MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: IRIS B. COOPER, SENIOR PROCUREMENT EXECUTIVE, OFFICE OF THE PROCUREMENT EXECUTIVE

SUBJECT: Treasury Mandatory Sources requirements.

1. Purpose: This Acquisition Procedures Update (APU) is issued to amend the Department of Treasury Acquisition Procedure (DTAP) October 2016 edition version 1.0 for the purposes of amending the requirement surrounding the use of Treasury Mandatory Sources.

2. Effective Date: Immediately

3. Expiration Date: Until otherwise canceled, superseded or included within a future edition of the DTAP.

4. Background: In accordance with the Federal Acquisition Regulation (FAR) and further reinforced via OMB Memorandum 17-22\(^1\) to the maximum extent practicable, agencies shall use existing contract solutions such as: a) Federal Supply Schedules; b) Government-wide acquisition contracts; c) multi-agency contracts; d) and any other procurement instruments intended for use by multiple agencies (e.g. Best-In-Class) for common supplies and services. Leveraging these sources: (a) decreases administrative costs; (b) prevents repetitive/unnecessary contract actions; (c) permits acquisition staff to focus on high-priority and agency unique procurements/requirements; and (d) enables agencies to better manage spending through such actions as standardization, participating in volume buying events, and applying best practices.

The Office of Management and Budget (OMB) has identified a number of Best-in-Class (BIC) vehicles for use by agencies (e.g. OMB Category Management memos). Additionally, the General Service Administration has continued to expand the flexibilities and capabilities\(^2\) of its Federal Supply Schedule program as well as added tools and resources for use by acquisition personnel (e.g. Acquisition Gateway, CALC tool and Prices Paid). The Department of the Treasury continues to make strides in managing and acquiring the supplies and services it needs to support its mission. This DTAP amendment establishes enhanced review and approval requirements when exceptions to Treasury Mandatory Sources are being considered. Additionally, this amendment clarifies the process acquisition personnel are required to take prior to considering commercial sources in the open market. Overall, the SPE has determined that the issuance of an amendment to the DTAP is necessary.

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\(^2\)E.g., GSA IT Schedule 70 recently awarded a number of SINs covering cybersecurity services (Penetration Testing, Incident Response, Cyber Hunt, and Risk and Vulnerability Assessment)
5. **Department of the Treasury Acquisition Procedures:** The DTAP is amended as follows:

A. **1002.101(b) is amended as follows:**

**FROM:** “Treasury Mandatory Source” means a contract vehicle or agreement determined by the SPE to be a mandatory source for all Treasury contracting activities or a contract vehicle that the Office of Management and Budget (OMB) has made mandatory for use by federal agencies (see subpart 1017.71).”

**TO:** “Treasury Mandatory Source” means a contract vehicle or agreement determined by the SPE to be a mandatory source for all Treasury contracting activities (see OPE’s Portal) or a Best-in-Class (BIC) vehicle (see Acquisition Gateway).”

B. **1008.002(a) is amended as follows:**

**FROM:** “Treasury Mandatory Sources shall have the highest priority for use once the CO verifies that the mandatory sources in FAR 8.002 and 8.003 cannot satisfy the requirement. The CO or ordering official shall review the list on OPE’s portal under the Strategic Sourcing page before considering other sources. If a Treasury Mandatory Source is available, but not being used, the CO shall document the contract file in accordance with 1008.002-70.”

**TO:** “Treasury Mandatory Sources shall have the highest priority for use once the CO or purchase cardholder verifies that the mandatory sources listed in FAR 8.002 and 8.003 cannot satisfy the requirement (see 1008.004). Acquisition personnel shall review the Acquisition Gateway for a listing of Best-in-Class vehicles and OPE’s Portal for a listing of other Treasury Mandatory Sources before considering other sources.”

C. **1008.002-70 is deleted in its entirety and replaced with the following:**

“(a) Treasury Mandatory Sources. Treasury policy is to use Treasury Mandatory Sources unless the requirement can be satisfied via the mandatory sources listed in FAR 8.002 and 8.003 (in which case no further documentation is required) or unless an exception is approved as described in paragraph (b) below. Exceptions as prescribed in paragraph (b) below shall be: approved prior to finalization of the acquisition plan; or if an acquisition plan is not applicable, approved prior to the issuance of the solicitation.

(b) Exceptions.

(1) Governmentwide commercial purchase card micro-purchases. Purchase card transactions at or below the micro-purchase threshold, shall use the applicable Treasury Mandatory Sources. In the event a Treasury Mandatory Source is unable to meet the Bureau’s needs in terms of urgency, better pricing, or other reasonable rationale, purchase cardholders may purchase from another source without further documentation.

