
- **Section 5: Tasks** - Identifies all tasks, describes specific components or requirements for completing the tasks; and identifies deliverables associated with each task. More specific information regarding deliverables is provided in Sections 7 and 8. If FIP or EPA standards are specified as a measure of performance, then the task description must identify the standards the contractor must meet to provide acceptable performance. Also, if site visits can be predicted, then the sites and actual number of visits are listed in this section.
- **Section 6: Description of Deliverables**: Identifies every deliverable and deliverable type (e.g., draft and final documents, hardcopy and electronic copy, verbal

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briefings, slide presentations, interim meetings, monthly status reports, maintenance records and logs). For a "services-type" contract, maintenance records, logs, or account summaries may be all that is specified as a deliverable, other than the actual service.

- Section 7: Acceptance Procedures for Deliverables - Describes quantifiable criteria or service parameters for determining that a deliverable is an acceptable deliverable. Also describes the required format, condition, and quantities necessary to be acceptable. For contracts intended to function through the use of Delivery Orders or Work Assignments, this contract section will specify the procedures for deliverables common to all orders or assignments and note that further specificity will be found in the SOWs for individual Delivery Orders or Work Assignments.
- Section 8: Schedule of Tasks and Deliverables - Describes the schedule for the contractor to submit draft and final deliverables and for EPA to review and comment or accept the deliverable.
- Section 9: Reporting Requirements - Describes any reports not included in specific tasks under Section 7 above. This section describes verbal or written status-type reports required, timeframes for delivery, and format criteria. These types of reports may include a text summary of the current month's activities, projections for next month, problems encountered with actual or proposed solutions, projected and actual expenditures, an updated Gantt chart, etc. Distinguish between formal reports versus informal status reports.
- Section 10: Labor Mix Requirements and Staff Qualifications - Identifies the type(s) of professional and non-professional personnel the client estimates are required to perform the tasks. This section, along with Section 12, is used to help evaluate the vendor's proposed labor mix and estimate of staffing by task. This section also lists the minimum qualifications for project

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personnel in terms of experience and/or education, and whether one may be substituted for the other.

- **Section 11: Estimate of Staffing, By Task, In Labor Hours** - Lists the estimated hours and estimated cost for each labor category, by task.
- **Section 12: Special Areas of Concern** - Discusses areas that require special attention [e.g., security; Government-furnished information (GFI); sensitive information (either procurement or non-procurement); program-specific information security requirements; proprietary information (i.e., confidential business information (CBI)); contractor conduct; travel requirements; contractor-provided quality assurance (QA); EPA/contractor working relationships].

Include the following additional information in, or as attachments to, the SOW:

- Definitions, special terms, and acronyms that are used in the SOW and conform to existing Federal and EPA standards
- Applicable specifications, regulations, and documents (e.g., EPA or industry IRM standards) or
- Technical documents and exhibits (e.g., floor plans, data flow diagrams, models, and data entry forms)

CONCISE TECHNICAL PROPOSAL INSTRUCTIONS

Technical proposal instructions prescribe to offerors how to organize, package, and submit the proposal. These instructions will ultimately help the evaluators assess the proposal. One advantage of having specific instructions is that evaluators can quickly determine whether or not offerors provided all required information.

NOTES**COMPETITIVE TECHNICAL EVALUATION CRITERIA**

Proposals are typically evaluated for their ability to meet the solicitation's requirements and are scored on the basis of technical and price merits. Technical evaluation criteria are designed to maximize competition and minimize the complexity of the evaluation and the selection decision. At the same time, the criteria should reflect the relative importance of aspects of the proposal (e.g., management, staffing, proposed technology). Criteria should include essential, relevant, and measurable technical requirements, since they provide the standards used by the Technical Evaluation Panel (TEP) to determine whether or not offerors' proposals meet the client's requirements from a technical perspective.

Problems are likely to arise in the selection process if technical evaluation criteria are not adequately planned and consistent. Poorly written criteria often lead offerors to submit information that is unnecessary. Also, once the evaluation begins, the TEP may waste time debating exactly what the evaluation criteria meant and/or resolving the disparity in the proposals that result when a standard is poorly written or non-existent.

