



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Procedures
Update (APU) No. 15-01
October 23, 2014

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

Iris B. Cooper

FROM: Iris B. Cooper, Senior Procurement Executive, Office of the Procurement Executive

SUBJECT: Amendment to DTAP 1007.105(b)(5), 1017.204(e) and 1017.207(a) regarding contract vehicles with period of performance exceeding five years.

1. Purpose: To provide clarification and thereby amend the DTAP regarding the requirements surrounding contract vehicles contemplating a performance period in excess of five years and exercise of the next option period for such contracts.

2. Effective Date: October 24, 2014.

3. Expiration Date: March 3, 2015, unless otherwise canceled, superseded or included within a future edition to the DTAP.

4. Background: The Senior Procurement Executive (SPE) issued APU 14-02 dated March 4, 2014 to require SPE approval, prior to solicitation, of any contract vehicle contemplating a performance period in excess of five years and to require SPE approval of the exercise of the option for any existing contract vehicle with a performance period in excess of five (5) years. This APU was subsequently canceled by its inclusion within the DTAP September 2014 edition. Nonetheless, after a number of submissions, the SPE has determined the need to provide clarity on submission requirements and performance period.

5. Department of the Treasury Acquisition Procedures (DTAP):

A. 1007.105(b)(5) is amended as follows:

From: "...Fully discuss the use of options; include comprehensive justification for any performance period anticipated to exceed five (5) years and address compliance with 1017.204, which requires that when an acquisition plan contemplates a contract period of performance in excess of five (5) years, the SPE must approve prior to release of solicitation."

To: "...If applicable, include comprehensive justification for any performance period anticipated to exceed five years, excluding any potential extensions under FAR 52.217-8 and FAR 52.237-3, and address compliance with 1017.204. The emphasis of this discussion should be why the longer performance period will result in obtaining the best value for the Department of the Treasury over a lesser contract term and of the controls that will be in place during contract performance to ensure the program/project needs are met."

B. 1017.204(e) is amended as follows:

From: Prior to solicitation, the SPE must approve any contract vehicle contemplating a period of performance in excess of five years, to include contract vehicles for information technology. When an acquisition plan contemplates a contract performance period exceeding five years, a D&F must be prepared and submitted to the SPE for approval in accordance with 1001.7000(a). Upon SPE approval, the BCPO will be authorized to proceed with solicitation.

In this context, “contract vehicle” and “contract” are synonymous and include contracts, orders of all types, BPAs and all other contract vehicles used by the Department to purchase goods and services.

To: Prior to issuance of the solicitation, the SPE must approve any contract vehicle contemplating a performance period in excess of five years, to include contract vehicles for information technology. In this instance, performance period does not include the period of any potential extensions under FAR 52.217-8 or FAR 52.237-3, but it does include the base period, any options and any award terms available as incentives. SPE approval shall be obtained by the submission of a written memorandum from the BCPO that includes at a minimum—

- (1) Description of the requirement;
- (2) An explanation of why the longer performance period will result in obtaining the best value for the Department of the Treasury over a lesser contract term with consideration to both past and projected levels of competition;
- (3) Discussion of any potential impact to socio-economic goals and current and future market conditions that support this longer performance period; and
- (4) A description of the controls that will be used during contract performance to ensure that the program/project is met.

The submission shall also include a copy of the fully executed acquisition plan. The SPE will approve the use of a performance period in excess of five years, if the submission demonstrates that it represents the best means of satisfying the requirement. In this context, “contract vehicle” and “contract” are synonymous and include contracts, orders of all types, BPAs and all other contract vehicles used by Treasury to purchase goods and services. This requirement applies from March 4, 2014 through March 3, 2015 unless otherwise extended by the SPE.

C. 1017.207(a) is amended as follows:

From: For each existing contract vehicle with a performance period in excess of five (5) years, the BCPO shall obtain SPE approval prior to exercise of the next option period. The BCPO shall prepare and submit to the SPE a fully executed D&F in accordance with FAR 17.207. Upon SPE approval, the BCPO will be authorized to proceed with the option action. This requirement applies to options to be exercised from March 4, 2014 through March 3, 2015. In this context, “contract vehicle” and “contract” are synonymous and include contracts, orders of all types, BPAs and all other contract vehicles used by the Department to purchase goods and services.

To: For existing contract vehicles with a performance period in excess of five years the BCPO shall obtain SPE approval prior to exercise of the next option or award of the award term. Approval is not required for the exercise of rights under FAR 52.217-8 or FAR 52.237-3, nor is the period of any potential extensions under these clauses to be considered in determining the performance period of the contract. SPE approval shall be obtained by the submission of a written memorandum from the BCPO that includes at a minimum: a description of the requirement; the original rationale for establishing a contract in excess of five years; and the rationale for exercising the option or award of the award term. The submission shall also include the fully executed determination required by FAR 17.207 or determination to award the award term, and a copy of the acquisition plan. The SPE will approve the exercise of the option or award of the award term if the submission demonstrates that it represents the best means of satisfying the requirement. In this context, “contract vehicle” and “contract” are synonymous and include contracts, orders of all types, BPAs and all other contract vehicles used by Treasury to purchase goods and services. This requirement applies from March 4, 2014 through March 3, 2015 unless otherwise extended by the SPE.

(1) COs shall ensure to provide sufficient time well in advance of exercising the option or award of the award time in order to allow for processing of these requests as well as have an plan in place if SPE approval is not obtained. If insufficient time is available, the submission shall include the reason(s) and/or circumstance(s) for the lack of time.

6. Required Bureau Action: Bureaus shall adhere to these changes on the effective date of this APU.

Additional Information: Questions about this APU may be directed to Thomas O'Linn at thomas.olinn@treasury.gov, telephone (202) 622-2092.