(2) Individual exceptions affecting one contract action (see paragraph (c) for the content requirements). Subsequent requests by a Bureau for the same item may be treated as a class exception and can be submitted for approval in accordance with paragraph (3) below.
(i) Exceptions above the micro-purchase threshold and up to the SAT shall be completed by the CO and approved, without power of delegation, by the BCPO. Prior to approving, the BCPO shall review recent agency purchases for the item as well as consider planned purchases to ensure that the request for exception does not merit submission as a class exception.

(A) Approved requests for exceptions shall be promptly submitted to the SPE at OfficeoftheProcurementExecutive@treasury.gov.

(ii) Exceptions exceeding the SAT shall be completed by the CO and submitted to the SPE for approval. The BCPO shall review recent agency purchases for the item as well as consider planned purchases to ensure that the request for exception does not merit submission as a class exception.

(3) Class exceptions. Class exceptions affect more than one contract action. Regardless of dollar value class exceptions shall be submitted to the SPE for approval in accordance with 1001.7000(a) (see paragraph (c) for the content requirements).

(c) Content requirements. At a minimum, each exception request shall include the following—

(1) Identification of the agency, the contracting activity, the requiring activity, and specific identification of the document as a “Request for Exception to Treasury Mandatory Source”;

(2) Identification of the request as either an “Individual exception request” or “Class exception request”;

(3) Identification of the Treasury Mandatory Source(s) that can meet the need;

(4) A detailed description of the Bureau’s review of the Treasury Mandatory Source(s) including sufficient data and information supporting the request for exception. Data and information shall include at a minimum—

(i) A comparison of the pricing between the proposed source and the Treasury Mandatory Source(s);

(ii) The savings and efficiencies objective of the proposed source compared to what could have been achieved under the Treasury Mandatory Source(s) (e.g. take into account the loss of tiered volume discounts that is available under FSSI vehicles);

(iii) A description of the circumstances supporting the exception (e.g. urgency or shortcomings of the Treasury Mandatory source vehicle versus the Treasury need); and

(iv) Other data and information that provide insight into the particular circumstances, facts, or reasoning supporting the use of the proposed source (e.g. copy of acquisition plan, market research summary report) instead of the Treasury Mandatory Source(s).

(5) If applicable, description of Treasury purchases of the same or similar item (include details such as date of award, award number, description quantity and dollar amount) within the last twelve months;

(6) Description of alternative approaches considered for using the Treasury Mandatory Source(s) (e.g. breaking up the requirement, purchasing only what is needed to meet the most current need), the pros and cons of the alternative approaches considered, and how the use of the proposed source still demonstrates the overall best value to the Government throughout the life of the propose contract.
(7) Actions the requiring activity will take to eliminate or mitigate the need for an exception in the future.

(d) Approval of an exception does not preclude the Bureau or CO from meeting any additional requirements that may be required (e.g. OMB has established separate requirements for a number of vehicles that Treasury has designated as Treasury Mandatory Source) prior to the release of the solicitation. OPE will provide assistance and guidance in those instances.”

D. Subpart 1008.4 is amended as follows:

ADD: “1008.004 Use of other sources.

COs and purchase cardholders shall satisfy requirements for supplies and services from or through a Treasury Mandatory source before considering the sources listed in FAR 8.004(a)(1) to the maximum extent practicable. After consideration of Treasury Mandatory Sources and the sources listed in FAR 8.004(a)(1), can the CO and purchase cardholder consider the non-mandatory source listed in FAR 8.004(b) (see 1008.002-70 for the exception process).”

E. 1010.002(b)(2)(iv) is amended as follows:

FROM: “Treasury personnel conducting market research shall review the list on OPE’s Treasury Mandatory Sources site (see 1008.002(a)) to verify whether or not a Treasury Mandatory source is available to satisfy the requirement.”

TO: “Treasury personnel conducting market research shall use the Acquisition Gateway as the primary technique for conducting market research. The Acquisition Gateway includes a list of BIC vehicles, which are Treasury Mandatory Sources. The OPE Portal includes a listing of other Treasury Mandatory Sources as well (see 1008.002 for priorities use of mandatory Government source).”

6. Required Bureau Actions: Bureau Chief Procurement Officers shall—

a. Ensure dissemination of this APU to all impacted personnel;

b. Update related Bureau policies and procedures affected by this APU, ensuring COs, purchase cardholders and ordering officials use Treasury Mandatory Sources; and

c. Begin working to identify opportunities for transitioning current contracts and agreements that are currently not using a Treasury Mandatory Source or are open market purchases, that can be meet via a Treasury Mandatory Source or a source listed in FAR 8.004(a)(1), in order to support these efforts. OPE is willing to provide assistance in identifying these opportunities and supporting the development of transition plans.

7. Additional Information: My point of contact for this APU is Mr. Alan Monico, who may be reached at alan.monico@treasury.gov or at OfficeoftheProcurementExecutive@treasury.gov.