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

Other than full and open competition refers to soliciting only one or a limited number of sources and is governed by the Federal Acquisition Regulation (FAR) Subpart 6.3. A Justification for Other Than Full and Open Competition (JOFOC) documents why a requirement must restrict competition. Whenever other than full and open competition is being considered, consult with OAM. The CO must approve the JOFOC as accurate and complete. If necessary, also consult the appropriate the Senior Information Resources Management Official (SIRMO) and the Office of Information Resources Management (OIRM) for additional guidance. The JOFOC must be signed at the client office's Division Director level.

Include as a critical part of the JOFOC, any supporting data provided by the technical or requirements personnel that form

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the basis for the justification. The justification must contain sufficient facts and rationale to justify using the statutory exemption. Some of the important areas to address include:

- The statutory authority permitting a JOFOC (see FAR 6.3)
- The supplies and services required
- The proposed contractor's unique qualifications or the nature of the acquisition that requires using the identified statutory authority
- The efforts undertaken to ensure that offers were solicited from as many sources as practicable (e.g., describe the market survey performed or, if no market survey was performed, state why not)
- Any other facts supporting the use of other than full and open competition (e.g., list any sources that expressed an interest in the acquisition)

An example of other than full and open competition is a "make and model" justification that documents a situation where only a specific manufacturer's make and model satisfies the requirement. The JOFOC explains why no other types of supplies or services will satisfy the requirement and the practical factors that preclude using a less restrictive specification.

Another example of other than full and open competition is a compatibility-limited justification where "compatibility-limited" refers to a need for automated data processing equipment (ADPE) or services compatible with existing ADPE or software. Compatibility-limited requirements are invoked to alleviate the need to convert existing ADPE, software, and related data.

Compatibility-limited requirements are to be used (1) only to the extent necessary to satisfy the needs of the agency; (2) when avoiding compatibility-limited requirements is not advantageous to the Government; or (3) when a conversion failure presents a risk to, and impact on, EPA's critical mission needs which is so great that acquiring non-compatible resources

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is unfeasible. When justifying compatibility-limited requirements, the JOFOC must:

- Describe the impact on the user(s) if a compatible system is not acquired (e.g., discontinuity of operations, or inability to provide services)
- Describe the impact on EPA's mission if a compatible system is not acquired
- Describe the economic and schedule impacts on EPA if a compatible system is not acquired

DETERMINATION AND FINDINGS TO PROVIDE FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCE

The "Determination and Findings (D&F)" (FAR Subpart 1.7) is a written approval by an authorized official that is required as a prerequisite to (in this case) provide full and open competition after exclusion of sources. According to FAR Subpart 6.2, the agency may exclude a particular source from a contract action; but the agency must meet the statutory requirements listed in the FAR and submit a D&F that justifies and documents the contract action.

JUSTIFICATION FOR ADVISORY AND ASSISTANCE SERVICES

Justification for Advisory and Assistance Services is discussed in Chapter 2, Paragraph 2.7 a, of the EPA Contracts Management Manual (CMM). The Office of Management and Budget (OMB) Circular A-120 addresses managing and controlling contracts for advisory and assistance services. As noted in Circular A-120, "ADP/Telecommunications may be excluded if such functions and related services are controlled in accordance with 41 CFR 201, the FIRMR." Also excluded from the purview of the circular is "the day-to-day operation of facilities (e.g., ADP operations)." A copy of Circular A-120 is included in CMM Chapter 2, Attachment A. FAR Subpart 37.2, states Government policy and the responsibilities of contracting and requesting organizations regarding contracts for advisory and assistance services.

NOTES

As stated in the CMM, the justification must indicate that the services to be performed **will not**:

- Unnecessarily duplicate any previously performed work or services
- Be used in performing work of a policy decision making or managerial nature
- Be used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures
- Be contracted for on a preferential basis to former Government employees
- Be used specifically to aid in influencing or enacting legislation
- Be used to obtain professional or technical advice that is readily available within EPA or another Federal agency

A sample justification is provided in CMM Chapter 2, Attachment B.

