



DEPARTMENT OF THE TREASURY
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Acquisition Bulletin (AB)
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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Thomas A. Sharpe, Jr. 
Senior Procurement Executive
Office of the Procurement Executive

**SUBJECT: Bureau Acquisition Improvement Plans for
Fiscal Years 2010 and 2011**

Purpose: This Acquisition Bulletin sets forth policies and procedures for updating and reporting on Bureau Acquisition Improvement Plans for Fiscal Years 2010 and 2011. Each Bureau Chief Procurement Officer (BCPO) submitted a draft working copy of their Acquisition Improvement Plan to the Office of the Procurement Executive (OPE) in October 2009. The draft contained an initial inventory of acquisitions with projected savings derived from practices to reduce spending and strengthen the acquisition process.

Policies and procedures set forth in this AB will guide bureaus to review continually their contracts and acquisition practices to improve their plans.

The ultimate outcome of each bureau plan is to meet or exceed the goal of 3.5 percent per year savings in contract spending and 10 percent reduction in the use of high risk contracting authorities.

Effective Date: Immediately.

Expiration Date: This AB will expire when cancelled or superseded.

Background: Office of Management and Budget Memorandum (OMB) memorandum dated July 29, 2009, Improving Government Acquisition, mandates Federal agencies to review existing contracts and acquisition practices and (1) develop a plan to save 7 percent of baseline contract spending by the end of FY 2011; and (2) reduce by 10 percent the share of dollars obligated in FY 2010 under new contract actions that are awarded with high risk contracting authorities. OPE submitted bureau plans in a consolidated report to the OMB dated November 2, 2009.

Required Actions: Each BCPO shall maintain plans submitted to OPE in accordance with the following and continue to review existing contracts and acquisition practices for further improvements.

Updating and maintaining Plans

The Bureau Chief Financial Officer is accountable for validating actual bureau savings and high risk contracting authorities use reduction and for providing the leadership which drives the bureau's achievement of bureau goals.

Procedural mandates to accomplish objectives

BCPOs will:

- a. Maintain a record of all procurement-related savings, to include procurement influenced savings. The definition of savings is broad and there are many ways savings may be counted (e.g., achieving GSA discounts, negotiating better than anticipated prices, achieving process efficiencies.) Please refer to the attached memorandums for more examples of savings.
- b. Maintain a list of contracts using the following high risk contracting authorities and track the reduction in use for each: (1) noncompetitively awarded contracts and/or receive only one bid in response to a solicitation or a request for quote, (2) cost-reimbursement contracts or (3) Time and Material/Labor Hour contracts.
- c. Limit sole source contracts to one year and other high risk contracts to two years. For each sole source and other high risk contract action estimated above \$100,000 and proposed to exceed the stated limitation, prepare a Determination and Findings justifying the longer performance period and obtain approval by the BCPO. IRS approval may be at one level below the BCPO.
- d. Prepare a Determination and Finding and obtain approval by the Chief Acquisition Officer (CAO) or his designee for each proposed new contract using a high risk contracting authority (noncompetitively awarded contract; cost-reimbursement contract; or, Time and Material/Labor Hour contract) at the following thresholds:
 - o IRS - \$57M
 - o All other bureaus - \$10M
- e. Maintain a list of expiring contracts and collaborate early (12-18 months) with stakeholders for follow-on acquisitions to avoid non-competitive contract actions and to facilitate planning for performance based acquisitions, firm, fixed prices and small business participation.
- f. Coordinate with bureau budget and program offices on a cut-off date as early as feasible in FY 2010 (preferably June or July) for submission of requirements to guard against inefficient procurement practices and to improve the ability to obtain quality supplies and services that are on time and within budget. OPE recommends that bureaus consider executing early pre-award actions for unfunded projects to facilitate availability of award-ready packages in the FY fourth quarter.

Required Executive Governance, Score Card and Reporting:

The CAO will review bureau progress in meeting their savings and high risk contracting authority reductions with the Deputy Secretary at each month's Bureau Heads Meeting.

- OPE will prepare Monthly Bureau and Departmental Offices Report Card for ASM/CFO review with Bureau Heads and the Treasury Deputy Secretary. CFOs will submit NLT the 10th of the month (data from the previous month) to the Office of the ASM/CFO, cc: Tom Sharpe, Senior Procurement Executive
 - Report Content:
 - CFO will review their BCPO's listing of initiatives in place to meet savings and high risk authority reduction goals
 - For each initiative, indicate targeted savings and whether it is progressing on schedule to achieve the savings target, and report actual savings and high risk contracting reductions achieved for the month reported, as well as cumulative savings and high risk contracting reductions achieved for the fiscal year
 - For any initiatives not on schedule to achieve targeted savings provide comments and corrective action taken

It is expected that these efforts will enable the Department to achieve the required savings and reduction in high risk contracting authorities, while creating overall improvements that will enable more agile and innovative acquisition functions across the Department.

Reporting on a bi-monthly or quarterly interval will be considered at a later date.

Questions about this AB may be directed to Cathy Higginbotham,
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Attachments: Office of Management and Budget Memorandum dated July 29, 2009, subject: Improving Government Acquisitions
Internal Revenue Service, Policy and Procedures Memorandum No. 70.10 dated January 1, 2008, subject: Measurement of Procurement-Influenced Savings
CFO Monthly Reporting Requirement Template