



governmentattic.org

"Rummaging in the government's attic"

Description of document: Six (6) Department of the Treasury annual reports of the 'advocate for competition' ("Competition Reports"), for fiscal years: 2007, 2008, 2012, 2013, 2014, and 2016

Requested date: 16-March-2018

Release date: 11-December-2018

Posted date: 05-August-2019

Source of document: FOIA Request
Department of the Treasury
FOIA and Transparency
Washington, DC 20220
Fax: 202-622-3895
[Online FOIA Request Form](#)

The governmentattic.org web site ("the site") is a First Amendment free speech web site, and is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

December 11, 2018

RE: 2018-03-140

VIA EMAIL

This letter is in response to your Freedom of Information Act (FOIA) request submitted to Department of the Treasury ("Treasury"), dated March 16, 2018. You sought "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)."

Your request has been processed under the provisions of the FOIA, 5 U.S.C. § 552. A reasonable search was conducted, and no records were located regarding annual reports of the "advocate for competition" for the Treasury for FY09, FY10, FY11, and FY15. Six responsive documents totaling 53 pages were located regarding annual reports of the "advocate for competition" for the Treasury for FY07, FY08, FY12, FY13, FY14, and FY16. These pages, which are enclosed, are released to you in full. Additionally, because your request fell below the fee threshold for search and duplication, you will not be assessed any fees.

Since Treasury's response constitutes an adverse action, you have the right to appeal this determination within 90 days from the date of this letter. By filing an appeal, you preserve your rights under FOIA and give the agency a chance to review and reconsider your request and the agency's decision. Your appeal must be in writing, signed by you or your representative, and should contain the rationale for your appeal. Please also cite the FOIA reference number noted above. Your appeal should be addressed to:

FOIA Appeal
FOIA and Transparency
Privacy, Transparency, and Records
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

If you submit your appeal by mail, clearly mark the letter and the envelope with the words “Freedom of Information Act Appeal.” Your appeal must be postmarked or electronically transmitted within **90 days** from the date of this letter.

If you would like to discuss this response before filing an appeal to attempt to resolve your dispute without going through the appeals process, you may contact me, the FOIA Public Liaison, for assistance via email at FOIAPL@treasury.gov, or via phone at (202) 622-8098.

A FOIA Public Liaison is a supervisory official to whom FOIA requesters can raise questions or concerns about the agency’s FOIA process. FOIA Public Liaisons can explain agency records, suggest agency offices that may have responsive records, provide an estimated date of completion, and discuss how to reformulate and/or reduce the scope of requests in order to minimize fees and expedite processing time.

If you are unable to resolve your FOIA dispute through our FOIA Public Liaison, the Office of Government Information Services (OGIS) also mediates disputes between FOIA requesters and federal agencies as a non-exclusive alternative to litigation. If you wish to contact OGIS, you may contact the agency directly at the following address, emails, and fax or telephone numbers:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road – OGIS
College Park, MD 20740-6001
Email: ogis@nara.gov
Telephone: 202-741-5770
Toll free: 1-877-684-6448
Fax: 202-741-5769

Please note that contacting any agency official (including the FOIA analyst, FOIA Requester Service Center, FOIA Public Liaison) and/or OGIS is not an alternative to filing an administrative appeal and does not stop the 90-day appeal clock.

If additional questions arise concerning this action, please contact Juanita Baker via telephone at (202) 622-0930; or via email at FOIA@treasury.gov. Please reference FOIA case 2018-03-140 when inquiring about this request.

Sincerely,
Paul
Levitan
Paul Levitan
Director, FOIA and Transparency

Digitally signed
by Paul Levitan
Date: 2018.12.11
09:30:42 -05'00'

Enclosure
Copy of original FOIA request
Responsive document set (53 pages)

Department of the Treasury

Competition Report FY2007



December 17, 2007



Department of the Treasury Competition Report FY2007

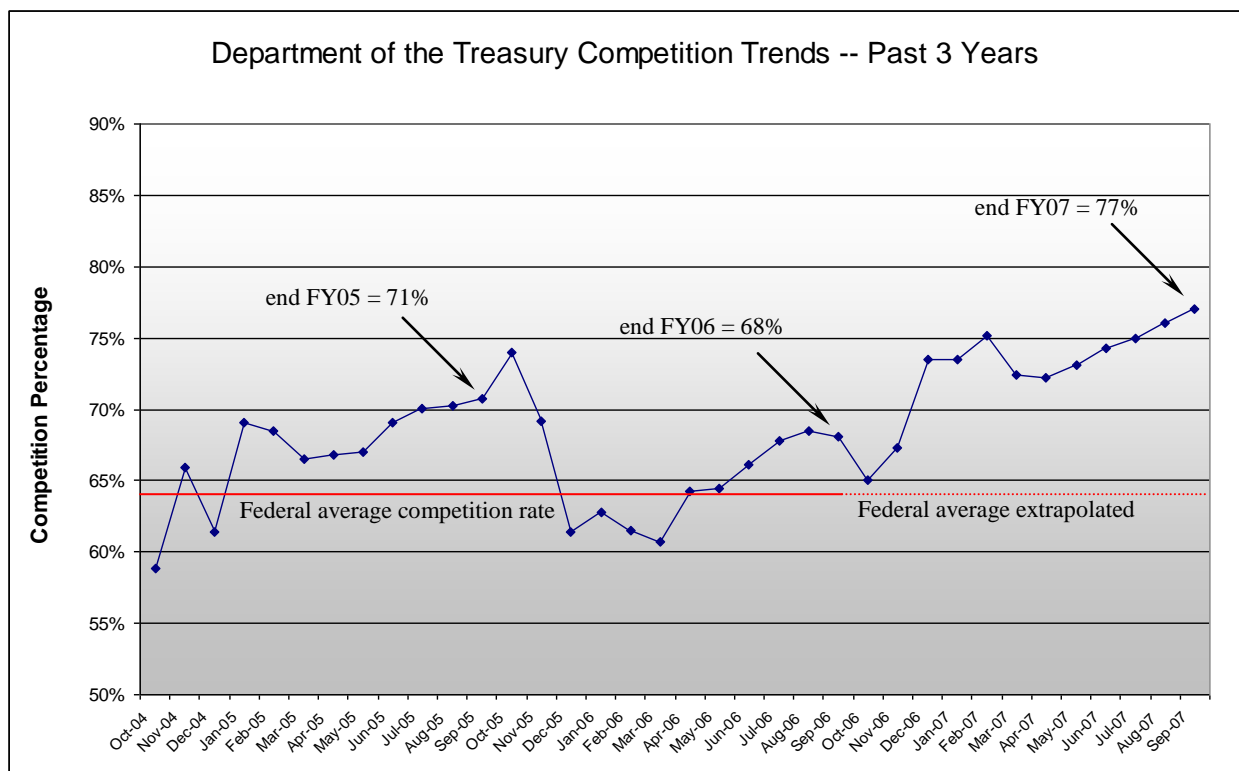
Table of Contents

1. Executive Summary	1
2. Federal Acquisition Regulation Reporting Requirements	3
2.1. Departmental Advocate Activities	3
2.2. New initiatives required to increase the acquisition of commercial items	4
2.3. New initiatives required to increase competition.....	4
2.4. New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	4
2.5. Any barriers to the acquisition of commercial items or competition that remain	4
2.6. Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research.....	5
3. Assessment of Competition Practices	6
A. Ensuring sufficient attention to the manner in which acquisitions are planned	6
B. Using competition in an effective manner	8
C. Emphasizing sound contract management and oversight	10



1. Competition Advocate Summary

The state of competition at the Department of the Treasury is sound. The Department continues to compete a greater percentage of its procurement dollars than the federal average, and shows an overall upward trend in the percentage competed over the past three years. The major FY06 downturn in competition rates was caused primarily by the need to provide non-competitively sourced bridge contracts for our major telecommunications re-compete due to a successful protest and change in acquisition strategy, as well as other acquisition planning failures related to transition. The remainder of the dollars spent without full and open competition is justified by the legal exceptions for other than full and open competition, which are monitored and cleared by both by our bureau procurement officials and bureau Competition Advocates.

