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Description of document:	Department of Commerce Competition Advocate Reports for Fiscal Years 2008-2017, 2009-2018
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UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer and Assistant Secretary for Administration Washington, D.C. 20230

September 25, 2018

Re: Freedom of Information Act Request DOC-OS-2018-000973

This letter is in response to your correspondence, dated March 19, 2918, to the U.S. Department of Commerce's (Department's) Freedom of Information Act (FOIA) Office. According to our records, we received your request on March 19, 2018, and have assigned to it tracking number DOC-OS-2018-000973. We are responding under the FOIA to your request for:

"...a copy of the 10 (ten) most recent annual reports of the "advocate for competition" for the Department. Those reports are described here: https://www.acquisition.gov/far/html/Subpart%206_5.html and are required under 41 U.S.C. 1705 and 48 CFR 6.502(b)(2)."

Enclosed are 16 documents (126 pages) that are responsive to your request, portions of these records are exempt from mandatory public disclosure, and are being withheld in part, under FOIA Exemption 5, 5 U.S.C. § 552(b)(5) and Exemption (b)(6).

Exemption (b)(5) consists of opinions, recommendations, and other reflections of staff thinking integral to pre-decisional, deliberative process. The court has determined that documents are deliberative, when they contain the internal dialogue among an agency's personnel about a requester's FOIA request, and they are pre-decisional as they predate the final disposition of a requester's request. See Light v. DOJ, No. 12-1660, 2013 WL 3742496 (D.D.C. July 17, 2013)

We withheld portions of the documents pursuant to FOIA Exemption 6, 5 U.S.C. § 552(b)(6). Exemption (b)(6) exempts from disclosure (1) personnel, medical files and similar files, (2) the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. The phrase "similar files" has been broadly defined to include any Government records on an individual, which can be identified as applying to that individual.

If you have any questions or concerns or would like to discuss any aspect of your request, you may contact me, the Department's FOIA Public Liaison:

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> Bobbie Parsons U.S. Department of Commerce Office of Privacy and Open Government 1401 Constitution Ave. NW Room 61013 Washington, DC 20230 telephone at (202) 482-3257; email: <u>bparsons@doc.gov</u>

Please refer to your FOIA request tracking number, DOC-OS-2018-000973, when contacting us.

In addition, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services National Archives and Records Administration 8601 Adelphi Road-OGIS College Park, Maryland 20740-6001 e-mail at <u>ogis@nara.gov</u> telephone at 202741-5770; toll free at 1 877-684-6448 facsimile at 202-741-5769

You have the right to appeal this denial of your FOIA request. An appeal must be received within 90 calendar days of the date of this response letter. Address your appeal to the following office:

Assistant General Counsel for Employment, Litigation and Information (Office) U.S. Department of Commerce Office of the General Counsel - Room 5896 1401 Constitution Ave., NW Washington, D.C. 20230

An appeal may also be sent by e-mail to FOIAAppeals@doc.gov or by FOIAonline, if you have an account in FOIAonline, at https://foiaonline.regulations.gov/foia/action/public/home#. The appeal should include a copy of the original request and initial denial, if any. All appeals should include a statement of the reasons why the records requested should be made available and why the adverse determination was in error.

The appeal letter, the envelope, and the e-mail subject line should be clearly marked "Freedom of Information Act Appeal." The e-mail, FOIAonline, and Office are monitored only on working days during normal business hours (8:30 a.m. to 5:00 p.m., Eastern Time, Monday through Friday). FOIA appeals posted to the e-mail box, FOIAonline, or Office after normal business

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hours will be deemed received on the next normal business day. If the 90th calendar day for submitting an appeal falls on a Saturday, Sunday or legal public holiday, an appeal received by 5:00 p.m., Eastern Time, the next business day will be deemed timely.

Thank you for your cooperation and patience.

Sincerely, ROBERTA PARSONS Discuts, o-U.S. Government, ou-Department of Commerce, ou-Office ou-Operatment of Commerce, ou-Office ou-Operatme

Acting Deputy Chief FOIA Officer, Departmental Privacy Act Officer, and Office of Privacy and Open Government



UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer Assistant Secretary for Administration Washington, D.C. 20230

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MEMORANDUM FOR:	Lesley A. Field Deputy Administrator Office of Federal Procurement Policy Office of Manage <u>ment and Budget</u>
THROUGH:	Helen Hurcombe Senior Procurement Executive and Director for Acquisition Management
FROM:	Daniel Clever Deputy Director Office of Acquisition Management
SUBJECT:	FY 2008 DOC Competition Advocate Report

Attached for your information is the Department of Commerce Fiscal Year 2008 Competition Advocate Report. This report was prepared for the Senior Procurement Executive and Chief Acquisition Officer in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers and recommendations related to competition. In addition, the report addresses specific areas of interest as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In fiscal year 2008, the Department demonstrated this continued commitment by achieving competition on 78% of its available competition base dollars. The fiscal year 2008 competition achievement of 78% substantially exceeds the average competition percentage of 67% for large agencies.

Should you have any questions about the report, please contact Virna Evans at 202-482-3483, <u>Vevans@doc.gov</u>, or Helen Hurcombe at 202-482-4248, <u>Hhurcombe@doc.gov</u>.

Attachment



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2008

January 30, 2009

Executive Summary

This annual report is prepared by the Department of Commerce Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer in accordance with the Federal Acquisition Regulation (FAR) to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. Within the Department of Commerce, competition is the cornerstone of effective business strategies; therefore the use of competition is aggressively promoted. In Fiscal Year 2008, the Department demonstrated this continued commitment by competing 78% of available competition base dollars.

The Department's Senior Procurement Executive, under the leadership of the Chief Acquisition Officer, and with support from the Competition Advocate, works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the more effective approaches to challenging barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and review boards. In addition, the Procurement Executive serves as co-chair of the Chief Acquisition Officers Council Competition Working Group that facilitates agency collaboration on effective practices that promote competition.

The Deputy Director of the Office of Acquisition Management serves as the Department Competition Advocate and champions competition opportunities in support of the Department's mission and ensures that competition data is reported properly and on time to the Federal Procurement Data System. In addition, Bureau acquisition officials work closely with their program offices, their Small Business Representative, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small business. Tools such as the Federal Business Opportunities website for Sources Sought Notices/Requests for Information, e-Buy, and *GSA Advantage* are used to publicize requirements, evaluate pricing, and evaluate the market.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples as appropriate.

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I. Overview

Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and addresses questions intended to help assess competitive practices as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department's strategic goals are to provide the information and tools to maximize U.S. competitiveness and enable economic growth of American industries, workers and consumers, foster science and technological leadership by protecting intellectual property, enhance technical standards and advance measurement science, and observe, protect, and manage the Earth's resources to promote environmental stewardship.

The Department's Fiscal Year 2008 budget was approximately \$7.3 billion, and approximately one-third of the budget was expended by contract. Within the Department, the following operating units are authorized to operate contracting offices: National Oceanic and Atmospheric Administration, National Institute of Standards and Technology, Bureau of the Census, United States Patent and Trademark Office and the Office of the Secretary. Commerce's acquisition workforce consists of approximately 185 contracting personnel (GS-1102), 39 purchasing agents (GS-1105), and seven procurement clerks (GS-1106).

Within the Department of Commerce, the Deputy Director, Office of Acquisition Management is designated the Agency (or "Department") Competition Advocate. The Competition Advocate is primarily supported by systems, workforce, policy, performance assessment and risk management staff in the Office of Acquisition Management. In addition, each operating unit, with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the bureau level. A list of the Department's Competition Advocates is provided in Attachment C.

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II. Assessment of Competition Results and Trend Data

General Assessment

Based on a review of operating unit competition reports, policies and procedures, the Department generally uses competitive practices appropriately and effectively; however, opportunities for improvement exist. The Department's competitive achievements as reported to the Federal Procurement Data System over the past five years, demonstrate its strong commitment to promoting competition in its acquisition efforts and improving the environment that fosters competitive accomplishments. However, opportunities to improve competition exist by addressing barriers to competition, conducting proactive market research and acquisition planning, and training and education of the acquisition workforce. The Department will actively work to increase competition by addressing competition challenges in order to foster competitive best practices.

Trend Data

The Department's commitment to competition is demonstrated by significantly aboveaverage competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2008, the Department competed 78% of its available competition base dollars. Based on the Fiscal Year 2008 competition achievement, the Department ranks eighth among the 17 large agencies. Analysis and ranking data for 17 Federal agencies is provided in Attachment A. In addition, the Department has shown an upward rise in the percentage of contract dollars competed from Fiscal Years 2004 through 2007, but there was a 1% decrease in 2008. The Department's competitive achievement for 2004 through 2008 is shown in Attachment B.

Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Established closer partnerships with all stakeholders to emphasize their role in the acquisition process and the benefits of commercial items
- Reviewed program office spend plans early and identified requirements that could be met using commercial items
- Provided greater training opportunities for acquisition and program staff with emphasis on advanced acquisition planning and market research to aid program offices in determining if commercial items can meet their needs
- Emphasized market research in order to identify and determine the availability of products or services which satisfy requirements
- Required a market research checklist to be prepared in collaboration with the program office to document findings and determination
- Emphasized early acquisition planning which allows the needed market research to identify vendors who offer commercial items and provide for adequate competition

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Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources in FedBizOpps, taking advantage of multiple award schedules, and challenging restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Required market research documentation become part of the contract file
- Scrutinized sole source justifications to ensure they fully support the action
- Publicized open market procurements over \$25,000 in FedBizOpps to comply with FAR requirements and achieve maximum competition
- Required Department-level review boards to review the acquisition strategy of proposed major contracts and modifications and promote the use of competition
- Reviewed the competitive acquisition strategy beginning with the budget process and continuing throughout development and review of Exhibit 300s, acquisition planning, evaluation, and the award process
- Utilized a web-based database for self-registration of small businesses as a means of maximizing competition for supplies and services
- Utilized the internet to assist in market research, requirements definition, development of acquisition strategies, and preparation of acquisition plans

Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are encouraged and performed to the maximum extent practicable. The following actions are being taken to challenge requirements when the functions to be performed are not clearly stated:

- Establish closer partnerships with all customers to guide requirements generation and definition to ensure that requirements are stated in terms of functions to be performed, performance required or essential physical characteristics
- Provide training to acquisition and program office staff on writing effective statements of work
- Partner with customers to restructure requirements to support increased competition and expand the range of products and services available
- Actively promote the use of performance-based acquisitions through training
- Issue Requests for Information to obtain industry comment on draft requirements prior to releasing a solicitation

Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are few specific conditions that unnecessarily restrict the acquisition of commercial items or competition in contracts for the Department. With more education,

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effective market research, and advanced procurement planning, most restrictions to competition can be overcome.

- In the case of information technology infrastructure for legacy systems, competition may be restricted to assure information technology standards are maintained for compatibility across systems and system components, to maintain warranties, and to assure proper system maintenance and oversight
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition

Competition Advocate Activities

The Competition Advocate promotes the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate has taken the following actions to promote competition and the acquisition of commercial items:

- Briefed program directors and staff on the use of commercial items and the benefits of competition
- Provided training to acquisition and program staff on market research and writing statements of work
- Increased emphasis on improved acquisition planning and increased competition at all working levels
- Increased emphasis on market research

New Initiatives Required to Increase the Acquisition of Commercial Items

The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Implementation of an acquisition planning tool to institute a collaborative acquisition planning process between all agency stakeholders that will result in improved market research and planning, and increased acquisitions of commercial items
- Establishment of an Acquisition Management Advisory Council comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process

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New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Implementation of an acquisition planning tool to institute a collaborative acquisition planning process between all agency stakeholders that will result in improved market research and planning, and increased acquisitions of commercial items
- Establishment of an Acquisition Management Advisory Council at the Department, comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process

New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics

The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

- Encouraging acquisition and program staff to take training in developing effective statements of work and conducting performance-based acquisitions
- Encouraging program office members to partner with the acquisition staff in taking a project team approach to performance-based acquisition training

Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition

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Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implementing well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition
- Conducting in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition
- Conducting one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements



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Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Department-level review boards, including the Acquisition Review Board and the Commerce Information Technology Review Board, are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR. In addition, bureau level review boards are typically conducted for lower dollar requirements to ensure compliance.

