



# **MANAGEMENT GUIDELINES FOR ADP SUPPORT SERVICES CONTRACTS**

**U.S. ENVIRONMENTAL PROTECTION AGENCY  
MANAGEMENT INFORMATION AND DATA SYSTEMS  
DIVISION  
INFORMATION SYSTEMS DEVELOPMENT BRANCH  
WASHINGTON, D.C.**

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## ADP Contract Management Guidelines

### 1.0 Introduction

#### 1.1 Background

EPA is very dependent on ADP contractors to provide the technical expertise and manpower resources necessary to support the Agency's information processing and system development requirements.

Recent studies of development and use of ADP systems and resources within EPA have identified many significant weaknesses:

- ' ADP contracts are predominantly cost-plus-fixed fee; therefore, the contractor lacks incentive for effective cost control;
- ' EPA lacks sufficient expertise in managing ADP systems development projects;
- ' EPA program organizations lack sufficient expertise for effective technical management of ADP systems development projects;
- ' Contract statements of work are frequently general, unclear and non-descriptive of the requirements;
- ' EPA's procedure for control and approval of changes to work statements are inadequate;
- ' Contractor progress reports frequently lack sufficient detailed and meaningful information;
- ' Effective monitoring and control of contractor performance is deficient;
- ' EPA rarely analyzes actual vs. estimated systems development costs;
- ' Project Officers lack adequate training and expertise in contract management and ADP project management;
- ' The application of ADP standards and guidelines is inconsistent;
- ' Contractor performance is rarely evaluated;
- ' Cost overruns and schedule slippages frequently characterized ADP system development projects;

- ' The planning, direction and control of ADP systems development projects are frequently unstructured or undefined;
- ' The reviews of the technical content of contractor deliverables frequently lack thoroughness.

The aforementioned problems associated with ADP systems development through contract support can be resolved and prevented only through the application of an assertive and well defined ADP contracts management plan and corresponding ADP project management principles.

## 1.2 Purpose of Guidelines

The purpose of this manual on ADP Contract Management Guidelines is to present consolidated information on standards, policies and procedures which aid effective management of ADP systems development and support services contracts.

The manual also provides detailed guidance to prospective users of ADP contract support services in the areas of statement of work preparation, project planning, project monitoring and control, the application of standing procurement regulations and policies, and the processing of procurement requests.

There are many facets to the use of ADP contracts within EPA. Consequently, this manual describes several types of ADP contracts available, the steps associated with major ADP procurement actions, and provides examples of relevant statements of work, and a list of reference materials.

## 1.3 Intended Audience

These guidelines are intended for use by all agency personnel who are directly involved in the formulation of ADP support services requirements, acquisition of related contract support services, and the technical direction, monitoring and management of application systems development projects or ADP facilities management and operations. Such personnel include a wide range of managers and specialists within EPA headquarters offices, regional offices and research laboratories.

## 1.4 Definition of Commonly Used Terms

See Appendix 8.1

## 2.0 Procurement of ADP Support Services

### 2.1 Types of ADP Support Services

There are a large variety of ADP support services available through the Agency's contracts. These contracts provide support to the full scope of the standard ADP systems development and operation life cycle, and are utilized to support thirteen categorical areas associated with EPA environmental programs, organizations and activities.

The thirteen categorical areas which support EPA programs are the following:

Monitoring	Laboratory Automation
Technical Information	Modeling, Simulation and
Tracking and Reporting	Scientific Systems
Management Information	Statistical Analysis
Graphics	Bibliographic
Minicomputer application	Data Base Management Systems
System Conversions	

The type and extent of ADP support required for each of these categories will vary dramatically among EPA programs and administrative offices.

The actual services required will depend on the phase of the ADP development and operation life cycle that is relevant at the time the services are procured. For reference purposes, MIDSD utilizes the following titles for significant phases in the cycle:

- (1) Initiation
- (2) Feasibility Study of Alternatives
- (3) System Design
- (4) Program Design
- (5) Implementation

The Initiation Phase provides the opportunity for the client organization (i.e. user) to meet the Agency's ADP management and technical team for the purpose of articulating and discussing the user's information processing needs, organizational and programmatic objectives, and the potential for use of ADP technology and resources. This discussion usually includes development of suitable active strategies and plans for further study of the requirements which may lead to ADP system development.

The next phase of the life cycle is typically a formal Feasibility Study, and involves detailed analysis of the user information processing and management information

requirements as they relate to the client organization's mission objectives and functional activities. The feasibility study will then identify and evaluate several practical alternatives which are capable, in varying degrees, of satisfying the requirements. Evaluation criteria are typically developed and used in evaluating each alternative. The alternatives are then ranked and described in terms of advantages, disadvantages and benefits.

The feasibility study will usually conclude with a specific recommendation of one of the evaluated alternatives, and describe a logical rationale for its selection.

Based on the recommended alternative, a conceptual and functional design may be developed to further describe the proposed system. This conceptual design will define the functional capabilities of the proposed system and conceptually lay out the structure, relationships and interfaces of potential hardware and software resources. The conceptual design will also illustrate the flow of information throughout the proposed system.

The System Design Phase is intended to definitize the actual system modules to be developed, acquired and/or utilized. These modules will be both hardware and software resources required, data sources, generated information and data, and the interfacing relationships with other modules and the user.

The Program Design Phase is intended to expand the system design specifications for each module as may be necessary to guide the development and implementation of specific computer programs, data files and handling procedures, and operating procedures. In this phase, system modules may be broken down and defined in terms of file structure, record layouts and data linkages.

The Implementation Phase consists of coding and testing of individual system modules. Its purpose is to integrate all of the modules into a cohesive system and to perform system-level tests utilizing functional and general design specifications, suitable test data and a formal test plan.

The Approval Phase consists of demonstrating, through separate system demonstrations and/or parallel operations with an old system, that the system operates as expected.

The Evaluation Phase is an audit performed shortly after the system has been placed into full production use. A report should be produced that examines how well the original objectives, budgets, and schedules have been met.

System Documentation is necessary to provide an accurate

record and description of the system design and its functional capabilities, and the instruction for operation and use.

Typical documents developed during the project include: system description, detailed program design specifications, users manual, and a program maintenance manual. In actual practices, these documents are best developed throughout the system development life cycle rather than at the end of the cycle (in project).

Additional phases of the system development cycle include:

System Installation is the task of actually installing the system on the user computer. In EPA, this phase is seldom executed since most systems are developed and operated on existing Agency computer systems.

System Operation and Support involves the utilization of trained computer operators, data entry operators, data analysts and other personnel who will control the actual operation of the physical system, and the flow of data into the system and the retrieval of technical and/or management information. A system could be either a computer application system which operates on one of the Agency's large-scale central computer systems, or a minicomputer system which supports a multiple of users and application systems. In addition to operating systems, these personnel may also be required to analyze operational problems and execute suitable predefined recovery procedures.

System Maintenance primarily involves highly skilled technical personnel (eg. analysts and programmers) who are responsible for diagnosing operational and technical problems experienced during the system utilization, and the implementation of system and program changes necessary to respond to changing user requirements.

User Training is a vital phase of the system development cycle and involves briefings on the system functional capabilities to management and technical personnel within the user organization, and the provision of the hands-on operating instructions and exercises to staff personnel who will directly operate the system.

As described above, the system development and operation life cycle is complex and extensive. The technical skills required to support each phase of the cycle will vary, and will involve one or more of the following types of ADP support services:

- |                           |   |
|---------------------------|---|
| (1) Technical Consulting  | (9) Facilities Management                     |
| (2) Feasibility Studies   | (10) Computer Operations                      |
| (3) Requirements Analysis | (11) Data Entry Support                       |
| (4) System Evaluation     | (12) Key-to-tape                              |
| (5) System Development    | (13) Key punching                             |
| (6) System Design         | (14) Data Transcribing & Coding               |
| (7) General Programming   | (15) Data Reduction & Analysis                |
| (8) Software Maintenance  | (16) Application System Operation and Support |
|                           | (17) System Audits                            |
|                           | (18) System and Program Testing               |
|                           | (19) Statistical Consulting                   |

These services are provided by systems analysts, computer programmers, statistical and other special ADP consultants, data analysts, computer operators, and data entry and keypunch operators. Since several of the ADP support services are synonymous with various phases of the system development and operation life cycle which have already been described, the following description will be limited to a few selected ADP support services.

Technical Consulting covers a broad range of technical skills depending on the specific needs for such services. Technical consulting is usually employed during the preliminary investigation of a potential new ADP requirement, or for the evaluation of existing methods for handling and processing information, or for the evaluation of ADP support functions and organizations.

System Evaluations and Audits are occasionally required in response to management's need for validating ADP expenditures, or for assessment of the adequacy of program support.

Facilities Management is a comprehensive service associated with the operation and support of a multi-function data processing center. This service frequently involves mini-computer operations, computer system diagnostic testing, operating system and utility software maintenance, application system operation with procurement of supplies, technical supervision and liaison with manufacturers technical support personnel.

## 2.2 Regulations, Policies and Clearances

### 2.2.1 Introduction

Procurement of ADP supplies, services, systems and equipment is governed by a pyramid of regulations and policies. Regulations are specific procedural requirements and boundaries promulgated by Federal agencies as a consequence of Congressional legislation. Policies are established by



various Agencies to further refine and implement the procurement processes governed by Federal regulations. Usually, policies are local to the agency which needs to procure ADP supplies, service, etc.

Regulations and policies serve as guideposts during the procurement process, and are prescribed for most common types of procurement actions. They are implemented through development of internal agency administrative procedures which define the requirements for various levels of management approval, known as clearances. The type of clearances required is dependent on the level of expenditures and the type of procurement. For example, the procurement of ADP timesharing services in excess of \$50,000 per year requires a clearance from the General Services Administration (GSA). This clearance will be in the form of a Delegation of Procurement Authority to the procuring agency.

#### 2.2.2 Regulations

Persuant to congressional legislation, the code of Federal Regulations is a codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Title 41 contains the regulations pertaining to Public Contracts and Property Management, and Consists of the following Subtitles:

- ° Subtitle A - Federal Procurement Regulations
- ° Subtitle B - Other Provisions Relating To Public Contracts
- ° Subtitle C - Federal Property Management Regulations System

Subtitle A consists of Chapter 1 to 49, and is promulgated by the Administrator of GSA. Chapter 1 contains the Federal Procurement Regulations. Chapter 2 through 49 are procurement regulations issued by individual Federal agencies which implement the regulations prescribed in Chapter 1. Subtitle B consists of chapters 50 through 100, and provide special regulations relating to Equal Employment Opportunity and other Department of Labor Federal Contract Compliance Programs. Subtitle C consists of chapter 101 which prescribes the government-wide property management regulations issued by GSA.

Chapter 101, The Federal Property Management Regulations (FPMR) contains the specific regulations governing procurement of all ADP supplies, services, software systems and equipment. GSA has exclusive authority to procure all ADP related requirements, government-wide. Thus, when EPA requires the acquisition of ADP equipment, a large contract

for ADP support services or the acquisition of a proprietary software package, it must apply to GSA for a Delegation of Procurement Authority (DPA). Section 2.2.4 defines the specific clearance levels required for several types of ADP procurement. GSA also issues various temporary regulations not contained in the FPMR.

### 2.2.3 Policies

Policies which control ADP procurement actions are issued by The Office of Management and Budget (OMB), The Office of Federal Procurement Policy (OFPP), EPA's Procurement and Contracts Management Division, and Management Information and Data Systems Division.

OMB's policies are issued through OMB Circulars which influence and control ADP procurements throughout all Federal agencies and departments of the Executive Branch. For example, OMB Circular A-76 requires Federal agencies and departments to inventory all ADP related functions and activities, and to perform a cost/benefit analysis of alternatives methods for supporting those activities, including contracting and the use of government employees. OMB Circular A-109 defines a required approach to major ADP systems acquisitions (eg. large-scale ADP time-sharing computer facilities).

OFPP is responsible for developing standard Federal Procurement Regulations which will be applicable to all civilian executive agencies and military departments. At the present time, civilian Executive agencies use the existing FPR while the military departments, including Department of Transportation, utilize the Defense Acquisition Regulations (DAR) which are based on the FPR. OFPP has also prescribed detailed guidance for implementation of OMB Circular A-109 for major ADP systems acquisition.

EPA's ADP procurement actions are governed by policies and procedures defined in the following documents:

- ° The EPA contracts Mangement Manual establishes authority in The Procurement and Contracts Management Division (PCMD) for implementing all Federal Procurement Regulations and policies issued by OMB and OFPP. PCMD publishes detailed policies and procedures for all phases of the procurement process in the Contracts Management Manual. See Appendix 8.17 for the Table of Contents.
- ° The EPA ADP Manual establishes authority in The Management Information and Data Systems Division (MIDSD) to provide ADP services and resources to EPA programs as required, to perform necessary management and technical oversight of all ADP activities including application

systems development, ADP resource utilization, and ADP systems acquisitions, and to approve/disapprove ADP acquisitions and developments. MIDSD has issued its guidance, policies and procedures in the EPA ADP Manual. See Appendix 8.20 for the Table of Contents.

#### 2.2.4 Clearances

Clearances are prescribed for the following:

- ° procurement of contract support services
- ° procurement of time-sharing computer resources
- ° procurement of ADP equipment
- ° procurement of software systems
- ° development and operation of ADP application systems
- ° procurement of contract support services in excess of existing contract ceilings
- ° non-competitive procurement of supplies, services, equipment and software systems.

Table 2.1 illustrates the specific clearance requirements for various conditions.

When EPA determines that it needs to procure support services, ADP equipment or software, it prepares an Agency Request for Procurement (APR) in accordance with the GSA Temporary Regulation F-126 (see Appendix 8.15) or the GSA Procurement Regulations (see Appendix 8.14). This APR is used to describe EPA's requirements, the methodology for procurement, and the duration and value of the procurement action.

A few examples are described below.

- ° EPA's ADP policy regarding the development of application systems requires a feasibility study of requirements and alternative approaches to satisfy if the development cost and/or annual operating cost exceeds \$20,000.
- ° Procurement of commercial time-shared computer services in excess of \$50,000 annually require a Delegation of Procurement Authority from GSA.
- ° Procurement of ADP equipment (eg. minicomputers) in excess of \$500,000 require a Delegation of Procurement Authority from GSA.
- ° Procurement of ADP contract support services (eg. systems analysis, computer programming) in excess of \$300,000 (competitive) or \$50,000 (sole source) annually require a Delegation of Procurement Authority from GSA.

TABLE 2.1 CLEARANCE REQUIREMENTS FOR ADP SERVICES

<u>SERVICES</u>	<u>MIDSD CLEARANCE</u>	<u>GSA CLEARANCE</u>	<u>FEASIBILITY STUDY</u>
< \$10,000	NO	NO	NO
≥ \$10,000 to < \$20,000	YES	NO	NO
≥ \$20,000 to < \$300,000	YES	NO	YES
≥ \$300,000 (Competitive)	YES	YES	YES
≥ \$50,000 (Sole Source)	YES	YES	YES
<u>SOFTWARE **</u>			
< \$10,000	NO	NO	NO
≥ \$10,000 < \$100,000	YES	NO	NO
≥ \$100,000 (Competitive)	YES	YES	YES
≥ \$50,000 (Sole Source)	YES	YES	YES
<u>HARDWARE **</u>			
< \$10,000	NO	NO	NO
≥ \$10,000 to < \$20,000	YES	NO	NO
≥ \$20,000 to < \$500,000	YES	NO	YES
≥ \$500,000 (Competitive)	YES	YES	YES
≥ \$50,000 (Sole Source)	YES	YES	YES

\*\* Refer to Appendix 8.19 to determine Clearance requirements for ADP Equipment and software purchases and leases.

- ° Contracts for ADP support services are formed with ceilings on annual expenditures for service. Any requirement for continued services under the contract in excess of the ceiling is equivalent to a sole source procurement. EPA procurement policy requires that a Justification For Non-Competitive Procurement (JNCP) be submitted to PCMD with the request to raise the contract ceiling. Ceiling increases less than \$1 million can be authorized by the EPA Procuring Activity. Ceiling increases in excess of \$1 million require approval of the Director of the Procurement and Contracts Management Division. JNCP's must be signed by the Director of the requesting program office and satisfy the information requirements specified in Chapter 3 of the Contracts Management Manual.
- ° Any non-competitive procurement (i.e. sole-source) requires that a JNCP, as described above, be submitted with the program's procurement request.

GSA manages two major programs for the competitive procurement of time-shared computer resources and software systems. The procurement of time-shared computer resources from commercial computer facilities is subject to the Teleprocessing Services Program (TSP). TSP became the mandatory source of supply on August 1, 1977, for Government agencies to obtain teleprocessing (remote computing) services from the commercial sector. The TSP provides two contracting methods: Multiple Award Schedule Contract (MASC) and Basic Agreement (BA).

- ° The TSP Schedule Contracts are indefinite quantity contracts with fixed unit prices for teleprocessing services. Competitive selections are made based on selecting the lowest evaluated system life-cost contractor that meets the mandatory technical requirements.
- ° The TSP BA contains standard terms and condition for the fully competitive acquisition of teleprocessing services. The BA is used when an agency's technical requirements cannot be met by the Schedule Contracts or the nature or size of the requirement indicate there is a reasonable expectation of obtaining a lower price from a fully competitive procurement.

Procurement of commercial software systems is subject to the Federal Software Exchange Program. The objective of this program is to provide for the collection and dissemination of common-use software information through publication and distribution of a software exchange catalogue containing abstracts of common-use software. Federal agencies are required to continuously review software within the agency,

to identify software which would be useful to other agencies, and to submit abstracts of software which meets criteria published in FPR 101-36.1603. These abstracts are sent to the Federal Software Exchange Center, National Technical Information Service, Springfield, Virginia 22151 on Standard Form 18, the FIPS Software Summary.

## 2.3 Methods of Procurement

### 2.3.1 Formal Advertising

The two major methods of procurement used by the Government to obtain ADP supplies, services, equipment and software systems are formal advertising and negotiation. Formal advertising is a very rigid method which requires that the agency's requirements are clearly defined, complete and accurate, and which prescribes a formal process involving six procedural steps:

- ° certification of funds,
- ° preparation of an invitation for bid (IFB),
- ° distribute IFB to all potential contractors who may be interested in submitting a bid,
- ° bids submitted in response to the IFB are opened and recorded,
- ° bids are evaluated to determine responsiveness of the bid and the responsibility of the bidder,
- ° award the contract to the bidder who offers the lowest, responsive bid and which is most advantageous to the Government, price and other factors considered.

The major requirements for a satisfactory formally advertised procurement are:

- ° adequate time to carry out the necessary procedures,
- ° adequate competition; that is, at least two sources are available and can pass the test of responsibility as prescribed in the IFB,
- ° adequate specifications; that is, they must be detailed, clear, concise and firm,
- ° award must be primarily based on price.

Procurement by formal advertising is best suited when the requirements can be specified in sufficient detail to allow a bidder to submit a reasonable and practicable offer. Bids are opened in public, announced, recorded and examined for responsiveness to the requirements. Contracts with Fixed Price terms or Fixed Price with Escalation clauses are most common in formal advertising.

The advantages to formal advertising include increased competition, elimination of favoritism and possible lower prices.



The disadvantage to formally advertised procurements include lack of flexibility, no discussion with offerors, ineffective procurement when specifications are inadequate or when competition is insufficient.

If only one source is available, procurement must be executed by negotiation; that is, discussions must be held with the offeror to obtain the most advantageous terms for the Government.

### 2.3.2 Negotiation

Procurement by formal advertising is mandatory whenever it is feasible and practicable (FPR 1-2.102). However, EPA's ADP requirements are rarely defined in a sufficiently clear, detailed and firm manner to make it practicable to use formal advertising. Consequently, most of EPA's procurement actions are through negotiations based on adequate competition. This method provides maximum flexibility to evaluate competitive offers based on past experience, qualifications, corporate capacity, costs, and technical response to a statement of requirements.

Negotiated procurements generally follow the following 13-step process:

- ° certification of funds,
- ° preparation of a procurement request which defines the requirements, and evaluation criteria.
- ° a presolicitation notice shall be synopsisized and published in The Commerce Business Daily, a publication of the U.S. Department of Commerce which announces all Federal Government procurement actions including invitations for bid, requests for proposals and contract awards,
- ° formation of a list of prospective offerors,
- ° distribution of a request for proposal to prospective offerors which includes instructions on preparation of a proposal, proposal evaluation criteria, statement of requirements, certification requirements, general and specific contract provisions, and requirements for cost and pricing information,
- ° receipt and evaluation of cost and technical proposals,
- ° determination of a competitive range of offers which are included in the zone of future consideration. Inclusion in the competitive range is based on technical evaluation criteria, reasonable cost

proposals, certifications and other factors which establish responsibility,

- ° request to offerors in The competitive range for submission of best and final offers,
- ° evaluation of best and final offers,
- ° recommendation of an offer,
- ° selection of an offer which is most advantageous to the Government,
- ° negotiation of final terms and conditions,
- ° award of contract.

Negotiation is a process of bargaining between a buyer and seller with the objective of reaching an agreement of the price, terms of contract, and special conditions. This process closely resembles commercial business practices and frequently involves discussions between the parties to aid in making a proposal susceptible to being acceptable. Contract award is made on the basis of greatest advantage to the Government which includes consideration of price and technical factors.

## 2.4 Types of Contracts

Selection of a contract type is dependent on the extent and nature of performance uncertainties, allocation of risk between EPA and the contractor, methodology for resource utilization, and methodology for ordering services, equipment or supplies. This section will identify and describe the most common contract types used in Federal procurement, and will group them in three categories:

- ° firm fixed price contracts
- ° cost reimbursement contracts
- ° other types of contracts
- ° Basic Agreements.

### 2.4.1 Fixed Price Contracts

The most preferred type of contract is Firm Fixed Price Contract. This contract places all of the risk with the contractor, and is used only when the requirements can be specified in detail with firm, clear and concise terms, and can be awarded on the basis of reasonable price analysis.

A variation of this type of contract is the Fixed Price Contract With Escalation or Economic Price Adjustment. This type of contract allows for EPA and the contractor to share certain risks based on predetermined contingency factors.

For example, a fixed price contract could be awarded which allowed escalation of labor rates based on a formula tied to a specific Government inflation index (e.g. Consumer Price Index). Use of this contract is appropriate when serious doubt exists as to the stability of supply or labor market conditions.

A Fixed Price Incentive Contract is a fixed price contract which provides for possible adjustment of a contractor's profit and the corresponding contract price based on a formula which allows both EPA and the contractor to share in reduction in costs below a negotiated target cost. This type of contract is used when a fixed price contract is inappropriate and where there exist positive incentives for the contractor to control costs.

#### 2.4.2 Cost-Reimbursement Contracts

There are many types of cost reimbursement contracts which place most of the risks on EPA. This type of contract is most suitable for use when performance uncertainties are very high and when the requirements cannot be specified in sufficient detail and certainty.

A Cost Contract is a cost-reimbursement type contract in which the contractor receives no fee.

A Cost Sharing Contract is one used for Government and contractor jointly sponsored projects from which the contractor may realize future benefits such as the opportunity to market a resulting product in the commercial market.

A Cost-Plus-Incentive-Fee Contract provides for adjustment of the contractor's fee and the corresponding contract price based on a formula which allows both EPA and the contractor to share in reductions of allowable cost below a negotiated target cost. This type of contract is suitable for systems development projects where there exist positive incentives for the contractor to control costs.

A Cost-Plus-Fixed-Fee contract is frequently used on EPA procurement support services and for application systems development projects. In this type of contract, the contractor assumes minimum risks and has the least incentive to control costs since the fee is fixed at a level negotiated when costs are originally estimated. The contractor's obligation is to provide the best effort feasible which includes assignment of qualified personnel and maintenance of productive effort.

A Cost Plus Award Fee Contract provides for cost reimbursement in addition to a fee comprised of two parts: (1) a fixed base fee, (2) an award fee which is based on the

quality, timeliness, ingenuity and cost effectiveness of the contractor's performance. The award fee is unilaterally determined by EPA program and contract personnel. This type of contract is suitable when EPA's primary goal is to maximize the contractor's performance in addition to controlling costs.

#### 2.4.3 Other Types of Contracts

The Time and Materials Contract provides for the procurement of supplies and services on the basis of direct labor hours at specified fixed hourly rates (which include all costs, overhead and fee) and material at cost. This type of contract is used where it is not possible to estimate the extent and duration of the work or to anticipate costs with any reasonable degree of confidence.

The Labor Hours Contract is similar to the Time and Materials Contract except that the contractor provides no materials.

A Letter Contract is a written preliminary contractual document which authorizes the contractor to immediately commence performance and is used when time is of the essence.

Indefinite Delivery Type Contracts may be used where the exact time of delivery is not known at the time of contracting, and include the following:

- ° Definite Quantity Contracts are used where definite quantity requirements are known in advance but orders may be placed with short lead times;
- ° Requirements Contracts provide for filling all active requirements during a specified period;
- ° Indefinite Quantity Contracts provide indefinite quantities during a specified period but establish minimum and maximum levels.

#### 2.4.4 Basic Agreements

A Basic Agreement is a written instrument of understanding between the contractor and EPA which establishes contract clauses which shall become applicable to future procurements entered into between the parties during the term of the basic agreement. Although the basic agreement is not a contract, it provides a quick mechanism for executing a contract to procure supplies, services and equipment when a substantial number of future contracts are anticipated or when substantial recurring negotiating problems exist with a particular contractor.

A Basic Ordering Agreement is similar to a Basic Agreement except that it includes specific descriptions of supplies or services to be ordered, a description of the method for setting prices for the supplies or services, and the

mechanism for establishing a binding contract when the order is placed.

#### 2.4.5 Additional Contract Characteristics

Contracts can be drawn in one of two basic forms, Completion or Term. The Completion form is one which describes the scope of work to be done as a clearly defined task or job with a definite goal or target and with a specific end-product required.

The Term form is one which determines the scope of work to be done in general terms and which obligates the contractor to devote a specified level of effort for a stated period of time.

#### 2.5 Major Procurement Actions

The purpose of this section is to provide guidance on major procurement actions and to distinguish them from procurement actions under tasks order/delivery order type contracts. A major procurement action supports a single program requirement for ADP support services, supplies or equipment, and requires a wide range of services from the Procurement and Contracts Management Division (PCMD). Under task order/delivery order contracts, the procurement process has been simplified since all phases of the competitive procurement process including negotiation have been completed.

Planning a major procurement is a complex process which extends beyond the development of technical and functional specifications required to support a specific program objective. The Project Officer should become acquainted with each phase of the procurement process and related organizations.

The first step in the process is to establish liaison between the Program's Project Officer and PCMD's ADP Procurement Section. The Project Officer would conduct a briefing of the program requirements including technical and functional issues, types of resources, methodology for resource utilization and schedules. This discussion would also include consideration of alternative types of contracts and their impact on satisfying the program requirements. Tentative plans for executing the procurement process can be defined at that time, including milestones and schedules, commitment of personnel resources, and agreement to review draft procurement request documents for comment and feedback.

The next step in the process is the preparation of the Procurement Request Rationale (12 point document) which contains the following information:

- |                                     |                            |
|-------------------------------------|----------------------------|
| (1) Title                           | (7) Statement of Work      |
| (2) Estimated Period of Performance | (8) Proposed Budget        |
| (3) Project Officer                 | (9) Reporting Requirements |
| (4) Background                      | (10) Clearances            |
| (5) Purpose of the Contract         | (11) Proposed Contractors  |
| (6) Procurement Abstract            | (12) Evaluation Criteria   |

Section 4.2 provides detailed guidance for the development of a statement of work. The proposed budget for each contract year should contain a detailed breakdown of labor and other resources requirements, and specify minimum, expected and maximum levels. Labor requirements should be specified in terms of hours per applicable labor category (e.g. program manager, system analyst, etc.)

Project monitoring is one of the most crucial tasks to be performed by the Project Officer since accurate information about the project status is very difficult to acquire. The availability of information about achievements, progress and problems will determine the degree of certainty about the performance and cost status and the potential for schedule slippages, cost overruns or inferior performance. The Procurement Request Rationale should specify detailed reporting requirements of the Project Officer consistent with the complexity, magnitude and duration of the project. As a minimum, it is recommended that following reporting requirements be specified:

- ° description of work performed and accomplishments during the reporting period,
- ° problems encountered and recommendation for remedial action,
- ° work planned during the next reporting period,
- ° statement indicating conformance to technical requirements,
- ° statement indicating conformance to schedule,
- ° statement indicating conformance to budget.

The potential clearances required for a major procurement are described in Section 2.2 and illustrated in Table 2.1. Such clearances are typically obtained from program management, PCMD, MIDSD and GSA.

A direct consequence of the Procurement Request Rationale will be publication of a Request for Proposals (RFP). Evaluation of proposals submitted in response to the RFP will be a critical phase of the procurement process. Therefore, a Procurement Request Rationale must contain specific evaluation criteria to be applied to submitted proposals. Appendix 8.18 provides Sample Technical Proposal Evaluation Criteria. These criteria are used to determine the offeror's technical qualifications and capacity, and to measure the adequacy of the offeror's understanding of the requirements and the proposed approach and management plan.



As a supplement to the Procurement Request Rationale, it is recommended that the program office provides technical proposal instructions for use by the offeror. These instructions clarify the significance of each element of the evaluation criteria and provide guidance for actual format and content of the offeror's proposal.

The Procurement Request Rationale is submitted to PCMD for use in preparing the Request for Proposal. At this point, PCMD and the program office must discuss and resolve several issues related to the proposed procurement action. PCMD and the program office must agree on the adequacy and clarity of the statement of work, the evaluation criteria and methodology for ordering contract support services. These issues will impact the amount of rework which may be required on the Procurement Request Rationale document and the type of contract which ultimately is awarded.

Finally, the RFP is issued to all firms on the Bidders Mailing List and others who request it. Typically, the RFP will specify a proposal due date thirty (30) days after release of the RFP. This period of time may be used effectively to brief the Technical Evaluation Panel on the requirements, the RFP and Technical Evaluation Criteria. The chairman of the Technical Evaluation Panel and the panel members should become acquainted with procedures for reviewing technical proposals, and for application of the evaluation criteria.

Upon receipt of the Technical Proposals, they are distributed to members of the Technical Evaluation Panel (TEP). The TEP proceeds with the technical evaluation, discusses individual evaluations and works toward a consensus on point scores for each evaluation criterion.

Chapter 25 of The Contracts Management Manual, published by PCMD, provides detailed guidance and instructions for assignment of point scores for each evaluation criterion. However, the published scoring plan has been replaced with a four-point plan as described below. Point scores range from zero to four which are multiplied by weights assigned to each evaluation criterion to calculate an ultimate value. These values are then summarized to obtain a total score used for comparison and ranking of the offeror's proposals. A point score of zero is assigned to a proposal which is totally deficient and correction of which would require a complete revision. A point score of one signifies a proposal item which is apparently deficient in several major respects and requires interrogatories to obtain clarification of the offeror's intent. A point score of two signifies a proposal item which is adequate and meets the specifications. A point score of three signifies that the proposal contains several noteworthy strengths. A point score of four is assigned to a proposal which is outstanding in most respects.

Upon completion of the evaluation, the chairman of the TEP prepares a summary report which provides detailed descriptions of each offeror's strengths and weaknesses. Special care should be taken to adequately describe the strengths and weaknesses of each proposal; these factors will be used later in assessing the benefits and risks which may result from a contract award to each offeror. Summary scores for each offeror's technical proposal are computed, and each offeror is ranked. The TEP Summary Report identifies which proposals are acceptable and unacceptable. The ranked acceptable proposals comprise the competitive range and are included in the zone of future consideration. Offerors whose proposals are rated unacceptable are promptly notified of their status.

Offerors whose proposals have been assigned point scores of "one" are entitled to notification of these deficiencies and an opportunity to correct them such that the entire proposal becomes acceptable and included in the competitive range if possible.

In parallel with the technical evaluation process, The Cost Advisory Board at PCMD performs the detailed cost evaluations. The cost proposals are evaluated to determine the degree of offeror's responsibility, compliance with various laws and regulations (eg. Fair Labor Standards Act), and conformance with acceptable accounting practices. These cost evaluations are summarized for each offeror's proposal indicating strengths, weaknesses and potential benefits and risks resulting from contract award.

At the option of the Contracting Officer, EPA may solicit Best and Final offers from each firm within the competitive range. At this point, each offeror can revise its cost and technical proposals which would then have to be evaluated in detail following the same procedures described above.

The summary reports from the Technical Evaluation Panel and The Cost Advisory Board are submitted to the Chairperson of The Source Evaluation Board (SEB) for review and final evaluation of each offeror in the competitive range. The SEB Chairperson prepares a final report addressed to the Source Selection Official (i.e. usually The Head of the Procuring Activity) which summarizes the strengths and weaknesses of each offeror, and a determination of the potential risks to EPA if award were made to each offeror.

Upon review of the SEB Chairperson's final report and other supporting documents, including The Technical Evaluation Panel Report and Cost Advisory Board Report, the Source Selection Official selects the successful offeror. Thereupon, the Contracting Officer (C.O.) is authorized to award a contract. Usually, the C.O. will call the successful offeror and send notice of selection; this would then be immediately

followed up with a letter contract authorizing the contractor to commence performance. Within 180 days, the C.O. must complete negotiations and award the final contract. Unsuccessful offerors are notified which offeror was selected and awarded the contract.

## 2.6 Overview of Task Order Contracts

The task order contract is commonly used to produce a wide range ADP support services to support ADP systems studies and limited-scale ADP system development, implementation, maintenance and operation projects. This type of contract provides a flexible, rapid and efficient method of responding to ADP support requirements which can originate from any organizational element within EPA, at unpredictable times. This section will describe the task order contract, limitations on its use, its capabilities and usefulness, and an overview of the procedures for its use in EPA. Section 4.0 provides a more detailed description of procedures and documents required for procurement actions.

Task order contracts are available through establishment of umbrella contracts between EPA and a supplier of ADP support services (i.e. the contractor). The umbrella contract provides the terms and condition for general contract and legal restrictions pertaining to cost accounting, civil rights, environmental and fair labor practices, handling of disputes and limitations on funding. In addition, the umbrella contract establishes a procedure for ordering services on the basis of individual task orders. Each task order must specify a singular major objective (e.g. to operate minicomputer system, or to develop the XYZ system) and describe in as much detail as is practical the technical and functional requirements associated with that objective. The task order also specifies additional restrictions or requirements such as staff qualifications, schedules and reporting.

The major benefit to the use of the umbrella contract for task ordering is the elimination of a costly and time consuming competitive procurement of the required services (e.g. typical procurement cycle ranges from six to fourteen months). The umbrella contract itself is obtained through a competitive procurement process and may require a one year lead time.

The umbrella contract usually imposes several restrictions on the services to be provided and the total volume of procurement action which may be executed. The umbrella contract may be structured to provide only a select group of ADP support services as identified in Section 2.1, and may set a definite dollar limitation on the total value of procurement action allowed during the period of performance plus any exercised option period(s). Typically, an umbrella

contract is a one-year contract with two options to renew for one year.

Each task order is executed as a formal modification to the contract and becomes a separate contract unto itself. Each task order is separately funded and controlled. The funds of one task order shall not be used to cover cost overruns on other task orders. As contract modifications, task orders are referenced as Directives of Work (DOW) or Definitive Task Orders (DTO).

## 2.7 Overview of Indefinite Quantity Contracts and Delivery Orders

The Indefinite Quantity Contract provides EPA with significant advantages and flexibility when support services requirements cannot be readily forecasted in advance.

EPA now has several contracts to provide ADP support services through issuance of Delivery Orders of specific quantities of hours per labor category plus other direct costs (e.g. travel, supplies, etc). Each Delivery Order is accompanied by a statement of work which describes the technical and functional support requirements.

The contract specifies the particular labor categories available under the contract and other general and special provisions, and establishes the Delivery Order as the mechanism for ordering the required services. These Delivery Orders are unilateral actions taken by the Contract Ordering Officer, and do not require the contractor to respond with a technical and cost proposal.

The Statement of Work will usually specify the qualifications and skills required in staffing, the methodology of performance, a statement of objectives, a description of technical and functional requirements and request for the contractor's project plan. The contractor is required to perform in accordance with the Delivery Order and its Statement of Work. The Delivery Order will also specify the Project Officer and the period of performance.

During the Contractor's performance in response to the Delivery Order, the principles and procedures for project management and monitoring used in task order contracts are applicable.

### 3.0 Active MIDSD ADP Contracts and Other Services

Because of the commonality among the types of ADP support services used throughout EPA, and the length of time necessary for competitive procurement of such services, MIDSD has taken the initiative to plan, obtain and manage several task order contracts. These contracts provide a broad range of technical support services as described in Section 2.1 in two support categories (1) feasibility studies; systems evaluation and systems design; (2) application system development, software maintenance, general programming and systems operations.

At the present time MIDSD is managing contracts which support the requirements in the two categories stated above. Section 4 and 5 provide detailed description and procedures for use of Task Order and Delivery Order type contracts, respectively. Task Order type contracts issue Directives of Work or Definitive Task Orders and require contractor proposals and negotiation. Delivery Order contracts issue unilateral delivery orders which specify the hours required per established labor categories; no contractor proposals are required.

#### 3.1 Feasibility Studies, Systems Evaluation, Systems Design.

In this category, the contractor provides technical assistance in response to Definitive Task Orders (DTO) in any or all of the following areas:

- ° Assisting potential users in analysis of management information and functional ADP requirements in support of program missions and administrative operations;
- ° Performing feasibility studies and evaluation of alternative approaches to satisfying management information and technical requirements;
- ° Performing analysis and evaluation of existing ADP operations and systems;
- ° Determining data base requirements;
- ° Developing conceptual, functional and detailed designs of ADP systems;
- ° Developing functional and technical specifications for use in solicitation documents;
- ° Performing analyses and evaluation of existing methods of information handling and impacts on organizational work flow, productivity and decision making;

- ° Conducting surveys to determine the needs of multi-organizational users of national ADP systems.

### 3.2 Application Systems Development, General Programming and Systems Operation & Software Maintenance

This category is the follow-up to the remainder of the systems development and operation life cycle, and is divided into three service areas due to the respective complexity of the requirements and technical skills and experience required for the support team. These service areas are:

- (1) application systems development
- (2) general programming
- (3) systems operation and software maintenance.

Application system development usually follows the completion of a feasibility study and conceptual and functional design. The contractor is required to provide system analysts, computer programmers and other technical support personnel necessary to complete the development through detailed design, implementation, installation, testing and training. The contractor performs one or more of the following functions for task orders issued:

- ° develop system and program design specifications;
- ° write programs from the above developed specifications;
- ° develop user manuals and other pertinent systems documentation.

General programming primarily involves short term singular-objective task orders. The products are small scale and intermediate size programs. The contractor provides the full range of service required such as:

- ° development of detailed program design specifications;
- ° development of program test data and test plans;
- ° development of program documentation and user manuals.

Systems operations and software maintenance usually involve the operation of minicomputer systems and remote job entry terminals, the operation and support of application systems, and the maintenance of computer software which may be part of large application systems or small scale computer functions. The contractor provides the following services as required:

- ° operate computer systems which runs on either fixed or ad hoc schedules;
- ° implement and maintain data bases;
- ° operate application systems;
- ° perform a variety of support functions such as data entry, data analysis, and information retrieval;



- code data onto prescribed coding media;
- keypunch data from prescribed coding sheets or other source documents;
- provide technical assistance in diagnosing operational and technical problems with applications systems, minicomputer systems and peripheral equipment;
- when operating minicomputer system and application systems, receive inputs, prepare and submit the necessary job control statements for computer runs, distributing results on a definite schedule, making temporary adjustments in input and output, diagnosing problems and initiating corrective actions as necessary.

From time to time, MIDSD manages other types of contracts to support unique requirements such as feasibility studies and systems design for laboratory automation, and the development and operation of data base management systems applicable to unique environmental programs (i.e. the Chemical Information System). The contractor usually supports a narrow range of EPA organizations or environmental programs.

### 3.3 MIDSD Technical Oversight and Services

The key to a successful task order is the completeness and accuracy of a statement of work. MIDSD is staffed with a number of computer systems analysts having experience and skills in a wide range of technical areas and application systems. Upon request, MIDSD will assign a system analyst to assist the program and administrative offices in the planning for ADP support services and preparation of an effective statement of work. This assistance will typically involve preliminary discussions with program personnel about management information and information processing requirements, and alternative approaches for satisfying those requirements, and a strategy for utilizing contract support services. At this stage the program office would assign a technical representative who will assume the duties of the DOW Project Officer when a task order is issued by PCMD. The DOW Project Officer prepares a detailed statement of requirements with the guidance of the MIDSD systems analyst. The MIDSD systems analyst will assist the DOW Project Officer develop further refinements of the statement of work such that the ADP-related requirements are also described to supplement the requirements stated in programmatic functional terminology.

Planning of the task order will depend on the nature of the requirements. Some of the elements which might be included in the plan are: methodology for executing the task (e.g. interview, literature reviews, etc.), constraints on award, available resources, technical and progress review, staffing skills and qualifications, management clearances, and

milestone schedules. These elements of the plan should be incorporated into the statement of work as formal parts of the requirements.

MIDSD is also available to participate in technical and progress review meetings, and in the review and critique of draft and final documents such as study reports, design documents and users manuals. The purpose of such reviews is to ensure that the requirements are clearly defined and understood by the contractor, and that the contractor's performance and methodology are consistent with the technical, budget and schedule requirements. Based on its participation in the task order and the complexity or sensitivity of relevant issues, MIDSD is able to prepare an evaluation of contractor's performance and achievements and recommendations for future action or decisions to the users and program offices.

### 3.4 Management Services

Each ADP support services contract which is managed by MIDSD includes provisions of "management services" which are available for overall management and administration of the contract and for use in reviewing new requirements which originate in EPA program and administrative offices. At the direction of the Contract Project Officer, the contractor provides management services to assist MIDSD in the following:

(1) analysis of common requirements between planned and existing task orders and requirements which cut across media, geographic and organizational lines. The principle products of such analysis shall be the identification of opportunities for improvements in EPA information systems management and optimization of resources, the consideration of existing EPA systems as feasible alternatives to the development of new systems, the submission of special reports and presentation of briefings on the findings and recommendation resulting from the analysis.

(2) preliminary discussion about new requirements originating from program and administrative offices, and alternative strategies for providing contract support services. These discussion will aid program personnel to articulate technical and functional requirements in a form compatible with ADP terminology and related factors.

(3) preparation and distribution of monthly progress reports, presentation of monthly briefings, and contract management.

The costs of these services are recovered through a program support pool fee applied as a percentage of total direct labor costs for the task order or delivery order.

#### 4.0 Task Order Contract Use and Administration

##### 4.1 Participants

Representing EPA, the major participants involved in the execution of task orders are the user, the Contracting Officer, the DOW Project Officer, the Contract Project Officer and the Contractor. Each participant has unique responsibilities. The Contracting Officer (C.O.) is designated by the EPA Administrator as the only person who can enter into contractual agreements and obligate the Government in the procurement of ADP support services. The C.O. receives all procurement requests, negotiates with the contractor, and awards contract modifications for execution of definitive task orders and directives of work.

The task order contract also specifies a Contract Project Officer (C.P.O.) who provides technical assistance to the C.O., and administrative guidance to potential users of the contract. The C.P.O. is the technical representative of the C.O. and acts as the C.O.'s agent in the formulation and review of statements of work, planning for ADP support services, and monitoring of contractor performance. The C.P.O. advises the C.O. of technical and contractual problems and assists in their resolution.

The DOW Project Officer is the technical representative of the user and is responsible for the initial definition of requirements, monitoring of contractor performance, conducting technical and progress review meetings and for ultimate technical evaluation of delivered services and products.

Representing the Contractor, the major participants are the Program Manager, Assistant Program Manager and Project Control Accountant.

##### 1. Program Manager

He/she provides technical direction and administrative management of contract activities; develops overall program plans, guidance and procedures necessary to adequately provide the support required by diverse technical, administrative and program functions and operation of EPA. He/she reviews ADP support requirements, determines the necessary skills and personnel resources, formulates policies and procedures necessary to achieve effective project planning and control, budget projections and quality assurance. He/she meets with management, technical and operating personnel within client organizations to review requirements, present proposed action plans and to discuss

and resolve technical, administrative and management problems and issues. He/she evaluates proposed computer systems to determine technical feasibility, costs for development and functional adequacy.

He/she performs the above duties with extensive degree of freedom within the constraints of the contract terms and conditions and corporate policies.

## **2. Assistant Program Manager**

He/she assists the Program Manager in the technical direction of contract support activities. A major area of specific concern is the development, implementation and direction of a quality assurance program applied to all phases of the contract support. The quality assurance program provides detailed guidance related to strategies for performing requirements analyses, feasibility studies, systems design and evaluations, and for project planning and selection of required support skills.

He/she assists the Program Manager in monitoring contractor performance with respect to deliverables, project milestones and project expenditures.

He/she would normally be assigned direct responsibility for technical direction of projects which support one or more of major EPA program areas (e.g. Enforcement, Toxics and Pesticides, etc.) In this capacity, under the general guidance of the Program Manager, he/she performs all other project-related duties of the Program Manager.

## **3. Project Control Accountant**

He/she provides direct administrative support to the Program Manager for purposes of cost accounting, labor cost distribution, project budget control, and record control pertaining to work assignments and modifications issued by the Contracting Officer. He/she receives Work Assignments and modifications, maintains cost accounting records for each work assignment, notifies the Program Manager and project personnel of funding levels and expenditures, provides detailed financial support data to the Corporate finance officer for use in preparing monthly invoices and management reports.

The EPA's Financial Management Division (FMD) is responsible for receipt, processing and payment of all contract invoices. FMD is located at the Environmental Research Center, Research Triangle Park, North Carolina. The principle contact at FMD for task order account information is: Contract Financial Operations(MD-32).

## **4.2 The Procurement Request and Statement of Work**

Procurement of services under the task order contract is initiated through the preparation and processing of a Procurement Request Rationale (i.e. frequently called the 12 point document) and the EPA Form 1900-8, Procurement Request/Requisition. The Procurement Request Rationale specifies the elements of the procurement action including statement of requirements, requesting organization, period of performance, responsible project officer and proposed budget. Attached to the Procurement Request Rationale is EPA Form 1900-8 which commits specific funds for the task and contains the necessary authorization and accounting data.

**Funding Restrictions:** One-year funds can be used to procure services in the year for which they are appropriated. Two-year funds may be used to procure services which result in specific products but which may be delivered in the year following the year of appropriations, subject to contract limitations on the period of performance.

The most important part of the Procurement Request Rationale is the Statement of Work which defines the requirements in as much detail as is practical and prescribes various liaison and staffing. The remainder of this Section provides detailed guidance for preparing a statement of work. Section 8.4 provides a check list of items normally contained in a statement of work.

#### **Guidelines for Preparing Statement of Work**

A statement of work is the document which identifies and describes EPA's objectives for employing ADP support services, and development and application of ADP systems. These objectives relate directly to the accomplishment of specific EPA missions (e.g. laboratory experimentation and sample analysis), administrative support functions (e.g. personnel and financial management), and various Agency programs related to legislative enforcement regulations and studies. The utilization of ADP resources and services is intended primarily as means for accomplishing specific goals of missions, programs and administrative organizations. As such, the requirements frequently must be met under conditions of stringent time schedules and budget constraints. An effective statement of work will significantly aid in the efficient, economical and effective use of ADP services and resources, and will frequently serve as the basis and guidelines used in subsequent project management of developmental support activities.

A group of EPA employee's attending an ADP Project Management course were once asked to define a statement of work, or to describe what constituted an effective statement of work. One attendee said that "a good statement of work is one which leaves little to the imagination" of the

contractor selected to provide the support services necessary in developing an ADP system. This basically is a good principle to be applied in preparing the statement of work; in other words, be specific and definitive in stating the objectives and requirements, and avoid generalities which later can be cause for cost overruns, schedule slippages, and misunderstandings between the contractor's project personnel and the EPA user. There are as many types of statements of work as there are varied projects and their respective requirements. However, the purpose of this section is to highlight the salient characteristics of statements of work and to postulate several basic guidelines to be used in preparing them.

The most significant factor which influences the nature, structure and contents of a statement of work are the type of project to be pursued, the types of ADP support services required, and the kind of product (end result) expected at the project completion. Basically, there are two major types of projects:

1. One which is best supported through level-of-effort performance of specific services, and which usually applies to objectives which can only be described in general terms at the point of inception. In this project, the requirements are not specifically defined, nor can the methods and resources required to satisfy them be quantified. Hence, preparing a definitive statement of work is very difficult, and EPA must provide flexibility for structuring the project and in executing the support functions. A common example of a project best handled on a level-of-effort basis is the initial "requirements review" following inception of the objectives. The task, therefore, is initiated to provide consultation with the user to assist him in defining the details of his requirements in a form suitable for use of ADP resources, and which details will subsequently serve as the basis for ADP system design. In this case, the user and the project staff have the opportunity to consider alternative methods for achieving the stated objectives. Frequently, this is called a Feasibility Study (see Chapter 6, MIDSD ADP Manual) for additional guidelines and policies.
2. The second type of project is one which supports definitive requirements, such as the design and implementation of an ADP system to perform predefined functions, and which processes prescribed data. Mathematical models and other

algorithms are usually clearly defined as part of the functional specifications. Support of this type of project can be planned in definite terms relative to staffing requirements, functional duties of project personnel, project milestones and schedules, and definitive cost projections which relate to specific end-products. Hence, the corresponding statement of work can also be very definitive in terms of the requirements for project planning and controls, contractor proposals for staffing and executing the project, a technical discussion of the methods and technologies to be used, and specific cost projections and schedules.

