

FORECASTING PROGRAM REQUIREMENTS

- 1. REASON FOR ISSUE:** This directive seeks to establish VA policy on forecasting of anticipated contracting needs by VA program offices, to facilitate acquisition planning and enable outreach to small businesses and other potential vendors.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive establishes Department-wide policy to provide consistent requirements for the Administrations and Staff Offices, clarifies the role of VA program offices to provide planning information based on recurring needs and special requests submitted during a program's budget cycle and defines "program office" for this purpose. Finally, this directive specifies data requirements for the forecast.
- 3. RESPONSIBLE OFFICE:** Office of Small and Disadvantaged Business Utilization (OSDBU)(00SB).
- 4. RELATED HANDBOOK/DIRECTIVE:** None.
- 5. RESCISSION:** To the extent they are inconsistent, this directive supersedes any memorandum or policy adopted by Administrations and Staff Offices and any undated or previous memorandum or policy related to the Forecast of Contracting Opportunities.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

/s/
Shana Love-Holmon
Acting Assistant Secretary for
Enterprise Integration

/s/
Sharon G. Ridley
Executive Director
Office of Small and Disadvantaged
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FORECASTING PROGRAM REQUIREMENTS

1. **PURPOSE.** To establish VA policy on forecasting of anticipated contracting needs by VA program offices, to facilitate acquisition planning and enable outreach to small businesses and other potential vendors.
2. **POLICY.**
 - a. Section 8(a)(12)(C) of the Small Business Act (15 U.S.C. § 637(a)(12)(C)) requires each executive agency reporting more than \$50 million in annual contract actions to develop and publish a Forecast of Contracting Opportunities. The Forecast shall identify contracting opportunities, the anticipated dollar value and approximate solicitation date and may be organized by individual contracting actions or by classes of actions. The Forecast shall be made available to small businesses.
 - b. The law also mandates publication of the activity anticipated to be responsible for award and administration of the contract. This enables small businesses to market their relevant capabilities to the contracting activity, to assist the contracting officer in determining whether two or more small businesses are likely to submit offers and whether a set-aside for such firms is appropriate or required.
 - c. In addition to identifying the contracting office, the Forecast shall also include program office information. This recognizes the critical role such offices play in defining contract requirements and the importance of receiving insight into small business capabilities. As one example, 41 U.S.C. § 3307 requires agencies to define requirements based on function, performance and physical characteristics and to modify those requirements based on market research. As the end user, the program office must determine whether those requirements will in fact address its needs in administering its programs. Receiving market research information from interested small businesses, based on their review of forecasted needs, supports program offices in achieving these purposes. Providing program information in the Forecast encourages early engagement with potential small business vendors.
 - d. VA requires reporting offices to provide three types of forecast information and this directive specifies the roles and responsibilities of program and contracting offices for developing each type of information. The Forecast consists of:
 - (1) Regularly recurring goods and services that VA purchases at least annually;
 - (2) New requirements based on program changes or special budget requests; and

- (3) Expiring contracts, including contracts with no remaining options or with available options that will remain unexercised and indefinite delivery vehicles nearing their maximum order ceilings.
- e. The Forecast shall be provided electronically and permit users to sort and filter data to enhance the value of results. Although the Small Business Act requires periodic updates during a fiscal year, an electronic Forecast can be updated continuously as new information becomes available. Electronic delivery also facilitates interface with other VA systems, to extract data already available and avoid manual data entry.

3. RESPONSIBILITIES.

- a. **Under Secretaries, Assistant Secretaries and Other Key Officials** shall:
 - (1) Designate a Senior Accountable Official to implement this directive within their Administration or Staff Office; and
 - (2) Provide reports to the Executive Director, OSDBU, on the timeliness and completeness of Forecast data based on review by the Senior Accountable Official.
- b. **The Executive Director, Office of Small and Disadvantaged Business Utilization (OSDBU)** shall:
 - (1) In collaboration with the Senior Accountable Officials, identify program offices required to report forecasted requirements to the Forecast;
 - (2) Designate a common electronic portal for reporting the Forecast;
 - (3) Provide requirements for developing and maintaining Application Program Interfaces (APIs) for submission of Forecast data to the designated electronic portal; and
 - (4) Review reports received from the Under Secretaries, Assistant Secretaries and Key Officials on the timeliness and completeness of the Forecast and recommend improvements where needed.
- c. **Senior Accountable Officials** shall:
 - (1) Review the list of program offices as identified by the Executive Director, OSDBU and recommend updates and revisions as appropriate; and
 - (2) Monitor and report on the timeliness and completeness of the Forecast for program offices under the supervision of their appointing Under Secretary, Assistant Secretary or Key Official.
- d. **Program Managers** shall:

- (1) Submit to the designated electronic portal the recurring goods and services needed to support their program on an on-going basis and which the program purchases at least annually. In support of this submission, Program Managers may request their supporting HCA or HCAs to provide a list of requirements awarded during previous years. Requirements reported may be identified by NAICS Code, Product and Service Code, or other category and include aggregated dollar value;
- (2) Submit to the designated electronic portal a list of new requirements based on program changes or special budget requests, upon notice that requested funding has been approved;
- (3) Submit to the designated electronic portal the expiring contracts and indefinite delivery vehicles nearing their maximum order limitations if the program has a continuing need for those requirements and intends to re-procure them. In support of this submission, Program Managers may request their supporting HCA or HCAs to provide a list of such indefinite delivery vehicles;
- (4) To facilitate their participation, communicate to the Executive Director, OSDDBU and the HCA their anticipated schedule for convening an Integrated Product Team, if required; and
- (5) When submitting a requirement to their supporting contracting officer, include market research based on materials received from small businesses based on their review of the Forecast.

e. **Heads of Contracting Activity (HCA)** shall:

- (1) Upon request of a Program Manager, submit a list of recurring requirements identified in VA contracting databases. Recurring requirements may be identified by NAICS Code, Product and Service Code, or other category and include aggregated dollar value; and
- (2) Upon request of a Program Manager, submit a list of contracts scheduled to expire in the next fiscal year and indefinite delivery vehicles likely to reach their maximum order limitation within the next fiscal year.

f. **Contracting Officers** shall:

- (1) Upon receiving an acquisition package, review forecasted information to determine sufficiency for use in an actionable package. This includes, but is not limited to, review of tentative NAICS Code selection, Product and Service Code and anticipated cost estimate; and
- (2) Review market research received from the program office and determine if supplemental market research is needed.

4. REFERENCES.

- a. Forecast of Contracting Opportunities: Section 8(a)(12)(C) of the Small Business Act (15 U.S.C. § 637(a)(12)(C)). <https://www.govinfo.gov/content/pkg/USCODE-2020-title15/html/USCODE-2020-title15-chap14A-sec637.htm>
- b. Responsibilities of the Executive Director, OSDDBU: Section 15(k) of the Small Business Act (15 U.S.C. § 644(k)). <https://www.govinfo.gov/content/pkg/USCODE-2020-title15/html/USCODE-2020-title15-chap14A-sec644.htm>
- c. Improving Early and Consistent Forecast Information Governmentwide: Office of Management and Budget Memorandum M-22-03, Advancing Equity in Federal Procurement (December 2, 2021), p. 5. <https://www.whitehouse.gov/wp-content/uploads/2021/12/M-22-03.pdf>

5. DEFINITIONS. As used in this directive—

- a. **Forecast of Contracting Opportunities, or Forecast**, means a publicly available, searchable database of anticipated contracting opportunities. The Forecast shall designate the program office and contracting office responsible and provide contact information for interested small businesses to market their capabilities. The Forecast shall consist of the anticipated requirements listed in 2.d of this directive.
- b. **Integrated Product Team (IPT), sometimes also referred to as an Integrated Project Team**, is a cross-functional team led by a Program Manager to develop strategies and approaches to meet specific acquisition and program objectives. The IPT seeks to define and refine technical requirements; discuss risks and mitigation strategies; decide on the acquisition milestones and process; and accomplish effective lifecycle acquisition, contract and performance management. <https://www.va.gov/oal/docs/business/pps/ppm201705.pdf>
- c. **North American Industry Classification System (NAICS) Code** means a six-digit code used to identify the industry from which an anticipated requirement is likely to be procured. Selection of a NAICS Code also determines the small business size standard applicable to a procurement, based on Small Business Administration criteria. NAICS Codes and the industries to which they apply may be identified at <https://www.census.gov/naics>. Corresponding size standards may be found at <https://www.sba.gov/document/support-table-size-standards>.
- d. **Program Manager** means a Federal employee generally responsible for day-to-day decision-making for a program office.
- e. **Program Office** means the VA organization that will be the end user of a contracting requirement. A program office normally provides direct services to the public, or provides administrative, legal, financial, technological, or other support to offices that provide direct services to the public. A program office is

staffed by one or more Federal employees, either dedicated exclusively to the program or as a collateral duty; is managed by at least one decision-maker able to commit to a course of action on behalf of the office; and has a funding source that can be obligated in support of a contracting requirement. Except when it is acquiring supplies and services for its own use, a contracting office is not a program office. <https://www.va.gov/oal/docs/business/pps/ppm201605.pdf>