Competitive Practices in the Placement of Orders under Task and Delivery Order Contracts

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

Activities Taken in Conjunction with the Office of Small and Disadvantaged Business Utilization (OSDBU) to Ensure Maximum Opportunities are Provided to Small Business

The Department works collaboratively with OSDBU to ensure maximum opportunities are provided to small businesses. Specific activities taken by the Department include the following:

- Requiring the review of market research results by the small business specialist and the OSDBU prior to release of FedBizOpps notices
- Providing in-house training to acquisition staff on small business program requirements aimed at effectively balancing the needs of socio-economic program goals and mission requirements
- Encouraging the use of small business capability demonstrations in an effort to match program requirements with products and services provided by small businesses
- Attending various small business conferences including the Service Disabled Veteran-owned Small Business Conference, the annual OSDBU Procurement

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Conference, and the Small Business Administration (SBA) Business Matchmaking Conference

- Conducting roundtable discussions with groups of small businesses to assist with their understanding of the Department's business and mission and promote awareness of upcoming procurement opportunities
- Conducting a Market Research Analysis Day for small businesses in the construction field
- Requiring OSDBU review of all requirements estimated to exceed \$100,000 to ensure small businesses receive maximum consideration
- Developing a small business opportunity webpage to help match small business capabilities and core competencies with Departmental needs and requirements
- Ensuring the active participation of the Director of OSDBU in acquisition review boards and councils to ensure requirements are reviewed for small business participation

III. Competition Challenges

Challenges

Several challenges to the competitive process were identified as a result of the analysis performed and feedback received from the bureaus. Specific challenges include the following:

- Inadequate (or inconsistent) advance procurement planning across the Department
- Delayed appropriations and associated budget implications which complicate acquisition planning
- Inadequate and/or narrowly-defined requirements





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Attachment A

Department Use of Competition¹

From Greatest Use to Least Use

FY 2008

Department ²	Competition Base ³ (in billions) 2008	Dollars Competed (in billions) 2008	Percentage Competed FY 2008	Percentage Competed FY 2007	Percentage Competed FY 2007 Ranking
1. ENERGY	\$24.08	\$21.90	90.9%	85%	1
2. USAID	\$2.59	\$2.28	87.9%	-	-
3. EDUCATION	\$1.28	\$1.07	83.7%	84%	2
4. LABOR	\$1.80	\$1.50	83.6%	84%	2
5. AGRICULTURE	\$4.68	\$3.87	82.8%	80%	5
6. TREASURY	\$4.26	\$3.52	82.6%	76%	6
7. TRANSPORTATION	\$3.85	\$3.16	82.5%	76%	6
8. COMMERCE	\$2.04	\$1.59	78.0%	79%	4
9. HEALTH AND HUMAN SERVICES	\$12.64	\$9.82	77.8%	75%	10
10. HOMELAND SECURITY	\$13.28	\$9.91	74.6%	70%	14
11. GENERAL SERVICES ADMINISTRATION	\$9.03	\$6.64	73.4%	72%	12
12. STATE	\$4.29	\$3.14	73.1%	68%	15
13. JUSTICE	\$4.04	\$2.74	69.2%	76%	6
14. INTERIOR	\$3.24	\$2.19	67.6%	72%	12
15. DEFENSE	\$391.68	\$252.35	64.4%	62%	16
16. NASA	\$15.03	\$7.71	51.3%	49%	17
17. VETERANS AFFAIRS	\$6.70	\$3.29	49.1%	39%	18
Total ⁵	\$504.51	\$336.68	66.73%	64%	

 Source: FPDS Standard Competition Report by Agency as of 1/23/09; FY 2007 Percentage Competed and Rankings are from OMB Memo 7/18/08, Effective Practices for Enhancing Competition

2. Listed agencies have competition base of \$1 billion or greater in FY 2008.

3. These figures include dollars obligated on actions that are not available for competition, such as awards made to a mandatory source—which GSA represent is a small portion of the total dollars obligated.

4. These figures include dollars obligated on actions coded as full and open competition (including those competed after exclusion of sources), competed under the Simplified Acquisition Threshold, and competitive orders.

5. Total includes expenditures by listed agencies only.

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Attachment B – DOC Standard Competition Report

Contracting Agency	Competition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not Competed (Dollars)	% Not Competed (Dollars)	Follow On to Competed Action (Dollars)	2008 % Follow On to Competed Action (Dollars)	Not Available for Competition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$779,706,599.30	\$572,841,620.40	73%	\$137,192,665.63	18%	\$22,635,437.57	3%	\$47,036,875.70	11,078	5,929	53%	4,428	40%	102	0.9207%	619
PTO	\$484,028,539.54	\$413,966,589.43	86%	\$45,692,786.82	9%	\$3,263,234.89	0.7%	\$21,105,928.40	1,346	952	71%	232	17%	14	1.0401%	148
Census	\$546,438,642.68	\$446,458,115.31	82%	\$62,743,954.32	11%	\$8,202,286.59	2%	\$29,034,286.46	1,395	798	57%	451	32%	35	2.5090%	III
NIST	\$185,528,089.73	\$118,616,545.89	64%	\$41,074,643.38	22%	\$197,619.67	0.1%	\$25,639,280.79	3,665	2,200	60%	1,113	30%	14	0.3820%	338
05	\$44,935,523.96	\$39,631,661.26	88%	\$2,594,647.29	6%	\$828,589.71	2%	\$1,880,625.70	326	211	65%	79	24%	10	3.0675%	26
Total	\$2,040,637,395.21	\$1,591,514,532.29	78%	\$289,298,697.44	14%	\$35,127,168.43	2%	\$124,696,997.05	17,810	10,090	57%	6,303	35%	175	0.9826%	1,242

							2007									
Contracting Agency	Competition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not Competed (Dollars)	% Not Competed (Dollars)	Follow On to Competed Action (Dollars)	% Follow On to Competed Action (Dollars)	Not Available for Competition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$847,687,167.75	\$635,326,304.02	75%	\$153,385,176.18	18%	\$3,544,101.07	0.4%	\$55,431,586.48	10,137	5,152	50.8237%	4,223	41.6593%	104	1.0259%	658
PTO	\$544,766,300.48	\$497,293,662.21	91%	\$19,479,750.45	4%	\$4,936,757.18	0.9%	\$23,056,130.64	1,522	1,217	79.9606%	201	13.2063%	8	0.5256%	96
Census	\$258,172,273.32	\$209,527,401.71	81%	\$36,142,000.24	14%	\$412,179.23	0.2%	\$12,090,692.14	815	474	58.1595%	245	30.0613%	12	1.4724%	84
NIST	\$161,001,343.82	\$90,790,347.82	56%	\$35,256,275.45	22%	\$759,522.80	0.5%	\$34,195,197.75	3,337	1,803	54.0306%	1,197	35.8705%	17	0.5094%	320
05	\$52,602,048.74	\$42,887,499.09	81%	\$4,037,801.43	8%	\$2,658,105.50	5%	\$3,018,642.72	389	269	69.1517%	94	24.1645%	13	3.3419%	13
DOC (1300)	\$262,879.24	\$195,386.54	74%	\$67,492.70	26%	\$0.00	0.0%	\$0.00	12	9	75.0000%	3	25.0000%	0	0.0000%	0
Total	\$1,864,492,013.35	\$1,476,020,601.39	79%	\$248,368,496.45	13%	\$12,310,665.78	0.7%	\$127,792,249.73	16,212	8,924	55.0456%	5,963	36.7814%	154	0.9499%	1,171

							2006 % Follow							Follow On	% Follow	
Contracting Agency	Competition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not Competed (Dollars)	% Not Competed (Dollars)	Follow On to Competed Action (Dollars)	On to Competed Action (Dollars)	Not Available for Competition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	to Competed Action (Actions)	On to Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$719,740,477.58	\$468,178,901.64	65%	\$181,072,178.84	25%	\$4,922,465.83	1%	\$65,566,931.27	10,762	5,798	54%	4,081	38%	166	2%	717
PTO	\$657,558,763.93	\$587,072,837.48	89%	\$26,280,066.84	4%	\$4,490,597.22	1%	\$39,715,262.39	1,671	1,327	79%	250	15%	8	0%	86
Census	\$157,314,302.25	\$124,072,402.41	79%	\$21,945,813.10	14%	\$136,552.47	0%	\$11,159,534.27	1,301	659	51%	452	35%	8	1%	182
NIST	\$161,365,890.37	\$80,244,552.17	50%	\$24,350,765.93	15%	\$1,548,035.99	1%	\$55,222,536.28	4,190	2,296	55%	1,464	35%	34	1%	396
20	\$132,887,131.45	\$124,876,859.51	94%	\$6,706,313.76	5%	\$16,260.00	0%	\$1,287,698.18	524	411	78%	99	19%	2	0%	12
DOC (1300)	\$36,129.00	\$36,129.00	100%						I	I	100%					
NTIS	\$238,102.00	\$238,102.00	100%						1	I.	100%					
ITA	\$38,840.00	\$38,840.00	100%						1	I.	100%					
Total	\$1,829,179,636.58	\$1,384,758,624.21	76%	\$260,355,138.47	14%	\$11,113,911.51	ا% Pag	\$172,951,962.39 e 12 of 14	18,451	10,494	57%	6,346	34%	218	۱%	1,393

							2005									
Contracting Agency	Competition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not Competed (Dollars)	% Not Competed (Dollars)	Follow On to Competed Action (Dollars)	% Follow On to Competed Action (Dollars)	Not Available for Competition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$752,071,804.84	\$492,897,423.56	66%	\$128,984,479.52	17%	\$4,606,561.41	1%	\$125,583,340.35	11,414	6,186	54%	4,410	39%	95	1%	723
PTO	\$471,091,602.93	\$404,594,019.20	86%	\$36,553,871.66	8%	\$183,342.00	0%	\$29,760,370.07	2,157	1,714	79%	350	16%	3	0%	90
Census	\$130,129,650.64	\$93,403,199.20	72%	\$26,915,614.23	21%	\$2,009,795.79	2%	\$7,801,041.42	1,929	1,280	66%	530	27%	5	0%	114
NIST	\$141,879,737.62	\$86,346,895.64	61%	\$19,276,862.52	14%	\$597,172.80	0%	\$35,658,806.66	4,752	2,388	50%	1,772	37%	23	0%	569
05	\$221,840,849.77	\$209,823,350.16	95%	\$10,303,978.47	5%	\$22,505.24	0%	\$1,691,015.90	673	462	69%	182	27%	2	0%	27
NTIS	\$236,952.40	\$230,262.40	97%	\$6,690.00	3%				2	I	50%	I.	50%			
Total	\$1,717,250,598.20	\$1,287,295,150.16	75%	\$222,041,496.40	13%	\$7,419,377.24	0%	\$200,494,574.40	20,927	12,031	57%	7,245	35%	128	1%	1,523

							2004									
Contracting Agency	Competition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not Competed (Dollars)	% Not Competed (Dollars)	Follow On to Competed Action (Dollars)	% Follow On to Competed Action (Dollars)	Not Available for Competition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$796,662,120.39	\$578,940,740.39	73%	\$166,765,821.14	21%	\$550,411.46	0%	\$50,405,147.40	13,330	8,653	65%	3,707	28%	9	0%	961
PTO	\$419,755,011.10	\$218,950,370.46	52%	\$185,512,917.82	44%			\$15,291,722.82	1,232	800	65%	372	30%			60
Census	\$197,118,424.52	\$126,461,663.51	64%	\$62,143,357.98	32%	\$1,170.00	0%	\$8,512,233.03	2,811	2,235	80%	462	16%	I.	0%	113
NIST	\$136,639,600.18	\$98,802,841.01	72%	\$24,031,024.98	18%			\$13,805,734.19	4,767	3,403	71%	1,241	26%			123
05	\$139,714,643.12	\$123,447,142.54	88%	\$15,028,888.05	11%			\$1,238,612.53	594	435	73%	136	23%			23
DOC	\$11,000.00	\$11,000.00	100%						1	1	100%					
NTIS	\$188.00			\$188.00	100%				1			I.	100%			
Total	\$1,689,900,987.31	\$1,146,613,757.91	68%	\$453,482,197.97	27%	\$551,581.46	0%	\$89,253,449.97	22,736	15,527	68%	5,919	26%	10	0%	1,280

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Attachment C

DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING (1/26/09)

Department Level	Competition Advocate	Title
Office of Acquisition Management (OAM) and Senior Procurement Executive	Daniel Clever	Deputy Director, OAM
Bureau Level	Competition Advocate	Title
OS	Daniel Clever	Deputy Director, OAM
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer
NIST	Robert Jimenez	Deputy Chief, Acquisition Management Division
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants
PTO	Michelle Picard	Deputy Chief Financial Officer (Acting)

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UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer and Assistant Secretary for Administration Washington, D.C. 20230

JAN 3 0 2010

MEMORANDUM FOR:	Lesley A. Field Deputy Administrator Office of Federal Procurement Policy Office of Management and Budget
THROUGH:	Helen Hurcombe Senior Procurement Executive and Director for Acquisition Management
FROM:	Daniel Clever Deputy Director Office of Acquisition Management
SUBJECT:	Competition Advocate Report for Fiscal Year 2009

Attached is the Department of Commerce Fiscal Year 2009 Competition Advocate Report. This report was prepared for the Senior Procurement Executive and Chief Acquisition Officer in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers and recommendations related to competition. In addition, the report addresses specific areas of interest as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In fiscal year 2009, the Department demonstrated this continued commitment by achieving competition on 78% of its available competition base dollars.

Should you have any questions about the report, please contact Virna Evans at 202.482.3483, <u>Vevans@doc.gov</u>, or Helen Hurcombe at 202.482.4248, <u>Hhurcombe@doc.gov</u>.

Attachment

cc: Scott Quehl



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2009

January 29, 2010

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2009

Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation.

In Fiscal Year 2009, the Department continued its commitment to promoting competition by competing 78% of available base dollars. The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the more effective approaches to challenging barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and acquisition review processes.

The Deputy Director of the Office of Acquisition Management serves as the Department Competition Advocate and champions competition opportunities in support of the Department's mission and ensures that competition data is reported accurately and timely to the Federal Procurement Data System. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small business.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

I. Overview

Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and addresses questions intended to help assess competitive practices as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department's strategic goals are to provide the information and tools to maximize U.S. competitiveness and enable economic growth of American industries, workers and consumers, foster science and technological leadership by protecting intellectual property, enhance technical standards and advance measurement science, and observe, protect, and manage the Earth's resources to promote environmental stewardship.

Historically, approximately one-third of the Department's budget has been expended through contract. Within the Department, the following operating units are authorized to operate contracting offices: National Oceanic and Atmospheric Administration, National Institute of Standards and Technology, Bureau of the Census, United States Patent and Trademark Office and the Office of the Secretary. Commerce's acquisition workforce consists of approximately 204 contracting personnel (GS-1102), 63 purchasing agents (GS-1105), and three procurement clerks (GS-1106).

The Deputy Director, Office of Acquisition Management is designated the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate is primarily supported by systems, workforce, policy, performance assessment and risk management staff in the Office of Acquisition Management. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

II. Assessment of Competition Results and Trend Data

General Assessment

Based on an analysis of competition practices, policies and procedures, the Department generally uses competitive practices appropriately and effectively; however, opportunities for improvement exist. The Department's competitive achievements as reported to the Federal Procurement Data System over the past five years, demonstrate a strong commitment to promoting competition in acquisition efforts and improving the environment that fosters competitive accomplishments. However, opportunities to improve competition exist by addressing barriers to competition, conducting proactive market research and acquisition planning, and training of the acquisition workforce. The Department will actively work to increase competition by addressing competition challenges in order to foster competitive best practices.