The following topics are suggested elements to be included in a statement of work; descriptive narratives are provided for each element. However, the degree to which an element applies to the project and its statement of work will depend on the actual requirements.

1. The statement of work must clearly state the purpose of the project, and the objectives to be attained by successful completion of the project. The purpose and objectives should be directly related to specific functions which will be supported by the end-products or services procured.
2. It is frequently useful to provide background information about:
  - ° the organization requesting support services and products, its responsibilities and functions,
  - ° prior experience with methods, procedures and resources formally used to execute functions which will be performed or supported by results of the project,
  - ° descriptions about the operating environment which may have an impact on the project.

This type of information places the project and related subject matter in a proper prospective, and provides the contractor with an insight into the significance of the project, and the qualifications of staff personnel which may be required for user liaison, and how the project results may be used to resolve current problems.

3. The statement of work must include a detailed list of the results expected from the project. These results must be clearly and specifically identified

and described; the more detailed information provided will serve to minimize confusion, cost overruns, and errors in executing the project. Usually, these results are project deliverables; a few examples are provided below:

- ° An ADP system and programs to perform specific functions,
  - ° Computer generated reports resulting from the performance of specified functions,
  - ° Creation of data bases and files (e.g. input source data, summary tables, etc.),
  - ° Program and systems documentation including user operating instructions,
  - ° Mathematical models,
  - ° Statistical procedures,
  - ° Recommendations for experimental designs, operating procedures, systems configuration and design, etc,
  - ° Detailed report of functional requirements and design specifications.
4. Achievement of the user objectives and expected results will depend on the support services provided in executing the project. In order to minimize misunderstanding and the risk of inadequate level of support and related qualifications, it is recommended that the statement of work prescribe the functional support services expected during the execution of the project; the following are typical functions:
- ° requirement review,
  - ° systems analysis and design,
  - ° systems implementation and testing,
  - ° systems documentation,
  - ° development of operating instructions,
  - ° training of EPA personnel.

The statement of work should describe the minimum qualifications and experiences required of project staff personnel in performing the above functions.



This will help ensure that the contractor does not assign trainees to the project, or persons who do not have experience in a specific field or area of ADP. For example, if EPA required development of a real-time data acquisition system for a minicomputer which supported laboratory experiments, EPA should expect, and the contractor should assign a Systems Analyst and/or a Senior Programmer with several years of experience in the application of real-time data acquisitions systems. This experience goes far beyond FORTRAN-type applications programming.

5. A viable ADP systems design will depend on the factors which constrain the operating environment. The contractor is entitled to know the constraints imposed on the end product. The EPA User who prepares the statement of work is advised to consult with ADP professionals about constraints, standards and policies pertaining to the use of Agency computer systems. The User should specify which computer system will be employed, limits to program size, required data storage media and limits, and other factors which may be appropriate.
6. Other project requirements should be prescribed in the statement of work which affect the performance of the project support services, the quality of the end-products and the monitoring and control of the project.

Systems and program test plans, specifications and data should be requirements of the project statement of work. These can be provided as interim products of the project to be developed by the contractor and demonstrated (or delivered) to EPA.

The quality and usefulness of documentation and user operating procedures will depend on the specific requirements related to the use of available standards and guidelines. The MIDSD ADP manual provides standards for documentation; other standards are available and useful, such as Federal Information Processing Standards Publication, FIPS PUB 38, and FIPS PUB 64, Guidelines for Documentation of Computer Programs and Automated Data Systems. The statement of work should be specific about these requirements for conformance to a standard, and make provision for EPA review and critique of draft copies of contractor-developed documentation, with the requirement that EPA comments be incorporated in a final copy of the documentation.

Progress reporting and financial status

reporting for projects are necessities for effective control and future planning. The statement of work must specifically require these reports (as described in Section 4.7); however, to be useful, they must be submitted in a timely manner (preferably within 5 working days after the end of the report period).

The statement of work should also require the contractor to participate in various review meetings which may involve technical information exchange, review of new requirements, technical design reviews, and progress reporting.

The statement of work must state EPA's schedule requirements for completion of project and delivery of various products (i.e. interim and final). These requirements should be very specific, itemized and dated. If the contractor believes that it cannot satisfy the schedule, the proposal should so state, and offer alternative recommendations.

Cost constraints are realities which should be known at the time a project statement of work is prepared. The EPA User (aided by ADP Professionals, if necessary) should attempt to establish an approximate cost for executing the project; this will serve as a guide when reviewing the contractor's proposal and cost projection. The User's project cost estimate need not be included in the statement of work.

7. As described above, the statement of work defines the EPA User requirements and project conditions and constraints. It is insufficient to establish one-way communications via the statement of work; the contractor should be expected and required to respond to the statement of work by preparing and submitting a cost projection, staffing plan, and a plan and schedule for executing the statement of work.

Although Section 4.4 describes the structure and content of an acceptable proposal, the following will highlight specific topics which EPA should request in a contractor's proposal in response to the statement of work:

- . the contractor's understanding of the requirements; identification of anticipated problems, and recommended solutions,
- . a technical discussion and proposal for how the contractor will execute the project and

satisfy the requirements;

- . a description of how the contractor's approach will satisfy the requirements;
- . the contractor's proposed staffing plan which identifies proposed personnel, their labor classifications, level of assignment, qualifications, and functional project duties;
- . a cost projection which is itemized to reflect personnel labor classifications, major system components, computer resources required, travel, materials, subcontractors. It would be helpful to include a detailed cost projection profile which is comparable to the work breakdown included in the project plan.
- . The contractor should be expected to state that all EPA stated requirements can be satisfied by the proposed plan, staffing and cost projection, or specify the exceptions and recommended alternatives. EPA should then evaluate the exceptions and recommended alternatives, follow-up with negotiations with the contractor, and make final decisions which are then reflected in the final statement of work for the project.

#### 4.3 Processing of the Procurement Request

The completed Procurement Request is submitted to the Contract Project Officer at MIDSD. The Contractor Project Officer and other appointed systems analysts will review the Statement of Work to determine completeness, technical accuracy and conformance with ADP procurement regulations and EPA ADP policies. MIDSD will notify the DOW Project Officer of any problems and will provide technical assistance in development of an adequate statement of work.

Upon clearance by MIDSD, The Procurement Request, is then transmitted to the Procurement and Contracts Management Division (PCMD) where it is logged and delivered to the C.O. The C.O. reviews the Procurement Request, and if in compliance with the terms & conditions of the contract, issues a Request For Proposal (RFP) to the contractor.

#### 4.4 The Contractor's Response to the Request for Proposal

In responding to the RFP, the contractor specifies a technical approach to responding to the requirements, project plan, staffing plan and cost projection with a breakdown by labor classifications and other cost types. The DOW Project Officer is required to review the contractor's proposal and notify the C.O. in writing of his acceptance.

Although Section 4.4.1 describes the structure and content of an acceptable proposal, the following will highlight specific topics which EPA should request in a contractor's proposal in response to the statement of work. The statement of work should request the following information:

- . the contractor's understanding of the requirements; identification of anticipated problems, and recommended solutions;
- . a technical discussion and proposal for how the contractor will execute the project and satisfy the requirements;
- . the contractor's project plan which includes a work breakdown, milestones, schedules, and project controls;
- . a cost projection which is itemized to reflect personnel labor classifications, major system components, computer resources required, travel, materials, subcontractors. It would be helpful to include a detailed cost projection profile which is comparable to the work breakdown included in the project plan.
- . The contractor should be expected to state that all EPA stated requirements can be satisfied by the proposed plan, staffing and cost projection, or specify the exceptions and recommended alternatives. EPA should then evaluate the exceptions and recommend alternatives, follow-up with negotiations with the contractor, and make final decisions which are then reflected in the final statement of work of the project.

##### 4.4.1 Guidelines for Task Assignment Proposals

A proposal is a document prepared by the contractor and indicates a proposed method, plan and cost for achieving stated EPA objectives. The following describes the conditions for which proposals are required and the elements of a potentially satisfactory proposal. (Caution: These

conditions and elements are not all-inclusive).

4.4.1.1 Frequently, the EPA user states the requirements in general terms (e.g. a statistical report illustrating the correlation of a subject's physiological condition to environmental pollutants and experimental conditions). In such cases, definitive plans and cost projections are impossible; therefore the contractor is issued a task assignment to perform a "requirements review" in collaboration with the user on a level of effort basis. The results of the "requirements review" effort should be definitive and include a specific list of functional and material requirements to be performed and/or designed, implemented, tested, integrated, documented, and delivered. Prior to executing the task, EPA and the Contractor mutually agree on the projected cost estimate. Actual costs and schedules are contingent on factors not known at the time of task initiation, but the contractor commits to assignments of specific personnel and strives to achieve the objectives in a timely and efficient manner. During the requirements review, the contractor is frequently meeting and consulting with the User and other EPA personnel in an effort to acquire additional data which affects final definition of requirements. The final results of the requirements review should be sufficiently detailed to permit development of reasonably accurate designs, cost estimates and schedules for executing the next phase which typically will be restricted to detailed design of a computer system, or formulation of the procedures and methods for performing data analysis. At this point, the contractor will be requested to develop this cost estimate and schedule for the next phase.

4.4.1.2 Several EPA users and MIDSD prepare specific detailed statements of requirements; otherwise, statements of requirements are the products of a requirements review task described in paragraph 4.4.1.1 above. It is advisable that the next phase for satisfying these requirements be a systems design task. In such cases, the contractor is requested to develop a plan, cost projection, and schedule, and propose qualified personnel to staff the task. For a system design task, the following types of data should be included in the contractor's proposal:

- . a brief summary of the requirements (not a repeat of the original statement of requirements); references to specific EPA correspondence.
- . a technical discussion which describes the contractor's understanding of the requirements; identification of significant technical issues, complexities, and anticipated problems; recommendations for resolving problems; proposed methods, procedures and techniques for satisfying

the requirements; tentative conceptual design.

- . a detailed plan for executing the systems design effort including identification of a specific subsystem and program module wherever possible; a list and schedule of milestones;
- . a staffing plan which identifies all proposed personnel, the level of assignment, labor classification, and functional duties;
- . a cost projection for each major subsystem, including preparation of design documentation.

The product of this phase is a detailed design document (see Appendix 8.11 for detailed guidelines).

4.4.1.3 A third type of proposal relates to implementation of a specific ADP system for which detailed design specifications are available. The contractor is expected to provide the following data in a proposal:

- . a technical discussion which illustrates the contractor's understanding of the required ADP system, and identification of anticipated problems and recommended solutions;
- . a detailed plan for implementing the system including a work breakdown of subsystems and programs, and work to be performed for each (e.g. design, implementation, etc.); a schedule of milestones;
- . a technical discussion which describes how the contractor plans to integrate and test subsystems, and verify that all functional specifications are satisfied.
- . a staffing plan which identifies all proposed personnel, the level of assignments, labor classification, and functional duties.
- . a cost projection for each major subsystems, including systems and program documentation, and user operating instructions.

#### 4.5 Contract Modifications

If the contractor proposal is acceptable to the DOW Project Officer, the C.O. awards a contract modification in the form of a Directive of Work, (or Definitive Task Order), authorizing the contractor to incur necessary costs incident to providing the services required.

In addition to Directive of Work, the contract may be modified to achieve the following other purposes:

- . change of DOW Project Officer; a memorandum from the client's Division Director to the C.O. is sufficient to authorize this change;
- . the DOW Project Officer, in a memorandum to the C.O., may request that the DOW be modified to change the period of performance;
- . The DOW Project Officer, in a memorandum to the C.O., may request that the DOW be modified to incorporate changes to the requirements;
- . an EPA Form 1900-8, may be submitted to the C.O. authorizing the incremental allocation of funds to the DOW due to changing requirements or the need for continuing services; or the deobligation of funds due to reduced requirements or the need for termination of the D.O.W.

#### 4.6 Subcontracting and Consultants

Subcontracting and use of special consultants require approval of the C.O. The contractor must demonstrate that selection of a subcontractor is based on competition to a maximum practicable extent in view of the existing circumstances. Otherwise, the C.O. may require the equivalent of a Justification For Non-Competitive Procurement as described in Chapter 3 of the Contracts Management Manual.

The use of special consultants presents a few unique requirements. The Contractor must indicate to the C.O. the basis of selecting a consultant, including statements concerning unique and specialized qualifications and experience, the rates to be paid to the consultant and that those rates are compatible with other equally qualified consultants.

EPA Procurement Information Notice No. 80-41-1 specifies the policies and guidance pertaining to procurement of consulting services (see Appendix 8.20).

#### 4.7 Contractor Progress and Financial Reports

During the execution of the task, the contractor delivers periodic status reports and monthly progress reports to EPA. These reports and monthly financial reports illustrate the quality of contractor's performance with respect to conformance to schedule and budget, and support of technical requirements.

#### 4.7.1 Guidelines for Task Progress Reports

4.7.1.1 Progress reports should not include a repeat of the statement of work. A progress report describes the work performed, accomplishments and problems encountered; it is the primary instrument used to convey how well a project satisfies the technical, functional, and schedule requirements, and is the basis for the EPA Project Officer and User to determine the compatibility between the costs incurred and the result attained.

#### 4.7.1.2 Description of Work

Each task employs a specific staff of personnel at various prescribed labor classifications; each person has specific duties to perform (e.g. systems analysis, program design, coding, testing, documentation, etc).

The progress report should describe the functional work performed by each person during the reporting period - these descriptions should be directly related to the task requirements and system components (e.g. subsystems, program modules, etc.).

#### 4.7.1.3 Statement of Accomplishments

Concise, factual, descriptive statements of actual achievements during the reporting period relative to each of the following topics:

- . specific task requirements (e.g. program design, program modules, development of models and specifications, functional specifications).
- . task milestones and schedules (e.g. level of attainment, deliveries made, demonstrations, examples of work results and computer output, etc).

The progress report should describe how well the requirements are being satisfied.

#### 4.7.1.4 Problems Encountered

A description of the problems encountered, and recommendations for solution. A statement of what the contractor has done or will do to resolve the problem. A statement concerning the problems' impact on the task schedule and costs.

#### 4.7.1.5 Conformance to Schedule

Concise statements on the contractor's ability to satisfy the task schedules including those related to the task milestones, and a comparison of actual accomplishments



versus those scheduled.

#### 4.7.1.6 Conformance to Cost Projections

Level of effort tasks usually require varying levels of technical support of requirements which are not clearly and specifically defined. As such, the effort reported and costs expended are not compared with specific targets. However, cognizant EPA personnel (i.e. Project Officer, and User) are required to make a judgement that the effort and costs expended are consistent with the accomplishments during the progress reporting period.

Tasks for which specific cost projections have been made accordingly require more stringent management controls and cost and performance monitoring procedures. Ideally, a cost projection should be based on sound methods for work breakdown, system modularization, staff planning of work functions and allocations, and overall task planning to include milestone scheduling, program testing, and system integration and testing (to name a few). In other words, a disciplined methodical approach to project planning and cost estimating. The progress report should state the conformance to the original cost projection and an estimated cost to complete the task.

If the cost-to-complete estimate exceeds the balance of funds remaining, a reason and justification must be stated in the progress report. Decisions to allocate additional funds will be based on the stated reasons and justifications.

A change of scope in the user's requirements does not constitute a valid justification for a projected cost overrun. Instead, the change of scope must be reflected in a revised statement of work; additional funds required shall be allocated in accordance with normal procedures applied to cost estimating, User and Project Officer approval, and formal issuance of task modification.

#### 4.7.1.7 Work to be Performed in the Next Report Period

A description of work to be performed and projected achievements during the next report period. Normally, this description should conform to the project plan and milestones established for the task.

#### 4.7.2 Financial Reports

Each DOW is established with a base level of authorized funds. The contractor is prohibited from incurring excess costs without formal contract modifications. Typical cost accounting and labor cost distribution systems used by commercial firms impose significant delays in compiling and

reporting contract expenditures. In addition, current practices for submitting expense vouchers preclude the availability of detailed supporting data such as a breakdown of direct labor costs by labor classification.

The consequence of these conditions is a lack of visibility The rate of contractor expenditures. This lack of visibility presents difficulties for the DOW Project Officer to ensure that authorized funds are not exceeded prior to satisfying the requirements.

The Contractor should be required to provide timely financial status reports which indicates the following information:

- . reporting period
- . authorized funding
- . cumulative expenditures
- . balance of funds
- . total expenditures during reporting period
- . identification of personnel who expended effort during the reporting period
- . effort expended by each assigned person during the reporting period
- . identification of other direct cost items (e.g. travel, materials, equipment rental, training, subcontracting, etc.)

#### 4.8 Contractor Invoicing and Voucher Certification

The contractor is required to submit a monthly voucher for each task order which specifies the costs incurred for direct labor, subcontractors, materials, travel and other direct costs. Several additional overhead costs plus fee are applied to the direct costs to determine the total cost for the invoicing period.

At this time, the direct labor costs cited in the voucher are not always broken down by labor category, nor are the other direct costs specifically identified. MIDSD has arranged to obtain additional detailed information which supports the summary costs listed in the contractor's voucher. This detailed information is provided to the DOW Project Officer as an aid to tracking of expenditures.

Contractor vouchers are submitted to the Financial Management Division (FMD) at EPA's Environmental Research Center located at Research Triangle Park, North Carolina. FMD's policy is to send a Certification Notice to the DOW Project Officer who signs the certification notice indicating that either (1) goods and services have been delivered or (2) sufficient progress has been made to warrant payment of the charges.

The Certification Notice is returned to FMD. If the DOW Project Officer experiences problems with the contractor's performance or deliverable, and believes that payment of the voucher should be suspended pending resolution of the problem or disallowed, he should notify the C.O. and request that FMD take specific remedial action.

Subsequent contractor vouchers are automatically paid by FMD without DOW Project Officer certification. This procedure is intended to expedite prompt payment to the contractor.

At the time payment is made, FMD sends a notice of that payment attached to the voucher to the DOW Project Officer. If the DOW Project Officer has experienced a problem, he should notify the C.O. as described above.

#### 4.9 Delivery and Acceptance

Throughout the execution of a task order, the contractor may be required to deliver interim reports on studies, surveys, system designs, and systems evaluation. Such reports should be initially delivered in draft form only for review and criticized by the DOW Project Officer and other concerned personnel. It is recommended that technical discussion be held to ensure the contractor is performing in accordance with the requirements, and written comments be presented to the contractor for incorporation into deliverable documents in preparation of final versions.

Section 8.11 of the Appendix provides detailed criteria for evaluating various types of deliverable documents such as feasibility studies, requirements analysis, and conceptual system design.

Upon completion of a task order, the DOW Project Officer should send a notice of task completion to the C.O. indicating that all services have been satisfactorily performed and that all deliverables have been made. A sample letter is available in Section 8.13 of the Appendix.

#### 4.10 Contract Transition

Whenever ADP support services contracts are recompeted, DOW Project Officers must prepare for the possible transition from one contractor to another. The amount of planning will depend on the nature of current and future ADP support services requirements.

EPA DOW project officers must prepare for a contract transition period commensurate with the nature of current and future contract support requirements. That is, if the current project is an on-going facilities management and operations support activity, project officers must develop plans for terminating the support received from the

incumbent contractor and for phasing-in the successor contractor. The guidelines presented in this document will identify and describe several actions which project officers must take to ensure a successful transition between contractors.

These requirements also apply to incomplete general programming and systems development projects which the project officer must transfer from the incumbent contractor to the successor contractor.

- (1) Long before the projected completion date of a development project or the start date of the phase-in period, the user must determine his/her exact needs for system and program documentation, user manuals and operating instructions. The user must then require the incumbent contractor to prepare detailed, complete and comprehensive documentation.
- (2) The user must conduct several technical reviews and project management review meetings with the incumbent contractor to obtain an accurate status report describing accomplishments to date, project status, unfinished or incomplete work or requirements. Users must obtain this status information for each system module, operating procedure, and support function.
- (3) Using the status information obtained above, the user must develop a detailed statement of requirements necessary to complete the projects. The incumbent contractor can contribute to this task. Facilities management operation support tasks will require development of complete operating instructions and other support procedures.
- (4) Project officers must develop a detailed staffing plan to show what resources are needed to support future requirements (i.e. to complete the project). This staffing plan should include all required labor classifications, quantity of persons per labor classification, skill and qualification requirements, functional responsibilities for each person, and project assignments and duties.
- (5) Project officers must develop system test plans and procedures, including suitable test data, to provide effective benchmarks for evaluating software products developed and delivered by the incumbent contractor. The test plans should specify the expected results (e.g. sample report layouts) and acceptance criteria and can be the basis for transferring responsibilities to the successor contractor. Project officers must initiate corrective action if required and repeat the test plan and procedures.

- (6) Frequent technical and progress briefing sessions for both contractors (together) are essential to effective transfer of knowledge between contractors. Suggested topics for these briefings include: requirements review, accomplishments and available staff, future action plans necessary for project completion and/or transfer to successor contractor, and an assesment of the transfer process.
- (7) Project officers must develop future action plans to identify specific tasks to be performed and related personnel assignments among incumbent and successor contractor personnel. For each task, project officers must identify specific contingency factors which may significantly affect performance. These factors may include review of deliverable products, technical briefings and design walk-throughs, accomplishments, computer resources and turn-around time, etc.

In summary, a successful phase-in of a new contractor is dependent on an accurate assessment of work completed and incomplete, available documentation and other information; retention of key incumbent personnel; and detailed work plans which delineate responsibilities between the user and contractor personnel. Although it is evident that the successor contractor will be eager to perform diligently the services required, we hope that professional pride among the incumbent personnel will ensure maximum effectiveness in the transfer of responsibilities and necessary technical information.

The individual DOW Project Officer will be the focal point for planning and supervising the contractor phase-in. However, do not hesitate to call the Contract Project Officer if you need support which may require the involvement of overall contract management. Also, keep the Contract Project Officer informed about progress in making the necessary transitions.

#### 4.11 Government-Furnished Training and Equipment

In the performance of his responsibilities the contractor is obligated to provide qualified, fully trained and experienced personnel, for assignment to task orders awarded by the C.O. Such qualification, training and experience must be related to ADP industry-common technologies, methods and hardware and software resources. The following is a non-exhaustive sample of areas in which such personnel must have the requisite background or that the contractor will provide training at its own expense:

- . FORTRAN, COBOL, PL1 programming languages
- . IBM 360, 370 and 3032 Computer system
- . UNIVAC 1100 Computer system

- . PDP-11/70 mini computer system
- . System 2000, IDMS and DMS-1100 data base management systems
- . Computer concepts

EPA will not pay for nor provide training in such industry common subjects. The contractor is expected to employ personnel with a broad range of skill and experience.

EPA will, however, provide training to contractor personnel in subjects which are required by active task orders and which are unique or infrequently utilized in the industry. Examples of such subjects would be INFORM -11, MARK IV data management systems, and Inquiry and Reporting System (IRS). Requirements to train contractor personnel at EPA expense shall be reviewed and approved by the DOW Project Officer.

#### Equipment and Software

Federal Procurement Regulations and EPA policies place stringent restrictions on the procurement and lease of ADP equipment and computer hardware systems. Accordingly, the ADP support service contract shall not be a mechanism used to circumvent the regulations and policies.

Occasionally, there may be a requirement for the contractor to lease low-speed or remote-job-entry terminals for use in remote off-site contractor-provided facilities. The leasing of such equipment must be required to support either a specific task order, or a pool of ADP support personnel assigned to multiple of task orders.

Such leases require the expressed approval of the DOW Project Officer and the Contract Project Officer. The leasing costs will be invoiced as other direct costs and either applied to a specific task order, or incorporated into an EPA approved support pool overhead.

The occurrence of equipment purchases shall be very rare, and shall require the expressed approval of the C.O. and MIDSD. Recovery of such expenditures if approved will be arranged on a case-by-case basis.

## 5.0 Delivery Order Contract Use and Administration

### 5.1 Participants

Section 4.0 provided a detailed description of the scope of task order contracts and the procedures for their use.

The use of delivery orders for acquiring support services provides a simplified and efficient mechanism, and avoids the formality of contract modifications when ordering support services.

The participants in this process include the Contracting Officer, the Contract Ordering Officer, the Delivery Order Project Officer and the Contractor's Program Manager, Assistant Program Manager and The Project Control Accountant. The Contract Ordering Officer may also be the Contract Project Officer. The duties of these participants are described in Section 4.1. The Contract Ordering Officer has the authority to issue delivery orders under the Contract, and receives contractor invoices and supporting documents for certification.

EPA's Financial Management Division at RTP is responsible for payment of certified invoices.

### 5.2 The Procurement Request and The Statement of Work

Section 4.2 provides a detailed description of the requirements for preparing the Procurement Request and the statement of work. This procedure is applicable to the delivery order.

### 5.3 Processing the Procurement Request/Issuing the Delivery Order

The completed Procurement Request is submitted to the Contract Ordering Officer at MIDSD. The Contract Ordering Officer and other appointed systems analysts will review the Statement of Work to determine completeness, technical accuracy and conformance with the contract, ADP procurement regulations and EPA ADP policies. MIDSD will notify the Delivery Order Project Officer of any problems and will provide technical assistance in the development of an adequate statement of work.

Upon clearance by MIDSD, the delivery order is then prepared and signed by the Contract Ordering Officer whereupon it is transmitted to the Procurement and Contracts Management Division for obligation of the cited funds and distribution of copies to the Contractor, FMD, the C.O., The D.O. Project Officer, and The Contract Ordering Officer.

The delivery order is a unilateral action by EPA; therefore,

the contractor does not respond with a technical and cost proposal. Upon receipt of the delivery order, the contractor is obligated to commence performance in accordance with the delivery order and the attached statement of work. However, the delivery order and statement of work does require the contractor to provide a project plan and staffing plan which demonstrate understanding of the requirement and an acceptable action plan and the assignment of staff with adequate qualifications and skills.

The delivery order will contain the following information as a minimum:

1. hours per labor category, rates and cost for direct technical support,
2. hours per labor category, rates and cost for program support comprised of program manager, assistant program manager, project control accountant. The cost for program support is based on a predetermined fixed percentage of total technical support labor cost;
3. prorated cost of program support travel,
4. other direct costs (non-labor) such as travel, supplies, training, equipment,
5. the period of performance,
6. name of the designated delivery order Project Officer.

- 5.4 Subcontracts and consultants. Subcontractor costs may be constrained by the contract labor classifications and established rates. However, their use requires approval of the Contracting Officer and a formal modification to the contract. The contractor must demonstrate the selection of a subcontractor is based on competition to a maximum practicable extent in view of the existing circumstances. Otherwise the C.O. may require the equivalent of a Justification For Non-competitive Procurement as described in Chapter 3 of the Contracts Management Manual.

The use of special consultants presents a few unique requirements. The contractor must indicate to the C.O. the basis of selecting a consultant, including statements concerning unique and specialized qualifications experience, the rates to be paid to the consultant and that those rates are comparable with other equally qualified consultants.

EPA Procurement Information Notice No. 80-41-1 specifies the policies and guidance pertaining to procurement of consulting services. (see Appendix 8.20).

#### 5.5 Contractor Progress and Financial Reports

The reporting requirements under delivery orders are the same as for task orders, as described in Section 4.7.



#### **5.6 Contractor Invoicing and Voucher Certification**

The contractor is required to submit a monthly voucher for each delivery order to the Contract Ordering Officer at MIDSD. This voucher will specify the hours expended for each contract labor category and corresponding costs based on established rates, other direct costs such as travel, supplies, equipment, and costs for subcontractors and consultants. The costs for subcontractors shall be reported at established labor categories and rates.

The Contractor shall also send a copy of the voucher to the Delivery Order Project Officer who will notify the Ordering Officer in writing either acceptance of the invoiced costs or a description of a problem to be resolved. The Ordering Officer will either certify the voucher or request FMD to suspend payment of specific charges pending resolution of the problems.

#### **5.7 Delivery and Acceptance**

The delivery and Acceptance Procedures described in Section 4.9 are applicable to delivery orders.

#### **5.8 Contract Transition**

In the event the support service contract is recompeted, the procedures described in Section 4.10 are applicable to delivery orders.

#### **5.9 Government-Furnished Training and Equipment**

The restrictions on Government-Furnished Training and Equipment described in Section 4.11 are applicable to delivery orders.

## 6.0 Managing The ADP System Development Contract

### 6.1 The System Development Cycle

The traditional system development cycle consists of the following phases:

- . Requirements Analysis
- . Feasibility study of alternative methods to satisfy the requirements
- . General and detailed design
- . Implementation and documentation
- . Installation and testing.

Section 2.1 has provided detailed description of each of these phases.

The contracts available through MIDSD provide the resources necessary to support any and all of the development phases. However, it is the responsibility of the EPA User of contract support services to be aware of the responsibilities shared by the contractor and the User. These responsibilities are manifested through communications between the parties about requirements, project status, accomplishments and potential problems, and through systems documentation.

Three major problems with systems development contracts are: incomplete communications, a lack of detailed planning of the work to be performed, and the lack of adequate skills and resources necessary to perform the work. During the requirements analysis phase, the User must clearly define the project objectives, identify the information resources available, identify the participating organizations and personnel and guide the contractor's efforts in terms of the established objectives.

The contractor is expected to effectively apply its resources, skill, experience and expertise to ensure quality performance and results, and to develop a successful strategy for executing the analysis.

The effectiveness of contract support will depend on the type of project to be supported, the quality and completeness of requirements definitions, and the integrity of project management methods applied. This section will discuss each of these factors and will identify several potential problems, related causes and suggested remedies.

### 6.2 Types of ADP Projects

The most significant factors which influence the nature and structure of contract support are the type project to be pursued, the types of ADP support services required, and the kind of product (end result) expected at the project

completion. Basically, there are two major types of projects:

1. One which is best supported through level-of-effort performance of specific services, and which usually applies to objectives which can only be described in general terms at the point of inception. In this type of project, the requirements can not be specifically defined, nor can the methods and resources required to satisfy them be quantified. Hence, preparing a definitive statement of work is very difficult, and EPA must provide flexibility for structuring the project and in executing the support functions. A common example of a project best handled on a level-of-effort basis is the initial "requirements review" following inception of the objectives. The project, therefore, is initiated to provide consultation with the user to assist him in defining the details of his requirements in a form suitable for use of ADP resources, and which details will subsequently serve as the basis for ADP systems design. In this case, the user and the project staff have the opportunity to consider alternative methods for achieving the stated objectives. Frequently, this is called a Feasibility Study (see Chapter 6, MIDSD ADP Manual) for additional guidelines and policies.
2. The second type of project is one which supports definitive requirements, such as the design and implementation of an ADP system to perform predefined functions, and which processes prescribed data. Mathematical models and other algorithms are usually clearly defined as part of the functional specifications. Support of this type of project can be planned in definite terms relative to staffing requirements, functional duties of project personnel, project milestones and schedules, and definitive cost projections which relate to specific end-products. Hence the corresponding statement of work can also be very definitive in terms of the requirements for project planning and controls, contractor proposals for staffing, a technical discussion of the methods and technologies to be used, and specific cost projections and schedules.

## 6.3 Project Management

### 6.3.1 Introduction

Project management is the most critical factor which affects the quality and effectiveness of contract support,

and is a shared responsibility between the contractor and the User. Both the contractor and the User must participate in each phase of the project management process: planning, monitoring and control. The required level of User participation in the project management process will depend on which party assumes the risks for contract support and the expected results, the amount of risk and potential for risk sharing.

In the development of application systems, the preferred type of contract is fixed-price, whereby the contractor assumes all of the risk. In this case, the User is not directly involved in the management process during the execution of the contract, but the contractor must exercise stringent project management. However, in the EPA environment, most requirements cannot be definitized in sufficient detail to warrant the use of fixed-price contracts. As a consequence, the cost reimbursement type contract is utilized, whereby EPA assumes all of the risks related to costs, quality and timeliness of delivery.

When a contractor responds to an EPA User's statement of requirements with cost, technical and staffing proposals, he is only providing an estimate of the resources necessary to satisfy the requirements, not a commitment to limit the costs to the proposed amount. The Contractor's responsibility is to provide the required skills and resources and to make the best effort to complete the work as proposed.

The tendency among many users of contract services is to provide very general statements of work, or remain aloof from the proceedings, or perform very superficial reviews of contractor performance, methodology and achievements. The user takes for granted that the communications about requirements have been effective and clearly understood. Frequently, there are no acceptance criteria on quality assurance factors applied to the final deliverables. Unfortunately, the end product may be delivered and determined to be unsatisfactory with the funds fully expended.

When this happens, What recourse does the User have? In reality, the user has very little recourse, since the contract was cost reimbursement. In many cases, the contract does not contain a quality assurance/warranty clause - an easy oversight. The User's investment at point of delivery is very high - the apparent cost to complete the project relatively low in comparison. Usually, the user will not choose to write-off his investment - he will pay the extra price to complete the project.

Here is where the major problem lies. The contractor's

estimates to complete the project are no more reliable than his original estimates. The same types of uncertainties probably exist in the last phase as in the previous phase.

The solution will be realized through application of discipline in planning, monitoring and control. At this stage, the most crucial requirement is the evaluation and assessment of work remaining to complete the project. An accurate assessment must be made of the accomplishments with relationship to requirements, and then to formulate realistic detailed action plans necessary to complete the work.

The major elements of effective project management are discipline, visibility, communications. EPA users must participate directly in each phase of a project (i.e. planning, monitoring and control). Active involvement of the user will contribute to more effective communications about requirements and greater visibility of contractor performance and accomplishments.

#### 6.3.2 Project Planning

A project plan and cost projection is only as good as the methods and information used in defining the elements of a system to be designed and implemented, the work functions to be performed by project staff personnel for each system element, and the care taken in estimating the time-dependent factors involved. The following narratives highlight the factors which may be included during the planning phase:

Given a system design specification document, or statement of functional requirements, develop a detailed breakdown of the work functions to be performed by each person; this work breakdown should be directly related to each system element contained in the design specification document, or each item listed in the statement of functional requirements. Figure 6.1 illustrates the work breakdown and estimated level of effort for each staff member.

Each work function and associated system component can be related to specific milestones which signifies completion of an activity and results in a tangible product (e.g. system design specification document, system test plan etc.) Specific milestones should be identified for future reference in project monitoring.

The projected level of effort for each item in the work breakdown should be estimated for each time period, taking into consideration total effort required for each item and the possible division of labor for each person

Figure 6.1 Work Breakdown Structure/Projected Staffing Plan

Person-Hours Per Time Period

Subsystem A

Systems Analysis (Specifications Doc)

SA

SP

40

40

40

1

1

Milestone

Program Design (Flow Charts)

SP

P

20

40

40

2

Program Implementation (Coding)

SP

P

20

30

20

20

20

3

Program Testing

SP

P

10

10

10

10

4

Program Documentation

SP

P

Repeat for each subsystem

System Testing

Devel. of System Test Plan & Spec.

SA

SP

40

40

40

40

20

7

Devel. of System Test Data

SP

10

10

10

8

System Integration & Testing

SA

SP

P

20

20

20

30

40

40

30

40

40

9

System Documentation

SA

SP

P

20

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**Table 6.1 Milestones**

- 1. Delivery of System Design Specifications**
- 2. Delivery of Program Flow Diagram**
- 3. Completion of Program Coding and Sytax Debugging**
- 4. Satisfactory Execution of Initial Program Stand Alone Tests**
- 5. Draft Copy of Preliminary Program Documentation**
- 6. Delivery of Program Documentation**
- 7. Delivery of a System Test Plan and Test Specifications**
- 8. Completion of System Test Data**
- 9. Completion of Satisfactory Execution of System Integration and Testing**
- 10. Draft Copy of System Documentation**
- 11. Delivery of Completed System Documentation**

assigned to the project.

The level of effort required for each item will depend on the skills, qualifications and experience of the personnel assigned; it is strongly advised that the person who is responsible for a work function and system component directly participate in the development of projected efforts.

In projecting efforts, the following factors should be considered:

- . time allowance for design and progress review meetings,
- . time allowance for meetings with the user for purposes of technical information exchange,
- . time allowances for independent reviews of project documents by the User; however, project personnel should attend to other project tasks in the interim,
- . time allowance for preparing progress reports,
- . travel time,
- . realistic number of computer passes required per program module for compilations, test runs, etc.,
- . a contingency factor to allow for computer system failures.

Cost projections for the task is simply the summation of the hours per labor classification and applying the contract labor rates.

### 6.3.3 Project Monitoring and Control

Although the tasks of preparing the detailed data for planning, reporting, system design and proposals can be very tedious and time consuming, project monitoring can also be very time consuming and exasperating. Three major issues directly impact the effectiveness of project monitoring from an EPA perspective:

1. timelessness of progress and financial reporting,
2. the degree to which the contractor's performance conforms to the approved project plan and statement of work,
3. changes in user requirements which may not be reflected in the most current statement of work.



The EPA User and Project Officer should be particularly concerned about the rates of progress and expenditures, the compliance with stated requirements, and the methods used by the contractor in executing the project. To effectively monitor the project, they need accurate, detailed information in a timely manner - monthly progress reports should be delivered within five working days after the end of the reporting period. Delays in obtaining and reviewing progress reports add to the confusion and ambiguity about actual status of the project. In fact, there are occurrences of a contractor either having a significant problem or performing a function erroneously during the time between the end of the report period and the delivery of the corresponding progress report. In many cases, these factors are justifiable reasons for modification to the statement of work and for allocation of additional funds; in others, they are not justifiable reasons. The issue here is the time required of the User, Project Officer and Contractor to resolve such problems equitably. Hence, timely reporting with attendant visibility through accurate detailed information provides effective monitoring and control, and minimizes the occurrence and impact of problem areas (including misunderstandings).

The degree to which the contractor's performance conforms to the project plan and statement of work determines the reliability of cost projections and schedules. Certainly, personnel at every management level have had the unpleasant experiences of justifying the need for additional personnel and financial resources and extensions in delivery schedules.

Improper planning frequently cause difficulties in achieving cost scheduling objectives. Also, unanticipated technical and operational problems, and uncontrollable circumstances can frequently create havoc with project achievements. In many cases, management can deal with these issues and problems effectively. However, if the contractor does not perform the required functions according to the established plan and in conformance with the requirements of the statement work, the project is out of control. The only effective methods for handling this situation are: first, recognize it, get all the facts on project status and expenditures, then develop a completely new plan - then, execute measures which ensure that the plan is followed.

Although the User has the prerogative to alter his/her requirements, care should be exercised to ensure that the new requirements are reflected in a revised statement of work, and a revised project plan, staffing and cost projection. If these conditions are not satisfied, and if the contractor responds and satisfies the new

requirements, the project is out of control. Again, the original projections of costs and schedules are meaningless. It is therefore advisable to spend the time reviewing the new requirements with respect to the current project status and alternate methods for achieving them.

In addition to the above methods for project monitoring and control, it is advisable to review projects in as much detail as possible, particularly referring to interim milestones. If the project plan was sufficiently detailed and included a work breakdown and scheduled milestones, it is hoped that the plus and minus errors in estimating each element in the project plan would offset each other within the scope of the total project. However, if the first milestone is missed or required labor effort is in excess of the original estimate, it is strongly recommended to conduct a detailed review of all other milestones and intermediate projections. It may be possible that revisions in schedules, staffing and costs are required based on a complete reevaluation of the project plan and attendant estimates. In his book, "The Mythical Man Month", Frederick P. Brooks stated that three weeks before expected delivery, the magnitude of the underestimate becomes apparent.

## **7.0 Reference Documents**

- 7.1 Federal Procurement Regulation, 41 CFR, Chapters 1 and 2**
- 7.2 Federal Property Management Regulations, 41 CFR, Chapter 101**
- 7.3 EPA ADP Manual**
- 7.4 EPA ADP Documentation Standards**
- 7.5 EPA Contracts Management Manual**
- 7.6 EPA Project Officers Guide**
- 7.7 Guidelines For Preparing and Evaluating Feasibility Studies**
- 7.8 Guidelines For Preparing Minicomputer Feasibility Studies**
- 7.9 Guidelines For Minicomputer Operations**
- 7.10 Contract Planning and Procurement Request Approval Requirements (EPA Procurment Information Notice 92-09).**

## 8.0 Appendix

## 8.1 Glossary of Commonly Used Terms

Assistant Program Manager (APM) - a member of the contractor's management team.

Agency Procurement Request (APR) - a formal request to the General Services Administration for authority to procure ADP services, hardware and systems.

Basic Agreement (BA) - an agreement between EPA and a contractor to provide services and systems as ordered.

Basic Ordering Agreement (BOA) - an agreement between EPA and a contractor to provide predefined services and systems.

Cost Advisory Board (CAB) - a section of EPA's Procurement and Contracts Management Division which performs analysis of cost proposals and commercial accounting practices.

Commerce Business Daily (CBD) - a publication of the Dept. of Commerce which announces all procurement action and publishes synopses of Agency requirements.

Contracting Officer (CO) - the EPA official designated as the only person who is authorized to enter into contracts and agreements between EPA and Commercial firms.

Contract Ordering Officer - an EPA official designated to have authority to order contract services and to obligate EPA funds accordingly.

Cost Plus Award Fee (CPAF) - a type of contract which pays all allowable and allocable costs and establishes a base fee and an award fee based on contractor's performance, unilaterally determined by EPA.

Cost Plus Fixed Fee (CPFF) - a type of contract which pays all allowable and allocable costs and a fixed fee.

Cost Plus Incentive Fee (CPIF) - a type of contract which pays all allowable and allocable costs and establishes a fee based on a predefined formula which relates to the contractor's performance and achievements.

Code of Federal Regulations (CFR) - a published codification of general and permanent rules developed by Federal agencies pursuant to congressional legislation.

Delivery Order (D.O.) - an order for services placed under a time and materials or labor hours contract.

Directive of Work (D.O.W.) - a order for services placed under a cost reimbursement contract.

Definitive Task Order (D.T.O.) - similar to the D.O.W. except that the fee is negotiated after requirements and the contractor's costs are definitized.

Firm Fixed Price (FFP) - a type of contract which establishes a total fixed price inclusive of fee.

Firm Fixed Price With Economic Price Adjustment (FFP/EPA) a firm fixed price contract which allows future price adjustments based on predefined contingency factors.

Federal Property Management Regulations (FPMR) - as promulgated by the General Services Administration, specific regulations governing the procurement of all ADP supplies, services, software systems and equipment (i.e. chapter 101 of the CFR, Title 41).

Federal Procurement Regulations (FPR) - specific procurement regulations published in the CFR, Title 41, chapters 1 to 49.

Federal Software Exchange Program (FSEP) - a program managed by the General Services Administration to promote the exchange of software among Federal agencies.

Delegation of Procurement Authority (DPA) - authority granted by the General Services Administration to Federal agencies for procurement of ADP services, hardware and software.

Defense Contract Auditing Agency (DCAA) - an Agency within the Department of Defense which performs audits of contractor cost proposals and accounting practices and active contract expenditures. DCAA provides these services to several Federal agencies continuously.

Direct Labor (D/L) - salary and hourly costs incurred by the contractor for labor which is directly applied to the contract.

Federal Information Processing Standards (FIPS) - ADP standards developed by the Department of Commerce.

Financial Management Division (FMD) - EPA finance and accounting organization.

General Accounting Office (GAO) - a Congressional organization with authority to examine and approve/disapprove expenditures of Federal agencies.

General and Administrative Expense (G&A) - an expense incurred by the contractor related to corporate-level management and marketing.

Government Furnished Equipment (GFE) - equipment furnished by EPA to the contractor during the performance under the contract. Also, materials and property may be required by the contractor.

Invitation For Bid (IFB) - a solicitation by EPA, announced in The Commerce Business Daily, for cost proposals for the manufacture or development of specific products.

Justification For Non-Competitive Procurement (JNCP) - as prescribed in Chapter 3 of the Contracts Management Manual, specific justification narrative to support a sole source procurement.

Other Direct Costs (O.D.C.) - costs incurred by the contractor other than direct labor and overhead.

Overhead (O/H) - support costs incurred by the contractor which are indirectly related to the contract.

Labor/Hour (L/H) - a type of contract which provides labor at fixed hourly rates.

Level of Effort (LOE) - a predefined quantity of labor services for a specific period of time.

Project Control Accountant (PCA) - the contractor's accountant which records and reports labor and financial resource expenditures incurred during contract performance.

Period of Performance - authorized time period for contractor's performance.

Project Officer (P.O.) - EPA's official who represents the Contracting Officer in providing technical direction to the contractor.

Program Manager (PM) - the Senior member of the contractor's management team.

Procurement and Contracts Management Division (PCMD) - EPA's organization for procurement of services, hardware and software.

Procurement Information Notice (PIN) - usually a temporary directive or policy issued by PCMD governing procurement actions.

Procurement Request (PR) - EPA Form 1900-8 is used to describe required services and products, and to cite the funding sources and management approvals.

Procurement Request Rational - the 12-point document which provides information and clearances about program requirements in support of the Procurement Request.

Request For Proposal (RFP) - EPA's formal solicitation of technical and cost proposals to provide services or products as described.

Request For Quotation (RFQ) - EPA's formal solicitation of non-binding price quotations for services and products.

Source Evaluation Board (SEB) - appointed by the Director of PCMD, this board evaluates recommendations of technical and cost evaluation panels concerning prospective offerors of services and products in response to IFB's and RFP's.

Statement of Work (S.O.W.) - a statement of the program's technical and functional requirements for contract support services or products.

Source Selection Official (S.S.O.) - usually the Director of PCMD, appointed by the EPA Administrator, with authority to select the winning offeror for contract award.

Time and Materials (T/M) - a type of contract which provides labor at fixed rates and materials at cost plus G&A.

Technical Evaluation Panel (TEP) - a panel of personnel assigned to review and evaluate technical proposals in response to RFP's.

Teleprocessing Service Program - a program through which GSA provides teleprocessing services to Federal agencies.

Termination For Convenience - a contract clause which provides an option to EPA to cancel a contract in whole or part.

Termination For Default - a contract clause which provides EPA a procedure for terminating the contract due to contractor's failure to perform the required services or the deliver the required products.



## **8.2 Procurement Request Rationale (i.e 12 Point Document)**

- 1. Title of Project**
- 2. Estimated Period of Performance**
- 3. DOW Project Officer**
- 4. Background**
- 5. Purpose of Contract**
- 6. Procurement Abstract**
- 7. Statement of Work**
- 8. Proposed Budget**
- 9. Reporting Requirements**
- 10. Clearances**
- 11. List of Recommended Sources**
- 12. Evaluation Criteria - for Competitive Procurement**

### 8.3 Check List For Review of Procurement Requests

A complete and accurate Procurement Request will facilitate efficient and timely processing, and early award of a contract or modification. The following items should be included in the Procurement Request:

- . Procurement Request Rationale (see Section 8.2)
  - Name of Project Officer
  - Period of Performance
  - Statement of Work
  - Proposed Budget (if incrementally funded, state total budget and available funds)
  - Proposed vendor and contract number
  - other information and required
- . EPA Form 1900-8
  - Name of originator and project manager (e.g DOW Project Officer)
  - Name of Vendor with Contract No.
  - Appropriation No.
  - Account No.
  - Document Control No.
  - Object Class Code (see Section 8.7 for ADP Object Class Codes)
  - Funds Committed
  - Indicate total budget
  - Authorization Signatures
- . Justification For Non-Competitive Procurement (JNCP) may be required when not using an existing ADP support services contract.

#### 8.4 Statement of Work Check List

Background  
Period of performance  
Deliverables  
Milestones  
DOW Project Officer  
Funding Citations and Approvals  
Scope of work, technical requirements  
Services required  
Staffing requirements with qualification statement  
Acceptance criteria  
Reporting: progress and financial  
Technical and progress reviews  
Document reviews and comments by EPA  
Contingency factors  
Project objectives  
Program functions to be supported  
Description and assessment of experience with methods,  
procedures and resources formally or currently used.  
Statement of a problem  
Target computer facility/system  
Place of performance

## 8.5 Sample Statement of Work

### Subtasks

The scope of work to be accomplished under this task consists primarily of software maintenance. This may involve an analysis of a proposed modification to be made to an existing program, a redesign phase, a program modification phase, and the implementation of the modified program into a multiple systems environment. These services shall be provided for the hardware and software available to MVEL including:

- a. SEL 32/55 - Real-Time Computer System;
- b. AMDAHL 460/V8 - Michigan Terminal System;
- c. IBM 370/168 - National Computer Center
- d. UNIVAC 1100 - National Computer Center

Each activity to be performed by the contractor shall be identified as a separate subtask; there will be both long term, and short term (one-time) subtasks. Subtasks shall primarily involve FORTAN IV programming, but may also involve such work as:

- a. Documentation of new and existing programs.
- b. Data base modification and creation using EPA approved Data Base Management systems available on the computer hardware systems mentioned above.
- c. Analysis of proposed modifications to existing and new systems.
- d. Existing program conversion and revision.