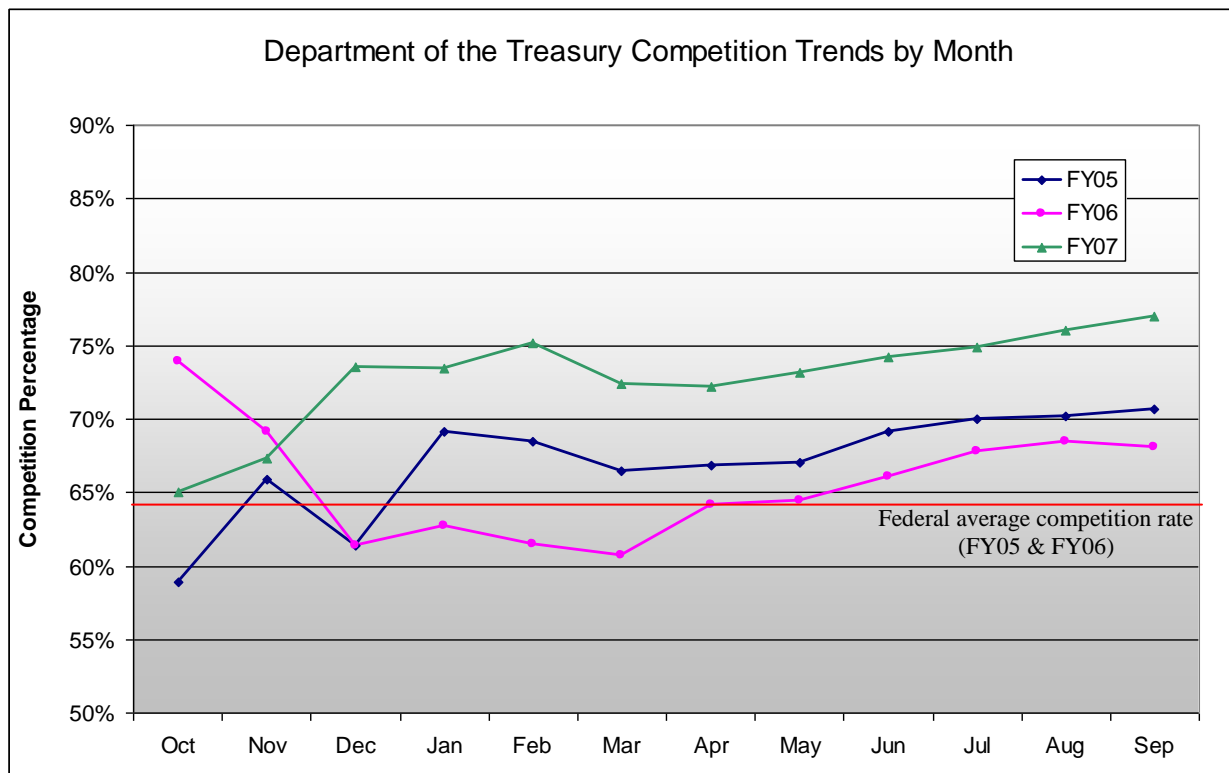


Notwithstanding the conclusion that the Department's competition record is essentially sound, the Office of the Procurement Executive (OPE) initiated three four changes to assure maximum attention to competition and to reinvigorate the Competition Advocate role:

1. We drafted a change to the Department of the Treasury Acquisition Procedures (DTAP) that will require of all Justifications for Other Than Full and Open Competition (JOFOCs), regardless of amount, to be sent to the Departmental Competition Advocate. This will serve to provide better insight into the quantity and quality of justifications, support identification of trends across bureaus, and support reporting requirements. Within our available resources, we will also attempt to engage more deeply those cases which are not as comprehensively justified as might be desirable.



2. The DTAP update explicitly requires all Bureau Chief Procurement Officers (BCPOs) to review, in the early acquisition planning stages, competition considerations, including how competition will be maintained at the end of a contract. Acquisition planning is a critical part of assuring appropriate levels of competition. The updated policy provides additional emphasis on the quality of acquisition plans with respect to competition, performance based acquisition, and socio-economic considerations.
3. OPE has included a monthly competition metric into the Treasury Procurement Balanced Metrics. This metric is provided to the Treasury Acquisition Council (TAC) at the Treasury level and is provided at the bureau level to each BCPO. The competition trend metric will provide a platform to identify and address negative trends early. In combination with extensive Federal Procurement Data System-Next Generation (FPDS-NG) data verification and validation, and policies that require the "extent competed" field to be properly completed, we expect to have continuously improving competition data for decision making.
4. In FY08, OPE will develop with our BCPOs an action plan to insure we are properly addressing the brand name or equal requirements, which are seen by the Chief Acquisition Officers' Council as one of the largest barriers to competition facing the federal government as a whole.



In conclusion, the Department of the Treasury is well positioned to continue to outperform the government averages for competition while pursuing improvements to better assure ongoing achievement of this important public policy goal. This success is due almost entirely to the efforts and professionalism of the bureau procurement personnel and their customers who continue to apply the law despite ever-increasing pressures for shorter turnarounds and faster results in highly uncertain budgetary environments.



2. Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive that covers the topics below.

2.1. Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. I am a supervisor in the Office of the Procurement Executive, which allows for a broad view of the Treasury acquisition landscape and is useful in performing the Competition Advocate's duties.

In FY2007, in part because of my Competition Advocate duties, OPE initiated three major changes to assure maximum attention to competition and to reinvigorate the Competition Advocate role:

1. We drafted a change to the Department of the Treasury Acquisition Procedures (DTAP) that will require of all Justifications for Other Than Full and Open Competition (JOFOCs), regardless of amount, to be sent to the Departmental Competition Advocate. This will serve to provide better insight into the quantity and quality of justifications, support identification of trends across bureaus, and support reporting requirements. Within our available resources, we will also attempt to engage more deeply those cases which are not as comprehensively justified as might be desirable.
2. The DTAP update explicitly requires all Bureau Chief Procurement Officers (BCPOs) to review, in the early acquisition planning stages, competition considerations, including how competition will be maintained at the end of a contract. Acquisition planning is a critical part of assuring appropriate levels of competition. The updated policy provides additional emphasis on the quality of acquisition plans with respect to competition, performance based acquisition, and socio-economic considerations.
3. OPE has included a monthly competition metric into the Treasury Procurement Balanced Metrics. This metric is provided to the Treasury Acquisition Council (TAC) at the Treasury level and is provided at the bureau level to each BCPO. The competition trend metric will provide a platform to identify and address negative trends early. In combination with extensive Federal Procurement Data System-Next Generation (FPDS-NG) data verification and validation, and policies that require the "extent competed" field to be properly completed, we expect to have continuously improving competition data for decision making.
4. In FY08, OPE will develop with our BCPOs an action plan to insure we are properly addressing the brand name or equal requirements, which are seen by the Chief Acquisition Officers' Council as one of the largest barriers to competition facing the federal government as a whole.