Trend Data

The Department's commitment to competition is demonstrated by significantly aboveaverage competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2009, the Department competed 78% of its available competition base dollars. The Department has continuously achieved great success in competition, competing over 75% of contract dollars from fiscal years 2005 through 2009. The Department's competitive achievement is shown in Attachment B.

Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Established more collaborative partnerships with stakeholders to emphasize their role in the acquisition process and the benefits of commercial items;
- Reviewed program office spend plans early and identified requirements that could be met using commercial items;
- Provided greater training opportunities for acquisition and program staff with emphasis on advanced acquisition planning and market research to aid program offices in determining if commercial items can meet their needs;
- Emphasized the use of market research in order to identify and determine the availability of commercial products or services which satisfy requirements;
- Required a market research checklist to be prepared in collaboration with the program office to document findings and determination;
- Emphasized early acquisition planning which allows the needed market research to identify vendors who offer commercial items and provide for adequate competition; and
- Promoted the use of tools such as the Federal Business Opportunities website for Sources Sought Notices/Requests for Information, e-Buy, and GSA Advantage to publicize requirements.

Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and challenging restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Required market research documentation become part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Publicized open market procurements over \$25,000 in FedBizOpps to comply with FAR requirements and achieve maximum competition;
- Required Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Reviewing the competitive acquisition strategy beginning with the budget process and continuing throughout development and review of Exhibit 300s, acquisition planning, evaluation, and the award process;
- Utilized a web-based database for self-registration of small businesses as a means of maximizing competition;
- Utilized the internet to assist in market research, requirements definition, development of acquisition strategies, and preparation of acquisition plans; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences; and
- Implemented guidance on increasing competition and reducing the use of highrisk contracts.

Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions are being taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all customers to guide requirements generation and definition to ensure that requirements are stated in terms of functions to be performed, performance required or essential physical characteristics;
- Provided training to acquisition and program office staff on writing effective performance work statements;
- Partnered with customers to restructure requirements to support increased competition and expand the range of products and services available;
- Actively promoted the use of performance-based acquisitions through training opportunities;

- Issued Requests for Information to obtain industry comment on draft requirements prior to releasing a solicitation; and
- Developed sample templates for performance work statements.

Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- In order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight, competition may be restricted in requirements for Information technology infrastructure for legacy systems;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment competition.

Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate has implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Increased emphasis on market research; and
- Partnered with stakeholders to maximize competition and the use of commercial items;

New Initiatives Required to Increase the Acquisition of Commercial Items

The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

 Implementation of acquisition planning policies and tool to institute a collaborative acquisition planning process between agency stakeholders which will result in improved market research and planning, and increased acquisitions of commercial items;

- Establishment of forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition;
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process; and
- Development of tools to assist acquisition and program offices in effectively conducing market research.

New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Implementation of acquisition planning policies and tools to institute a collaborative acquisition planning process between agency stakeholders that will result in improved market research and planning, and increased competition;
- Establishment of forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition;
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process; and
- Development of tools to assist acquisition and program offices in effectively conducing market research.

New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics

The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

- Encouraging acquisition and program staff to take training in developing effective performance work statements and conducting performance-based acquisitions; and
- Encouraging program office members to partner with the acquisition staff in taking a project team approach to performance-based acquisition training.

Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

 In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;

- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.

Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implemented well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition;
- Conducted in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
- Conducted one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements





Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

Competitive Practices in the Placement of Orders under Task and Delivery Order Contracts

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

Activities Taken in Conjunction with the Office of Small and Disadvantaged Business Utilization (OSDBU) to Ensure Maximum Opportunities are Provided to Small Business

The Department works collaboratively with the OSDBU to ensure maximum opportunities are provided to small business. Specific activities taken by the Department include:

- Requiring the review of market research results by the small business specialist and the OSDBU prior to release of FedBizOpps notices;
- Providing in-house training to acquisition staff on small business program requirements aimed at effectively balancing the needs of socio-economic program goals and mission requirements;
- Encouraging the use of small business capability demonstrations in an effort to match program requirements with products and services provided by small businesses;
- Attending various small business conferences including the Service Disabled Veteran-owned Small Business Conference, the annual OSDBU Procurement Conference, and the Small Business Administration (SBA) Business Matchmaking Conference;
- Conducting roundtable discussions with groups of small businesses to assist with their understanding of the Department's business and mission and promote awareness of upcoming procurement opportunities;

8

- Requiring OSDBU review of all requirements estimated to exceed \$100,000 to ensure small businesses receive maximum consideration;
- Developing a small business opportunity webpage to help match small business capabilities and core competencies with Departmental needs and requirements; and
- Ensuring the active participation of the Director of OSDBU in acquisition review boards and councils to ensure requirements are reviewed for small business participation;

III. Competition Challenges

Several challenges to the competitive process were identified as a result of the analysis performed and feedback received from the bureaus. Specific challenges include the following:

- Inadequate (or inconsistent) advance procurement planning across the Department;
- Delayed appropriations and associated budget implications which complicate acquisition planning; and
- Inadequate and/or narrowly-defined requirements.

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DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Title
Office of Acquisition Management (OAM)	Daniel Clever	Deputy Director, OAM
Operating Unit Level	Competition Advocate	Title
OS	Daniel Clever	Deputy Director, OAM
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer
NIST	Robert Jimenez	Deputy Chief, Acquisition Management Division
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants
PTO	Michelle Picard	Deputy Chief Financial Officer

ATTACHMENT B Standard Competition Report

										2009	_									
Contracting	Co	ompetition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not	Competed (Dollars)	% Not Competed (Dollars)		v On to Competed	% Follow On to Competed Action (Dollars)		ot Available for petition (Dollars)	Competition Base (Actions)	Compeled (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available Competition (Actions)
NOAA	5	903,485,010,44	\$ 691,845,379.86	77%	\$	151,415,555.07	17%	5	10,406,896.00	1%	\$	49,815,179.51	12,064	6,793	56%	4,517	37%	137	1%	617
PTO	\$	375.508.438.54	\$ 310,826,844,84	83%	\$	29,029,299,24	8%	5	3,882,716.92	1%	\$	31,769,577.54	1.334	966	72%	213	16%	27	2%	128
CENSUS	5	922,017,353,62	\$ 762,693,433.04	83%	5	91,758,682,71	10%	5	3,075,857.57	0%	\$	64,489,380.30	1,946	1,153	59%	558	29%	21	1%	214
NIST	\$	259.827.032.74	\$ 168,926,790.96	65%	\$	36,471,936,35	14%	\$	871,775.15	0%	\$	53,556,530,28	3,847	2,237	58%	1,250	32%	13	0%	347
OS	\$	34,674,880.53		65%	\$	6,961,836,24	20%	\$	1,689,072.76	5%	5	3,649,353.67	297	199	67%	79	27%	7	2%	12
Total	5	2,495,512,715.87	\$ 1,956,667,066.56	78%	5	315,637,309.61	13%	5	19,928,318.40	196	\$	203,280,021.30	19,488	11,348	58%	6,617	34%	205	1%	1,318

	_									2008	_									
Contracting	C	ompetition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not	Competed (Dollars)	% Not Competed (Dollars)		w On to Competed	% Follow On to Competed Action (Dollars)		ot Available for petition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available I Competition (Actions)
NOAA	\$	792,137,366.28	\$ 583,865,698,84	74%	\$	136,793,524.76	17%	.5	21,983,858.28	3%	\$	49,494,284,40	11,185	6,052	54%	4,438	40%	96	1%	599
PTO	\$	484,307,604.39	\$ 412,922,073,41	85%	\$	47,465,231.54	10%	\$	2,847,279.80	1%	5	21,073,019.64	1,346	944	70%	239	18%	11	1%	152
CENSUS	5	557,502,380,71	\$ 450,828,714,43	81%	5	64,501,540,75	12%	5	12.373,491.59	2%	5	29,798,633.94	1,410	806	57%	453	32%	36	3%	115
NIST	5	185,996,162,08	\$ 119,456,761,27	64%	\$	37,068,223.02	20%	5	197,619.67	0%	\$	29,273,558.12	3,671	2,207	60%	1,075	29%	14	0%	375
OS	\$	50,603,665.26	\$ 44,204,067.99	87%	\$	3,026,648.06	6%	\$	828,589.71	2%	\$	2,544,359.50	352	234	66%	81	23%	10	3%	27
Total	5	2,070,547,178.72	\$ 1,611,277,315.94	78%	\$	288,855,168.13	14%	\$	38,230,839.05	2%	5	132,183,855.60	17,964	10,243	57%	6,286	35%	167	196	1,268

Contracting Agency	C	(Dollars)	Competed (Dollars)	% Competed (Dollars)	Not C	Competed (Dollars)	% Not Competed (Dollars)		w On to Competed ction (Dollars)	% Follow On to Competed Action (Dollars)	Com	ot Available for petition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to I Competed Action (Actions)	Not Available for Competition (Actions)
NOAA	\$	809,795,582.88	\$ 606,123,685.72	75%	\$	147,169,582.74	18%	5	3,419,848.50	0%	\$	53,082,465.92	9,988	5,060	51%	4,182	42%	102	1%	644
PTO	5	544,515,380.55	\$ 497,108,346.68	91%	\$	19,762,185.08	496	\$	4,936,757.18	1%	\$	22,708,091.61	1,517	1,215	80%	203	13%	8	1%	81
Census	5	248,128,648.77	\$ 232,299,589.62	94%	5	9,761,764,35	4%	\$	75,429.91	0%	\$	5,991,864.89	699	442	63%	191	27%	9	1%	57
NIST	5	160,884,784,63	\$ 90.623,637.73	56%	5	35,306,426.35	22%	\$	759,522.80	0%	\$	34,195,197,75	3,330	1,795	54%	1,198	36%	17	1%	320
OS	5	52,609,074.04	\$ 42,942,674.39	82%	\$	3,989,651.43	8%	\$	2,658,105.50	5%	\$	3,018,642.72	368	249	68%	93	25%	13	4%	13
DOC (1300)	5	262,879.24	\$ 195,386.54	74%	\$	67,492.70	26%						12	9	75%	3	25%			
Total	\$	1,816,196,350.11	\$ 1,469,293,320.68	81%	5	216,057,102.65	12%	\$	11,849,663.89	1%	\$	118,996,262,89	15,914	8,770	55%	5,870	37%	149	1%	1,125

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Contracting Agency	C	ompetition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not	competed (Dollars)	% Not Competed (Doltars)		v On to Competed	% Follow On to Competed Action (Dollars)	N	ot Available for petition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	Not Competed (Actions)	Follow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available I Competition (Actions)
NOAA	5	719,740,477,58	\$ 468,178,901,64	65%	5	181,072,178.84	25%	5	4,922,465.83	196	5	65,566,931.27	10,762	5,798	54%	4,081	38%	166	2%	717
PTO	\$	657,558,763.93	\$ 587,072,837,48	89%	\$	26,280,068.84	496	5	4,490,597.22	1%	5	39,715,262.39	1,671	1,327	79%	250	15%	8	0%	86
Census	5	157,314,302,25	\$ 124,072,402,41	79%	\$	21,945,813.10	14%	\$	136,552.47	0%	\$	11,159,534.27	1,301	859	51%	452	35%	8	1%	182
NIST	\$	161.365.890.37	80.244.552.17	50%	\$	24,350,765.93	15%	\$	1,548,035.99	196	5	55,222,536,28	4,190	2,296	55%	1,464	35%	34	1%	396
OS	\$	132.887,131.45	\$ 124,876,859,51	94%	\$	6,706,313,76	596	\$	16,260.00	0%	\$	1,287,698.18	524	411	78%	99	19%	2	0%	12
DOC (1300)	5	36,129.00	36,129.00	100%									1	1	100%					
NTIS	s	238,102.00	\$ 238,102.00	100%									1	1	100%					
ITA	\$	38,840.00	38,840.00	100%									1	1	100%					
Total	\$	1,829,179,636.58	\$ 1,384,758,624.21	76%	5	260,355,138.47	1-8%	\$	11,113,911.51	196	5	172,951,962.39	18,451	10,494	57%	6,346	34%	218	1%	1,393

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Contracting	C	ompetition Base (Dollars)	Competed (Dollars)	% Competed (Dollars)	Not	Competed (Dollars)	% Not Competed (Dollars)		w On to Competed ction (Dollars)	% Follow On to Competed Action (Dollars)	N	ot Available for spetition (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed (Actions)	Not Competed (Actions)	% Not Competed (Actions)	Foliow On to Competed Action (Actions)	% Follow On to Competed Action (Actions)	Not Available f Competition (Actions)
NOAA	5	752,071,804.84	\$ 492,897,423.56	66%	\$	128,984,479.52	17%	5	4,606,561.41	1%	\$	125,583,340.35	11,414	6,186	54%	4,410	39%	95	1%	723
PTO	\$	471.091.602.93	\$ 404,594,019,20	86%	\$	36,553,871.66	B%	\$	183,342.00	0%	5	29,760,370.07	2,157	1,714	79%	350	16%	3	0%	90
Census	5	130,129,650.64	\$ 93,403,199.20	72%	5	26,915,614,23	21%	\$	2,009,795.79	2%	\$	7,801,041.42	1,929	1,280	66%	530	27%	5	0%	114
NIST	5	141,879,737.62	\$ 86,346,895.64	61%	\$	19,276,862.52	1496	\$	597,172.80	0%	5	35,658,806.66	4,752	2,388	50%	1,772	37%	23	0%	589
OS	\$	221,840,849.77	\$ 209,823,350.16	95%	5	10,303,978.47	5%	\$	22,505.24	0%	\$	1,691,015.90	673	462	69%	182	27%	2	0%	27
NTIS	5	238,952.40		97%	\$	6,690.00	3%						2	1	50%	1	50%			
Total	\$	1,717,250,598.20	\$ 1,287,295,150.16	75%	5	222,041,496.40	13%	5	7,419,377.24	0%	\$	200,494,574.40	20,927	12,031	57%	7,245	35%	128	1%	1,523

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U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2010

January 28, 2011

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2010

Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation.

