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DHS Acquisition Planning Requirements

Office of Chief Procurement Officer
Acquisition Policy and Oversight Division

Purpose
Proper acquisition planning is needed to manage the programs that fulfill the mission of the Department of Homeland Security (DHS). The purpose of this document is to define requirements for acquisition planning and to guide the Program Manager (PM) and other acquisition personnel through the process of acquisition planning and preparing an Acquisition Plan (AP).

Policy
All DHS programs will engage in acquisition planning. All DHS programs (except construction) whose total acquisition costs exceed $5 million will require an approved AP before executing <u>any</u> contractual action including, but not limited to: contracts, purchase orders, delivery orders, interagency agreements, memorandums of agreements or memorandums of understanding.

For acquisitions greater than $5 million, acquisition planning in DHS will be documented using a single document, the AP. APs have also been referred to as acquisition strategies, acquisition strategy plans, procurement plans, procurement strategies, procurement strategy plans, program master plans, and other such titles. At DHS they will be called Acquisition Plans (APs).

This document is written in two parts. Part I is general information about acquisition planning. Part II addresses the contents of an AP and how to prepare an AP.

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Part I – Overview of the Acquisition Planning Process

What is an Acquisition Plan?

The Acquisition Plan (AP) documents the Program Team's strategy for managing the acquisitions of a program. It is a comprehensive plan coordinating the efforts of all personnel responsible for the program for fulfilling the agency's need in a timely manner, and at a reasonable cost. Since a program typically involves the efforts of many people and usually results in one or more contractual actions, an AP will guide the work of many people through one or more contractual actions.

The AP shall address all the technical, business, management, and other significant considerations that will control the acquisition aspects of a program. The AP shall identify those points during the program life cycle at which key decisions are to be made.

The AP shall be brief but comprehensive. It shall provide the background necessary to understand the entire acquisition, and present the plan for acquiring the systems, items or services needed to carry out the program. The AP shall cover all program phases that the program may encounter from program initiation through operation and support.

The AP can reference other program documents where applicable as described in Part II of this guide.

Who needs an Acquisition Plan?

Since the information in an AP is used to plan contractual actions, all DHS programs (except construction) whose total acquisition costs exceed $5 million will require an approved AP before executing any contractual action.

What is the scope of an Acquisition Plan?

APs are first prepared on a program-wide basis. An AP may include more than one contractual action. Plans for individual contractual actions under a program may then be added to the AP as appendices. The exact format of the AP is flexible (see tailoring requirements) but must cover all of the topics addressed in the numbered sub-sections in Part II of this document.

The AP is an agreement

When approved, the AP provides formal direction for program execution and provides clear guidance regarding program objectives, schedules, and other important program aspects to all program participants. The AP is also an agreement between the Program Manager (PM) (or if a PM has not been designated, the requiring office) and the Contracting Officer (CO). It documents information about the program allowing agency decision-makers to support coordinated overall agency planning.

The AP is a dynamic document that changes as the program changes

Although the AP provides a fixed reference when formally approved, the AP is updated at key decision points and when major program changes occur to reflect program events, accomplishments and the changing program environment. (See **Revisions** below) This ensures that the AP stays current and remains the authoritative source for all information related to acquisition of the program.

The AP is Procurement Sensitive

An AP is procurement sensitive because it contains the government's strategy for conducting source selection, contract negotiations, and other acquisition sensitive aspects of a program. Disclosure of the contents of an AP could present a disadvantage to the government during acquisition. Because of this, the AP shall be treated as procurement sensitive and should be marked with the legend, *"Source Selection Information-See FAR 2.101 and 3.104."*

Contractors should not be used

Because acquisition planning is an inherently governmental function, the AP should normally be prepared by government personnel. Contractor support personnel should not normally be employed in direct support of acquisition planning or in the development of APs. If contractor personnel need to be involved in preparing the AP, appropriate Organizational Conflict of Interest provisions should be included in the contract under which the contractor's services have been obtained and non-disclosure agreements must be executed. If there is any question concerning a potential organizational conflict of interest with prospective offerors, contact the Office of General Counsel.

Waivers

In rare cases, the requirement for an AP may be waived by the DHS Chief Procurement Officer (CPO) on the basis of urgency or some other justifiable basis. The request for a waiver shall be in writing, and must fully describe the facts and the basis for the request. <u>A waiver shall not be considered when the urgency stems from the lack of advance planning.</u> Requests for waivers shall be submitted to the CPO for approval, in the same manner as the AP. The waiver shall be granted prior to the release of the solicitation. Waiver of an AP does not constitute authority for any deviation, special condition or clause which might be needed for the acquisition.

Tailoring

The contents of an AP will vary depending on the nature, scope, complexity, circumstances, program level, and phase of the acquisition program life cycle. Acquisition planning shall consider all of the topics listed in Part II of this document, but the contents of the coverage of each topic may be tailored.

Program phase For example, based upon the phases shown in Figure 1, APs for programs that are in pre-acquisition might emphasize open ended exploratory efforts with emphasis on those logistics and support features needed to support activities such as prototypes and trials. APs for programs that are in one of the acquisition phases might emphasize development efforts, testing, verification and introduction of a new capability. APs for programs that are in sustainment or involve the purchase of ongoing services might emphasize quality assurance and best value.