### Deliverables

Deliverable items for this task are:

- a. Program modification analysis reports.
- b. Operational computer programs.
- c. Documentation in accordance with the EPA national documentation standards as implemented by the Data and Systems Staff (DSS).
- d. Completed computer runs produced by operational systems.
- e. Updated data bases.

### Acceptance Procedures for Deliverables

Output shall be reviewed by the EPA Project Officer or designee in the MVEL user community, and shall be accepted when determined to be complete and accurate. Systems shall be turned over for final inspection after an operational period of 30 days during which no problems arise due to contractor developed modifications.

## Contractor - Project Officer Interaction

The contractor shall provide these services with minimal EPA supervision or direction other than training. The contractor shall be provided with an ongoing appraisal of planned activities to be performed. Each activity will be considered as a separate subtask with an associated priority and requested date of delivery.

All subtasks will be given to the contractor by the EPA Project Officer. The contractor may or may not receive detailed design specifications for the proposed software modifications on each subtask issued by the Project Officer. If the EPA subtask requestor already has detailed specifications of the work to be performed, they will be included in the subtask request. If the requestor needs contractor consultation to develop the specifications, the subtask request will be general in nature and ask for consultation services. In the latter case, the contractor will develop and document the detailed specification through the use of the subtask plan and the system specifications documentation. The Project Officer must individually approve the subtask plan and the redesign development associated with each subtask before the contractor can proceed with additional work.

## Resources to be Provided by the EPA

EPA will provide office space including office furniture in the MVEL facility located at 2565 Plymouth Road, Ann Arbor, Michigan. The contractor will have access to the necessary computer systems and the manuals/documents necessary for work under this task.

## Place of Performance

All work will be performed at the MVEL facility.

## Schedule

The contractor shall provide these services for the duration of this task order on an eight (8) hours per day - five (5) days per week basis, excluding Federal holidays and normal sick and annual leave for contractor personnel. Request for overtime pay must have prior approval of the EPA Project Officer.

## Estimate of Staffing

2080 hours of the 'Systems Analyst' skill level is required. In order to effectively perform in the MVEL environment, the Analysts should have the following background:

- Two years minimum experience programmer/analyst.  
Strong experience with multiple input-output files  
in a production applications programming  
environment
- FORTRAN experience
- Some assembly language experience desirable
- Timesharing system experience

## **8.6      Sample Delivery Order**

MARK ALL PACKAGES AND PAPERS WITH CONTRACT AND/OR ORDER NUMBERS

1. DATE OF ORDER <b>5/26/81</b>	2. CONTRACT NO. (if any) <b>68-01-6363</b>	3. ORDER NO. <b>6363-11</b>	PAGE 1 OF <b>2</b>
4. ISSUING OFFICE <b>Environmental Protection Agency, Management Information and Data Systems Division (PM-218), Washington, D.C. 20460</b>			
5. ACCOUNTING AND APPROPRIATION DATA			

See Page 2 Totals \$108,300.00 ST. DIST. CITY CITY.  
**51 010 27200 610**

6. SHIP TO (Consignee and Address, ZIP Code) <b>Richard Laska EPA (RD-674) Washington, D.C. 20460</b>	VIA
7. TO: CONTRACTOR (Name, Address, ZIP Code) <b>COMPUTER SCIENCES CORPORATION Applied Technology Division 6565 Arlington Blvd. Falls Church, Virginia 22046</b>	8. TYPE OF ORDER <input type="checkbox"/> (a) Purchase Reference your _____  Please furnish the following on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated. This purchase is negotiated under authority of _____  <input type="checkbox"/> Delivery Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract

9. REQUISITION OFFICE <b>Wash., D.C.</b>	10. REQUISITION NO./PURCHASE AUTHORITY <b>WA 81 D 348</b>
11. F.O.B. POINT <b>Wash., D.C.</b>	12. GOVERNMENT B/L NO. _____
13. DELIVERY TO F.O.B. POINT ON OR BEFORE <b>May 22, 1981</b>	14. DISCOUNT TERMS _____

15. SCHEDULE						
Item No. (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Unit Price (e)	Amount (f)	Quantity Accepted (g)
1.	General ADP Programming Services as per attached Statement of Work. (Complement to 6360-41). The effort shall be accomplished with the following categories and established hours of labor:					
	Task 1: Technical Project Leader	350	Hrs	24.53	8585.00	
	Programmer/Analyst	1000	Hrs	21.15	21150.00	
	Senior Programmer	800	Hrs	18.09	14472.00	
	Task 2: Technical Project Leader	500	Hrs	24.53	12265.00	
	Programmer/Analyst	900	Hrs	21.15	19035.00	
	Senior Programmer	1000	Hrs	18.09	18090.00	
	Item 1. Total				93597.50	

16. CLASSIFICATION: <input type="checkbox"/> SMALL BUSINESS <input checked="" type="checkbox"/> OTHER THAN SMALL BUSINESS <input type="checkbox"/> MINORITY BUSINESS ENTERPRISE	15 (h) Total from continuation pages
17. SHIPPING POINT	18. GROSS SHIPPING WEIGHT
19. INVOICE NO.	14702.50
20. MAIL INVOICE TO (Include ZIP Code) EPA, Div. of Financial Mgt. (MD-32), Research Triangle Park, N.C. 27711	108300.00
21. UNITED STATES OF AMERICA BY (Signature) <b>John J. Hart</b> <b>5/26/81</b>	22. NAME (Typed) <b>John J. Hart</b> TITLE CONTRACTING/ORDERING OFFICER

ORDER FOR SUPPLIES OR SERVICES

147-107

STANDARD FORM 147 (REV 2-77)  
Prescribed by GSA, FPR (41 CFR) 1-3.605



## ORDER FOR SUPPLIES OR SERVICES

MARK ALL PACKAGES AND PAPERS WITH ORDER AND OR  
CONTRACT NUMBERS

PAGE NO

2

## SCHEDULE-CONTINUATION

DATE OF ORDER

CONTRACT NO (if any)

ORDER NO

68-01-6363

6363-11

ITEM NO	SUPPLIES OR SERVICES	QUANTITY ORDERED	UNIT	UNIT PRICE	AMOUNT	QUANTITY ACCEPTED
2.	Program Support for this task will require these following categories and established hours and rates:					
	Assistant Program Manager	200	HRS	27.65	5530.00	
	Project Control Accountant	180	HRS	17.27	3108.60	
3.	Travel and per diem and supplies associated with program support, but not to exceed the amount of \$1376.33.				1376.33	
4.	This effort will require travel and per diem, training, and miscellaneous, as approved in advance by the EPA Delivery Order Project Officer, not to exceed \$4687.57.				4687.57	
5.	Other Direct Costs in the following estimated amounts shall be required and billed at costs: NONE				0.00	
Block 5 ACCOUNTING AND APPROPRIATION DATA:						
C-1 681 0200 L05001 1ABK265101 25.22 (22)				\$26,900.00		
C-1 681 0200 L06001 1ABU265101 25.22 (22)				24,000.00		
C-1 681 0200 L09001 1ACQ265101 25.22 (22)				36,200.00		
C-1 681 0200 L04002 1ABD265101 25.22 (22)				7,900.00		
C-1 681 0200 L00002 1CAE265103 25.22 (22)				13,300.00		
T O T A L S				\$108,300.00		
The period of performance shall be date of issue to Sept. 30, 1981.						
The Project Officer for this Delivery Order No. 6363-11 is:						
Richard Laska						
EPA						
(RD-674)						
Washington, D. C. 20460						
Invoices shall be sent to the Project Officer for this contract, John J. Hart.						
TOTAL CARRIED FORWARD TO 1ST PAGE					14702.50	

## 8.7 ADP Object Classes

### Rental of ADP

- 23.02 ADP Software Packages
- 23.03 Computer and ADP Equipment Rentals
- 23.04 ADP Data Phone Rentals

### Other Contractual Services

- 25.18 Computer Facilities and Services
- 25.20 ADP Operational Support Services
- 25.21 Maintenance of Data Processing Equipment
- 25.22 ADP Planning Studies
- 25.23 ADP Information Systems Studies

### Supplies

- 26.04 Data Processing Supplies

### Purchasing of ADP

- 31.12 Data Processing Equipment
- 31.13 Peripheral Data Processing Equipment

## **8.8      Sample Technical Proposal Instructions**

## TECHNICAL PROPOSAL INSTRUCTIONS:

1. This information will facilitate evaluation of each offeror's proposal. Offerors are advised to supply all information in the sequence and format specified below. Failure to furnish all information requested may result in disqualification. The offeror must submit a proposal and supporting data comprehensive enough to provide a thorough basis for supporting technical evaluation by EPA. The information provided should be precise, factual and responsive. Proposal content must include, but is not limited to, the following items of information. Statement and responses to questions must follow the order indicated below:
  - a. Company and Location (Include sub-contractors, and consultants, if any.)
    - (1) Name of Company.
    - (2) Address of Company headquarters and branch offices.
    - (3) List ADP/telecommunication support equipment that is available for and applicable to the performance of this requirement located on company premises by make and model.
    - (4) If no equipment on premises, list any facilities or equipment which will be available for your use in the performance of Funded Work Assignments resulting from contract award.
  - b. Technical Approach
    - (1) Provide a fully supported narrative showing your understanding of this EPA requirement from a technical perspective, including an understanding of information processing within EPA, and of ADP planning functions and methods. (A mere restatement of information contained in this solicitation will not be considered to reflect an understanding of this requirement.)
    - (2) Describe your overall Technical Approach and present a clear explanation of specifically how you plan to provide for the technical aspects of the required service. Submission of practical, yet refined, methods which will offer EPA substantial operating cost benefits while insuring technical quality will be given significant consideration in the evaluation of proposals. Provide sketches,

drawings, charts, etc., as you deem appropriate.

(3) If you recognize interrelated tasks or phases, you should prepare a separate section which shows such relationship.

(4) Indicate the technical problems that are expected to be encountered and described the methods proposed to solve them.

c. Management Approach

(1) Provide a fully supported narrative showing your understanding of this EPA requirement from a managerial perspective. (A mere restatement of information contained in this solicitation will not be considered to reflect an understanding of this requirement.)

(2) Prepare a Management Plan that addresses as a minimum the following topics:

- (a) delivery orders review
- (b) development of project plans
- (c) labor skill mix determination
- (d) monitoring and control of service provided: technical quality, responsiveness, cost control, effective and efficient resource utilization, compliance with technical requirements, and contract provisions. Clearly show proposed information flow, proposed systems for cost monitoring and control, proposed systems for quality control; proposed systems for management control and contract provision compliance.
- (e) suggestions as to how the deliverables requirements, expressed or implied in the Statement of Work, can be most effectively produced to attain EPA objectives.
- (f) proposed approach to assure quality control of work performed.

(3) Indicate any anticipated managerial problems and describe the methods you proposed to solve them.

(4) Indicate how personnel assigned to this effort will be organized and how they relate to the performance of this requirement at both management and technical levels.

(5) Indicate the proposed working relationships between Offeror personnel and the EPA Contract

Project Officer and EPA DO Project Officers.

(6) Indicate how your proposed approach would assure user satisfaction with the products of this contract.

(7) Indicate how you will provide for the security of sensitive information.

(8) Provide a summary of basic company personnel administration policies as they relate to leave practices, overtime or premium pay, normal work hours, career development training, assignment rotation, performance evaluation, and any incentive or motivational arrangements.

d. Project Managers

(1) Indicate the names of key management personnel who will be assigned and committed to this contract. Indicate their functions on this contract.

(2) Provide the resumes of each employee with managerial responsibilities who will be assigned to this contract. Include the following items in the resumes:

(a) Company Position Title/Proposed Contract Position Title

(b) Name

(c) Number of years experience in ADP field

(d) Full-time, part-time or subcontract employee

(e) Length of time with Company

(f) Education. Indicate degrees awarded, dates, major subjects

(g) Indicate the extent of managerial experience directly applicable to the requirements of this solicitation:

(1) Information management projects including planning, requirement analyses, feasibility studies and systems evaluations.

(2) Business and scientific application systems development experience.

(3) Computer programming and operating system experience (indicate languages and systems types relevant to EPA, such as FORTRAN, COBOL, etc.

(4) Telecommunications or data communications hardware experience (indicate equipment types(s) and extent of experience).

(5) Data Base Management Systems experience, in particular IDMS, DMS-1100, S2K

(3) Indicate the proposed level, stature and capabilities of project managers. The offerors project management should have experience managing services of this comparable type and complexity within the past five (5) years. The placement of these project managers in the offeror's corporate organization should insure: (a) the availability of qualified personnel resources that will produce high quality products and services; (b) adequate attention of upper level corporate management.

(4) Indicate the relationship of the project organization to the organization of the firm.

(5) Indicate the extent of involvement of other individuals or organizational elements of the firm e.g., top management, specialized consultants, subcontractors, and support groups; stating the type of activity each would be called upon to perform and approximate percent of time for each.

e. Professional Staff Qualifications

(1) Provide the names and resumes of key employees who will be assigned to this contract. Include the following items in the resumes:

(a) Company Position Title/Proposed Contract Position Title

(b) Number of years experience in ADP field

(c) Full-time, part-time or subcontract

(d) Length of time with Company

(e) Education. Indicate degrees awarded, dates major subjects

(f) Indicate the extent or experience directly

applicable to the his requirement;

(1) information management projects including planning, requirements analyses, feasibility studies and systems evaluation.

(2) Business and scientific application systems development experience (or and extent of experience).

(3) Computer programming and on operating system experience (indicate languages and system types relevant to EPA such as FORTAN, COBOL, etc.

(4) Telecommunications or data communications hardware experience (indicate equipment types(s) and extent of experience).

(5) Data Base Management Systems experience, in particular IDMS, DMS-1100, S2K

(2) Discuss the proposed professional staff's turnover rates and average length of company service for all categories of personnel. Provide a statement of your firm's ability to retain proposed professionals on this work effort.

(3) Discuss your methods of obtaining additional individuals to augment the proposed staff, if needed by increased EPA requirements.

(4) Indicate whether all personnel proposed for work under this RFP are currently employed by the offeror or by a subcontractor, and whether they would be definitely committed to this project if an, award was made or are only representative or available staff.

(f) Corporate Experience and Capacity

(1) List and describe projects performed or being performed for both Federal and non-Federal agencies and commercial clients that are directly related to this requirement.

(2) Indicate date of work, level of effort involved, names address, and telephone numbers of references regarding above projects. These references will be contacted and their responses will be incorporated into the evaluation of



corporate experience.

(3) Indicate whether recommendations or systems developed were subsequently implemented by the client and whether they are now in an operational status.

(4) Provide information regarding any possible commitments including key personnel which might conflict with the timely performance of this requirement.

(5) Supply a statement as to the priority your firm would place upon this work effort as compared to other commitments now extant or reasonably to be expected during the estimated contract period of performance.

(6) Include with your proposal one copy of the following three (3) separate deliverable items that you have developed for a previous effort which is most representative of the type of deliverable required by this solicitation:

- information management requirements analysis and determination,
- feasibility study of ADP-related alternative approaches,
- general and detailed design document and functional description.

(7) For each such documentation item submitted, indicate the planned and actual time and cost schedules for their preparation. In the case of actual costs higher than planned, or more time than planned for their production, provide a narrative explanation.

(8) Indicate experience, if any, with Work Assignment/Directive of Work/Task Order types of contracts.

(9) Indicate total employment of the firm by major skill category.

**EVALUATION PURPOSES  
WORK ASSIGNMENT TECHNICAL PROPOSAL**

Prepare a technical proposal responding to the Evaluation Purposes Work Assignment. Your technical response to the Evaluation Purposes Work Assignments will be a part of your Technical Proposal.

Your technical approach should incorporate the following:

- a. Understanding of Work Assignment. Offeror's statement and discussion of requirements that reflects both a managerial and technical understanding of the Work Assignment. Discuss any assumptions arising from, interpretations of, qualifications to, limitations upon, deviations from, or exceptions to the Evaluation Purposes Statement of Work requirements.
- b. Work Plan. A thorough outline and description of services to be provided, milestones to be met, and items to be delivered, quality control mechanisms, and procedures. Description of the offeror's technical approach and a statement to which the offeror's technical approach can be expected to meet or exceed Work Assignment requirements and specifications. A differentiation shall be made among areas of assured compliance with requirements, possible but not assured compliance with requirements. If, in the opinion of the offeror, a requirement or specification of the Work Assignment cannot be satisfied, the offeror shall so state, and shall indicate the reasons for the statement, and may also suggest or recommend an alternative or comprise approach for consideration.
- c. Project Personnel. Presentation of all personnel who would be assigned for performance of the Evaluation Purposes Work Assignment, including those who are directly or indirectly responsible managerially, technically and administratively. Special mention shall be made of key personnel and the approximate percentage of the total time each will be available for this Work Assignment. Names of individuals proposed shall be coupled with their respective project assignments or labor categories. Include resumes which will indicate recent related experience and specific technical or professional accomplishments. Specify the assigned functional responsibilities assigned to each personnel proposed for the evaluation purposes work assignments.

## **8.9     Sample Technical Proposal Evaluation Criteria**

## Evaluation Criteria

### I. Notice to Offerors

A. Any contract(s) resulting from this solicitation will be awarded to that responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. Selection of an offer for negotiation and award shall be accomplished in accordance with FPR 1-3.805 and the EPA Source Evaluation and Selection Procedures (available upon request). Significant features of the EPA procedures are:

1. Proposals will be evaluated and scored based upon the offerors response to the solicitation. Evaluation and scoring will be conducted in accordance with the evaluation criteria set forth in the solicitation. Proposal evaluation will consider responsiveness of the offer to solicitation technical objectives and the such other factors as may be included in the evaluation criteria.
2. The offeror's price and other factors which are contained in the solicitation will be evaluated. Neither price nor other factors, unless specifically identified and assigned weights in the evaluation criteria, will be point scored.
3. The competitive range will be determined based upon the scoring of the technical proposal, the evaluation of price and the consideration of other factors. Discussions, either written or oral, will be conducted when two or more offerors are determined to be within the competitive range (See FPR 1-3.805-1(1) through (5) for exception to the rule regarding discussions). The purpose of discussions is to clarify or to substantiate uncertainties in the solicitation or proposal. However, discussions shall not involve identification of proposal deficiencies. At the conclusion of discussions, offerors will be allowed to submit revisions to their proposal; such revisions to be received by a time and date specified.
4. Upon receipt, the revised proposal will be re-evaluated and scored in accordance with the solicitation evaluation criteria, and other factors, which are a prerequisite for award or which may influence the award decision, will be considered. Thereafter, a source(s) is selected for final negotiations. Deficiencies in the proposal shall be discussed and resolved, and the award made.

B. Evaluation of offers shall follow the evaluation criteria set forth herein.

EPA primarily seeks technical excellence in its acquisition programs. Accordingly, unless price or cost is set forth in the evaluation criteria as a factor to be evaluated and scored, price or cost is secondary to technical quality.

C. Technical evaluation of offers shall follow the evaluation criteria set forth below.

D. In addition to the evaluation of the technical merit and the price or cost, consideration will be given to other factors concerning assessment of an offeror's responsibility and which are prerequisites for award. Also, appropriate consideration of the degree of compliance or the relative strengths and weaknesses of such other factors can influence the evaluation of offers. Consideration of other factors are specifically expressed in the evaluation criteria for scoring purposes or, whether they are implied by law, regulation of the public policy, may determine the offerors acceptability.

E. Option years will be evaluated both technically and for cost.

II. Technical evaluation of the offeror's technical proposal will encompass both the evaluation of the offeror's proposal for providing the required services and the offeror's response to the Evaluation Purposes Work Assignment.

A. Technical Approach

Total points  
(30)

1. Demonstrated understanding of this requirement from a technical perspective (A mere restatement of information contained elsewhere in this solicitation will not be considered to reflect an understanding of this requirements.)

8

2. Soundness of overall Technical Approach and explanation of specifically how the offeror plans to provide for technical aspects of the required service. (Submission of practical, yet refined methods which will offer EPA substantial operating cost benefits while insuring technical quality will be given higher consideration in the evaluation of proposals.)

15

3. Type and degree of insight of technical problems expected to be encountered and the originality and validity of their solution.

7

B. Management Approach

Total points  
(30)

1. Demonstrated understanding of this requirement from a managerial perspective (A mere restatement of information contained elsewhere in this solicitation will not be considered to reflect an understanding of this requirement). Soundness of Management Plan addressing the topics set forth in the Technical Proposal Instructions. 8
2. Type of degree of insight of managerial problems expected to be encountered and the originality and validity of their solution. 7
3. Availability of sufficient and qualified management resources (either in-house or by subcontracting support), including how such personnel assigned to this effort will be organized and how they relate to the performance of this requirement at both management and technical levels. Also, indicate the proposed working relationships between offeror personnel and the EPA Contract Project Officer and EPA Work Assignment Project Officers. 15

C. Project Managers Total Points  
(30)

Availability of qualified project managers with demonstrated experience in supervising services similar to those set forth in this requirements, and with experience in systems, software, and hardware used by EPA.

30

D. Key Professional Staff Qualifications Total Points  
(50)

Demonstrated directly applicable experience of key personnel proposed in information system management planning studies, feasibility studies and system evaluation (business and scientific applications development experience, computer programming and operating system experience, tele-communications or data communications experience), using data base and distributed hardware systems such as those used in EPA.

50

E. Corporate Experience and Capacity Total Points  
(20)

1. Demonstrated corporate experience whose

technical content, magnitude and complexity is similar to the requirements of this solicitation.

5

2. Technical content and presentation format of the three (3) representative deliverable items.

10

3. Demonstrated Corporate experience successfully supporting similar requirements for the Federal Government, using Work Assignments Directive of Work/Task Order types of contracts.

5

F. Evaluation Purposes Work Assignment

Total Points  
(40)

1. Degree of understanding of Evaluation Purposes Work Assignment requirements (and assumptions, interpretations, qualifications, limitations, deviations, or exceptions).

10

2. Comprehensiveness, degree of insight and thoroughness of the technical approach and work plan to fulfill the requirements set forth in the appropriate Evaluation Purposes Work Assignment.

10

4. Appropriateness and qualifications of project personnel who would be directly or indirectly assigned for the performance of the Evaluation Purposes Work Assignment.

20

Total Solicitation points  
200

## 8.10 Sample Technical Evaluation Work Sheet



# Technical Evaluator's Work Sheet

Evaluator: \_\_\_\_\_  
 Score = Weight x Value  
 Value Range = 1 - 5

Name of Offeror: \_\_\_\_\_

RFP: WA80 - D024 Date: \_\_\_\_\_

	Weight	Value	Score	Comments
<hr/>				
<b>A. <u>Technical Approach</u></b>	<b>Total Points</b>			
	<b>(30)</b>			
1. Soundness of overall Technical Approach and explanation of specifically how the offeror plans to provide for technical aspects of the required service. (Submission of practical, yet refined methods which will offer EPA substantial operating cost benefits while insuring technical quality will given higher consideration in the evaluation of proposals.)	15			
2. Demonstrated understanding of this requirement from a technical perspective (A mere restatement of information contained elsewhere in this solicitation will <u>not</u> be considered to reflect an understanding of these requirements.)	8			
3. Type and degree of insight of technical problems expected to be encountered and the originality and validity of their solution.	7			
<b>B. <u>Management Approach and Project</u></b>	<b>Total Points</b>			
	<b>(60)</b>			
1. Soundness of Management Plan addressing the topics set forth in the Technical Proposal Instructions.	20			
2. Availability of qualified project managers with demonstrated experience in supervising services similar to those set forth in this requirements. (See Note, Evaluation Criteria page 4 of 4 pages.)	15			

TECHNICAL EVALUATOR'S WORK SHEET

Evaluator: \_\_\_\_\_ Name of Offeror: \_\_\_\_\_ RFP: WA80 - D024 Date: \_\_\_\_\_

Score = Weight X Value

Value Range = 1 - 5

	Weight	Value	Score	Comments
3. Type and degree of insight of managerial problems expected to be encountered and the originality and validity of their solution.	9			
4. Demonstrated understanding of this requirement from a managerial perspective (A mere restatement of information contained elsewhere in this solicitation will <u>not</u> be considered to reflect an understanding of this requirement).	8			
5. Availability of sufficient management sources (either in-house or by subcontracting support).	8			
<b>C. Professional Staff Qualifications</b>	<b>Total Points</b>			
	<b>(30)</b>			
1. Demonstrated experience <u>directly applicable</u> to the Service Area proposed (business and scientific applications development experience, computer programming and operating system experience, telecommunications or data communications experience). (See Note, Evaluation Criteria page 4 of 4)	20			
2. Availability of sufficient professional staff resources (either in-house or by sub-contracting support).	10			
<b>D. Corporate Experience and Capacity</b>	<b>Total Points</b>			
	<b>(40)</b>			
1. Demonstrate corporate experience whose technical content, magnitude and complexity is similar to the relevant Service Area.	20			

# Technical Evaluator's Work Sheet

Evaluator: \_\_\_\_\_ Name of Offeror: \_\_\_\_\_ RFP: WABO - D024 Date: \_\_\_\_\_

Score = Weight x Value  
Value Range = 1 - 5

Weight Value Score Comments

2. Technical content and presentation format of the three (3) representative deliverable items. (See, Technical Proposal Instructions page 5 of 6).

10

3. Demonstrated Corporate experience successfully supporting similar requirements for the Federal Government.

5

4. Demonstrated corporate experience in responding to Work Assignment Directive of Work/Task Order types of contracts.

5

**E. Evaluation Purposes Work Assignment Total Points (40)**

1. Comprehensiveness, degree of insight and thoroughness of the technical approach and work plan to fulfill the requirements set forth in the appropriate Evaluation Purposes Work Assignment.

15

2. Degree of understanding of Evaluation Purposes Work Assignment requirements (and assumptions, interpretations, qualifications, limitations, deviations, or exceptions).

9

3. Comprehensiveness, degree of insight and thoroughness of fulfillment of requirement discussion. (Statement of the extent to which the offerors technical approach can be expected to meet or exceed Work Assignment requirements and specifications.)

8

4. Appropriateness and qualifications of project personnel who would be directly or indirectly assigned for the performance of the Evaluation Purposes Work Assignments

8

Technical Evaluator's Work Sheet

Evaluator: \_\_\_\_\_ Name of Offeror: \_\_\_\_\_ RFP: WA80 - D024 Date: \_\_\_\_\_

Summarized Comments

Strength of This Proposal:

Weaknesses of this proposal:

## 8.11 Guidelines For Acceptance of Delivered Products and Services

The purpose of these guidelines is to promote quality assurance during the performance of contract support services and development of products such as technical study reports, design documents and software systems. These guidelines highlight several key issues which the Project Officer should consider during the inspection and acceptance phase of a contract project. The significance of these issues will vary according to the type of project, the services provided by the contractor, and the expected results. The reference documents listed in Section 7.0 will provide detailed guidance for feasibility studies and systems documentation.

There are two types of projects: the completion type which results in the development and implementation of a technical report, system design document or application system software; and the term type which requires technical support using various labor classifications for a definite period of time.

The project statement of work will reflect the type of project and will employ either a general structure which is suitable for exploratory support such as requirements analyses, or a specific structure which defines the subtasks services required to produce pre-established product objectives. Whenever practical, statements of work should specify required delivery schedules, interim milestones, progress reporting requirements, and staff qualification requirements.

The contractor's proposal or project/staffing plan which usually is prepared as a response to a statement of work should be evaluated for adequacy in terms of the following factors:

- . technical understanding of the requirements,
- . proposed technical approach,
- . proposed management approach and project controls,
- . proposed project plan with work breakdown, schedules, milestones, staffing plan with qualification statements,
- . cost projections with breakdown of cost elements such as labor classifications, labor hours, rates, and other direct costs,
- . proposed test plan.

Document deliverables should be evaluated in terms of:

- . completeness and thoroughness,
- . substantive discussions with supporting details,
- . structure and ease of use,
- . conformance with applicable Federal and Agency

standards.

The Contractor's progress and financial reports should be evaluated in terms of timeliness, accuracy, quality of reporting, and identification and resolution of problems.

The Contractor's performance should be evaluated in terms of:

- . quality of services and deliverables,
- . conformance with technical and functional requirements,
- . conformance to schedule requirements,
- . conformance to budget constraints,
- . adequacy of project management and controls,
- . competence of project staffing.

The Contractor's Project management performance can be further evaluated in terms of:

- . management involvement and participation,
- . project planning and control,
- . problem detection and resolution,
- . contingency planning.

Evaluation of system design documents should include consideration of the following features:

(1) System level functional flow diagram

- . Identifies all major subsystems,
- . Specifically indicates all major functions preformed,
- . Identifies all major input/output files and reports.

(2) System technical description which

- . Identifies all major subsystems, program modules and subroutines, which are system components,
- . Abstract description of each system component,
- . Logic flow diagrams for each system component,
- . Functional specification for each system component (i.e. a list of each discrete function performed),
- . Associated Input/Output files,
- . Data elements dictionary pertaining to each system component (e.g. input/output parameters, internal

control parameters, intermediate storage parameters),

- . Related mathematical models,
- . Program (subsystem) interface specifications (e.g. parameters passed between programs).

(3) Input/Output Files Which are Characterised in terms of:

- . Storage medium,
- . File name, data set name, Volume ID,
- . Related Program Modules,
- . Size,
- . Characteristics (e.g. numeric, binary, floating point, etc.),
- . Data elements included,
- . Purpose,
- . Record Layouts.

(4) Reports and Graphic Displays which provide:

- . List of reports and graphs,
- . Purpose,
- . Data elements included,
- . Related programs,
- . Data Source (e.g. File name, etc.),
- . Report Format,
- . Sample illustration of graphic display annotations and scales.

(5) System Test Plan which include:

- . Functions to be executed,
- . Expected output results,
- . Programs to be tested,
- . Source and characteristics of input test data

(6) Future Requirements

Occasionally, not all requirements have been adequately specified. Detailed design, therefore, will be contingent on the availability of additional information, specifications, models, data, etc. An attempt should be made to isolate future requirements and describe them wherever feasible. The following are a few examples to be considered:

- . Functions and models
- . Program modules anticipated.
- . Data requirements
- . Action items which require additional effort for requirements review, systems analysis and design, fact finding, testing, etc.



**8.12 Procedures For Inspection and Acceptance of Contractor Performance on Delivery Orders, and Certification of Contractor Invoices**

1. Who uses this procedure? All Delivery Order Project Officers responsible for established Delivery Orders (D.O.) under one or more of the MIDSD ADP Service contracts. These D.O.s will be monitored by each individual Project Officer. Invoices will be paid upon certification by the Contract Ordering Officer in MIDSD.
2. Each month, the contractor will submit an invoice and supporting information for each Delivery Order to the MIDSD Contract Ordering Officer with a copy to the EPA D.O. Project Officer. Upon receipt of the contractor's invoice and supporting documentation, the D.O. Project Officer must sign a copy of the invoice signifying approval of the charges and send it The Contract Ordering Officer at MIDSD.

If any or all of the charges are not approved, the D.O. Project Officer must send a written statement to the Contract Ordering Officer specifying the charges to be suspended or disallowed and the reason.

### 8.13 Notice of Task Completion



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
PLANNING AND MANAGEMENT

MEMORANDUM

SUBJECT: Contract No. 68-01-3840; D-DOW-3840-  
Directive of Work Certification of Completion

TO:

FROM: John J. Hart, Project Officer (PM-218)  
Development, Maintenance & Operation (DM&O) Contract

It is requested that you certify the satisfactory completion of the effort set forth in the subject Directive of Work (DOW) by signing in the designated space below.

\_\_\_\_\_  
Date of Acceptance  
of DOW Services and  
Deliverables

\_\_\_\_\_  
DOW Project Officer (Signature)

\_\_\_\_\_  
DOW Project Officer (Typed or  
Printed)

The original of this memorandum and two (2) copies are to be returned to my attention at:

Management Information and Data Systems  
Division (PM-218)  
401 M Street, S.W.  
Washington, D.C. 20460

The remaining copy may be retained for your records.

No additional work shall be performed under the subject DOW after it has been certified as completed and closed.

#### **8.14 GSA Regulations For ADP Procurement**

# Registered Federal

Monday  
January 5, 1981

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## Part VI

### General Services Administration

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**Automated Data and Telecommunications  
Service**

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**Government-Wide Procurement and  
Management of Automatic Data  
Processing**

## GENERAL SERVICES ADMINISTRATION

### 41 CFR Part 1-4

[FPR Amendment 211]

#### Automatic Data Processing Contracting; Special Types and Methods of Procurement

**AGENCY:** General Services  
Administration.

**ACTION:** Final rule.

**SUMMARY:** This regulation provides a complete revision of Subpart 1-4.11 regarding procurement and contracting policies relating to the acquisition of automatic data processing (ADP) equipment, commercially available software, maintenance services, and related supplies by Federal agencies and in some situations, by Government contractors. This action is needed to change, consolidate, and clarify policy and procedures. The intended effect is to increase economy and efficiency and to reduce paperwork regarding agency ADP resources acquisition.

**EFFECTIVE DATE:** This regulation is effective January 15, 1981, but may be observed earlier.

**FOR FURTHER INFORMATION CONTACT:** Philip G. Read, Federal Procurement Regulations Directorate, Office of Acquisition Policy, 703-557-8947.

**SUPPLEMENTARY INFORMATION:** (a) A proposed revision of Subpart 1-4.11 (and FPMR Subpart 101-35.2) was circulated to all Federal agencies and other interested parties on May 28, 1980. The closing of the comment period was November 14, 1980 (45 FR 71623, October 29, 1980). All comments received have been considered and accommodated to the extent considered appropriate.

(b) A complete revision of Subpart 1-4.11 is provided. Substantive changes from the existing coverage are as follows:

(1) A new § 1-4.1100-2 is added to explain the relationship of Subpart 1-4.11 to other procurement regulations, replacing § 1-4.1101-1.

(2) A new § 1-4.1100-3 is added to control deviations from Subpart 1-4.11.

(3) Section 1-4.1101 is revised to clarify the applicability of Subpart 1-4.11 to both Federal agencies and Government contractors.

(4) Subsection 1-4.1102-1 is revised to redefine the term "automatic data processing equipment."

(5) Subsection 1-4.1102-2 is revised to redefine the term "software" and to add definitions for related terms, including commercially available software.

(6) Subsection 1-4.1102-3 is revised to add the term "firmware"; § 1-4.1102-6 is revised to add remote terminal emulation terms.

(7) Subsection 1-4.1102-7 is revised to define the term "competitive requirement," and § 1-4.1102-8 is revised to define the term "noncompetitive (sole source) requirement," replacing §§ 1-4.1102-16 and 1-4.1102-17.

(8) Subsection 1-4.1102-9 is revised to define the term "maximum practicable competition," consistent with paragraph (c) of § 1-3.101.

(9) Subsection 1-4.1102-10 is revised to clarify the term "lowest overall cost," replacing § 1-4.1102-14.

(10) Subsection 1-4.1102-12 is revised to define the term "functional specifications," replacing § 1-4.1102-7, "data system specifications."

(11) Subsection 1-4.1102-16 is revised to define the meaning of the term "evaluated optional features," replacing § 1-4.1102-13, "desirable features."

(12) Other subsections in § 1-4.1102 are rearranged and modified.

(13) Section 1-4.1103 is added to state the general policies and procedures relating to competition, requirements analysis, urgent requirements, major system acquisition, and small business and labor surplus area concerns.

(14) Section 1-4.1104 is revised to add a provision prohibiting fragmenting requirements in order to circumvent established thresholds, replacing § 1-4.1103.

(15) Subsection 1-4.1104-1 is revised to increase agency procurement authority for ADPE under competitive solicitation procedures, replacing FPR Temp. Reg. 46 provisions.

(16) Subsection 1-4.1104-2 is revised to increase agency procurement authority for commercially available software under competitive solicitation procedures, replacing FPR Temp. Reg. 46 provisions.

(17) Subsection 1-4.1104-3 is revised to increase agency procurement authority for maintenance services under competitive solicitation procedures, replacing FPR Temp. Reg. 46 provisions.

(18) Subsection 1-4.1104-4 is added to provide agency procurement authority for related supplies.

(19) Subsection 1-4.1104-5 regarding the ADP is revised for clarity, replacing § 1-4.1103-4.

(20) Section 1-4.1105 is revised to include in the Agency Purchase Request data concerning computer security requirements, use of compatibility limited requirements, and software conversion studies, where applicable, replacing § 1-4.1104.

(21) Section 1-4.1106 is revised to clarify the 20-day automatic delegation procedure, replacing § 1-4.1105.

(22) Section 1-4.1106-1 and -2 and § 1-4.1107 are revised for clarity, replacing §§ 1-4.1105-1 and 1-4.1106.

(23) Subsection 1-4.1108 is revised to set forth responsibilities applicable to the acquisition of major ADP systems under OMB Circular A-109, replacing FPR Temp. Reg. 47.

(24) Section 1-4.1109 is added to replace § 1-4.1107 provisions.

(25) Subsection 1-4.1109-2 is added to clarify documentation provisions, replacing § 1-4.1107-2. Section 1-4.1107-20, sole source procurement documentation, is removed.

(26) Subsection 1-4.1109-3 is added to incorporate the optional use of GSA's centralized Bidders Mailing List (BLM), replacing § 1-4.1107-3 as changed by FPR Amendment 210.

(27) Subsection 1-4.1109-4 is reserved.

(28) Subsection 1-4.1109-5 regarding small purchase is added, replacing § 1-4.1107-4 appearing in FPR Temp. Reg. 46.

(29) Subsection 1-4.1109-6 regarding use of GSA schedule contracts is added to clarify and amplify existing provisions, replacing § 1-4.1107-6 appearing in FPR Temp. Reg. 46.

(30) Subsections 1-4.1109-7 and -8 are added, replacing §§ 1-4.1107-7 and -8 respectively.

(31) Subsection 1-4.1109-9 regarding handling of late responses is added, replacing §§ 1-4.1107-9 and 1-4.1108-1.

(32) Subsections 1-4.1109-10 and -11 regarding use of specifications are added, replacing §§ 1-4.1107-10 and -11.

(33) Subsections 1-4.1109-12, -13, -14, and -15 are added to provide extensive new provisions concerning compatibility limited requirements, requirements for software conversion studies, determination of conversion costs, and determination of selection factors. The provisions of FPMR Temp. Reg. F-492 to the extent that they are in conflict, are superseded.

(34) Subsections 1-4.1109-16 and -17 regarding software procurement and procurement of related supplies are added, replacing §§ 1-4.1107-16 and -17, respectively.

(35) Subsection 1-4.1109-18 is added to provide new provisions (identical to FPMR § 101-35.203-10 provisions) regarding furnishing ADP items and services to contractors.

(36) Subsection 1-4.1109-19 regarding purchase options for contractor acquired ADPE is added, replacing § 1-4.1107-18.

(37) Subsection 1-4.1109-20 is added to incorporate computer security requirements, replacing § 1-4.1107-21 as added by FPR Amendment 210.

(38) Subsection 1-4.1109-21 regarding the use of simulation is added, replacing § 1-4.1107-5.

(39) Subsections 1-4.1109-22 and -23 regarding use of benchmarks and remote terminal emulation are added, replacing § 1-4.1107-5 and FPR Temp. Reg. 49 provisions.

(40) Subsection 1-4.1109-24 is added to include conversion costs under evaluation factors, replacing § 1-4.1107-13.

(41) Subsection 1-4.1109-25 regarding implementation of standards is added, replacing § 1-4.1108-5 as amended by FPR Amendment 210.

(42) Section 1-4.1110 regarding standard clauses is added, replacing § 1-4.1108 and § 1-4.1110-1 replaces § 1-4.1108-2.

(43) Subsection 1-4.1110-2 regarding contractor representation is added to include a modified clause, replacing § 1-4.1108-3.

(44) Subsection 1-4.1110-3 regarding fixed price options is added, replacing § 1-4.1108-4 as changed by FPR Amendment 210. Note particularly the optional special contractual provision regarding discontinuance of rental of items during, not at the end, of a contract period.

(45) Section 1-4.1111 regarding additional clauses is added.

(46) Section 1-4.1112 regarding guidance is added, replacing § 1-4.1107-19.

(c) The changes in this regulation were developed concurrently with substantive changes to existing provisions in FPMR Subpart 101-35.2—Management, Acquisition, and Utilization of Automatic Data Processing (ADP) Resources. This Subpart 1-4.11 is intended to be used in concert with Subpart 101-35.2, particularly, of Subchapter F of the FPMR.

(d) This regulation cancels FPR Temporary Regulation 46 (43 FR 40013, Sept. 8, 1978); FPR Temp. Reg. 46, Supp. 2 (44 FR 52208, Sept. 7, 1979); FPR Temp. Reg. 46, Supp. 3 (45 FR 62908, Sept. 23, 1980); and FPR Temp. Reg. 47 (43 FR 41044, Sept. 14, 1978) which are deleted from the appendix at the end of 41 CFR Chapter 1. This regulation supersedes the provisions of FPR Temp. Reg. 49 (44 FR 22725, Apr. 17, 1979); FPR Temp. Reg. 49, Supp. 1 (45 FR 13734, Mar. 3, 1980); FPMR Temp. Reg. F-492 (44 FR 62515, Oct. 31, 1979); and FPMR Temp. Reg. F-496 (45 FR 81202, Dec. 16, 1980), to the extent that they are in conflict with the regulation.

1. The table of contents for Part 1-4 is changed by revising the title and contents of Subpart 1-4.11, as follows:

**Subpart 1-4.11—Procurement and Contracting Government-Wide for Automatic Data Processing Equipment, Software, Maintenance Services, and Supplies**

**Sec.**

1-4.1100. Scope of subpart

1-4.1100-1 Relationship to the Federal Property Management Regulations (FPMR).

1-4.1100-2 Relationship to other procurement authority.

1-4.1100-3 Deviations.

1-4.1101 Applicability.

1-4.1102 Definitions.

1-4.1102-1 Automatic data processing equipment.

1-4.1102-2 Software terms.

1-4.1102-3 Firmware.

1-4.1102-4 Maintenance services.

1-4.1102-5 Related supplies.

1-4.1102-6 Remote terminal emulation terms.

1-4.1102-7 Competitive requirement.

1-4.1102-8 Noncompetitive (sole source) requirement.

1-4.1102-9 Maximum practicable competition.

1-4.1102-10 Lowest overall cost.

1-4.1102-11 System/item life.

1-4.1102-12 Functional specifications.

1-4.1102-13 Equipment performance specifications.

1-4.1102-14 Agency procurement request.

1-4.1102-15 Mandatory requirements.

1-4.1102-16 Evaluation of optional features.

1-4.1102-17 Selection plan.

1-4.1102-18 Federal agency.

1-4.1103 General policies.

1-4.1103-1 Competition.

1-4.1103-2 Requirements analysis.

1-4.1103-3 Urgent requirements.

1-4.1103-4 Major system acquisitions.

1-4.1103-5 Small business and labor supplier area concerns.

1-4.1104 Procurement authority.

1-4.1104-1 Automatic data processing equipment.

1-4.1104-2 Software.

1-4.1104-3 Maintenance services.

1-4.1104-4 Related supplies.

1-4.1104-5 Automatic data processing fund.

1-4.1105 Request for procurement action.

1-4.1106 GSA action on procurement requests.

1-4.1106-1 Agency responsibilities when GSA procures ADP items for that agency.

1-4.1106-2 GSA responsibilities when GSA procures ADP items for another agency.

1-4.1107 Federal agency responsibility when procurement authority is delegated by GSA.

1-4.1108 Major system acquisition responsibilities.

1-4.1109 Procurement actions.

1-4.1109-1 Procurement-related directives.

1-4.1109-2 Competitive basis and documentation.

1-4.1109-3 Publishing procurement actions.

1-4.1109-4 [Reserved]

1-4.1109-5 Small purchases.

1-4.1109-6 Use of GSA scheduled contracts.

1-4.1109-7 Use of requirements contracts.

1-4.1109-8 Industry review of ADP specifications.

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1-4.1109-9 Handling of late bids, proposals, modifications, and withdrawals.

1-4.1109-10 Use of functional specifications.

1-4.1109-11 Use of other types of specifications or purchase descriptions.

1-4.1109-12 Compatibility limited requirements.

1-4.1109-13 Software conversion studies.

1-4.1109-14 Determination of conversion costs.

1-4.1109-15 Determination of selection factors.

1-4.1109-16 Software procurements.

1-4.1109-17 Procurement of related supplies.

1-4.1109-18 Furnishing ADP items and services to contractors.

1-4.1109-19 Purchase options for contractor acquired ADPE.

1-4.1109-20 Computer security requirements.

1-4.1109-21 Restrictions on the use of simulation in ADP systems procurement.

1-4.1109-22 Use of benchmarks in low dollar ADP systems procurement.

1-4.1109-23 Use of remote terminal emulation in ADP systems procurement.

1-4.1109-24 Evaluation factors.

1-4.1109-25 Implementation of standards.

1-4.1110 Standard clauses.

1-4.1110-1 Limitation of liability.

1-4.1110-2 Contractor representation.

1-4.1110-3 Fixed price options.

1-4.1111 Additional clauses.

1-4.1112 Assistance by GSA.

Authority: Section 205(c), 68 Stat. 380; 46 U.S.C. 486(c).

2. The title and text of Subpart 1-4.11 is revised to read as follows:

**Subpart 1-4.11—Procurement and Contracting Government-Wide for Automatic Data Processing Equipment, Software, Maintenance Services, and Supplies**

**§ 1-4.1100 Scope of subpart.**

This subpart sets forth policies and procedures which are to be employed in the procurement of all automatic data processing equipment (ADPE), commercially available software, maintenance services, and related supplies by Federal agencies (see also § 1-4.1109-1), and by Government contractors as directed by agencies.

**§ 1-4.1100-1 Relationship to the Federal Property Management Regulations (FPMR).**

(a) Subchapter F of this title (41 CFR Chapter 101, hereafter referred to as the FPMR) provides policies, procedures, and guidelines pertaining to the management of Governmentwide automatic data processing (ADP) functions (see particularly FPMR Subpart 101-35.2). The FPMR involves such matters as (1) the security of ADP systems; (2) utilization of ADP resources; (3) reutilization of equipment and supplies; (4) assistance to Federal agencies; (5) Federal data processing centers; (6) the ADP collocation and

consolidation program, (7) ADP records management, and (8) implementation of Federal information processing standards publications (FIPS PUBS) and Federal telecommunications standards (FED-STD).

(b) The provisions of FPMR Part 101-37 are applicable to telecommunications when associated with ADP.

(c) When telecommunications are involved, regardless of the authority to procure ADPE as indicated in § 1-4.1104-1, agencies are required to submit the documentation prescribed in FPMR Part 101-37.

(d) FPMR Subpart 101-17 concerns the information that must be submitted to GSA relative to space requirements for ADPE.

#### § 1-4.1100-2 Relationship to other procurement authority.

(a) Under Section 111 of the Federal Property and Administrative Services Act of 1949, 79 Stat. 1127, as amended (40 U.S.C. 759), the Administrator of General Services has authority to coordinate and provide for the purchase, lease, and maintenance of ADP equipment by Federal agencies as well as other matters relating to the management, acquisition, and utilization of ADP. The exercise of this procurement authority shall be accomplished as specified in this subpart.

(b) Section 111(g) of the Property Act (40 U.S.C. 759, Pub. L. 89-306) provides that the Administrator's authority is subject to fiscal and policy control of the Office of Management and Budget (OMB). When an agency submits matters to the OMB for resolution (see FPMR § 101-36.001) and the matters relate to the procurement and contracting for ADP, copies shall be furnished to GSA as provided in FPMR § 101-36.001.

#### § 1-4.1100-3 Deviations.

To maintain uniformity to the greatest extent feasible, deviations (as the term is described in § 1-1.009-1) from this subpart shall be kept to a minimum and controlled as follows:

(a) The head of each agency exercising delegated procurement authority under this subpart shall prescribe a formal agency procedure for the control of requests for deviations from this subpart. A copy of this procedure shall be provided to the General Services Administration (GSA), Washington, DC 20405.

(b) Individual deviations may be authorized only by the Administrator of General Services or the officers designated by the Administrator for this purpose. Class deviations may be

authorized only by the Administrator. In each instance, the request shall disclose the nature of the deviation and the reasons therefor. Requests for deviations shall be forwarded to the General Services Administration (GSA), Washington, DC 20405.

(c) Except as otherwise authorized, when any deviation in a contract form provision is authorized, physical change may not be made in the printed form but shall be made by appropriate provision in the schedule, specifications, or continuation sheet, as provided in agency procedures.

#### § 1-4.1101 Applicability.

(a) *Federal agencies.* The policies and procedures set forth in this subpart apply to the procurement of ADPE, commercially available software, maintenance services, and related supplies by Federal agencies regardless of use or application including Government-acquired ADPE, software, or related supplies provided to contractors.