JUSTIFICATION OF NEED - GOVERNMENT-FURNISHED PROPERTY

Normally, contractors are required to furnish all material for performing Government contracts. However, FAR Part 45 states that the agency may provide property required for contract performance under certain circumstances.

Government-Furnished Property (GFP) consists of items from Government inventories that are furnished to contractors for contract performance. Contractor-acquired property (CAP) means property acquired with contract funds, to which the Government has title.

If applicable, the client must submit a written justification of need to furnish GFP, or for the contractor to acquire property (CAP) at the Government's expense, in accordance with CMM Chapter 5. The information provided is reviewed by the CO and,

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if approved, incorporated into the contract. After contract award, the contractor is responsible and accountable for all GFP and CAP in accordance with the requirements of the contract. This includes Government property in the possession or control of a subcontractor.

QUALITY ASSURANCE REVIEW FORM

Requirements pertaining to the QA Review Form are discussed in CMM Chapter 2, Paragraph 2.5. The QA Review Form is completed when the acquisition exceeds \$25,000 and is in one of the following object classifications:

- Research and Development Contracts
- Program Contracts
- Occupational Health Monitoring
- Occupational Health and Safety Other
- Laboratory Supplies
- Scientific and Technical Equipment

The CMM states that the PO is responsible for obtaining a signed QA Review Form from the QA Officer responsible for monitoring the client's acquisition program. This chapter of the manual also requires the QA Officer or the alternate QA Officer to serve on the TEP if the value of the procurement exceeds \$500,000.

RECOMMENDED SOURCES LIST

If applicable, the Recommended Sources List identifies vendors or products that satisfy the SOW. A market survey should identify available sources.

REPORTS DESCRIPTION

The Reports Description documents the reporting requirements of the contract. Reports can include oral or written reports, interim or monthly status reports, or various analytical reports such as letters of findings, market surveys, analyses, conversion studies, etc.

NOTES**DISCUSSION OF CONTROLS FOR SENSITIVE CONTRACTING**

When contracting for services, or initiating a task order under an existing contract, the client must be aware of, and plan for, sensitive contracting areas. Certain activities, when performed by a contractor, may place the agency in a vulnerable position if adequate management controls are not exercised.

Chapter 2, Paragraph 2.7 b, of the CMM states that sensitive contracting areas require justification and approval similar to justifications for advisory and assistance services. The following is a list of sensitive contracting areas from Chapter 2, Attachment C, of the CMM:

- Budget preparation support
- Reorganization and planning support
- Support services used by agency personnel in developing policy
- Any support to the in-house evaluation of another contractor's performance
- Involvement in strategic acquisition planning
- Support for improving contract management
- Providing specialized expertise in the source selection process
- Providing specialized expertise in developing SOWs, Delivery Orders, Work Assignments, and other contract-related task orders
- Any support involving EPA policy or regulatory interpretation
- Independently providing technical guidance concerning EPA policies or regulations, on EPA's behalf, to outside parties

NOTES

The client must ensure that the proper security measures are in place to protect sensitive information. Security measures can be contractual in nature and/or deal more directly with access to sensitive information.

As discussed in CMM Chapter 2, Paragraph 2.7 c and Attachment D, the following contracting areas require the establishment of special control measures:

- Situations where contractors share office space with EPA employees
- Support in preparing responses to Freedom of Information Act requests
- Any situation where a contractor has access to **confidential business information** and/or any other sensitive information
- Any situation where it can be assumed that the contractor is EPA, without specifically identifying itself as a contractor

When a procurement involves any of these areas, the Checklist requires that the PRP contain a discussion of how the appropriate controls will be applied. Chapter 2, Attachment E, of the CMM provides a sample of this discussion.

The Federal Information Resources Management Regulation (FIRMR) and the Computer Security Act require security requirements to be identified and for the agency to provide security of resources, including protecting information about individuals.

