

ACQUISITION PLAN TEMPLATE

APPENDIX A:

SAMPLE ILLUSTRATED ACQUISITION PLAN INCLUDING FORMAT AND CONTENT

APPENDIX A

ACQUISITION PLAN SIGNATURE PAGE FORMAT

(Classification: If not classified, must be FOR OFFICIAL USE ONLY.)

ACQUISITION PLAN NUMBER: _____ **REV:** _____

PROGRAM TITLE: _____ **ACAT** _____

ACQUISITION PROGRAM MANAGER: _____ **CODE** _____

CAPABILITIES/REQUIREMENTS DOCUMENT: Identify the capabilities (*e.g.*, Capability Development Document (CDD) or requirements (*e.g.*, Operational Requirements Document (ORD)) or other document that authorizes program initiation, include approval date, and revalidation date, if applicable.

ACQUISITION STRATEGY APPROVAL: Document approval of the Acquisition Strategy (AS).

DESCRIPTION OF PROGRAM: Describe the program in brief, non-technical language; *e.g.*, a brief description similar to that forwarded in the Congressional Data Sheets with the annual budget. Characterize the program's current phase/life-cycle status, *e.g.*, entering System Development and Demonstration Phase. Include item description, quantity being procured, and time period. If the AP is being updated, provide the reason(s) for the update.

APPROVED BY: HCA, PEO (include title) _____
Date

Chief of Contracting Office _____
Date

Contracting Officer _____
Date

Program Manager _____
Date

Questions concerning this AP should be referred to (name), (code), (telephone no.). The cutoff date for information contained in this document is (date).

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APPENDIX A

SECTION 1

ACQUISITION BACKGROUND AND OBJECTIVES

1.1 **Statement of Need**

[FAR 7.105\(a\)\(1\)](#)

Introduce the acquisition by a brief statement of need. Include any Acquisition Decision Memorandum (ADM), Acquisition Board (DAB), and/or internal service reviews.

1.2 **Historical Summary**

[FAR 7.105\(a\)\(1\)](#)

Summarize the technical and contractual history of the acquisition. Include, as appropriate:

A brief statement indicating how long the program has been in development and/or production and how long it is expected to run.

A matrix of contracts awarded for the major end items for the past five years, with contract number, contractor, contract type, nomenclature of item/service, quantities, and historical or estimated contract values. This should be presented in a brief, summary chart.

The competition/sole source strategy for each major element of program. If complex, include this information on the chart or matrix mentioned above.

Two or three brief sentences to add any further information on the history of the program that you consider useful to reviewers. Do not use a multi-page, detailed history.

1.3 **Applicable Conditions**

[FAR 7.105\(a\)\(2\)](#)

State significant conditions affecting the acquisition, such as (i) requirements for compatibility with existing or future systems or programs and (ii) any known cost, schedule, and capability or performance constraints.

1.4 **Capability or Performance**

[FAR 7.105\(a\)\(4\)](#)

Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.

1.5 Delivery or Performance Period Requirements

[FAR 7.105\(a\)\(5\)](#)

Describe the basis for establishing delivery or performance-period requirements (see [FAR Subpart 11.4](#)). For services acquisitions, indicate whether the contract will be for a term of performance or a completion date. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.

Note: For example, timely delivery might be required in order for the Government to meet its obligations under another contract, or if timely delivery or performance is unusually important to the Government, liquidated damages considerations might be required.

1.6 Identification of Participants in Acquisition Plan Preparation

[FAR 7.105\(b\)\(21\)](#)

List the individuals who participated in preparing the acquisition plan, giving contact information and area of responsibility for each.

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SECTION 2

COST, BUDGET AND FUNDING CONSIDERATIONS

2.1 **Cost**

[FAR 7.105\(a\)\(3\)](#)

Set forth the established cost goals for the acquisition and the rationale supporting them, and discuss related cost concepts to be employed, including, as appropriate, the following items:

2.1.1 **Total Ownership Cost** (formerly called life-cycle cost)

Not applicable to services acquisitions.

[FAR 7.105\(a\)\(3\)\(i\)](#)

Discuss how Total Ownership Cost (TOC) will be considered in all acquisitions of systems and/or equipment. If not used, explain why. If appropriate, discuss the cost model used to develop TOC estimates.

