

Date: October 27, 2016

From: Acting Deputy Senior Procurement Executive (DSPE)

Subj: VA Procurement Policy Memorandum (PPM) 2017-04, Interagency Acquisitions (IAs), Guidance, and Procedures (VAIQ 7640793)

To: See Distribution

1. **Purpose.** This PPM provides VA policy (including updated authorities resulting from the Employee Empowerment Initiative and impacts as a result of the June 16, 2016 decision of the U.S. Supreme Court in *Kingdomware Technologies, Inc. v. United States*) for the utilization of interagency acquisitions, and updated VA guidance and procedures executing Federal Acquisition Regulation (FAR) subpart 17.5, Interagency Acquisitions.

This PPM rescinds PPM 2013-06, Interagency Acquisitions (IAs), Guidance, and Procedures (Revised), dated December 31, 2013; IL 049-03-6, Parameters of Contracting Authority, dated March 17, 2003; and IL 049-05-4, Revenue Generation Contracting Authority, dated December 28, 2004.

2. **Background.** This PPM addresses VA requirements in support of FAR subpart 17.5, Interagency Acquisitions per the eCFR current as of 12 September 2016.

The FAR is applicable to all interagency acquisitions issued under the Economy Act (31 U.S.C. 1535) as well as other authorities, in recognition that an increasing number of interagency acquisitions are conducted using authorities other than the Economy Act. The final rule changed FAR subpart 17.5, Interagency Acquisitions by:

a. Requiring agencies to support the decision to use an interagency acquisition with a written determination that such action is the “best procurement approach” (henceforth described as the *best procurement approach determination* (BPAD)), whether it is a direct order or assisted order;

b. Directing that assisted acquisitions be accompanied by written interagency agreements, between the requesting agency and the servicing agency, that document the roles and responsibilities of the respective parties, including the planning, execution, processing, reconciliation or collection of payments, and administration of the contract;

c. Requiring the development of business cases to support the creation of multi-agency contracts and government-wide acquisition contracts or agency-specific contracts which either would create a significant overlap between the scope of proposed contracts and that of an existing contract, and Blanket Purchase Agreements (BPAs) established as Federal or VA strategic services initiatives, Smart Buy Program or Government-wide acquisition contracts (GWACs);

d. Requiring the Senior Procurement Executive for each executive agency to submit an annual report on interagency acquisitions to the Director of the Office of Management and Budget, in accordance with FAR 17.504; and

e. Requiring the contracting officer for the servicing agency to comply with service contractor reporting requirements in accordance with FAR subpart 4.17, Service Contracts Inventory.

3. **Applicability.** This PPM applies, and is limited to, all interagency acquisitions issued under any authority, except interagency reimbursable work performed by Federal employees (other than acquisition assistance), or interagency activities where contracting is incidental to the purpose of the transaction; or for orders of \$550,000 or less against the General Services Administration's (GSA) Federal Supply Schedule (FSS) program; or for VA sharing agreements using 38 U.S.C. 7409, 8111, and 8153.

#### 4. **Definitions.**

a. **Assisted acquisition** means a type of interagency acquisition where a servicing agency performs acquisition activities on the requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order (e.g., CFM requirements >\$100M executed by USACE).

b. **Direct acquisition** is a type of interagency acquisition where the requesting agency places an order directly against the servicing agency's indefinite-delivery contract. It includes acquisitions where a VA contracting officer issues an order against a contract vehicle external to the Department as well as orders against another VA component's indefinite-delivery vehicle (e.g., a NAC FSS or a SAC or TAC IDIQ). The servicing agency manages the indefinite-delivery contract, but does not participate in the placement or administration of an order.

c. **Interagency acquisition (IA)** means a procedure by which an agency needing supplies or services (the requesting agency) obtains them from another agency (the servicing agency), by an assisted acquisition or a direct acquisition (see FAR 2.101), whether completed under the authority of the Economy Act (31 U.S.C. 1535) or as a non-Economy Act under other statutory authorities. Examples of other non-Economy Act authorities include, but are not limited to, GSA FSS in accordance with FAR subpart 8.4; GWACs; and super construction projects greater than \$100M. IAs may only exist between federal agencies or entities, never between the federal government and any state, county, city, or civilian political subdivision.

