



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

September 12, 2008



Department of the Interior Acquisition Policy Release (DIAPR) 2008 - 10

Subject: Enhancing Competition

Reference: Federal Acquisition Regulation Part 6

1. *Purpose.* This DIAPR establishes new procedures for review of non-competitive actions, reinstates an annual goal for competitive contracting, and reiterates the Department's commitment to competition in contracting.

2. *Effective Date.* Effective upon issuance.

3. *Expiration Date.* No expiration unless cancelled or superseded.

4. *Background and Explanation.* After many years of experience with the Competition in Contracting Act, there is no doubt that competitive contracting is beneficial. It compels companies to innovate, to reduce costs, and to improve quality while allowing the government to make wise and fair use of its limited resources. It is also true that Interior contracts have increased remarkably in both size and number in recent years. However, the rate of competition has not kept pace with this workload expansion. Ten years ago, Interior regularly experienced competition percentages in the high 80s or low 90s. More recently, the trend has been in the mid-70s, occasionally slipping into the high 60s. Therefore, the following new procedures are being put into place to reinvigorate our performance in this important area.

Reviews and Approvals.

All contracting personnel are reminded that FAR 6.304 and 8.405-6 contain the mandatory approval levels for non-competitive actions. Note that all non-competitive actions must be approved at some level; awards valued over \$550,000 require approval above the Contracting Officer's level. In addition, new reviews or approvals are hereby established:

- If the basic contract award was non-competitive, options may not be exercised without concurrence by the Bureau competition advocate, regardless of dollar value. This will ensure that a careful examination of the market is conducted to determine whether other sources have become available since the original contract award.
 - Regardless of the competitive nature of the basic award or its dollar value, modifications other than options that add work may not be executed without concurrence from the Bureau competition advocate. This will help determine whether the proposed modification is within the scope of the basic contract or a new contract should be pursued.
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- The basic award of all non-competitive enterprise contracts (i.e., those with Department-wide applicability and/or ordering ability) must be approved by the Senior Procurement Executive regardless of dollar value.
- Documentation of all non-competitive actions valued above \$25,000 shall include concurrence from the Chief of the Contracting Office prior to the Contracting Officer's certification. This includes the justifications and approvals required by both FAR Part 6.304 and FAR 8.405-6.

Goaling and Reporting.

The Acquisition Managers' Partnership, in conjunction with this office, has adopted a management goal for competition in Fiscal Year 2009. We will make every effort to ensure that 75% of actions (by dollar value, not transaction count) are competed.

Contracting personnel are reminded of the critical importance of accurate Federal Procurement Data System (FPDS) reporting in this regard. We have found that roughly 60% of the time, the "Extent Competed" data element has not been completed for delivery/task orders against Federal Supply Schedules or BPA calls, so the appropriate credit for these types of awards cannot always be determined. Although FPDS treats it as an optional field on orders and calls, completion of the "Extent Competed" field is mandatory on all FPDS record types. Please consult Department of the Interior Acquisition Guidance Release 2008-04 for further guidance.

Accountability.

Internal control reviews performed at every level of the Department will include an examination of competition performance. The reviewers will focus on identifying obstacles to increased competition, noting best practices, and FPDS reporting.

Acquisition Planning.

Much of the ground work supporting competitive acquisition is laid during the planning stage. Contracting Officers are expected to engage in acquisition planning in conjunction with their counterparts in program offices. This includes activities such as ensuring that Exhibit 300 business cases address opportunities for competition, developing acquisition strategies that maximize competition, challenging brand name purchases, participating in planning meetings to prevent future and follow-on non-competitive awards, discussing reasonable lead time expectations, and assisting program personnel conducting market research.

5. *Action Required.* Immediate distribution of this policy release to all contracting officers and Bureau competition advocates.

6. *Contact.* Questions about this policy release may be directed to Delia Emmerich on (202) 208-3348.


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