(b) *Government contractors.* (1) Except as set forth in paragraph (b)(2) of this section, agencies shall require their contractors to apply the policies and procedures set forth in this subpart to the procurement of ADPE, commercially available software, maintenance services, and related supplies when the very subject matter of the contract(s) is for the performance of commercial ADP services for a Federal agency (see FPMR § 101-35.202-8 and § 1-4.1109-18) and

(i) The Government requires the contractor to purchase the ADPE or software for the account of the Government; or

(ii) The Government requires the contractor to pass title to the ADPE or software to the Government; or

(iii) The Government pays the full lease costs of the ADPE or software under a cost-reimbursement contract.

(2) When the very subject matter of a contract is for something other than the procurement of ADP items or services,<sup>1</sup> and commercially available ADPE is incorporated into the non-ADP system or commercial ADP services are used in contract performance, the acquisition and management of the non-ADP system shall be in accordance with other applicable regulations rather than this subpart (but see § 1-4.1109-18).

<sup>1</sup>When the subject matter of a requirement (or a severable portion thereof) is the supplying of ADP services or ADP related services to a Federal agency, see Subpart 1-4.12 (Reserved at publication date).

#### § 1-4.1102 Definitions.

The terms used in this subpart shall have the meanings set forth in this section.

##### § 1-4.1102-1 Automatic data processing equipment.

"Automatic data processing equipment" (ADPE) means <sup>2</sup>general purpose, commercially available, mass-produced automatic data processing devices; i.e., components and the equipment systems configured from them together with commercially available software packages that are provided and are not priced separately, and all documentation and manuals relating thereto, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed, as opposed to configured, for any specific application.

(a) Included are:

(1) Digital, analog, or hybrid computers;

(2) Auxiliary or accessory equipment, such as plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, paper tape typewriters, magnetic tape, card, or cartridge typewriters, word processing equipment, computer input/output microfilm and other data acquisition devices), or computer performance evaluation equipment; etc., designed for use with digital, analog, or hybrid computer equipment, either cable connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately;

(3) Punched card accounting machines (PCAM) that can be used in conjunction with or independently of digital, analog, or hybrid computers; and

(4) Data transmission or communications equipment, including front-end processors, terminals, sensors, and other similar devices, designed primarily for use with a configuration of ADPE.

(b) Excluded are:

(1) ADPE systems and components specially designed (as opposed to configured) and produced to perform a specific set or series of computational, data manipulation, or control functions

<sup>2</sup>The acquisition of Joint Committee on Printing (JCP) controlled equipment in FSC Group 70 dedicated to printing processes and utilizing computer technology, including electronic printing systems, integrated printing systems, and photo-composition equipment, continues to be subject to the provisions of title 44, U.S. Code, and the JCP Government Printing and Binding Regulations as well as to this regulation.



to permit the processing of only one problem; and

(2) Commercially available ADPE that is modified to meet Government specifications at the time of production to the extent that:

- (i) It no longer has a commercial market; or
- (ii) It cannot be used to process a variety of problems or applications; or
- (iii) It can be used only as an integral part of a non-ADP system.

#### §1-4.1102-2 Software terms.

(a) "Software" means computer programs, procedures, rules, or routines specifically designed to make use of and extend the capabilities of ADPE and includes operating systems, assemblers, compilers, interpreters, data base management systems, utility programs, sort-merge programs, maintenance diagnostic programs, and applications programs. The term encompasses operating systems software, independent subroutines, related groups of routines, sets or systems of programs, software documentation, firmware (see § 1-4.1102-3), and computer data bases whether Government-owned or commercially available.

(b) "Commercially available software" means software that is available through lease or purchase in the commercial market from a concern representing itself to have ownership and/or marketing rights in the software. Software that is furnished as part of the ADP system but that is separately priced, is included.

(c) "Application software" means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations necessary to process requirements such as payroll, inventory control, or automatic test and engineering analysis. Application software may be either machine-dependent or machine-independent, and may be general-purpose in nature or be designed to satisfy the requirements of a specialized process or a particular user.

(d) "Computer data base" means a stored collection of data in a form capable of being processed and operated on or by a computer, i.e., the elements of stored data used by a computer in responding to a computer program.

(e) "Computer software documentation" means recorded information including computer listings and printouts that (1) documents the design or details of computer software, (2) explains the capabilities of the software, (3) provides data for testing the software, or (4) provides operating instructions.

(f) "Software conversion" means the transformation, without functional change, of computer programs or data elements to permit their use on a replacement or changed ADP equipment or teleprocessing service system.

(g) "Software redesign" means any change to software that involves a change in the functional specifications for that software.

(h) "Reprogramming" means any change to software that deviates from the design specifications for that software but preserves the functional requirements of the user.

(i) "Recoding" means a manual change to software on a line-for-line basis that preserves both the functional requirements and software design specifications.

(j) "Automated translation" means changes to software including machine-processed recoding that preserve both the functional requirements and software design specifications to the extent that no changes are apparent to the user.

#### § 1-4.1102-3 Firmware.

"Firmware" means any ADP hardware-oriented programming at the basic logic level of the computer that is used for machine control, error recovery, mathematical functions, applications programs, engineering analysis programs, and the like. Included are firmware that is furnished with ADPE, commercially available proprietary firmware that is acquired separately from ADPE, and all vendor documentation and manuals relating thereto.

#### § 1-4.1102-4 Maintenance services.

"Maintenance services" means these examination, testing, repair, or part replacement functions performed to: (a) Reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance"); (b) restore to its proper operating status a component of ADPE that is not functioning properly (commonly referred to as "remedial maintenance"); or (c) modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

#### § 1-4.1102-5 Related supplies.

"Related supplies" means consumable items designed specifically for use with ADPE, such as computer tape, ribbons, punched cards, and tabulating paper.

#### § 1-4.1102-6 Remote terminal emulation terms.

(a) "System under test" (SUT) means an ADP system or component thereof

whose performance is being validated during the procurement process.

(b) "Internal emulation" means a technique used for teleprocessing performance validation in which the teleprocessing workload is introduced from software running internal to the SUT, either in the central processing unit, the communications front end, or, when the architecture supports it, some other processor configured as part of the SUT.

(c) "Remote terminal emulation" means a technique for teleprocessing performance validation in which the driver and monitor components are implemented external to and independent of the SUT.

(d) "Driver" means a remote terminal emulation component, external to the SUT, which introduces specified workload demands to the ADP system being tested.

(e) "Monitor" means a remote terminal emulation component, external to the SUT, which records data descriptive of the remote terminal emulator/SUT interaction.

(f) "Remote terminal emulator" (RTE), means a specific hardware and software implementation of a teleprocessing workload driver (a monitor may or may not be an integral part of an RTE).

#### § 1-4.1102-7 Competitive requirement.

A "competitive requirement" means that the Government's requirement is set forth in the form of functional specifications, equipment performance specifications, a combination thereof, software and equipment plug-to-plug compatible functionally equivalent descriptions, or brand name or equal descriptions, that allows maximum practicable competition and is devoid of unnecessary bias toward either a specific product or a specific offeror.

#### § 1-4.1102-8 Noncompetitive (sole source) requirement.

A "noncompetitive (sole source) requirement" means that the Government's requirement is set forth in the form of necessary specifications that are so restrictive that there is only one known supplier capable of satisfying the Government's requirement or the procurement is based on specific make and model specifications/purchase descriptions, notwithstanding the existence of adequate price competition as defined in § 3-3.802-1(b)(5), (or, if applicable, Defense Acquisition Regulation (DAR) 3-807.7(a)).

#### § 1-4.1102-9 Maximum practicable competition.

"Maximum practicable competition" means a negotiated procurement action

when proposals are solicited from the maximum number of qualified sources, including small business concerns, consistent with the nature of and requirements for the supplies or services to be procured, to the end that the procurement will be made to the best advantage of the Government, price and other factors considered. This requires a procurement strategy, suitable to the circumstances, in which the statement of the user's requirement is set forth in the least restrictive terms possible without compromising economy or efficiency. It is designed to elicit from responsible firms capable of satisfying the needs, a number of favorable offers commensurate with the value of the procurement. It is calculated to satisfy the user's needs at the lowest overall cost to the Government, price and other factors considered (see § 1-4.1102-10). The quantifiable cost of conducting the procurement and other administrative costs directly related to the procurement process are included.

**§ 1-4.1102-10 Lowest overall cost.**

"Lowest overall cost" means the least expenditure of funds over the system/item life, price and other factors considered. Lowest overall costs shall include purchase price, lease or rental cost, or services cost of the contract actions involved, other factors, and other identifiable and quantifiable costs that are directly related to the acquisition and use of the system/item; e.g., personnel, maintenance and operation, site preparation, energy consumption, installation, conversion, system start-up, contractor support, and the present value discount factor (see also FPMR § 101-35.210).

**§ 1-4.1102-11 System/item life.**

"System/item life" means a forecast or projection of the period of time that begins with the installation of the system/item and ends when the Government's need for that system/item has terminated. System/item life is established by the initial acquiring agency on the basis of its requirement and predicted reuse (see § 101-35.208). System/item life is not necessarily synonymous with technological life (utility before becoming obsolete), physical life (utility before physically wearing out), or application life (utility in a given function).

**§ 1-4.1102-12 Functional specifications.**

"Functional specifications" means the delineation of the program objectives based on mission needs in a form that the ADP system is intended to accomplish and the data processing requirements underlying that

accomplishment. The latter includes a description of the data output and its intended uses, the data input, the data files and record content, the volumes of data, the processing frequencies, timing, and such other facts as may be necessary to provide for a full description of the ADP mission need to be satisfied.

**§ 1-4.1102-13. Equipment performance specifications.**

"Equipment performance specifications" means a statement of minimum user output requirements such as the amount of data that needs to be stored or processed within a given time, the number of lines of print that must be done over a given time, and the operation reliability, supplemented to the extent necessary with those hardware factors, devoid of as much vendor orientation as possible, such as cycle time, computing speed, tape read or write speed, printer speed, size of memory, expansibility (modularity), etc., and the related software which are a measure of the operating capability of equipment and which, when applied to the functional specifications, provide a quantitative measure of the operating time and capacity required to process the applications involved on that equipment.

**§ 1-4.1102-14 Agency procurement request.**

"Agency procurement request" (APR) means a request by a Federal agency for GSA to procure ADPE, commercially available software, or maintenance services or for GSA to delegate the authority to procure these items.

**§ 1-4.1102-15 Mandatory requirements.**

"Mandatory requirements" means those contractual conditions and technical specifications that are established by the Government as being essential to meet the Government's needs. When set forth in a solicitation, the mandatory requirements must be met for the bid (offer) to be considered responsive (acceptable).

**§ 1-4.1102-16 Evaluated optional features.**

"Evaluated optional features" means those technical requirements that are established by the Government but that does not have to be bid (offered) to be responsive (acceptable) to the specific solicitation. When set forth in a solicitation, all evaluated optional features must reflect the relative value of each feature to the Government. Each evaluated optional feature may be offered at the discretion of the offeror.

**§ 1-4.1102-17 Selection plan.**

"Selection plan" means criteria and systematic procedures established to enable the Government to measure the proposal of an offeror/bidder against the requirements of the Government as set forth in the solicitation document. These criteria shall be based on the Government's requirements and shall not be equipment- or vendor-oriented, except where a brand name or equal specification or specific make or model description is needed to express the requirement adequately.

**§ 1-4.1102-18 Federal agency.**

"Federal agency" means (a) any executive agency (executive department or independent establishment in the executive branch including any wholly owned Government corporation) or (b) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under the Architect's direction) (see 40 U.S.C. 472).

**§ 1-4.1103 General policies.**

**§ 1-4.1103-1 Competition.**

Full and open competition is a basic procurement objective of the Government. The maximum practicable competition among offerors who are capable of meeting the user's needs will ensure that the Government's ADP needs are satisfied at the lowest overall cost, price and other factors considered, over the system/item life. This extends to actions necessary to foster competitive conditions for subsequent procurements. To meet fully the lowest overall cost objective, it is essential that proper management and planning actions be accomplished before the acquisition becomes imminent (see FPMR § 101-35.208).

**§ 1-4.1103-2 Requirements analysis.**

The acquisition of an initial ADP capability or the augmentation or replacement of an existing capability shall be preceded by a comprehensive requirements analysis that is commensurate with the scope and complexity of the program objectives and mission needs. The operational and economic feasibility of all alternative solutions, including use of non-ADP resources, sharing, use of commercial ADP services, and reutilization of excess Government-owned or leased equipment, shall be considered (see FPMR § 101-35.207).

**§ 1-4.1103-3 Urgent requirements.**

The existence of a public exigency, i.e., the Government will suffer serious injury, financial or otherwise, if the

equipment or services are not available by a specific date, shall not relieve the agency from the responsibility for obtaining maximum practicable competition (see § 1-3.202 (or, if applicable DAR 3-202)).

#### § 1-4.1103-4 Major system acquisitions.

Major ADP systems to be acquired in accordance with the provisions of OMB Circular A-109 and agency implementing directives are subject to this subpart (see § 1-4.1108).

#### § 1-4.1103-5 Small business and labor surplus area concerns.

ADPE, software, maintenance services, and related supplies may be set aside for award to small business or labor surplus area concerns in accordance with the provisions of Subparts 1-1.7 and 1-1.8 and implementing agency policies and procedures (or, if applicable, DAR Parts 1-7 and 1-8).

#### § 1-4.1104 Procurement authority.

(a) To allow for the orderly implementation of a program for the economic and efficient procurement of ADPE, commercially available software, maintenance services, and related supplies, agencies are authorized to procure these items in accordance with the provisions of this § 1-4.1104 provided that requirements are not fragmented in order to circumvent the established blanket delegation thresholds, or when a specific delegation or procurement authority has been provided in accordance with the provisions of §§ 1-4.1105 and 1-4.1106. However, the applicable provisions of FPMR Subchapter F shall be complied with before initiating a procurement action.

(b) The exercise of procurement authority shall be accomplished as specified in § 1-4.1109.

(c) Two copies of the solicitation document (RFP or IFB, as applicable) and any subsequent amendment thereto that changes the specifications, evaluation criteria, or installation date shall be forwarded to the General Services Administration (GSA), Washington, DC 20405, as soon as available, but shall not arrive later than 8 workdays before the proposed date of issuance to industry. GSA will notify the agency of the date of receipt of the solicitation document as soon as it is received. However, if timely issuance of the solicitation is critical to agency mission accomplishment, copies of the solicitation document may be forwarded to GSA concurrently with issuance to industry, provided that the RFP is based on the GSA Solicitation Document for

ADP Equipment Systems,<sup>3</sup> whether in the GSA or Defense Acquisition Regulation (DAR) format, or the specifications have been received by industry in accordance with § 1-4.1109-8. Amendments to all solicitations that are clearly administrative in nature or are for clarification purposes need not be forwarded to GSA until the dates the amendments are sent to industry.

(d) One copy of the contract and subsequent modifications thereto shall be forwarded to GSA when they are issued.

#### § 1-4.1104-1 Automatic data processing equipment.

Except as indicated in § 1-4.1104-5 regarding potential use of the ADP Fund, FPMR Subpart 101-38.2 with respect to sharing, and FPMR Subpart 101-38.3 with respect to the use of excess ADPE, agencies may procure ADPE without prior approval of GSA, unless procurement authority has been specifically withdrawn, when either paragraph (a), (b), or (c) of this § 1-4.1104-1 applies.

(a) The procurement is to be made by placing a purchase/delivery order against an applicable GSA requirements-type contract.

(b) The procurement is to be made by placing a purchase/delivery order against a GSA schedule contract provided that the following three conditions are met:

(1) The order is within the maximum order limitation (MOL) of the applicable contract;

(2) The total purchase price of the item(s) covered by the order does not exceed \$300,000;<sup>4</sup> and

(3) The requirements set forth in § 1-4.1109-6 on the use of GSA schedule contracts are met.

(c) The procurement is to be made by normal solicitation procedures and value<sup>5</sup> of the procurement does not exceed:

(1) \$500,000 purchase price or \*\$12,500 basic monthly rental charges<sup>7</sup> for competitive procurements; or

(2) \$50,000 purchase price or \*\$1,500 basic monthly rental charges<sup>7</sup> for either sole source or specific make and model procurements.

<sup>3</sup>The GSA Solicitation Document for ADP Equipment Systems is available from General Services Administration (GSA), Washington, DC 20405.

<sup>4</sup>Even though the item(s) are to be rented or leased, the purchase price shall be used to determine if the dollar value of the order falls within the \$300,000 threshold.

<sup>5</sup>Values include evaluated optional features.

<sup>6</sup>The procurement method used determines which threshold applies.

<sup>7</sup>The basic monthly rental charges including attendant maintenance costs.

#### § 1-4.1104-2 Software.

Except for software available through the Federal Software Exchange Center (FSEC) covered by FPMR Subpart 101-38.16, agencies may procure commercially available software without prior approval of GSA when either paragraph (a), (b), (c), or (d) of this § 1-4.1104-2 applies.

(a) The procurement is to be made by placing a purchase/delivery order against an applicable GSA requirements-type contract.

(b) The procurement is to be made by placing a purchase/delivery order under the terms and conditions of an applicable GSA schedule contract (see § 1-4.1109-6).

(c) The procurement is to be made by normal solicitation procedures and total value of the procurement, excluding maintenance, for the specific software package(s) does not exceed:

(1) \$100,000 for competitive procurement; or

(2) \$50,000 for sole source procurements.

(d) The software is provided with and is not separately priced from the ADPE.

#### § 1-4.1104-3 Maintenance services.

Agencies may procure maintenance services without prior approval of GSA when either paragraph (a) or (b) of this § 1-4.1104-3 applies.

(a) The procurement is to be made by placing a purchase/delivery order under the terms and conditions of an applicable GSA schedule contract (see § 1-4.1109-6).

(b) The procurement is to be made by normal solicitation procedures and the value of the maintenance charges do not exceed \$200,000 annually for a competitive procurement of \$50,000 annually for a sole source procurement.

#### § 1-4.1104-4 Related supplies.

Agencies may procure related supplies without prior approval of GSA when specific purchase programs established by GSA have been considered and determined to be inapplicable (see § 1-4.1109-17).

#### § 1-4.1104-5 Automatic data processing fund.

When a lease/purchase evaluation indicates that it would be to the best interest of the Government to purchase rather than lease ADPE or commercially available software and funds are not readily available within the agency, e.g., when there is insufficient time to secure the necessary funds under normal budgetary procedures or to reprogram for the required funds, the matter shall be forwarded to GSA in the manner prescribed in FPMR § 101-35.211. When

approved by GSA, the ADP fund may be used by agencies to obtain maintenance services for ADP leased from GSA through the ADP fund.

**§ 1-4.1105 Request for procurement action.**

If an agency determines that the conditions of the contemplated procurement are not covered by the provisions of § 1-4.1104, or if the conditions of the contemplated procurement change during the procurement process in such manner as to remove it from those provisions, four copies of the agency procurement request (APR) and other applicable documents shall be forwarded to the General Services Administration (GSA), Washington, DC 20405. The APR shall contain the name and telephone number of an individual within the agency who shall act as the point of contact with GSA. The APR shall include, as applicable:

(a) A copy of the proposed solicitation document, if available. If the solicitation document is not available, the functional specifications or the ADPE configuration that is to be acquired shall be included. Unless a functional specification is provided, the description should reflect the estimated number of central processing units, storage devices and controllers, terminals, other peripheral devices, and communications devices.

(b) A statement providing the estimated budgeted value of the procurement in the agency's request to OMB, whether these funds were implicitly or explicitly described, and the fiscal year of the budget request.

(c) Estimated system or item life (see § 1-4.1102-11) and estimated system life cost.

(d) Location (city and state) of the data processing facilities involved.

(e) Fiscal quarter during which the solicitation is expected to be released to industry for procurement action.

(f) Unique software, maintenance, and support requirements, if any.

(g) A statement or other evidence that indicates that a performance evaluation has been made for the currently installed ADP system(s), when applicable, to ensure that the proposed procurement represents the lowest overall cost alternative for meeting the agency's data processing need (see FPMR Subpart 101-36.14).

(h) Evidence that site construction/modification is or is not required (see FPMR § 101-17.101-5). One of the following statements shall be used for this purpose:

(1) The acquisition of this equipment will not require site construction or modification by GSA; or

(2) The acquisition of this equipment will require site (construction) (modification) by GSA which must be completed by (date) and notification and information, as applicable, (has been) (will be) submitted to GSA on (date).

(i) A statement that the need to acquire ADPE or ADP systems has been documented as required by FPMR § 101-35.207.

(j) A statement that, as FPMR Subparts 101-36.2 and 101-36.3 require, available ADP resources have been screened and no ADP resources are available to satisfy the user's requirements.

(k) A justification, if applicable, to support a contemplated noncompetitive (sole source) procurement (including use of specific make and model purchase description). Specifically, this justification must address:

(1) The intended use or application of the equipment;

(2) The critical installation schedule(s) or unique features and/or mandatory requirements, dictated by the intended use, that limit the acquisition to a single source of supply or a specific make and model. (The overriding necessity of these competition-limiting requirements shall be clearly identified.);

(3) The fact that no other known or probable source of supply exists for the required equipment, if a noncompetitive (sole source) procurement is contemplated. (The justification also shall elaborate on the steps taken which led to this conclusion.);

(4) The existence of patent, copyright, or other limitations; and

(5) The practical factors which preclude the development of specifications and/or the requirement for competition (see § 1-4.1102-7).

(l) Documentation, when telecommunications are involved (see § 1-4.1100-1(c)).

(m) One of the following statements regarding compliance with the Privacy Act of 1974:

(1) Equipment or services identified by this request will not be used to operate a system of records or individuals to accomplish an agency function.

(2) Equipment or services identified by this request will be used to operate a system of records on individuals to accomplish an agency function. All applicable provisions of the Privacy Act have been complied with, including submitting a report of new systems to Congress and OMB on (date).

(n) A brief description of the primary agency program(s) that the equipment or services will support.

(o) Computer security requirements, where applicable, as certified by the

responsible agency official (see FPMR Subpart 101-35.3).

(p) Software conversion study where applicable (see § 1-4.1109-13).

(q) Findings to support the use of compatibility limited requirements where applicable (see § 1-4.1109-12).

**§ 1-4.1106 GSA action on procurement requests.**

(a) After review of an APR and the documentation submitted under § 1-4.1105 and subject to the right of the agency to determine its individual software, maintenance, and ADPE requirements, including the development of specifications for and the selection of the types and configurations of equipment needed, the Commissioner, Automated Data and Telecommunications Service, will:

(1) Delegate to the agency the authority to conduct the procurement; or

(2) Delegate to the agency the authority to conduct the procurement and provide for participation in the procurement with the agency to the extent considered necessary under the circumstances; or

(3) Provide for the procurement by GSA or otherwise obtain the requirement on behalf of the agency.

(b) Action will be taken by GSA within 20 workdays after receipt of full information from an agency involving a request for procurement (APR) or supplemental APR data as provided in § 1-4.1105. Upon expiration of this 20-workday period plus 5 calendar days for mail lag, the agency concerned may proceed with the procurement as if a delegation of authority had, in fact, been granted. This 20-workday period is subject to written modification by GSA in the event that, after review, it is found that the APR does not contain the full information required. To establish a common understanding of the 20-workday period, GSA will provide written verification within this period to the agency concerned that identifies the date of receipt of an APR or supplemental APR data.

(c) In the event that unusual circumstances surrounding the procurement dictate that a longer period of time is required for GSA to complete its appraisal, GSA will provide written verification within the 20-workday period. Under these circumstances the automatic delegation rule as set forth in paragraph (b) of this section shall not apply.

**§ 1-4.1106-1 Agency responsibilities when GSA procures ADP items for that agency.**

When GSA procures ADP items for another agency, the procurement is a joint endeavor of both the requiring

agency and GSA. To preclude an overlap of functions, the responsibilities of each participant in the procurement are clearly delineated with the requiring agency's functions listed in this § 1-4.1106-1. (The functions of GSA are listed in § 1-4.1106-2.) The requiring agency shall:

(a) Submit to GSA the documentation required by § 1-4.1105. The documentation shall include the agency's requirements, the system/item life, the technical specification, if applicable, and the justification to support negotiated procurement;

(b) Prepare the technical portion of the solicitation document and define any unique requirements;

(c) Provide necessary technical personnel (and contracting personnel if the agency desires) as members of the contract negotiating team;

(d) Prepare the selection plan and submit it to the GSA contracting officer before issuing the solicitation document;

(e) Evaluate proposals from a technical point of view and arrange for offerors' oral presentations, when appropriate;

(f) Provide copies of correspondence to the GSA contracting officer when the agency is authorized to communicate directly with offerors under the provisions of § 1-4.1106-2;

(g) Determine the technical capability of the items offered to meet the requiring agency's requirements, technical specifications, and systems or items life. This responsibility shall include the identification of those proposals that are technically acceptable and those proposals that are not technically acceptable/responsive. The results shall be transmitted to the GSA contracting officer to enable the contracting officer to take appropriate action with the offerors;

(h) Select the lowest overall cost item(s) and transmit this information with the necessary supporting documentation to the GSA contracting officer. If a conclusive judgment cannot be made on the basis of lowest overall cost, a findings and determination to this effect shall be prepared before any other factor is used as a basis for selection;

(i) Provide the following administrative information to the GSA contracting officer with the data required in paragraph (h) of this section:

(1) Finance data (e.g., paying office and fund citation);

(2) Contract distribution list and addressees; and

(3) Identity of assigned contracting officer within the requiring agency;

(j) Assist the GSA contracting officer in debriefing offerors when debriefings are requested by offerors;

(k) Place the delivery order, if applicable;

(l) Accomplish any other task not included above which will further the joint procurement objective or expedite completion of the procurement action at the agency's discretion and with GSA concurrence; and

(m) Administer the contract in accordance with the terms and conditions thereof.

**§ 1-4.1106-2 GSA responsibilities when GSA procures ADP items for another agency.**

When conducting the procurement of ADP items for another agency in conjunction with the requiring agency's responsibilities in § 1-4.1106-1, above, GSA shall:

(a) Appoint the GSA contracting officer;

(b) Form the negotiating team which will be headed by the GSA contracting officer;

(c) Prepare and issue the solicitation document and all amendments thereto after concurrence of the requiring agency (the technical material shall be supplied in final form by the requiring agency);

(d) Prepare the procurement plan (which will be coordinated with the requiring agency), the findings and determination, and any contractual material needed for the selection plan;

(e) Act as the point of contact between offerors and the Government. In this respect, the GSA contracting officer will provide the requiring agency designated point of contact with a copy of all correspondence between the offerors and the Government. Correspondence going to offerors will be coordinated with the requiring agency. When appropriate, the GSA contracting officer may authorize direct communication between the offerors and the requiring agency on purely technical matters. In these instances, the requiring agency shall provide a copy of the correspondence to the GSA contracting officer;

(f) Receive proposals from the offerors;

(g) Provide copies of all proposals received from the offerors to the requiring agency;

(h) Review all offers from a contractual point of view;

(i) Provide personnel to be present at demonstrations to determine the technical capability of the items offered;

(j) Notify the offeror(s) concerned when a proposal is determined to be unacceptable;

(k) Conduct negotiations with all offerors whose proposals are within the competitive range, price and other factors considered (see § 1-3.805-1);

(l) Notify the offerors of the date and time that negotiations are to be terminated;

(m) Provide the requiring agency designated point of contact with both a report which summarizes the results of negotiations and copies of the proposed contract negotiated with each vendor for consideration in the agency evaluation and analysis;

(n) Brief the appropriate requiring agency personnel on the results of contract negotiations when requested;

(o) Award the contract after receiving notification of the requiring agency's selection;

(p) Debrief offerors with the assistance of requiring agency representatives when debriefings are requested by offerors; and

(q) Distribute the contract and forward all pertinent documents to the successor contracting officer appointed by the requiring agency.

**§ 1-4.1107 Federal agency responsibility when procurement authority is delegated by GSA.**

When acting under a GSA delegation of procurement authority under either §§ 1-4.1104 or 1-4.1106, the agency conducting the procurement is responsible for compliance with applicable procurement policies, regulations, and, in particular, § 1-4.1109 and the specific terms of the delegation.

**§ 1-4.1108 Major system acquisition responsibilities.**

(a) *Responsibilities of requiring agency.*

Before the contracting phases of a major system acquisition under OMB Circular A-109 procedures, the requiring agency shall:

(1) Advise GSA upon approval of the mission need statement (Key Decision 1) by the agency head. The advice and assistance<sup>a</sup> of GSA may be requested in performing the analysis, particularly in regard to contemporary experience which may be applicable to the agency mission need. Requests for assistance should be addressed to the Agency Planning Division (General Services Administration (GSA), Washington, DC 20405).

(2) Forward four copies of the major system procurement request to GSA (GSA). The request shall include

<sup>a</sup>GSA is publishing a pamphlet containing a discussion of Major ADP/Telecommunications Acquisitions. A limited number of copies of this pamphlet can be obtained from General Services Administration (GSA), Washington, DC 20405.

applicable data required in the agency procurement request (APR) as required by § 1-4.1105 or the GSA Form 2068, Request for ADP Service. In addition, the request should include:

- (i) A copy of the mission need statement, approved in accordance with applicable directives (Key Decision 1—Approval of Mission Need Statement);
- (ii) The name, address, and telephone number of the designated program manager together with the approved charter outlining the manager's responsibilities, authority, and accountability; and
- (iii) A copy of the system acquisition strategy and plan, approved by the program manager.<sup>9</sup>

**(b) Responsibilities of GSA.**

(1) Before the contracting phase of a major system acquisition, GSA will:

- (i) Provide advice and assistance to the requiring agency, as requested, in its mission analysis efforts to the maximum practicable extent.

(ii) Participate, in an advisory role to the agency program manager, in the development of the system acquisition strategy and plan, upon request:

(2) Based on the major system procurement request, GSA will:

- (i) Delegate authority to the agency to conduct the procurement;
- (ii) Delegate authority to the agency to conduct the procurement action subject to GSA participation to the extent specified in the delegation; or
- (iii) Conduct the procurement on behalf of the agency.

(c) *Procurement by the requiring agency.* When the agency acts under a delegation of procurement authority, the agency shall conduct the procurement in compliance with applicable procurement policies, regulations, and, in particular, the specific terms of the delegation for the major system acquisition.

**(d) Procurement by GSA.**

(1) When GSA elects to conduct the procurement, the procurement is a joint endeavor. Agency responsibilities shall be as set forth in § 1-4.1106-2, as modified and supplemented in this § 1-4.1108(d).

(i) The necessary personnel for evaluation of the concept designs and demonstration contracts and for the selection of alternatives for further consideration shall be provided.

(ii) Copies of agency head approvals (Key Decisions) shall be provided.

(2) When conducting the procurement, GSA's responsibilities will be as set forth in § 1-4.1106-2.

<sup>9</sup>Since the acquisition strategy and plan will become the blueprint for the procurement, it should be developed in coordination with GSA. Participation by GSA may be arranged by contacting the Agency Planning Division (CPS):

**§ 1-4.1109 Procurement actions.**

The procurement of ADPE, commercially available software, maintenance services, and related supplies shall be accomplished in accordance with the policies and procedures set forth in this § 1-4.1109.

**§ 1-4.1109-1 Procurement-related directives.**

Procurement actions shall comply with the following:

- (a) Direction by the President and fiscal and policy control exercised by the Office of Management and Budget;
- (b) The Federal Property Management Regulations (41 CFR Chapter 101), particularly Subchapter F;
- (c) Federal information processing standards (FIPS), Federal telecommunications standards (FED-STD), and joint standards (FIPS/FED-STD);
- (d) Except as otherwise provided by this Subpart 1-4.11, applicable procurement regulations (e.g., the Federal Procurement Regulations (41 CFR Chapter 1), agency regulations implementing and supplementing the FPR, (or, if applicable, the Defense Acquisition Regulation)); and
- (e) GSA directives and delegations.

**§ 1-4.1109-2 Competitive basis and documentation.**

All purchases and contracts shall be made on a competitive basis to the maximum practicable extent. If at any time during a competitive procurement only one vendor remains in the competition or if efforts to obtain competition fail, the procurement files shall be documented before contract award to reflect this condition and the reasons therefor.

**§ 1-4.1109-3 Publicizing procurement actions.**

To ensure that competition is obtained on ADP procurement to the maximum practicable extent, agencies shall publicize solicitations as set forth below:

(a) Synopses of proposed procurements shall be publicized in the "Commerce Business Daily" (CBD), in accordance with the provisions of Subpart 1-1.10 (or, if applicable, DAR Part 1-10) (see also § 1-4.1109-8(f)).

(b) Bids and proposals shall be solicited in accordance with applicable provisions (see §§ 1-1.302-1 and 1-2.205 (of, if applicable, DAR 1-302.1, 1-302.2, and 2-205)). However, the GSA centralized Bidders Mailing List (BML) for Federal Supply Classification (FSC) Group 70 may be used for competitive ADPE and software procurements as established in agency procedures.

Agencies may obtain the GSA BML by a written request to the General Services Administration (8BRC), Building 4, Denver Federal Center, Denver, CO 80255. The request shall include the applicable class and BML code - number(s).

- 7010-0001 ADPE System Configuration
- 7020-0001 ADP Central Processing Unit (CPU, Computer), Analog
- 7021-0001 ADP Central Processing Unit (CPU, Computer), Digital
- 7022-0001 ADP Central Processing Unit (CPU, Computer), Hybrid
- 7025-0001 Memory-Magnetic Storage
- 7025-0002 Magnetic Tape Subsystems
- 7025-0003 Magnetic Disk Subsystems
- 7025-0004 Printers, High Speed (ADP)
- 7025-0005 Paper Tape Devices
- 7025-0007 Interactive Display
- 7025-0008 Interactive Graphics
- 7025-0009 Interactive Hard Copy
- 7025-0010 Other ADP Input/Output and Storage Devices
- 7030-0001 Operating System
- 7030-0002 Application Programs
- 7030-0003 Data Base Management Programs
- 7030-0004 Other Software
- 7035-0001 ADP Accessorial Equipment
- 7040-0001 Punched Card Equipment
- 7045-0002 ADP Support Equipment
- 7050-0001 ADP Components

The GSA BML which is received may be used for subsequent procurements for items in the class(es) and BML code(s), provided the solicitation is released to industry within 90 calendar days following receipt of the BML in question.

(c) Section 1-4.1109-3(b) shall be cited as the authority for the request. For further information concerning the above classes, agencies should contact General Services Administration (CDP), Washington, DC 20405.

(d) Agencies may use the BML for Standard Industrial Group 0739, BML Code 4, for ADP maintenance services. Procedures for obtaining and using this DML are the same as those outlined in paragraph (b) of this section. Section 1-4.1109-3(d) shall be cited as the authority for requesting this BML.

**§ 1-4.1109-4 [Reserved]**

**§ 1-4.1109-5 Small purchases.**

The provisions of Subpart 1-3.6, small purchases, (or, if applicable, DAR Part 3-6) apply when the annual aggregate amount of any one procurement of ADPE, commercially available software, maintenance services, or related supplies does not exceed \$10,000, except that FSC group 70 items which are available on schedule contracts may be procured from that source.



**§ 1-4.1109-6 Use of GSA schedule contracts.**

(a) *General.* (1) Orders placed against GSA nonmandatory schedule contracts under § 1-4.1104 are subject to the provisions of this § 1-4.1109-6. When a schedule contract is used pursuant to a § 1-4.1104 blanket delegation of procurement authority, a specific delegation of procurement authority from GSA is not required even though the order is for a noncompetitive (sole source) requirement as defined in § 1-4.1102-8.

(2) The existence of nonmandatory ADP schedule contracts shall not preclude or waive the requirement for maximum practicable competition in obtaining ADPE, software, or maintenance services. In addition, the availability of those items under an ADP schedule contract shall not preclude or otherwise detract from procuring the items, including peripheral equipment or items for augmenting an existing system from a number of different sources, if this action will be in the best interest of the Government.

(3) Suitable equipment must be considered whether or not this equipment is on an ADP schedule contract. Accordingly, when an agency is procuring under the blanket delegation of procurement authority provisions of § 1-4.1104, maximum practicable competition shall be sought. When using ADP schedule contracts, the offerings of each contractor that might satisfy the agency's requirements shall be considered. Alternatively, the agency may choose to prepare a solicitation package in an effort to secure appropriate products and related services at lower overall costs to the Government. Even though the solicitation process consumes time and resources, it may be in the best interest of the Government when:

- (i) The expected cost reduction will exceed the added costs of acquisition; or
- (ii) There is a reasonable expectation that better offers will be received from suppliers other than the schedule contractor for suitable items; or
- (iii) The agency requirements cannot be satisfied reasonably by any ADP schedule contractor, e.g., the agency's requirement calls for a customized package of equipment, training services, or other features not offered commercially.

(b) *Initial acquisition of ADPE.* Orders for the initial acquisition of ADPE, whether for purchases or rental, may be placed against the ADP schedule contracts provided that all of the following conditions are met.

(1) The order does not exceed the contract's maximum order limitation (MOL).

(2) When the purchase price of the items covered (even though the items are rented or leased) exceeds \$300,000, a specific delegation of procurement authority is obtained (see §§ 1-4.1104-1(b)(2) and 1-4.1105).

(3) The intent to place an order, with an order value in excess of \$50,000, against an ADP schedule contract is synopsisized in the CBD at least 15 calendar days before placing the order.

(4) The procurement file is documented with the results of the synopsis action. If a written response is received from a responsible source who expresses a desire to compete on the requirement (other than from sources available and considered under the ADP schedule contract program), the procurement file also shall be documented with evidence that use of the ADP schedule contract, including the method of acquisition, e.g., lease or purchase, is the lowest overall cost alternative to the agency, price and other factors considered.

(c) *Continued rental or lease of installed ADPE and software.*

ADP schedule contracts may be used for the continued lease or rental of installed equipment and software under the provisions of the schedule contract. However, when orders are for or include the continued lease of an installed central processing unit, the orders are subject to the following:

(1) The intent to place a renewal order, with a value in excess of \$50,000, is synopsisized in the CBD at least 15 calendar days before placing the order; and

(2) A specific delegation of procurement authority under § 1-4.1105 is obtained before issuing the renewal rental or lease order if the schedule purchase price exceeds \$300,000 and the results of the CBD synopsis indicates that the equipment is available from a source other than the schedule contract.<sup>10</sup>

(d) *Conversion from lease to purchase of installed ADPE.*

Orders placed against ADP schedule contracts for the conversion from lease to purchase of installed ADPE are subject to the following:

(1) The intent to place a purchase order, with a net value (purchase price

<sup>10</sup> If the original requirement was evaluated and priced on a systems-life basis, i.e., the price of successive renewals was considered as an evaluated cost in the original acquisition choice, then renewals of installed central processing units under an extended rental plan during the originally planned system life require neither a CBD synopsis nor a delegation of procurement authority from GSA.

after application of any lease credits or discounts) in excess of \$50,000, is synopsisized in the CBD at least 15 calendar days before placing the order; and

(2) A specific delegation of procurement authority is obtained before issuing an order to purchase ADPE with a net purchase order price of more than \$300,000 when identical (specific make and model) or suitable substitute equipment is available from a supplier other than the schedule contractor.

(e) *Acquisition of software and maintenance services.*<sup>11</sup> Orders may be placed against ADP schedule contracts for software and maintenance services provided that:

(1) The value of the order does not exceed the MOL of the applicable schedule contract; and

(2) The procurement file is documented with evidence which supports use of the schedule contract as being in the best interest of the Government.

(f) *Synopsis requirements.*

(1) The requirement to synopsisize the intent to place an order against ADP schedule contracts, as outlined in paragraphs (b), (c), and (d) of this section, shall be followed notwithstanding the exemption in § 1-1.1003-2(e)(5) (or, if applicable, DAR 1-1003.1(c)(v)). These synopses shall be prepared and forwarded in accordance with Subpart 1-1.10 (or, if applicable, DAR Part 1-10) and shall include, as a minimum, the quantity, specific make and model of equipment, date required, place of installation, period of rental, if applicable, and a point of contact for further information. The synopsis shall indicate that no contract award will be made on the basis of offers/proposals received in response to the notice, since the synopsis of intent to place an order against a schedule contract cannot be considered a request for offers/proposals.

(2) Publication of contract award information in the CBD is not required when an order is placed against an ADP schedule contract; whether or not it follows a competitive solicitation, since the schedule contract was publicized in accordance with § 1-1.1004.

(g) *Actions after the CBD synopsis.* The schedule order synopsis technique provides agencies with both the GSA negotiated schedule prices (derived from discounting prices in the competitive commercial marketplace) and such additional product and cost information

<sup>11</sup> A CBD synopsis of the intent to place an order for software or maintenance against an ADP schedule contract is not required.

as might be submitted by potential suppliers in response to the CBD notification. Thus, the contracting officer must make a determination that ordering from the ADP nonmandatory schedule is most advantageous to the Government after consideration of the affirmative responses received in response to the CBD notice. The following actions shall be taken, based on the contracting officer's decision:

(1) When no responses are received, the procurement file shall be documented with the results of the CBD synopsis and the order placed in accordance with the terms and conditions of the applicable schedule contract.

(2) When a response(s) to the CBD notice is received from a nonschedule vendor for an item(s) that meets the user's requirement, the contracting officer shall take one of the following actions:

(i) Document the procurement file with an evaluation which indicates that the nonschedule item(s) would not meet the requirement, or that the schedule provided the lowest overall cost alternative and place the order against the schedule contract; or

(ii) When the evaluation indicates that competitive acquisition would be more advantageous to the Government, the Contracting Officer normally should issue a formal solicitation. In this event:

(A) The solicitation should contain terms and conditions substantially the same as those contained in the schedule contract in which the order was to be placed. The addressees of the solicitation shall include the schedule vendor for the purpose of ascertaining the vendor's interest in furnishing the item(s) of the schedule. This procedure will permit the schedule vendor to discount the schedule item(s) price since a discount under a separate proposal would not be a "price reduction" as provided in the schedule contracts.

(B) The contracting officer shall evaluate the offers received. It should be noted that some vendors may not agree to the solicitation terms and conditions that schedule vendors have accepted and that have been incorporated in their schedule contracts. The contracting officer shall act in a manner most advantageous to the Government by either awarding a contract based on the offers received in response to the solicitation or placing an order with a vendor under a schedule contract. The procurement file shall be documented to justify the action taken.

(h) *Orders not at lowest price.* If ADPE, software, or maintenance services are procured under an ADP schedule at other than the lowest

delivered price available for identical or similar items under any ADP schedule contract, agencies shall justify the action and shall retain the justification and supporting data or submit them to GSA if a specific delegation of procurement authority is required (see § 1-4.1105(k)). The following are examples of factors that may be used in support of justifications.

(1) Special features of one item, not provided by comparable items, are required in effective program performance.

(2) An actual need exists for special characteristics to accomplish identified tasks.

(3) It is essential that the item selected be compatible with items or systems already being used.

(4) Time of delivery in terms of actual need cannot be met by a contractor offering a lower price.

(5) Greater maintenance availability, lower overall maintenance costs, or the elimination of problems anticipated with respect to machines or systems, especially at isolated use-points will produce savings in the long run which are greater than the difference in purchase prices.

#### § 1-4.1109-7 Use of requirements contracts.

GSA makes selected ADPE and software available to agencies through requirements-type contracts that provide for substantially lower equipment and software costs. Where ADPE and software which will satisfy the user's requirements are available from GSA requirements-type contracts, this source shall be used by all agencies as the primary source of supply in accordance with the provisions of these contracts. Copies of the contracts (not contractor's price lists) are distributed to recipients of the schedule FSC Group 70, Part I. Additional copies are available from the General Services Administration (8BR), Building 41, Denver Federal Center, Denver, CO 80225. Some of these requirements-type contracts specify that GSA is responsible for the allocation of the ADPE or software. In these cases, authorization shall be obtained from the General Services Administration (CDP), Washington, DC 20405, before placing an order against the requirements-type contract. Before acquiring ADPE or software that is functionally similar to the ADPE or software on a requirements-type contract from another source, the agency shall:

(a) Document the procurement case file, indicating why the requirements-type contract could not be used; and

(b) Obtain a delegation of procurement authority from GSA if the procurement falls outside the scope of §§ 1-4.1104-1 or 1-4.1104-2.

#### § 1-4.1109-8 Industry review of ADP specifications.

Maximum advantage shall be taken of the latest technological advances in the ADP field to ensure that the Government's data processing requirements are met at the lowest possible overall cost. The ADP industry can perform a useful service during the early stages of the procurement process by ensuring that the specifications are clearly stated and readily understandable and that they will permit the Government to take full advantage of current ADP technology. Accordingly, an agency, at its discretion, may provide offerors a copy of the proposed specifications before release of the formal solicitation. All those offerors who are scheduled to receive a copy of the solicitation under the provisions of § 1-4.1109-3 should be furnished a copy of the proposed specifications. Offerors should be given a minimum of 30 calendar days in which to submit their written comments. If the procurement is complex, offerors normally should be given at least 60 calendar days for submission of their comments. The agency shall evaluate the comments received and take such action as it determines to be appropriate. The Government's action on these comments shall be final.

#### § 1-4.1109-9 Handling of late bids, proposals, modifications, and withdrawals.

(a) Late bids, modifications of bids, or withdrawals of bids shall be handled as set forth in Subpart 1-2.3 (or, if applicable, DAR Part 2-3). The standard clause shall be used (see § 1-2.201(a)(31) (or, if applicable, DAR 7-2002.2)).

(b) Late proposals, modifications of proposals, and withdrawal of proposals shall be handled as set forth in § 1-3.802-1 (or, if applicable, DAR 3-506). The standard clause shall be used (see § 1-3.802-1(a) (or, if applicable, DAR 7-2002.4)). The alternate clause set forth in § 1-3.802-2(b) is available for use in those instances in which overriding mitigating circumstances clearly make use of the alternate clause in the best interest of the Government; and

(1) The head of any agency or the agency head's designated representative authorizes use of the alternate clause for the individual procurement in question; and

(2) Prior specific approval is obtained from the Commissioner, Automated Data and Telecommunications Service.



Washington, DC 20405 as required by § 1-3.802-2(a).

(c) Records provisions concerning the handling of late submissions under advertised procedures should be complied with (see § 1-2.303-8 (or, if applicable, DAR 2-303.4)). Similar records shall be maintained concerning the handling of late submissions under negotiation procedures.

**§ 1-4.1109-10 Use of functional specifications.**

Functional specifications are the preferred method of expressing the user's requirements in solicitation documents. The functional specification may be augmented with equipment characteristics and elements of performance when necessary to reflect the user's needs. (See FPMR § 101-35.205.)

**§ 1-4.1109-11 Use of other types of specifications or purchase descriptions.**

If functional specifications cannot be used to describe the user's complete requirement, other types set forth below may be used. However, to minimize limitations on competition, other types of specifications or purchase descriptions shall be used in the order of precedence as listed:

- (a) Equipment performance specifications (see § 1-4.1102-13);
- (b) Software and equipment plug-to-plug compatible functionally equivalent purchase descriptions;
- (c) Brand name or equal purchase descriptions (see §§ 1-1.307-4 and 1-1.307-5 (or, if applicable, DAR 1-1206.2)); or
- (d) Specific make and model purchase descriptions (This type of purchase description limits competition. Its use is considered to be a noncompetitive (sole source) requirement and must be justified.)

**§ 1-4.1109-12 Compatibility limited requirements.**

(a) A statement of requirements for an augmentation or replacement acquisition (see FPMR § 101-35.209) that is limited to ADPE and software compatible with the installed system shall be:

- (1) Supported by a software conversion study (see § 1-4.1109-13);
  - (2) Justified on the basis of agency mission-essential data processing requirements, and economy and efficiency; and
  - (3) Meet the requirements of this § 1-4.1109-12.
- (b) Compatibility limited requirements tend to restrict competition and therefore shall not be made a mandatory requirement solely for reasons of economy or efficiency. When conversion

costs are to be evaluated, the solicitation shall provide for the submission and evaluation of acceptable noncompatible offers from responsible offerors that will meet the user's requirement at the lowest overall cost, price and other factors considered.

(c) The following factors shall be considered in determining whether the incorporation of compatibility limited requirements is justified for the replacement acquisition.

- (1) The essentiality of existing software, without redesign, to meet agency critical mission needs. For example, the continuity of operations may be so critical that conversion is not a viable alternative.
- (2) The additional risk associated with conversion if compatibility specifications are not used and the extent to which the Government would be injured, financially or otherwise, if the conversion to the new ADP system fails.
- (3) The additional adverse impact of factors such as delay, lost economic opportunity, and less than optimum utilization of skilled professionals if compatibility specifications are not used.
- (4) The steps being taken to foster competitive conditions on the augmentation or replacement acquisition (see § 1-3.101(d) (or, if applicable, DAR 3-101-(d)) and FPMR § 101-35.206).
- (5) The offloading of selected applications programs to commercial data processing service facilities as an alternative to conversion.
- (6) The extent of essential parallel operations, i.e., the need to continue operation of the old system in parallel with the new system until the new system can fully support the mission needs.

(d) The findings that support the use of compatibility specifications shall be submitted with each agency procurement request (see § 1-4.1105) for augmentation or replacement ADPE acquisition when the use of these specifications is contemplated.