The EPA *Information Security Manual* provides overall guidance to agency managers and staff for implementing security procedures. Chapter 4 of the *Information Security Manual* provides information for determining the need for additional controls, if it appears that existing contractual or system controls are not adequate.

NOTES

The Office of Administration and Resources Management (OARM) Procurement Policy Notice 93-07 establishes policy and procedures for procurement actions under which EPA may furnish the Federal Insecticide, Fungicide, and Rodenticide (FIFRA) and the Toxic Substances Control Act (TSCA) CBI.

Some sensitive contracting areas are those in which, generally, only agency personnel should be involved. For various reasons (e.g., lack of resources or a need for specialized expertise) it may be advantageous to the Government to use a contractor. However, as discussed in CMM Chapter 2, Paragraph 2.7 d, certain activities are considered "inherently Governmental" in nature and, therefore, are not permitted to be performed by contractors. A list of these prohibited contracting activities is contained in CMM Chapter 2, Attachment F. (Also, see OMB Circular A-76, Performance of Commercial Activities, for further information on contracting responsibilities regarding inherently Governmental functions.)

DISCUSSION OF HOW PROCUREMENT FITS INTO OVERALL CONTRACTING STRATEGY (IF REQUIRED)

For procurements containing a FIP resource(s) component that is part of a larger contract, the client must include in the PRP a description of how the FIP component interacts with the overall contract and contracting strategy. Also, for both advisory and assistance and sensitive contracting areas, the client must include a description of how the FIP component interacts with the overall contracting strategy. Chapter 2, Paragraph 2.7 e, of the CMM discusses this requirement.

INDEPENDENT GOVERNMENT COST ESTIMATE

In accordance with FAR Par 4, the contract file must contain an Independent Government Cost Estimate (IGCE). The IGCE must identify each FIP resource and include resource usage estimates along with the associated unit cost for each FIP resource category item. Examples of resource usage include skill category, labor hours by skill category, machine time, software leases, and materials. A thorough estimate should (1) provide the rationale used in deriving the resource estimates; (2) indicate the source of the cost data used; and (3) explain any

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assumptions or constraints affecting the estimate. At this point, the client should once again reconcile the proposed acquisition with the client organization's budget. In preparing an IGCE, the OAM draft Guide for Preparing Independent Government Cost Estimates, dated March 26, 1993, must be used.

**DESIGNATION AND APPOINTMENT OF PROJECT
OFFICER/WORK ASSIGNMENT MANAGER/DELIVERY
ORDER OFFICER (EPA Form 1900-65)**

This form is used to designate the PO for a contract and Delivery Order Project Officers (DOPOs) or Work Assignment Managers (WAMs), as required by the particular type of contract. This form informs the CO of the client's proposed designee(s). The CO, in turn, countersigns the form legitimatizing the designation(s) .

TECHNICAL EVALUATION PANEL MEMBERS LISTING

This document identifies the members of the TEP. The information required for this document is taken from the acquisition plan, which is normally completed by this time.

**PROCUREMENT INTEGRITY CERTIFICATIONS FOR
PROCUREMENT OFFICIALS**

Procurement officials are required to sign a non-disclosure form, stating that the official understands and will abide by Federal acquisition regulations. Officials may also be requested to sign a conflict-of-interest statement.

**REQUEST FOR APPROVAL OF CONTRACTOR ACCESS TO
TSCA CBI (EPA FORM 7740-17)**

EPA's *TSCA CBI Security Manual* requires that a Request for Approval of Contractor Access to TSCA CBI (EPA Form 7740-17) be included in the PRP when it is routed for approval.

NOTES**ADP APPROVAL MEMORANDUM**

This document acknowledges the review and approval of the client's plans to procure ADPE or other FIP resources. The memorandum is developed by OIRM.

