



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Procedures
Update (APU) No. 15-03
January 1, 2015

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 Part 1010 - Market Research.

1. Purpose: To help promote competition, inform future acquisitions, and encourage the use of timely and complete market research by further strengthening Treasury's policy on conducting market research and documenting the results.

2. Effective Date: January 1, 2015.

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 Expiration Date: Until otherwise canceled, superseded or included within a future edition of the DTAP.

4. Background¹: "The federal government spends hundreds of billions of dollars annually to acquire goods and services from the private sector to support agency missions. Market research—the process used to collect and analyze data about capabilities in the market that satisfy agency needs—is critical to inform decisions about how best to acquire these goods and services. Market research serves several purposes, including identifying sources capable of meeting the government's need, promoting competition, identifying whether commercial items can meet the government's needs, and identifying whether small businesses are capable of meeting the requirement. Altogether, the effort by the acquisition team to conduct market research is critical, as the information and data obtained is used by the acquisition team to make informed decisions about the government's need."

"Given market research's importance, GAO was asked to examine how federal agencies conduct and use market research. Their report (report no. GAO-15-8) assessed (1) selected agencies' market research guidance and policy and (2) how selected agencies conducted market research on selected procurements...Further, for the purposes of their review, GAO focused their work on how market research informed the competition strategy and the contracting officer's analysis of price reasonableness. From the analysis, GAO identified four elements which, if documented, would allow those not connected with the market research to understand how the acquisition team collected and analyzed information about capabilities within the market to satisfy agency needs."

"These elements include the market research methods used², the timeframes when the market research was conducted, an analysis of the capabilities of potential sources, and a conclusion based on this analysis." In light of this report and in review of Treasury's current policy and procedures, the SPE has determined the need to further strengthen Treasury's policy on conducting market research and documenting the results. The first step, via the issuance of this APU, is the amendment of the DTAP to establish additional policy such as a requirement for acquisition personnel in documenting the results of the market research conducted³. The next

Note: 1. Information in quotes taken from GAO Report (GAO-15-8) dated October 2014 entitled, "Market Research Better Documentation Needed to Inform Future Procurements at Selected Agencies."

2. See FAR 10.002(b)(2) for a listing of some of the various techniques that can be used for conducting market research.

step will be to develop a separate guidebook to provide Treasury-wide guidance on conducting market research.

5. Department of the Treasury Acquisition Procedures (DTAP)⁴:

A. 1010.001 is amended to add the following:

(a)(3)(vi) (see 1007.107)

(c)(1) The CO shall consult with the Bureau SBS.

(e) To support and improve acquisition planning, market research and requirement development, Bureaus shall promote and utilize innovative market research techniques regarding communication with industry and outreach to the vendor community, specifically small businesses. Both Treasury's Vendor Communication Plan and the Office of Federal Procurement Policy (OFPP) memorandums dated May 7, 2012, entitled "Myth-Busting 2: Addressing Misconceptions and Further Improving Communication During the Acquisition Process" and February 2, 2011 entitled, "Myth-Busting: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process" provide useful information for communicating with industry.

B. 1010.002 is amended to add the following:

(b) When conducting market research, contracting officers should consult the Bureau SBS. Bureau SBS shall provide the contracting officer feedback on potential small business sources, including veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, economically disadvantaged women-owned small business, and women-owned small business concerns.

C. 1010.002(b)(2)(iv) is amended to read as follows:

Department of the Treasury staff conducting market research shall review Treasury's mandatory and voluntary source listing (see 1008.002(a)(1) and (2)) available at http://thegreen.treas.gov/do/ope/OPEWorkspace/programs/StrategicSourcing/Lists/TreasuryWide%20Acquisition%20Contract%20TWAC%20List/AllItems.aspx?Paged=TRUE&p_Mandatory_x002c_x0020_Voluntary=&p_ID=49&PageFirstRow=31&&View={EE270F72-1F6B-4527-A5BF-E266597B7E30} and document their findings according to 1010.002(e).

C. 1010.002(b)(2) is amended to add the following:

(ix) Reviewing prior acquisition history for the same or similar requirement.

(A) GSA has developed a pricing paid tool that may be used to obtain visibility on prices paid by government agencies for commonly purchased supplies and services. This tool is currently available at <https://strategicsourcing.gov/prices-paid-tool>.

(x) Publishing requests for information, sources sought notices or draft solicitations or draft requirement documentation on the GPE, other government website (e.g. GSA E-Buy), or appropriate public sites.

(xi) Sponsoring or holding industry conferences or industry days, vendor forums, webinars, one-on-one meetings or other similar outreach opportunities with industry.

Note: 3. FAR 10.002(e) states that agencies should document the results of market research in a manner appropriate to the size and complexity of the acquisition it does not prescribe any particular format or specific elements for documentation.

4. Besides the GAO report additional information regarding best practices came from OFPP Memorandum, "Myth-Busting 2" dated May 7, 2012.



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(A) Bureaus are encouraged to post such upcoming outreach opportunities on the vendor collaboration feature available on the GPE.

(xii) Performing site visits (e.g. government personnel visiting vendor facilities or vice versa).

D. 1010.002(e) is amended to add the following:

(1) Documentation regarding the results of market research shall include, at a minimum—

- (i) The participants involved in the market research effort;
- (ii) The techniques used to conduct the market research;
- (iii) The timeframes when the market research was conducted;
- (iv) The names of the potential sources identified, including their socio-economic

status;

- (v) An analysis of the capabilities of the potential sources identified; and
- (vi) The conclusion based on this analysis (see 10.002(b)).

(2) *Template*. [Reserved]

6. Required Bureau Actions:

- BCPO's shall ensure dissemination of this APU to all impacted acquisition personnel.
- BCPO's shall ensure any Bureau market research policy is amended, as necessary, to address this amendment to the DTAP.

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