Note: TOC includes all costs associated with research, development, procurement, operation, logistical support and disposal of an individual weapon system including the total supporting infrastructure that plans, manages and executes that weapon system program over its full life. TOC also includes the cost of requirements for common support items and systems that are incurred because of introduction of that weapon system, but excluding indirect “non-linked” infrastructure costs that are not affected by individual weapon system’s development, introduction, deployment or operations. Software is also included.

2.1.2 **Design-to-Cost**

Not applicable to services acquisitions.

[FAR 7.105\(a\)\(3\)\(ii\)](#)

Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning-curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

Note: Design-to-cost principles should be applied: (1) in all major acquisition programs unless exempted. Design-to-cost activities are those undertaken to meet the cost objectives through explicit design activities. Cost as an Independent Variable (CAIV) depends on design-to-cost type

activities to meet the objectives by instilling cost-consciousness into the designers, stimulating them to challenge requirements, and illuminating their cost progress.

CAIV has refocused design-to-cost to consider cost objectives for the total life cycle of the program and to view cost as an independent variable with an understanding it may be necessary to trade-off performance to stay within cost objectives and constraints.

Under this concept, cost is a design constraint during the design and development phases and a management discipline throughout the acquisition and operation of the system or equipment.

2.1.3 **Application of Should-Cost**

Not applicable to service(s) procurements

[FAR 7.105\(a\)\(3\)\(iii\)](#)

Describe the application of should-cost analysis to the acquisition (see [FAR 15.407-4](#)).

Note: The objective of should-cost reviews is to promote short and long-range improvements in the contractor's economy and efficiency to reduce the cost of performance on Government contracts. These reviews evaluate the economy and efficiency of the contractor's existing work force, methods, materials, facilities, operating systems, and management. Should-cost reviews are accomplished by a multi-functional team of Government contracting, contract administration, pricing, audit, and engineering representatives.

2.2 **Budgeting and Funding**

See [Appendix B](#) for sample funding chart and follow the guidance in 2.2.1 and 2.2.2.

2.2.1 **Budget**

[FAR 7.105\(b\)\(5\)](#)

Include budget estimates, how they were derived, and discuss how adequate funds will be obtained as they are required (see [FAR Subpart 32.7](#)).

Include specific reference to budget line items and program elements. Where applicable, estimated production unit cost, and the total cost for remaining production.

Briefly state how your budget estimates were developed. Short notes at the bottom of the funding chart (see Appendix B) may be sufficient. It is important to describe the pricing methodology used (*e.g.*, parametric, historical, bottom-up, catalogue, etc.).

Discuss any Program Objectives Memorandum (POM) considerations that bear on the intended business strategy. If none, simply state that the funds represented in the funding chart are considered adequate to execute the stated strategy.

2.2.2 Funding

Identify available funding by appropriation and fiscal year. Identify total cost, contract cost, Other Government Activities (OGA) cost and quantities by appropriation, by year. If this is for a joint program, address the individual components quantities and dollars separately and then address the combined program. Identify applicable program element and project/task numbers for all funds. Identify the budget (*e.g.*, "FY 06 President's Budget") represented by this matrix. Any elements of this matrix covered by other APs should merely reference those APs and show the dollar value covered in each other AP.

SECTION 3

ALTERNATIVES, TRADE-OFFS, AND RISKS

3.1 **Alternatives**

[FAR 7.105\(a\)\(1\)](#)

Discuss feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort. Describe the options in the Analysis of Alternatives (AOA) or Acquisition Decision Memorandum (ADM), and delineate which option the acquisition plan supports.

Where applicable, reference the approved AOA or ADM and approval date.

3.2 **Trade-Offs**

[FAR 7.105\(a\)\(6\)](#)

Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.

Note: Cost/performance/schedule trade-offs should be shaping the requirements and proposed design approaches on a cost-effectiveness basis. Cost-effectiveness will be modified by affordability considerations as the trade-offs start to focus on the cost-effective alternatives that are practical from a budget point-of-view. Cost As an Independent Variable should be utilized to make life-cycle affordability decisions. Cost reductions should be accomplished through cost/performance trade-off analyses, which should be conducted before an acquisition approach is finalized.

3.3 **Risks**

[FAR 7.105\(a\)\(7\)](#)

Discuss technical, cost, and schedule risks and describe efforts, planned or underway, to reduce risk and the consequences of failure to achieve goals. If concurrent development and production is planned, discuss its effects on cost and schedule risks.

The acquisition strategy should identify the program risk areas and discuss how the PM intends to manage those risks. Discuss compliance and implementation of Production Readiness Reviews including major areas of technical risk. Describe corrective action planned or underway to reduce the risk of breaching performance, quality, cost and schedule thresholds. Provide a comparison of any recent test results with the established goals of the item or program.