In Fiscal Year 2010 the Department continued its commitment to promoting competition by competing 76% of available base dollars. The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the more effective approaches to challenging barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and acquisition review processes.

The Deputy Director of the Office of Acquisition Management serves as the Department Competition Advocate and champions competition opportunities in support of the Department's mission and ensures that competition data is reported accurately and timely to the Federal Procurement Data System. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small business.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

I. Overview

Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report.

Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department's strategic goals are to provide the information and tools to maximize U.S. competitiveness and enable economic growth of American industries, workers and consumers, foster science and technological leadership by protecting intellectual property, enhance technical standards and advance measurement science, and observe, protect, and manage the Earth's resources to promote environmental stewardship.

Historically, approximately one-third of the Department's budget has been expended through contract. Within the Department, the following operating units are authorized to operate contracting offices: National Oceanic and Atmospheric Administration, National Institute of Standards and Technology, Bureau of the Census, United States Patent and Trademark Office and the Office of the Secretary. Commerce's acquisition workforce consists of approximately 208 contracting personnel (GS-1102), 54 purchasing agents (GS-1105), and seven procurement clerks (GS-1106).

The Deputy Director, Office of Acquisition Management is designated the Agency (or "Department") Competition Advocate and is responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate is primarily supported by systems, workforce, policy, and risk management staff in the Office of Acquisition Management. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

II. Assessment of Competition Results and Trend Data

General Assessment

Based on an analysis of competition practices, policies and procedures, the Department generally uses competitive practices appropriately and effectively; however,
opportunities for improvement exist. The Department's competitive achievements as reported to the Federal Procurement Data System over the past five years, demonstrate a strong commitment to promoting competition in acquisition efforts and improving the environment that fosters competitive accomplishments. However, opportunities to improve competition exist by addressing barriers to competition, conducting proactive market research and acquisition planning, and training of the acquisition workforce. The Department will actively work to increase competition by addressing competition challenges in order to foster competitive best practices.

Trend Data

The Department's commitment to competition is demonstrated by significantly aboveaverage competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2010, the Department competed 75.9% of its available competition base dollars. The Department has continuously achieved great success in competition, competing over 75% of contract dollars from fiscal years 2006 through 2010. The Department's competitive achievement is shown in Attachment B.

III. Competition Activities, Initiatives and Barriers

Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate has implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Routinely participated on Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Increased emphasis on market research; and
- Partnered with stakeholders to maximize competition and the use of commercial items.

New Initiatives Required to Increase the Acquisition of Commercial Items

The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

 Implementation of acquisition planning policies and tool to institute a collaborative acquisition planning process between agency stakeholders which will result in improved market research and planning, and increased acquisitions of commercial items;

- Establishment of forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition;
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process;
- Implementation of the Forecasting and Advanced Acquisition Planning System (FAAPS) to review program office spend plans early and identify requirements that could be met using commercial items; and
- Development of tools to assist acquisition and program offices in effectively conducing market research.

New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Implementation of acquisition planning policies and tools to institute a collaborative acquisition planning process between agency stakeholders that will result in improved market research and planning, and increased competition;
- Establishment of forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition;
- Implementation of the Forecasting and Advanced Acquisition Planning System (FAAPS), used to identify Departmental acquisition requirements;
- Development of an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process;
- Development of tools to assist acquisition and program offices in effectively conducing market research; and
- Updated Departmental policies for higher-level review of single source procurements.

New Initiatives to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

- Encouraging acquisition and program staff to take training in developing effective performance work statements and conducting performance-based acquisitions;
- Encouraging program office members to partner with the acquisition staff in taking a project team approach to performance-based acquisition training; and
- Incorporating performance-based metrics and standards to the Department's Acquisition Process Guide.

Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.

Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implemented well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition;
- Conducted in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
- Conducted one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements

Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts. Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

IV. Competition Challenges and

Challenges

Several challenges to the competitive process were identified as a result of the analysis performed and feedback received from the bureaus. Specific challenges include the following:

- Inadequate (or inconsistent) advance procurement planning across the Department;
- Delayed appropriations and associated budget implications which complicate acquisition planning; and



Inadequate and/or narrowly-defined requirements.

DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Title
Office of Acquisition Management (OAM)	Daniel Clever	Deputy Director, OAM
Operating Unit Level	Competition Advocate	Title
OS	Daniel Clever	Deputy Director, OAM
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer
NIST	Cecelia V. Royster	Chief, Acquisition Management Division
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants
PTO	Michelle Ricard	Deputy Chief Financial Officer

ATTACHMENT B Standard Competition Report

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Contracting	0	ompetition Base	うちに		% Competed		,	% Not Competed	Competition	Competed	% Competed	Not Competed	% Not Competed
Agengy NOAA	S	(Doilars) 1,623,930,063.94		ompeted (Dollars) 1,203,284,882,25	(Dollars) 74%	Not C	301.013.767.82	(Dollars) 19%	Base (Actions)	(Actions) 9,064	(Actions)	(Actions) 5,793	(Actions) 37%
PTO	\$	1,312,105,083.82	\$	959,335,257.20	73%	\$	182,335,349.16	14%	3,139	1,545	49%	1,338	43%
Census NIST	5	430,651,269.13 505,085,366.14	\$	365,153,159.35 408,075,591.17	85% 81%	5	51,299,541.47 98,240,027.34	12%	1,611	1,042	85% 54%	516 2,168	32%
OS	5		\$	41,993,175.91	80%	5	9,468,781.42	18%	4.892 870	2,651 545	63%	215	25%
Total	5	3,924,567,254.83	\$	2,977,842,065.88	76%	5	642,357,467.21	16%	26,157	14,847	57%	10,030	38%
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Contracting	0	ompetition Base	-	ompeted (Dollars)	% Competed		and (Dollard)	% Not Competed (Dollars)	Competition Base (Actions)	Competed (Actions)	% Competed	Not Competed	Competed (Actions)
Agency NOAA	Santana S	(Dollars) 903,485,010.44	S	691,845,379.86	(Dollars) 77%	\$	ompeted (Dollars) 151,415,555.07	17%	12,064	6,793	56%	(Actions) 4,517	37%
PTO	5	375,508,438.54	\$	310,826,844.84	83%	\$	29,029,299.24	8%	1,334	966	72%	213	16%
CENSUS NIST	S S	922,017,353.62 259,827,032.74	5	762,693,433.04 168,926,790,96	83% 65%	5	91,758,682.71 36,471,936,35	10% 14%	1,946 3.847	1,153	59% 58%	558 1.250	29%
OS	5	259,827,032.74 34,674,880.53	S	22,374,617.86	85% 65%	\$ \$	36,471,938.35 6,961,836.24	14%	3,847 297	2,237	58% 87%	1,250	32%
Total	\$	2,495,512,715.87		1,956,687,086.56	78%	5	315,637,309.61	13%	19,488	11,348	58%	6,617	34%
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Contracting	c	ompetition Base	101		% Competed			% Not Competed	Competition	Competed	% Competed	Not Competed	% Not Competed
Agency	5	(Dollars) 792,137,366.28	S	583,665,698.84	(Dollars) 74%	Not C	ompeted (Dollars) 136,793,524,76	(Dollars) 17%	Base (Actions)	(Actions) 6.052	(Actions) 54%	(Actions)	(Actions)_ 40%
PTO	s	484,307,604.39	s	412,922,073.41	85%	s	47,465,231.54	10%	1,346	844	70%	239	18%
CENSUS	\$	557,502,380.71	S	450,828,714.43	81%	5	64,501,540.75	12%	1,410	806	57%	453	32%
NIST OS	s	185,996,162.08 50,603,665.26	5	119,456,761.27 44,204,087.99	64% 87%	\$	37,068,223.02 3,026,648.06	20% 6%	3,671 352	2,207 234	80% 86%	1,075	29% 23%
Total	s	2,070,547,178.72		1,611,277,315.94	78%] ŝ	268,855,168.13	14%	17,964	10,243	57%	6,286	35%
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Contracting	c	ompetition Base			% Competed		144.1	% Not Competed	Competition	Competed	% Competed	Not Competed	% Not Competed
Agency NOAA	5	(Dollars) 809,795,582.88	S	606,123,685.72	(Dollars) 75%	S Not C	ompeted (Dollars) 147,169,562.74	(Dollars)	Base (Actions) 9,988	(Actions) 5,060	(Actions) 51%	(Actions) 4,182	(Actions) 42%
PTO	\$	544,515,380.55	s	497,108,346.68	91%	\$	19,762,185.08	4%	1,517	1,215	80%	203	13%
Census	5	248,128,648.77	5	232,299,589.62	94%	5	9,761,764.35	4%	699	442	63%	191	27%
NIST	ŝ	160,884,784.63 52,609,074.04	S	90,623,637.73 42,942,674.39	58% 82%	5 5	35,306,426.35 3,989,651,43	22% 8%	3,330 368	1,795	54% 68%	1,198 93	36%
DOC (1300)	\$	262,879.24	\$	195,385.54	74%	s	67,492.70	28%	12	9	75%	3	25%
Total	\$	1,816,196,350.11	\$	1,469,293,320.68	81%	s	216,057,102.65	12%	15,914	8,770	55%	5,870	37%
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Contracting	C	ompetition Base	SI	station in the second state of the second	% Competed			%Not Competed	Competition	Competed	% Competed	Not Competed	Competed
Agency	State of	(Dollars)		mpeted (Dollars)	(Dollars)		ompeted (Dollars)	(Dollars)	Base (Actions)	(Actions)	(Actions)	(Actions)	(Actions)
NOAA PTO	\$ S	719,740,477.58 657,558,763.93	S	468,178,901.64 587,072,837.48	65% 89%	\$ \$	181,072,178.84 26,280,066.84	25% 4%	10,762 1,671	5,798 1,327	54% 79%	4,081	38% 15%
Census	\$	157,314,302.25	\$	124,072,402.41	79%	\$	21,945,813.10	470 14%	1,301	659	51%	452	35%
NIST	5	161,365,890.37	5	80,244,552.17	50%	\$	24,350,765.93	15%	4,190	2,296	55%	1,464	35%
OS	5		\$	124,876,859.51 36,129.00	94% 100%	\$	6,706,313.76	5%	524	411	78%	99	19%
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U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2011

February 14, 2012



U.S. DEPARTMENT OF COMMERCE COMPETITION REPORT FISCAL YEAR 2011

Executive Summary

This annual report is prepared by the Department of Commerce (DOC, Department) Bureau Procurement Officials for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation.

In Fiscal Year 2011, the Department continued its commitment to promoting competition by competing 71.1% of available base dollars. The Senior Procurement Executive (SPE) works with Senior Bureau Procurement Officials (BPOs) to ensure the Department maintains emphasis on competitive business practices. One of the more effective approaches in challenging barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and acquisition review processes.

The Director of Acquisition and Grants for the Office of Acquisition Management serves as the Department Competition Advocate and champions competition opportunities in support of the Department's mission and ensures that competition data is reported accurately and timely to the Federal Procurement Data System. In addition, operating unit acquisition officials work closely with their program offices, Small Business Specialists, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small business concerns.

This Competition Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

I. Overview

Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and addresses questions intended to help assess competitive practices as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department's strategic goals are to provide the information and tools to maximize U.S. competitiveness and enable economic growth of American industries, workers and consumers; foster science and technological leadership by protecting intellectual property; enhance technical standards and advance measurement science; and observe, protect, and manage the Earth's resources to promote environmental stewardship.

Historically, approximately one-third of the Department's budget has been expended through contract. Within the Department, the following operating units are authorized to operate contracting offices: National Oceanic and Atmospheric Administration (NOAA), National Institute of Standards and Technology (NIST), Bureau of the Census (Census), United States Patent and Trademark Office (USPTO) and the Office of the Secretary (OS). The Department's acquisition workforce consists of approximately 189 contracting personnel (GS-1102), 32 Purchasing Agents (GS-1105), 4 Procurement Clerks (GS-1106), 1,431Contracting Officer Representatives and 54 Program/Project Managers.

The Director of Acquisition and Grants Division is designated the Department Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate is primarily supported by systems, workforce, policy, performance assessment and risk management staff in the Office of Acquisition Management. In addition, each operating unit with authority to operate a contracting office has a designated Competition Advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

II. Assessment of Competition Results and Trend Data

General Assessment

Based on an analysis of competition practices, policies and procedures, the Department generally uses competitive practices appropriately and effectively; however, opportunities for improvement exist. The Department's competitive achievements as reported to the Federal Procurement Data System over the past six years, demonstrate a strong commitment to promoting competition in acquisition efforts and improving the environment that fosters competitive accomplishments. However, additional opportunities to improve competition can be achieved by addressing barriers to competition, conducting proactive market research and acquisition planning, and training of the acquisition workforce. The Department will actively work to increase competition by addressing competition challenges in order to foster competitive best practices.

Trend Data

The Department's commitment to competition is demonstrated by consistent aboveaverage competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2011, the Department competed 71.1% of its available competition base dollars. The Department's competitive achievement is shown in Attachment B.

Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Established more collaborative partnerships with stakeholders to emphasize their role in the acquisition process and the benefits of commercial items;
- Provided training opportunities for acquisition and program staff with emphasis on advanced acquisition planning and market research to aid program offices in determining if commercial items can meet their needs;
- Required Contracting Officers to review requirements with the intention to define the requirement as a commercial item;
- Required prime and subcontractors to incorporate commercial items into their supplied components;
- Utilized the use of the Forecasting and Advanced Acquisition Planning System (FAAPS) to review program office spend plans early and identify requirements that could be met using commercial items;
- Emphasized the use of market research in order to identify and determine the availability of commercial products or services which satisfy requirements;
- Emphasized early acquisition planning which allows the need for market research to identify vendors who offer commercial items and provide for adequate competition; and
- Promoted the use of tools such as the Federal Business Opportunities (FedBizOpps) website for Sources Sought Notices and Requests for Information (RFI) to publicize requirements.

Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and challenging restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Partnered with all stakeholders to recommend multiple qualified sources and encourage full and open competition to fulfill every customer requirement;
- Required market research documentation become part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required all requirements with a Justification for Other Than Full and Open Competition (JOFOC) to have a Source Sought Notice posted in FedBizOpps in order to enhance competition
- Required Small Business specialist to include a Source Sought Notice as part of the review package for all Sole Source requirements;
- Publicized open market procurements in FedBizOpps to comply with FAR requirements and achieve maximum competition;
- Required Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Reviewed the competitive acquisition strategy beginning with the budget process and continuing throughout development and review of Exhibit 300s, acquisition planning, evaluation, and the award process;
- Utilized a web-based database for self-registration of small businesses as a means of maximizing competition;
- Utilized the internet to assist in market research, requirements definition, development of acquisition strategies, and preparation of acquisition plans; and
- Increased communications and exchanges with industry, including issuing RFI's and holding pre-solicitation Industry Day events and pre-proposal conferences; and
- Implemented guidance on increasing competition and reducing the use of highrisk contracts.

Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions are being taken to challenge requirements when the functions to be performed are not clearly stated:

 Established more collaborative partnerships with all customers to guide requirements generation and definition to ensure that requirements are stated in terms of functions to be performed, performance required or essential physical characteristics;

- Partnered with customers to restructure requirements to support increased competition and expand the range of products and services available;
- Provided training to acquisition and program office staff on writing effective performance work statements;
- Actively promoted the use of performance-based acquisitions through training opportunities;
- Utilized FAAPS which afforded the acquisition staff access to upcoming requirements, allowing early discussion and planning to challenge requirements if needed at the beginning stages of the procurement;
- Issued Requests for Information to obtain industry comment on draft requirements prior to releasing a solicitation; and
- Utilized samples and templates for performance work statements, developing requirements and market research to clearly define requirements.

Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- In order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight, competition may be restricted in requirements for Information technology infrastructure for legacy systems;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment competition.

Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate has implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Reviewed contracting actions to ensure full and open competition of commercial items was being met;

- Attended Industry Days and business conferences centered around increasing competition
- Routinely participated on Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Increased emphasis on Market Research; Performance Work Statement (PWS) and Independent Government Cost Estimate (IGCE) as part of the procurement package and;
- Partnered with stakeholders to maximize competition and the use of commercial items.

New Initiatives Required to Increase the Acquisition of Commercial Items

The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Implementation of acquisition planning policies and tools to institute a collaborative acquisition planning process between agency stakeholders which will result in improved market research and planning, and increased acquisitions of commercial items;
- Required acquisitions over \$15,000 to be posted on FedBizOpps;
- Utilization of forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition;
- Addition of an ordering module to an interactive Acquisition Process Guide to aid acquisition and program staff in preparing for and understanding the acquisition process;
- Establishment of mentoring and training sessions focusing on acquisition planning, market research and ensuring adequate competition;
- Implementation of review boards to monitor and review all contract actions to ensure commercial items are being pursued to the maximum extent possible;
- Utilization of the FAAPS to identify Departmental acquisition requirements; and
- Continued development of tools to assist acquisition and program offices in effectively conducing market research.

New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Implementation of acquisition planning policies and tools to institute a collaborative acquisition planning process between agency stakeholders that will result in improved market research and planning, and increased competition;
- Lift bonding requirement for ship repair contracts to allow for a more competitive environment with ship repair procurements;
- Require a Sources Sought notice for all JOFOCs and Small Business reviews;

- Furthered development of forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition;
- Utilization of the FAAPS, to identify Departmental acquisition requirements;
- Development of an interactive Acquisition Process Guide in conjunction with mentoring and training programs to aid acquisition and program staff in preparing for and understanding the acquisition process;
- Development of tools to assist acquisition and program offices in effectively conducing market research; and
- Updated Departmental policies for higher-level review of single source procurements.

New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics

The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

- Encouraging acquisition and program staff to take training in developing effective performance work statements and conducting performance-based acquisitions;
- Encouraging program office members to partner with the acquisition staff in taking a project team approach to performance-based acquisition training;
- Adding ordering modules to the Department's Acquisition Process Guide to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics; and
- Incorporating performance-based metrics and standards to the Department's Acquisition Process Guide.

Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.

Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implemented well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition;
- Conducted in-house training of acquisition and program staff in various areas of acquisition including improved market research, performance-based contracting practices and competitive specifications for commercial items; and
- Conducted one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements
- Emphasized extensive market research meetings between contracting, legal, cost and technical program experts to thoroughly understand the requirements prior to creating draft solicitations





Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

Competitive Practices in the Placement of Orders under Task and Delivery Order Contracts

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

Activities Taken in Conjunction with the Office of Small and Disadvantaged Business Utilization (OSDBU) to Ensure Maximum Opportunities are Provided to Small Business

The Department works collaboratively with the OSDBU to ensure maximum opportunities are provided to small business. Specific activities taken by the Department include:

- Requiring the review of market research results by the small business specialist and the OSDBU prior to release of FedBizOpps notices;
- Providing in-house training to acquisition staff on small business program requirements aimed at effectively balancing the needs of socio-economic program goals and mission requirements;
- Encouraging the use of small business capability demonstrations in an effort to match program requirements with products and services provided by small businesses;
- Attending various small business conferences in FY11, including the OSDBU Conference, Veteran Owned Business Conference, Minority Business Development procurement workshop, Greenbelt Alliance Conference, Montgomery County Chamber of Commerce Industry Day, and Procurement Fair;

- Actively monitoring and enforcing the requirement for market research of all socio-economic possibilities to include disadvantaged, woman-owned, disabled veteran owned, HUBzone, 8(a), etc.;
- Conducting roundtable discussions with groups of small businesses to assist with their understanding of the Department's business and mission and promote awareness of upcoming procurement opportunities;
- Requiring OSDBU review of all requirements estimated to exceed \$100,000 to ensure small businesses receive maximum consideration;
- Developing a small business opportunity webpage to help match small business capabilities and core competencies with Departmental needs and requirements; and
- Ensuring the active participation of the Director of OSDBU in acquisition review boards and councils to ensure requirements are reviewed for small business participation.

III. Competition Challenges

Challenges

Several challenges to the competitive process were identified as a result of the analysis performed and feedback received from the bureaus. Specific challenges include the following:

- Inadequate (or inconsistent) advance procurement planning across the Department;
- The need for more experienced resources within the acquisition workforce;
- Ensuring acquisition specialists and Contracting and Program office officials are well trained and experienced to work on contract awards that utilize full and open competition and FAR pt. 12 – Acquisition of Commercial Items procedures;
- Requirements for technical or scientific equipment or services that call for compatibility with existing lab equipment which may limit competition or commercial items;
- Delayed appropriations and associated budget implications which complicate acquisition planning; and
- Inadequate and/or narrowly-defined requirements.





DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Title		
Office of Acquisition Management (OAM)	Virna Winters	Director, Acquisition and Grants Division		
Operating Unit Level	Competition Advocate	Title		
OS	Virna Winters	Director, Acquisition and Grants Division		
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer		
NIST	Cecelia V. Royster	Chief, Acquisition Management Division		
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants		
PTO	Michelle Picard	Deputy Chief Financial Officer		

Contracting Agency	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars	Not Competed Actions	% Not Competed Actions	Not Competed Dollars	% Not Competed Dollars	Extent Competed Null Actions	% Extent Competed Null Actions	Extent Competed Null Dollars	% Extent Competed Null Dollars
OFFICE OF THE SECRETARY (1301)	1,143	\$43,743,268.02	749	65.5293%	\$29,000,003.53	66.2959%	325	28.4339%	\$13,197,156.99	30.1696%	68	5.9493%	\$1,549,907.50	3.5432%
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (1341)	5,130	\$252,905,349.40	2.816	54.8928%	\$165,653,264,78	65.5001%	2.289	44.6199%	\$88.476.708.07	34.9841%	24	0.4678%	-\$1,212,513.76	-0.4794%
BUREAU OF THE CENSUS (1323)	2,092	\$393,920,857.13	1,206	57.6482%	\$254,143,297.36	64.5163%	816	39.0057%	\$123,226,308.52	31.2820%	67	3.2027%	\$16,464,409.65	4.1796%
PATENT AND TRADEMARK OFFICE (1344)	1,823	\$521,866,184.99	1,253	68.7329%	\$423,457,790.11	81.1430%	559	30.6637%	\$96,027,619.07	18.4008%	6	0.3291%	\$1,112,663.27	0.2132%
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (1330) Total	13,840 24,028	\$1,161,527,854.70 \$2,373,963,514.24	8,762	<u>63.3092%</u> 61.5365%	\$814,806,928.20 \$1,687,061,283,98	70.1496%	4,711	<u>34.0390%</u> 36.2078%	\$247,895,209.70 \$568,823,002.35	21.3422%	<u>349</u> 514	2.5217% 2.1392%	\$98,095,568.79 \$116,010,035.45	8.4454% 4.8868%



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2012

January 28, 2013

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2012

Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation.

In Fiscal Year 2012 the Department continued its commitment to promoting competition by competing 71.6% of available base dollars. The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and acquisition review processes.

The Director of the Acquisition Workforce and Policy Division, Office of Acquisition Management serves as the Department Competition Advocate and champions competition opportunities in support of the Department's mission and ensures that competition data is reported accurately and timely to the Federal Procurement Data System. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small business.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

I. Overview

Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and addresses questions intended to help assess competitive practices as articulated in the July 18, 2008, Office of Federal Procurement Policy memorandum entitled *Effective Practices for Enhancing Competition*.

Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The Department's strategic goals are to provide the information and tools critical to maximizing U.S. competitiveness and enable economic growth of American industries, workers and consumers, foster science and technological leadership by protecting intellectual property, enhance technical standards and advance measurement science, and observe, protect, and manage the Earth's resources to promote environmental stewardship.

Historically, approximately one-third of the Department's budget has been expended through contract. Within the Department, the following operating units are authorized to operate contracting offices: National Oceanic and Atmospheric Administration, National Institute of Standards and Technology, Bureau of the Census, United States Patent and Trademark Office and the Office of the Secretary. Commerce's acquisition workforce consists of approximately 215 contracting personnel (GS-1102), 41 purchasing agents (GS-1105), and 3 procurement clerks (GS-1106).

The Director of the Acquisition Workforce and Policy Division, Office of Acquisition Management is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate is primarily supported by systems, workforce, policy, performance assessment and risk management staff in the Office of Acquisition Management. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

II. Assessment of Competition Results and Trend Data

General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements as reported to the Federal Procurement Data System over the past five years, demonstrate a strong commitment to promoting competition in acquisition efforts and improving the environment that fosters competitive accomplishments. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can achieve greater competition efficiencies by conducting proactive market research, acquisition planning and training of the acquisition workforce.

Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2012, the Department competed 71.6% of its available competition base dollars; this reflects an increase of .1% from Fiscal Year 2011. The Department has continuously achieved great success in competition, competing over 65% of contract dollars from fiscal years 2008 through 2012. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.1.



Figure 1: DOC % Competed Dollars FY08-FY12

Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items; and
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences.

Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and challenging restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Required market research documentation become part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Publicized open market procurements over \$25,000 in FedBizOpps to comply with FAR requirements and achieve maximum competition;
- Required Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Reviewed the competitive acquisition strategy beginning with the budget process and continuing throughout development and review of Exhibit 300s, acquisition planning, evaluation, and the award process;
- Utilized a web-based database for self-registration of small businesses as a means of maximizing competition;
- Utilized the internet to assist in market research, requirements definition, development of acquisition strategies, and preparation of acquisition plans; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences; and
- Implemented guidance on increasing competition and reducing the use of highrisk contracts.

Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions are being taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided training to acquisition and program office staff on writing effective performance work statements; and
- Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.

Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for Information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment competition.

Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Competition Advocate has implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders, hosted an Industry Day to increase emphasis on market research and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Routinely participated in Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition; and
- Increased emphasis on improved acquisition planning and increased competition at all working levels.

New Initiatives Required to Increase the Acquisition of Commercial Items

The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Implement acquisition planning policies and tools to institute a collaborative acquisition planning process;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition;
- Provide training to ensure effective and complete market research; and
- Implement the Forecasting and Advanced Acquisition Planning System (FAAPS) to identify Departmental acquisition requirements.

New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Maximize the usage of NASA SEWP, GSA eBuy and FEDBID to facilitate competition;
- Implement the Forecasting and Advanced Acquisition Planning System (FAAPS), used to identify Departmental acquisition requirements; and
- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition.

New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics

The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

- Develop bureau training and certification programs for the acquisition workforce to ensure that the workforce continues to develop and receive the proper training necessary to perform their duties;
- Develop a process improvement team tasked with learning and developing six sigma techniques for the purchase request process with a special emphasis on competition and market research; and
- Encourage program office members to partner with the acquisition staff in taking a project team approach to performance-based acquisition training.

Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.

Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implementing well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition;
- Conducting in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
- Organizing one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements.





Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

Competitive Practices in the Placement of Orders under Task and Delivery Order Contracts

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

Activities Taken in Conjunction with the Office of Small and Disadvantaged Business Utilization (OSDBU) to Ensure Maximum Opportunities are Provided to Small Business

The Department works collaboratively with the OSDBU to ensure maximum opportunities are provided to small business. Specific activities taken by the Department include:

- Requiring the review of market research results by the small business specialist and the OSDBU prior to release of FedBizOpps notices;
- Providing in-house training to acquisition staff on small business program requirements aimed at effectively balancing the needs of socio-economic program goals and mission requirements;
- Encouraging the use of small business capability demonstrations in an effort to match program requirements with products and services provided by small businesses;
- Attending various small business conferences including the Service Disabled Veteran-owned Small Business Conference, the annual OSDBU Procurement Conference, and the Small Business Administration (SBA) Business Matchmaking Conference;
- Conducting roundtable discussions with groups of small businesses to assist with their understanding of the Department's business and mission and promote awareness of upcoming procurement opportunities;
- Requiring OSDBU review of all requirements estimated to exceed \$100,000 to ensure small businesses receive maximum consideration; and

Ensuring the active participation of the Director of OSDBU in acquisition review boards and councils to ensure requirements are reviewed for small business participation.