See Attachment I, Guideline for Tailoring APs.
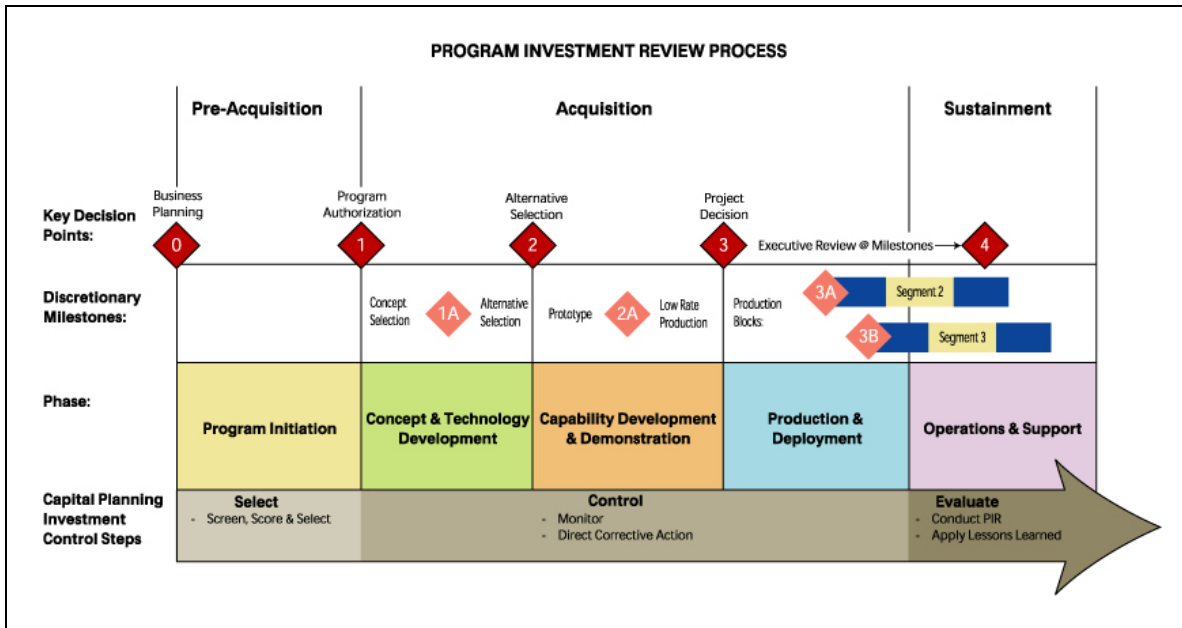
Figure 1 Program Investment Review Process
(Department of Homeland Security Management Directive System, MD # 1400 Investment Review Process)

Page limitation
The AP should be concise. To condense the size of the AP, program wide characteristics common to all contractual actions under the AP should be presented first. Considerations specific to individual contractual actions within the program can then be separately presented without repeating the program wide common characteristics.

References should be cited whenever possible to avoid repetition of data contained elsewhere in the AP. Approved program documents such as requirements documents and support plans, can be referenced. Charts and tables should be used whenever possible to illustrate details instead of lengthy narrative text. The particular AP format should be tailored to meet the specific requirements of the individual program. An AP must cover all of the topics in the numbered sub-sections in Part II of this document.

What is the Process for Preparing an Acquisition Plan?

When is an AP prepared?
Planning is the first step of any program. Acquisition planning shall begin as early in the program life cycle as possible. Early acquisition planning, even planning during or prior to the Program Initiation phase, should be documented even if the resulting AP is incomplete. An incomplete AP can then be used as a basis for the complete APs that follow as program direction and details are developed.

A program may take a brief period after Key Decision Point 1, entry into Concept and Technology Development (see Figure 1), to produce a complete AP, but must prepare the complete AP prior to KDP 2.

Who Prepares the AP?
The PM (or the requiring office if a PM has not been designated) shall be responsible for developing, maintaining, and executing the AP. The PM shall prepare the AP with the team of those who will be responsible for executing the plan. This may be an integrated product team. This team should include, at a minimum, the PM/Requiring Office, the CO, and a budget officer.

Since the CO will be responsible for executing the contractual aspects of the program, the CO shall actively participate in formulating the AP and shall formally concur that the plan is contractually sound and executable by signing the resulting AP before the plan is forwarded for official approval.

Approval Authority
See HSAM Subchapter 3007.103(h).

Reviews
APs shall be reviewed and updated by the PM/Requiring Office as needed at each key decision point; or, at a minimum, once a year.

Revisions
The AP shall be revised when the PM/Requiring Office is unable to execute the AP as written, or when changes to cost, schedule, performance or other factors make the existing AP obsolete.

APs shall also be updated when a significant change to the approved AP, such as a new requirement, change in existing requirements, change in acquisition strategy (including contract type or change in cost) is directed.

Revisions to APs shall be subject to the same concurrences, endorsements and approvals as the original document.

Certification
If, during the annual AP review, or key decision point AP review, the PM/Requiring Office determines that the AP is current and does not require revision, the PM/Requiring Office

shall certify in writing that the information contained in the AP is accurate, complete, and that no change is required.

Distribution

The approval authority will return the original AP or AP certification to the PM/Requiring Office for distribution and retention.

Copies of the approved AP or AP certification shall be provided to the Executive Secretary of the DHS Investment Review Board (IRB) and to the CO.

AP identification

APs shall be identified by a nine digit identifier followed by the date of the AP.

The first four digits on DHS APs will be "HSXX" standing for Department of Homeland Security (HS) and issuing Organizational Element (XX). The next two digits shall be the fiscal year in which the AP was, or will be, approved. Prior to approval, the AP shall be identified as a draft but assigned the number it will bear when approved. The last three digits shall be assigned in sequence. The AP shall be dated when approved.