I also maintain a liaison with Bureau Competition Advocates, whose role is more operational. The formal approval of Bureau Competition Advocates is required for JOFOCs above \$550,000. I annually request reports from the Bureau Competition Advocates to report on any issues,



initiatives, or recommendations they wish to communicate to the Senior Procurement Executive or the Chief Acquisition Officer. This year, I also conducted a conference call to discuss ideas for reinvigorating the Competition Advocate role.

My review of the Bureau Competition Advocate reports submitted for FY2007 reveals that the Competition Advocates are performing their roles, often in close conjunction with their bureaus' procurement organizations. There is a great deal of evidence that competition is well supported, the cultural norm, and that exceptions to the use of competition are carefully vetted for compliance with the exceptions allowed by statute.

2.2. New initiatives required to increase the acquisition of commercial items

Most bureaus have reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions. No new initiatives appear to be required to further promote the use of commercial items.

2.3. New initiatives required to increase competition

In addition to the policy changes noted in section 2.1, the bureaus report that most activity related to increasing competition revolves around improved acquisition planning and related training and early communication with customers. Procurement customers can often be the most difficult barrier to effective competition, either due to lack of awareness of the procurement rules, inability to express requirements in terms of outcomes or performance requirements, or because of their lack of planning (often caused by our uncertain budget environment and other factors perhaps beyond their immediate control.) Customers often have a great deal of subject matter expertise concerning their requirements, but may not always apply market research to assure that their expertise is current, assure they understand other competitors in the marketplace who could provide competition to known vendors, and to identify substitute means to achieve mission goals that might broaden the competitive landscape.

2.4. New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

The Department has established Performance Based Advocates in each of the bureaus to promote use of performance based acquisition techniques. The Department has issued annual improvement goals for PBA, included these in its balanced metrics, and has required PBA to be considered with competition as an integral part of acquisition planning reviews and contract reviews.

2.5. Any barriers to the acquisition of commercial items or competition that remain

No remaining barriers to the acquisition of commercial items or competition were reported by Bureau Competition Advocates.



2.6. *Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research*

In addition to customer outreach, training, and acquisition planning activities reported by most bureaus, the Department has emphasized the importance of competition and performance based acquisition techniques in the business case planning in some of our highest dollar value procurements. Treasury's Major IT Investments require completion of an OMB Exhibit 300 business case document that includes an Acquisition Strategy Section. Treasury has included guidance as part of its Capital Planning and Investment Control process that the Acquisition Strategy carefully address competition, socio-economic involvement, earned value management, and performance-based acquisition strategies. The E300 Acquisition Strategy Section also requires that the date of the most current acquisition plan be included in the business case. Compliance with the Acquisition Strategy Section of the OMB E300 business case requirement is reviewed, advocated and scored by Procurement Subject Matter Experts at the Bureau level. In FY08, we intend for this review also to take place in OPE.



3. Assessment of Competition Practices

The following information is included in this report in accordance with the OMB memorandum dated May 31, 2007 - Enhancing Competition in Federal Acquisition.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

1) Are cross-functional teams, including end-users and acquisition officials used to develop project acquisition plans and strategies and requirements documents?

Each Bureau Competition Advocate report indicates the understanding that sound cross-functional teaming is a critical success factor for acquisition. All bureaus have processes and strategies in place to address acquisition planning, with varying levels of sophistication, cooperation from customers, and degrees of success. The Department of the Treasury promotes teaming at through its questions in the OMB 300, promotion of Contract Review Boards, and in contract administration through quarterly reviews of High Impact Acquisitions that support Major IT Investments.

2) Do acquisition plans explain how competition will be sought, promoted, and sustained throughout the course of the acquisition?

The acquisition plan, required for all acquisitions exceeding \$100,000 except for commercial items using FAR subpart 13.5, consists of two parts: Part I-Acquisition Background and Objectives and Part II-Plan of Action. The acquisition plan must clearly address the key decision points in the proposed acquisition in accordance with FAR subpart 7.1 and must identify all significant technical, schedule, cost, or business issues. In particular, under the Plan of Action, the Contracting Officer must describe how competition for the pending acquisition is going to be sought, promoted, and sustained throughout the course of the acquisition. The Contracting Officer must also discuss why full and open competition cannot be obtained and which authority under FAR subpart 6.3 or 8.4 justifies the other than full and open competition.

3) Do acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract?

Yes, part of the acquisition strategy for large requirements is to consider whether it is more beneficial to start the acquisition from scratch and award a new competitive contract. Considerations generally include time and cost considerations, such as research, development and procurement costs; expected improvements in terms and conditions of a new contract over an existing vehicle; schedule parameters such as projected dates for project initiation and initial operating capability; and existing contract capacity and scope (within or outside of the Department). The decisions arrived at as a result of this analysis will be captured in the acquisition plan documentation under Plan of Actions, Acquisition Considerations, as mandated by the FAR subpart 7.1.

4) Do program officials expressly concur on requirements documents?

Highly visible modernization projects and other acquisition programs, because of their sensitive nature, require an integrated and collaborative process to define the desired capabilities and to guide the development of an affordable requirement. Representatives from multiple communities under the guidance of a Program Manager or an executive assist in formulating



broad, time-phased, operational goals, and in describing requisite capabilities in the planning phase of the procurement. They examine multiple concepts and approaches in order to optimize the way the Department fulfills its requirements. The examination may include analyses that consider affordability, technology, risks, responsiveness, and other considerations. The integrated team may identify promising technologies during their research and introduce these technologies into the acquisition process and promote coordination, cooperation, and mutual understanding of technology issues. This process will not preclude, and where practicable, will facilitate future competition. Through various acquisition documents, program officials will concur and be responsible for the adaptation of requirements documentation and their approved solutions and decisions.

5) Are the market research techniques outlined in FAR 10.002(b)(2) being used, such as:

a. Publishing formal requests for information in appropriate technical or scientific or business publications;

Requests for Information (RFI) and contract opportunities are typically advertised by publishing notices in the www.fbo.gov. In addition, the small business community develops annual forecasts of procurement opportunities, and conducts regular vendor outreach.

b. Querying government and commercial databases that provide information relevant to the acquisition; and

Market research is performed to support effective acquisition planning and is the foundation for preparing an effective solicitation and contract. Treasury procurement organizations utilize various techniques for market research, such as: commercial searches on the Internet; publishing RFIs in FedBizOpps; utilizing the Dynamic Small Business Search function within the Central Contractor Registration (CCR) system; contacting companies or searching their websites; contacting industry organizations; one-on-one counseling sessions with small business concerns; searching the GSA FSS website; searching Dun and Bradstreet databases; utilizing vendor brochures and trade catalogs; investigating other Government agencies for buys of similar products/services; and reviewing advertisements. In addition, Contracting Officers and Contract Specialists engage the help of the bureau Small Business Specialists to identify small businesses who have expressed an interest in doing business with the Department or one of its bureaus.

c. Participating in interactive, on-line communication among industry, acquisition, personnel and customers?