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SECTION 4

MILESTONES

4.1 **Milestone Chart**

Include a milestone chart depicting the acquisition objectives. A sample milestone chart is provided in [Appendix C](#).

Include milestones for test events, preliminary design review (PDR), critical design review (CDR), production readiness review, contract award(s), option exercises, and for configuration/design freeze and imposition of configuration control. In a concise note on the chart, state whether formal configuration control is to be imposed, and if not, how configuration is to be managed.

4.2 **Milestones for Updating the Acquisition Plan**

Indicate when the plan will be updated. Updates should be scheduled to coincide with MDA reviews and the transition from one phase to another (e.g., Engineering and Manufacturing Development to Production and Deployment).

4.3 **Logistics Milestones**

This paragraph is not applicable to services acquisitions.

[FAR 7.105\(b\)\(2\)\(iii\)](#)

Identify key logistics milestones, such as technical data delivery schedules and acquisition method coding conferences..

4.4 **Approval for Low-Rate Initial Production (LRIP) or Full Rate Production (FRP)**

This paragraph is not applicable to services acquisitions.

Indicate the date approval for low-rate initial production or full rate production has been or will be obtained. If waivers are requested, describe the need for the waivers.

APPENDIX A

SECTION 5

BUSINESS CONSIDERATIONS

5.1 Contractor Versus Government Performance

[FAR 7.105\(b\)\(8\)](#)

Address the consideration given to [OMB Circular No. A-76](#) (see [FAR Subpart 7.3](#)).

Note: It is the policy of the Government to (i) rely generally on private commercial sources for supplies and services, if certain criteria are met, while recognizing that some functions are inherently Governmental and must be performed by Government personnel, and (ii) give appropriate consideration to relative cost in deciding between Government performance and performance under contract. For further guidance, see OMB Circular A-76.

[FAR 7.105\(b\)\(9\)](#)

Inherently Governmental Functions. Address the consideration given to Office of Federal Procurement Policy Policy Letter 92-1, “Inherently Governmental Functions” (see [FAR Subpart 7.5](#)).

5.2 Warranty

[FAR 7.105\(b\)\(13\)\(ii\)](#)

Describe any planned use of warranties (see [FAR Subpart 46.7](#), for further guidance).

Note: If appropriate, the program manager should incorporate warranty requirements into major systems contracts in accordance with [FAR Subpart 46.7](#).

5.3 Government-Furnished Property

[FAR 7.105\(b\)\(14\)](#)

Indicate whether property will be furnished to contractors, including material and facilities, and discuss any associated considerations, such as its availability or the schedule for its acquisition (see [FAR Part 45](#)).

5.4 Government-Furnished Information

[FAR 7.105\(b\)\(15\)](#)

Indicate whether Government information, such as manuals, drawings and test data, will be provided to prospective offerors and contractors.

5.5 Acquisition Streamlining

[FAR 7.105\(a\)\(8\)](#)

Discuss plans and procedures to (i) encourage industry participation by using draft solicitations, pre-solicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements; (ii) select and tailor only the necessary and cost effective requirements; and (iii) state the timeframe for identifying which of those specifications and standards, originally provided for guidance only, shall become mandatory.

Discuss acquisition streamlining as it relates to streamlining performance requirements, the technical package, and the contract strategy.

Describe the market research efforts planned or undertaken to identify non-developmental items (NDI).

5.6 Security Considerations

[FAR 7.105\(b\)\(17\)](#)

Acquisitions including classified matters must discuss how security will be established, maintained, and monitored (see [FAR Subpart 4.4](#)).

5.7 Make or Buy

This paragraph is not applicable to services acquisitions.

[FAR 7.105\(b\)\(11\)](#)

Discuss considerations given to make-or-buy programs (see [FAR Subsection 15.407-2](#)). The issues in USD(AT&L) memorandum of July 12, 2004, "[Selection of Contractors for Subsystems and Components](#)," should be addressed.

5.8 Environmental and Energy Conservation Objectives

[FAR 7.105\(b\)\(16\)](#)

Discuss applicable environmental and energy conservation objectives associated with the acquisition (see [FAR Part 23](#)), the applicability of an environmental assessment or environmental impact statement (see 40 CFR 1502), the proposed resolution of environmental issues, and any environmentally-related requirements to be included in solicitations and contracts.