HSXX_ FY-XXX approved *date*

Revisions to the AP shall be identified with the identification number of the original AP followed by the revision number and signature date of the revision.

HSXX_ FY-XXX revision XX of *date*

Part II – Preparation and Contents of an Acquisition Plan

Each numbered sub-section in Part II shall be addressed in every AP, but *the contents of each sub-section may be tailored to the program or simply noted as not applicable*.

AP Contents

The use of separate plans, such as logistics support plans, test and evaluation plans, safety plans, environmental protection plans and risk management plans, is encouraged for large and complex programs in order to simplify the AP. These separate plans can then be cited and summarized in the AP.

"Program wide" or "For each contractual action"

An acquisition program may result in one or more contractual actions. In turn, each contractual action may result in one or more orders. Each contractual action will require planning and should be documented in the AP.

To make the AP as brief as possible, the content of the AP should first present those characteristics that apply to the entire program. This could be followed by a separate part, or appendix for each contractual action under the AP, presenting those characteristics that are unique to those contractual actions and referring to the AP for those characteristics that are program wide.

Section A. Acquisition Background and Objectives

Why is this program or contractual action being done? What is it going to accomplish?

A1. Statement of Need

Program Wide

Introduce the AP with a brief statement of need as presented in the approved Mission Need Statement (MNS) or other requirements document.

Identify the MNS or other document that authorizes program initiation. Since a MNS may not be available for some programs, other documented direction should be cited. Include the initial document approval date, and revalidation approval date, if applicable. If the AP is being updated, provide the reason, or reasons, for the update.

Summarize the relevant technical and contractual history of the acquisition program, preferably in 250 words or less. Include a brief statement indicating how long the program has been in development or production and how long it is expected to continue. This history should include the program type, current program phase, previous program phases and accomplishments, as well as the program's relationship to other programs.

Include, or attach, a brief, summary chart, or table, of major contracts awarded, as well as grants or memoranda of agreement for the program. Identify the document (e.g. contract identification number) showing: contractor, contract type, and the services or items, quantities, and historical or estimated contract values

Contract History

	Contract Identifier	Contractor or source	Contract Vehicle type	Services or Items	Quantity	Historical or estimated contract values
1						
2						
…						

Discuss feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort.

For information technology acquisitions For the acquisition of IT, describe the generation of the equipment or service, discuss the acquisition history of any equipment or service being replaced, and discuss the method used to procure existing IT for this program.

For each contractual action
For individual contractual actions under the AP include:
Whether this contractual action is to be in a single or multiple increments; Procurement request number(s), or contract identifier for follow on procurements; Quantity being procured; Date executed or required; and Historical or estimated contract values. In addition, indicate whether the contractual action is to be competitive or single source. Details of the competition strategy, or single source rationale, are covered under Paragraph C3 below.

A table format may be a more convenient way to show this.

Increment	Identifier, Contract number or Procurement Request Number	Item	Source for past procurements	Contract Vehicle type	Estimated or historical execution dates	Quantity	Historical or estimated values	Single Source?
1st								
2nd								
…								

A2. Applicable Conditions
Program wide and for each contractual action
State all significant conditions affecting the acquisition and the associated contractual action, such as requirements for compatibility with existing or future systems or programs and any known cost, schedule, and capability or performance constraints.

Section B. Technical Issues
Program wide and for each contractual action
Describe the technical aspects of the program and any affected contractual action.

B1. Capability or Performance
What does the completed system, item or service have to do?

Program Wide

Specify the capabilities or performance characteristics of the systems, items or services being obtained by the acquisition program.   Summarize the key capability or performance characteristics from the MNS or requirements document. Show how they are related to the need.

Refer to the Acquisition Program Baseline and the MNS when specifying capabilities or performance characteristics.

For each contractual action

For each contractual action, 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 MNS.

B2. Delivery or Performance-Period Requirements

When is the system, item or service needed?

Program Wide

Establish the delivery or performance period requirements and state the rationale. If urgency results in concurrency of development and production, or other than full and open competition, this should be explained and supported.

For each contractual action

Establish the delivery or performance period requirements and state the rationale referring to the program wide schedule as needed.

B3. Product or Service Description

What is being acquired?

Program wide and for each contractual action

Specifications and purchase descriptions should be stated in a manner designed to promote competition. Describe how product descriptions and specifications were chosen, including performance-based contracting descriptions, and the measures taken to ensure that those product descriptions and specifications will promote competition.

APs for service contracts or orders should describe the strategies for implementing performance-based contracting methods or should provide rationale for not using those methods.

Describe the market research undertaken to identify commercial items, commercial items with modifications, or non-developmental items that could satisfy the acquisition objectives.

B4. Test and Evaluation

How will the program be tested and evaluated? How will the usefulness and performance of the program or contractual action be verified?

Program Wide

In the acquisition process, before a commitment is made for full scale production, deployment or implementation; a convincing case should be made that the systems, items or services being acquired will provide the new or enhanced capability required by the MNS or other requirements document. Programs involving acquisition of systems, items or services intended for use to accomplish the mission of DHS or DHS should be subjected to a process or trial and assessment to verify that they can serve the purpose for which they are intended. Results of testing and evaluation should be documented and compared to the performance requirements.