III. Competition Challenges

Challenges

Several challenges to the competitive process were identified as a result of the analysis performed and feedback received from the bureaus. Specific challenges include the following:

- Inadequate (or inconsistent) advance procurement planning across the Department;
- Delayed appropriations and associated budget implications which complicate acquisition planning; and
- Inadequate and/or narrowly-defined requirements.

DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Title			
Office of Acquisition Management (OAM)	Virna Winters	Director, Acquisition Workforce and Policy Division, OAM			
Operating Unit Level	Competition Advocate	Title			
OS	Virna Winters	Director, Acquisition Workforce and Policy Division, OAM			
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer			
NIST	Cecelia V. Royster	Chief, Acquisition Management Division			
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants			
PTO	Michelle Picard	Deputy Chief Financial Officer			

Attachment B – Department of Commerce Five-Year Competition Report

Agency	Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
OS	2008	919	\$81,547,167	400	43.5%	\$31,515,309	38.6%
NIST	2008	4,154	\$232,891,229	2,569	61.8%	\$136,044,864	58.4%
PTO	2008	1,762	\$488,697,608	1,235	70.1%	\$410,997,178	84.1%
CENSUS	2008	2,237	\$691,134,361	940	42.0%	\$476,549,759	69.0%
NOAA	2008	14,958	\$991,267,527	7,593	50.8%	\$589,046,370	59.4%
Total	2008	24,030	\$2,485,537,892	12,737	53.0%	\$1,644,153,480	66.1%

Agency	Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
OS	2009	769	\$63,375,710	364	47.3%	\$26,987,650	42.6%
NIST	2009	4,418	\$285,558,917	2,644	59.8%	\$175,936,281	61.6%
PTO	2009	1,742	\$384,046,550	1,231	70.7%	\$310,412,298	80.8%
NOAA	2009	15,926	\$1,157,114,665	8,480	53.2%	\$716,538,439	61.9%
CENSUS	2009	3,311	\$1,320,366,347	1,381	41.7%	\$865,768,621	65.6%
Total	2009	26,166	\$3,210,462,189	14,100	53.9%	\$2,095,643,288	65.3%

Agency	Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
OS	2010	878	\$53,958,115	559	63.7%	\$43,768,306	81.1%
PTO	2010	1,611	\$430,651,159	1,033	64.1%	\$363,517,841	84.4%
NIST	2010	4,896	\$505,337,760	2,657	54.3%	\$408,379,611	80.8%
CENSUS	2010	3,222	\$1,333,030,582	1,612	50.0%	\$1,042,610,312	78.2%
NOAA	2010	15,811	\$1,624,497,781	9,224	58.3%	\$1,204,761,397	74.2%
Total	2010	26,418	\$3,947,475,397	15,085	57.1%	\$3,063,037,467	77.6%

Agency	Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
OS	2011	1,158	\$43,905,971	759	65.5%	\$29,030,194	66.1%
NIST	2011	5,137	\$253,448,909	2,818	54.9%	\$165,662,815	65.4%
CENSUS	2011	2,108	\$384,225,409	1,225	58.1%	\$255,624,183	66.5%
PTO	2011	1,824	\$522,170,949	1,254	68.8%	\$423,883,154	81.2%
NOAA	2011	13,944	\$1,166,275,175	8,827	63.3%	\$819,609,663	70.3%
Total	2011	24,171	\$2,370,026,413	14,883	61.6%	\$1,693,810,007	71.5%

Agency	Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
OS	2012	1,013	\$60,739,529	748	73.8%	\$42,781,776	70.4%
NIST	2012	5,686	\$243,199,734	3,416	60.1%	\$155,090,030	63.8%
CENSUS	2012	1,913	\$248,737,665	1,137	59.4%	\$138,930,794	55.9%
PTO	2012	2,495	\$587,930,219	1,688	67.7%	\$480,964,273	81.8%
NOAA	2012	13,535	\$1,203,371,573	8,902	65.8%	\$861,231,565	71.6%
Total	2012	24,642	\$2,343,978,719	15,891	64.5%	\$1,678,998,438	71.6%

Attachment C: Government-wide Use of Competition 2012

Rank	Department	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
1	HUD	3,433	\$1,409,424,575	1,710	49.8%	\$1,276,689,024	90.6%
2	OPM	6,670	\$1,485,251,071	5,280	79.2%	\$1,340,813,877	90.3%
3	ENERGY	13,659	\$25,118,502,753	8,737	64.0%	\$22,599,675,647	90.0%
4	AGRICULTURE	70,578	\$5,111,196,525	51,269	72.6%	\$4,349,958,039	85.1%
5	EDUCATION	3,218	\$2,051,164,885	2,104	65.4%	\$1,745,251,201	85.1%
6	TRANSPORTATI ON	20,104	\$5,998,568,098	14,282	71.0%	\$5,033,387,892	83.9%
7	TREASURY	32,776	\$5,868,981,402	17,409	53.1%	\$4,920,000,749	83.8%
8	EPA	22,707	\$1,499,940,385	14,682	64.7%	\$1,180,932,507	78.7%
9	HHS	86,489	\$19,098,229,017	52,891	61.2%	\$15,015,598,603	78.6%
10	LABOR, DEPARTMENT	9,329	\$2,011,467,584	5,435	58.3%	\$1,572,250,162	78.2%
11	VETERANS AFFAIRS	1,900,052	\$17,108,120,998	1,763,821	92.8%	\$13,244,390,727	77.4%
12	STATE	83,040	\$8,143,883,339	59,800	72.0%	\$6,277,144,582	77.1%
13	INTERIOR	84,276	\$4,153,760,962	57,092	67.7%	\$3,159,061,948	76.1%
14	HOMELAND SECURITY,	88,117	\$12,396,781,567	59,614	67.7%	\$9,020,033,458	72.8%
15	COMMERCE	24,642	\$2,343,978,719	15,891	64.5%	\$1,678,998,438	71.6%

From Greatest Use to Least Use

1. Source: FPDS Standard Competition Report as of 1/10/13

2. Listed Agencies have total competed dollars one billion or greater



FEB 2 7 2014

MEMORANDUM FOR:	Ellen Herbst Chief Acqui <u>sition Officer</u> Barry E. Berkowitz
	Senior Procurement Executive
FROM:	Tammy Journet
SUBJECT:	Competition Advocate Report for Fiscal Year 2013

Attached is the Department of Commerce Fiscal Year 2013 Competition Advocate Report. This report is prepared in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers, and recommendations related to competition.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In Fiscal Year 2013, the Department demonstrated a continued commitment by achieving competition on 77% of its available competition base dollars.

Should you have any questions regarding the report, please contact me at 202-482-4511 or tjournet@doc.gov.

Attachment



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2013

February 12, 2014
U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2013

I. Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. The Deputy Senior Procurement Executive serves as the Department's Competition Advocate and champions competition opportunities in support of the Department's mission.

Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation. In Fiscal Year 2013 the Department continued its commitment to promoting competition by competing 77% of available base dollars. The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and in acquisition review processes. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small businesses.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

II. Overview

A. Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and helps assess the Department's competitive practices.

B. Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness,

and stewardship. The Department's strategic goals are to: (1) Expand the U.S economy; (2) Foster innovative; (3) Promote environmental stewardship; (4) Support a data-enabled economy; and (5) Deliver better services, solutions, and outcomes.

The Deputy Senior Procurement Executive is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

III. Assessment of Competition Results and Trend Data

A. General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements over the past five years, as reported to the Federal Procurement Data System, demonstrate a strong commitment to promoting competition in acquisition efforts and improving the environment that fosters competitive accomplishments. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can achieve greater competition efficiencies by conducting proactive market research, acquisition planning and training of the acquisition workforce.

B. Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2013, the Department competed 77% of its available competition base dollars. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.



Figure 1: DOC % Competed Dollars FY09-FY13

Source: FPDS Standard Competition Report By Agency as of 2/9/14

C. Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items;
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences; and
- Increased the use of the FedBid reverse auctioning tool.

D. Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and challenging restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Required market research documentation as part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required bureau-level and Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Reviewed the competitive acquisition strategy beginning with the budget process and continuing throughout development and review of Exhibit 300s, acquisition planning, evaluation, and the award process;
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences; and
- Increased the use of the FedBid reverse auctioning tool.

E. Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions have been taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided training to acquisition and program office staff on writing effective performance work statements; and

 Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.

F. Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment.

IV. Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Department's Competition Advocates have implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders and hosted an Industry Day to increase emphasis on market research and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Participated in acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels; and
- Established goal and tracked and measured performance on a monthly basis through the Department's Acquisition Council.

V. New Initiatives Required

A. New Initiatives Required to Increase the Acquisition of Commercial Items The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Improve acquisition planning policies and tools to institute a collaborative acquisition planning process;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition;
- Provide training to ensure effective and complete market research; and
- Continue to increase use of the FedBid reverse auctioning tool.

B. New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition; and
- Promote a new culture of contracting officers and contracting specialists challenging the use of sole source requirements in an effort to maximize competition.
- C. New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:
 - Encourage partnership between program office and acquisition staff in order to take a project team approach to performance-based acquisition training.

VI. Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and

 Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.

VII. Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research

The Department has continued to emphasize the acquisition of commercial items and competition by:

- Implementing well-defined programs governing the selection, training, certification and appointment of contracting officers, contracting officer representatives, and program/project managers which emphasize the acquisition of commercial items and competition;
- Conducting in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
- Organizing one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements.

VIII. Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

IX. Challenges

Challenges to the competitive process identified as a result of the analysis performed and feedback received from the bureaus include:

 Delayed appropriations and associated budget implications which complicate acquisition planning.



DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level Competition Advocate		Position		
Office of Acquisition Management (OAM)	Tammy Journet	Deputy Procurement Executive		
Operating Unit Level	Competition Advocate	Position		
OS	Tammy Journet	Deputy Procurement Executive		
CENSUS	Theodore A. Johnson	Associate Director for Administration and Chief Financial Officer		
NIST	Cecelia V. Royster	Chief, Acquisition Management Division		
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants		
PTO	Michelle Picard	Deputy Chief Financial Officer		



Attachment B – Department of Commerce Competition Trends

Source: FPDS Standard Competition Report by Agency as of 2/9/14

	2009	2010	2011	2012	2013
Census	66%	78%	67%	57%	67%
NIST	62%	81%	65%	64%	73%
NOAA	64%	75%	71%	72%	79%
OS	44%	83%	70%	74%	67%
PTO	81%	85%	81%	82%	81%



UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer and Assistant Secretary for Administration Washington, D.C. 20230

FEB 2 5 2015

MEMORANDUM FOR:Ellen Herbst
Senior Advisor to the Deputy Secretary
performing the non-exclusive duties of the Chief Financial
Officer
and Assistant Secretary for AdministrationBarry E. Berkowitz
Senior Procurement ExecutiveFROM:Tammy Journet
Competition AdvocateSUBJECT:Competition Advocate Report for Fiscal Year 2014

Attached is the Department of Commerce Fiscal Year 2014 Competition Advocate Report. This report is prepared in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers, and recommendations related to competition.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In Fiscal Year 2014, the Department demonstrated a continued commitment by achieving competition on 77% of its available competition base dollars.

Should you have any questions regarding the report, please contact me at 202-482-4511 or tjournet@doc.gov.

Attachment



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2014

February, 2015

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2014

I. Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. The Deputy Senior Procurement Executive serves as the Department's Competition Advocate and champions competition opportunities in support of the Department's mission.

Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation. In Fiscal Year 2014 the Department continued its commitment to promoting competition by competing 77% of available base dollars. The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and in acquisition review processes. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small businesses.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

II. Overview

A. Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and helps assess the Department's competitive practices.

B. Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

The Deputy Senior Procurement Executive is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

III. Assessment of Competition Results and Trend Data

A. General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements over the past six years, as reported to the Federal Procurement Data System, demonstrate a strong commitment to promoting competition. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can further achieve greater competition efficiencies by conducting proactive market research, acquisition planning and training of the acquisition workforce.

B. Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System. In Fiscal Year 2014, the Department competed 77% of its available competition base dollars. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.



Figure 1: DOC % Competed Dollars FY11-FY14

Source: FPDS Standard Competition Report By Agency as of 2/9/15

C. Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items; and
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences.

D. Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and minimizing restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Utilize market research exchanges or meetings between the acquisition office and the program offices;
- Required market research documentation as part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required bureau-level and Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences.

E. Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions have been taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided training to acquisition and program office staff on writing effective performance work statements; and
- Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.

F. Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment.

IV. Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Department's Competition Advocates have implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders and hosted an Industry Day to increase emphasis on market research and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Participated in acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Reviewed Justifications for Other than Full and Open Competition; and
- Established goals and tracked performance on a monthly basis through the Department's Acquisition Council.

V. New Initiatives Required

A. New Initiatives Required to Increase the Acquisition of Commercial Items The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Improve acquisition planning policies and tools to institute a collaborative acquisition planning process;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition; and
- Provide training to ensure effective and complete market research.

B. New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition; and
- Promote a new culture of contracting officers and contracting specialists challenging the use of sole source requirements in an effort to maximize competition.

C. New Initiative to Ensure Requirements are Stated in Terms of Functions to

be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

 Encourage partnership between program office and acquisition staff in order to take a project team approach to performance-based acquisition training.

VI. Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and

- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.
- VII. Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research The Department has continued to emphasize the acquisition of commercial items and competition by:
 - Conducting in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
 - Organizing one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements; and
 - Bureaus have started to adopted small business and competition goals in the performance plans of Operating Unit Directors.

VIII. Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

IX. Challenges

Challenges to the competitive process identified as a result of the analysis performed and feedback received from the bureaus include:

- Delayed appropriations and associated budget implications which complicate acquisition planning;
- The need for more experienced resources within the acquisition workforce.



DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Position		
Office of Acquisition Management (OAM)	Tammy Journet	Deputy Senior Procurement Executive		
Operating Unit Level	Competition Advocate	Position		
OS	Tammy Journet	Deputy Procurement Executive		
CENSUS	Dijon Ferdinand	Chief, Acquisition Systems and Policy Branch		
NIST	Cecelia V. Royster	Chief, Acquisition Management Division		
NOAA	Mitchell Ross	Director, NOAA Acquisition and Grants		
PTO	Michelle Picard	Deputy Chief Financial Officer		

Attachment B



Attachment B – Department of Commerce Competition Trends

% Competed Dollars FY2009-14 By Bureau

22009 **2**2010 **2**2011 **2**2012 **2**2013 **2**2014

Bureau	2009	2010	2011	2012	2013	2014
Census	66%	78%	67%	57%	67%	63%
NIST	62%	81%	65%	64%	73%	73%
NOAA	64%	75%	71%	72%	79%	80%
OS	44%	83%	70%	74%	67%	70%
РТО	81%	85%	81%	82%	81%	79%

Source: FPDS Standard Competition Report by Agency as of 2/9/15



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2015

February 12, 2016

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2015

I. Executive Summary

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Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation. In Fiscal Year 2015 the Department continued its commitment to promoting competition by competing 72% of available base dollars. While this is a significant achievement, the Department notes a 5% decline in competition from Fiscal Year 2014. This decline is driven by the US Patent and Trademark Office's (PTO) award of a sole source bridge contract for Patent Data Capture. PTO's sole source bridge contract was necessary to conduct research to determine if the current patent data capture contract could be divided into multiple contracts in order to foster competition, innovation, and support socio-economic goals. These sole source awards decreased PTO's competition rate by 14% from Fiscal Year 2014 and are expected to continue to adversely affect its rate through Fiscal Year 2017, when a competitive solution can be awarded. While there has been an overall decrease in competition form Fiscal Year 2015, three of the five operating units increased competition from Fiscal Year 2014.

The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and in acquisition review processes. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small businesses.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

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A. Introduction

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B. Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

The Deputy Senior Procurement Executive is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

III. Assessment of Competition Results and Trend Data

A. General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements over the past five years, as reported to the Federal Procurement Data System – Next Generation, demonstrate a strong commitment to promoting competition. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can further achieve greater competition efficiencies by conducting proactive market research, acquisition planning and training of the acquisition workforce.

B. Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System – Next Generation. In Fiscal Year 2015, the Department competed 72% of its available competition base dollars; this reflects a decrease of 5% from Fiscal Year 2014. This decline is driven by PTO's award of a sole source bridge contract for patent data capture. While there is a noted decline in competition, it is important to note that three of the five operating units increased competition



Figure 1: DOC % Competed Dollars FY11-FY15 Source: FPDS-NG Standard Competition Report By Agency As of February 9, 2016

from FY 2014. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.

C. Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items; and
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences.

D. Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and minimizing restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Utilize market research exchanges or meetings between the acquisition office and the program offices;
- Required market research documentation as part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required bureau-level and Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences.

E. Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions have been taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided training to acquisition and program office staff on writing effective performance work statements; and
- Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.

F. Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground system and super computers;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment.

IV. Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Department's Competition Advocates have implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders and hosted an Industry Day to increase emphasis on market research and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and writing performance work statements;
- Participated in acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Reviewed Justifications for Other than Full and Open Competition; and
- Established goals and tracked performance on a monthly basis through the Department's Acquisition Council.

V. New Initiatives Required

A. New Initiatives Required to Increase the Acquisition of Commercial Items The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Improve acquisition planning policies and tools to institute a collaborative acquisition planning process;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition; and
- Provide training to ensure effective and complete market research.

B. New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition; and
- Promote a new culture of contracting officers and contracting specialists challenging the use of sole source requirements in an effort to maximize competition.

C. New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

 Encourage partnership between program office and acquisition staff in order to take a project team approach to performance-based acquisition training.

VI. Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and

- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.
- VII. Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research The Department has continued to emphasize the acquisition of commercial items and competition by:
 - Conducting in-house training of acquisition and program staff in various areas of acquisition including commercial items and competition; and
 - Organizing one-on-one training sessions for contracting officers and contracting officer representatives to reinforce the value of obtaining commercial items and competition in order to satisfy agency requirements; and
 - Bureaus have adopted small business and competition goals in the performance plans of Operating Unit Directors.
- VIII. Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

IX. Challenges

Challenges to the competitive process identified as a result of the analysis performed and feedback received from the bureaus include:

- Delayed appropriations and associated budget implications which complicate acquisition planning;
- The need for more experienced program `and contracting resources within the acquisition workforce.

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DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Position	
Office of Acquisition Management (OAM)	Tammy Journet	Deputy Senior Procurement Executive	
Operating Unit Level	Competition Advocate	Position	
CENSUS	Leslie Andrecs	Deputy Director, Acquisition Division	
NIST	Cecelia Royster	Senior Bureau Procurement Official	
ΝΟΑΑ	Mitchell Ross	Senior Bureau Procurement Official	
OS	LaVonne Jinks-Umstead	Senior Bureau Procurement Official	
РТО	Frank Murphy	Deputy Chief Financial Officer	

Attachment B – Department of Commerce Competition Trends



% Competed Dollars FY2011-15 By Bureau

Bureau	2011	2012	2013	2014	2015
CENSUS	67%	57%	67%	63%	71%
NIST	65%	64%	73%	73%	74%
NOAA	71%	72%	79%	80%	84%
OS	70%	74%	67%	70%	69%
РТО	81%	82%	81%	79%	55%

Source: FPDS-NG Standard Competition Report by Agency As of February 9, 2016

Attachment C

Attachment C – Government-wide Use of Competition FY 2015 From Greatest Use to Least Use

Rank	Department	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
1	DEPARTMENT OF EDUCATION	3,384	\$2,668,608,722.36	2,591	76.57%	\$2,297,464,762.26	86.09%
2	ENVIRONMENTAL PROTECTION AGENCY	16,356	\$1,395,430,463.64	12,651	77.35%	\$1,164,087,025.64	83.42%
3	OFFICE OF PERSONNEL MANAGEMENT	2,875	\$926,234,826.96	1,943	67.58%	\$760,246,074.26	82.08%
4	DEPARTMENT OF INTERIOR	69,962	\$4,149,894,119.06	50,454	72.12%	\$3,252,764,858.15	78.38%
5	NUCLEAR REGULATORY COMMISSION	2,338	\$222,292,743.58	1,339	57.27%	\$173,696,141.86	78.14%
6	SMALL BUSINESS ADMINISTRATION	1,178	\$107,700,832.58	783	66.47%	\$78,174,795.40	72.59%
7	DEPARTMENT OF COMMERCE	25,930	\$3,153,956,849.43	17,492	67.46%	\$2,277,131,732.73	72.20%
8	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	3,404	\$1,171,252,320.59	1,744	51.23%	\$744,557,894.09	63.57%
9	DEPARTMENT OF LABOR	6,923	\$1,966,693,494.94	4,177	60.34%	\$1,233,782,997.73	62.73%
10	SOCIAL SECURITY ADMINISTRATION	13,590	\$1,638,493,367.41	7,319	53.86%	\$952,837,433.80	58.15%

Source: FDPS-NG: Standard Competition Report as of February 12, 2016 Listed agencies make less than \$5 Billion

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UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer Assistant Secretary for Administration Washington, D.C. 20230



Attached is the Department of Commerce Fiscal Year 2016 Competition Advocate Report. This report is prepared in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers and recommendations related to competition.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In fiscal year 2016, the Department demonstrated a continued commitment by achieving competition on 76% of its available competition base dollars.

Should you have any questions regarding the report, please contact me at 202.482.4511 or tjournet@doc.gov.

Attachment



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2016

February 2017

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2016

I. Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. The Deputy Senior Procurement Executive serves as the Department's Competition Advocate and champions competition opportunities in support of the Department's mission.

Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation. In Fiscal Year 2016 the Department continued its commitment to promoting competition by competing 76% of available base dollars. The Department notes a 4% increase in competition from Fiscal Year 2015. Four of the five Departmental operating units increased competition with the exception of the US Patent and Trademark Office's (PTO) – which demonstrated a decrease in competition for FY 2016. This decline is attributed to PTO's Systems Development and Integration task orders which are awarded as sole-source follow-ons. These sole source awards decreased PTO's competition rate by 2.71% from Fiscal Year 2015 and are expected to continue to adversely affect its rate through Fiscal Year 2017, when a competitive solution can be awarded.

The Senior Procurement Executive (SPE) works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and in acquisition review processes. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small businesses.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

II. Overview

A. Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and helps assess the Department's competitive practices.

B. Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

The Deputy for Procurement Management within the Office of Acquisition Management is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

III. Assessment of Competition Results and Trend Data

A. General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements over the past five years, as reported to the Federal Procurement Data System – Next Generation, demonstrate a strong commitment to promoting competition. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can further achieve greater competition efficiencies by conducting proactive market research, acquisition planning and training of the acquisition workforce.

B. Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System – Next Generation. In Fiscal Year 2016, the Department competed 76% of its available competition base dollars; this reflects an increase of 4% from Fiscal Year 2015. Of the Department's five operating units, four significantly increased competition rates from FY 2015. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.





C. Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items; and
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences.

D. Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and minimizing restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Utilized market research exchanges or meetings between the acquisition office and the program offices;
- Required market research documentation as part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required bureau-level and Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences.

E. Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions have been taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided and encouraged training to acquisition and program office staff on writing effective performance work statements; and
- Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.
F. Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground systems, super computers, and construction;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment.

IV. Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Department's Competition Advocates have implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders and hosted industry days to increase emphasis on market research, use of performance based contracting, and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and competition;
- Participated in acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Reviewed Justifications for Other than Full and Open Competition; and
- Established goals and tracked performance on a monthly basis through the Department's Acquisition Council.

V. New Initiatives Required

A. New Initiatives Required to Increase the Acquisition of Commercial Items The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Improve acquisition planning policies and tools to institute a collaborative acquisition planning process;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial items and competition; and
- Provide training to ensure effective and complete market research.

B. New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Establish internal tools and processes that promote early collaboration between program and acquisition offices;
- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition; and
- Promote a new culture of contracting officers and contracting specialists challenging the use of sole source requirements in an effort to maximize competition.

C. New Initiative to Ensure Requirements are Stated in Terms of Functions to

be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:

 Encourage partnership between program office and acquisition staff in order to take a project team approach to performance-based acquisition training.

VI. Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and

- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.
- VII. Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research The Department has continued to emphasize the acquisition of commercial items and competition by:
 - Promoting online and in-house training of acquisition and program staff invarious areas of acquisition including commercial items and competition; and
 - Advocate market research teams comprised of contracting, legal, cost and technical subject matter experts to engage in requirements early in the acquisition planning process.
- VIII. Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

The Department has been extremely successful in its competitive practices for placement of orders under task and delivery order contracts. Competitive practices include promoting a preference for multiple award indefinite-delivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

IX. Challenges

Challenges to the competitive process identified as a result of the analysis performed and feedback received from the bureaus include:

- Delayed appropriations and associated budget implications which complicate acquisition planning;
- The need for more experienced program `and contracting resources within the acquisition workforce.



DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Position			
Office of Acquisition Management (OAM)	Tammy Journet	Deputy for Procurement Management			
Operating Unit Level	Competition Advocate	Position			
CENSUS	Leslie Andrecs	Deputy Director, Acquisition Division			
NIST	Cecelia Royster	Senior Bureau Procurement Official			
ΝΟΑΑ	Mitchell Ross	Senior Bureau Procurement Official			
OS	Tammy Journet	Deputy Director, Office of Acquisition Management and (Acting) Senior Bureau Procurement Official			
РТО	Frank Murphy	Deputy Chief Financial Officer			

Attachment B



Attachment B – Department of Commerce Competition Trends % Competed Dollars FY2012-16 By Bureau

Bureau	2012	2013	2014	2015	2016
CENSUS	57%	67%	63%	71%	84%
NIST	64%	73%	73%	74%	80%
NOAA	72%	79%	80%	84%	85%
OS	74%	67%	70%	69%	80%
РТО	82%	81%	79%	55%	52%

Source: FPDS-NG Standard Competition Report by Agency, As of February 1, 2017

Attachment C – Government-wide Use of Competition FY 2016 From Greatest Use to Least Use

Rank	Department	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
1	ENVIRONMENTAL PROTECTION AGENCY	15,289	\$1,363,198,528.05	12,112	79.2204%	\$1,163,758,745.95	85.3697%
2	DEPARTMENT OF EDUCATION	3,330	\$2,464,116,196.89	2,573	77.2673%	\$2,074,544,322.79	84.1902%
3	OFFICE OF PERSONNEL MANAGEMENT	2,226	\$935,043,902.54	1,406	63.1626%	\$736,334,677.76	78.7487%
4	DEPARTMENT OF INTERIOR	70,082	\$4,381,761,503.44	51,976	74.1646%	\$3,404,382,562.93	77.6944%
5	DEPARTMENT OF COMMERCE	27,118	\$3,187,756,628.98	18,737	69.0943%	\$2,422,925,421.18	76.0072%
6	NUCLEAR REGULATORY COMMISSION	1,944	\$209,135,389.07	1,127	57.9733%	\$158,845,536.56	75.9534%
7	SMALL BUSINESS ADMINISTRATION	1,274	\$104,637,193.81	868	68.1319%	\$76,401,353.59	73.0155%
8	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,	2,124	\$1,015,636,937.37	1,010	47.5518%	\$699,348,445.83	68.8581%
9	SOCIAL SECURITY ADMINISTRATION	11,025	\$1,495,666,440.84	5,818	52.7710%	\$868,882,256.98	58.0933%
10	DEPARTMENT OF LABOR	7,764	\$1,819,961,840.35	4,630	59.6342%	\$1,008,148,748.05	55.3939%

Source: FDPS-NG: Standard Competition Report as of February 1, 2017 Peer Group Agencies listed obligate less than \$5 Billion .