d. **Interagency agreement (IAA)** is a written agreement, required by FAR 17.502-1(b)(1), that establishes the general terms and conditions governing the relationship between the parties, including roles and responsibilities for acquisition planning, contract execution, and administration and management of the contract(s) or order(s). The VA's required format for Assisted Acquisitions shall be the Treasury's Financial Management Service (FMS) Forms 7600 A and 7600 B.

e. **Interagency Cross-Servicing Support Agreement** is a written agreement required by VA Financial Policies and Procedures, Volume I Chapter 11, Intergovernmental Reimbursable Agreements, (see <http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIChapter11.pdf>), that establishes the general terms and conditions governing the relationship between VA components, including roles and responsibilities for acquisition planning, contract execution, and administration and management of order(s). VA Form 2269, Interagency Cross-Servicing Support Agreement is the required form used for IAA's between two VA appropriations.

f. **Interagency transactions** are not acquisitions. They are reimbursable agreements where the servicing agency uses internal resources to support the requesting agency's requirement, and which may also require an interagency agreement. Since these transactions do not require contracting support, they fall outside the purview of this PPM. See the current version of the VA Financial Policies and Procedures Reimbursement Agreement, , Volume 1, Chapter 11 at <http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIChapter11.pdf> for guidance on processing 1358's. A list of non-acquisition transactions is provided below. These are governmental services not requiring involvement of a requesting agency's contracting officer or execution of a D&F, for example:

- Security Clearance Support from Office of Management and Budget (OMB)
- Payroll support from the Defense Finance and Accounting Service (DFAS)
- Financial Disclosure support from U.S. Army
- Engineering support from U.S. Army Communications-Electronics Command (CECOM)
- Warehousing support between two other VA activities
- Center for Applied Systems Engineering (CASE) support provided by VHA to other VA offices
- Rent on GSA owned or leased buildings
- Reimbursement for salaries of temporarily detailed employees
- Reimbursement for mileage & repairs of leased GSA vehicles
- Reimbursable Work Authorizations (RWAs) for contractor performed building renovations and services requested through the GSA
- Postage remittance to the U.S. Postal Service
- Non-expenditure transfer or similar congressionally directed or statutorily permitted movement of funds between agencies or bureaus
- Ordering of Training Services using Standard Form 182, Authorization, Agreement, and Certification of Training
- Reimbursement to the General Accountability Office (GAO)
- Security guard services furnished through the Department of Homeland Security (DHS) Federal Protective Service (FPS)

g. **Intra-agency acquisition** means a procedure in which a VA component needing supplies or services obtains them by issuing an order under another VA component's contract or agreement (e.g., BPA direct ordering) or using the contracting assistance of another VA component (e.g., one VA component placing an order external to their Head of Contracting Activity (HCA) authority - assisted acquisition).

h. **Intra-agency agreement** refers to the transfer of funds for supplies and/or services between appropriations within VA. It may also be referred to as an interservice agreement.

i. **Super construction** means those construction projects greater than \$100M performed by a non-Department federal entity, including but not limited to, United States Army Corps of Engineers (USACE) which have special statutory authority, but are also subject to certain provisions of the Economy Act. See the Authorities section below for further discussion.

j. **VA component** for purposes of this policy means the Veterans Health Administration, the Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), the National Acquisition Center (NAC), the Office of Acquisition Operations (OAO) (including the Strategic Acquisition Center (SAC) and the Technical Acquisition Center (TAC)), and the Office of Construction and Facilities Management (CFM). The following organizations are considered a part of VA Headquarters and these organizations are provided services by the Office of Acquisition Operations: VACO staff organizations including Office of Management, Office of Human Resources and Administration, and Office of Information and Technology.

k. **Veterans Affairs (VA) Federal Supply Schedule (FSS) or “VA FSS”** means FSS contracts awarded by the VA National Acquisition Center (NAC), under authority delegated by the General Services Administration (GSA) per FAR 8.402(a). The VA FSS contracts include medical, dental, pharmacy and veterinary equipment and supplies in Federal Supply Classification (FSC) Group 65; instruments and laboratory equipment in FSC Group 66; and health care services in FSC Group 621. A procurement from a VA FSS is to be considered an intra-agency acquisition when the transfer of funds for supplies and/or services is between appropriations within VA.