5.9 Priorities, Allocations and Allotments

[FAR 7.105\(b\)\(7\)](#)

When urgency of the requirement dictates a particularly short delivery or performance schedule, certain priorities may apply. If so, specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them (see [FAR Subpart 11.6](#)). Identify the Defense Priority rating (DO/DX); e.g., DO A3 for ships.

5.10 Industrial Preparedness (if applicable)

This paragraph is not applicable to services acquisitions.

[FAR 7.105\(b\)\(19\)](#)

Discuss the industrial preparedness program.

Provide the program's industrial preparedness strategy that assesses the capability of the U.S. industrial base to achieve identified surge and mobilization goals. If no industrial preparedness strategy has been developed, provide supporting rationale for this position.

If in the industrial preparedness strategy, the development of a detailed industrial preparedness plan was determined to be applicable, include the plan by text or reference. If the development of the industrial preparedness plan was determined not to be applicable, summarize the details of this decision.

If the program involves peacetime and wartime hardware configurations that are supported by logistics support plans, identify their impact on the industrial preparedness plan.

5. 11 National Technology and Industrial Base

For major defense acquisition programs, address the following (P.L. 102-484, Section 4220):

(1) Analysis of the capabilities of the national technology and industrial base to develop, produce, maintain, and support such program, including consideration of the following factors related to foreign dependency (P.L. 102-484, Section 4219(h)):

(i) The availability of essential raw materials, special alloys, composite materials, components, tooling, and production test equipment for the sustained production of systems fully capable of meeting the performance objectives established for those systems; the uninterrupted maintenance and repair of such systems; and the sustained operation of such systems.

(ii) Identification of items specified in paragraph (1)(i) above that are available only from sources outside the national technology and industrial base.

(iii) Availability of alternatives for obtaining such items from within the national technology and industrial base if such items become unavailable from sources outside the national technology industrial base; and an analysis of any military vulnerability that could result from the lack of reasonable alternatives.

(iv) Effects on the national technology and industrial base that result from foreign acquisition of firms in the United States.

(2) Consideration of requirements for efficient manufacturing during the design and production of the systems to be procured under the program.

(3) Use of advanced manufacturing technology, processes, and systems during the research and development phase and the production phase of the program.

(4) Use of solicitation provisions to encourage, to the maximum extent practicable, competing offerors to acquire, for use in the performance of the contract, modern technology, production equipment, and production systems (including hardware and

software) that increase the productivity of the offerors and reduce the life-cycle costs.

(5) Methods to encourage investment by U.S. domestic sources in advanced manufacturing technology production equipment and processes through:

(i) Recognition of the contractor's investment in advanced manufacturing technology production equipment, processes, and organization of work systems that build on workers' skill and experience, and work force skill development in the development of the contract objective; and

(ii) Increased emphasis in source selection on the efficiency of production.

(6) Expanded use of commercial manufacturing processes rather than processes specified by DoD.

(7) Elimination of barriers to, and facilitation of, the integrated manufacture of commercial items and items being produced under contracts.

(8) Expanded use of commercial items, commercial items with modifications, or to the extent commercial items are not available, non-developmental items (see [FAR 10](#)).

[FAR 7.401\(a\)](#) and

5.12 Lease vs. Buy

If the acquisition requires the lease of property for a period in excess of 60 days, address lease vs. buy considerations.

5.13 Other Considerations

[FAR 7.105\(b\)\(19\)](#)

Discuss, as applicable, the Defense Production Act, the Occupational Safety and Health Act, foreign sales implications, and any other matters germane to the plan not covered elsewhere.

SECTION 6

TECHNICAL CONSIDERATIONS

6.1 Test and Evaluation

[FAR 7.105\(b\)\(12\)](#)

Where applicable, describe the test program of the contractor and the Government. Describe the test program for each major phase of a major system acquisition. If concurrency is planned, discuss the extent of testing to be accomplished before production release.

Provide Test and Evaluation Master Plan number and approval date. If not yet approved, provide approval status.

6.2 Metric System of Measurement

[FAR 7.103\(m\)](#)

Discuss use of the metric system of measurement in accordance with 15 U.S.C. 205b (see [FAR 11.002\(b\)](#)). Each SYSCOM, PEO, and DRPM is responsible for administration of the metrication program.

6.3 Reliability, Maintainability, and Quality Assurance

[FAR 7.105\(b\)\(13\)\(ii\)](#)

Describe the program reliability, maintainability, and quality assurance (RM&QA) requirements.