**§ 1-4.1109-13 Software conversion studies.**

(a) Software conversion studies shall be performed for all procurements to ensure that the user's needs are met at the lowest overall cost, price and other factors considered, including the cost and other factors associated with conversion activities. However, a software conversion study is not required when one of the three following conditions exist:

- (1) Initial acquisition where no software currently exists;

(2) Procurement for computer peripherals only; or

(3) Exercise of purchase option under a leasing agreement.

(b) Studies for procurements below the thresholds stated in paragraph (c) of this section shall be based on Government estimates determined in accordance with agency procedures. The procurement file shall be documented to record the estimates and the method of computation.

(c)(1) A comprehensive software conversion study shall be made for each augmentation or replacement ADPE acquisition when either one of the two following conditions exists:

- (i) The estimated purchase price of the ADP equipment system is expected to exceed \$2,500,000, excluding the maintenance and support costs; or
- (ii) The cost of conversion is to be used as the primary justification for a noncompetitive (sole source) requirement when the estimated value of the procurement exceeds \$300,000.

(2) An agency may elect to conduct its own comprehensive software conversion study, use contractual resources to accomplish the study, or request the GSA Federal Conversion Support Center (FCSC) to perform the study.

(3) The software conversion study shall be maintained in agency files and be available for GSA review at the time that the agency submits to GSA an agency procurement request (APR).

**§ 1-4.1109-14 Determination of conversion costs.**

(a) Costs directly related to the conversion from the installed ADPE, software, data bases, files, and telecommunications software to the replacement system and project management costs shall include, but are not limited to:

(1) Conversion of the following software by reprogramming, recoding, or translation:

- (i) Existing software written in Federal standard or other ANSI standard higher level language; and
- (ii) Application software written in assembly or other nonstandard languages that will continue to meet essential agency mission needs without redesign, provided that continued use of the nonstandard software can be justified and the file is documented with the justification prior to incorporation into the software conversion study; and
- (iii) Mission-essential application software to be developed for operational use before the augmentation or replacement ADPE and operating system software is installed, (or before commercial ADP services are procured)

provided the software is written in Federal standard or other ANSI standard languages;

(2) Conversion of data bases, data base design changes, and data base management systems designed to the Conference on Data Systems Languages (CODASYL) specifications to the extent necessary to permit the continued use of existing application software;

(3) Firmware required solely to permit the continued use of application software;

(4) Site preparation and modifications to installed environmental controls;

(5) Parallel operation of the old system during the conversion process, including offsite data processing support;

(6) Travel and training expenses, including pay and fringe benefits of Government employees during attendance at formal classroom training courses; and

(7) Other general and user expenses directly related to the conversion effort; e.g., conversion planning, preparation, and management and supplies and any additional general-purpose software required to support the conversion.

(b) The useful life of application software is limited by changes in data processing requirements, operating system software, and equipment technology. Generally, the life expectancy of this software, without redesign or reprogramming, is in the range of 5 to 10 years. Accordingly, the updating of application software for these reasons must be reckoned with, regardless of whether these programs are converted from one ADP system architecture to another. The costs incurred for the redesign of application software in technology updating are not *bona fide* conversion costs, and they shall not be evaluated for the purpose of determining the lowest total overall cost offer/bid. These technology updating costs include:

(1) The conversion of existing software and data bases which are to be redesigned;

(2) Purging duplicate or obsolete software, data bases, and files;

(3) Development of documentation for existing application software; and

(4) Improvements in management and operating procedures.

(c) Standard cost factors, such as those contained in the OMB Cost Comparison Handbook (Supplement No. 1 to OMB Circular A-78), shall be used to the maximum practicable extent in preparing conversion cost studies and estimates. These cost factors may be supplemented by industry- or agency-developed cost factors, as necessary.

#### § 1-4.1109-15 Determination of selection factors.

The prices offered and estimated costs of conversion that can be stated in dollars for software, including data base management systems, data base conversion, files conversion, system test, parallel operations, and other expenses directly related to the conversion from installed ADPE and software to augmentation or replacement ADPE and software, shall be included in the evaluation for determining the lowest overall cost, price and other factors considered. The following are examples of other factors to be considered:

(a) Economic benefits clearly attributable to increased agency productivity.

(b) Direct savings that would accrue to the Government from the release of rented ADPE, discontinuance of commercial ADP services, or reduction in telecommunications costs.

(c) Indirect savings derived from reductions in other than ADPE or ADP service costs, such as space and/or non-ADP personnel support expenses.

(d) Benefits from implementing new applications which otherwise would have to be deferred either indefinitely or to a significantly distant point-in-time.

(e) Economic advantages resulting from providing the capability to accommodate projected increases in workload without contracting for further augmentation or replacement of the ADPE or acquisition of commercial ADP services.

(f) Potential savings due to the availability of software already developed and available from the Federal inventory or commercial marketplace that could be used to meet additional agency requirements.

(g) Proven reliability of the equipment and operating system software in similar operating environments.

(h) The continued availability of operating system software support and maintenance services beyond the initial system/item life that would enhance the probability of reutilization of the ADPE within the Government.

(i) The potential for supporting other agencies through the ADP sharing program.

#### § 1-4.1109-16 Software procurements.

When acquiring commercially available software, agencies shall strive to obtain the following objectives:

(a) Avoid restrictive clauses that limit the use of the software to a specific ADP system, installation, or organization;

(b) Incorporate a clause that will permit other Government agencies to

obtain the software under the contract being negotiated;

(c) Obtain additional quantity discounts, should any other Government agency acquire the same software under the contract in question; and

(d) Ensure that the vendor is contractually obligated to support and maintain the software in subsequent years.

#### § 1-4.1109-17 Procurement of related supplies.

Specific purchase programs have been established by GSA for selected ADP related supplies (including electronic data processing tape).<sup>12</sup> When the identical item(s) is available from multiple sources, contracts are awarded on a competitive basis. These contracts are the primary source of supply for the ADP supplies and support equipment included therein. Instructions for ordering these items are set forth in the contract (see also § 1-4.1109-7). Specific purchase programs also have been established for tabulating machine cards and marginally-punched continuous forms. (See FPMR §§ 101-28.509 and 101-28.703 for instructions for ordering tabulating machine cards and marginally punched continuous forms, respectively.)

#### § 1-4.1109-18 Furnishing ADP items and services to contractors.

(a) When the very subject matter of a contract is for something other than the procurement of ADP items or services and commercially available ADPE is incorporated into the non-ADP system or commercial ADP services are used in contract performance, the acquisition and management of the non-ADP system shall be in accordance with other applicable regulations, rather than this subpart (see § 1-4.1101(b)(2)).

(b) To facilitate the reutilization of ADPE, the Government contractor shall be required to identify the quantity and specific make and model of the ADPE that is delivered as a part of the non-ADP system. Nevertheless, agencies shall sever requirements for general purpose commercially available ADP items or services from the overall requirement, acquire them in accordance with these regulations, and provide them as Government-furnished property or services to the contractor when it is operationally feasible to do so and this action will promote economy, efficiency, and maximum practicable competition.

(c) In those instances when ADP items or services are severed pursuant to this subpart and procured by the

<sup>12</sup> Similar programs have been established for support equipment.

Government, care must be taken to ensure that the prime contractor's ability and responsibility to perform in accordance with the contract provisions are not disturbed.

**§ 1-4.1109-19 Purchase options for contractor acquired ADPE.**

(a) Notwithstanding the provisions of § 1-4.1107, when leased ADPE is used on Government contract work and the total cost of leased ADPE is absorbed by the Government under a cost-reimbursement type contract, the contracting officer shall require the contractor to include a provision in the rental contract stating that the Government will have the right to exercise any purchase option and realize any other benefits earned through rental payments.

(b) When leased ADPE is used on Government contract work under a cost-reimbursement type contract and less than 100 percent of the cost of the equipment is absorbed by the Government, the contracting officer should obtain for the Government, where possible, the right to realize accrued purchase option credits, if the contractor elects not to exercise the purchase option. Accordingly, agency negotiation objectives for cost-reimbursement type contracts shall include the following when less than 100 percent of the cost of the equipment is absorbed by the Government:

(1) The encouragement of contractors to agree to the incorporation in the ADP equipment lease of a Government right to realize accrued purchase option credits;

(2) The obtaining, if possible, of a Government right of first refusal on accrued purchase credits if the contractor elects not to exercise the purchase option; and

(3) The providing of an advance notice of at least 60-days (120-days, if feasible) to the Government when the contractor proposes to terminate the ADP equipment lease if the Government has been granted rights to accrued purchase option credits.

(c) If the Government has been granted rights to purchase option credits in accordance with paragraph (b) of this section and the contractor elects not to exercise the purchase option, the ADPE shall be reported through agency or GSA reutilization channels as set forth in FPMR Subpart 101-36.3.

(d) If the Government elects to exercise an option to purchase the leased ADPE in accordance with paragraphs (a) and (b) of this section, it is in the nature of a procurement. Accordingly, the agency shall comply with the applicable provisions of this

subpart relating to the acquisition of ADPE.

**§ 1-4.1109-20 Computer security requirements.**

(a) Specifications for the acquisition of ADPE, software, maintenance services, and supplies are required to be certified by the requiring agency as meeting the agency security needs. (See OMB Circular No. A-71, Transmittal Memorandum No. 1, dated July 27, 1978, and implementing policies, procedures, standards, and guidelines issued by GSA (see FPMR Subparts 101-35.3 and 101-36.7), Department of Commerce, and the Office of Personnel Management.) These requirements are in addition to provisions concerning protection of the privacy of individuals (see § 1-1.327 (or, if applicable, DAR 1-327 and APP.P) and FPMR Subpart 101-35.17).

(b) Solicitation specifications shall include, where applicable:

(1) Agency rules of conduct that a contractor and the contractor's employees shall be required to follow;

(2) A list of the anticipated threats and hazards that have been determined by risk analysis that the contractor must guard against;

(3) A description of the safeguards that the user agency specifically requires the contractor to provide;

(4) The standards applicable to the contractual requirement;

(5) The test methods, procedures, criteria, and inspection system (or the requirement to submit proposals therefor) necessary to verify and monitor the operation of the safeguards during contract performance and to discover and counter any new threats or hazards;

(6) The requirement for periodically assessing the security risks involved and advising potential users of the level of security provided;

(7) Proposed contractual clauses or provisions, as necessary, to provide for the foregoing; and

(8) A description of the personnel security requirements.

(c) Evaluations of offers for award, where applicable, will include:

(1) The adequacy of the proposed safeguard program;

(2) The presence in place of safeguards, including personnel security requirements; and

(3) The inclusion in the proposed contract of clauses that appropriately provide for (i) title to safeguards designed or developed under the contract, (ii) control of publication or disclosure of safeguards whether Government-furnished or contractor generated, and (iii) statement of work adjustments, as necessary, to reflect the

contractor's proposal, its evaluation, and the contract negotiation.

(d) Contract administration should include, where applicable, monitoring of the verification and inspection program for continuing effectiveness of the safeguard program including compliance with applicable standards, procedures, and guidelines incorporated into the contract.

**§ 1-4.1109-21 Restrictions on the use of simulation in ADP systems procurement.**

(a) Data structured for simulation purposes shall not be used as the only means of describing data processing requirements in solicitation documents. Simulation data shall be accompanied by a narrative description of the ADP objectives and workload and any available application logic diagrams.

(b) Solicitation documents shall not be structured in such a way as to require offerors to use a specific computer system simulator in order to submit their offers, but when offerors submit computer simulation as part of their offers, they shall be required to describe clearly the simulation used and the make and model of the computer on which the simulation was run.

(c) Offers should not be considered nonresponsive or unacceptable solely on the basis of simulation results.

(d) Procedures for ADP simulation and computer performance evaluation services are prescribed in FPMR Subpart 101-36.14.

**§ 1-4.1109-22 Use of benchmarks in low dollar ADP systems procurements.**

(a) Solicitations involving low dollar value procurements generally shall not require benchmarks where performance can be validated by some other means. When the use of benchmarks is necessary, solicitations shall not require the running of "worst case" benchmark programs (e.g., programs that require extensive reprogramming or conversion), unless these programs are representative of the using agency's data processing needs.

(b) Mandatory benchmarks shall not be used, however, in solicitations for ADP systems with a purchase value of less than \$300,000 unless the using agency determines that there is no other acceptable means of validation.

(c) For ADP systems with a purchase value of \$300,000 or less, the following validating methods shall be considered:

(1) Validation of performance by the technical evaluation of proposed ADPE and software; or

(2) Evaluation of an operational ADP installation processing a similar workload on comparable equipment.

**§ 1-4.1109-23 Use of remote terminal emulation in ADP systems procurement.**

(a) Each agency shall determine whether or not to require the mandatory use of remote terminal emulation during each ADP system procurement. An agency should study the GSA Handbook, Use and Specifications of Remote Terminal Emulation in ADP System Acquisitions,<sup>13</sup> before making its determination.

(b) When an agency requires the mandatory use of remote terminal emulation during an ADP system procurement, the agency:

(1) Shall follow all mandatory procedures contained in the GSA Handbook;

(2) Shall not require remote terminal emulation capabilities that are not explicitly defined in the GSA Handbook;

(3) May declare an offer unacceptable in a negotiated procurement if the offeror fails to provide the remote terminal emulation capabilities required by the solicitation; and

(4) Shall not require an offeror to conduct a benchmark test using remote terminal emulation at the agency's site.

(c) Any agency desiring to deviate from the policy defined in paragraph (b) of this section shall request authority from GSA, under § 1-4.1100-3 procedures, to deviate before the issuance of the solicitation document.

(1) To request a deviation authority, an agency shall provide to the General Services Administration (GSA), Washington, DC, 20405, a detailed, technical description and justification for each specific deviation desired.

(2) When granted authority to deviate, an agency shall provide promptly to potential offerors detailed instructions specifying all mandatory remote terminal emulation capabilities not defined in the GSA Handbook and the exact manner in which each emulation benchmark test must be conducted. A notice indicating the availability of these materials shall be published in the Commerce Business Daily (CBD) at least 60 calendar days before the release of the solicitation document.

<sup>13</sup> The GSA Handbook, Use and Specifications of Remote Terminal Emulation in ADP System Acquisitions, has been prepared to provide guidance to Federal agencies in designing and conducting remote terminal emulation benchmark tests. The Handbook summarizes introductory concepts and terminology of benchmarking and remote terminal emulation, describes when and how agencies should use remote terminal emulation, and specifies the remote terminal emulation capabilities that an agency may require offerors to provide for testing ADP systems during acquisition. Copies of the GSA Handbook are available upon written request to General Services Administration (GSA), Washington, DC 20405.

**§ 1-4.1109-24 Evaluation factors.**

Solicitations shall identify all factors, including conversion costs, that will be considered in the evaluation of offers (see §§ 1-3.802(c) (or, if applicable, DAR 3-501, particularly (b)(2) Sec. M(1)) and 1-4.1109-15). The evaluation factors shall be applied to the mandatory requirements and the other requirements identified as evaluated optional features, where applicable. When evaluated optional features are included in a solicitation, relative importance (expressed in dollar values, or points, or any other reasonable indicators) shall be indicated for each feature.

**§ 1-4.1109-25 Implementation of standards.**

(a) The standard terminology as set forth in FPMR Subpart 101-36.13 for each Federal information processing standard publication (FIPS PUB), Federal telecommunications standard (FED-STD), or joint FIPS/FED-STD that is applicable, unless waived or excepted as prescribed by the standard, shall be included in the solicitation for procurements under this Subpart 1-4.11. FPMR Subpart 101-36.13 provides standard terminology for use in solicitations, purchase agreements, and contracts to give effect to announced standards. FIPS PUBS are issued by the National Bureau of Standards and collectively constitute the Federal Information Processing Standards Register. Standards are available as set forth in FPMR § 101-36.1302.

(b) The provisions of FPMR Subpart 101-36.13 are applicable to all Federal agencies unless the agencies are otherwise excepted. Waiver procedures and exceptions are prescribed in the applicable standards.

(c) If the requirements for compliance with a standard is changed after release of a solicitation; e.g., approval of a delayed request for a waiver, the agency responsible for the procurement action shall determine whether a substantial change in the Government's requirement has occurred. Action in accordance with § 1-3.805-1(d) (or, if applicable, DAR 3-805.4(b)) shall be taken, including resolicitation if appropriate, based on the determination.

**§ 1-4.1110 Standard clauses.**

The following clauses shall be used as specified in solicitations and contracts for ADP items covered by this Subpart 1-4.11.

**§ 1-4.1110-1 Limitation of liability.**

The following clause shall be used in all solicitations and contracts for ADPE, commercially available software, maintenance, and related supplies.

unless the contracting officer determines that a higher degree of protection is in the best interest of the Government.

**Warranty Exclusion and Limitation of Damages**

Except as expressly set forth in writing in this agreement, or except as provided in the clause entitled, "Commitments, Warranties, and Representations," if applicable, and except for the implied warranty of merchantability, there are no warranties expressed or implied. In no event will the Contractor be liable to the Government for consequential damages as defined in the Uniform Commercial Code, Section 2-715, in effect in the District of Columbia as of January 1, 1973; i.e.:

Consequential damages resulting from the seller's breach include:

(a) Any loss resulting from general or particular requirements and needs of which the seller at the time of contracting had reason to know and which could not reasonably be prevented by cover or otherwise; and

(b) Injury to person or property proximately resulting from any breach of warranty.

(End of Clause)

**§ 1-4.1110-2 Contractor representation.**

The following clause shall be used in all solicitations and contracts for ADPE when the Government's requirement is set forth in whole or part by functional specifications and the value of the contract is expected to exceed \$100,000.

**Contractor Representation**

Unless the Contractor expressly states otherwise in the Contractor's proposal, where functional requirements are expressly stated as part of the requirements of this solicitation, the Contractor, by responding, represents that in its opinion the system/item(s) proposed is capable of meeting those requirements. However, once the system/item(s) is accepted by the Government, Contractor responsibility under this clause ceases. In the event of any inconsistency between the detailed specification and the functional specification contained in the solicitation, the former will control.

**§ 1-4.1110-3 Fixed price options.**

(a) A fixed price contract with option(s) to extend the contract period of performance and/or to acquire additional quantities may be in the best interest of the Government when:

(1) The Government has firm requirements for the use of ADPE, commercially available software, or maintenance services which extend beyond the initial fiscal year;

(2) Funds, including funds under statutes that limit the obligation of funds to the fiscal year of their appropriation, are unavailable beyond the initial fiscal year;

(3) A reasonable certainty exists that funds will be available thereafter to

permit the satisfaction of the requirements; and

(4) Realistic competition for the additional periods or quantities may be impracticable once the initial contract is awarded.

(b) The evaluation of options is in the best interest of the Government at the time of initial award because it reduces the possibility of a buy-in and motivates price competition on a system/item life basis. "Buy-in" refers to the practice of attempting to obtain a contract award by knowingly offering a price less than anticipated costs with the expectation of receiving "follow-on" awards (where effective competition can be anticipated to be less) at prices at least high enough to recover any losses on the original "buy-in" contract. The long-term effects of this practice may diminish competition and may result in poor contract performance and higher long-term prices to the Government.

(c) One-time charges (startup and other nonrecurring costs), such as documentation, manuals, initial training requirements, etc., may be significant for a particular solicitation. An offeror may intend to absorb some portion of these costs or may plan to recover them (amortize over) in connection with possible "follow-on" awards. Incumbent offerors could enjoy a competitive advantage since it may not be necessary to include portions of these costs. In addition, offerors with relatively broader markets and/or stronger financial resources tend to have greater flexibility with respect to any one individual procurement action. The evaluation of system/item life prices promotes greater competition by evening out these advantages and encourages lower system/item life pricing.

(d)(1) When considering options, care should be exercised in making the distinction between (i) discontinuance charges; i.e., termination settlement compensation (the term includes prenegotiated contractual payment provisions) for discontinuance of performance during the initial contract period of performance or during an exercised option period of performance, (ii) separate charges for the Government's failure to exercise an option to extend the period of performance or to acquire additional quantities, and (iii) contracting for evaluated optional features (see § 1-4.1102-14) which is outside the scope of this § 1-4.1110-3.

(2) A provision in a contract that calls for a payment that reflects the addition of a separate charge to a contract price is illegal if the charge when added to the contract price exceeds the amount that

Reasonably represents the value of *bona fide* fiscal year requirements. (See 31 U.S.C. 665a, 31 U.S.C. 712a, and 41 U.S.C. 11.) To preclude the offering of these illegal charges (because of the nonexercise of options) when options are to be incorporated into a contract, separate charges in any form shall not be solicited. Solicitations shall provide that offers containing any charges for the Government's failure to exercise any option will be rejected. The solicitation/contract provision entitled "Fixed-Price Options" authorized by this § 1-4.1110-3 so provides.

(e)(1) When the fixed price options provision is used, the Government and the contractor may find it mutually advantageous to incorporate a special contractual provision containing specific notice and settlement terms to cover discontinuance of rental of equipment or software during the contract period of performance. The solicitation/contract provision entitled "Discontinuance Repricing" (see paragraph (h) of this § 1-4.1110-3) shall be used for this purpose. This provision is in addition to and takes precedence over the required standard termination for convenience clause when the contracting parties mutually agree to incorporation of the provision in the contract. In the event the provision is not incorporated, discontinuance shall be governed solely by the required standard termination for convenience clause.

(2) The special "Discontinuance Repricing" provision provides notice of discontinuance and settlement payment terms. A means is provided to determine finitely discontinuance charges within a ceiling price that ensures that the value of the discontinued requirement and the contract value of the requirement for the applicable contract period are reasonable. It provides the opportunity for a lower price offer by covering the risk of discontinuance with specified repricing provisions.

(3) Neither the incorporation of the provision in the contract nor the calculation and comparison of potential discontinuance charges shall be considered as a factor in the evaluation and selection for award.

(f)(1) The exercise of an option by the Government shall be made only if it is determined that (i) funds are available, (ii) the requirement covered by the option fulfills an existing need of the Government, and (iii) the exercise of the option is the most advantageous method of fulfilling the Government's need, price and other factors considered.

(2) The determination shall be set forth in writing and made a part of the contract file.

(g) When the circumstances discussed in paragraph (a) of this § 1-4.1110-3 are applicable, the following solicitation/contract provision, entitled "Fixed-Price Options," shall be inserted in the solicitation. The data required for the "fill-ins" should be suitably highlighted, and inapplicable bracketed portions should be deleted. When the "Fixed Price Options" provision is used, the solicitation shall also specify:

- (1) The system/item life;
- (2) The present value discount methodology, including payment schedule, that will be used for purposes of award evaluation; and
- (3) The option periods of performance and option quantities, as appropriate.

#### Fixed Price Options Provision

(a) This solicitation is being conducted on the basis that the known requirements extend beyond the initial contract period (and exceed the basic quantity)\* to be awarded, but due to the unavailability of funds, including statutory limitations on obligation of funds, the option(s) cannot be exercised at the time of award of the initial contract. There is a reasonable certainty that funds will be available thereafter to permit exercise of the options. Because realistic competition for the option periods (and quantity)\* is impracticable once the initial contract is awarded, it is in the best interest of the Government to evaluate options in order to eliminate the possibility of a "buy-in."

(b) In order to safeguard the integrity of the Government's evaluation and because the Government is required to procure ADPE and related items on the basis of fulfilling the systems life requirement at the lowest overall cost, price and other factors considered, requirements for optional periods (and additional quantities)\* as well as initial requirements will be evaluated for award on a fixed price basis. Since the systems or items to be procured under the solicitation have an expected life of \*\* months (hereafter referred as "system life" or "item life," as appropriate), and since lowest system (item) life costs are synonymous with lowest overall costs, the contract resulting from this solicitation will contain options at fixed prices for renewals for subsequent periods based on fiscal years throughout the projected system (item) life (and options at fixed prices for all stated optional quantities of supplies or services not included in the initial requirements)\*. Despite the foregoing, offerors are reminded that although the evaluation that will lead to contract award will be based on system (item) life costs, the award of the initial contract as well as the exercise of the option(s) is dependent not only on the continued existence of the requirement and the availability of funds but also on an affirmative determination that each exercise of an option is in the best interest of the Government.

\* Delete when inapplicable.

\*\* Insert the specific number of months applicable to the solicitation.

(c) Options included in offers submitted in response to this solicitation will be evaluated as follows:

(1) **Firm Fixed Prices.** To be considered acceptable under the solicitation, offerors must offer (i) fixed prices for the initial contract period for the initial system or items being procured, (ii) fixed prices or prices which can be finitely determined for each separate option renewal period, which prices must remain in effect throughout that period; and (iii) fixed prices or prices which can be finitely determined for all required option quantities\*.

(2) **Evaluation of Prices.** Offers will be evaluated for purposes of award by adding the total price of all optional periods [and all stated optional quantities]\* to the total price for the initial contract period covering the initial system or items. These prices will be adjusted by the appropriate discount factors shown in\*\*\* of the solicitation document. Evaluation of option prices will not obligate the Government to exercise the options. Offers which do not include fixed or determinable system (item) life prices cannot be evaluated for the total systems life requirement and will be rejected. Offers which meet the mandatory requirements will be evaluated on the basis of lowest overall cost to the government, price and other factors considered.

**Note.**—Evaluated optional features, if any, will also be evaluated.

(3) **Separate Charges.** Separate charges, in any form, are not solicited. Offers containing any charges for failure to exercise any option will be rejected.

(d) Selection of an offer shall be made on the basis of lowest overall cost, price and other factors considered, to the Government provided that the contract price reasonably represents the value of *bona fide* fiscal year requirements, rather than representing, to any extent, a portion of any other fiscal year's requirements. This determination with respect to the contract price shall be made after consideration of such factors as commercial or catalog prices for short term leases, offeror system startup expenses, multiyear price protection, assured system life availability of equipment, software, and vendor support. If a determination is made that an offer does not meet these criteria, that offer cannot be accepted for award.

(e) Award of an initial contract will not obligate the Government to exercise any contractual option. Prior to exercising any option the Government will make a determination that (i) funds are available, (ii) the requirement covered by the option fulfills an existing need of the Government, and (iii) the exercise of the option is the most advantageous method of fulfilling the Government's need, price and other factors considered.

(f) Failure to exercise an option(s) shall not obligate the Government to pay any charges other than the contract price including exercised options.

\*\*\* Insert location in the solicitation where appropriate discount factors and the contemplated payment schedule are specified.

(g) The following provision(s) shall be included in any contract resulting from this solicitation.

#### Option To Extend the Term of the Contract

This contract is renewable at the prices stated elsewhere in the contract, at the option of the Government, by the Contracting Officer giving written notice of renewal to the Contractor by the first day of each fiscal year of the Government or within 30 days after funds for that fiscal year become available, whichever date is the later, provided that the Contracting Officer shall have given preliminary notice of the Government's intention to renew at least\*\*\*\* days before this contract is to expire. Such a preliminary notice of intent to renew shall not be deemed to commit the Government to renewals. If the Government exercises this option for renewal, the contract as renewed shall be deemed to include this option provision. However, the total duration of this contract, including the exercise of any options under this clause, shall not exceed\*\* months.

#### Option for Increased Quantity

The Government may increase the items called for herein by the quantities stated and at the unit prices specified elsewhere in this contract. The Contracting Officer may exercise this option at any time within the period specified in the contract by giving written notice to the Contractor. Delivery of items added by exercise of this option shall be in accordance with the delivery schedule set forth elsewhere in this contract.\*

(End of solicitation/contract provision).

(h) The "Discontinuance Repricing" solicitation/contract provision may be inserted in the solicitation when the Government considers it appropriate to do so. (See paragraph (e) of this § 1-4.1110-3.) The contract may contain this contractual provision when the contracting parties mutually agree to its insertion. The offeror is provided an opportunity to indicate his or her position by checking the appropriate box in the solicitation/contract provision.

#### Discontinuance Repricing Provision

(a) By the incorporation of this solicitation/contract provision in this solicitation, the Government indicates its willingness to incorporate the contract provision entitled "Discontinuance of Rental and Repricing" into the contract resulting from this solicitation. The provision provides an alternative to standard termination for convenience procedures in appropriate circumstances.

(b) The following example illustrates the operation of the provision.

- Monthly rental price effective for the period in which the discontinuance date falls for the discontinued item as stated in the contract—\$90.
- Monthly rental price for the item effective at the time of initial award of the system

contract as stated in the vendor's ADP schedule contract (or the established commercial catalog price at the same time, if lower or if no ADP schedule contract effective)—\$120.

- Months of rental prior to the discontinuance date during the initial or option contract period of performance in which the discontinuance date occurs—10.
- Rental charges earned during the applicable period of performance ( $10 \times \$90$ )—\$900.
- Discontinuance charges to be added at discontinuance date ( $(\$120 - \$90) \times 10$ )—\$300.
- Total rental charges plus discontinuance charges ( $\$900 + \$300$ )—\$1,200.
- Ceiling on total of rental charges and discontinuance repricing charges ( $12 \times \$90$ )—\$1,080.
- Total price during period for the discontinued item (\$1,080 ceiling lower than total rental earned plus discontinuance charges)—\$1,080.

(c) **Offeror election.** The undersigned offeror ☐ agrees, ☐ declines, the incorporation of the following contract provision in any contract which may result from this solicitation.

#### Discontinuance of Rental and Repricing

(a) The Government may, in lieu of a termination under the clause of this contract entitled "Termination for the Convenience of the Government" during the initial or any option period of performance of this contract, discontinue rental of any equipment or software on a date specified in a written notice provided to the Contractor not less than 30 days prior to the specified discontinuance date. The Government may discontinue the rental or shorter notice when agreed to by the Contractor.

(b) In the event of discontinuance of rental under (a) above, the Government shall pay termination repricing charges to the Contractor as computed in accordance with this paragraph (b). The charges shall be the remainder obtained by subtracting the contract monthly rental price effective at the discontinuance date for the discontinued equipment or software item from the monthly rental price for the item under the GSA/ADP schedule contract or the established commercial catalog price, whichever is less, effective at the time of award of the contract's initial period of performance, multiplied by the number of months the item was rented during the particular contract period of performance (initial or option) in which the discontinuance was effective, provided, in no event shall the total of termination repricing charges and the contract rental price for the number of months the item was rented during the period in which discontinuance was effective exceed the contract price for the item for the entire period.

(c) The provisions of this clause shall prevail when notice pursuant to this clause is made.

(End of solicitation/contract provision)

#### § 1-4.1111. Additional clauses.

The GSA Solicitation Document for ADP Equipment Systems contains

\*\*\*\* Insert 30 days unless the Government determines that a longer period is appropriate.



clauses regarding special provisions (Section E) and contractor support (Section G). These clauses may be used if they meet the requirements of the user. A limited number of copies of this solicitation document is available from GSA (CPEP), Washington, DC 20405.

**§ 1-4.1112 Assistance by GSA.**

Assistance in any phase of the procurement process covered by this Subpart 1-4.11 may be obtained by contacting the General Services Administration (CPS), Washington, DC 20405.

- Dated: December 29, 1980.

Ray Kline,

Acting Administrator of General Services.

(FR Doc. 81-00082 Filed 1-2-81, 8:45 am)

BILLING CODE 6820-61-M

**41 CFR Parts 101-35 and 101-36**

[FPMR Amendment F-44]

**Management, Acquisition, and Utilization of Automatic Data Processing (ADP) Resources**

**AGENCY:** General Services Administration.

**ACTION:** Final rule.

**SUMMARY:** This regulation provides a complete revision of Subpart 101-35.2 regarding general policies and procedures relating to the management, acquisition, and utilization of ADP equipment (ADPE); software, maintenance, related supplies, ADP services, and ADP related services by Federal agencies. This action is needed to change, consolidate, and clarify policies and procedures. The intended effect is to reduce paperwork regarding agency ADP resources management.

**EFFECTIVE DATE:** This regulation is effective January 15, 1981, but may be observed earlier.

**FOR FURTHER INFORMATION CONTACT:** Roger W. Walker, Procurement Policy and Regulations Branch, Policy and Analysis Division, Office of Policy and Planning, ADTS, 202-566-0194.

**SUPPLEMENTARY INFORMATION:** (a) A proposed revision of Subpart 101-35.2 (and FPR Subpart 1-4.11) was circulated to all Federal agencies and other interested parties on May 28, 1980. The closing of the comment period was November 14, 1980 (45 FR 71628, Oct. 29, 1980). All comments received have been considered and accommodated to the extent considered appropriate.

(b) A complete revision of Subpart 101-35.2 is provided. Substantive changes from the existing coverage are as follows:

(1) Section 101-35.200 is added to set forth the scope of the subpart, replacing the purpose and supersession sections (101-35.201 and 101-35.202).<sup>1</sup>

(2) Subsection 101-35.200-1 is added to set forth the relationship of the subpart to other directives.<sup>2</sup>

(3) Section 101-35.201 is revised to clarify the applicability of the subpart, replacing § 101-35.204.

(4) Section 101-35.202 is revised to provide definitions, replacing §§ 101-35.205 and 101-35.209 and Appendix A.

(5) Section 101-35.203 is revised and the following subsections are added to provide restated policies, with emphasis on management of the process for determining the ADP need, replacing §§ 101-35.203, 101-35.206, and 101-35.207.

(6) Sections 101-35.204 through 101-35.210 are revised and § 101-35.211 is added to provide changed provisions regarding planning requirements, specifications and purchase descriptions, conversion management and planning, conversion procurement and management responsibilities, software conversion studies, determination of need and requirements analysis, severable ADP requirements, determination of system/item life, comparative cost analysis, evaluation of acquisition alternatives, and least cost acquisition.<sup>3</sup>

(7) Section 101-35.212 is added to provide for a GSA contact point for assistance, replacing § 101-35.210.

(c) Subpart 101-36.4 is removed from Subchapter F of the FPMR. Management responsibilities related to procurement have been consolidated in Subpart 101-35.2 as revised by this regulation and FPR Subpart 1-4.11 as revised by a concurrent regulation.

(d) Subpart 101-35.15 is removed from Subchapter F of the FPMR. Planning requirements are set forth in § 101-35.204 of this regulation.

<sup>1</sup>This regulation supersedes the present Subpart 101-35.2, Appendix A thereto, and its processor, Federal Management Circular 74-5, dated July 30, 1974.

<sup>2</sup>With the cancellation of Subpart 101-36.4 by this regulation, the references to pertinent sections of the Federal Procurement Regulations (FPR) should be particularly noted. Paragraph (b) is reserved for a reference to proposed FPR Subpart 1-4.12 covering ADP services-procurement.

<sup>3</sup>Collectively these subjects establish management requirements that replace some specific items: e.g., general systems or feasibility study thresholds, conversion and residual value provisions, and the interim upgrade concept. With reference to § 101-35.206-2, thresholds established in FPMR Temporary Regulation F-492 will be superseded by FPR §§ 1-4.1109-13 and 1-4.1208-1 (proposed). In addition, note that FPMR Temporary Regulation F-493 previously suspended the reporting provisions of Subpart 101-36.15 that is abolished by this regulation.

(e) The changes in this regulation were developed concurrently with substantive changes to existing provisions in FPR Subpart 1-4.11—Procurement and Contracting for Government-wide Automatic Data Processing Equipment, Software, Maintenance Services, and Supplies. This Subpart 101-35.2 is intended to be used in concert with Subpart 1-4.11 of the FPR.

(f) This regulation cancels FPMR Temporary Regulation F-493 (45 FR 3271, January 17, 1980) which is deleted from the appendix at the end of Subchapter F of 41 CFR Chapter 101. This regulation cancels FPMR Subparts 101-36.4 and 101-36.15.

(g) The General Services Administration has determined that this regulation will not impose unnecessary burdens on the economy or on individuals and, therefore, is not significant for the purposes of Executive Order 12044.

**PART 101-35—ADP AND TELECOMMUNICATIONS MANAGEMENT POLICY**

1. The table of contents for Part 101-35 is changed by revising one subpart, as follows:

**Subpart 101-35.2—Management, Acquisition, and Utilization of Automatic Data Processing (ADP) Resources**

**Sec.**

- 101-35.200 Scope of subpart.
- 101-35.200-1 Relationship to other directives.
- 101-35.201 Applicability.
- 101-35.202 Definitions.
- 101-35.202-1 Automatic data processing equipment.
- 101-35.202-2 Software terms.
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- 101-35.202-4 Maintenance services.
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- 101-35.202-6 ADP services.
- 101-35.202-7 ADP related services.
- 101-35.202-8 Commercial ADP services.
- 101-35.202-9 Federal agency.
- 101-35.203 Policies.
- 101-35.203-1 Competition.
- 101-35.203-2 Responsibilities.
- 101-35.203-3 ADP plans.
- 101-35.203-4 Requirements analysis.
- 101-35.203-5 Urgent requirements.
- 101-35.203-6 Conversion management and planning.
- 101-35.203-7 Sharing and reutilization.
- 101-35.203-8 Privacy and security.
- 101-35.203-9 Standards.
- 101-35.203-10 Furnishing ADP items and services to contractors.
- 101-35.204 Planning requirements.
- 101-35.205 Specifications and purchase descriptions.
- 101-35.206 Conversion management and planning.
- 101-35.206-1 Procurement and management responsibilities.

## Sec.

101-35.206-2 Software conversion responsibilities.

101-35.207 Determination of need and requirements analysis.

101-35.207-1 Severable ADP requirements.

101-35.208 Determination of system/item life.

101-35.209 Comparative cost analysis.

101-35.210 Evaluation of acquisition alternatives.

101-35.211 Least cost acquisition.

101-35.212 Assistance by GSA.

Authority: Section 205(c), 63 Stat. 390, 50 U.S.C. 486(c).

2. Subpart 101-35.2 is revised to read as follows:

**Subpart 101-35.2—Management, Acquisition, and Utilization of Automatic Data Processing (ADP) Resources**

**§ 101-35.200 Scope of subpart.**

(a) This subpart sets forth general policies and procedures relating to the management, acquisition, and utilization of ADP equipment (ADPE), software, maintenance, related supplies, ADP services, and ADP related services by Federal agencies.

(b) The objectives of this subpart are to promote full and open competition among suppliers who are capable of meeting the user's ADP needs and to satisfy these needs at the lowest overall cost, price and other factors considered.

**§ 101-35.200-1 Relationship to other directives.**

(a) Subpart 1-4.11 of the Federal Procurement Regulations (41 CFR Chapter 1, hereafter referred to as the FPR) prescribes policies and procedures governing the procurement and contracting for all ADPE, commercially available software, maintenance services, and related supplies.

(b) [Reserved]

(c) Part 101-36 provides detailed policies, procedures, and guidance pertaining to the Government-wide management of ADPE, software, and related matters including revolving fund, resources utilization, reutilization of equipment, ADP management information systems, standards, and computer performance evaluation.

(d) The acquisition, management, and utilization of ADP are subject to the fiscal and policy control of the Office of Management and Budget (OMB). In addition, OMB Circulars including A-10, A-11, A-71, A-108, and Transmittal Memoranda related thereto apply to ADP; the present value concept in A-84 also applies (see § 101-35.210). The applicability of A-76 and A-108 to agency activities is as determined and directed by OMB.

**§ 101-35.201 Applicability.**

(a) *Federal agencies.* The policies and procedures set forth in this Subpart 101-35.2 apply to the management, acquisition, and utilization of ADPE, software, maintenance services, related supplies, ADP services, and ADP related services (see § 101-35.202 for definitions) by Federal agencies regardless of use or application including Government-acquired ADPE, software, or related supplies provided to contractors.

(b) *Government contractors.* (1) Except as set forth in paragraph (b)(2) of this section, agencies shall require their contractors to apply the policies and procedures set forth in this Subpart to the management, acquisition, and utilization of ADPE, commercially available software, maintenance services, and related supplies when the very subject matter of the contract(s) is for the performance of commercial ADP services for a Federal agency (see §§ 101-35.202-3 and 101-35.203-10); and

(i) The Government requires the contractor to purchase the ADPE or software for the account of the Government; or

(ii) The Government requires the contractor to pass title to the ADPE or software to the Government; or

(iii) The Government pays the full lease costs of the ADPE or software under a cost-reimbursement contract.

(2) When the very subject matter of a contract is for something other than the procurement of ADP items or services, and commercially available ADPE is incorporated into the non-ADP system or commercial ADP services are used in contract performance, the acquisition and management of the non-ADP system shall be in accordance with other applicable regulations rather than this Subpart 101-35.2 (but see § 101-35.203-10).

**§ 101-35.202 Definitions.**

The terms used in this subpart shall have the meanings set forth in this section.

**§ 101-35.202-1 Automatic data processing equipment.**

"Automatic data processing equipment" (ADPE) means "general purpose, commercially available, mass-produced automatic data processing devices; i.e., components and the

<sup>1</sup> The acquisition of Joint Committee on Printing (JCP) controlled equipment in FSC Group 70 dedicated to printing processes and utilizing computer technology, including electronic printing systems, integrated printing systems, and photocomposition equipment, continues to be subject to the provisions of title 44, U.S. Code, and the JCP Government Printing and Binding Regulations as well as to this regulation.

equipment systems configured from them together with commercially available software packages which are provided and are not priced separately, and all documentation and manuals relating thereto, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed, as opposed to configured, for any specific application.

(a) Included are:

(1) Digital, analog, or hybrid computers;

(2) Auxiliary or accessorial equipment, such as plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, paper tape typewriters, magnetic tape, card, or cartridge typewriters, word processing equipment, computer input/output microfilm and other data acquisition devices), or computer performance evaluation equipment; etc., designed for use with digital, analog, or hybrid computer equipment, either cable connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately;

(3) Punched card accounting machines (PCAM) that can be used in conjunction with or independently of digital, analog, or hybrid computers;

(4) Data transmission or communications equipment, including front-end processors, terminals, sensors, and other similar devices, designed primarily for use with a configuration of ADPE.

(b) Excluded are:

(1) ADPE systems and components specially designed (as opposed to configured) and produced to perform a specific set or series of computational, data manipulation, or control functions to permit the processing of only one problem; and

(2) Commercially available ADPE that is modified to meet Government specifications at the time of production to the extent that:

(i) It no longer has a commercial market; or

(ii) It cannot be used to process a variety of problems or applications; or

(iii) It can be used only as an integral part of a non-ADP system.

**§ 101-35.202-2 Software terms.**

(a) "Software" means computer programs, procedures, rules, or routines specifically designed to make use of and extend the capabilities of ADPE and includes operating systems, assemblers, compilers, interpreters, data base management systems, utility programs,



sort-merge programs, maintenance-diagnostic programs, and applications programs. The term encompasses operating systems software, independent subroutines, related groups of routines, sets or systems of programs, software documentation, firmware (see § 101-35.202-3), and computer data bases whether Government-owned or commercially available.

(b) "Commercially available software" means software that is available through lease or purchase in the commercial market from a concern representing itself to have ownership and/or marketing rights in the software. Software that is furnished as part of the ADP system but that is separately priced, is included.

(c) "Application software" means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations necessary to process requirements such as payroll, inventory control, or automatic test and engineering analysis. Application software may be either machine-dependent or machine-independent, and may be general-purpose in nature or be designed to satisfy the requirements of a specialized process or a particular user.

(d) "Computer data base" means a stored collection of data in a form capable of being processed and operated on or by a computer; i.e., the elements of stored data used by a computer in responding to a computer program.

(e) "Computer software documentation" means recorded information including computer listings and printouts that (1) documents the design or details of computer software, (2) explains the capabilities of the software, (3) provides data for testing the software, or (4) provides operating instructions.

(f) "Software conversion" means the transformation, without functional change, of computer programs or data elements to permit their use on a replacement or changed ADP equipment system or teleprocessing service.

(g) "Software redesign" means any change to software that involves a change in the functional specifications for that software.

(h) "Reprogramming" means any change to software that deviates from the design specifications for that software but preserves the functional requirements of the user.

(i) "Recoding" means a manual change to software on a line-for-line basis that preserves both the functional requirements and software design specifications.

(j) "Automated translation" means changes to software including machine-processed recoding that preserve both the functional requirements and software design specifications to the extent that no changes are apparent to the user.

#### § 101-35.202-3 Firmware.

"Firmware" means any ADP hardware-oriented programming at the basic logic level of the computer that is used for machine-control, error recovery, mathematical functions, applications programs, engineering analysis programs, and the like. Included are firmware that if furnished with ADPE, commercially available proprietary firmware that is acquired separately from ADPE, and all vendor documentation and manuals relating thereto.

#### § 101-35.202-4 Maintenance services.

"Maintenance services" means those examination, testing, repair, or part replacement functions performed to: (a) Reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance"), (b) restore to its proper operating status a component of ADPE that is not functioning properly (commonly referred to as "remedial maintenance"), or (c) modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

#### § 101-35.202-5 Related supplies.

"Related supplies" means consumable items designed specifically for use with ADPE, such as computer tape, ribbons, punchcards, and tabulating paper.

#### § 101-35.202-6 ADP services.

"ADP services" means the computation or manipulation of data in support of administrative, financial, communicative, scientific, or other similar Federal agency data processing applications. It includes teleprocessing (including remote batch) and local batch processing.

#### § 101-35.202-7 ADP related services.

"ADP related services" means source data entry, conversion, training, studies, facilities management, systems analysis and design, programming, and equipment operation that are adjunct and essential to agency ADP activities but do not involve the actual computation or manipulation of data.

#### § 101-35.202-8 Commercial ADP services.

"Commercial ADP services" means the performance of ADP services and ADP related services by private contractors on a nonpersonal services

basis. For the purposes of this Subpart 101-35.2, commercial ADP services do not include: (a) Services performed by contractors under contracts where the subject matter of the contract is not the furnishing of ADP services or ADP related services to a Federal agency, (b) employment of experts and consultants pursuant to 5 U.S.C. 3109, or (c), "personal services" contracting where the contractor or the contractor employees are in effect employees of the Government.

#### § 101-35.202-9 Federal agency.

"Federal agency" means (a) any executive agency (executive department or independent establishment in the executive branch including any wholly owned Government corporation) or (b) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under the Architect's direction) (see 40 U.S.C. 472).

#### § 101-35.203 Policies.

##### § 101-35.203-1 Competition.

Full and open competition is a basic procurement objective of the Government. The maximum practicable competition among offerors who are capable of meeting the user's needs will ensure that the Government's ADP needs are satisfied at the lowest overall cost, price and other factors considered, over the system/item. This extends to actions necessary to foster competitive conditions for subsequent procurements. To meet fully the lowest overall cost objective, it is essential that proper management and planning actions be accomplished before the acquisition becomes imminent (see § 101-35.206).

##### § 101-35.203-2 Responsibilities.

Agency ADP managers and contracting officers share the responsibility for ensuring that the basic procurement objective is met (see § 101-35.203-1). This responsibility extends to fostering competitive conditions for subsequent procurements.

##### § 101-35.203-3 ADP plans.

Agency ADP management officials are responsible for monitoring data processing requirements and for developing plans to meet future needs at the lowest overall cost. Plans should include initial acquisitions and augmentation or replacement of installed ADPE and software (see § 101-35.204).

##### § 101-35.203-4 Requirements analysis.

The acquisition of an initial ADP capability or the augmentation or

replacement of an existing capability shall be preceded by a comprehensive requirements analysis commensurate with the scope and complexity of the program objectives and mission needs. The operational and economic feasibility of all alternative solutions, including use of non-ADP resources, sharing, use of commercial ADP services, and reutilization of excess Government-owned or leased equipment shall be considered (see § 101-35.207).

**§ 101-35.203-5 Urgent requirements.**

The existence of a public exigency; i.e., the Government will suffer serious injury, financial or otherwise, if the equipment or services are not available by a specific date, shall not relieve the agency from the responsibility for obtaining maximum practicable competition (see FPR §§ 1-3.202 (or, if applicable, DAR 3-202) and 1-4.1102-9)).

**§ 101-35.203-6 Conversion management and planning.**

Agency ADP managers shall take those steps as may be feasible to minimize the risk and cost of conversion to replacement ADP systems and services (see § 101-35.206) to achieve economy and efficiency in meeting agency needs.

**§ 101-35.203-7 Sharing and reutilization.**

Sharing installed ADPE and software or using available excess Government-owned or leased ADPE shall be the primary source for meeting the ADP requirements of the user (see Subparts 101-36.2 and 101-36.3). Additional ADP capacity shall be acquired only if existing resources will not economically and efficiently meet the requirements.

**§ 101-35.203-8 Privacy and security.**

ADP managers shall establish safeguards necessary for the adequate protection of personal privacy and the physical security of an ADP installation (see Subparts 101-35.3 and 101-35.17).

**§ 101-35.203-9 Standards.**

Federal information processing standards publications (FIPS PUBS) and Federal telecommunications standards (FED-STD) shall be implemented when applicable. Procedures for waiver or exception shall be complied with for each applicable mandatory FIPS PUB or FED-STD that is not implemented (see Subpart 101-36.13).

**§ 101-35.203-10 Furnishing ADP items and services to contractors.**

(a) When the very subject matter of a contract is for something other than the procurement of ADP items or services, and commercially available ADPE is incorporated into the non-ADP system

or commercial ADP services are used in contract performance, the acquisition and management of the non-ADP system shall be in accordance with other applicable regulations, rather than this subpart (see § 101-35.201(b)(2)).