## 5. Authorities.

a. **Economy Act** (31 U.S.C. 1535) applies when entering into agreements to obtain supplies or services from another agency. It also provides authority when placing orders between VA components. When the Economy Act is the authority for conducting an interagency acquisition and VA is the requesting agency, the contracting officer, in conjunction with the program official must prepare a Determination and Findings (D&F) in accordance with FAR 17.502-2(c)(1).

b. Non-Economy Act acquisitions completed under other statutory authorities, (e.g., [40 U.S.C. 501](#) for GSA FSS in FAR subpart 8.4 and [40 U.S.C. 11302\(e\)](#) for GWACs) do not require a D&F.

c. Super construction contracts over \$100M must comply with 31 U.S.C. 1535 subsections (b), (c), and (e) (see Pub. L. 114-92); however, the authority that must be cited is 31 U.S.C. 8103.

**6. Interagency Acquisition Policy.** The policy below is mandatory when establishing an interagency acquisition. This guidance shall be used in conjunction with all applicable federal and agency regulations, policies and procedures. Within the VA, acquisition planning and market research will be conducted and documented for all acquisitions.

a. **Market Research.** Prior to considering an Interagency Agreement, VA Components shall exercise due diligence as needed to ensure that the most beneficial acquisition process is selected for each specific requirement. When proper analysis determines that an Interagency Agreement is in the best interest of the government, the selection of the Servicing Agency will determine how well the Requesting Agency effectively fulfills its mission. The market research must be conducted in accordance with direction provided in Class Deviation—Implementation of the Veterans First Contracting Program as a Result of the U.S. Supreme Court Decision (Class Deviation—Veterans First Contracting Program (VFCP 2016)) dated July 25, 2016, and the results documented in the Best Procurement Approach Determination.

b. **Best Procurement Approach Determination (BPAD) Analysis.** For each requirement, VA Components must document the best procurement approach in accordance with FAR 17.502-1.

1) This is a comparative analysis that serves to support any decision to outsource any VA procurement function or obtain goods or services from another Federal agency as opposed to procuring such requirements directly in the competitive marketplace. This requirement will be considered met, if the procurement decision for a direct acquisition is based on the priorities for use of mandatory Government sources established by FAR 8.002, FAR 8.004, VAAR 808 or any VA class deviations specific to this issue.

2) Additionally, pursuant to 38 U.S.C. 8127(j), all interagency acquisitions shall include this provision: "The Servicing Agency will comply, to the maximum extent feasible, with the priorities for contracting with Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses over other socio-economic classes of small businesses. This does not supersede or otherwise affect the authorities provided under the Small Business Act (15 U.S.C. 631 et. seq.)." The results of discussions with the servicing agency relative to this provision must be documented in the BPAD and the resulting interagency agreement.

c. **Acquisition Plan.** Acquisition plans are developed at the program level, in conjunction with and concurrence of the contracting officer. Development of the acquisition plan should begin as early as possible to ensure all approvals are obtained prior to Purchase Request submission. Acquisition plans for IT products and services must be supported by documentation that reflects the requirement has been approved by the VA CIO or a designee (IT Acquisition Request System (ITARS) approval documentation satisfies this requirement).

1) **Acquisition Plan – Direct Acquisition.** Whether the requirement falls under the Economy Act or some other statutory authority (otherwise referred to as a

non-Economy Act requirement), the requesting agency program official will prepare an acquisition plan.

2) **Acquisition Plan – Assisted Acquisition.** Requesting agency program official may delegate the preparation of the acquisition plan to the Servicing Agency, but the requesting agency program official will provide support and assistance as needed, and must ultimately approve the plan.

d. **Determination and Findings (D&F)**

1) **D&F – Economy Act.** In accordance with FAR 17.502-2(c)(1), a D&F will be prepared when the Economy Act is cited as the authority for the contract action. The requirement for the D&F is in addition to the BPAD requirement. However, this analysis may be included in the D&F under its own subheading. The Economy Act applies when more specific statutory authority does not exist. Although super construction projects must comply with subsections (b), (c), and (e) of the act, a D&F is not required because the specific authority cited is 31 U.S.C. 8103.