If an acquisition is sufficiently simple, the results of test and evaluation planning may be presented in the AP. For complex test and evaluation planning, it is recommended that the details be incorporated into a separate Test and Evaluation (T&E) Plan which can then be cited in the AP. If there is a separate T&E plan, the AP should contain a short summary and status of the T&E plan.

There are several categories of testing and evaluation. These categories can be broadly summarized as follows.

Developmental Testing

Developmental testing is used to prove the technical progress of the program towards meeting the mission needs described in the MNS or other requirements document and the performance parameters described in the Acquisition Program Baseline.

Operational Assessment

Operational assessments are conducted as technical progress is made to assess the projected operational usefulness of the system as it is being developed. Little is to be gained by continuing the development of a system, even though it may meet the performance specified in the Acquisition Program Baseline when completed, if an assessment shows that the new or increased capability being realized will be of little or no use to accomplish the mission of the DHS or DHS when deployed or implemented.

Operational Testing

Operational testing is used to prove that the finished system performs in a way that is both operationally effective and suitable when used and maintained by the end users.

Such testing should normally be independent of the contractor and include operation and maintenance by operators, users, and maintenance personnel who will operate, use and maintain the systems, items or services when deployed or implemented.

Acceptance Testing

Acceptance testing is used to verify that the contractor has met the requirements specified in the contract.

Describe how program progress and performance will be verified. Describe the testing that will be done at each stage of the program life cycle to verify that program progress is being made. A separate test plan may be cited; however keys points should be summarized in this part.

For each contractual action
For individual contractual actions, explain how testing will be performed, evaluated and verified. Such plans should discuss the respective roles of the contractor or provider, the Government, and the end user in such testing.

B5. Logistics Considerations
How will the system, item or service be maintained and supported?

Program Wide
Logistics support planning should state how the systems, items or services are to be introduced, staffed, operated, supported, maintained, repaired and disposed at the end of its useful life. Logistics support planning should include manpower, personnel, and training impacts of the acquisition.

If an acquisition is sufficiently simple, the results of logistics support planning may be presented here.   For complex logistics planning, it is recommended that the details be incorporated into a separate logistics support plan which can then be cited in the AP. If there is a separate logistics support plan, this AP should contain a short summary of that plan and the status of the logistics support plan.

Identify the important logistic support events and when they are expected. This information can be shown in a table or included into another chart.

Program wide and for each contractual action
The following areas should be discussed:

Discuss the assumptions made about the systems, items or services to be acquired. These assumptions can include, but are not limited to: the expected use; the expected operators and users; the expected support personnel; the expected life; and the expected environment for the systems, items or services.

Will the systems, items or services be operated and maintained by government or contractor personnel, both initially and over the life of the systems, items or services? Discuss the assumptions that were made to make the determination of government versus contractor operation and maintenance.

Describe the plan to introduce the systems, items or services. Describe how the operators, users and maintenance personnel will be trained.   Discuss the use of contractor warranties.

If the logistics support planning requires the use of contractor data rights, estimate the cost of the data rights and how the data rights will be used.

Discuss the expected service life of the systems, items or services. Describe how competition will be sought, promoted, and sustained for spares and repair parts over the

expected service life of the system. Discuss the use of open standards for future purchases of systems and equipment, spare, repair parts and services to avoid restriction of competition to the same vendor or vendors who provided the initial capability.

Describe how competition for training and software from multiple sources will be maximized.

Section C. Business and Management Issues

C1. Cost, Budgeting and Funding

Cost
What is the projected cost of the system, item or service?
Depending upon the size and complexity of the cost estimate, the cost estimate may be a separate document which can then be referenced and summarized here.

Program Wide
Discuss the program cost goals. How were the program cost goals arrived at?

Discuss the methods used to estimate program acquisition and life cycle costs including supporting rationale and assumptions. Discuss the sources of cost information, the methods used and assumptions made in estimating the cost. Reference documentation containing cost estimates.

If life cycle costs were not estimated, explain why.

For services, explain the use of should-cost analysis or rationale for not using should-cost analysis.

For each contractual action
How was the cost estimate derived? What was the source of the data used to estimate the cost of the contractual action? What method was used: e.g., parametric, analogue, historical, bottom-up, or catalogue?

Discuss the use of design-to-cost objectives, and the application of should-cost analysis.

If the cost estimates are based upon vendor supplied information, has an independent government cost estimate been made?

Budgeting and Funding

Is the program budgeted? Do the budgeted funds cover the cost estimate? When will funds be available?

Program Wide

Compare funding requirements to budgeted funds by funding source in a table format such as the one below. The program manager should coordinate the contents of this chart with the office of the Chief Financial Officer.

	Budget Program Activity Code	Prior Years Funding	FY 1 Funding	FY 2 Funding	FY 3 Funding	…	Funding to completion	Total Funding
Funding source 1								
Required								
Funded								
(Under) or Over								
Funding source 2								
Required								
Funded								
(Under) or Over								
…								
Total								
Required								
Funded								
(Under) or Over								

Identify funds (whether appropriated or generated by user fees) by fiscal year and funding source or appropriation account. Also, show number of units by fiscal year, if applicable. Reference the specific budget lines or funding sources supporting this acquisition. The funded line should reflect the latest approved budget from the Exhibit 300.

If the funding requirements do not match the cost estimates, explain the differences.

Are there any shortfalls? If so, how will they be resolved? If there are shortfalls, is funding adequate to execute the currently approved and requested acquisition effort?

If applicable, what are the unit costs?

For each contractual action

Are there any major differences between the amount estimated, budgeted, and available for this contractual action?