When discussing R&M, address the mission profile, R&M program plan, R&M predictions, redundancy, qualified parts list, parts and material qualification, R&M requirements imposed on vendors (subcontractors), failure analysis, corrective action and feedback, and R&M design reviews and trade-off studies.

6.4 Quality and Information Assurance

Discuss software development and documentation in accordance with IEEE/EIA 12207. Discuss Software Acceptance Testing. Discuss the computer security requirement for the program. State when the Computer Security Plan, Accreditation Plans, etc. have been or will be approved. State when accreditation was or will be obtained. Provide the name, code, telephone number, and e-mail address of the Computer Security Officer for the program.

APPENDIX A

SECTION 7

LOGISTICS CONSIDERATIONS

This Section is not applicable to services acquisitions.

7.1 Contractor or Agency Support

[FAR 7.105\(b\)\(13\)\(i\)](#)

Describe the assumptions determining contractor or agency support, including consideration of contractor or agency maintenance and servicing (see [FAR Subpart 7.3](#)) and distribution of commercial items, both initially and over the life of the acquisition.

[DFARS 207.105\(b\)](#)

Describe the extent of integrated logistic support (ILS) planning, including references to approved plans.

Reference the ILS Plan and provide approval date. If not approved, provide approval status.

7.2 Standardization

[FAR 7.105\(b\)\(13\)\(iv\)](#)

Describe standardization concepts, including the necessity to designate, in accordance with agency procedures, technical equipment as "standard" so that future purchases of the equipment can be made from the same manufacturing source.

7.3 Digital Product/Technical Data and Program Integrated Digital Environment (IDE)

Describe the use of Digital Product/Technical Data as well as the implementation of Integrated Digital Environment (IDE) (see [Defense Acquisition Guidebook, Section 11.12](#), "Integrated Digital Environment (IDE).")

Note: Section 11.12, "Integrated Digital Environment (IDE) of the Defense Acquisition Guidebook provides that solicitations should

require IDE proposals to support system life cycle activities. Unless analysis verifies prohibitive cost or time delays, or a potential compromise of national security, new contracts should require the contractor to provide on-line access to programmatic and technical data. Contracts should give preference to on-line access (versus data exchange) through a contractor information service or existing IT infrastructure. While contracts should minimally specify the required functionality and data standards, the data formats of independent standards-setting organizations should take precedence. The issue of data formats and transaction sets should be independent of the method of access or delivery.

7.4 Component Breakout

[FAR 7.105\(b\)\(2\)\(ii\)](#)

Identify major components or subsystems. Discuss component breakout plans relative to these major components or subsystems. Describe how competition for these components or subsystems will be sought, promoted, and sustained.

7.5 Spare and Repair Parts

[FAR 7.105\(b\)\(2\)\(iii\)](#)

Describe how competition for spares and repair parts will be sought, promoted, and sustained.

7.6 Technical Data

[FAR 7.105\(b\)\(13\)\(iii\)](#)

Describe the requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the anticipated use of the technical data.

Discuss the plan for acquiring and managing the acquisition of technical data, with particular emphasis on technical data packages and technical manuals. The discussion should address:

- The overall program objectives, by program phase, for the acquisition of technical data, including the major types of data to be acquired and the uses to which they will be put. Discuss the results of cost effectiveness analyses related to those objectives.
- Contractor use and certification of the technical data package (TDP).
- The planned methodology and schedule for conducting major technical data management events; *e.g.*, validation/final acceptance reviews, and identification of the product baseline configuration that the TDP describes.

- Strategies for minimizing the amount of technical data delivered to the government with other than unlimited rights.

APs for follow-on procurements should address whether or not in-process and final reviews of technical data, provided by the previous contractor and intended to be provided to a follow-on contractor, were made and the data determined to be adequate. If not, explain why.

APPENDIX A

SECTION 8

PLAN OF ACTION FOR EACH PROPOSED CONTRACT

Note: If more than one contract is anticipated, the Plan for each award should be presented in a separate sub-section (e.g., 8-A for the first contract, 8-B for the second contract, etc.). An index of the separate actions should be included at the beginning of Section 8 to identify the proposed contract actions. The Plan for each proposed contract action should address the following areas.

8.1 Item Description

[FAR 7.103\(1\)\(2\)](#)

Provide a brief description of the item being procured under the contract. A picture, drawing, diagram, or other graphic representation may be included when necessary for adequate description.