2) **D&F – Non-Economy Act.** A D&F is not required if a more specific authority, other than the Economy Act, is cited as the authority for the action. However, the BPAD analysis must still be documented in the file and may be addressed as part of the acquisition plan. See paragraph 5.b. above for examples of other authorities.

e. **Interagency Agreements (IAAs).**

1) **IAAs – Direct.** An IAA is not required when ordering directly from another agency's acquisition vehicle. After obtaining approval of the acquisition plan and D&F, if applicable, the contracting officer may proceed with placing the planned order against another agency's contract vehicle. In accordance with FAR 17.502-1(b)(2), the requesting agency administers the order; therefore, no written agreement with the servicing agency is required.

2) **IAAs – Assisted.** Prior to the issuance of a solicitation under an assisted acquisition, the servicing agency and the requesting agency shall both sign a written interagency agreement (i.e., 7600A/B between VA and an external organization or 2269 between VA components). These documents establish the general terms and conditions governing the relationship between the parties, including roles and responsibilities for acquisition planning, contract execution, and administration and management of the contract(s) or order(s). (See FAR 17.502-1(b)(1)). The drafter shall include sufficient detail to allow for reporting, accountability, and inspection/acceptance of delivered goods, tasks, or services. The following applies:

A. Obligations for intergovernmental charges must be promptly and accurately recorded in the VA Financial Management System.

B. When establishing an IAA, the program official shall prepare the statement of work and government estimate or other requirements documents, including specific requirements, tasks, deliverables, defined delivery dates, and performance metrics. This package must be submitted through the Electronic Contract Management System (eCMS) planning module or via the Virtual Office of Acquisition (VOA) as appropriate.

C. The HCA in coordination with the Program Management Office (PMO) shall review IAAs concerning potentially high-risk conferences (i.e., conferences wherein costs to VA exceed \$100K) and provide corrective action as necessary. When contracting for conference or training facilities, contracting officers (COs), Contracting Officer's Representatives (CORs), and the Responsible Conference Executive (RCE) shall review <http://vaww.trainingevents.va.gov/> and shall comply with [VA Directive 0632](#), Conference Planning, Execution, Reporting & Oversight & [VA Handbook 0632](#).

D. VA program offices utilizing IAAs shall establish procedures for program managers to certify that they have reviewed monthly financial documents (invoices) and progress reports; concur with them and ensure they are uploaded to eCMS. When IAAs are used to procure conference and event planning services, reconciliation and certification of invoices for each conference event shall be accomplished by the servicing agency. Servicing agencies shall be compensated for this effort via the fee paid by the requesting agency.

E. Contracting officers must execute all IAAs in eCMS, which will generate a VA-unique number (for internal tracking purposes). This procedure applies even if requirement is submitted via the VOA.

**f. IAAs – General.**

- 1) Any IAAs that will require vendors, contractors, or subcontractors to use, store, modify, manipulate, or transmit VA Sensitive Personal Information (SPI) or Personally Identifiable Information (PII) in the execution of the Servicing Agency's duties shall comply with VA Handbook 6500, "Information Security Program" and VA Handbook 6500.6, "Contract Security."
- 2) The results of discussions with the servicing agency relative to the provision provided in paragraph 6.b.2 of this memorandum must be documented not only in the BPAD, but also in the resulting interagency agreement.
- 3) All IAAs shall be uploaded to the IAA repository in the VA Federal Accounting Service Payment and Collections (FASPAC) system when signed.
- 4) Interagency acquisition requirements provided by VA are subject to small business considerations set forth in FAR part 19 and VAAR part 819. VA interagency acquisition requirements are also subject to the direction provided in Class

Deviation—Implementation of the Veterans First Contracting Program (VFCP) dated July 25, 2016. Current VFCP guidance is located on the VA Procurement Policy website, <http://www.va.gov/oal/business/pps/policy.asp>.

5) VA shall require the servicing agency under assisted acquisitions to provide financial reports and invoices that identify goods, services (not billed as labor), and hours worked by labor categories and tasks. These documents shall indicate whether the employee is a Government or contractor employee. These reconciled and certified invoices shall be deliverables under the IAAs.