(b) To facilitate the reutilization of ADPE, the Government contractor shall be required to identify the quantity and specific make and model of the ADPE that is delivered as a part of the non-ADP system. Nevertheless, agencies shall sever requirements for general purpose commercially available ADP items or services from the overall requirement, acquire them in accordance with these regulations, and provide them as Government-furnished property or services to the contractor when it is operationally feasible to do so and this action will promote economy, efficiency, and maximum practicable competition.

(c) In those instances when ADP items or services are severed pursuant to this subpart and procured by the Government, care must be taken to ensure that the prime contractor's ability and responsibility to perform in accordance with the contract provisions are not disturbed.

**§ 101-35.204 Planning requirements.**

(a) Agencies are required to prepare and submit annual agency-wide ADP plans in accordance with OMB Circular A-11. A copy of this plan shall be provided to GSA (CPS) concurrently with each submission to OMB. The following supplemental information shall be submitted to GSA (CPS) with this plan:

(1) Trends in data processing workloads that will or may saturate existing ADP system capabilities prior to expiration of the full established initial user's system/item(s) life.

(2) Opportunities to take advantage of cost effective enhancements brought about by new ADPE technology, software improvements, and changes in the marketplace.

(3) Actions planned regarding system redesign to improve the efficiency and effectiveness of application software, the conversion of software to higher level languages, and the audit and update of documentation for consistency with the guidelines issued by the National Bureau of Standards.

(4) Approximate acquisition schedule.

(5) The proposed acquisition strategy for meeting projected ADP resource needs identified in the ADP plans submitted pursuant to OMB Circular A-11.

(b) Information in the plan will be used by GSA in compiling estimated Government-wide requirements and

developing acquisition programs to assist agencies in meeting their needs in an efficient and economic manner.

**§ 101-35.205 Specifications and purchase descriptions.**

Specifications and purchase descriptions describing Government requirements shall be designed to promote competition to the maximum practicable extent from manufacturers, leasing companies, third-party vendors, and ADP services contractors. Functional specifications maximize competition and are the preferred method for expressing the user's requirements (see FPR §§ 1-4.1102-12 and 1-4.1109-10). Functional specifications may be augmented with equipment characteristics and performance criteria as necessary to accurately reflect the user's needs (see FPR § 1-4.1109-11). If functional specifications cannot be used, other types of specifications or purchase descriptions shall be used in the following order of precedence:

(a) Equipment performance specifications (see FPR § 1-4.1102-13);

(b) Software and equipment plug-to-plug compatible functionally equivalent purchase descriptions;

(c) Brand name or equal purchase descriptions (see FPR §§ 1-1.307-4 and 1-1.307-5 (or, if applicable, DAR 1-1206.2)); or

(d) Specific make and model descriptions. (Use of specific make and model purchase descriptions must be justified—see FPR §§ 1-4.1102-8 and 1-4.1109-11(d).)

**§ 101-35.206 Conversion management and planning.**

Conversion from one computer architecture and operating system software to another is a recurring and costly activity. Frequently, moving a particular ADP system workload to a noncompatible ADP system is so costly as to be a major impediment to effective competition by the noncompatible offeror. However, proper management of an agency's software inventory and planning for future conversions will reduce the risk and cost of conversion, enhance competition, and improve the efficiency of ADP operations.

**§ 101-35.206-1 Procurement and management responsibilities.**

(a) Federal ADP managers and contracting officers share the responsibility for assuring that data processing requirements are met at the lowest overall cost, price and other factors considered. This responsibility extends to those actions necessary to foster competition for subsequent procurements. To achieve this objective,

ADP managers shall take necessary action to minimize the cost of conversion to future replacement ADP systems. Although the configuration and date of acquisition of the replacement system may not be known, several steps can and should be taken to reduce both the risk and cost of conversion.

(b) The following are examples of management and planning actions that ADP managers should take to facilitate future conversions.

(1) Purge from the active inventory all software and data bases not essential to meet agency needs.

(2) Identify relevant characteristics of all application software; e.g., programming language, number of source statements or lines of code, type, and size of records and data files, and security provisions.

(3) Use only software design and documentation techniques that minimize future software conversion to develop new application software.

(4) Use Federal standard or other ANSI standard high order languages to the maximum practicable extent in developing all new user application software. Document agency files with the justification for using nonstandard languages at the time the waiver is granted.

(5) Avoid the use, where possible, of implementor-defined features and vendor-supplied nonstandard extensions in high order languages compilers. Where it is necessary to use these features and nonstandard extensions, document agency files to support their use and retain the documentation to manage the software during its system life.

(6) Use to the maximum practicable extent data base management systems (DBMS) supported by and that will run on equipment offered by multiple manufacturers of different product lines of ADPE; i.e., other than plug-to-plug compatible equipment or designed to conform to the Conference on Data Systems Languages (CODASYL) specifications. Where it is not possible to use such a DBMS, document agency files to support this decision and retain the documentation to manage the DBMS its system life.

(7) Write application software requiring software redesign in Federal standard or other ANSI standard high order languages unless the use of assembly or other languages is clearly justified on the basis of operational requirements or demonstrable economy and efficiency. Document agency files with the justification for using nonstandard languages at the time the waiver is granted and retain the documentation to manage the

application software during its system life.

(8) Rewrite application software written in assembly or other non-standard languages but not requiring redesign in Federal standard or other ANSI standard high order languages to foster competition for subsequent procurements to the maximum practicable extent.

(9) Review, revise, and update as necessary documentation for all existing applications to reduce the risk and cost of future conversions.

(10) Evaluate all feasible alternative courses of action for meeting agency data processing needs before ADPE is acquired on either a sole source, specific make and model, or compatible basis since these types of purchase descriptions limit the competitiveness of the procurement.

(c) The useful life of application software is limited by changes in data processing requirements, operating system software, and equipment technology. Generally, the life expectancy of this software, without redesign or reprogramming, is in the range of 5 to 10 years. Accordingly, the updating of application software for these reasons must be reckoned with, regardless of whether these programs are converted from one ADP system architecture to another. These technology-updating activities should be identified and managed separately from conversion activities.

#### **§ 101-35.206-2 Software conversion responsibilities.**

Those specific agency actions taken to reduce the risk and cost of conversion to proposed replacements of ADP systems (equipment or services) shall be described in software conversion studies submitted with agency procurement requests (see FPR §§ 1-4.1109-13 and 1-4.1109-14).

#### **§ 101-35.207 Determination of need and requirements analysis.**

The acquisition of new or additional ADP capabilities shall be based on mission needs that flow from program requirements. These needs may be expressed in the form of deficiencies in existing capabilities; new or changed program requirements, or opportunities for increased economy and efficiency. In any event, the needs shall be supported by a comprehensive requirements analysis commensurate with the size and complexity of the need. The agency shall consider the following critical factors, as a minimum, in the requirements analysis:

(a) The probable improvement in operational efficiency in meeting

program mission needs and the anticipated economies that will be realized.

(b) The present and projected workload over the system life in terms <sup>2</sup> of:

(1) Data entry and associated communications support;

(2) Data base(s) and data base management;

(3) Data handling or transaction processing by type and volume;

(4) Output needs and associated communications support;

(5) Expandability requirements; and

(6) Privacy and security safeguards.

(c) The ADP functions that must be performed to meet the mission need and the cost/benefits that will accrue as a result of this performance.

(d) The actions that have been or could be taken to increase the capability and productivity of the existing system, where applicable.

(e) The agency components involved, their physical location, operational / constraints, and the relative priority of the specific requirement within the spectrum of total mission needs.

(f) Space management considerations; e.g., heat dissipation, air flow, temperature range, relative humidity, energy conservation, including coordination with building managers and GSA (see FPMR § 101-17.101-5).

(g) The feasibility of sharing, use of excess Government-owned or -leased ADPE, the off-loading of lower priority applications, the use of Federal data processing centers and GSA sources of supply, or the use of commercial ADP services.

#### **§ 101-35.207-1 Severable ADP requirements.**

(a) When the very subject matter of a contract is for something other than the procurement of commercially available ADP items or services but some of these items or services are to be delivered under the contract, the acquisition of the ADP items or services by the Government contractor is not subject to this subpart (see § 101-35.201). However, to ensure maximum practicable competition, ADP items or services shall be severed from the overall requirement when it is operationally feasible to do so and the action will promote economy and efficiency. To meet these basic objectives, agencies shall sever the requirement for general purpose commercially available ADPE and ADP services when it is operationally

<sup>2</sup> When the need can be satisfied by augmenting the installed ADPE system, the requirements analysis should consider the factors in this paragraph (b) of § 101-35.207, where applicable.

feasible to do so and this action will promote economy, efficiency, and maximum practicable competition (see § 101-35.203-10). Severable action shall be considered by an agency when:

- (1) The ADPE or ADP service requirement is or can be identified as a separate line item;
  - (2) The value of the ADP portion exceeds \$500,000;
  - (3) The items can be procured by the Government and delivered to the contractor as required by the production schedule;
  - (4) Adequate price competition can be achieved on the severed ADP portion (see FPR § 1-3.807-1(b)(1));
  - (5) The expected cost reduction will exceed the added costs of acquisition; and
  - (6) Providing the ADPE and/or ADP services will not affect the contractor's ability and responsibility to perform as required by the provisions of the contract.
- (b) The decision to sever ADP requirements shall be made before soliciting offers. A Government-furnished property clause shall be included in the solicitation document for the non-ADP items or services solicitation when the ADP items or services are severed.

#### § 101-35.208 Determination of system/item life.

(a) The Government system/item life shall be established by the initial acquiring agency as a part of each requirements analysis. This life shall be used in the evaluation to determine the lowest overall cost offer and whether purchase, lease to ownership, lease with option to purchase, or straight lease is the lowest cost method of acquisition for the Government. The following factors shall be considered in determining the Government system/item life:

- (1) The period of time the system/item(s), plus any planned augmentation, will satisfy the needs of the initial user.\*
- (2) The rate at which technology is expected to advance.
- (3) The probability that support will continue to be available beyond the period of intended use by the initial user. This support includes items such as maintenance, spare parts, software support, etc.
- (4) The probability that the system/item(s) in its ultimate planned configuration will be reused by another component within the agency or another Federal agency once the equipment will no longer meet the needs of the initial

user. The estimated number of months, if any, of contemplated use by a secondary user will be added to the initial user's requirement to determine the Government system/item life.

(b) If the acquiring agency cannot predict reuse, either within that agency or by another Federal agency, the initial user's system/item life shall be the Government system/item life.

#### § 101-35.209 Comparative cost analysis.

A comparative cost analysis shall be performed for each requirement to determine which alternative will meet the user's needs at the lowest overall cost over the system/item life. The alternatives to be considered shall include but are not limited to the following:

- (a) Use of non-ADP resources to satisfy the requirement.
- (b) Use of existing ADP facilities (e.g., Federal data processing centers) and resources on a shared basis.
- (c) Use of commercial ADP services.
- (d) Redesign of application programs, using Federal or ANSI standard language to the maximum practicable extent.
- (e) Revision of production schedule or job stream to improve throughput capability.
- (f) Addition or change in working shifts to increase capacity.
- (g) Augmentation of installed ADPE by adding additional components to increase data processing capacity.
- (h) Upgrading selected system components, such as adding additional selector channels, memory, faster tape or disk units, etc., in order to improve throughput capability.
- (i) Replacing installed ADP system with a compatible system that will handle the workload.
- (j) Competitive replacement of the installed ADP system through use of functional specifications.

#### § 101-35.210 Evaluation of acquisition alternatives.

(a) Comparative cost analysis shall be made to determine the method of acquisition that represents the lowest overall cost over the system/item(s) life. The alternatives that must be considered will vary, depending on the system/item being acquired and the requirement of the initial user. However, as a minimum, all of the alternatives set forth below, which will meet the user's needs, shall be considered.

(1) Alternative methods of acquisition for ADPE.

- (i) Purchase.
- (ii) Lease to ownership.\*

(iii) Lease with option to purchase.

(iv) Straight lease.

(2) Alternative methods of acquisition for proprietary software.

(i) Perpetual license to use.

(ii) License to use for extended term (i.e., more than 12 months).

(iii) License to use on a monthly basis.

(3) Alternative methods of acquisition for ADPE maintenance services.

(i) On-site maintenance capability.

(ii) On-call maintenance.

(iii) Time and materials.

(4) Commercial ADP services.

(i) Short-term resources used.

(ii) Extended system life, resources used or dedicated.

(b) The present value of money factor, as set forth in OMB Circular A-94, shall be included in comparative cost analyses. The single discount rate (currently 10 percent) specified in the OMB Circular represents the approximate longrun opportunity cost of capital in the private sector. Under this methodology, payments over time are adjusted to reflect the present value of these payments as of the date of contract award. All expenses over the system/item(s) life for equipment, software, maintenance, other support, and predetermined in-house expenses for installation and operation must be adjusted.

#### § 101-35.211 Least cost acquisition.

(a) The method of acquisition that represents the lowest overall system/item(s) life cost to the Government, price and other factors considered, shall be selected, subject to availability of funds. If a purchase, long-term lease, or licensing arrangement is the lowest overall cost alternative and the proper type of funds (e.g., purchase money) are not available, GSA (ADTS) shall be contacted to determine if the ADP Fund can be used for the acquisition (see GSA Bulletin FPMR F-106, Subject: Use of ADP Fund for equipment purchase).

(b) In some cases, lease may be the lowest overall cost alternative based on the system/item(s) life to the initial user; whereas, purchase or a lease to ownership plan may be the lowest overall cost based on the Government system/item(s) life. When this condition exists, ADTS shall be contacted to determine if the ADP Fund can be used to make the purchase. Equipment purchased by the ADP Fund under these conditions will be leased back to the using agency at a price not to exceed the vendor's lease cost over the initial user's system/item(s) life. ADPE retained by the using agency beyond the originally established system/item(s) life shall be subject to a new ADP Fund leasing agreement.

\* If augmentations other than those provided for in the initial acquisition are necessary, consideration should be given to establishing a new system/item(s) life.

\* Funding statutes may preclude acceptance of some lease to ownership plans.

(c) In those cases where purchase funds are not available but purchase is in the best interest of the Government, the method of acquisition which is most advantageous to the Government and for which funds are available shall be selected.

**§ 101-35.212 Assistance by GSA.**

Assistance in any phase of the management process covered by this Subpart 101-35.2 may be obtained by contacting the General Services Administration (CPS), Washington, DC 20405.

**PART 101-36—ADP MANAGEMENT**

3. The table of contents for Part 101-36 is changed by deleting and reserving two subparts as follows:

**Subpart 101-36.4 [Reserved]**

**Subpart 101-36.15 [Reserved]**

4. The provisions of Subparts 101-36.4 and 101-36.15 are canceled and the subparts are deleted and reserved, as follows:

**Subpart 101-36.4 [Reserved]**

**Subpart 101-36.15 [Reserved]**

**Ray Kline,**

*Acting Administrator of General Services.*

[FR Doc. 81-05 Filed 1-3-81; 8:48 am]

BILLING CODE 6820-25-M

- 8.15 GSA Bulletin FPMR F-126: Abbreviated Form  
For Agency Requests For ADP Equipment and  
Services

November 4, 1980

GSA BULLETIN FPMR F-126  
ADP AND TELECOMMUNICATIONS

TO: Heads of Federal agencies

SUBJECT: Agency requests for ADP equipment and services

1. Purpose. This bulletin announces an alternate information submission method that Federal agencies may use when requesting GSA review of an ADP equipment or service procurement request. This bulletin does not revise existing regulatory provisions. The primary purpose of this alternate method is to reduce agency paperwork and the corresponding time associated with review of these procurement requests by GSA.
2. Effective date. December 1, 1980.
3. Expiration date. December 1, 1981.
4. Background. Federal agencies currently submit to GSA agency procurement requests to obtain authorization to procure ADP equipment and services. GSA grants these authorizations following a review of accompanying documentation. The purpose of this documentation is to provide evidence of satisfactory agency acquisition practices in support of the particular ADP procurement. The GSA review process has been a source of irritation to Federal agencies because it is considered cumbersome and time consuming.

The intent of this alternate information method is to focus attention on only those items that are clearly major considerations in GSA's review of an agency ADP request. Agencies will continue to follow the provisions of current Federal regulations and the conditions stated in their individual procurement authorization letters from GSA.

5. Agency actions. Any Federal agency may elect to use the alternate documentation method outlined in attachment A of this bulletin when submitting ADP equipment or service requests to GSA. Agencies should advise GSA in writing the names of those officials, and their titles, who are authorized to sign agency submissions under this method.

Attachment

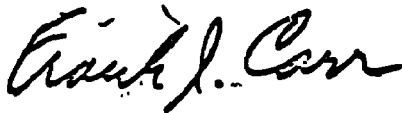
6. GSA action. GSA will review the information submitted under this method in accordance with FPR 1-4.11 or FPMR 101-35 and 36, as appropriate, and authorize agencies to proceed with the acquisition, or GSA will make the procurement on behalf of the agency (see FPR 1-4.1105-1). When required, the information submitted by an agency may also be used by GSA for informing congressional oversight committees of impending procurement actions. At its discretion, GSA will conduct periodic reviews of past agency procurement actions authorized under this method to (a) verify compliance with the authorization letter conditions, (b) assess its procurement policies and directions given to agencies, and (c) identify agencies to whom greater procurement authority may be granted.

7. Information and assistance. For information and assistance contact the Automated Data and Telecommunications Service (ADTS):

General Services Administration (CPSR)  
Washington, DC 20405

Telephone: FTS or local  
Commercial toll

566-1133  
202-566-1133



FRANK J. CARR  
Commissioner, Automated Data  
and Telecommunications Service



November 4, 1 80

GSA Bulletin FPMR F-126  
Attachment A

Agency Request for ADP  
Equipment or Services

Agency information

Provide agency name, address, and where equipment will be installed or service will be performed. Provide names and telephone numbers of appropriate technical and contracting officials.

Project title and description

Provide name or designation of agency system or service and description of major system components or services that are to be added or changed. Indicate date when the feasibility study was last completed and/or updated. (On a sampling basis, GSA may request and review the feasibility study before processing the agency procurement request.)

Procurement strategy

Provide brief synopsis of proposed procurement approach; i.e., competitive or sole source -- lease, purchase, or lease with option to purchase -- all or none awards or item by item awards -- firm fixed-price, etc.

Type of request

Total cost

System/item life

Check as appropriate

Total estimated  
acquisition cost  
for system or item  
life (FPR 1-4.  
1102-14)

Estimated number of years  
to be used by Federal  
Government (FPR 1-4.  
1102-11)

- ADPE system or item
- ADPE system replacement/  
augmentation
- Software
- Maintenance services
- TSP
- ADP services
- Other ADP resources

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November 4, 1980

Exception or deviation to regulations (FPR, FPMR)

Provide a statement that the agency has reviewed and complied with all applicable regulations, or list those deviations to the regulations that apply to this request that cannot or will not be met by the agency. Provided a brief explanation for each deviation from the regulations. (See FPR 1-4.11 and FPMR 101-35 and 101-36, as amended, and current GSA temporary regulations affecting ADP.)

Agency remarks

This space for additional information concerning any of the above items or special conditions associated with this procurement; e.g., required building construction/modification by GSA.

Agency/GSA references

Relevant past GSA authorizations, meetings, telephone discussions, etc.

Agency signature official, title, date

**8.16 Source Evaluation and Selection Procedures  
(Chapter 25, EPA Contracts Management  
Manual)**

ENVIRONMENTAL PROTECTION AGENCY

CHAPTER 25 - SOURCE EVALUATION AND  
SELECTION PROCEDURES

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ENVIRONMENTAL PROTECTION AGENCY

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CHAPTER 25

SOURCE EVALUATION AND SELECTION PROCEDURES

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1. PURPOSE. This Chapter establishes policies and procedures for the source evaluation and selection processes pertaining to: (1) the procurement of personal property and nonpersonal services, as defined in the Federal Property and Administrative Services Act of 1949, as amended; and (2) major systems acquisition from non-Federal sources by competitive negotiation, as set forth in Office of Management and Budget Circular No. A-109.

2. APPLICABILITY.

a. The provisions of this Chapter apply Agencywide to all competitive negotiated procurement actions in excess of \$10,000 except architect-engineer services. For the selection and award procedures pertaining to architect-engineer services see Federal Procurement Regulations (FPR) Subpart 1-4.10 as implemented by Environmental Protection Agency Procurement Regulations (EPPR) Subpart 15-4.10.

b. Generally, the provisions of this Chapter also apply to the procurement of automatic data processing equipment and services. However, any special requirements placed by the General Services Administration on a particular procurement action shall take precedence if such requirements are in conflict with any provision of this Chapter.

c. FPR 1-3.805-1(a) sets forth in five succeeding subparagraphs exceptions to the requirement that written or oral discussions shall be conducted with all responsible offerors who submitted proposals within a competitive range. The provisions of this Chapter need not apply where an exception permitted by FPR 1-3.805-1(a)(1) through (a)(5) is present. However, the specific exception at 1-3.805-1(a)(5) regarding award without discussion based upon the existence of adequate competition or accurate prior cost experience, does not apply to a procurement which contemplates a cost reimbursement type of contract.

d. The provisions of this Chapter do not apply to procurement from a Federally Funded Research and Development Center (FFRDC), unless a FFRDC chooses to respond to a competitive solicitation which otherwise requires application of these provisions.

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## CONTRACTS MANAGEMENT

### CHAPTER 25

#### SOURCE EVALUATION AND SELECTION PROCEDURES

3. DEVIATIONS AND EXCEPTIONS. The Director, Procurement and Contracts Management Division (PM-214), may authorize deviations or exceptions to any of the provisions of this Chapter upon the receipt of adequate justification (see EPPR 15-1.009-2).

4. POLICY. It is EPA policy that source evaluation and selection shall be conducted in accordance with consistent standards and procedures that insure fair and impartial treatment of all offerors, and further insure the selection of sources whose performance is expected to best meet EPA minimum requirements or objectives at a reasonable price or cost. Commensurate with this policy, it is paramount that source evaluation and selection proceedings be conducted in a manner designed to avoid any appearance of bias, partiality, arbitrary or capricious behavior, inequitable treatment, or undue influence.

5. CONFLICTS OF INTEREST.

a. The Code of Federal Regulations (40 CFR 3) prescribes the high ethical standards of conduct required of each EPA employee, including both regular and special Government employees in carrying out their duties and responsibilities. Each EPA employee engaged in source evaluation and selection is required to familiarize himself with the provisions of Part 3 regarding conflicts of interest, and to inform the Director or Chief of Contract Operations in writing if his participation in the source evaluation and selection process could be interpreted as a possible or apparent conflict of interest. Any EPA employee who informs the Director or Chief of Contract Operations and is determined to have a conflict of interest shall be relieved of further duties in connection with the evaluation and selection process, and a successor will be designated.

b. Only regular or special Government employees of EPA, or where appropriate, other Federal Government agencies, shall participate in the evaluation and selection process. Employees of contractors shall not participate either formally or informally in the evaluation and selection process.

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6. DISCLOSURE OF INFORMATION. During the course of evaluation and selection, personnel shall not reveal any information concerning the evaluation to anyone who is not also participating in the same evaluation proceedings, except as may be required for internal clearance or technical assistance. The right to information during the evaluation process does not extend to the chain of supervision of personnel engaged in the evaluation. However, nothing in this procedure precludes reasonable status reports of activities to persons having program or procurement responsibilities, on a "need-to-know" basis, provided that no information relating to the status or content of a specific proposal is disclosed.

7. RESPONSIBILITIES AND DUTIES.

a. Head of the Procuring Activity. The Director, Procurement and Contracts Management Division (PM-214), is the head of the procuring activity (see FPR 1-1.206 and 41 CFR 15-1.206). Specific functions of the head of the procuring activity in regard to source evaluation and selection are to:

- (1) Monitor the source evaluation and selection process;
- (2) Provide guidance and direction where required; and
- (3) Rule on requests for deviation and exceptions from the policy and/or procedures prescribed herein.

b. Source Selection Official. The Source Selection Official (SSO), is the official designated in accordance with paragraph 9 of this Chapter to direct the source selection process. Duties of the SSO are to:

- (1) Appoint the Source Evaluation Board and chairperson;
- (2) Appoint the Technical Evaluation Panel and Business Evaluation Panel and chairperson;
- (3) Approve the solicitation and the evaluation criteria including any changes to either the solicitation or the evaluation criteria which are to be made after the solicitation is issued;
- (4) Monitor the source evaluation and selection process;

- (5) Provide guidance and/or direction when required;
- (6) Approve competitive range determinations;
- (7) Select source(s) for negotiations; and
- (8) Conduct formal debriefings or delegate the duty to the procurement officer.

c. Source Evaluation Board. The Source Evaluation Board (SEB), is appointed by the SSO, and is composed of personnel representing the various functional and technical disciplines involved in a specific procurement action. The membership consists of a chairperson, who is responsible for all of the procedural and administrative aspects of the SEB, and other specialists, e.g., technical, legal, contracting officer or contract specialist, and financial, as may be deemed appropriate by the SSO. In addition to the chairperson and other specialists, the Chairpersons of the Technical Evaluation Panel (TEP), and Business Evaluation Panel (BEP), are members of the SEB. It is the responsibility of the SEB to present the results of the evaluation to the SSO.

d. Technical Evaluation Panel. The TEP is composed of personnel including, but not limited to, the project officer and, for actions in excess of \$100,000, at least two additional members who are knowledgeable of the technical aspects of the procurement action. Responsibilities of the TEP are to participate in the coordination of the technical aspects of evaluation criteria and statement of work for the solicitation, evaluate offers, provide guidance to the contracting officer for the competitive range determination, provide a comprehensive evaluation report to the SEB, and prepare a summary of the strengths and weaknesses of each offer for the Chairperson of the SEB to use in his report to the SSO.

e. Business Evaluation Panel. The BEP is composed of personnel including, but not limited to, the contracting officer and/or contract specialist, and a price and cost analyst. Responsibilities of the BEP are to participate in the coordination of the business aspects of evaluation criteria and statement of work for the solicitation, evaluate the business and contractual aspects of the offerors' business proposals, consider other factors including responsibility of the offerors, provide guidance to the contracting officer for the competitive range determination, and prepare a summary of findings, including strengths and weaknesses of each offer, and recommendations for the use of the Chairperson of the SEB to use in his report to the SSO.



f. Program Manager. The EPA program official at division, office, or laboratory director level having overall responsibility for the management of a program is usually the Chairperson of the SEB.

g. Project Officer. The project officer is usually the Chairperson of the TEP and as such is responsible for recommending the TEP membership for the approval of the SSO. He is designated by the program manager, with the concurrence of the SSO, as the technical representative for the procurement action.

h. Contracting Officer. This official is delegated the authority to enter into and administer contracts and make related determinations and findings. Delegations of contracting officer authority have been made by the Administrator to positions in EPA and redelegated to positions and individuals whose functions are to provide procurement support (see Delegations Manual, Chapter 1, 1-1-A(2)).

i. Contract Specialist. This individual is assigned the responsibility for the procurement action and for the accomplishment of the administrative duties necessary for and leading to a contract. Responsibilities of the contract specialist include, but are not limited to, preparing the solicitation document, arranging preproposal conferences, conducting negotiations, insuring complete and accurate documentation of the official contract file, and preparing the contractual instrument. Generally, the contract specialist is also responsible for receiving, safeguarding, distributing offers to the SEB, and, when so designated, may be a member of the BEP.

j. Director or Chief of Contract Operations. The senior EPA individual classified in the GS-1102 series having assigned responsibilities for the management and operations of the procurement activities at a specific location, i.e., Washington, D.C.; Research Triangle Park, North Carolina; and Cincinnati, Ohio. These individuals are also "chief officers responsible for procurement at the contracting activity" (41 CFR 15-1.250).

k. Responsible Prospective Contractor. Subpart 1-1.12 of the FPR requires that the contracting officer make an affirmative determination that a prospective contractor is responsible within the standards set forth in Section 1-1.1203-1 and 1-1.1203-2. No contract may be awarded to any prospective contractor unless those standards have been met. (See Section 1-1.702, Small Business Policies).

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#### 8. REPORTS.

a. Source Evaluation Board Report. The formal report prepared by the SEB, which contains the evaluation standards (including the evaluation criteria, specifications, and other special terms and conditions of the solicitation), detailed narrative assessments of each offer against these standards, numerical scores when used, and a summary of facts and findings of significant strengths, weaknesses, and risks of each offer. The SEB Report forms the basis for analysis and selection by the SSO. Therefore, the SEB Report is not to contain recommendations.

b. Technical Evaluation Panel Report. The formal narrative report prepared by the TEP for submission to the SEB. This report is the basis for a major portion of the SEB report to the SSO. It includes the detailed scoring, and a summary of facts and findings of significant strengths, weaknesses, and risks associated with each offer. The report must be in sufficient detail to permit a determination of acceptable offers, justify the relative ranking of offers, and to adequately advise, through debriefing sessions, those offerors who did not receive an award of the reason their offers were not accepted. However, see paragraph 15 regarding the use of simplified methods for actions not in excess of \$100,000. Technical evaluation is a continuing process during source evaluation and selection.

#### c. Business Evaluation Panel Report.

(1) The formal narrative report prepared by the BEP for submission to the SEB. This report is the basis for a portion of the SEB report to the SSO. It includes the appropriate consideration, analysis, and findings concerning the following elements of each technical acceptable offeror's business and management proposal:

(a) Reasonableness of price or estimated cost in relation to the requirement;

(b) Investigation and analysis of unrealistically low or high cost elements;

(c) Evaluation of the proposed management structure to be utilized for performance;

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(d) Indirect cost management;

(e) Analysis of manhours, materials, and, if applicable, such elements as computer time, subcontractors, consultants, and travel;

(f) Subcontracting program as it relates to small business, labor surplus area concerns, and minority business enterprises; and

(g) Record of performance under prior EPA contracts as it relates to timely performance, history of cost control, requests for changes, and quality of the end product which can be obtained from the Contractor Performance Evaluations System. Where the offeror is known to have performed contracts with other Government agencies for comparable work, those agencies should be contacted for a record of past performance.

(2) Business evaluation is a continuing function during the evaluation and selection process. The business evaluation includes some form of price or cost analysis for all procurement actions. Except for those offerors which after initial technical evaluation are found to be clearly unacceptable, all procurement actions require a preliminary analytical cost evaluation report (PACER) by the negotiator or contracting officer so that proper attention can be given to the effect of price or cost on the competitive range decision. After the competitive range is determined, a full price or Cost Analysis Report (CAR), shall normally be initiated of all offerors determined to be in the competitive range. Procurement actions expected to exceed \$100,000 require a review and appropriate analysis by the EPA cost advisory office. The CAR should normally be available to the SSO prior to selection of the source for final negotiations. However, when the CAR is not available prior to source selection, it shall be available not later than the time when final negotiation with the source selected occurs.

(3) The Business Evaluation Report shall include an evaluation of those business elements submitted with each proposal which could lead to a determination of nonresponsibility by the contracting officer. In the absence of evidence that any of the offerors could be considered nonresponsible, the BEP Report shall include a statement that allows the contracting officer to affirmatively determine responsibility.

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(4) Generally, business proposals are not susceptible to the application of a numerical scoring system. However, the BEP Report should reflect descriptive ratings for each significant element of the proposal that has been analyzed. The descriptive ratings to be used are a "minus," "plus," or "check," and are applicable under the following conditions:

(a) "Minus" means that the particular element is lacking to such a degree that contract performance may be impaired;

(b) "Plus" means that the particular element is superior to such an extent that contract performance is likely to be enhanced; and

(c) "Check" means that the particular element neither exceeds nor falls below what is considered essential for successful contract performance.

d. Source Selection Decision Report. The Source Selection Decision Report is prepared by, or under the direction of, the SSO. It reflects the analysis made by the SSO of the SEB Report, the TEP Report, and the BEP Report. The report fully documents the rationale of the SSO in arriving at the decision to select a particular source, or sources, for negotiation.

9. FUNCTIONAL ASSIGNMENTS FOR EVALUATION AND SELECTION. The following conditions are applicable to the appointment or designation of the SSO, SEB, TEP, and BEP and their functional duties with respect to procurement actions of the dollar values indicated. For the purpose of establishing a SEB, dollar value shall mean the total estimated cost/price of the total planned requirements of any resulting contract.

a. In Excess of \$5,000,000:

- (1) SSO - The Head of the Procuring Activity (see 7a);
- (2) SEB Chairperson - Program Manager (see 7f);
- (3) SEB Members - Chairperson of the TEP and BEP. (Such other specialists may be appointed by the SEB Chairperson as deemed appropriate for the particular procurement action) (see 7c);
- (4) TEP Chairperson - Project Officer (see 7d); and
- (5) BEP Chairperson - Contracting Officer (see 7e).

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b. In Excess of \$2,000,000 But Not Exceeding \$5,000,000:

- (1) SSO - Director or Chief of Contract Operations (see 7j);
- (2) SEB Chairperson - Program Manager (see 7f);
- (3) SEB Members - Chairperson of the TEP and BEP. (Such other specialists excluding members of the TEP and BEP may be appointed by the SEB Chairperson as deemed appropriate for the particular procurement action) (see 7c);
- (4) TEP Chairperson - Project Officer (see 7d); and
- (5) BEP Chairperson - Either the Contracting Officer (see 7h) or the Contract Specialist (see 7i) as determined by the Contracting Officer.

c. In Excess of \$10,000 But Not Exceeding \$2,000,000:

- (1) SSO - Contracting Officer (see 7h);
- (2) SEB Chairperson - Generally, a functional SEB is not appointed for procurement actions of these dollar values; therefore, the project officer and contract specialist shall perform those duties normally associated with the SEB Chairperson and SEB Members;
- (3) SEB Members - None;
- (4) TEP - The normal functions of the TEP are performed by the project officer and, for actions in excess of \$100,000, at least two additional members who are knowledgeable of the technical aspects of the procurement action.
- (5) BEP - The normal functions of the BEP are performed by the contract specialist and the price and cost analyst.

10. PROCUREMENT REQUEST AND SOLICITATION PREPARATION.

a. Procurement Request. Chapter 1, Procurement Request/Requisition and Rationale Document, Contracts Management Manual, prescribes policies and procedures for the use of EPA Form 1900-8, Procurement Request/ Requisition, and establishes the documentation which must accompany the form. Chapter 1, subparagraph 6c(10) sets forth the requirement for inclusion of the evaluation criteria with EPA Form 1900-8.

**b. Presolicitation.**

(1) The effectiveness of the source selection process depends to a large extent on the content and quality of the solicitation document. It is important at this stage in the procurement action that the SEB, TEP, and BEP are appointed and become actively associated with the contracting officer, or contract specialist, in the preparation of the solicitation. Therefore, the SEB and panels shall be appointed where the procurement action is in excess of \$2,000,000.

(2) For those procurement actions not in excess of \$2,000,000, the contracting officer or contract specialist shall thoroughly review the solicitation document for consistency with law, policy, and regulations. Other matters to be addressed include, type of contract contemplated, planned contractual provisions, quantities, schedules, completeness, and specification and data requirements. The contracting officer shall insure that both management and technical data requirements have been similarly evaluated to eliminate nonessential or unduly restrictive requirements.

(3) Irrespective of the dollar value of the procurement action, the solicitation document including the evaluation criteria shall be reviewed and approved by the SSO prior to release to the public. Proposed amendments of the solicitation shall be similarly reviewed and approved prior to release. Note, however, that the requirement for prior review and approval by the SSO is in addition to the requirement (see Chapter 17 of this Manual) for review and approval by the head of the procuring activity at the dollar value indicated. The latter review can be accomplished concurrent with issuance of the solicitation.

**11. EVALUATION CRITERIA.**

a. Although the initiator of EPA Form 1900-8, Procurement Request/Requisition, is responsible for the development of the evaluation criteria, the TEP and BEP are additionally responsible for insuring that the evaluation criteria are adequately stated and applicable to the procurement action.

b. Evaluation criteria must be developed on a case-by-case basis after taking into consideration each of the salient features of the specific procurement action.

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c. All offerors must be able to readily determine from an examination of the criteria included in the solicitation, the basis upon which their offers will be evaluated. In order to accomplish this, the evaluation criteria shall be set forth in elements and when appropriate, may be further defined in subelements. The importance of each element and subelement must be indicated. This can be accomplished by listing them in a relative order of importance, or by assigning weights to each element and to each subelement.

d. The decision to use evaluation criteria which assigns specific weights rests in the SSO. Depending upon the procurement action, weights may be assigned to each major element of the evaluation criteria. It is not generally necessary to assign weights to evaluation criteria subelements, however, assignment of weights to subelements is not precluded. When weights are not used, the relative order of importance of the criteria must be indicated.

e. In addition to the technical evaluation criteria, the solicitation shall indicate the importance of price or cost in the award decision and to the extent that there are other factors which may influence the award decision and which are foreseen at the time the solicitation is issued, such other factors shall be listed in the solicitation. Both price or cost and other factors are elements for the SSO to consider in selecting the source of award. The degree of importance of price or cost and other factors depends upon the particular procurement. Technical superiority, business/management capability, and cost aspects all may be equally important in a given procurement, while in another procurement one or two may have limited importance.

12. PREPROPOSAL CONFERENCES. Preproposal conferences are an important part of the solicitation process and shall be conducted in a fair and impartial manner that will not give any prospective offeror an unfair competitive advantage over another. The determination to conduct a preproposal conference may be made by the SSO or the contracting officer, under the following conditions:

a. Prior to Issuance of the Solicitation. Where it is determined that a preproposal conference would be advantageous to the Government and prospective offerors in order to:

(1) Clarify or explain complex specifications, statement of work, or proposed contractual provisions, e.g., patent rights, and data requirements;

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(2) Discuss or emphasize the importance of any qualification requirements that have been set forth in the synopsis and solicitation, e.g., offerors' capabilities, experience, facilities, and resources that are required to perform the statement of work;

(3) Disclose any ambiguities, inconsistencies, and gaps within or between the solicitation schedule, statement of work, specifications, and evaluation criteria; and

(4) Provide additional background material to prospective offerors, e.g., reports or other documents that are too voluminous to include with the solicitation, a site tour, or visits to the place of performance. Normally, the solicitation should state when and where the preproposal conference will be held.

b. After Issuance of the Solicitation. It may become necessary to conduct a preproposal conference even though the solicitation does not provide for one. A notice shall be given to all prospective offerors who have received the solicitation and shall be in such form as the SSO, or contracting officer, may determine, i.e., an amendment to the solicitation or letter notice. The following circumstances are indicative that a preproposal conference is desirable:

(1) Numerous questions of substantive matters regarding the solicitation have been directed to the contracting officer, contract specialist, or project officer;

(2) An important segment of industry requests the conference; or

(3) Continuing review of the technical and business aspects of the solicitation by EPA personnel reveals matters which should be clarified, but does not indicate that a substantive change to the solicitation is necessary.

c. Post Conference Actions. The actions to be taken following a preproposal conference are dependent upon several factors and are largely judgmental.

(1) In those cases where a transcript (either based upon tape or stenographic notes) has been prepared, the transcript may be either furnished to all prospective offerors or all prospective offerors may be notified of its availability upon request, provided that, nothing in the transcript in any way modifies the solicitation; or



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(2) Where the transcript modifies the solicitation, an amendment of the solicitation shall be prepared and furnished to all prospective offerors.

13. RECEIPT AND DISTRIBUTION OF OFFERS. The integrity and consequent effectiveness of the source evaluation and selection process is dependent upon the care that must be exercised in the receipt and subsequent handling of offers. Offerors' identities, offer contents, and prices shall be treated with the utmost discretion to avoid compromising the evaluation results or giving any offeror an unfair competitive advantage over other offerors. The contracting officer is the sole point of contact during the entire competitive process. Any questions regarding the receipt and distribution of offers, status of the proceedings, or other matters shall be referred to the contracting officer. The receipt and distribution of offers shall be governed by the following minimum standards:

a. Receipt. Only those offers which are received on or before the time and date set forth in the solicitation shall be considered for award, unless the late receipt is due to one of the conditions described in the "Late Proposals, Modifications of Proposals, and Withdrawals of Proposals" provision of the solicitation (see FPR 1-3.802-1).

b. Security Measures. The Director or Chief of Contract Operations is responsible for insuring that as offers are received they are promptly recorded and properly safeguarded to prevent unauthorized disclosures. As a minimum, after expiration of the deadline for receipt of proposals, the contract specialist will serialize all proposal copies and provide the TEP Chairperson a sufficient number of copies of the technical proposal only for distribution to members of the TEP. The TEP Chairperson is responsible for maintaining a log of this distribution. The contract specialist will assure that after evaluation of proposals, all copies not required for contract monitoring are destroyed. The contract specialist will distribute copies of the Business/Cost Proposals to members of the BEP, maintain a log of this distribution, and assure that all but two copies are destroyed upon contract award. A single copy of each proposal received will be included in the official contract file and in the price/cost analysis file.

c. Distribution of Offers.

(1) Each EPA solicitation sets forth a requirement that offerors shall submit the technical and business proposals as separate and complete in themselves so that evaluation of each may be accomplished concurrently and independently. If an offeror fails to submit separate technical and business proposals as prescribed by the solicitation, the contracting officer shall determine whether the offeror should be allowed to correct this imperfection and if it would be prejudicial to other offerors or to EPA. If it is determined not to be prejudicial, the offer may be corrected to separate the technical and business proposals. It is imperative that this separation be maintained throughout the evaluation process to insure that the technical evaluation is conducted solely on the technical proposal and is not in any way influenced by price or cost considerations. Therefore, promptly following the time and date set for the receipt of offers, the contract specialist, or other individual who has been designated by the Director or Chief of Contract Operations, shall distribute the technical and business portions to:

(a) The TEP and BEP, respectively, where the procurement action is in excess of \$100,000; or

(b) The project officer (technical portion only) and contracting officer, or contract specialist when so designated, and the price analyst (business portion only), where the procurement action is \$100,000 or less. The contract specialist, or other designated individual, shall maintain a record, i.e., log of the offers received, furnish a copy of this record to the recipients of the offers, and obtain a receipt, if deemed appropriate. Recipients shall be advised of the requirements for maintaining the technical and business proposals as separate entities and of the requirements regarding the disclosure of information contained in the offers (see 6).

(2) In those cases where offerors have been instructed to submit their technical offers to a location other than the procurement activity, the individual at that location must be designated to receive, record, and distribute offers in the same manner as prescribed for the contract specialist. The original copy of each offer received shall be retained by the contract specialist, pending the completion of the evaluation process, as the official

file copy. This original copy and any modification thereto shall become a part of the official contract file after award. Concurrent with the distribution of the proposals, the contract specialist shall advise the evaluators when the evaluation must be completed and the evaluation reports are to be submitted to the SEB or, when the procurement action is \$2,000,000 or less, to the SSO.

14. EVALUATION PROCEDURES. This paragraph expands on the procedures governing the technical and business evaluation of offers and prescribes the method of scoring that shall be used in determining the relative ranking of offers.

a. Initial Review. Technical proposal shall be reviewed promptly after the time and date for the receipt of offers as set out in the solicitation. The purpose of this review is to determine if any of the offers are so technically deficient as to conclusively remove them from further consideration. Either the contracting officer, project officer, the Chairperson of the TEP, or the contract specialist in conjunction with each other, shall make this initial review. A decision to remove an offeror from further consideration based upon an initial review of offers shall be made by the SSO. Some examples of technically deficient offers are: The offeror is offering equipment instead of the study called for in the solicitation, the technical approach will clearly not accomplish the desired results, the offer contains an approach or methodology that has previously been found to be unworkable, or the offer is contingent upon conditions which EPA cannot meet without violating statutes or regulations. The removal of an offer from further consideration is a very serious matter which may have an adverse impact upon EPA; consequently, if any reasonable doubt exists regarding the offer it shall be included for complete evaluation, scoring, and ranking.

b. Scoring Plan. The scoring of offerors must be done through the application of a predetermined scoring plan consisting of numerical values. These values are applied against the weight assigned to each subelement of the evaluation criteria set forth in the solicitation. The values are on a scale of zero through five; consequently, each value, except zero, represents 20 percent of the maximum rating that a subelement may receive. For example, an assigned value of four means that within a particular subelement the offer has been evaluated and found to contain 80 percent of the elements of the scoring plan. The following scoring plan shall be used in conjunction with numerical weights to arrive at scores for each element and subelement.

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#### SCORING PLAN

<u>Value</u>	<u>Descriptive Statement.</u>
0	Not addressed.
1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.
2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
3	Adequate; overall it meets the specifications.
4	Good; has some superior features.
5	Generally superior in most features.

The relationship of the scoring plan to written or oral discussion and to subsequent negotiations is as follows:

(1) Value of "0," "1," or "2a" - The element or subelement clearly is deficient and is not to be questioned or discussed during written or oral discussions. Such values are solely for the purposes of scoring, ranking, and determination of the competitive range. If, however, the offer attains an overall score, because of high scores in some elements which offset low scores in other elements, that places it in a sufficiently high position to be selected for negotiations, the offeror shall be allowed to correct those deficiencies during final negotiations.

(2) Value of "2b" - The element or subelement contains uncertainties (see page 24 definition of "uncertainties") which must be clarified or substantiated before the offer is fully understood. Such uncertainties are to be resolved during written or oral discussions, often called interrogatories, and the offer is to be given a final score that is based on the offeror's clarifications.

(3) Values of "3," "4," or "5" - The element or subelement is fully understood and there is no need for clarification by the offeror. However, discussions involving any such elements or subelements are not precluded.

c. Scoring System. The SEB, or contracting officer in the case of procurement actions not in excess of \$2,000,000, shall prepare a scoring system for evaluating each offer against each evaluation criterion set forth in the solicitation. The scoring system shall consist of the scoring plan (see subparagraph 14.b) and numerical weights assigned to each element and subelement of the evaluation criteria. The numerical weights assigned must coincide with the relative importance of each evaluation criterion element and subelement. For example, if the solicitation stated that the first criterion was twice as important as each of the remaining three, then the scoring system should reflect this by providing for a maximum numerical weight of 200 points for this element of the offer, and 100 points for the remaining three elements. When the scoring system contains subelements, particular attention must be given to maintaining the relative importance of each subelement to the total element. The scoring system shall be developed prior to any comprehensive review of offers, and, once adopted, shall be applied without change throughout the entire evaluation. In scoring offers, a numerical value of the scoring plan is applied to each numerical weight in order to arrive at a score for that particular element or subelement. The sum of these scores is the overall score attained by the offer. The following example is an outline of a typical scoring system showing the assignment of numerical weights, the application of the scoring plan, the derivation of individual scores for each element and subelement, and the overall score to be used in ranking the offers.

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#### TECHNICAL EVALUATION SCORING SYSTEM

<u>Evaluation Criteria</u>	<u>Numerical Weight</u>	<u>Scoring Plan</u>	<u>Individual Scores</u>
I. Adequacy of Technical Proposal	200		128
a. Literature search and investigation methodology	40	3	24
b. Proposed sources of information	40	2b	16
c. Plan for assessing the value of each publication	40	5	40
d. Correlation of literature to economic aspects	40	4	32
e. Presentation of findings	40	2a	16
II. Project Management	100		55
a. Previous experience the project manager has had in this type of effort	25	3	15
b. Company resources available to the project manager	25	5	25
c. Proposed subcontracting effort in connection with obtaining additional resources	25	0	0
d. Project management organization and plan	25	3	15
III. Personnel Qualifications	100		62
a. Technical experience of principal project staff related to the project performance	35	4	28

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b. Educational qualifications related to the project performance	35	4	28
c. Qualification of consultants	30	1	6
		Total Score	245

The application of the principles set forth in the scoring plan to the above sample will result in the following:

(1) Item I.b, Proposed sources of information must be discussed with the offeror and the element appropriately rescored. If the clarification offered is such that a rescoring is not appropriate, the value and score will remain as initially determined;

(2) Item I.e, Presentation of findings is not to be discussed, but the offeror shall be allowed to correct his offer if he is selected for negotiations because of other factors that have resulted in the attainment of a high rank;

(3) Item II.c, Proposed subcontracting effort in connection with obtaining additional resources; and

(4) Item III.c, Qualifications of consultants shall be treated in the same manner under the same circumstances set forth in (2) above.

d. Evaluation Guidelines. The evaluation of offers requires the exercise of careful judgment on the part of each evaluator. Offers must be carefully read and analyzed before the scoring plan is applied to any element or subelement. Evaluators should consider the following when analyzing offers:

(1) Avoid "reading into" or "reading out of" any portion of the offer, a meaning other than the exact language appearing in the offer;

(2) Avoid the tendency to interpret the meaning of the offeror's writing;

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(3) Avoid any infusion of personal knowledge concerning the offeror;

(4) Recognize that the assignment of a score to an element or subelement is subjective and based upon judgment;

(5) Recognize that no two individuals may assign the same numerical score to an element or subelement;

(6) Recognize ambiguities, inconsistencies, errors, omissions, irregularities, and deficiencies that can affect scoring;

(7) Recognize that offerors often use "catch phrases," "buzz words," and semi-legalistic phraseology which may not indicate a thorough understanding of the solicitation;

(8) Recognize the quality of substance and do not be influenced by form, format, or method of presentation;

(9) Recognize flattery on the part of the offeror; and

(10) Avoid forming "first impressions" of an offer that might tend to influence the score to be assigned.

e. Ranking. The assignment of numerical scores to an offer determines the relative rank of that offer with respect to other offers. While the use of predetermined scores as a cutoff for the establishment of the competitive range is prohibited, the scoring and relative rank of offerors does influence this determination materially. This is particularly true when an offer, or group of offers, falls significantly below the lowest score attained by the higher ranking offers. It is the responsibility of the SEB Chairperson, or the Project Officer for procurement of less than \$2,000,000, to develop the overall ranking. This may involve discussions between evaluators to understand conflicting views. The final overall ranking is the responsibility of the SEB Chairperson.