8.2 Estimated Cost

Provide the estimated cost of the proposed acquisition. Identify funds by fiscal year and appropriation account. For acquisitions that contemplate the use of options or a multiple phased approach, separately identify the estimated cost for each option/phase. For services contracts, provide man-hours. If options are planned, provide man-hours for each option. Provide this estimated cost data in chart, matrix, or graphic form. Include quantities, or man-hours for services, for all significant elements.

Note: See [Appendix D](#) for a sample Estimated Cost chart.

Address potential to acquire a higher quantity of an end item than the quantity specified in a law providing funding. For non-competitive acquisitions, the acquisition of additional quantities may not exceed 10% of the quantity approved in the justification and approval.

8.3 Sources

[FAR 7.105\(b\)\(1\)](#)

Identify prospective sources of supplies and/or services that can meet the need. Consider required sources of supplies and/or services (see [FAR Part 8](#)). Include consideration of small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns (see [FAR Part 19](#)), and the impact of any consolidation or bundling that might affect their participation in the acquisition (see [FAR Section 7.107](#) (14 U.S.C.

644(e)). When the proposed acquisition strategy involves bundling, identify the incumbent contractors and contracts affected by the bundling. Address the extent and results of the market research and indicate their impact on the various elements of the plan (see [FAR Part 10](#)).

8.4 Competition

[FAR 7.105\(b\)\(2\)\(i\)](#)

Full and Open Competition. Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition.

Full and Open Competition After Exclusion of Sources. If exclusion of source(s) is proposed, identify the applicable statutory authority permitting exclusion. Cite the basis in [FAR 6.202](#) or 6.203 permitting the exclusion. Where [FAR 6.202](#) is cited, provide supporting information required by [DFARS 206.202\(b\)\(i\)](#).

[FAR 7.105\(b\)\(2\)\(i\)](#)

Other Than Full and Open Competition. If full and open competition is not contemplated, cite the authority in FAR 6.302, discuss the basis for the application of that authority, identify the source(s), and discuss why full and open competition cannot be obtained.

Address any restrictions on foreign participation at the prime or subcontract level.

If the proposed contract will be placed by a Government official outside DoD, address efforts to ensure appropriate competition.

Notes:

(1) [FAR 7.104\(c\)](#) states that "if the plan proposes using other than full and open competition, the plan shall also be coordinated with the cognizant competition advocate."

(2) [DFARS 207.102](#) states "when a class justification for other than full and open competition has been approved, planning for competition shall be accomplished consistent with the terms of that approval."

[FAR 7.105\(b\)\(2\)\(iv\)](#)

Subcontract Competition. When effective subcontract competition is both feasible and desirable, describe how such subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition. Identify any known barriers to increasing subcontract competition and address how to overcome them. For sole-source items, provide plans for increasing the level of subcontractor competition.

8.5 **Source Selection Procedures**

[FAR 7.105\(b\)\(3\)](#)

Discuss the source selection procedures for the acquisition, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives (see [FAR Subpart 15.3](#)). Address the use of best value in the evaluation of proposals and source selection.

[FAR 15.101](#)

Best Value: The objective of source selection is to select the proposal that represents the best value. Best value in negotiated acquisitions can be obtained by using any one or combination of source selection approaches. In different types of acquisitions, the relative importance of cost or price may vary. For example, in acquisitions where the requirement is clearly definable and the risk of unsuccessful contract performance is minimal, cost or price may play a dominant role in source selection. The less definitive the requirement, the more development work required, or the greater the performance risk, the more technical or past performance considerations may play a dominant role in source selection.

[FAR 15.304\(c\)\(3\)\(ii\)](#)

Address use of past performance in the source selection process.

For acquisitions involving bundling that offer a significant opportunity for subcontracting, the evaluation must include a factor to evaluate past performance indicating the extent to which the offeror attained applicable goals for small business participation under contracts that required subcontracting plans.

8.6 **Contracting Considerations**

[FAR 7.105\(b\)\(4\)](#)

For each contract contemplated, discuss contract type selection (see [FAR Part 16, “Selecting Contract Types”](#)); use of multiyear contracting, options, or other special contracting methods (see [FAR Part 17](#)); modular contracting, contract bundling, any special clauses, special solicitation provisions, or FAR deviations required (see [FAR Subpart 1.4](#)); whether sealed bidding or negotiation will be used and why; whether equipment will be acquired by lease or purchase (see [FAR Subpart 7.4](#)) and why; and any other contracting considerations such as contract incentives (See [Oct. 2003 Memo “Contract Incentives, Profits and Fees”](#) and [Dec. 2004 Memo “Contract Profit and Incentive Arrangements”](#)).