The Department regularly employs electronic communications among industry, acquisition, and customer personnel. Bureaus actively communicate potential requirements to industry, for example, by utilizing industry sessions several times a year, posting Requests for Information (RFI), formally advertising requirements in FedBizOpps or GSA's e-Buy, posting e-catalogs on web pages, contacting potential offerors via telephone during market research, and purchasing via reverse auctions such as FedBid for some requirements.

6) Are plans in place to provide maximum practicable opportunities for small businesses both in prime contracting and subcontracting?

The Department has been active in issuing policy and developing plans to ensure that small businesses receive a fair share of available procurement dollars. OPE has issued Acquisition Bulletins to emphasize market research and solicitation of HUBZone and Service Disabled



Veteran-Owned Small Businesses in particular, as the Department of the Treasury, like most agencies, have historically failed to achieve prime contracting goals for these groups.

Across the Department, Small Business Specialists (SBS) ensure that small business entities participate in all appropriate acquisitions and that the statutory goals for small business awards established by the Department of Treasury are met or surpassed. The SBS is actively involved and periodically reminds and encourages Contract Specialists/Contracting Officers via e-mails or other venues to consider and solicit small businesses for potential acquisitions.

Finally, the Department publishes achievements against socio-economic goals on a monthly basis at the Treasury Acquisition Council meetings, has made a special effort to assure that achievement of socio-economic goals is in the performance plans of all bureau executives, procurement management and staff, and key customer management and staff.

7) If acquisition plans anticipate contract bundling, or contract consolidation in the case of the Department of Defense, have written justifications for these actions and appropriate analyses been developed?

Bundling of contract requirements may be necessary and justified in some cases. Treasury follows the FAR, which specifically requires that each federal agency, to the maximum extent practicable, take steps to avoid unnecessary and unjustified bundling of contract requirements that precludes small business participation as prime contractors as well as to eliminate obstacles to small business participation as prime contractors. If the Contracting Officer, with concurrence of the requiring activity, determines that bundling is required, a written justification supporting this action must be provided in accordance with FAR 7.107. The justification must document in quantifiable terms the measurably substantial benefits, such as cost savings, price reduction, quality improvements that will save time or improve or enhance performance/efficiency, reduction in acquisition cycle times and better terms or conditions. If substantial bundling is involved, at a minimum, the justification must also compare the benefits that could be derived through separate small contracts; assess specific impediments to participation by small business concerns as prime contractors; describe the Contracting Officer's intentions for maximizing small business participation as prime contractors, including provisions for encouraging small business teaming, and the description of how the maximization of small business participation as subcontractors is carried out.

B. Using competition in an effective manner

8) Do statements of work (SOW), including those in task and delivery orders, have:

- a. Sufficient information, stated clearly, so that offerors may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions possible?**

Services are critical to our mission and all acquisition personnel ensure that we acquire them effectively and efficiently. The Department is actively promoting increased use by program and procurement personnel of Performance-Based Service Acquisitions techniques for both contracts and task/delivery orders, with a goal of achieving at least 45% by FY2011. It is increasingly understood that it is not solely Procurement's responsibility to implement the use of PBSA, and that integrated teams must develop and cooperate in the acquisition strategies to successfully



prepare performance-based statements of work. To this end, OPE has required all procurement staff to complete a PBA online course by the end of 2007, and is working to assure that PBA courses are included in the requirements for receiving a FAC-PPM.

Bureaus routinely seek industry comments and suggestions regarding performance objectives and standards via market research, public meetings, RFIs, and release of draft SOWs. Treasury staff does strive to define requirements in clear, concise language. This is beneficial to the Department because more contractors will understand the requirement, allowing for more potential proposals to propose the best solutions.

b. Clear performance measures and expectations related to quality, responsiveness, timeliness, and costs?

To the extent we are successful in raising the percentage of contracting dollars using performance-based methods and strategies, we will improve the use of performance measures and quality. Therefore, it is essential that service requirements specify results rather than methods of performance, and we increase the value of requirements employing this good practice.

9) Does the agency consider complexity, commerciality, availability, and urgency in establishing offeror response times? Has sufficient time been built into the acquisition schedule to maximize competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers?

Yes, sufficient time must be built in the acquisition schedule to permit the widest competition and thorough source selection review. The more time allotted to an offeror to prepare and submit a proposal the highest the quality of the proposal will be received. Also a selection based on best value is an excellent strategy to follow because it allows offerors to propose dissimilar approaches that can be difficult to compare and demands more time for review, but the results may be trade-offs, better competition, and most likely better prices.

A great deal of the Department's spending is on information technology services. Before any acquisition documents are developed, market research is normally conducted by the program and procurement staff to obtain information about available and alternative solutions. Market research is crucial in developing, validating, and refining the performance requirements. Information Technology acquisitions in particular, because of their continuous evolving practices and industry trends, require market research efforts tailored to the complexity and estimated value of the products and services the Department buys. Market research determines the type of acquisition milestones procurement must establish depending on customers' needs, acquisition urgency and complexity, commercial availability, criticality of the service/task, resources available, qualifications, and other sourcing considerations.

10) Is the agency taking recent and relevant past performance into account, including quality, timeliness, and cost control? Is the agency using the Past Performance Information Retrieval System (PPIRS)?

Yes, FAR 15.304 (c)(3)(i) requires consideration of past performance in all negotiated procurements over \$100,000. The contracting process provides for consideration of various aspects of a contractor's performance such as relevant past performance information on the timeliness in completing the work within budget, quality control programs in place, subcontract



management, and overall customer satisfaction. Contractors' past performance is a separate evaluation factor for award and is key to assess the likelihood of successful performance of future contracts. Most often past performance questionnaires are also sent during the solicitation process to different sources requesting above mentioned information and an analysis is performed on the data collected by the evaluation team. The Department of the Treasury Acquisition Regulation (DTAR) requires reporting of past performance information to the PPIRS through the National Institutes of Health Contractor Performance System (CPS). Contracting Officers also access this system in addition to the Past Performance Information Retrieval System (PPIRS) to retrieve past performance assessment reports detailing a potential contractor past performance. A recent draft update to the Departments procedures further emphasizes the use of PPIRS as a primary source for past performance information over the more limited CPS.

11) Does the documentation for source selection decision include the rationale for any tradeoffs made or relied on by the source selection authority, including the benefits associated with additional costs?

The tradeoff source selection process is generally selected when the Department wishes to consider award to other than the low-cost provider. Factors such as technical capabilities, qualifications, experience, and past performance are evaluated in combination with price in order to achieve the best value for the government. The Contracting Officer's rationale for these tradeoffs must be documented and retained with the competition contract file. The Office of the Procurement Executive reviews the source selection documentation during its Evaluation and Monitoring visits to the bureaus to verify that the appropriate documentation is in the file.

12) Are orders under indefinite-delivery vehicles reported to FPDS as non-competitive when competition is not used?

Yes. The Department of Treasury Acquisition Bulletin (AB) No. 07-02 requires two verification and validation (V&V) reviews each year of the PFDS-NG data to ensure Contracting Officers report accurately each contractual action. The AB also requires completion of the "extent competed" field in FPDS-NG for all relevant actions by any Treasury procurement activity, although this is not required government-wide or by the FPDS-NG system. Compliance is therefore low but increasing with education and communication of V&V results. Increasingly, bureaus are developing training to facilitate the correct reporting of data in FPDS-NG. For example, the IRS published a Helpful Hints/Tips Sheet and disseminated it to all procurement personnel. In addition, bureaus are increasingly adding reviewing roles and responsibilities in formal policy and personnel management processes.