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15. OPTIONAL SCORING PROCEDURE. A combined checklist-scoring system is authorized for use where procurement actions not in excess of \$100,000 are involved, and where requests for proposals are not expected to result in offers which are complex enough to require extensive evaluation. A suggested format and minimum number of headings of a combined checklist-scoring system appears as Figure 25-5. Both the format and major headings may be modified to accommodate the particular circumstances and evaluation criteria of a specific request for proposals. In all circumstances, the format and heading shall be compatible with the evaluation criteria.

16. EVALUATION CONSIDERATIONS.

a. Responsibility Standards. In addition to the relative technical ranking of offers and the evaluation of price or cost, consideration must be given to an offeror's responsibility in terms of standards set forth in the Federal Procurement Regulations (FPR) (see 41 CFR 1-1.1203).

b. Other Influencing Factors. Also, in addition to the relative technical ranking of offers and the evaluation of price or cost, consideration must be given to other factors contained in the solicitation which may influence the selection decision. Normally these other factors will be used as the discriminating element for determining the selection of a source between two otherwise substantially equal offerors.

c. Distinction Between Responsibility Standards and Influencing Factors. Basically, the difference between responsibility standards and influencing factors is that for responsibility standards the contracting officer may make a determination of nonresponsibility (not meeting a minimum standard) based on the criteria set forth in 41 CFR 1-1.1203 while influencing factors identified in the Request for Proposals may be evaluated based on experience or information not contained in the contractor's proposal. Influencing factors will be part of the SSO's selection decision. An example of an influencing factor would be the relative strength of the offeror's small business subcontracting program.

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17. DETERMINATION OF THE COMPETITIVE RANGE. Determination of the competitive range is not treated in depth by the FPR (see 1-3.805-1 (a)), which states in part "...a competitive range, price, and other factors considered, except..." This should not be interpreted that price is the primary consideration and that other factors are secondary. Almost all EPA procurement actions, to which this Chapter applies, involve other factors which are of greater importance than the price or estimated cost proposed. Accordingly, determination of the competitive range shall be made only after evaluation of all offers received and careful consideration of any possible trade offs as follows:

a. Technical Evaluation. While the attainment of a particularly high score would seem to indicate that an offer should be considered within the competitive range, upon consideration of the price offered, it may not be practicable to trade off the superior technical aspects of the offer against a significantly higher price. Generally, the attainment of a high technical evaluation score in itself need not be sufficient basis for a determination that the offer is within the competitive range. Conversely, an offer with a lower technical evaluation may meet the minimum requirements of the solicitation and offer a price that should be given further consideration.

b. Business Evaluation. The business evaluation of offers is an essential element in determining the competitive range, and is of particular significance where several offers have received scores that are close in numerical value as a result of the technical evaluation. In such cases, the business evaluation may be the determining factor in arriving at the competitive range. Similarly, standards and factors set forth in paragraph 16 may be of such importance that the offer cannot be reasonably determined to be within the competitive range.

c. Determination and Documentation. The contracting officer shall make the determination of the competitive range with the subsequent approval by the SSO. As with the preceding discussions regarding evaluations, no stringent rules can, or should be applied in determining the competitive range, nor can a mathematical formula be devised. Where there is reasonable doubt regarding the inclusion of a particular offer within the competitive range, that doubt should be resolved in favor of inclusion. Because the determination of the

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competitive range is based on informed judgment and is complex in nature, all such determinations must be completely documented to set forth the rationale supporting the determination. When the procurement action is expected to exceed \$5,000,000 i.e., where the SSO is the head of the procuring activity, a formal briefing of the SSO by the SEB is required. This requirement may be waived by the SSO if in his judgment the briefing is not necessary.

d. Example. The following example is furnished for guidance in determining the competitive range based on the technical and business evaluations of a group of offers:

<u>Offeror</u>	<u>Technical Evaluation Score</u>	<u>Cost/Price</u>
A Co.	330	\$250,000
B Inc.	325	175,000
K Co.	275	145,000
D Co.	245	150,000
C Co.	200	115,000
G Co.	125	92,000

(1) G Co., while offering the lowest price/cost, has submitted an offer that is seriously lacking in essential qualities. A review of the scoring will show several essential qualities to have been scored as "0," "1," or "2a";

(2) A Co., while attaining the highest technical score, has offered a price/cost that is unreasonable for the effort required. If an analysis of the business proposal shows that several elements of price or cost are unusually high, but may be susceptible to downward revision, the offer may be included in the competitive range; however, if those circumstances do not exist, the offer may safely be considered to be outside the competitive range because of price/cost;

(3) C Co. has attained a score which represents only 50 percent of the essential qualities desired. This is also reflected in the business proposal. The offer should not be considered within the competitive range; and

(4) The offers of B Inc., K Co., and D Co., are close with respect to both the technical evaluation and price/cost offered. Therefore, these three offers should be within the competitive range and depending upon the circumstances incident to the much higher price, A Co. may also be included.

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#### 18. WRITTEN OR ORAL DISCUSSIONS.

a. Background. Public Law 87-653, commonly known as the Truth in Negotiations Act, amended 10 U.S.C. 2304(g), require written or oral discussions in negotiated procurements with all responsible offerors who submit proposals within a competitive range. While this Act did not apply to those agencies subject to the Federal Property and Administrative Services Act of 1949, as amended, the Administrator of General Services has applied the same provision to civilian executive agencies in the interest of uniformity. This provision is set forth in FPR 1-3.805-1(a).

b. Purpose. The FPR provides guidance as to the purpose of conducting discussions by the statement contained in 1-3.804 which is -- "Oral discussions or written communications shall be conducted with offerors to the extent necessary to resolve uncertainties relating to the purchase of the price to be paid." By interpretation, the purposes of these discussions are to:

- (1) Provide offerors an opportunity to further explain their offers;
- (2) Afford the contracting officer an opportunity to understand fully what is being offered;
- (3) Afford the parties an opportunity to resolve uncertainties regarding price, cost, performance, contract terms, and conditions; and
- (4) Resolve minor informalities in offers, e.g., incomplete representations and certifications, and incomplete cost or pricing information.

c. Uncertainties. An uncertainty is described as any part of an offer which is unclear in meaning and requires substantiation for a technical approach or solution or for a cost estimate.

d. Deficiencies. A deficiency is any portion of an offer that lacks some necessary quality or element such that it does not address the minimum requirements as stated in the solicitation. A deficiency, as distinguished from an uncertainty, is any part of an offer which clearly indicates an insufficiency in the offeror's management abilities, engineering or scientific judgment, or lack of competence or inventiveness in preparing the proposal.

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e. Limitations. Careful judgment in determining the extent of discussions must be exercised. Discussions with each offeror must be confined to those areas of the offer that have been identified as containing "uncertainties" as defined in subparagraph c. There must be a scrupulous avoidance of disclosure of technical information, ideas, or cost data from any other offeror. No indication shall be given to any offeror of a price which must be met or bettered to obtain further consideration since such practice constitutes an auction technique. On the other hand, this does not prohibit pointing out price or cost elements that do not appear to be justified, or encouraging offerors to put forward their most favorable price proposals, but in so doing, the price elements of any other offeror must not be discussed, disclosed, or compared. It is of paramount importance that discussions shall not be extended into the identification and correction of proposal "deficiencies" as defined in subparagraph d. It is also important that when discussions are held with one offeror, they must be held with all offerors within the competitive range.

19. BEST AND FINAL OFFER.

a. Notification. All offerors included in the competitive range shall be notified at the conclusion of written or oral discussions of the opportunity to submit a revised proposal. A final common cut off date, in accordance with 41 CFR 1-3.805-1(b) which allows a reasonable opportunity for submission of final written offers, must be established. The notification must include information to the effect that discussions are being concluded; offerors are being asked for the "best and final" offer (which can be a confirmation of a prior offer, but should be explicitly stated as a final offer); and the confirmation or revised final offer must be received by the date specified. When contracting officers call for the "best and final" offer, offerors should be cautioned against submitting unsupported changes in their former offers.

b. Receipt. Any "best and final" offer received after the established final common cut off date must thereafter be handled as "late" in accordance with FPR 1-3.802-1.

c. Evaluation. "Best and final" offers shall be subject to a final evaluation (price or cost, technical, and other salient factors) to the extent considered necessary by the contracting officer.

Evaluations shall be performed in accordance with the procedures previously prescribed for use in the evaluation of initial offers (see paragraph 14, Evaluation Procedures and paragraph 16, Evaluation Considerations) in order to determine the relative ranking of the revised offers.

d. Limitation. Contracting officers shall not call for "best and final" offers more than once unless fully justified and then only when approved by the SSO.

## 20. SOURCE SELECTION DECISIONS.

a. General. The selection of a source, or sources, for negotiations shall be made after the receipt and evaluation of "best and final" offers. The decision as to the source selection for negotiations and for award is made by the SSO based upon consideration of the technical scores, business and management ratings, price or cost, and other factors which may influence the award decision. With regard to technical scores, EPA normally uses technical point ratings of offers in establishing the relative ranking of offers. Technical point ratings are useful guides in the evaluation of offers but they are not conclusive as to the actual merit of offers. The final merit of the offers is determined by informed review of technical evaluation narratives, descriptive ratings, and other relevant information in addition to point scores. After technical merit is determined, the SSO must consider the price or cost, business aspects, and such other factors as may influence the decision to select one offeror in preference to other offerors.

b. SSO Selection. After the SSO has reviewed the SEB report he shall prepare, or direct the preparation of, a source selection decision report which shall reflect:

- (1) The source(s) selection decision;
- (2) Comprehensive rationale for the decision;
- (3) Authorization for the contracting officer to conduct negotiations with the source(s) selected; and
- (4) Authorization to award a contract upon successful completion of negotiations.

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c. Contracting Officer Selection. The contracting officer shall prepare a source selection decision report for those procurement actions not in excess of \$2,000,000 which reflects:

- (1) The source selection decision; and
- (2) Comprehensive rationale for the decision.

21. NEGOTIATIONS WITH THE SOURCE SELECTED. The contracting officer, assisted by the contract specialist and such other technical and business specialists as deemed appropriate, shall conduct negotiations with the source selected. Such negotiations shall not involve material changes which, in the judgment of the contracting officer, would alter the basis for the source selection decision. In the event that the SSO directs negotiations with more than one source, negotiations may be conducted successively with those sources selected. At the conclusion of negotiations, offerors will be requested to submit written confirmation of agreements with respect to price and other significant elements agreed upon. A common cut off date shall be established for the receipt of these confirmations. The procedures described in paragraph 20, Source Selection Decisions, subparagraphs b(1), (2), and (4) or, subparagraph c, as appropriate, shall be followed to document the selection decision. Negotiations at this point in the source evaluation and selection process permits consideration and correction of elements and subelements which were assigned numerical values of "0," "1," or "2a." However, any discussion of deficiencies during final negotiations shall avoid revealing a competitor's idea.

22. AWARD. Contract award shall be made to that offeror who has submitted an offer which promises the greatest advantage to EPA in terms of performance at an affordable cost, and as a result of fair and impartial evaluation. However, award shall be made only after all required clearances and approvals have been obtained.

23. NOTIFICATIONS TO UNSUCCESSFUL OFFERORS.

a. Unacceptable Offers. In accordance with the conditions set forth in 41 CFR 1-3.103(b)(1), a preaward notice shall be given to those offerors whose offers have been determined to be unacceptable as a result of the initial evaluation made pursuant to subparagraph 14a of this Chapter. The notice shall be substantially in accordance with Figure 25-1 and shall be furnished promptly when it appears that it will take longer than 30 days to make an award after the offer has been determined to be unacceptable.

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b. Competitive Range. 41 CFR 1-3.103(b)(1) also prescribes that notice be given in any procurement of more than \$10,000 in which it appears that it will take longer than 30 days to make an award after a competitive range determination has been made. This notification shall be provided to all offerors at the same time. Where an offeror is determined to be within the competitive range for a specific category(s) of work required by the solicitation and outside the competitive range in other category(s) of work, the offeror shall be promptly notified that, after evaluation, it has been determined that he is outside the competitive range for a certain category(s). The procedure is applicable when multiple awards based on distinct categories of work are anticipated. The purpose is to put the offeror on notice that an offer for a specific category(s) of work will not receive further consideration. The notice shall be substantially in accordance with Figure 25-2.

c. Unsuccessful Offerors. Offerors who have not been selected for award shall be notified as promptly as possible that their offers are no longer being considered. If after selection of the successful offeror, it is expected that an award will be made in a short period of time, those offerors that were within the competitive range but have not been selected for award, need not be notified. In such cases, the notification shall be made after award (see FPR 1-3.103(c)). Where notification is made before award, such notice shall be substantially in accordance with Figure 25-3.

24. DEBRIEFING. If unsuccessful offerors request a debriefing prior to contract award, they shall be afforded the opportunity for a formal debriefing provided that the contract award will not be unreasonably delayed. Debriefing shall be conducted for only those offerors who submit written requests and where the request has been signed by a corporate official, senior partner, or other comparable executive of the offeror. Debriefings must be absolutely factual and in conformance with the documentation supporting the decision of the selection official. Restrictions on disclosure of information pertaining to any other offeror's proposal are set forth in FPR 1-3.103(c).



Gentlemen:

Your proposal submitted in response to our Request for Proposals No. \_\_\_\_\_ has been received and has undergone an initial technical evaluation. As a result of this evaluation, your proposal has been found to be inadequate in the treatment of certain elements which we consider to be essential for successful contract performance. The inadequate areas were (briefly explain the areas which were considered inadequate).

A substantial modification of your proposal would be necessary to correct the inadequate treatment. The "Late Proposals, Modifications of Proposals, and Withdrawals of Proposals" provision in the request for proposals precludes consideration of any modification of a proposal received after the date and time specified. Based on the foregoing, your proposal will not receive further consideration nor will any modifications be considered.

Your interest in EPA programs is appreciated. We encourage you to continue responding to our future requirements.

Sincerely yours,

Contracting Officer

Figure 25-1. Notice to Unacceptable Offerors

Gentlemen:

So that you may redirect resources held in anticipation of receiving a contract award, this Agency, as a service to you, is providing advance information which indicates your proposal submitted in response to RFP No. \_\_\_\_\_ was determined not to be within the competitive range.

Based on the foregoing, revisions to your proposal will not be considered. Following award of the contract you will receive a further notice setting forth the successful contractor and the contract amount. We wish to express appreciation for your interest in EPA programs, and encourage you to continue responding to our future requirements.

Sincerely yours,

Contracting Officer

Gentleman:

So that you may redirect resources held in anticipation of receiving a contract award, this Agency, as a service to you, is providing advance information which indicates your proposal for \_\_\_\_\_ although judged to be in the competitive range will not be considered for further negotiation. Subsequent revisions to your proposal will not be considered.

We have selected the firm listed below as the offeror whose proposal offers the greatest advantage to the Government, price or cost, technical, and other factors considered. Negotiations will be held with:

(Name of source selected for negotiations)

Following award of the contract, you will receive a further letter setting forth the name of the successful contractor and the contract amount. We wish to express appreciation for your interest in EPA programs and encourage you to continue responding to our future requirements.

Sincerely yours,

Contracting Officer

PROCESSING SEQUENCE  
FOR  
SOURCE EVALUATION AND SELECTION

1. Procurement Request
2. Develop evaluation criteria for the solicitation
3. Prepare and issue the solicitation
4. Receive offers
5. Conduct preliminary evaluation
6. Determine the competitive range
7. Conduct written or oral discussions
8. Request "Best and Final" offers
9. Receive and evaluate "Best and Final" offers
10. Select the source for negotiations
11. Conduct negotiations with the source selected
12. Conclude negotiations - Debriefing if desired
13. Award the Contract
14. Debriefing - if not conducted at the conclusion of negotiations

PROPOSAL TECHNICAL EVALUATION

RFP NUMBER AND TITLE: \_\_\_\_\_

OFFEROR: \_\_\_\_\_

EVALUATED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

MAXIMUM SCORE ATTAINABLE: \_\_\_\_\_ EVALUATION SCORE: \_\_\_\_\_

EVALUATION CRITERIA - SCORING PLAN - SCORE

A. ADEQUACY OF TECHNICAL PROPOSAL

1. Understanding Scope of Work (Assigned Weight: \_\_\_\_\_ Points)

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

## 2. Project Approach (Assigned Weight: \_\_\_\_\_ Points)

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

## 3. Project Management - Resources Allocation (Assigned Weight: \_\_\_\_\_ Points)

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

**B. OFFEROR**

**1. Experience**

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

2. Personnel Background and Experience (Assigned Weight: \_\_\_\_\_ Points)

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

3. Facilities (Assigned Weight: \_\_\_\_\_ Points)

<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
0	0	Not addressed.
20	1	Addressed but totally deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency cannot be corrected by negotiations subsequent to selection.



<u>%</u>	<u>Value</u>	<u>Descriptive Statement</u>
40	2a	Addressed but deficient in management ability; engineering or scientific judgment; lack of competence or inventiveness, to the degree that the deficiency may be corrected by negotiations subsequent to selection.
40	2b	Appears to be deficient; however, clarification or substantiation is required, and final scores will be determined subsequent to written and/or oral questions.
60	3	Adequate; overall it meets the specifications.
80	4	Good; has some superior features.
100	5	Generally superior in most features.
(Score: % of Assigned Weight _____)		

**DEBRIEFING REMARKS:** (Specific comments concerning the proposal as it relates to the technical evaluation criteria in the RFP).

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**NOTE:** Detailed data substantiating any score shall be made available by the evaluator upon request.

**8.17 Table of Contents: Contracts Management  
Manual**

ENVIRONMENTAL PROTECTION AGENCY

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CONTRACTS MANAGEMENT MANUAL

MANUAL

CONTRACTS MANAGEMENT

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APPENDIX A. RELATED EPA DIRECTIVES

## **8.18 A Case Study in Project Management**

## Development of The Blue Plains Waste Treatment Data Storage and Retrieval System

### Background

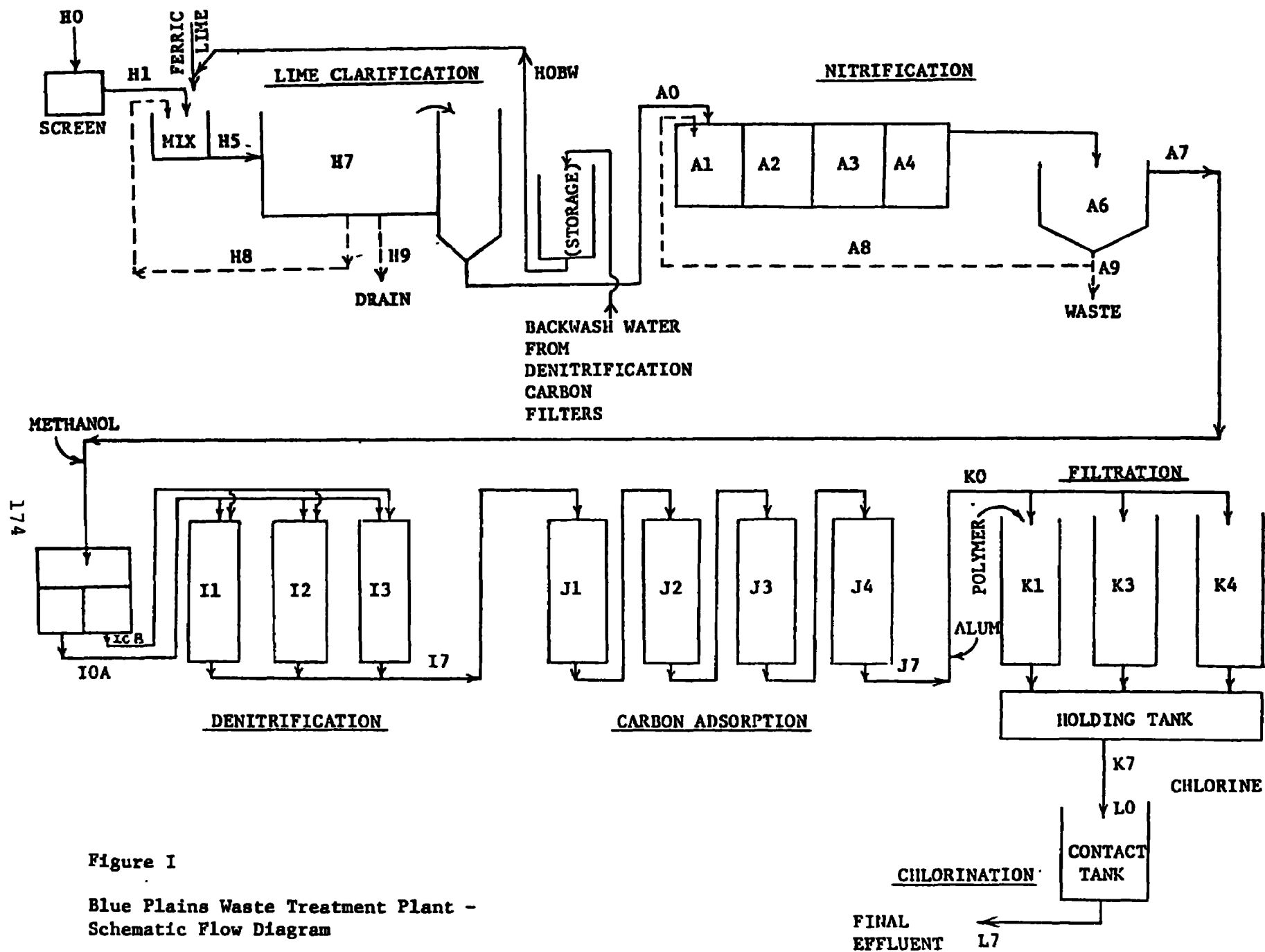
The staff of EPA-Cincinnati Municipal and Environmental Research Laboratory (MERL), in cooperation with the District of Columbia, operates a combined biological/physical-chemical Advanced Waste Treatment reuse system at the Blue Plains Pilot Plant in Washington, D.C. The system treats municipal wastewater using lime clarification, dispersed growth nitrification, fixed-film denitrification, carbon absorption, filtration, and chlorination for disinfection. A schematic flow diagram is shown in Figure 1. The treatment system is operated on a continuous basis by operators assigned to 3-8 hour shifts each day. Samples are taken manually and composited in refrigerator containers as required for later analysis by EPA laboratories.

Through long-term intensive studies, EPA is evaluating performance characteristics of six treatment processes in an effort to demonstrate the potential for reliably producing potable quality water from treated municipal waste water. Specific objectives of these studies include:

1. Identification and measurement of specific pollutants in the system's final effluent, and the performance of individual processes in removing these pollutants.
2. Provide data on process and system performance variability and reliability with respect to pollutant removal.

On May 29, 1975, Alan Waters (MERL) requested support from the EPA-Cincinnati Computer Services and Systems Division for the design and development of a flexible data storage and retrieval system capable to support the handling and analysis of a continuous stream of waste treatment data. Appendix I provides the users statement of requirements for the system.

On June 9, 1975, Apex Systems Development Corporation was awarded a contract to initiate the systems analysis phase, and perform a review and evaluation of the MERL requirements for entry, storage and retrieval of the Blue Plains water quality data. The contractor was also required to develop detailed functional design specifications relevant to a storage and retrieval system, and to present a comprehensive project plan, schedule and cost projection for implementation of the system.



The period of performance for the systems analysis effort was established as three months; the final report including the aforementioned information requirements was due for delivery to EPA by September 9, 1975.

The project staff assigned by Apex Systems Development Corporation included Dave Jones as Systems Analyst, and Harvey Macken, Programmer. Dave's formal academic training was biochemistry, and had several years of ADP experience in the design and programming of scientific computer applications including similar data storage and retrieval systems. Harvey, the assigned Programmer, had a chemistry background and a few years in programming of scientific applications on the UNIVAC 1110 computer system. Apex management felt confident that Dave and Harvey comprised a qualified team to translate the MERL requirements into an effective data storage and retrieval system which would be tailored to directly support a waste treatment facility operated by personnel having no ADP background. Dave, having supported several EPA scientific projects in the past was known to EPA's ADP management and several laboratory researchers as having high level of technical competence in ADP and environmental research.

A meeting on June 17, 1975, was held with MERL personnel, EPA's ADP branch chief, and the Apex project team. Alan Waters of MERL, had the responsibility of determining and analyzing the performance characteristics of the Blue Plains Pilot Plant. Each month, using a desk calculator, Allan performed numerous calculations to determine average levels and variations of pollutant concentrations at each of several stages in the treatment process. Obviously, there was a limit to the analysis Alan could perform; he therefore had an active interest in the proposed automated data storage and retrieval system. During the meeting, Alan displayed a chart of measurements taken at 35 sampling stations distributed throughout the six treatment processes, and related to 105 biological, chemical and other types of parameters.

At the meeting, the discussions focused on the physical structure of the treatment plant, sampling schedules, the functions performed by personnel who operate and manage the treatment plant, and options for interfacing with a computer storage and retrieval system. Since the operation at the treatment plant and laboratory chemists were continually recording measurements on large laboratory bench sheets, a decision was reached to prepare preprinted data recording forms which would be formatted for ease of keypunching, or direct entry through low speed terminals. As an action item, Alan Waters was supposed to prescribe expected minimum-maximum values for each parameter at each sampling station. These specifications would be useful later for data editing purposes.

After the June 17 meeting the Apex project team started to formulate a conceptual design of the storage and retrieval system; this design facilitated data entry through both batch and low speed terminal facilities, and would provide an interactive capability for entry and editing of raw data, and permit retrievals of data over any time period, and invoke the generation of several summary and statistical reports for any selected performance period.

The ADP equipment resources available included the Univac 1110 computer at the Environmental Research Center, Research Triangle Park, N. C., and two IBM 370/158 computers at Optimum Systems, Inc., Bethesda, Md. Both facilities were assessed through CSSD's remote job entry terminals and low speed conversational terminals. CSSD utilized both ASCII and EBCDIC low speed terminals. The RJE terminals included a Data General 840 minicomputer, the Data 100/78 and Data 100/70 terminals, and were installed at two locations in the Cincinnati area.

On July 29, 1975, the Apex project team presented the results of systems analysis and design efforts to EPA personnel. A preliminary functional design, data file structures, brief program module functional description, and examples of an interactive terminal language to be used for data entry and editing, retrievals of data reports and plots, and a data entry forms design. The meeting was successful; the design was acceptable, and demonstrated to the plant operating personnel how easy it would be to perform the data recording functions. These personnel saw how operational status reports could benefit them directly on a daily basis.

On September 2, 1975, Apex completed and delivered the Final Report which included a system design overview, program descriptions, file descriptions, input forms layout, cost projection and implementation schedule. Appendix II provides abstracts of the system functional design specifications, cost projection for each program module and an implementation schedule. The total projected cost for detailed program design and implementation was \$7112, plus \$1476 for training of EPA personnel; the total schedule for implementation and documentation was 16 weeks. Effective October 8, 1975, the contract with Apex Systems Development Corporation was amended to procure the services for system implementation, documentation and training. The data storage and retrieval system was scheduled to be operational by January 7, 1976, and available for continuous acquisition and editing of the treatment data. System documentation and operating procedures would be completed by January 21, 1976.



As defined by Apex, the following were established as the major project milestones:

1. Coding, testing and implementing the program for batch and/or demand processing of system specifications, program PREP, and the program for displaying the current system configuration, program SYSTAT.
2. Coding, testing and implementing the program for data entry and storage, program DATASTORE, and the report generator, program REPGEN.
3. Entering the backlog of data.
4. Coding, testing and implementing the plot preprocessor, program PREPLOT, and making modifications to TYPLOT.
5. Completion of Systems Documentation and Users Manual.
6. Training Blue Plains personnel in use of coding forms and system operation.

At the time the system implementation began, the estimate of back-log treatment data was low; this resulted in an oversimplification of the effort required and methods suitable for capturing such data in a form suitable for computer input. The decision was made to defer this portion of the project to a later date as possibly an independent project. However, 3 months actual data were required for program testing; such data would be provided by the Pilot Plant operating personnel to Apex who would then transcribe them onto the standard input coding forms.

As required by the Contract, Apex Systems Development Corporation delivered monthly progress reports and financial status reports. The progress reports state the accomplishments during the report period, problems encountered, and a projection of work to be accomplished in the next report period. Actual monthly progress reports from Apex are included in Appendix III. The financial status reports stated the current expenditure by labor classification during the report period, total funds allocated to date, and the balance of unexpended funds.

### Notice of Cost Overview and Schedule Slippage

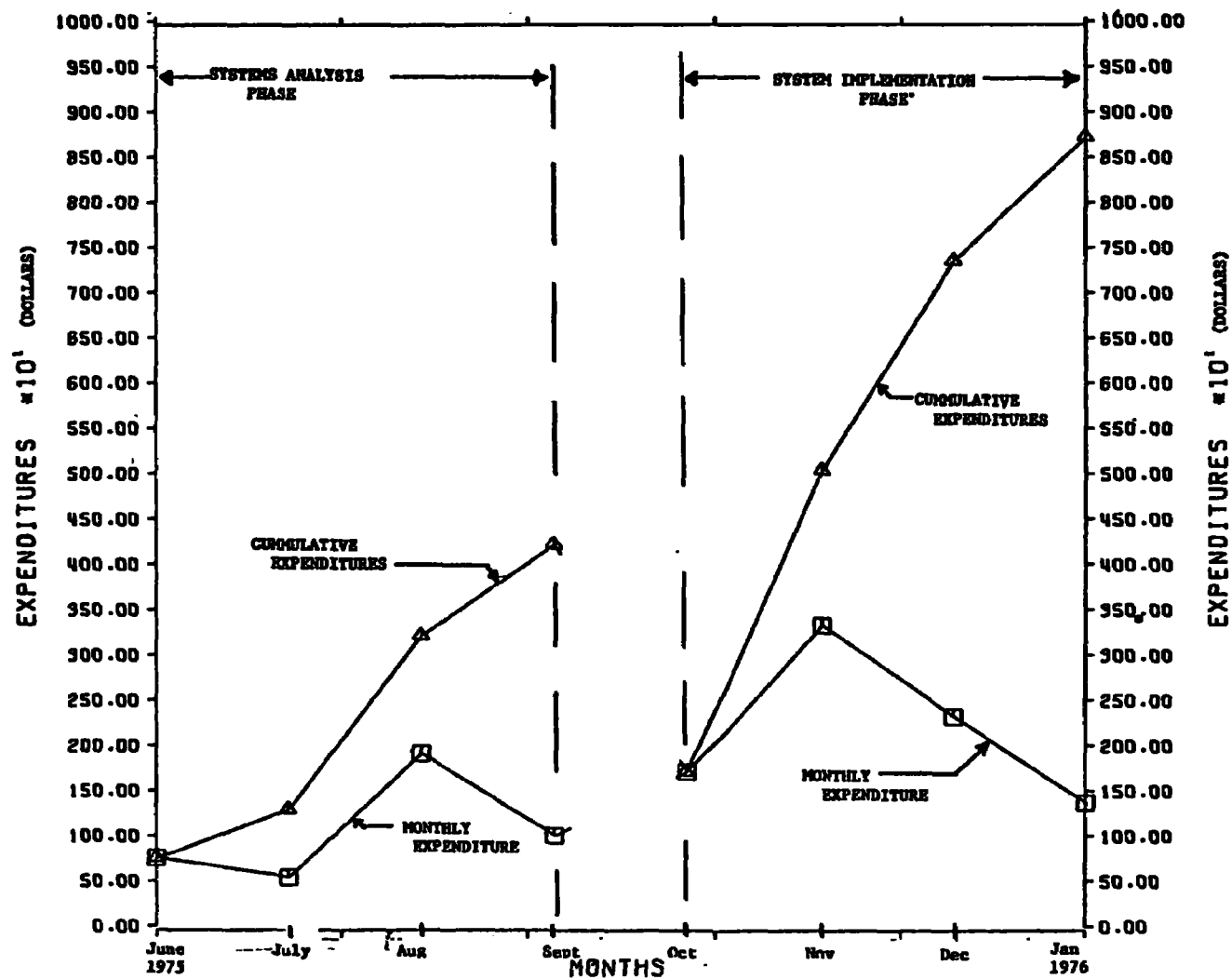
On January 21, 1976, the contractor advised EPA of considerable difficulty in implementing the data storage and retrieval system within the funds allocated and the established schedule; and that all funds had been expended. These difficulties were attributed to:

- . sporadic and frequent malfunctioning of the Univac 1110 which caused substantial lost time,
- . limited quantity of low speed terminals at EPA for communication with the Univac 1110 system,
- . technical difficulties in interfacing EPA's Data 100 medium speed RJE terminals with the Univac 1110, and conflicts in sharing these RJE resources with other applications, primarily administrative applications,
- . technical difficulties with unstable telecommunications facilities used for access to the Univac 1110 system.

The contractor requested allocation of additional funds to complete the project; the new projection for cost to complete was \$5693; no estimate was given for the revised completion date.

Figure 2 illustrates a graph of the monthly and cumulative expenditures through January 27, 1976, and includes expenditure profiles for both the systems analysis and implementation phases.

EXPENDITURES FOR BLUE PLAINS  
MONTHS START WITH JUNE 1975 THROUGH JANUARY 1976



### Assignment Questions

1. If you were the user (or Project Officer) what options are available to you on January 21, 1976?
2. If you were the Apex Project Manager, what alternatives are possible for completion of the project, and what are the required conditions?
3. Did the contractor have a viable plan for system implementation?
4. Was the Apex system design effort sufficiently detailed?
5. What techniques would you have used for planning and controlling programming effort and costs:
  - a. if you were the Apex Project Manager,
  - b. if you were the EPA User or Project Officer.
6. If you were the Project Officer (or user), what would you expect from the Apex Project Manager in response to question No. 5?
7. Did the contractor attempt to anticipate problems?
8. What kinds of problems could have been anticipated? How should they be handled?
9. Was there a plan to demonstrate compliance with requirements?
10. Evaluate the contractor's proposed design and implementation plan. Name three key project management principles which were evident and/or deficient in the contractor's design and plan.

## Appendix I

### Requirement for a Computerized Data Handling System

The development of the data system should be composed of two (2) phases: (1) an analysis of the reuse project that will include both data storage and retrieval programs; and (2) implementation of the programs identified in (1).

The data storage program will have the following characteristics:

1. It must be flexible and versatile.
2. Include design of forms for data recording.
3. Must be able to use on RTP computer system.
4. Must identify items on IBM cards, if used, so they can be recognized, e.g., COD = 10.
5. Print out and other output must be in readily understandable language, e.g., print-outs will have columns headed by measurement, COD, TOC, etc.
6. Quality control must be incorporated into the program to detect erroneous data.
7. Ability to make changes and corrections.
8. Ability to enter present accumulated data.
9. Ability to handle zero or missing data.

The data retrieval program will have the following characteristics:

1. Ability to provide both statistical and graphically plotted data output.
2. Flexible and versatile so that correlations can be made with ease, e.g. if a plot of concentration vs. time provides only partial correlation, the retrieval system should be able to provide a variation of this data in a separate plot for comparison purposes.
3. The output must be readily accessible from lowspeed terminals by the Blue Plains Pilot Plant staff for their reporting purposes.

4. Ability to provide basic statistical output now, with capability for more elaborate output later.
5. Specific statistical output correlations between sampling points and analytical parameters are shown in Table 2 and the program shall provide this information.

Implementation of the program shall take place as soon as possible after design specifications have been approved and the procedures required to enter the data shall be coordinated with the Blue Plains Pilot Plant staff to insure ease of data entry and retrieval. Entry of data from the working forms designed in the systems analysis phase shall be handled by the Computer Services and Systems Division and also, all retrieval efforts will be the responsibility of this group. A contact person in the computer group will serve to provide the output to either the Blue Plains staff or the MERL-Cincinnati staff.

A. System Overview

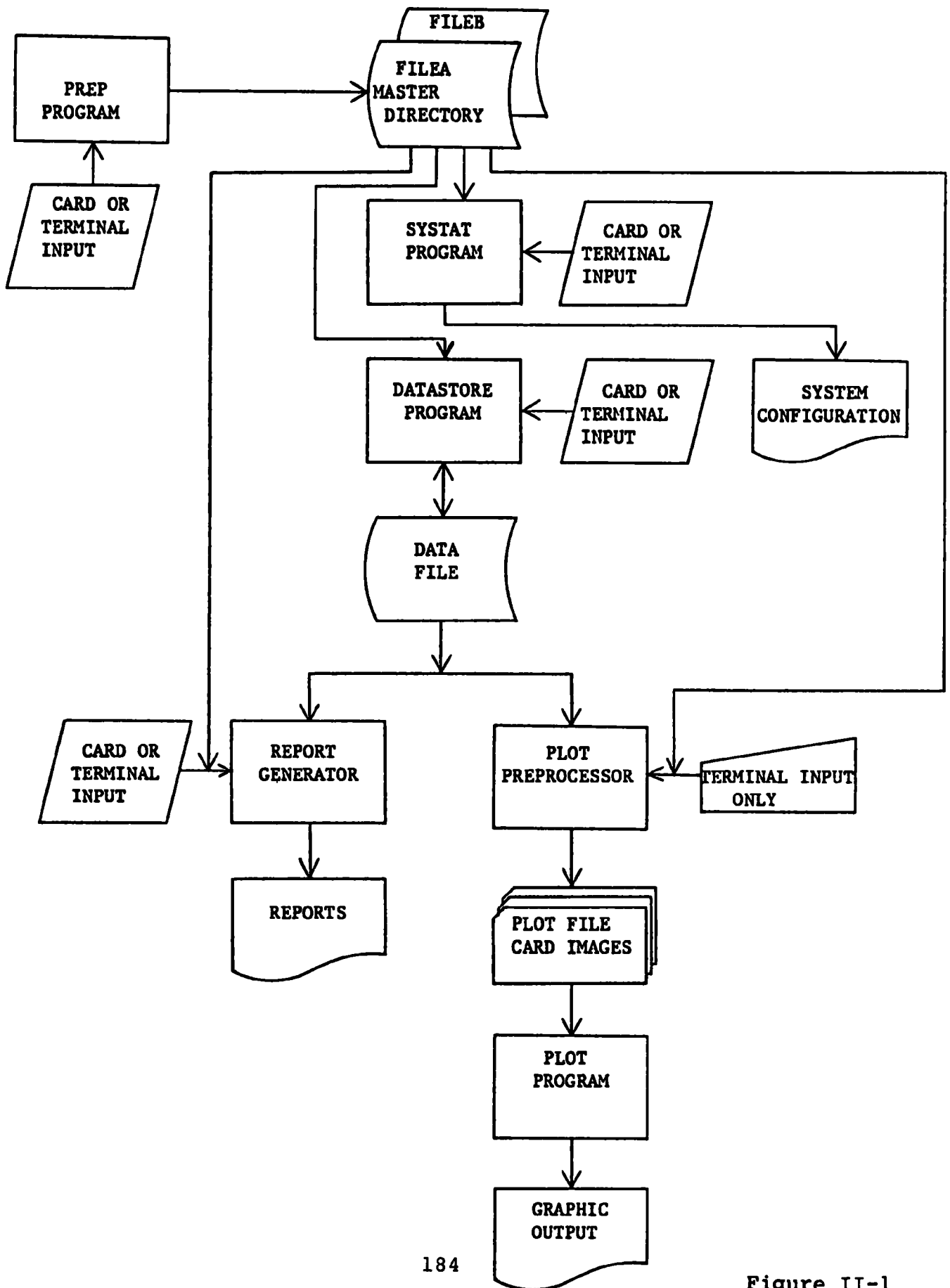
The proposed storage and retrieval system is designed for use on the UNIVAC 1110 located at Research Triangle Park, North Carolina. Two distinct types of processing are allowed for remote users. Batch processing allows the user to submit a set of cards or card images to the computer for processing without the user being asked for additional information while processing is taking place. The user obtains all output after processing is complete. Demand processing allows the user to interact with the computer while processing is taking place, with any results of the processing being returned immediately to the user.

Although all programs of the proposed system are designed to run in batch or demand mode, certain functions have been restricted to one mode or the other. The user is restricted to batch mode when there is a sufficient volume of data to be entered. Batch processing will eliminate the task of sitting in front of a terminal for a long interactive terminal session. When the user is restricted to demand mode it is felt that the queries from the system will be beneficial in entering the data and will also allow the user to benefit from the 'quick-look' capability of the system, i.e. the user will be able to get a listing directly from the terminal instead of waiting for batch turnaround. Mode restriction will be performed in the following way. Each program will have two sets of ECL (Executive Control Language - instructions to the operating system telling the computer what to do with a program) - one for demand processing and one for batch processing. The ECL for batch processing will set bit 12 of the Run Status Word (RSW); the ECL for demand processing will turn off bit 12 of the RSW. FORTRAN programs can access the RSW by the SSWITCH routine. If bit 12 is on, indicating batch processing, and the user attempts a function restricted to demand mode, an error occurs and processing will terminate. A similar error will occur if the user attempts a function restricted to batch mode from demand processing, however processing will continue and the user will receive a message indicating he may not execute the requested function in demand mode.

The proposed system is modular in design. As the user needs more or different information, programs may be added or modified without destroying the integrity of the system. At present, the minimum configuration for a storage and retrieval system is supplied, so as to not overwhelm the user with a lot of unnecessary options.

Figure II-1 shows the flowchart of the proposed storage and retrieval system. The user enters the system description (i.e. Subsystems, Sampling Stations, Parameters, etc.) into program PREP, which builds the Master Directory. Then, as the user begins to collect data from the system, it is entered into program DATASTORE, which adds this data to the

# DATA STORAGE AND RETRIEVAL SYSTEMS





large on-line data file. Now, if the user wishes reports of data already collected, program REPGEN is run which can provide him with certain statistics as well as data listings. If plots of the data are desired, the PREPLOT program is run, which builds up a card file that may then be transmitted to OSI for use by a modified version of TYPLOT. The plots are to be generated at OSI since RTP does not at present support remote plotting.

Although much checking of data is done before it enters the on-line data file, errors invariably are found. The user may, at any time, edit his data file to alter or remove erroneous data by specifying one of several editing functions in program DATASTORE. If the user decides to expand the system (i.e. add more sampling stations or parameters) he may do this at any time by using the add function of program PREP. If the user wishes to display the system configuration, he may run program SYSTAT.

Some minor changes are necessary to the current Blue Plains Plant system nomenclature to improve overall description of the storage and retrieval system. At present, each sampling station (test node) is referenced by a letter followed by a digit or several numbers or digits. It is suggested that each sampling station code be limited to two characters, the first character representing the subsystem (process) as is now done, the second limited to a single digit or letter. This method will allow for thirty-six sampling stations per subsystem. If more stations are desired, the large subsystem may be subdivided into several smaller subsystems. Using the present designation, a maximum of twenty-six subsystems are allowed.

At present, samples are drawn from the sampling station at a number of different frequencies, ranging from three times a day to once a month. These may be separated into three distinct types; Grab, Daily Composite and Weekly Composite. A grab sample can be uniquely identified by a date and time, while composite samples can only be identified by date. So it is suggested that the numerous frequency codes be replaced by just three; G for Grab, D for Daily Composite and W for Weekly Composite.

## **B. Program Descriptions**

### **1. Prep Program**

This program is run at the beginning of each pilot plant study and actually builds the Master Directory. This program may also be used to add more sampling stations to the Master Directory during a pilot study if so desired. It can be run in either timesharing or batch mode.

### **2. Data Storage and Edit**

This is the program which initially inserts the data into the file and is used later to make additions to the current data base. It will also have the capability of checking the input data to see if the input value is within the minimum and maximum expected values for that specific parameter. If an out of bounds value is really an acceptable value, it can be entered and the user will be notified of this procedure. The edit capability will also allow the user to access the data base to correct keypunching or other errors which may be detected. It can be run in timesharing or batch mode.

### **3. SYSTAT Program**

This program (not shown on the system flowchart) will allow the user to display the current system configuration listing subsystem sampling station, and parameters measured at each sampling station.

It should be run in batch mode if the entire system configuration is desired. However, if the user wants to see a particular subsystem or sampling station, it may be executed in the timesharing mode.

### **4. Report Generator**

This program will provide statistical reports of the data. Such statistics as mean, variance, standard deviation, standard error and confidence limits about the mean will be included. The raw data may or may not be printed, depending upon the options exercised. The reports may be either a history report - including all the data that has been recorded or a period report - including data between a beginning and ending data. History reports should be run in the batch mode while short period reports executed from timesharing will provide a "quick-look" capability. Reports can be provided by sampling station, subsystem, or parameter.

## 5. Plot Preprocessor

This program will combine data to be plotted along with control information to produce the desired plots. It may be run in either timesharing or batch mode.

## 6. Plot Program

This program takes information collected from the plot preprocessor and produces the desired plots. It should be run in batch mode.

At the present time, RTP does not support remote plotting; in other words, RTP cannot send plotting instructions across the data phone line to the remote plotter. However, it may be possible to produce punched cards containing the plotting instructions and by using these cards off line to drive the plotter produce the plots. Another alternative would be to develop Tektronics software which would allow a Tektronics 4012 to be used to provide the plotted output. These are a couple of alternatives under consideration as interim proposals until RTP acquires the software necessary to support remote plotting.

## C. File Descriptions

### 1. Master Directory

As presently conceived, the master directory will consist of two different data files. The first file will contain the sub-system, sampling station, parameter relationships (FILE A). The second file will consist of the parameter, sampling station relationships (FILE B). These files will be read sequentially into any program which uses them so that system expansion (i.e. making the master directory larger) may be easily accomplished. A more detailed description of these files follows.

#### FILE A

This file consists of four distinct record types:

- a. System Title, number of subsystems (N), beginning date of system (so weekly composites can be date checked for validity), total current number of sampling stations.
- b. Subsystem code, subsystem title, number of sampling stations (M).
- c. Station Code, station title, station number, number of parameters measured (L).

- d. Parameter number, sample type (repeated up to 14 times per record. For more than 14 parameters multiple records will be used.

For this file there is only one type "a" record. Type "b" is repeated N times, each followed by M of type c; each type "c" being followed by at least one record of type "d" depending upon how many parameters are being sampled at that station. An example of the record layout for this file is shown below.

<u>Record Type</u>	<u>Information</u>
a	BLUE PLAINS PILOT TREATMENT PLANT 6 750 90 36
b	H LIME CLARIFICATION 7
c	0 substation 0 title 1 2
d	1G9G
c	1 substation 1 title 2 27
d	2C4C10C13G19G....
d	37W38G.....
.	.
.	.
.	.
c	9 substation 9 title 9 4
d	1G30G31G34D
b	A NITRIFICATION 9
c	0 substation 0 title 10 1
d	2G
.	.
.	.
.	.
.	.
b	L CHLORINATION 2
c	0 substation 0 title 35 1
d	1G
c	7 substation 7 title 36 10
d	2C5C6G9G10W....
END OF FILE	

## FILE B

This file consists of three distinct record types.

- a. Total Current Number of parameters.
- b. Alphameric parameter code, chemical unit code, initial record pointer, number of stations sampled at (N).
- c. Type of sample, station number, minimum acceptable value, maximum acceptable value (repeated up to 7 times per record). For more than 7 stations, multiple records will be used.

Again there is only one type "a" record. The type "b" record is repeated N times, each one being followed by one or many type "c" records depending upon how many stations that particular parameter is being sampled. An example of the record layout for this record is shown below.

<u>Record Type</u>	<u>Information</u>
a	60
b	FLOW MGAL/MIN 1 10
c	G1 0.0 10.0 G5 0.0 10.0
c	G34 0.0 10.0 G35 0.0 10.0
b	PH 2 8
c	D2 1.0 14.0 d\$ 1.0 14.0
.	
.	
.	
b	CL2 LBS 60 1
c	G36 1.0 10.0
END OF FILE	

#### **D. Program Specifications**

This section contains the program specifications for the proposed storage and retrieval system. Each program description contains a list of the input files, output files, card formats and coding forms where necessary, and a brief description of program operation and functions.

**Program        PREP**

##### **Program Functions:**

1.    To build the master directory (FILEA, FILEB)
2.    To add to the system as the system configuration changes.

##### **Input Files:**

1.    Card or terminal input.
2.    FILEA (only input for add function) - contains subsystem, sampling station, parameter relationships.
3.    FILEB (only input for add function) - contains parameter, sampling station relationships.

##### **Output Files:**

1.    FILEA
2.    FILEB

##### **Program Description:**

Because of the large number of parameters, labeling information, and data values necessary to create the master directory, the initial execution of the program PREP will be limited to batch mode. This will eliminate a long tedious terminal session and also allow user verification of the input data.

The edit capability of the program PREP will allow additions and/or changes to the system configuration as a result of either keypunch errors on initial generation or future developments and modifications to system configuration. The edit capability may be executed only in demand mode.