**7. IAA Approval Package Preparation.** When acquisition planning determines that it is appropriate to fulfill a requirement through an assisted acquisition, and VA is the requesting agency, the process outlined below shall be followed to prepare the IAA package for approval:

a. The VA program official, after conducting initial market research and developing an acquisition plan, contacts their assigned contracting officer to discuss the proposed IAA. If the contracting officer agrees with the IAA option, the program official shall prepare a BPAD.

b. The best procurement approach analysis may be made a part of the acquisition plan; or if a D&F is required, may be included under a separate subheading within the D&F. The best procurement approach analysis shall address the rationale for utilizing assisted acquisitions as set forth in FAR 17.502-1(a). Personnel shall take into consideration the recentness of market research performed in support of an IA for the same or similar items/services procured for the same program office or requiring activity. Recentness would be defined as market research conducted within the past six months of the date the IA action was submitted to the HCA.

c. Upon completion of the acquisition plan and the D&F, if required, inclusive of the best procurement approach analysis (in either document), the program official in conjunction with the concurrence of the contracting officer, shall prepare the IA package. The IA package shall consist of:

- 1) Description of supplies, Statement of Work (SOW), Performance Work Statement (PWS) or Statement of Objectives (SOO).
- 2) The acquisition plan that has been reviewed and approved by the CIO or designee.
- 3) The D&F (in the case of an Economy Act IAA) as described in FAR 17.502-2(c).
- 4) An independent government cost estimate as a method of determining the reasonableness of proposals.
- 5) A certified funding document.
- 6) Interagency Agreement Forms [7600 A and 7600 B](#) or a [VA Form 2269](#) if the requirement is between two VA appropriations. The following applies:

A. Copies of all documentation listed in c.(1) through (6) above will be retained in the eCMS contract file as well as the COR files.

B. All IAAs must specify a dollar ceiling in block 9 of the 7600A. Any individual task or delivery order executed against the master agreement must also specify a dollar ceiling. Before the ceiling can be exceeded (after initial award of the IA), the program official must prepare a modification/amendment to the IAA and re-route the document through the approval process outlined above. Any vague or indefinite amount would violate the Anti-deficiency Act, 31 U.S.C. 1341.

C. Requests for IAAs must be submitted through the eCMS planning module or VOA, as appropriate.

## **8. Reporting and File Requirements.**

a. Program offices using an IAA shall establish a single point of contact within the program to store all documents and deliverables required. In addition, all responsible VA program managers and program officers shall maintain all documents provided by the servicing agency.

b. In accordance with FAR 4.603(c), agencies awarding assisted acquisitions or direct acquisitions must report these actions in the Federal Procurement Data System-Next Generation (FPDS-NG) including identifying the Program/Funding Agency and Office Codes from the applicable agency codes maintained by each agency in FPDS-NG. These codes represent the agency and office that provided the predominant amount of funding for the contract action. For assisted acquisitions, the requesting agency will receive socioeconomic credit for meeting agency small business goals, where applicable. Requesting agencies shall provide the appropriate agency/bureau component code as part of the written interagency agreement between the requesting and servicing agencies.

c. The Enterprise Acquisition Systems (EAS) Service will prepare a monthly report of all interagency acquisitions conducted in the last month, and will distribute the report in accordance with paragraph 12, below.

## **9. Business Cases.**

a. When VA intends to establish Multiple Award Contracts (MACs), blanket purchase agreements (BPAs) and agency-specific contracts (where VA could potentially serve as a servicing agency under a direct acquisition), a business case analysis must be completed.

b. An agency-specific contract is an indefinite-delivery, indefinite-quantity contract intended for the sole use of the establishing department. Guidance on the requirements for business cases when establishing or renewing MACs, BPAs, and agency-specific contracts is set forth in FAR 17.502-1 and Attachment A.

c. Business cases shall be approved by an authority no lower than VA's Senior Procurement Executive (SPE).

d. The contracting officer shall ensure that a link to indefinite-delivery vehicles awarded and managed by VA is posted to or linked to OMB's MAX website. Web pages should include the names of vendors, contract terms and conditions, information about pricing; and provide a point of contact for additional information. Instructions for posting award information are provided on MAX at <https://max.omb.gov/maxportal/home.do>.