Note: See additional guidance in the following paragraphs of the Defense Acquisition Guidebook:

Paragraph 2.3.16.3.2, “Modular Contracting” provides that for major IT acquisitions, modular contracting, as described in [FAR Section 39.103](#) should be used to the extent practicable. Modular contracting may also be considered for other acquisition programs.

Paragraph 2.3.16.3.3, “Contract Bundling” states that [FAR Section 7.103\(s\)](#) requires that acquisition planners, to the maximum extent practicable, avoid unnecessary and unjustified bundling that precludes small business participation as contractors. As a result of this direction, [DoD Instruction 5000.2](#) requires a Benefit Analysis and Determination. The program manager should consult the Office of Small and Disadvantaged Business Utilization website for additional information concerning this information requirement.

Paragraph 2.3.16.3.5, “Multi-Year Contracting” provides that the acquisition strategy should address the program manager's consideration of multiyear contracting for full rate production, and address the program manager's assessment of whether the production program is suited to the use of multiyear contracting based on the requirements in [FAR Subpart 17.1](#).

8.7 **Milestones for the Acquisition Cycle**

[FAR 7.105\(b\)\(20\)](#)

Address the following steps and any others, as appropriate:

- Acquisition plan approval (including Market Research)
- Statement of work
- Specifications
- Data requirements
- Completion of acquisition-package preparation
- Purchase Request
- Issuance of synopsis
- Justification and Approval and/or any required Determination and Findings (if non-competitive).
- Issuance of solicitation
- Evaluation of proposals, audits, and field reports
- Beginning and completion of negotiations and source selection
- Contract preparation, review, and clearance
- Contract award

8.8 **Product or Services Descriptions**

[FAR 7.105\(b\)\(6\)](#)

Explain the choice of product or service description types (including performance-based contracting descriptions) to be used in the acquisition.

[DFARS 207.105\(b\)\(6\)](#)

For development acquisitions, describe the market research undertaken to identify commercial items, commercial items with

modifications, or non-developmental items (see [FAR Part 10](#)) that could satisfy the acquisition objectives.

8.9 Management Information Requirements

[FAR 7.105\(b\)\(10\)](#)

Discuss, as appropriate, what management system will be used by the Government to monitor the contractor's effort.

[FAR 34.201](#)

Earned Value Management System (EVMS) DoD policy requires that cost or incentive contracts and subcontracts valued **at \$20 million or more** [in then year dollars] comply with the American [National Standards Institute/ Electronic Industries Alliance \(ANSI/EIA\) Standard 748 – Earned Value Management Systems \(ANSI/EIA-748\)](#). **Cost or incentive contracts and subcontracts valued at \$50 million or more are required to have an ANSI/EIA-748 compliant EVMS** that has been determined acceptable by the Cognizant Federal Agency. The Defense Contract Management Agency is the executive agency for determining EVMS compliance when DoD is the Cognizant Federal Agency.

8.10 Contract Administration

[FAR 7.105\(b\)\(18\)](#)

Describe how the contract will be administered. In contracts for services, include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced.

Discuss the level of Government administration anticipated or currently performed and any change proposed by the contract administration office. Address contract administration roles and responsibilities for any assisting agency.

8.11 Other Considerations, as applicable.

8.11.a MANAGEMENT AND OVERSIGHT PROCESS FOR THE ACQUISITION OF SERVICES

Address compliance with the DoN Management and Oversight Process for the Acquisition of Services (MOPAS 2)

1. General. The [DoN MOPAS 2](#) contains tiered approval levels based on the estimated total value of the service acquisition. MOPAS does not apply to major and non-major Defense acquisition programs or to major or non-major information technology programs reviewed under DoD/DoN 5000-series documents.

2. Overview: The [DoN MOPAS 2](#) establishes a formalized acquisition strategy review and approval process to analyze services requirements with a focus on performance-based acquisition of services. MOPAS approval is required for acquisition of services with an estimated total value in excess of the Simplified Acquisition Threshold (currently \$100,000). MOPAS contains tiered approval levels for services in general and separate levels for the acquisition of IT services.