UNITED STATES DEPARTMENT OF COMMERCE Chief Financial Officer and Assistant Secretary for Administration Washington, D.C. 20230

APR 1 7 2018



SUBJECT:

Competition Advocate Report for Fiscal Year 2017

Attached is the Department of Commerce Fiscal Year 2017 Competition Advocate Report. This report is prepared in accordance with Subpart 6.5 of the Federal Acquisition Regulation (FAR) to address the Department's activities, initiatives, barriers and recommendations related to competition.

The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. In Fiscal Year 2017, the Department demonstrated a continued commitment by achieving competition on 76% of its available competition base dollars.

Should you have any questions regarding the report, please contact me at 202 482-4511 or tjournet@doc.gov.

Attachment: Competition Advocate Report Fiscal Year 2017



U.S. DEPARTMENT OF COMMERCE

COMPETITION ADVOCATE REPORT

Fiscal Year 2017

April 2018

U.S. DEPARTMENT OF COMMERCE COMPETITION ADVOCATE REPORT FISCAL YEAR 2017

I. Executive Summary

This annual report is prepared by the Department of Commerce (DOC) Competition Advocate for the Senior Procurement Executive and Chief Acquisition Officer, in accordance with the Federal Acquisition Regulation (FAR), to assess the state of competition in acquisitions within the Department and ensure that competitive practices are used to the greatest possible extent. The Deputy for Procurement Management serves as the Department's Competition Advocate and champions competition opportunities in support of the Department's mission.

Competition is the cornerstone of effective business strategies, therefore, in order to achieve the Department's mission, competition is promoted to the maximum extent practicable to reduce costs, motivate better contractor performance, and promote innovation. In Fiscal Year 2017, the Department continued its commitment to promoting competition by competing 76% of available base dollars. While there has been a slight overall increase (76% to 76.43%) for the Department, three of the six operating units noted a decrease in competition from Fiscal Year 2016. This decline is attributed to the unique nature of some of the products and services the bureau's purchase for the attainment of their missions. Such as, follow-on procurements that support major systems such as ships, aircraft, satellites, ground systems, super computers, and construction; and requirements for scientific equipment or services that require compatibility with existing lab equipment. The FirstNet, was granted limited authority to operate in Fiscal Year 2017, therefore no historic data exists.

The Senior Procurement Executive works with senior Departmental officials to ensure the Department maintains emphasis on competitive business practices. One of the most effective approaches to overcoming barriers and enhancing competition at the Department continues to be the participation of senior acquisition officials on various integrated Departmental councils and in acquisition review processes. In addition, operating unit acquisition officials work closely with their program offices, their Small Business Specialist, and the Office of Small and Disadvantaged Business Utilization to promote competition and ensure maximum competitive opportunities are afforded to small businesses.

This Competition Advocate Report outlines the Department's efforts to promote competition and initiatives to mitigate barriers to competition. The report represents a summary of practices used in the Department and includes examples, as appropriate.

II. Overview

A. Introduction

Federal Acquisition Regulation (FAR) Subpart 6.5 requires the Agency Competition Advocate to prepare an annual competition report for the Senior Procurement Executive and Chief Acquisition Officer to assess the state of competition within the Department, including the identification of best practices, removal of impediments, and recommendations to improve the acquisition process through increased competition. This submission satisfies the FAR requirement for an annual competition report and helps assess the Department's competitive practices.

B. Background

The Department of Commerce is charged with creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

The Deputy for Procurement Management within the Office of Acquisition Management is designated as the Agency (or "Department") Competition Advocate and responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, and challenging barriers to the acquisition of commercial items and full and open competition. In addition, each operating unit with authority to operate a contracting office has a designated competition advocate responsible for promoting competition at the operating unit level. A list of the Department's Competition Advocates is provided in Attachment A.

III. Assessment of Competition Results and Trend Data

A. General Assessment

Based on an analysis of competition practices, policies and procedures, the Department leverages limited resources appropriately and effectively to promote competitive practices; however, opportunities for improvement exist. The Department's competitive achievements over the past six years, as reported to the Federal Procurement Data System – Next Generation, demonstrate a strong commitment to promoting competition. Through the facilitation of competitive best practices, the Department will work to overcome competition challenges. The Department can further achieve greater competition efficiencies by conducting robust market research, acquisition planning and training of the acquisition workforce.

B. Trend Data

The Department's commitment to competition is demonstrated by strong competition results as reflected in the Federal Procurement Data System – Next Generation. In Fiscal Year 2017, the Department competed 76.43% of its available competition base dollars; this reflects a slight increase from Fiscal Year 2016. Of the Department's six operating units, two significantly increased competition rates from FY 2016. The Department's competitive achievement is shown in Attachment B and seen in Figure 1.



C. Opportunities and Actions Taken to Acquire Commercial Items

The Department has taken the following actions to acquire commercial items to meet the needs of the agency:

- Conducted effective and efficient market research to identify commercial item opportunities and standard commercial practices;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System;
- Regularly reviewed program office spend plans entered into the Forecasting and Advanced Acquisition Planning System to identify requirements that could be met using commercial items; and
- Expanded collaborative partnerships with stakeholders through meaningful exchanges at industry days and conferences.

D. Opportunities and Actions Taken to Achieve Full and Open Competition

The Department aggressively pursues full and open competition by soliciting sources on the Federal Business Opportunities website, taking advantage of multiple award schedules, and minimizing restrictions to full and open competition. The Department has taken the following actions to achieve full and open competition in contracting operations:

- Utilized market research exchanges or meetings between the acquisition office and the program offices;
- Required market research documentation as part of the contract file;
- Scrutinized sole source justifications to ensure they fully support the action;
- Required bureau-level and Department-level acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Emphasized advanced forecasting through the Department's Forecasting and Advanced Acquisition Planning System; and
- Increased communications and exchanges with industry and hosting Industry Day events and pre-proposal conferences.

E. Actions Taken to Challenge Requirements when the Functions to be Performed are not Clearly Stated

The Department works with its customers to ensure that requirements are written and structured properly to achieve maximum competition. Performance-based acquisitions are promoted and used to the maximum extent practicable. The following actions have been taken to challenge requirements when the functions to be performed are not clearly stated:

- Established more collaborative partnerships with all stakeholders to ensure that requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics;
- Provided and encouraged training to acquisition and program office staff on writing effective performance work statements; and
- Partnered with customers to restructure requirements in a way that supports increased competition and expands the range of products and services available.

F. Condition or Action that has the Effect of Unnecessarily Restricting the Acquisition of Commercial Items or Competition in Contract Actions

There are limited circumstances that have unnecessarily restricted the acquisition of commercial items or competition in contracts for the Department. With training, enhanced market research practices, and advanced acquisition planning, most restrictions to competition can be overcome. Specific restrictive conditions include:

- Competition may be restricted in requirements for information technology infrastructure for legacy systems in order to ensure information technology standards are maintained for compatibility across systems and system components, maintain warranties, and assure proper system maintenance and oversight;
- Competition may be reduced for follow-on procurements that support major systems such as ships, aircraft, satellites, ground systems, super computers, and construction;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and
- Competition may be limited in requirements for scientific equipment or services that require compatibility with existing lab equipment.

IV. Competition Advocate Activities

The Competition Advocate is responsible for promoting the acquisition of commercial items and full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition. The Department's Competition Advocates have implemented the following initiatives in order to promote competition and the acquisition of commercial items:

- Partnered with stakeholders and hosted industry days to increase emphasis on market research, use of performance based contracting, and competition;
- Briefed program directors and staff on the use of commercial items and the benefits of competition;
- Provided training to acquisition and program staff on market research and competition;
- Participated in acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Reviewed Justifications for Other than Full and Open Competition; and
- Established goals and tracked performance on a monthly basis through the Department's Acquisition Council.

V. New Initiatives Required

A. New Initiatives Required to Increase the Acquisition of Commercial Items The following initiatives are currently being implemented within the Department to increase the acquisition of commercial items:

- Acquisition teams engaging with the commercial sector earlier in the acquisition process when developing requirements. Activities include conducting vendor demonstrations, greater use of Industry Days and increase use of RFI;
- Establish forums with acquisition program office staff to share concerns, ideas, and solutions and promote the use of commercial Items and competition; and
- "Lunch and Learn" training sessions to emphasize the importance of using commercial items, and conducting accurate and complete market research.

B. New Initiatives Required to Increase Competition

The following initiatives are currently being implemented within the Department to increase competition:

- Establish internal tools and processes that promote early collaboration between program and acquisition offices;
- Establish forums comprised of acquisition and program representatives to share concerns, issues, ideas, and solutions and promote the use of commercial items and competition;
- Establish bureau acquisition review teams to provide additional focus on oversight and compliance of actions; and
- Promote a new culture of contracting officers and contracting specialists challenging the use of sole source requirements in an effort to maximize competition.
- C. New Initiative to Ensure Requirements are Stated in Terms of Functions to be Performed, Performance Required or Essential Physical Characteristics The following initiatives are currently underway within the Department to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics:
 - Encourage partnership between program office and acquisition staff in order to take a project team approach to performance-based acquisition training.

VI. Barriers to the Acquisition of Commercial Items or Competition

The following items represent barriers currently faced by the Department during the acquisition of commercial items or competition:

- In the case of information technology infrastructure for legacy systems, competition may be restricted to ensure information technology standards are maintained for compatibility across systems and system components, for warranty maintenance, and to ensure proper system maintenance and oversight;
- In periods between awards of contracts for major systems such as ships, aircraft, satellites, ground system and super computers, competition may be reduced for follow-on procurements that support the major systems;
- Bonding requirements for procurements such as ship repair, architect and engineering services, and ocean surveying may restrict competition; and

- Requirements for scientific equipment or services that require compatibility with existing lab equipment may limit competition.
- VII. Ways in Which the Agency has Emphasized the Acquisition of Commercial Items and Competition in Areas such as Acquisition Training and Research The Department has continued to emphasize the acquisition of commercial items and competition by:
 - Promoting online and in-house training of acquisition and program staff invarious areas of acquisition including commercial items and competition; and
 - Promoting market research teams comprised of contracting, legal, cost and technical subject matter experts to engage in requirements early in the acquisition planning process.
- VIII. Initiatives that Ensure Task and Delivery Orders over \$1,000,000 Issued under Multiple Award Contracts are Properly Planned, Issued and Comply with FAR 8.405 and 16.505

Operating unit and Department-level acquisition review processes are used to ensure that task and delivery orders issued under multiple award contracts are properly planned, issued and comply with the requirements of the FAR.

Competitive practices include promoting a preference for multiple award indefinitedelivery, indefinite-quantity contracts in lieu of single awards and complying with the fair opportunity process when placing orders under multiple award task and delivery order contracts.

IX. Challenges

Challenges to the competitive process identified as a result of the analysis performed and feedback received from the bureaus include:

- Delayed appropriations and associated budget implications which complicate acquisition planning;
- Existing mandatory legacy systems that must be maintained with compatible make and model components; and
- Actions requiring compatibility with existing software systems, impact the Bureaus ability to compete

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DEPARTMENT OF COMMERCE COMPETITION ADVOCATE LISTING

Department Level	Competition Advocate	Position
Office of Acquisition Management (OAM)	Tammy Journet	Deputy for Procurement Management
	And and a state of the	
Operating Unit Level	Competition Advocate	Position
CENSUS	Leslie Andrecs	Deputy Director, Acquisition Division
FirstNet	Frank Freeman	Chief Administrative Officer
NIST	Cecelia Royster	Senior Bureau Procurement Official
ΝΟΑΑ	Jeff Thomas	Senior Bureau Procurement Official
OS	Anthony Kram	Director of Acquisition
РТО	Sean Mildrew	Deputy Chief Financial Officer

100% 90% 80% 70% 60% 50% 2012 2013 40% 2014 30% 2015 20% 2016 2017 10% 0% NOAA os PTO CENSUS NIST FIRSTNET

Attachment B – Department of Commerce Competition Trends	
% Competed Dollars FY2012-17 By Bureau	

Bureau	2012	2013	2014	2015	2016	2017
CENSUS	57%	67%	63%	71%	84%	87%
FIRSTNET						73%
NIST	64%	73%	73%	74%	80%	76%
NOAA	72%	79%	80%	84%	85%	82%
OS	74%	67%	70%	69%	80%	78%
РТО	82%	81%	79%	55%	52%	59%

Source: FPDS-NG Standard Competition Report by Agency, As of January 30, 2018

Attachment C

Attachment B

Rank	Department	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
1	ENVIRONMENTAL PROTECTION AGENCY	14,942	\$1,276,243,505.82	12,018	80.4310%	\$1,119,366,388.62	87.7079%
2	DEPARTMENT OF INTERIOR	65,754	\$4,283,614,090.07	49,487	75.2608%	\$3,460,802,048.68	80.7916%
3	DEPARTMENT OF EDUCATION	2770	\$2,551,510,851.64	2,107	76.0650%	\$2,024,861,873.43	79.3593%
4	DEPARTMENT OF COMMERCE	25,348	\$3,199,147,400.12	17,654	69.6465%	\$2,445,267,305.20	76.4350%
5	NUCLEAR REGULATORY COMMISSION	1,736	\$196,727,227.85	1,004	57.8341%	\$149,460,802.59	75.9736%
6	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	2,392	\$1,366,509,806.93	1,061	44.3562%	\$1,034,558,161.60	75.7081%
7	OFFICE OF PERSONNEL MANAGEMENT	2,373	\$786,072,293.10	1,468	61.8626%	\$581,135,640.26	73.9290%
8	SMALL BUSINESS ADMINISTRATION,	1,576	\$115,963,468.16	1,150	72.9695%	\$77,837,415.26	67.1224%
9	SOCIAL SECURITY ADMINISTRATION	23,724	\$1,563,943,151.95	11,113	46.8429%	\$1,042,837,859.13	66.6800%
10	DEPARTMENT OF LABOR	8,196	\$2,078,979,051.51	4,873	59.4558%	\$1,358,499,005.81	65.3445%

Attachment C – Government-wide Use of Competition FY 2017 From Greatest Use to Least Use

Source: FDPS-NG: Standard Competition Report as of January 30, 2018 Peer Group Agencies listed obligate less than \$5 Billion .