**10. The VA Component as a Servicing Agency shall:**

a. In addition to the ordering procedures in FAR 17.503(d), the contracting officer shall ensure:

- 1) Another federal agency is not charged more than the actual cost of entering into and administering the contract. This limitation also applies to those agreements between VA administrative support units and other government agencies.
- 2) Franchise Fund organizations within the VA selling services to other government agencies and citing the Government Management Reform Act (GMRA) do not assess a fee greater than 4 percent of the sale.
- 3) A standard fee or percentage markup is not applied to all acquisitions, but is individually calculated based on the complexity of the procurement and the projected services required to administer the contract. Furthermore, the contract file must contain documentation on how the costs were calculated.

b. Services not normally acquired in the course of VA's mission are expressly prohibited. More specifically, contracts for goods and services that are expressly prohibited without exception include, but are not limited to:

- 1) Ship construction, overhaul, and repair;
- 2) Weapons or weapons systems;
- 3) Combat aircraft or combat vehicles;
- 4) Component parts for above; and
- 5) Ammunition, except in support of VA security personnel.

c. A copy of the Economy Act D&F shall be obtained from the requesting agency prior to execution of the IA.

d. While the Department of Treasury's Financial Management Service (FMS) 7600 A and 7600 B forms are VA's required format for all external assisted acquisitions, the Requesting Agency may require other forms specific to their agency, or have an additional template that the contracting officer will need to complete.

e. VA Form 2269, Interagency Cross-Servicing Agreement, will be used for IAAs between two VA appropriations.

f. The HCA shall approve all IAs where the VA component is the servicing agency.

#### **11. Review and Approval Thresholds.**

a. Attachment B provides an Approval Matrix for all IAAs.

b. All Economy Act IAAs with \$250,000 or more in life cycle costs, and all IAAs with \$750,000 or more in life cycle costs, require Office of General Counsel (OGC) review and concurrence. OGC reviews may be sought for any draft IAAs, but must be obtained when the package is ready for final review and approval.

c. All IAs and IAAs for the procurement of information technology (IT) or information technology related acquisitions, shall be supported by an Acquisition Plan that has been approved by the VA CIO or an authorized designee, per paragraph 6.c. above.

d. The Economy Act D&F must be approved as indicated in Attachment C, unless the servicing agency is not covered by the FAR; in which case the determination must be approved by the SPE. In both cases, the D&F shall be included in the IA package and retained in the IA file.

e. The HCA must sign the BPAD and D&F for direct acquisitions greater than \$50M dollars, and for all assisted acquisitions. Direct acquisitions greater than \$5M and up to or equal to \$50M must be signed at one level above the contracting officer. The contracting officer can approve direct acquisitions less than or equal to \$5M.

**12. Reconciliation of Procurement and Financial Accounting Data Systems.** A monthly report of interagency transactions will be prepared by EAS and distributed to the Office of Finance for the purpose of reconciling the procurement and financial accounting data systems. The report will be generated on the 2<sup>nd</sup> Wednesday of the month and copies of the report will also be provided to the SPE, DSPE, each of the HCAs and OAL – Risk Management and Compliance Service (RMCS).

#### **13. Heads of Contracting Activities (HCAs) Responsibilities.** HCA's shall:

a. Develop and implement guidance ensuring only qualified contracting individuals with appropriate training are assigned to all existing and future interagency acquisitions.

b. Establish procedures to review the Economy Act D&Fs, and, where applicable, acquisition plans when the best procurement approach has been addressed therein, on a semi-annual basis.

c. Establish procedures to review the contract files for interagency acquisitions on a semi-annual basis to ensure compliance with FAR and this PPM.

d. In coordination with the Program Management Office (PMO) shall establish procedures to review IAAs concerning potentially high-risk conferences (i.e., conferences wherein costs to VA exceed \$100K) and provide corrective action as necessary.

**14. Questions or Concerns.** Direct questions regarding this PPM to the Procurement Policy and Warrant Management Service via email at [vacovapro@va.gov](mailto:vacovapro@va.gov) or (202) 632-5288.