Are sufficient funds available in the proper accounts to cover government liability for all reasonably expected contract contingencies?

C2. Trade-offs and Risks

What are the program trade-offs and risks?

Trade-offs

Program wide and for each contractual action

Discuss program cost, schedule and performance trade-offs. What priorities were given to these factors, and what are the expected consequences? Have trade-offs been made to performance or schedule to meet cost goals in Paragraph C1?

Risks

Program Wide

Identify the risks to the acquisition. Risks should include cost, schedule, performance, political and organizational risks.

If the program risks are sufficiently complex, risk management can be incorporated into a separate Risk Management Plan which can then be cited and summarized in this part.

For each risk, identify the: Risk Event, Risk Category, Probability, Consequence, Risk Handling Strategies and Responsibility.

If there are several areas of risk, a table format, such as the one below, is recommended.

Risk Event	Risk Category	Risk Probability	Impact	Risk Handling Strategies	Responsibility
Identify the risk	Cost, Schedule, Performance, Political, or Organizational	As either a probability (e.g. $\rho = .05$) or if subjectively (e.g. HIGH, MEDIUM…) define categories.	What would happen, what would be impacted and how severe would that impact be?	How will this risk be managed?	

How were these risk factors determined? What follow-up process will be used to track these risks?

For each contractual action

What are the cost, schedule and performance risks associated with the contractual action? Performance risks should discuss both the contract performance risks and the technical performance risks of the product or service to be delivered under the contract.

C3. Acquisition Streamlining, Competition, Sources, Contracting Considerations, and Source Selection Procedures

In the process of developing the AP, the PM and others responsible for the acquisition program should collaborate with the CO to successfully plan the contractual actions needed to execute the acquisition program.

Acquisition Streamlining
Streamlining includes efforts that result in more efficient and effective use of resources to design and develop, or produce quality systems. This includes ensuring that only necessary and cost-effective requirements are included, at the most appropriate time in the acquisition cycle, in solicitations and resulting contracts for the design, development, and production of new systems, or for modifications to existing systems that involve redesign of systems or subsystems.

Discuss streamlining applied to this program.

Streamlining includes, but is not limited to:
1.   Distributing draft specifications, SOWs, and RFPs to industry for comment;
2.   Limiting the size of proposals and the number of people on evaluation teams;
3.   Using performance and functional based specifications
4.   Considering a contractor's past performance in evaluating whether that contractor should receive future work
5.   Buying more off-the-shelf products instead of those designed to government-unique design specifications
6.   Two (or more) step processes to down-select offerors
7.   Use of oral presentations from offerors
8.   Use of pre-solicitation and pre-proposal conferences

Acquisition Considerations
Program Wide
Identify the major components, subsystems or services to be acquired under this acquisition program. Is this program to be acquired as a single entity from one or more sources or in more than one part from one or more sources?

Can the program be structured in a way to maximize competition or to utilize items currently available within the government supply system?

Is it in the government's interest, especially for large systems, items or services, to qualify or develop multiple sources for the items and services being sought?

How will the program be executed? What type of contractual actions will be used? What actions are contemplated to execute the program?

Are there urgencies that will dictate the direction of the acquisition and possibly impede competition?

For each contractual action

For each contract planned, discuss contract type, use of multi-year contracting, options, or other special contracting methods and the reason for each.

Discuss the use of functional and performance specifications to describe the systems, items or services to be acquired. If detailed specifications or item descriptions are used, provide rationale for such use.

Will the contracts contain special clauses or will special authority be needed?

Competition
What is being done to foster competition?

Program Wide
Based upon market research, describe the commercial environment for this acquisition. Discuss potential sources or suppliers. For major systems, items or services, include a description of the amount of integration in the market sector where the systems, items or services will be sought and how this may impact competition.

Are products commercially available that will meet all or part of the program requirements? Can these products be obtained separately and integrated into the systems, items or services acquired under the prime contract?

Will special means be needed to encourage vendors to participate? What methods will be used to encourage, promote and sustain competition? If competition is not planned, give a brief summary of why competition is not in the best interest of the government.

If bundling is to be used, discuss how its benefit to the government outweighs the potential impact on small business participation.

For each contractual action
Define requirements, including hardware, software, standards, data, and automatic test systems, in terms that enable and encourage offerors to supply commercial and non-developmental items.

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

Describe efforts to encourage industry participation by using draft solicitations, pre-solicitation conferences, and other means.

Describe how subcontract competition will be sought.

Sources
What are the potential sources for the system, item or service being sought?

Program Wide
Based upon market research, indicate the prospective sources of supplies or services that can supply the systems, items or services. Consider required sources of supplies or services and sources identifiable through databases, including the Government-wide

database of contracts and other procurement instruments intended for use by multiple agencies

Discuss efforts to secure participation of small business, small disadvantaged business, and women-owned small business concerns as prime contractors in the initial or later phases of the life cycle.

Commercial and non-developmental items should be considered as the preferred source of supply. Preference should be given to commercial and non-developmental items based on open standards and commercial item descriptions to the maximum extent practicable. If products with closed interfaces are to be acquired, the risks and impacts on total cost of ownership should be evaluated. Preference should be given to the use of commercial items first, and non-developmental items second.

For each contractual action
Based upon market research, indicate sources of supplies and services that can meet the need or requirement. Include consideration of small business, small disadvantaged business, and women-owned small business concerns.