C. Emphasizing sound contract management and oversight

1) Are properly trained contracting officer representatives and contracting officer technical representatives designated for contracts (including indefinite delivery contracts and task orders) before contract performance begins?

A Contracting Officer's Technical Representative (COTR) is designated for all actions in accordance with DTAR 1001.670. The Contracting Officer reviews the COTR's nomination, verifies the training and experience, and if acceptable, sends a letter of appointment to the COTR upon contract award. DTAR 1001.670 requires COTRs to complete the basic COTR acquisition training course (24 hours) and complete at least 8 hours of job-related maintenance training each year. This will shortly be updated to reflect the new FAC-COTR policy. Reviews of the



contract file by the Office of the Procurement Executive take place during Evaluation and Monitoring visits to verify that the COTR's certificates (basic training and maintenance training) were current and in the file together with the COTR appointment letter that specifies duties and responsibilities of the nominee.

2) Does the agency have appropriate processes in place to ensure that proposed modifications are within the scope of the contract or order?

Yes, in accordance with the Department of Treasury Acquisition Regulation (DTAR) 1043.102 all modifications increasing the estimated value of the contract by 50% or more must be approved by the BCPO prior to execution. The Contracting Officer must include a Determination and Findings (D&F) in the file that a proposed modification is within the general scope of the agreement. Legal counsel is also required to be consulted in doubtful or unusual situations where increases in total contract price are 20% or more. These thresholds are being reduced in the pending update to the DTAR.

3) Are quality assurance surveillance plans included in the contracts?

Yes, Contracting Officers normally delegate the quality assurance function to the COTR/Alternate COTR as part of their duties listed in the COTR's Appointment Letter. A formal Quality Assurance Surveillance Plan (QASP) is required for performance based acquisitions, in which case the requiring activity is responsible for providing the Contracting Officer with the QASP. The government may also require offerors to submit a proposed QASP for the government's consideration in development of the government's QASP.

Department of the Treasury

Competition Report FY2008



June 9, 2009



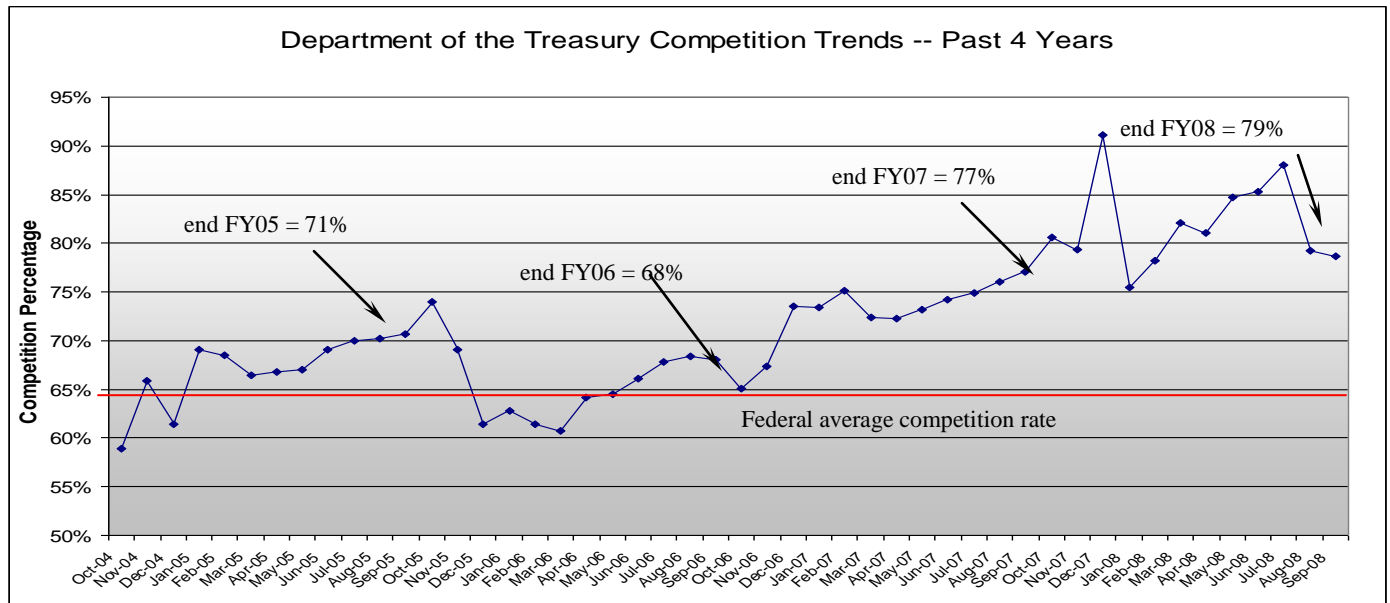
Department of the Treasury Competition Report FY2008

Table of Contents

1. Competition Advocate Summary	1
2. Federal Acquisition Regulation Reporting Requirements	3
2.1. Departmental Advocate Activities	3
2.2. New initiatives required to increase the acquisition of commercial items	4
2.3. New initiatives required to increase competition.....	4
2.4. New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	4
2.5. Any barriers to the acquisition of commercial items or competition that remain	4
2.6. Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research.....	4
2.7. Competitive practices in the placement of orders under task and delivery order contracts	5
2.8. Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses.....	5
3. Assessment of Competition Practices	9
A. Ensuring sufficient attention to the manner in which acquisitions are planned	9
B. Using competition in an effective manner	11
C. Emphasizing sound contract management and oversight	13

1. Competition Advocate Summary

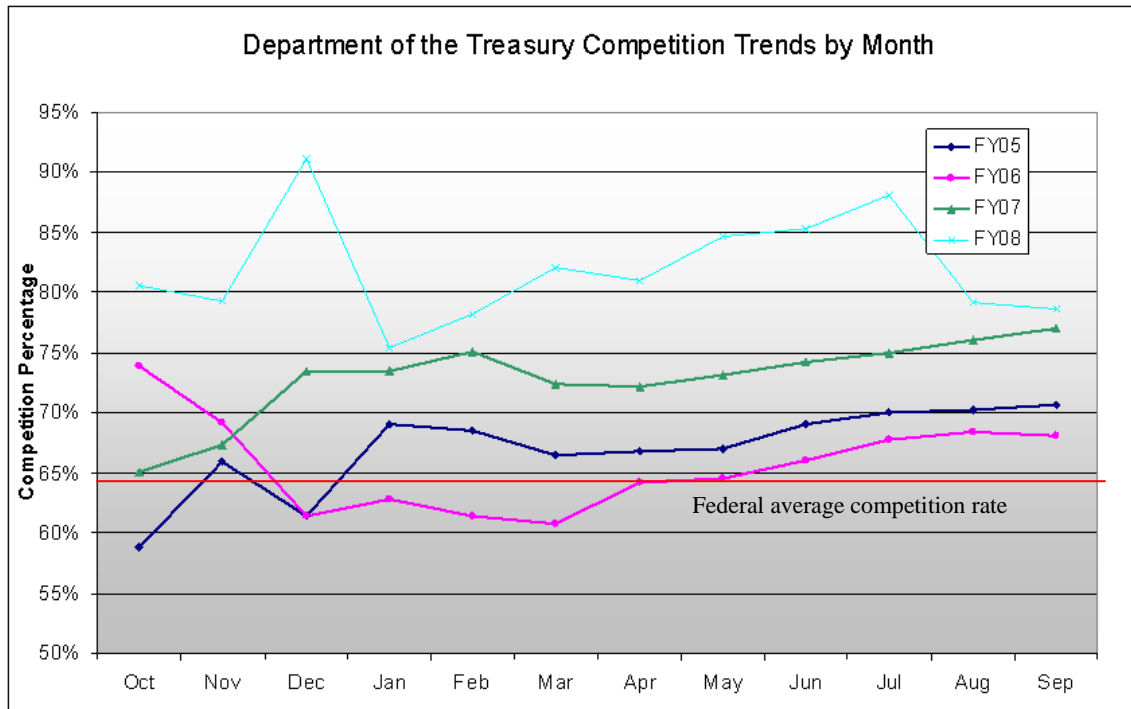
The state of competition at the Department of the Treasury continues to reflect an upward trend as shown in the chart below depicting four fiscal years of data. The Department of the Treasury competed 79% of its procurement dollars at the close of FY 08, up 2% from last fiscal year and outperforming the federal average of 64%.