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H. ACQUISITION OF FIP RESOURCES BY SMALL PURCHASE

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Acquisition through the use of small purchase procedures is intended to offer requisitioners a less burdensome means of acquiring goods and services. The current small purchase threshold is \$25,000, as set forth in the Federal Acquisition Regulation (FAR) Part 13. Before using small purchase procedures, the client should determine whether there is an existing Environmental Protection Agency (EPA) contract that could satisfy the requirement.

FAR Subpart 5.2 and Chapter 2 of the EPA Contracts Management Manual (CMM) provide additional guidance on small purchases.

A purchase request for a small purchase action results in the issuance of a purchase order. A purchase order is a firm fixed-price instrument. Therefore, precise product and/or service descriptions are needed.

EPA currently has no standard checklist for small purchase requests, but the list below will cover most small purchase actions. Some of these items (such as the Government-Furnished Property [GFP] Justification) are required only if applicable.

- EPA Form 1900-8, Procurement Request/Order
- Statement of Work (SOW) or Product Description
- Justification for Other Than Full and Open Competition (JOFOC)
- Sole Source Justification (If < \$2,500)
- Justification for Advisory and Assistance Services

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- Justification of Need - Government-Furnished Property (GFP)
- Recommended Sources List
- Reports Description
- Discussion of Controls for Sensitive Contracting
- Independent Government Cost Estimate (IGCE)
- ADP Approval Memorandum
- Any program-specific information security forms that apply

The client may acquire FIP resources through the use of a Government bankcard. However, the client is cautioned to follow the guidance issued for that program. (Of note is the prohibition against the purchase of nonexpendable, accountable personal property over \$1,000 in cost.

Reference and Authority Documents

- FAR Part 13 (*policy*).
- EPA Small Purchases, A Guide for Program Offices (*guidance*).
- Cardholder Instructions, The U.S. Government Credit Card (*policy*).
- EPA Bankcard Training and Call Ordering Officer Course Manual (*guidance*).
- EPA Contracts Management Manual, Chapter 2 (*policy*).
- Office of Information Resources Management (OIRM) Delegation 1-10A

I. POINTS OF CONTACT

NOTES

OFFICE OF ACQUISITION MANAGEMENT (OAM)

Contracts Management Division
Cincinnati, Ohio 45268
(513) 366-2002

Contracts Management Division, MD-33
Research Triangle Park (RTP), North Carolina 27711
(919) 541-3045

Headquarters Procurement Operations Division, 3803F
Fairchild Building
Washington, DC 20003
(202) 260-6035

OFFICE OF INFORMATION RESOURCES MANAGEMENT (OIRM)

Office of the Director, 3401
401 M. Street S.W.
Washington, DC 20460
(202) 260-4465

Management and Evaluation Staff, 3401
401 M. Street S.W.
Washington, DC 20460
(202) 260-2381

Oversight and Compliance Support Staff, 3401
401 M. Street S.W.
Washington, DC 20460
(202) 260-2381

NOTES**OFFICE OF SMALL AND
DISADVANTAGED BUSINESS
UTILIZATION (OSDBU)**

Office of Small and Disadvantaged Business Utilization,
1230C
401 M. Street S.W.
Washington, DC 20460
(703) 305-7305

SUGGESTION FORM

Please use this suggestion form to offer comments, suggest changes or identify needed corrections. It would be helpful if the Oversight and Compliance Support Staff were able to discuss your suggestions with you; however, if you prefer, you need not identify yourself.

OPTIONAL: Name: _____

Telephone: _____

Please submit to: Irv Weiss
Oversight and Compliance Support Staff
(3401)
(202) 260-2381

HOW TO RECEIVE UPDATES TO THE GUIDE

As the FIRMR, FAR, and Agency IRM policy change, we plan to update this guide. In order to receive updates to this guide, the information below must be provided to OCSS. Print your name, organization, mail code and telephone number in the spaces noted below. This form will be retained by the Oversight and Compliance Support Staff expressly for this purpose.

NAME: _____

ORGANIZATION: _____

MAIL CODE: _____

TELEPHONE: _____

Please submit to: Irv Weiss
Oversight and Compliance Support Staff
(3401)
(202) 260-9388