Contracting Considerations

Program Wide
Scope of the contract should not focus only on the immediate need or discrete task, but consider the entire program. The PM, with assistance from the CO, should consider contract options, task orders, or other contract strategies to build in appropriate flexibility. The AP shall discuss the types of contracts contemplated for each succeeding phase, including considerations of risk assessment, reasonable risk sharing by Government and contractor(s), and the incentive structure for contractors to decrease cost. The strategy shall specify if options are to be used for future requirements.

For each contractual action
For each contract contemplated, discuss contract type selection, use of multiyear contracting, options, or other special contracting methods.

Source Selection Procedures
For each contractual action
Discuss the source selection procedures and milestones 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.

C4. Contractor vs. Government Performance and Inherently Governmental Functions

Program wide and for each contractual action
Discuss consideration given to relative cost in deciding between Government performance and obtaining performance under contract from private commercial sources. As part of that discussion, include whether the effort to be performed is an inherently governmental function.

C5. Contract Administration, Management Information Requirements and Technical Data

Contract Administration

How will the contract be administered? What tools will the PM and contractor use to monitor progress and identify if a divergence from plan occurs? How will the program management office be resourced to manage the contract after award? What type of quality assurance plan will the contractor provide? How will the government monitor quality control?

For each contractual action
Describe how the program's prime contract will be administered. Will the contract be administered by DHS Headquarters, a field office of DHS, an office that is resident in the contractor's facility, or by another government agency? Will parts of the contract be administered by DHS with other agencies or between other agencies? If so, what part will be delegated to other agencies?

Performance Management Requirements

For each contractual action
Discuss the performance management system to be used by the Government to monitor the contractor's effort. Discuss the use of cost versus schedule and performance monitoring on cost type contracts. Discuss how the performance management system will be used to predict adverse contract deviations in time to allow action to avoid or mitigate the impact of the adverse contract deviation.

Performance-based management systems allow for early identification of problems, potential corrective actions, and changes to the original goals needed to complete the project and necessary for agency portfolio analysis decisions. Discuss the use of performance-based management systems (earned value or similar system) to provide contractor and Government management visibility on the achievement of, or deviation from, contract goals.

Technical Data

Discuss the plan for acquiring and managing the acquisition of technical data, with particular emphasis on technical data packages and technical manuals.

C6. Transition Planning

Discuss the potential need to transition work from one vendor to another and the approaches taken to include transition planning in the program.

Transition planning might involve: including transition planning requirements in solicitations and contracts; providing for a transition period, where current and follow-on contractors work together for a period; inviting follow-on contract personnel to participate in contract orientation; and, providing organizational information and data in advance of commencement of follow-on contract.

C7. Government Furnished Information and Property

For each contractual action
Indicate any property including material, facilities, manuals, drawings, and test data to be furnished to contractors and discuss any associated considerations. Discuss the availability and schedule for delivery of government furnished information and property.

For information technology acquisitions
Discuss how the capital planning and investment control requirements of 40 U.S.C. 1422 and OMB Circular A-130 will be met.

Section D. Other Considerations
These cover an assortment of topics such as safety, environmental impact and security as judged appropriate by the PM, given the acquisition environment.

D1. Priorities, Allocations and Allotments
When urgency of the need or requirement dictates a particularly short delivery or performance schedule, a program may be authorized for preferential or priority treatment to support national defense under the Defense Productions Act of 1950, as amended.

D2. Make or Buy/Lease or Buy
Discuss any consideration given to make or buy programs, or lease or buy programs.

D3. Environmental Considerations and Energy Conservation
Discuss all applicable environmental and energy conservation objectives associated with the acquisition. Discuss the applicability of an environmental assessment or environmental impact statement and the proposed resolution of environmental issues. Discuss environmentally-related requirements to be included in solicitations and contracts.

D4. Security Considerations
For each contractual action, state the extent to which a contractor will require recurring access to Government facilities or access to sensitive but unclassified information or information technology. Explain the strategy for satisfying requirements related to physical security, contractor-unique security, all information and information technology (IT) security, as well as the security of systems data and personnel security. IT acquisitions should discuss the application of Section 208 of the E-government Act of 2002 that requires agencies to ensure contracts for IT include requirements to prevent disclosure and unauthorized access and address protection of privacy.

For acquisitions dealing with classified matters, discuss how adequate security will be established, maintained, and monitored.

D5. Other Issues

Standardization
The AP shall also discuss steps being taken so that systems, items or services derived from future contractual actions are compatible with the systems, items or services currently being procured. Discuss efforts to ensure that systems, items or services are being procured to accepted industry standards or are compatible with accepted industry standards.

Strategic Sourcing
Does the program or specific contractual action that is addressed in the AP involve any strategically sourced commodities as defined by the DHS Strategic Sourcing and Acquisition Systems? Is there a potential for the item or service being procured to become a strategically sourced commodity?

Open Systems
The use of open standards and designs using open standards are preferred. The AP shall discuss steps being taken to avoid proprietary standards and single vendor solutions.

Occupational Safety and Health Considerations
Describe the strategy to ensure that occupational safety or health is being managed. If there are no occupational safety, or health consideration issues, discuss how that determination was made.

Systems Safety Program
Discuss systems safety planning.

Fair Labor Standards
Discuss the applicability of the Service Contract Act (41 USC §351 – 358), the Davis-Bacon Act (40 USC §276a – 267) and the strategy for meeting those requirements.

Disposal
Discuss plans for disposal of the systems, items or services acquired as part of this acquisition. If materials or devices could be hazardous when disposed, discuss special disposal methods.