The Office of the Procurement Executive (OPE) attributes the strength of its results to four controls that have been instituted to assure maximum attention to competition and to reinvigorate the Competition Advocate role:

1. Treasury was in the process of issuing agency supplemental FAR procedures, the Department of the Treasury Acquisition Procedures (DTAP), when a moratorium was placed on issuing new regulations and policy. Once the moratorium is lifted and the DTAP is issued, it will require all Justifications for Other Than Full and Open Competition (JOFOCs), regardless of amount, to be sent to the Departmental Competition Advocate. This will serve to provide better insight into the quantity and quality of justifications, support identification of trends across bureaus, and support reporting requirements. Within our available resources, we will also attempt to engage more deeply into those cases which are not as comprehensively justified as might be desirable. The bureaus have been anticipating this change, since the review and approval process for the DTAP was completed.
2. OPE policy explicitly requires all Bureau Chief Procurement Officers (BCPOs) to review, in the early acquisition planning stages, competition considerations, including how competition will be maintained at the end of a contract. Acquisition planning is a critical part of assuring appropriate levels of competition. The policy provides additional emphasis on the quality of acquisition plans with respect to competition, performance based acquisition, and socio-economic considerations.

3. For FY 08, OPE included a monthly competition metric into the Treasury Procurement Balanced Metrics. This metric is provided to the Treasury Acquisition Council (TAC) at the Treasury level and is provided at the bureau level to each BCPO. The competition trend metric provides a platform to identify and address negative trends early. In combination with extensive Federal Procurement Data System-Next Generation (FPDS-NG) data verification and validation, and policies that require the “extent competed” field to be properly completed, we expect that the competition data will continuously improve for decision making.



In conclusion, the Department of the Treasury is well positioned to continue to outperform the government averages for competition while pursuing improvements to better assure ongoing achievement of this important public policy goal. This success is due almost entirely to the efforts and professionalism of the bureau procurement personnel and their customers who continue to apply the law despite ever-increasing pressures for shorter turnarounds and faster results in highly uncertain budgetary environments.

Federal average competition rate
(FY05 & FY06)

2. Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive that covers the topics below.

2.1. Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. I am a supervisor in the Office of the Procurement Executive, which allows for a broad view of the Treasury acquisition landscape and is useful in performing the Competition Advocate's duties.

For FY2008, in part because of my Competition Advocate duties, OPE initiated three major changes to assure maximum attention to competition and to reinvigorate the Competition Advocate role:

1. We drafted a change to the Department of the Treasury Acquisition Procedures (DTAP) that will require all Justifications for Other Than Full and Open Competition (JOFOCs), regardless of amount, to be sent to the Departmental Competition Advocate. This will serve to provide better insight into the quantity and quality of justifications, support identification of trends across bureaus, and support reporting requirements. Within our available resources, we will also attempt to engage more deeply those cases which are not as comprehensively justified as might be desirable.
2. OPE policy updates explicitly require all Bureau Chief Procurement Officers (BCPOs) to review, in the early acquisition planning stages, competition considerations, including how competition will be maintained at the end of a contract. Acquisition planning is a critical part of assuring appropriate levels of competition. OPE policy provides additional emphasis on the quality of acquisition plans with respect to competition, performance based acquisition, and socio-economic considerations.
3. OPE has included a monthly competition metric into the Treasury Procurement Balanced Metrics. This metric is provided to the Treasury Acquisition Council (TAC) at the Treasury level and is provided at the bureau level to each BCPO. The competition trend metric will provide a platform to identify and address negative trends early. In combination with extensive Federal Procurement Data System-Next Generation (FPDS-NG) data verification and validation, and policies that require the "extent competed" field to be properly completed, we expect to have competition data continuously improve for decision making.

I also maintain a liaison with Bureau Competition Advocates, whose role is more operational. The formal approval of Bureau Competition Advocates is required for JOFOCs above \$550,000 and some bureaus have even lowered that amount to \$500,000. I annually request reports from the Bureau Competition Advocates to report on any issues, initiatives, or recommendations they wish to communicate to the Senior Procurement Executive or the Chief Acquisition Officer.

My review of the Bureau Competition Advocate reports submitted for FY2008 reveals that the Competition Advocates are performing their roles, often in close conjunction with their bureaus' procurement organizations. There is a great deal of evidence that competition is well supported, the cultural norm, and that exceptions to the use of competition are carefully vetted for compliance with the exceptions allowed by statute.

2.2. New initiatives required to increase the acquisition of commercial items

Most bureaus have reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions. No new initiatives appear to be required to further promote the use of commercial items.

2.3. New initiatives required to increase competition

In addition to the policy changes noted in section 2.1, the bureaus report that most activity related to increasing competition revolves around improved acquisition planning and related training and early communication with customers. Procurement customers can often be the most difficult barrier to effective competition, either due to lack of awareness of the procurement rules, inability to express requirements in terms of outcomes or performance requirements, or because of their lack of planning (often caused by our uncertain budget environment and other factors perhaps beyond their immediate control.) Customers often have a great deal of subject matter expertise concerning their requirements, but may not always apply market research to assure that their expertise is current, assure they understand other competitors in the marketplace who could provide competition to known vendors, and to identify substitute means to achieve mission goals that might broaden the competitive landscape.

2.4. New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

The Department has established Performance Based Advocates in each of the bureaus to promote use of performance based acquisition techniques. The Department has issued annual improvement goals for PBA, included these in its balanced metrics, and has required PBA to be considered with competition as in integral part of acquisition planning reviews and contract reviews. In accordance with the successive PBA goals listed in Treasury's PBA management plan for 2007 – 2011, Treasury exceeded its FY 08 PBA goal of 28% by applying PBA methods to 30% of its eligible service acquisition dollars.

2.5. Any barriers to the acquisition of commercial items or competition that remain

No remaining barriers to the acquisition of commercial items or competition were reported by Bureau Competition Advocates.