3. Approval Requirements Develop or have available a table of approval limits and levels.

APPENDIX B: SAMPLE FUNDING CHART

Provide current funding data for each appropriation as follows:

Program Element: _____ Project/Task No.: _____

Budget Represented: _____

FUNDING (\$M) IN THEN YEAR DOLLARS

TYPE FUNDS: SCN, RDT&E, O&MN, FMS	BY	BY+1	BY+2	BY+3	BY+4	BY+5	TOTAL
Quantities/Man-Hours							
Competitive Contracts							
Competitive Options							
Sole Source Contracts							
Sole Source Options							
Other Government Activities (OGA)							
Other APs (by AP number)							
Total Cost							
Pricing Methodology Used:							

- NOTE:
1. Base Year (BY) is the current execution year.
 2. Competitive Contracts are those planned for full and open competition.
 3. Competitive Options are those which are offered in conjunction with a competitive contract and are exercised in a subsequent fiscal year.
 4. Other Government Activities (OGA) includes all dollars provided to other organizations within the government where obligations or expenditures are not directly under the control of the Acquisition Program Manager.
 5. Other APs includes the total dollars for each AP, if the program utilizes multiple APs.

APPENDIX E: REFERENCES - The following references may be found at Web sites shown:

<u>FAR</u> (Federal Acquisition Regulation)	http://www.arnet.gov/far/
<u>DFARS</u> (Defense FAR Supplement)	http://www.acq.osd.mil/dpap/dars/dfars/
<u>NMCARS</u> (Navy Marine Corps Acquisition Regulation Supplement)	http://www.acquisition.navy.mil/navyaos/content/view/full/3464
<u>DoD 5000 Resource Center</u> (DoDD 5000.1, DoDI 5000.2, and Defense Acquisition Guidebook)	http://akss.dau.mil/darc/darc.html
Earned Value Management Implementation Guide	http://guidebook.dcm.mil/79/evmigoldversion.doc
<u>ASSIST</u> (Acquisition Streamlining and Standardization Information System)	http://assist.daps.dla.mil/online/start/
<u>SECNAV and OPNAV Directives, Instructions, and Notices</u>	http://doni.daps.dla.mil/default.aspx
<u>SECNAV and OPNAV Forms</u>	http://forms.daps.dla.mil/
<u>DoD Directives, Instructions and Publications</u>	http://www.dtic.mil/whs/directives
<u>DoN MOPAS</u>	http://acquisition.navy.mil/rda/content/view/full/4746
<u>DoN Guidance on INTERAGENCY ACQUISITION</u>	http://acquisition.navy.mil/navyaos/policy_and_guidance/policy_memos/2004_policy_memoranda/proper_use_of_non_dod_contracts_john_young_and_richard_j_greco_jr_12_20_2004
<u>Radio Frequency Identification Policy</u>	http://www.acq.osd.mil/log/rfid/rfid_policy.htm

APPENDIX F: LIST OF ACRONYMS

ADM	Acquisition Decision Memorandum
AOA	Analysis of Alternatives
AP	Acquisition Plan
APG	Acquisition Plan Guide
ASN	Assistant Secretary of the Navy
ASN(RD&A)	Assistant Secretary of the Navy (Research, Development and Acquisition)
AS	Acquisition Strategy
BY	Base Year
CAIV	Cost as an Independent Variable
CDR	Critical Design Review
CFR	Code of Federal Regulations
CNO	Chief of Naval Operations
DFARS	Defense FAR Supplement
DODD	Department of Defense Directive
DODI	Department of Defense Instruction
DRPM	Direct Reporting Program Manager
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulation
FMS	Foreign Military Sales
FRP	Full Rate Production
IDE	Integrated Digital Environment
IT	Information Technology
ILS	Integrated Logistics Support
ILSP	Integrated Logistics Support Plan
LRIP	Low-Rate Initial Production
NDAA	National Defense Authorization Act
NDI	Nondevelopmental Item
NMCAG	Navy Marine Corps Acquisition Guide
NMCARS	Navy Marine Corps Acquisition Regulation Supplement
NTP	Navy Training Plan
OGA	Other Government Activities
OMB	Office of Management and Budget
ORD	Operational Requirements Document
PEO	Program Executive Officer
P.L.	Public Law
PM	Program Manager
RFID	Radio Frequency Identification
RDT&E	Research, Development, Test and Evaluation
R&M	Reliability and Maintainability
RM&QA	Reliability, Maintainability, and Quality Assurance
SECNAV	Secretary of the Navy
TDP	Technical Data Package
TEMP	Test and Evaluation Master Plan
TOC	Total Ownership Cost