/s/

Sheila P. Darrell

Attachments:

Attachment A - Business Case Template

Attachment B - Approval Matrix for Direct and Assisted Interagency Acquisitions

Distribution:

Under Secretaries for Health, Benefits, and Memorial Affairs  
Chief Facilities Management Officer, Office of Facilities Management  
Directors, VHA Service Area Offices, Directors of Contracting, Veterans Integrated Service Networks Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices, Directors, Denver Acquisition and Logistics Center, Corporate Franchise Datacenter, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center Executive Director and Chief Operating Officer, VA National Acquisition Center, National Cemetery Administration

## Business Case Template

Business cases for covered contract vehicles (see OFPP Memo, Sept 29, 2011, Development, Review, and Approval of Business Cases for Certain Interagency and Agency-Specific Acquisitions) shall address the following elements as described in the chart below: scope, potential duplication, value, interagency demand, and management. Business cases should also include an executive summary that overviews the key points in each of the required areas and include a signature page with the appropriate agency approval(s) and date(s) approved.

Overview of Business Case Template	
EXECUTIVE SUMMARY PART I. SCOPE AND POTENTIAL DUPLICATION PART II. VALUE PART III. INTERAGENCY DEMAND AND MANAGEMENT SIGNATURE PAGE	
Type of Acquisition Vehicle	Required Elements of Business Case Analysis
GWACs Multi-agency contracts and multi-agency BPAs where interagency usage is anticipated to be significant	Complete parts 1, 2, and 3
Multi-agency contracts and multi-agency BPAs where interagency usage is not anticipated to be significant	Complete parts 1 and 2
Agency-specific contracts and agency-specific BPAs	Complete parts 1 and 2

**BUSINESS CASE ANALYSIS OUTLINE****PART I. SCOPE AND POTENTIAL DUPLICATION****a. SCOPE**

1. Describe the purpose of the acquisition and how it supports Presidential, government wide, and/or agency priorities or initiatives. Describe the types of goods and services to be acquired.
2. Provide the anticipated period of performance as well as any option periods.
3. State the anticipated annual amount of spend over the life of the proposed acquisition and the amount of the contract ceiling.

**b. POTENTIAL DUPLICATION**

1. Complete the table below for each primary product or service to be offered on the vehicle:

Primary Product or Service		Existing vehicles researched		
PSC Code	Description	Servicing Agency	Name of Contract Vehicle	Uniqueness of Proposed Vehicle

Instructions for completing the table.

**Column 1.** PSC Code: identify 4-digit code, whenever possible.

**Column 2.** Description: briefly describe primary product or service to be acquired.

**Column 3.** Existing vehicles researched: List existing vehicles that agency evaluated for potential suitability. Agencies should always evaluate Federal Strategic Sourcing Initiative (FSSI) or SmartBUY agreements, and GWACs. For proposed GWACs and multi-agency contracts and multi-agency BPAs where interagency usage is expected to be significant, agencies should also consider relevant multi-agency contracts or BPAs, of which they are aware, and any relevant agency-specific contracts or BPAs.

**Column 4.** Uniqueness: Explain how the proposed vehicle differs from the identified existing vehicles (e.g., in terms of expected pricing, terms and conditions). If an agency-specific vehicle is proposed, note any other reasons for creating the vehicle, such as agency-unique requirements, compliance with agency standards, or simplified contract management (in lieu of having to manage contractors on multiple interagency vehicles, each of which addresses only part of the agency’s requirement).

2. State if the agency has identified any overlapping agency-specific vehicles that it intends to phase out.

**PART II. VALUE**

- a. Discuss the benefits expected as a result of the proposed acquisition. Address price, administrative and efficiency improvements as well as intangible benefits. Discuss the impact the proposed acquisition will have on the government’s ability to leverage its purchasing power at both the agency-wide and government-wide levels.
- b. Describe how the cost of awarding and managing the proposed contract vehicle compares to the amount of fees likely to be incurred if the agency used an existing interagency vehicle or assisted acquisition services.
- c. Describe how the acquisition strategy and the resulting procurement will promote maximum opportunities for small businesses at both the prime and subcontracting levels.

## Business Case Template

- d. Briefly describe the extent to which the proposed acquisition has been discussed with key stakeholders; including members of the Strategic Sourcing Working Group (SSWG); program managers of existing GWACs or multi-agency contracts (as appropriate); officials from GSA or the Small Business Administration, and agency offices with responsibility for small business programs; and the Chief Information Officer, if the acquisition involves IT. Indicate if any key stakeholder concerns or comments remain unresolved and discuss plans to resolve them.