2.6. Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research

In addition to customer outreach, training, and acquisition planning activities reported by most bureaus, the Department has emphasized the importance of competition and performance based

acquisition techniques in the business case planning in our highest dollar value procurements. Treasury's Major IT Investments require completion of an OMB Exhibit 300 business case document that includes an Acquisition Strategy Section. Treasury has included guidance as part of its Capital Planning and Investment Control process that the Acquisition Strategy carefully addresses competition, socio-economic involvement, earned value management, and performance-based acquisition strategies. The E300 Acquisition Strategy Section also requires that the date of the most current acquisition plan be included in the business case. Compliance with the Acquisition Strategy Section of the OMB E300 business case requirement is reviewed, advocated and scored by Procurement Subject Matter Experts at the Bureau level.

2.7. Competitive practices in the placement of orders under task and delivery order contracts

Bureaus turn to General Services Administration, Federal Supply Schedules for needed supplies and services before, issuing their own stand alone contract vehicles. Approximately 85% of Treasury's information technology hardware and software are purchased from General Services Administration, Federal Supply Schedules. These are competitive buys following FAR part 8.405-1 and 8.405-2 procedures. The Treasury has also issued policy to give preference to Service-Disabled Veteran-Owned Small Businesses (SDVOSB) and Qualified Historically Underutilized Business Zone (HUBZone) businesses, when using the Federal Supply Schedules.

Most of the bureaus that have Indefinite Quantity Contracts, either have local procedures for implementing the fair opportunity provisions or strictly rely on FAR 16.505(b)(1) when placing orders under these multiple award contracts.

In FY 11, the evaluation and monitoring program will begin to review the large indefinite quantity contracts for multiple award preference as well as implementation of fair opportunity provisions.

2.8. Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses

During FY 08, Treasury issued policy establishing preference guidelines for choosing Service-Disabled Veteran-Owned Small Businesses SDVOSB and Qualified Historically Underutilized Business Zone (HUBZone) businesses when making Federal Supply Schedule purchases.

The chart below shows the goals set for the various categories of small business programs and actual results for FY 08.

Small Business Goals (data FY08 through 9/30, run 10/28)

Funding Agency	SB Percentage	SDB Percentage	8(a) Percentage	SDVOSB Percentage	Women Owned Percentage	HUBZone Percentage
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU	61.3%	23.5%	20.0%	1.6%	10.1%	9.9%
BUREAU OF THE PUBLIC DEBT	59.5%	15.9%	9.0%	8.2%	16.9%	9.6%
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS	10.8%	3.2%	1.2%	1.2%	0.1%	0.0%
DEPARTMENTAL OFFICES	14.2%	4.2%	3.1%	0.9%	2.5%	1.3%
FINANCIAL CRIME ENFORCEMENT NETWORK	26.9%	7.1%	5.3%	7.4%	1.0%	0.3%
FINANCIAL MANAGEMENT SERVICE	49.9%	22.2%	18.5%	10.8%	4.9%	7.7%
INTERNAL REVENUE SERVICE	28.6%	6.2%	4.1%	1.2%	8.1%	0.5%
INSPECTOR GENERAL	16.4%	0.6%	0.0%	7.5%	0.7%	0.1%
OFFICE OF THE INSPECTOR GENERAL FOR TAX	65.8%	3.9%	0.4%	19.6%	12.9%	1.5%
TREASURY TOTAL	28.6%	7.3%	5.1%	2.1%	7.1%	1.4%
TREASURY GOAL	29.4%	5.0%	2.5%	3.0%	5.0%	3.0%

Notes:

- Reporting is now by Funding Activity
- OIG and TIGTA were not given Small Business Goals by OSDDBU for FY2008.



Each bureau has a Small Business Specialist who reviews requisitions for set-aside potential and small business participation ensuring that a fair share of prime and subcontracts are awarded to small businesses of all types. These specialists regularly attend and conduct vendor outreach sessions; perform market research and dynamic searches for small business in the Central Contractor Registration database. The Small Business Specialists are also involved in improving their own small business program with new and innovative ideas and techniques in the attempt to find small businesses.

These are just a few of the workshops and conferences sponsored or attended by Small Business Specialists.

- Hosted IRS Technology Expo, Constellation Centre, October 10, 2007
- Attended Alliance Baltimore Conference, Baltimore, MD, November 16, 2007
- Hosted IRS 8(a) Seminar, Oxon Hill, MD, on November 20, 2007
- Attended Reston Chamber of Commerce Procurement Conference, Reston, VA, February 1, 2008
- Attended G-Con Small Business Conference, Ft. Belvoir, VA, on February 6, 2008

- Attended GovConnex Technology Conference, Washington, DC, February 20, 2008
- Attended ACT/IAC Small Business Conference, Lunch with Leaders Forum, Arlington, VA, February 26, 2008
- Northeast Area Procurement Personnel attended Alliance MidAtlantic Procurement Conference in Atlantic City, NJ on March 11, 2008
- Attended UAB Procurement Conference, Birmingham, AL, March 12, 2008
- Speaker and Procurement Information Exhibitor at the annual Acquisition Planning Conference, New Carrollton, MD on March 25 & 26, 2007
- Attended Congressman Moran's Procurement Conference, Arlington, VA, March 31, 2008
- Southeast Area Procurement Personnel attended Alliance South, Atlanta, GA on April 3, 2008
- Attended Congresswoman Eleanor Holmes Norton Access to Capital Conference, Washington, DC, April 8, 2008
- Attended OSDDBU Conference, Upper Marlboro, MD, April 24, 2008
- Western Area Procurement Personnel attended Alliance West, San Jose, CA on April 24, 2008
- Northeast Area Procurement Personnel attended Small Business Conference, New York, NY on April 30, 2008
- Hosted a Technology Expo, Oxon Hill, MD on May 22, 2008
- Northeast Area Procurement Personnel attended Small Business Conference, Union, NJ on May 22, 2008
- Attended Teaming to Win Conference, Roanoke, WV, on May 28, 29, and 30, 2008
- Northeast Area Procurement Personnel attended 6th Annual Queen's Business and Procurement Expo, New York, NY on June 6, 2008
- Speaker at AFCEA Small Business Committee meeting on June 10, 2008
- Participated in Customer Service Day, New Carrollton, MD on June 25, 2008
- Participated in Department of Energy One-on-One Matchmaking Session, San Antonio, TX, on June 26, 2008
- Sponsored IRS Procurement Small Business Open House, Oxon Hill, MD, July 1, 2008
- Hosted the IRS 8(a) Seminar, Oxon Hill, MD, July 22, 2008
- Northeast Area Procurement Personnel attended Small Business Convention, NY State Hispanic Chambers of Commerce, New York City, NY on August 7, 2008
- Northeast Area Procurement Personnel attended SDVOSB Conference & Government Procurement Fair, Picatinny Arsenal, NJ
- Attended Women's Entrepreneurial Conference, Chicago, IL, on September 3 & 4, 2008
- Northeast Area Procurement Personnel attended the 2008 Business Opportunity Expo, Foxwood, CT on September 17 – 19, 2008
- Monthly Vendor Outreach Sessions (VOS) conducted by the Department of the Treasury (fifteen one-on-one counseling meetings per session)
- Weekly one-on-one meetings with Small Business Concerns by the National Office Small Business Specialist (approximately twelve meetings per week)

The Internal Revenue Service sponsored an incentive program during FY2008 to increase the number of awards to 8(a), HUBZone, and Service Disabled Veteran-Owned (SDVOSB) small

business concerns and offered a 59 minute card to those contracting officers who made awards to small business concerns in these three socioeconomic categories.