Section E. Participants in AP Developments

List the individuals who participated in preparing the AP, giving contact information for each. Include name, organization, telephone number, and e-mail address in the contact information for each. This list shall include, at least, the PM, the CO, and a budget officer.

Section F. Milestones for the Acquisition Cycle

Program Wide
Include a milestone chart showing the major events of the acquisition in chronological relationship with each other. This chart should identify the KDPs along with the applicable review and approval boards, The AP should identify the review and approval boards applicable to the program such as the Enterprise Architecture Board EAB, the Management Review Council (MRC) or the Investment Review Board (IRB) reviews.

As applicable, include milestones for: test events; preliminary design review; critical design review; production readiness review; contract award(s); option exercises, and for configuration and 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.

For each contractual action
Address the following steps and any others as appropriate: AP approval; Statement of Work; Specifications; Data requirements; Completion of acquisition-package preparation; Purchase request; Rational basis for other than managed competition, where applicable; and or any required determination and findings approval; Issuance of synopsis; Issuance of solicitation; Evaluation of proposals; audits; and field reports, Beginning and completion of negotiations; Contract preparation; review; and clearance; and Contract award.

Attachment I Guideline for Tailoring APs
(For further guidance and details see – Tailoring)

The following table is provided as a guideline for tailoring APs for pre-acquisition programs, pre-acquisition programs in the "Program Initiation" Phase, and acquisition programs up to six months after program initiation. The guidance for acquisition program six months or more after program initiation, and programs in operation and sustainment shall follow the guidance in Part II of this Acquisition Planning Guide.

Guideline Table for Tailoring Acquisition Plans

Program Phase or type / Table of Contents	Pre-acquisition programs	Pre-acquisition programs in "Program Initiation" Phase	Acquisition programs up to six months after program initiation
Program characteristic	Investigation of one or more possibilities for providing a new or improved capability to support DHS's mission even when not yet stated as a formal need or requirement. Such investigations may result in further investigation, better defined needs, or an acquisition program.	An acquisition program being initiated prior to KDP 1 (Program Authorization)	A concerted effort has begun to provide a new or improved capability to meet a defined need but many program details are still unknown.
A1. Statement of Need	An exploratory effort has no requirement to meet a specific operational need. Substitute a short statement about the reason for and goals of the effort.	Before KDP 1 Needs are broadly stated. A brief statement outlining those needs, and the alternatives being considered, should be inserted until a Mission Needs Statement has been developed.	If the Mission Needs Statement is still in development, a brief statement outlining those needs should be inserted until a Mission Needs Statement has been developed.
A2. Applicable Conditions	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
B1. Capability or Performance	Summarize the type of goals towards which the research, pilot programs or efforts are directed.	Summarize the system parameters to the extent that they are defined.	Summarize the system parameters to the extent that they are defined.
B2. Delivery or Performance-Period Requirements	Provide a timetable for the efforts to be carried out.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
B3. Product or Service Description	Description of research or program definition goals	If an alternative has not been selected, the alternatives under consideration should be briefly summarized.	Summarize the product or system as understood at this stage in the program.
B4. Test and	Testing incidental to	Describe testing or other	Describe tests used to

Program Phase or type / Table of Contents	Pre-acquisition programs	Pre-acquisition programs in "Program Initiation" Phase	Acquisition programs up to six months after program initiation
Evaluation	exploration.	methods to be used to compare alternative solutions to operational needs.	support the selection of the final program concept, if applicable.
B5. Logistics Considerations	Only those supplies and services needed to support the immediate needs of the effort undertaken.	Logistic planning should be considered when defining the program.	Follow guidance in Part II of this Acquisition Planning Guide.
C1. Cost	For current research or effort.	Discuss the cost limits and other considerations for the program. Although cost estimates may yet be undeveloped, the assumptions and methods used should be discussed. Discuss the program cost goals and how they are to be applied to the program.	Discuss the cost limits and other considerations for the program. Although cost estimates may yet be undeveloped, the assumptions and methods used should be discussed. Cost estimates for each program alternative should be discussed separately Discuss the program cost goals and how they are applied to the selection of alternatives.
C1. Budgeting and Funding	Only required for annual increment	Only required for annual increment	Should be fully funded for entire acquisition
C2. Trade-offs and Risks	Not applicable.	Discuss the overarching program trade-offs and risks.	Discuss the overarching risks associated with each alternative under consideration.
C3. Acquisition Streamlining, Competition, Sources, Contracting Considerations, and Source Selection Procedures	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
C4. Contractor vs. Government Performance and Inherently Governmental Functions	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
C5. Contract	Follow guidance in Part II of	Follow guidance in Part II	Follow guidance in Part

Program Phase or type / Table of Contents	Pre-acquisition programs	Pre-acquisition programs in "Program Initiation" Phase	Acquisition programs up to six months after program initiation
Administration and Management Information Requirements	this Acquisition Planning Guide.	of this Acquisition Planning Guide.	II of this Acquisition Planning Guide.
C6. Transition Planning	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
C7. Government Furnished Information and Property	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
D1. Priorities, Allocations and Allotments	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
D2. Make or Buy	Not applicable	Discuss the use of commercial off the shelf and non-developmental solutions to meet the program needs.	The use of commercial off the shelf and non-developmental solutions should be included in the solutions being explored.
D3. Environmental Considerations and Energy Conservation	Exploratory efforts should minimize environmental impact, and consider safety, occupation health and energy use.	Discuss the Environmental impact, safety, occupational health and energy considerations for the program.	Environmental impact, safety, occupation health and energy should be discussed for each alternative being considered.
D4. Security Considerations	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
D5. Other Issues	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
Section E. Participants in Acquisition Strategy Developments	Show the participants in the exploration or effort and their roles and relationships.	Follow guidance in Part II of this Acquisition Planning Guide.	Follow guidance in Part II of this Acquisition Planning Guide.
Section F. Milestones for the Acquisition Cycle	Show relevant dates for trials, experiments reviews, reports and other events.	Show overall program schedule goals such as needed initial deployment dates.	Show the schedules of the alternatives being considered.