### **PART III. INTERAGENCY DEMAND AND MANAGEMENT<sup>1</sup>**

#### **a. INTERAGENCY DEMAND**

1. Identify the anticipated portion of the acquisition that will be used by external customers (expressed as percentage of total obligations).
2. List the agencies that are expected to account for the majority of obligations under the vehicle, include the five largest customers outside the servicing agency and their expected estimated usage.

#### **b. MANAGEMENT**

1. Identify the number of FTEs supporting the award and administration of the contract and discuss any relevant specialized experience. For example, if awarding a contract for IT services, does the contracting officer and program manager have specialized experience?
2. Identify all direct and indirect costs to the servicing agency for awarding and administering the proposed contract vehicle.
3. Identify the fund (e.g., working capital fund), if any, that the agency intends to use to fund its work and receive payment from customer agencies.
4. If fees will be assessed, provide the following:
  - a) List the amount of proposed fee(s) and briefly describe the methodology used for setting and adjusting fees when necessary. For example, state whether fees differ based on the amount and type of support required.
  - b) Indicate if all costs to the agency for awarding and administering the proposed contract vehicle have been included in the fee(s). If not, identify any costs not covered.
5. If the servicing agency plans to request any funding to support operation of the contract vehicle, identify the estimated amount of the request and the purpose to be addressed by the funding.

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<sup>1</sup> This section is not required for agency-specific vehicles or for multi-agency vehicles where interagency usage is not expected to be significant.

Business Case Template

6. Discuss the steps the agency intends to take to ensure that over the life of the vehicle (a) vendor prices remain competitive, (b) regular customer feedback is obtained, and (c) the government maintains a qualified pool of vendors to meet customer needs.
  
7. Discuss how the agency intends to help ensure customer adherence to the following practices (where applicable, include links to agency reference materials or training materials developed for customers):
  - a) Use of fixed-price task orders whenever practicable.
  - b) Policies to maximize small business participation.
  - c) Consideration of contractor past performance in the evaluation of proposals.
  - d) Assessment of contractor performance on awarded tasks.

Attachment B

APPROVAL MATRIX FOR DIRECT AND ASSISTED INTERAGENCY ACQUISITIONS<sup>1</sup>

	DOLLAR AMOUNT	BPAD <sup>2</sup>	D&F <sup>5</sup>	APPROVED BY <sup>3</sup>	IAA <sup>4</sup>	APPROVED BY
DIRECT	Micropurchase - \$5M	X	X	CO		
	>\$5M - \$50M	X	X	One level above the CO		
	>\$50M	X	X	HCA		
ASSISTED	Micropurchase - \$5M	X	X	HCA	X	HCA
	>\$5M - \$50M	X	X	HCA	X	HCA
	>\$50M	X	X	HCA	X	DSPE

<sup>1</sup> This table does not apply to interagency reimbursable work performed by Federal employees (other than acquisition assistance), or interagency activities where contracting is incidental to the purpose of the transaction; or orders of \$550,000 or less issued against Federal Supply Schedules.

<sup>2</sup> If using any vehicles identified in VAAR 808.004-70 and 808.004-71, as well the GSA SmartBuy Program, the GSA FSS Program, or GWACs operating pursuant to designation by OMB under Clinger-Cohen Act, you may presume the vehicle is in best interest of the government and document accordingly in the acquisition plan, and the BPAD. The Economy Act does not apply to orders under a government-wide acquisition contract. **Note:** When determining the appropriate vehicle for use, first consider the mandatory sources identified in VAAR 808.002-70. If the requirement cannot be satisfied with these mandatory sources, then comply with the application of the VA Rule of Two and consideration of existing vehicles in accordance with VAAR 808.004-70 and 808.004-71.

<sup>3</sup> When conference and event planning services >\$100,000 are being procured, General Counsel shall concur with the BPAD or acquisition plan.

<sup>4</sup> All Economy Act IAAs with \$250,000 or more in life cycle costs, and all IAAs with \$750,000 or more in life cycle costs, require Office of General Counsel (OGC) review and concurrence of the BPAD and IAA, if required.

<sup>5</sup> If the Servicing Agency is not covered by the FAR, the D&F shall be approved by the SPE. All D&Fs shall be included in the interagency acquisition package and retained in the IA file.