Following are the format specifications for the cards used as the initial input to the PREP program.

### Card Formats for FILEA

<u>Card #</u>	<u>Col.</u>	<u>Information</u>
1	1-60	the system title
	61	blank
	62-63	month
	64	blank
	65-66	day
	67	blank
	68-69	year
	70	blank
	71-72	number of subsystems (N)
2	1	subsystem code
	2	blank
	3-38	subsystem title
	39	blank
	40-41	number of sampling stations for this subsystem (M)
3	1	sampling station code
	2	blank
	3-38	sampling station title
	39	blank
	40-41	number of parameters measured at this station (L)
4*	1-6	parameter
	7	blank
	8	sample type
	9-10	blank

\* Columns 1-10 will be repeated up to 8 times per card, for more than 8 parameters multiple cards will be used.

There will be only one type 1 card for FILEA. Type 2 cards will be repeated (N) times, each followed by (M) of type 3 cards. Each type 3 card is followed by at least one type 4 card, depending upon how many parameters are being sampled at that station. A sample data collection sheet is shown in Figure II-2.

# BLUE PLAINS PILOT TREATMENT PLANT CARD FORMATS FOR FILEA

## CARD TYPE 1

1	SYSTEM TITLE	62	65	68	71
		NO	DA	YA	NO
					33

## CARD TYPE 2

1	3	40
S	SUBSYSTEM TITLE	NS
C		

## CARD TYPE 3

1	3	40
S	SAMPLING STATION TITLE	NP
S		

## CARD TYPE 4

1	8	11	18	21	28	31	38	41	48	51	58	61	68	71	78
PARM.	S	PARM.	S	PARM.	S	PARM.	S	PARM.	S	PARM.	S	PARM.	S	PARM.	S
I.D.	T	I.D.	T	I.D.	T	I.D.	T	I.D.	T	I.D.	T	I.D.	T	I.D.	T

## KEY

- NO SS - NUMBER OF SUBSYSTEMS
- SC - SUBSYSTEM CODE
- NS - NUMBER OF SAMPLING STATIONS FOR THIS SUBSYSTEM
- SS - SAMPLING STATION CODE
- NP - NUMBER OF PARAMETERS MEASURED AT THIS STATION
- ST - SAMPLE TYPE



### Card Formats for FILEB

<u>Card #</u>	<u>Col.</u>	<u>Information</u>
1	1-5	total number of parameters measured.
2	1-6	alphanumeric parameter code
	7	blank
	8-19	chemical unit code (i.e. MGAL/MIN)
	20	blank
	21-22	number of stations at which this parameter is measured (N).
3*	1	sample type (G-grab, D-daily composite, W-weekly composite)
	2	blank
	3-4	subsystem/sampling station code
	5	blank
	6-12	minimum expected value
	13	blank
	14-20	maximum expected value

\* Columns 1-20 will be repeated up to 4 times per card, for more than 4 sampling stations multiple cards will be used.

For FILEB there will again be only one type 1 card. Type 2 card is repeated (N) times, each followed by at least one type 3 card depending upon how many sampling stations at which the specified parameter is being sampled. A sample data collection sheet is shown in Figure II-3.

Any error detected in execution of the PREP program will cause termination of the run, An error message will be printed to give the user some idea as to the extent of the error. This process will assure the user generates his master directory with a minimum of errors.

The PREP editor will allow the changing of certain parameters and the addition of new branches to the system if the configuration changes.

The parameters that may be changed are:

1. System title,
2. Subsystem title,
3. Sampling Station title,
4. Parameter name.

The parameters that may be added are:

1. Subsystems,
2. Sampling Stations,
3. Parameters.

# BLUE PLAINS PILOT TREATMENT PLANT CARD FORMATS FOR FILEB

## ARD TYPE 1

5
INPM

## ARD TYPE 2

8	21
PARAM.	CHEMICAL
CODE	UNIT CODE
	NS

## ARD TYPE 3

9	6	14	21	23	26	34	41	43	46	54	61	63	66	74	80
SS		MINIMUM	MAXIMUM	S	SS	MINIMUM	MAXIMUM	S	SS	MINIMUM	MAXIMUM	S	SS	MINIMUM	MAXIMUM
CD		VALUE	VALUE	T	CD	VALUE	VALUE	T	CD	VALUE	VALUE	T	CD	VALUE	VALUE

ET

- INPM - TOTAL NUMBER OF PARAMETERS MEASURED
- S - NUMBER OF STATIONS WHERE THIS PARAMETER IS MEASURED
- T - SAMPLE TYPE
- CD - SUBSYSTEM/SAMPLING STATION CODE

Figure II-3

BLUE PLAINS PILOT TREATMENT PLANT  
PARAMETER DATA RECORDING FORM

**CARD TYPE 1**

[illegible]

**CARD TYPE 2**

[illegible]

## KEY

```

SS CD - SAMPLING STATION CODE
SC    - SAMPLE FREQUENCY CODE
XF    - ACCEPT FLAG FOR OUT OF RANGE DATA

```

A MAXIMUM OF 20 DATA UNITS CAN BE CODED ON THIS FORM  
FOR ADDITIONAL DATA UNITS, USE ANOTHER FORM

**Figure II-4**

**IV. Cost Estimates, Implementation Plan and Schedule Proposed by  
Apex Systems Development Corporation**

The following text is divided into several sections each having to do with a specific task in implementing the proposed storage and retrieval system for the Blue Plains Pilot Treatment Plant. A beginning date of September 15, 1975 is assumed for the project. If the beginning of implementation is delayed for any reason, all dates specified in this section will also be delayed by the number of days difference between September 15, 1975 and the actual starting date.

These cost estimates include the coding and punching of pre-existing Blue Plains data. They also include a time allotment for assisting Blue Plains personnel in the utilization of the system. The number of hours and the labor classifications shown reflect the degree of complexity of a given program.

**A. Coding, Testing and Implementing of Program PREP.**

Systems Analyst	20 hours	\$295.20
Programmer	60 hours	\$731.40
Totals	80 hours	1026.60

**B. Coding, Testing and Implementing of Program SYSTAT.**

Systems Analyst	15 hours	\$221.40
Programmer	45 hours	\$548.55
Totals	60 hours	\$769.95

Tasks A and B should be completed and ready for use by Blue Plains personnel by October 15, 1975. This will allow the master directory to be created and checked before actual data is input to the system.

**C. Coding, Testing and Implementing of Program DATASTORE.**

Systems Analyst	30 hours	\$442.80
Senior Programmer	90 hours	1181.60
Totals	120 hours	1625.40

**D. Coding, Testing and Implementing of Program REPGEN.**

Systems Analyst	30 hours	\$442.80
Senior Programmer	90 hours	1181.60
Totals	120 hours	1625.40

**E. Entering Backlog of Data**

Data Entry Operator	80 hours	\$441.60
---------------------	----------	----------

Keypunching of the backlog of data may be started immediately upon approval of the system. The data entry forms have been presented in this paper. The cost present here is for Apex to provide this support. If AWTRL can provide their own data entry operator or keypunching service, this section may be deleted.

The backlog of data should be able to be read into the system by November, 30, 1975.

Tasks C, D, and E should be completed and ready for use by Blue Plains personnel by November 30, 1975. This will allow the data to be entered and reports to be generated.

**F. Coding, Testing and Implementing of Program PREPLOT.**

Systems Analyst	15 hours	\$221.40
Programmer	45 hours	\$548.55
Totals	60 hours	\$769.95

**G. Modification and Implementation of TYPLOT.**

Senior Programmer	20 hours	\$262.80
-------------------	----------	----------

Tasks F and G should be completed and ready for use by Blue Plains personnel by December 15, 1975. This will complete installation of the system and all capabilities will be operational.

**H. Completion of Systems Documentation and Users Manual.**

Systems Analyst	40 hours	\$590.40
-----------------	----------	----------

This task will be completed by December 31, 1975.

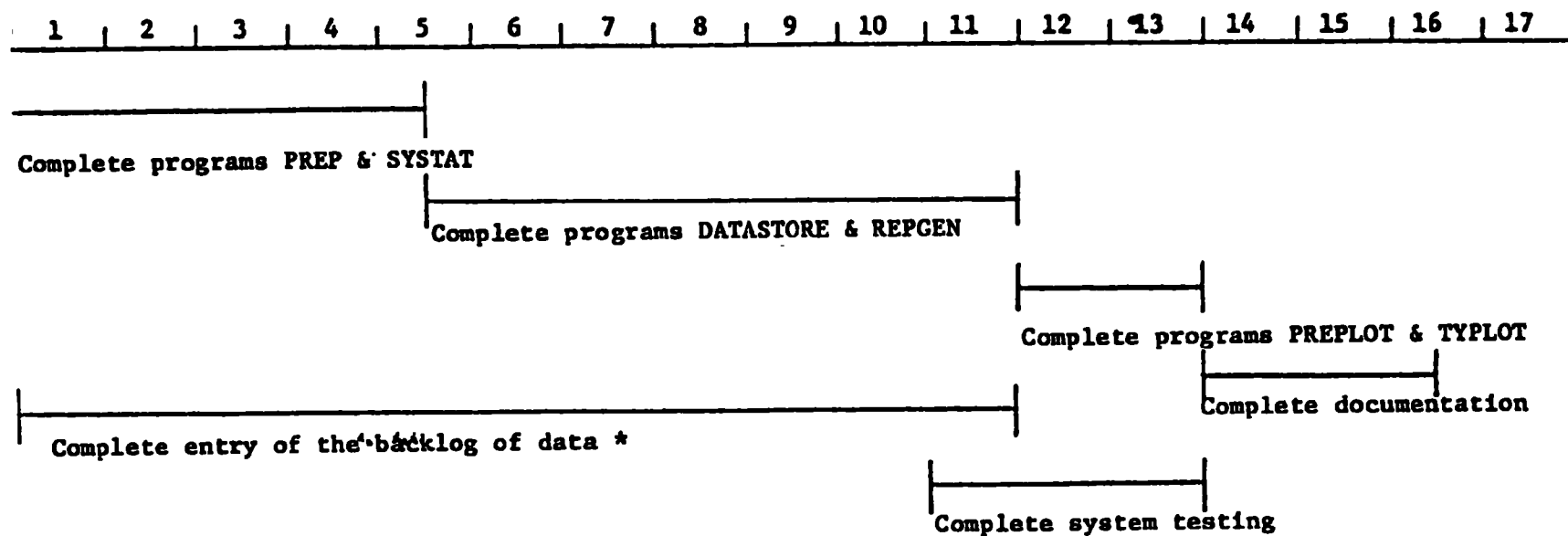
**I. Project Totals**

Systems Analyst	150 hours	\$2214.00
Senior Programmer	200 hours	\$2628.00
Programmer	150 hours	\$1828.50
Data Entry Operator	80 hours	\$ 441.60
Totals	580 hours	\$7112.10

The entire system should be implemented and fully operational by December 31, 1975.

# TIME SCHEDULE FOR SYSTEM IMPLEMENTATION

WEEK NUMBER



The data can be coded as it becomes available. The data entry program will be operational on or before November 30, 1975.

## **Appendix III - Contractor Progress Reports**

### **Report Period Ending October 30, 1975**

#### **A. Work Accomplished This Report Period**

During this report period, work was initiated on milestone 1. The batch segment of program PREP, allowing initial creation of the Master File Directory, is being tested and the demand segment, allowing modifications to the Master File Directory is being coded. Both segments will be operational by the end of the next report period and progress on milestone 2 should be well underway.

#### **B. Problem Areas**

While developing program PREP, a problem was encountered in using the DATA 100/78. Retrieving printed output, created by either batch jobs or demand sessions, was virtually impossible. This seriously impaired turnaround time for debugging runs. The only feasible alternative has been to utilize the DATA 100/70 whenever possible.

#### **C. Work to be Accomplished by Next Report Period**

Major Milestone 1 will be completed, meaning programs PREP and SYSTAT will be fully operational by the end of the next report period. Work will have been started on milestone 2 and programs DATASTORE and REPGEN should be in the final testing phase. Milestone 3 should be completed, and all system information should be entered creating the Master File Directory. This will depend, however, on the performance of the Blue Plains personnel in recording the data on the coding forms provided.

#### **D. Summary**

Program PREP is in the testing stage and will be completed before the end of the next report period. Program SYSTAT will be completed before the end of the next report period. The change in the scheduled completion times of these two programs is due to the problems encountered with the DATA 100/78. However, it is anticipated that the remaining deadlines will be met.

## Report Period Ending November 26, 1975

### A. Work Accomplished this Report Period

During this report period work on milestone 1 consisted of implementing and testing both the batch and demand segments of PREP. The batch segment of PREP allows the user to enter the system description, i.e. subsystem, sampling station, and parameter information. This information is used to build the Master File Directory which will be used by all subsequent programs. The creation of the Master File Directory may be performed only in the batch mode. The demand segment of PREP allows the user to make additions to the Master File Directory, and to make corrections to errors found in the heading or labels of the system. Corrections and additions may be made only in the demand mode.

The batch segment of PREP is operational and the Master File Directory may be created when the data is received from the Blue Plains personnel. The demand segment of PREP is not fully operational, the correction portion is operational, but the additional portion is still being tested.

An example of the deck setup and execution messages from PREP batch and a copy of a sample terminal session for the correction portion of PREP demand are enclosed as figures II-1 and II-2 respectively.

Progress on milestone 2 consisted of coding and testing program DATASTORE. This is the program which will allow the entry of the backlog data from Blue Plains, it is not fully operational and is still being tested.

For a more complete description of these programs, please reference the final report for EPA Task 75-28.

### B. Problem Areas

The problems encountered with the DATA 100/78 were partially alleviated by the delivery of the 1004 emulator deck. Turnaround has greatly improved, however, there is no site-id specifically for Data 100/78 requiring the use of the site-id for the DATA GENERAL 840 Minicomputer.\*

\*The Data 100's and the Data General 840 were operated in two locations in Cincinnati, separated seven miles apart.



#### C. Work to be Accomplished by Next Report Period

Major Milestones 1 and 2 will be completed. PREP, SYSTAT, and DATASTORE will be fully operational and the report generator, REPGEN, should be in the final testing stages. The backlog of data should be entered, this however, is dependent upon the performance of the Blue Plains personnel in recording the data.

#### D. Summary

The batch segment of PREP is fully operational and is capable of creating the Master File Directory. The demand segment of PREP and program DATASTORE are in the testing stage. They will both be operational by the end of the next report period. Today, we have not received any of the actual backlog data needed for testing from Blue Plains.

#### Report Period Ending December 29, 1975

##### A. Work Accomplished this Report Period

During this report period, work on milestone 1 consisted of testing and correcting the demand segments of PREP and both batch and demand segments of SYSTAT. The batch segment of PREP, which when executed will create the Master File Directory, is completed and fully operational. The demand segment of PREP, used interactively to add new subsystem, sampling stations or parameters, or to correct keypunch and spelling errors, is not fully operational, the correction segment is complete and operational but the addition segment is still being tested. The addition of a complete subsystem, with new parameters are operational but the addition of a sampling station with parameter to an existing sampling station is still being tested.

An example of deck setup and execution messages from PREP in the batch mode and a copy of a sample terminal session for the correction portion and the operational portions of the addition segment are enclosed as figures III-1 and III-2 respectively.

The batch segment of SYSTAT, which lists the current system configuration, is operational and an example of the deck setup and resulting output from the program is enclosed as figure III-3. The demand segment is still being tested.

Progress on milestone 2 consisted of further testing of program DATASTORE. This program allows the entry of data and creates the required data file, it is not fully operational and is still being tested.

## B. Problem Areas

Response time on the DATA 100/78 has been greatly improved with the 1004 emulator, however, a problem has developed in receiving the proper job output. Since there is no unique site-id for the 1004, we have been using the ID for the DATA GENERAL, and since there is no way to put a hold on a job, when the machine is brought up, the jobs come out without knowing whether it is a job submitted from the Data 100/78 or the Data General. This results in lost time in a terminal session, time on the DATA 100 and requires that the listing either be sent by courier or the job be resubmitted.

Another problem encountered this report period was the loss of a segment of a program file. Roughly 400 lines of the latest version of PREP were lost by the system and the only way to get the file back was to obtain an earlier element cycle and update the resulting file.

RTP will close down operations on December 24, 1975 and will not be back up until January 5, 1976. When they do come up on January 5, 1976, they have informed users that the reliability of the system will not be very good for awhile. This will affect the testing of the Blue Plains programs and cause unavoidable delays in completing the testing.

## C. Work to be Accomplished by Next Report Period

The demand segment of PREP and SYSTAT should be completed, and the report generator should be operational. Program DATASTORE should be operational and work will have been started on the plot preprocessor. This is all dependent upon the reliability of the UNIVAC system.

## D. Summary

The batch segments of PREP and SYSTAT are operational and ready for use. The demand portions of PREP and SYSTAT are still being tested as is program DATASTORE. To date, we have not received from the Blue Plains personnel any of the actual backlog data needed for thorough testing.

## Report Period Ending January 27, 1976

### A. Work Accomplished this Report Period

During this report period, work on milestone 1 was mostly centered on program SYSTAT, and as a result, this program is completed and operational. This program permits the user to list the system configuration in batch mode and selected subsystem, sampling station, or parameter information in either demand or batch mode. Examples of batch and demand execution of SYSTAT are enclosed as Figure IV-1 and IV-2 respectively.

Work on program PREP was limited to debugging the addition segment, the only inoperative segment of the program. This segment will allow the addition of a complete subsystem, a complete sampling station to an existing subsystem, and a new parameter. However, the segment to add an entirely new parameter is inoperative.

#### B. Problem Areas

The Univac 1110 at RTP shut down operations on December 24, 1975 and was not available for use until January 5, 1976. Also, as of January 1, 1976, RTP would only support 30 cps low speed terminals, of which only two were available and there was only one sit-id for these terminals. This effectively limited sign on to RTP to one terminal. When CSSD was informed of this situation, they obtained additional site-ids.

On January 7-8, 1976, both terminals usable to RTP were dedicated to the System 2000 class. All terminals were packed and ready to be moved to the new EPA facility on January 9, 1976.

Response time on the low speed terminals has been poor. Often a terminal session would last an excessively long time to complete a task which should normally take only a matter of minutes to accomplish. Though RTP's mean time between failures has been greatly improved, this is not a true representation of the productive time available from the system.

#### C. Work to be Accomplished by Next Report Period

All work on this task has been suspended.

#### Section IV

#### D. Summary

Program SYSTAT is completely operational. The batch segment and the change portion of the demand segment of program PREP are operational and ready for use.

Program DATASTORE is partially operational in that it will allow the entry and checking of data.

8.19 EPA Procurement Information Notice  
No. 81-46: ADP Procurement Approval  
Procedures For New Word Processing  
Equipment Until Award of Agencywide Office  
Automation Contract

# U.S. Environmental Protection Agency

## PROCUREMENT INFORMATION NOTICE

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**Subject:** Delegation of New Procurement Authority In Accordance With Federal Procurement Regulation (FPR) Amendment 211 and Management Information and Data Systems Division (MIDSD) ADP Procurement Approval Procedures for Automatic Data Processing (ADP) Equipment (ADPE) (Including Word Processing Equipment - WPE), Software, Services, Related Services and Maintenance Requirements

**Reference:** PIN 78-28; PIN 79-47-1; Temporary Regulation 46 Supplement 2; Contracts Policy and Review Branch memorandum of August 15, 1980, entitled "Word Processing Procurements - Alert;" PIN 80-43; FPR Amendment 211 to 41 CFR Part 1-4, January 5, 1981; 41 CFR 101 Federal Property Management Regulations (FPMR) Sections 101-11.9 and 101-35. through 36 (policy guidance on word processing equipment and services); the MIDSD "Guidelines for Conducting Feasibility Studies and Submitting Procurement Regulations for Office Automation Systems" dated November 24, 1980.

**Discussion:** PIN 78-28 delegated procurement authority (with certain exceptions) to the ADP Procurement Section in Headquarters Contract (now Procurement) Operations. PIN 79-47-1 and the August 15, 1980, memorandum cited above advised that the initial acquisition, continued lease/rental and conversion from lease to purchase of WPE continues to be governed by FPR Temporary Regulation 46, Supplement 2, and FPR Subpart 1-4.11 through September 30, 1980. Temporary Regulation 46 has been cancelled and superseded by FPR Amendment 211. The guidance provided in PIN 80-43 (interpreting Temporary Regulation 46) is hereby rescinded and superseded. PIN 78-28 is hereby rescinded and superseded by the delegations of procurement authority in this PIN.

**Applicability:** The guidance provided in this PIN 81-46 is applicable to requirements for the acquisition of FSC Group 70 ADP and WPE and software, ADP services, ADP-related services and maintenance. The specific regulations for procurement of ADP and WPE are contained in FPR Amendment 211 and FPR 1-4.11 "Procurement and Contracting Government Wide for Automatic Data Processing Equipment, Software, Maintenance Services and Supplies."

Definitions: For the purpose of this PIN 81-46, the following definitions apply:

- (a) Schedule - The General Services Administration (GSA) awards schedule contracts for some ADP items. Most of these contracts are nonmandatory ADP Schedule contracts. At present, there is one mandatory requirements schedule contract for disc subsystems. A delivery order placed under a GSA schedule order, or a modification thereto, is considered to be a schedule action.
- (b) Open Market - All other than "schedule" actions, including separate contracts or purchase orders which may incorporate the terms and conditions of schedule contracts, are considered to be "open market" actions.

The following new procurement authorities for the execution of the Amendment 211 of 41 CFR, Part 1-4 procedures for ADP and WPE apply:

Small Purchase Activities - Nationwide (Excludes HPO, RTP and Cincinnati)

- Open Market - \$10,000.00 limit
- Schedule - \$50,000.00 limit

Contract Operations - RTP and Cincinnati

- Open Market - up to \$300,000.00 (including base and all option periods) excluding National Computer Center
  - up to \$10,000.00 for National Computer Center - RTP only
- Schedule - up to \$300,000.00 purchase price (excluding National Computer Center)
  - up to \$50,000.00 (purchase price) for National Computer Center - RTP only

Contract Operations - Headquarters Procurement Operations

- Full authority of FPR Amendment 211
- All National Computer Center procurements over \$10,000.00 open market and \$50,000.00 (purchase price) schedule procurements

The specific regulations for using General Services Administration (GSA) ADP schedule contracts are contained in FPR 1-4.1109-6. In general the regulations state that "the existence of non-mandatory ADP schedule contracts shall not preclude or waive the requirement for maximum practicable competition... Suitable equipment must be considered whether or not this equipment is on an ADP schedule contract." All acquisitions under a GSA Schedule contract must be within the maximum order limitation specified in the contract. Pursuant to FPR Amend. 211, 1-4.1109-6(b)(3), the intent to place an order with an order value in excess of \$50,000.00 against an ADP Schedule contract must be synopsized at least 15 calendar days before the order is placed. All sole-source acquisitions

with the results of the synopsis and evidence that the use of the schedule represents the lowest overall cost to the agency, price and other factors considered. In this instance, a JNCP is not required. FPR 1-4.1109-6 contains separate procedures for:

- initial acquisition of ADPE
- continued rental or lease of installed ADPE and software
- conversion from lease to purchase of installed ADPE
- acquisition of software and maintenance services

which must be followed.

The following guidance is offered for the preparation of any JNCP's required to procure or continue lease ADPE or WPE. Such JNCP's should, as a minimum, address the following points as appropriate:

(1) Since the accomplishment of program missions would be seriously jeopardized by an interruption in ADP or WPE support, it is imperative that ADP or WPE support not be interrupted when current rental/lease arrangements expire on (insert date). Within this existing time constraint, the only feasible method for avoiding interruption of ADP or WPE support is to renew rental/lease arrangements to permit continued use of existing equipment.

(2) Any other procurement approach would require interruption of WPE support to accommodate: removal of old equipment; installation of new equipment; reconfiguration of office space/wiring to accommodate a change of equipment; retraining of user personnel; problems of interfacing with other equipment in use at the facility; conversion of existing stored material onto new equipment .....(cite appropriate factors relevant to the particular requirement situation); adequate time for execution of a competitive procurement.

(3) Competitive acquisition will be employed to meet future Agency WPE requirements. Agency wide WPE functional specifications are currently being developed by the EPA Management Information and Data System Division (MIDSD), but are not yet available.

All procurement requests (PR's) for ADPE, WPE, software, ADP services, ADP-related services, and maintenance require approval by the MIDSD as detailed in Attachment 1, entitled "ADP Procurement Approval Procedures." The Field MIDSD Acquisition Officers identified in Appendix B of Attachment 1, will sign the PR indicating MIDSD approval of the action and forward it to the applicable purchasing/contracting office.

This PIN is effective upon receipt.

ACTION OFFICER: Lawrence E. Sawler (PM-214), telephone 755-1303

MIDSD ADP Approval Procedures

ISSUE DATE 6/19/81

## ADP Procurement Approval Procedures

For ADP Equipment, Software, Services, Related Services  
and Maintenance

### Applicability

These procedures apply to all procurements involving ADP equipment, software, services, related services, and maintenance including new procurement actions, modifications to existing contracts, or issuance of a work assignment, task order, directive of work (or equivalent work definition) under an existing contract.

### Definitions

The term, "ADP item", is used below to mean any or all of the following terms: ADP equipment, software, services, related services, and equipment maintenance. Definitions for each of these terms are presented below in separate sections.

### Background

Current guidance for the procurement and management of ADP items is described in the FPR 1-4.11 (dated January 5, 1981) and the FPMR 101-35.2. It should be noted that a new Sub-part 1-4.12 is now undergoing review by Federal agencies and will supersede the FPMR provisions and certain related temporary regulations.

### Management Information and Data Systems Division (MIDSD)

The Director, MIDSD (PM-218), is responsible for ADP management in the Agency. The director is the coordination point of contact with the General Services Administration (GSA) for Delegation of Procurement Authority (DPA) and with the Office of Management and Budget (OMB) for ADP management issues.

### Value Determination of the Procurement

The value of ADP services, related services, and maintenance procurements is based on the per year cost. The value of ADP equipment and software procurements is based on the total purchase price or yearly rental price, including maintenance of the item. Requirements must not be fragmented in order to circumvent the established thresholds. If the procurement is to augment existing equipment, the value of the procurement, for purposes of determining which of the following procedures to follow, is the total equipment value (i.e., original plus augmentation).



Severable ADP Requirements

When the subject matter of a planned procurement is for something other than ADP but some items are for ADP, the following guidelines shall apply:

- (1) ADP items shall be severed where operationally feasible and procured in a separate procurement action. The purpose of doing so is to achieve higher quality ADP items at lower costs by competing the work among offerors who specialize in this highly complex and competitive technical field. Severing the ADP items affords program, Procurement and Contracts Management Division (PCMD), and MIDSD management greater visibility of this highly regulated activity. This facilitates coordination with related activities throughout the agency, compliance with Federal ADP regulations, and with the specific terms and conditions of the relevant delegation of procurement authority from the General Services Administration (GSA). GSA has all Federal procurement authority for ADP under federal law. GSA has delegated some of their authority to agencies as described in Appendix A.
- (2) When the ADP items cannot be severed, the originator must provide a written rationale for non-severability along with the procurement request when it is submitted for approval to MIDSD or the designated offices in Appendix B and be processed in accordance with these procedures, so as to ensure compatibility with other agency ADP activities.

Requirements Analysis and Feasibility Study Requirement

A Requirements Analysis and Feasibility Study must be performed for all ADP procurements of equipment, software, teleprocessing services, or development of ADP application systems. This includes both new and continuation of requirements. Feasibility studies are not required for operation nor maintenance of existing ADP application systems or equipment. For those procurements with a value of \$20,000 or more for equipment or software, or \$50,000 for teleprocessing or application development, the study must be reviewed and approved by MIDSD. This includes initial capability and the augmentation of an existing capability. Guidelines for performing feasibility studies are available from MIDSD.

ADP Equipment ADPE Definition

ADP Equipment (ADPE) means general purpose, commercially available automatic data processing and word processing devices. These devices are the components and the equipment systems configured from them together with software, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications. Included are:

- (1) Digital, analog, or hybrid computers;
- (2) Auxiliary equipment, such as plotters, data conversion equipment, source data automation equipment, magnetic tape, card or cartridge typewriters, word processing equipment, computer input/output microfilm, or memory, either cable connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately;
- (3) Punched card machines; and
- (4) Data transmission or communications, including front-end processors, computer terminals, word processing terminals, sensors, and other similar devices, designed primarily for use with a configuration of ADPE.

ADP Equipment (ADPE) ApprovalRestriction on New Word Processing Equipment until Award of Agencywide Office Automation Contracts

MIDSD and Headquarters Procurement and Contracts Management Division are working to develop, issue a request for proposal, and award agencywide contracts for standard office automation systems (including word processing). No new word processing equipment will be purchased, converted from lease to purchase, or leased until award of the agencywide contracts. Exceptions will be considered by MIDSD on a case-by-case basis.

Value Less Than \$10,000 Purchase or Less Than \$3,600 Yearly Rental

Procurement Requests (EPA Form 1900) are approved by a field MIDSD Acquisition Officer (Appendix B). Copies of paperwork must be forwarded to MIDSD within two weeks of purchasing or renting.

Value Greater Than or Equal To \$10,000 Purchase or Greater Than or Equal To \$3,600 Yearly Rental

Procurement Requests (EPA form 1900) are approved by a field MIDSD Acquisition Officer (Appendix B) and MIDSD.

Requirements and feasibility studies must be forwarded to MIDSD with requests for values greater than or equal to \$20,000 purchase or greater than or equal to \$7,200 yearly rental.

MIDSD will forward the Procurement Requests to the appropriate Procurement Office after ADP approval. EPA Purchasing activity authorities are described in Appendix A.

Software Definition

Software means pre-packaged, commercially available, proprietary computer programs and data products specifically designed to make use of and extend the capabilities of ADPE. This encompasses commercially available operating systems or applications programs, computer readable data collections; and directly related technical assistance for installation, training, conversion, documentation, and maintenance of the programs or data products. This definition also includes commercially available programs and data products for word processing equipment as well as office automation or general purpose ADPE.

Software Approval

Value Less Than \$10,000 Purchase or Less Than \$3,600 Yearly Rental

Procurement Requests (EPA Form 1900) are approved by field MIDSD Acquisition Officer (Appendix B). Copies of paperwork are forwarded to MIDSD within two weeks of purchasing.

Value Greater Than or Equal To \$10,000 Purchase or Greater Than or Equal to \$3,600 Yearly Rental

Procurement Requests (EPA Form 1900) are approved by a field MIDSD Acquisition Officer (Appendix B) and MIDSD.

Requirements and Feasibility Studies must be forwarded to MIDSD with request for values greater than or equal to \$20,000 purchase or greater than or equal to \$7,200 yearly rental.

MIDSD will forward the Procurement Requests to the appropriate Procurement Office after ADP approval. EPA Purchasing activity authorities are described in Appendix A.

#### ADP Services and ADP Related Services Definition

ADP Services means the computation or manipulation of data in support of administrative, financial, communications, scientific, or other similar Federal Agency data processing applications. It includes teleprocessing (including remote batch) and local batch processing.

ADP Related Services means source data entry, conversion, training, studies, facility management (other than for central facilities managed by MIDSD, RTP), systems analysis and design, programming, and equipment operations that are ancillary and essential to agency ADP activities.

#### ADP Services and ADP Related Services Approval

##### Value Less Than \$10,000

Procurement Requests (EPA Form 1900) are approved by field MIDSD Acquisition Officer (Appendix B). Copies of paperwork must be forwarded to MIDSD within two weeks of purchasing.

##### Value Greater Than or Equal To \$10,000

Procurement Requests (EPA Form 1900) are approved by a field MIDSD Acquisition Officer (Appendix B) and MIDSD.

Requirements and Feasibility Studies for ADP application system development or teleprocessing services must be forwarded to MIDSD with requests for values greater than or equal to \$50,000.

MIDSD will forward the Procurement Requests to the appropriate Procurement Office after ADP approval. EPA Purchasing activity authorities are described in Appendix A.

#### ADP Equipment (ADPE) Maintenance Services Definition

ADPE Maintenance Services means those examination, testing, repair, or part replacement functions, performed to:

- (1) Reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance"),

- (2) Restore to its proper operating status a component of ADPE that is not functioning properly (commonly referred to as "remedial maintenance"), or
- (3) Modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

ADPE Maintenance Services Approval

Value Less Than \$50,000

Procurement Requests (EPA Form 1900) are approved by field MIDSD Acquisition Officer (Appendix B). Copies of paperwork must be forwarded to MIDSD within two weeks of procurement.

Value Greater Than or Equal To \$50,000

Procurement Requests (EPA Form 1900) are approved by a field MIDSD Acquisition Officer (Appendix B) and MIDSD.

MIDSD will forward the Procurement Requests to the appropriate Procurement Office after ADP approval. EPA Purchasing activity authorities are described in Appendix A.

## APPENDIX A: MIDSD COORDINATION OF ADP APPROVAL

MIDSD Mailing Address

All procurement requests for ADP approval and all copies of locally approved ADP procurements are to be forwarded to:

EPA MIDSD - (PM-218)  
ADP Procurement Control Officer  
Washington, DC 20460

The ADP Procurement Control Officer will track all procurements to the MIDSD approval contact, GSA and to the appropriate procurement office.

MIDSD Approval Contacts(1) ADP Equipment (ADPE) and Software

ADP Equipment (ADPE) and software approval has been divided into two categories: General Purpose and Office Purpose.

General Purpose typically is for multiple users and requires site preparation for air conditioning and humidity control. PDP 11/70 minicomputers, central timesharing equipment and terminals, and minicomputer terminals are included in this category.

Office Purpose typically is for a single office use and requires no site preparation for air conditioning and humidity control. Word processors, desk-top computers, office automation equipment, and their associated terminals are included in this category.

## General Purpose ADP Equipment:

Deputy Director, Data  
Processing Services  
Research Triangle Park, N. C.

## Office Purpose ADP Equipment:

Deputy Director, Information  
Systems Development  
Washington, D. C.

(2) ADP Services and ADP Related Services:

Deputy Director, Information  
Systems Development  
Washington, D. C.

Note: Deputy Director, Data Processing Services, RTP has approval authority for facility management services for data centers that are managed directly.

(3) ADPE Maintenance Services:

ADPE Maintenance Services approval has also been divided into two categories: General Purpose and Office Purpose. Please refer to ADP Equipment for descriptions of categories.

General Purpose ADPE Maintenance Services:

Deputy Director, Data  
Processing Services  
Research Triangle Park, N. C.

Office Purpose ADPE Maintenance Services:

Deputy Director, Information  
Systems Development  
Washington, D. C.

GSA Blanket Delegation of Procurement Authority (DPA)

The General Services Administration has all ADP procurement authority for the federal government. GSA has delegated the following threshold limits to agencies. MIDSD will request delegations from GSA for procurements over the threshold limits on a case-by-case basis.

	<u>Sole Source Procurement</u>	<u>GSA Schedule Orders</u>	<u>Competitive Procurement</u>
ADPE Purchase	\$50K	\$300K	\$500K
ADPE Yearly Rental	18K	(determined by Purchase price)	150K
Software	\$50K	No Limit	\$100K
ADPE Yearly Maintenance	\$50K	No Limit	\$200K
ADP Services and ADP Related Services	\$50K	No Limit	\$300K

## APPENDIX B: Field MIDSD Acquisition Officers

MIDSD has designated certain EPA positions in the field as having the authority for giving ADP approval on specified ADP Procurements for their offices. These locations and the positions are:

<u>Location</u>	<u>Position</u>
( 1 ) Region 1, Boston, MA	Chief, Planning & Evaluation Br.
( 2 ) Region 2, New York, NY	Chief, Information Systems Br.
( 3 ) Region 3, Philadelphia, PA	Chief, Information Systems Br.
( 4 ) Region 4, Atlanta, GA	Chief, ADP Management Br.
( 5 ) Region 5, Chicago, IL	Chief, Data Processing Br.
( 6 ) Region 6, Dallas, TX	Chief, Data Processing Br.
( 7 ) Region 7, Kansas City, MO	Chief, Data Processing Br.
( 8 ) Region 8, Denver, CO	Chief, Computer Systems Br.
( 9 ) Region 9, San Francisco, CA	Chief, Support Services Br.
(10) Region 10, Seattle, WA	Chief, Information and Mana. Services Branch
(11) ERL - Cincinnati, OH	Chief, Computer Services Br.
(12) NEIC - Denver, CO	Chief, Data Services Br.
(13) Research Triangle Park, NC	Deputy Director, Data Processing Services, MIDSD - RTP (MD-34)
(14) Washington, DC	Deputy Director, Information Systems Development, MIDSD (PM-218)

If a field location has not been identified, there is not a field MIDSD Acquisition Officer. All ADP procurements must then be approved by MIDSD. Please see Appendix A.



**8.20 EPA Procurement Information Notice No.  
80-41-1: Procurement of Consulting  
Services**

# U.S. Environmental Protection Agency

## PROCUREMENT INFORMATION NOTICE

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No. 80-41-1

Date. 12-12-80

**Subject:** Procurement of Consulting Services

**Reference:** 1) OMB Circular A-120  
2) OMB Memorandum dated July 2, 1980  
3) FPR 1-4.8 (FPR Amendment 207)  
4) Chapters 3, 5, 14, and 17 of the CMM

**Purpose & Scope:** To advise procurement personnel of changes in procedures for contracting for consulting services.

### **Discussion:** 1. Background

OMB Circular A-120 establishes policy, guidelines, and management controls for the procurement of consulting services. Additional management controls for the procurement of consulting services are required by OMB memorandum dated July 2, 1980. Chapter 5 of the Contracts Management Manual (CMM) provides a definition of consulting services and specifies the procedures which shall be followed in contracting for consulting services.. FPR 1-4.8 establishes special contracting officer responsibilities pertaining to all procurements of consulting services, regardless of dollar value.

### 2. Purpose

This PIN revises the Contracts Management Manual to provide a new definition of consulting services and to implement the policies and management controls for the procurement of consulting services as required by FPR 1-4.8, OMB Circular A-120, and OMB memorandum of July 2, 1980.

### 3. Definition

Consulting services are defined as "those services of a purely advisory nature relating to the governmental functions of agency administration and management and agency program management." Consulting services are usually of an intermittent nature and are not normally obtained on a repeated or continuous basis. These services are provided by persons and/or organizations who are generally considered to have knowledge and special abilities that are not generally available within the Agency. The services of consultants may be used to obtain outside points of view in order to avoid too limited judgment on critical issues or to obtain advice regarding developments in industry, university or foundation research. Consultants provide only analysis or advice regarding agency or program policy, strategy, performance or organization. Consultants do not perform operating functions or supervise the performance of operating functions. Operating functions involve work that contributes directly to the achievement of the fundamental goals of the organization, whereas staff or advisory functions contribute indirectly to the achievement of these goals. For those procurements in which several different types of services are required and the primary purpose of the procurement is to obtain services of a consulting nature, as opposed to operationally oriented technical support services, the procurement shall be considered as a consulting service procurement.

Examples of consulting services, as distinguished from other types of services, are set forth in Attachment 1 to this PIN. These examples are provided in order to assist the Contracting Officer in identifying when a consulting service procurement exists.

### 4. Policy

It is EPA policy that: (a) consulting services shall not be used to aid in influencing or enacting legislation or to perform work of a policy/decision making or managerial nature which is the direct responsibility of Agency officials; (b) procurements of consulting services shall not be used for the specific purpose of by-passing or undermining personnel ceilings, pay limitations, or competitive employment procedures; (c) procurements of consulting services shall be competitively awarded to the maximum extent practicable; and (d) former Government employees shall not be given preference in the awarding of contracts for consulting services.

### 5. Procedures

The following required procedures have been established in order to implement EPA's policy regarding the use of consulting

services and to control the procurement of consulting services as required by FPR 1-4.8, OMB Circular A-120, and OMB memorandum of July 2, 1980. These procedures are applicable to all procurement actions for nonpersonal services, including new contracts, modifications for increases to or changes within a contract scope of work, and orders issued under basic ordering agreements. The Contracting Officer is responsible for assuring that the documentation and approvals required by these procedures are completed prior to issuing a solicitation:

a. The Contracting Officer shall review each procurement request/requisition for the acquisition of nonpersonal services. The Contracting Officer shall make a determination, after consultation with the cognizant project officer, as to whether or not the services are consulting services. The Contracting Officer's determination shall be final. This determination shall be in writing and shall be set forth in the form of a "Consulting Service Determination" (see Attachment 2) filed under item number 4 of EPA Form 1900-19, Contract Memorandum of Transmittal and Check List.

b. If the Contracting Officer determines that the services are consulting services, the Contracting Officer shall assure that a justification for the use of consulting services is obtained from the program office initiating the requirement. This justification shall be set forth in an attachment to EPA Form 1900-8, Procurement Request/Requisition. The Contracting Officer shall assure that this justification includes, as a minimum, a discussion of the following issues:

(i) The need to contract-out for these services in lieu of using in-house capabilities. In accordance with Chapter 5 of the CMM, the Management and Organization Division will determine whether a requirement for management consultant services can be met by existing Agency resources. The efforts made by the Management and Organization Division to assess in-house capabilities shall be documented.

(ii) The relationship or relevancy of the consulting services to the Agency's mission. An explanation of why the consulting services are needed and how these services will enhance the Agency's mission shall be provided.

(iii) Consideration of similar efforts performed in the past. A certification that the services do not unnecessarily duplicate any previously performed work or services shall be set forth in the justification. The basis upon which this certification is made shall be included.

(iv) Impact on annual budget request. The Agency is required to report on the planned use of consulting services, including planned obligations and justifications of needs, in the Agency's formal budget request to the Office of Management and Budget. The planned obligation for the procurement as set forth in the budget request shall be indicated in the justification. Whenever the estimated value of the proposed procurement varies significantly from the planned obligation set forth in the budget request or in those cases where the proposed procurement for consulting services was not reported in the budget request, an explanation shall be included in the justification.

c. The Contracting Officer shall assure that the program office initiating the requirement obtains the appropriate approvals for the use of consulting services. The use of consulting services valued at less than \$50,000 shall require the written approval of an official at a level above the organization initiating the requirement. Written approval for use of consulting service contracts to be awarded during the fourth fiscal quarter shall be required at the second level above the organization initiating the requirement when the value of the procurement is less than \$50,000. The use of consulting services of \$50,000 or more shall require the written approval at the Assistant Administrator level, or at the Regional Administrator level if the requirement is initiated in a regional office. The signature(s) of the authorized approving official(s), as well as the approval of the Management and Organization Division, shall appear in block 25, Approvals, on EPA Form 1900-8, Procurement Request/Requisition, or in the justification for the use of consulting services described in paragraph b. above.

d. The Contracting Officer shall assure that the program office initiating the requirement forwards copies of the written justification for use of consulting services to the following offices within 10 days of approval of the justification:

(i) Justifications for consulting services valued at \$50,000 or more - Deputy Assistant Administrator for Management and Agency Services and the EPA Inspector General.

(ii) Justifications for consulting services, regardless of dollar value - Budget Preparation and Control Branch, Budget Operations Division.

e. Justifications for noncompetitive procurements of consulting services valued at \$50,000 and above shall require the written approval of the head of the procuring activity. The Contracting Officer shall assure that

justifications for noncompetitive procurements to which this requirement applies are prepared and forwarded through appropriate procurement channels to the head of the procuring activity in accordance with Chapters 3 and 17 of the CMM.

f. The Contracting Officer shall assure that the Office of General Counsel's review and concurrence with each solicitation for consulting services valued at \$50,000 or more and each contract for consulting services valued at \$50,000 or more is obtained prior to issuing the solicitation and prior to award of the contract.

g. The Contracting Officer shall assure that contracts for consulting services include a requirement that the cover page of all reports containing recommendations to the Agency contain the following information:

- (i) Name and business address of the Contractor;
- (ii) Contract number;
- (iii) Contract dollar amount;
- (iv) Whether the contract was competitively or non-competitively awarded;
- (v) Name of the EPA project officer and the EPA project officer's office identification and location; and
- (vi) Date of report.

h. The Contracting Officer shall assure that all contract awards, excluding those awarded pursuant to small purchase procedures, and modifications for consulting services are coded as "MC" (Management Consultant) in data element 52 on the data capture sheet and entered into the Contracts Information System.

In addition to the above procedures, the Contracting Officer shall assure that EPA Form 1900-26, Contracting Officer's Evaluation of Contractor Performance, and EPA Form 1900-27, Project Officer's Evaluation of Contractor Performance, are completed for each consulting service contract regardless of dollar value. Procedures for completing and submitting these forms shall be in accordance with Chapter 14 of the CMM.

This PIN is effective upon receipt and is applicable to all procurement requests/requisitions received thereafter. PIN 80-41 is rescinded and replaced by issuance of this PIN 80-41-1.

This PIN is cancelled upon publication of the above procedures in the CMM.

ACTION OFFICER: Pamela Jones (PM-214), Telephone 755-0900

Attachments

A. Examples of services that are considered consulting services are provided below:

1. Advice on how to implement zero based budgeting at EPA.
2. Advice on the feasibility of instituting a transfer pricing system in the Contracts Management Division and advice on how such a system could improve management of contracts by procurement personnel.
3. Analysis of EPA's management and agency services support functions and advice on how to improve the performance of these functions, such as through reorganization of the Office of Management and Agency Services.
4. Analysis of alternative strategies for implementing the requirements of "Superfund" regulations and advice on resource needs associated with each alternative strategy.
5. Analysis of EPA procedures for drafting and issuing permits to municipal and nonmunicipal dischargers and advice on how to simplify these procedures.
6. Advice on how to coordinate and integrate toxic substance policies and activities with those of other EPA programs.
7. Advice on the different strategies for implementing merit pay at EPA, and conduct of one 2-hour training course on one of these strategies. The primary purpose of the procurement is to provide advice on the strategies for implementing merit pay.
8. External peer review of programs, projects, and publications for the Office of Research and Development (ORD) laboratories to assure conceptual soundness of scientific approaches, appropriate implementation of scientific methods, and validity of results. The objective of the procurement is to obtain highly competent technical examinations and analyses of the research planned or performed by ORD laboratories. These reviews are sought from sources outside the laboratories in order to obtain the benefit of additional viewpoints and perspectives and to advise the ORD staff on the state of the art in areas that impact laboratory research programs. Three separate types of reviews are required:

a. Program reviews and analyses which include critiques of laboratory research programs and advice on upgrading the program direction or management.

b. Project reviews and analyses which focus on the scientific/technical details of a single project, with an in-depth examination of the project plan and the progress being made in pursuing the plan, a review of the data analyses and an interpretation of the data analyses.

c. Review and analysis of research results for publication clearance in accordance with the "ORD Technical Information Policy and Guide."

B. Examples of services which are not considered consulting services are provided below:

1. Regulatory impact analyses, including economic impact analyses, of effluent guidelines on specific industries, such as the organic chemicals industry.

2. Analyses required by the Clean Water Act to determine economically achievable standards.

3. Design and implementation of a computerized management information system for the Office of Management and Agency Services.

4. Development of sampling and analytical techniques to identify and measure pollutants in the ambient air.

5. Conduct of a training course for project officers with particular emphasis on the project officer's role in the source evaluation and selection process.

6. Development of a manual on security procedures for handling confidential business information.

7. Conduct of a study to assess the consequences of pollutant loadings in the Chesapeake Bay.

8. Evaluation of the strategy proposed by the Personnel Management Division for implementing merit pay at EPA with the primary purpose of the procurement being the conduct of fifteen separate 8-hour training sessions on how to draft critical job elements and performance standards.



a. Program reviews and analyses which include critiques of laboratory research programs and advice on upgrading the program direction or management.

b. Project reviews and analyses which focus on the scientific/technical details of a single project, with an in-depth examination of the project plan and the progress being made in pursuing the plan, a review of the data analyses and an interpretation of the data analyses.

c. Review and analysis of research results for publication clearance in accordance with the "ORD Technical Information Policy and Guide."

B. Examples of services which are not considered consulting services are provided below:

1. Regulatory impact analyses, including economic impact analyses, of effluent guidelines on specific industries, such as the organic chemicals industry.

2. Analyses required by the Clean Water Act to determine economically achievable standards.

3. Design and implementation of a computerized management information system for the Office of Management and Agency Services.

4. Development of sampling and analytical techniques to identify and measure pollutants in the ambient air.

5. Conduct of a training course for project officers with particular emphasis on the project officer's role in the source evaluation and selection process.

6. Development of a manual on security procedures for handling confidential business information.

7. Conduct of a study to assess the consequences of pollutant loadings in the Chesapeake Bay.

8. Evaluation of the strategy proposed by the Personnel Management Division for implementing merit pay at EPA with the primary purpose of the procurement being the conduct of fifteen separate 8-hour training sessions on how to draft critical job elements and performance standards.

Attachment 2

Consulting Service Determination

I hereby determine that the services described in the  
procurement request/requisition (RFP No. \_\_\_\_\_) are  
☐ are not ☐ consulting services as defined in  
FPR 1-4.802(a).

(Signature)  
\_\_\_\_\_  
Contracting Officer  
Environmental Protection Agency