Attachment II Glossary of Terms

Acquisition – The total effort involved to provide a new or improved capability in response to a need or requirement.

Acquisition Program Baseline (APB) – The APB establishes the program's performance requirements, schedule requirements, and estimate of total acquisition cost. APB parameter values shall represent the program as it is expected to be produced or deployed. The APB will contain parameters that, if not met, will require the IRB to reevaluate the program and consider alternative program concepts or design approaches.

Contractual Actions – Any contract, purchase order, project order, delivery order, interagency agreement memorandum of agreement or memorandum of understanding to obtain systems, items or services to support the mission and goals of the Department of Homeland Security.

Design-to-Cost objectives – Design to cost objectives usually emphasize achieving cost goals for unit procurement prices.

Earned Value Management System – A project management tool that effectively integrates the project scope of work with cost, schedule and work scope elements for optimum project planning and control.

For each contractual action – Contents of an AP unique to a specific contractual action. Such APs only need to contain those AP elements unique to the specific contractual action covered under the acquisition plan.

Integrated Product Team (IPT) – Team composed of representatives from appropriate functional disciplines working together to build successful programs, identify and resolve issues, and make sound and timely recommendations to facilitate decision-making.

Key Decision Point (KDP) – A decision forum between program life cycle phases, where the chairperson, with the advice of the decision forum, decides whether a program shall proceed to the next phase, continue effort in the current phase, or be cancelled. Also see the Department of Homeland Security MD 1400 for more information about KDPs.

Life-Cycle Cost – The total cost to the Federal Government of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired.

Make-or-Buy Program – That part of a contractor's written plan for the development or production of an end item which outlines the subsystems, major components, assemblies, subassemblies, and parts the contractor intends to manufacture, test-treat, or assemble (make); and those the contractor intends to purchase from others (buy).

Market Research – Market research is the process of collecting and analyzing information on commercial capabilities, processes, pricing, incentives, warranties, and delivery of other standard terms and conditions. Market research is the sum of two interrelated processes: market surveillance and market investigation.

Mission Needs Statement – A formal statement of capability needed to support the mission and goals of the Department of Homeland Security.

Need – An element of capability which supports the mission and goals of the Department of Homeland Security. Needs are formally stated in the Mission Needs Statement.

Performance-Based Contracting – Contracts are to specify the purpose or use of the product or service being contracted rather than the manner and way in which the contract is to be performed. Contractors have the freedom to decide the best way to meet the purpose or use specified in the contract.

Program – A discrete, separately identifiable effort that must be managed in its entirety to contribute toward the mission by either producing a system or providing a service used to accomplish the mission of the Department of Homeland Security.

Program Manager (PM) – The PM is the single accountable individual provided sufficient authority and responsibility to accomplish program objectives for development, production, and sustainment.

Program type – The MD 1400 identifies programs that are in pre-acquisition, acquisition and sustainment.

Program Wide – Contents of an AP common to the entire program.

Requirement – A specific capability or set of capabilities that will meet all or part of a need identified in a Mission Needs Statement (MNS) or Operational Requirements Document (ORD).

Requirements document – The document that formally directs the acquisition as well as states and enumerates the requirement. Ideally this would be a formal Operational Requirements Document or Mission Needs Statement. Under some circumstances this may even be a letter or memorandum. All requirements documents shall be signed by an officer with the authority to formally direct the use of the Department of Homeland Security resources to fulfill a valid Department of Homeland Security mission or goal. Requirements should be stated in terms of the performance or capability to be obtained and include both cost and schedule objectives.

Risk– Risk is a measure of the inability to achieve program objectives within defined cost and schedule constraints. It has two components: the probability of failing to achieve a particular outcome, and the consequences of failing to achieve that outcome. Risk management is a process of developing an organized, comprehensive, and iterative approach to identifying, assessing, mitigating, and continuously tracking, controlling, and documenting risk, which are tailored for each program.

Should-Cost Analysis – An independent, in-depth, cost analysis of a contractor's and subcontractor's operations and costs performed by a team of government representatives to promote improvements in the contractor's economy and efficiency. Should-Cost analysis is intended to reduce the contractor's cost of performing government contracts. Although aimed at large sole source contract, should const techniques can be applied to smaller contracts.

Single Source – A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting <u>or</u> negotiating with only one source.

Strategic Sourcing - The process of managing a Department's spending in a logical category to emphasize various characteristics. These characteristics can include performance, price, total life cycle management costs, small business participation, vendor access to business opportunities, etc and are typically specific to the individual category.

Transition Plan – A plan designed to facilitate the transition of work contracted from one vendor to another. Transition Planning methods include: Inserting transition planning requirements in solicitations and contracts; Providing for a transition period, where current and follow-on contractors work together for a short period; Invite follow-on contract personnel to participate in contract orientation; and, Providing organizational information and data in advance of commencement of follow-on contract.