Through the Treasury's Office of Small Business Development, Small Business Specialists within the bureaus received recognition awards from the Department of the Treasury for FY2008 for their continued support of the small business community.

The efforts above spotlight some of the continuous outreach efforts to gain more small, 8(a), HUBZone small, small disadvantaged, women-owned, veteran-owned, and service disabled veteran-owned firms' interest in competing for procurements.

3. Assessment of Competition Practices

The following information is included in this report in accordance with the OMB memorandum dated May 31, 2007 - Enhancing Competition in Federal Acquisition.

A. Ensuring sufficient attention to the manner in which acquisitions are planned

1) Are cross-functional teams, including end-users and acquisition officials used to develop project acquisition plans and strategies and requirements documents?

Each Bureau Competition Advocate report indicates the understanding that sound cross-functional teaming is a critical success factor for acquisition. All bureaus have processes and strategies in place to address acquisition planning, with varying levels of sophistication, cooperation from customers, and degrees of success. The Department of the Treasury promotes teaming at through its questions in the OMB 300, promotion of Contract Review Boards, and in contract administration through quarterly reviews of High Impact Acquisitions that support Major IT Investments.

2) Do acquisition plans explain how competition will be sought, promoted, and sustained throughout the course of the acquisition?

The acquisition plan, required for all acquisitions exceeding \$100,000 except for commercial items using FAR subpart 13.5, consists of two parts: Part I-Acquisition Background and Objectives and Part II-Plan of Action. The acquisition plan must clearly address the key decision points in the proposed acquisition in accordance with FAR subpart 7.1 and must identify all significant technical, schedule, cost, or business issues. In particular, under the Plan of Action, the Contracting Officer must describe how competition for the pending acquisition is going to be sought, promoted, and sustained throughout the course of the acquisition. The Contracting Officer must also discuss why full and open competition cannot be obtained and which authority under FAR subpart 6.3 or 8.4 justifies the other than full and open competition.

3) Do acquisition plans for large requirements consider, as appropriate, the comparative benefits of awarding a new contract versus placing an order under an existing contract?

Yes, part of the acquisition strategy for large requirements is to consider whether it is more beneficial to start the acquisition from scratch and award a new competitive contract. Considerations generally include time and cost considerations, such as research, development and procurement costs; expected improvements in terms and conditions of a new contract over an existing vehicle; schedule parameters such as projected dates for project initiation and initial operating capability; and existing contract capacity and scope (within or outside of the Department). The decisions arrived at as a result of this analysis will be captured in the acquisition plan documentation under Plan of Actions, Acquisition Considerations, as mandated by the FAR subpart 7.1.

4) Do program officials expressly concur on requirements documents?

Highly visible modernization projects and other acquisition programs, because of their sensitive nature, require an integrated and collaborative process to define the desired capabilities and to guide the development of an affordable requirement. Representatives from multiple communities under the guidance of a Program Manager or an executive assist in formulating

broad, time-phased, operational goals, and in describing requisite capabilities in the planning phase of the procurement. They examine multiple concepts and approaches in order to optimize the way the Department fulfills its requirements. The examination may include analyses that consider affordability, technology, risks, responsiveness, and other considerations. The integrated team may identify promising technologies during their research and introduce these technologies into the acquisition process and promote coordination, cooperation, and mutual understanding of technology issues. This process will not preclude, and where practicable, will facilitate future competition. Through various acquisition documents, program officials will concur and be responsible for the adaptation of requirements documentation and their approved solutions and decisions.

5) Are the market research techniques outlined in FAR 10.002(b)(2) being used, such as:

a. Publishing formal requests for information in appropriate technical or scientific or business publications;

Requests for Information (RFI) and contract opportunities are typically advertised by publishing notices in the www.fbo.gov. In addition, the small business community develops annual forecasts of procurement opportunities, and conducts regular vendor outreach.

b. Querying government and commercial databases that provide information relevant to the acquisition; and

Market research is performed to support effective acquisition planning and is the foundation for preparing an effective solicitation and contract. Treasury procurement organizations utilize various techniques for market research, such as: commercial searches on the Internet; publishing RFIs in FedBizOpps; utilizing the Dynamic Small Business Search function within the Central Contractor Registration (CCR) system; contacting companies or searching their websites; contacting industry organizations; one-on-one counseling sessions with small business concerns; searching the GSA FSS website; searching Dun and Bradstreet databases; utilizing vendor brochures and trade catalogs; investigating other Government agencies for buys of similar products/services; and reviewing advertisements. In addition, Contracting Officers and Contract Specialists engage the help of the bureau Small Business Specialists to identify small businesses who have expressed an interest in doing business with the Department or one of its bureaus.

c. Participating in interactive, on-line communication among industry, acquisition, personnel and customers?

The Department regularly employs electronic communications among industry, acquisition, and customer personnel. Bureaus actively communicate potential requirements to industry, for example, by utilizing industry sessions several times a year, posting Requests for Information (RFI), formally advertising requirements in FedBizOpps or GSA's e-Buy, posting e-catalogs on web pages, contacting potential offerors via telephone during market research, and purchasing via reverse auctions such as FedBid for some requirements.

6) Are plans in place to provide maximum practicable opportunities for small businesses both in prime contracting and subcontracting?

The Department has been active in issuing policy and developing plans to ensure that small businesses receive a fair share of available procurement dollars. OPE has issued Acquisition Bulletins to emphasize market research and solicitation of HUBZone and Service Disabled

Veteran-Owned Small Businesses in particular, as the Department of the Treasury, like most agencies, have historically failed to achieve prime contracting goals for these groups.

Across the Department, Small Business Specialists (SBS) ensure that small business entities participate in all appropriate acquisitions and that the statutory goals for small business awards established by the Department of Treasury are met or surpassed. The SBS is actively involved and periodically reminds and encourages Contract Specialists/Contracting Officers via e-mails or other venues to consider and solicit small businesses for potential acquisitions.

Finally, the Department publishes achievements against socio-economic goals on a monthly basis at the Treasury Acquisition Council meetings, has made a special effort to assure that achievement of socio-economic goals is in the performance plans of all bureau executives, procurement management and staff, and key customer management and staff.

7) If acquisition plans anticipate contract bundling, or contract consolidation in the case of the Department of Defense, have written justifications for these actions and appropriate analyses been developed?

Bundling of contract requirements may be necessary and justified in some cases. Treasury follows the FAR, which specifically requires that each federal agency, to the maximum extent practicable, take steps to avoid unnecessary and unjustified bundling of contract requirements that precludes small business participation as prime contractors as well as to eliminate obstacles to small business participation as prime contractors. If the Contracting Officer, with concurrence of the requiring activity, determines that bundling is required, a written justification supporting this action must be provided in accordance with FAR 7.107. The justification must document in quantifiable terms the measurably substantial benefits, such as cost savings, price reduction, quality improvements that will save time or improve or enhance performance/efficiency, reduction in acquisition cycle times and better terms or conditions. If substantial bundling is involved, at a minimum, the justification must also compare the benefits that could be derived through separate small contracts; assess specific impediments to participation by small business concerns as prime contractors; describe the Contracting Officer's intentions for maximizing small business participation as prime contractors, including provisions for encouraging small business teaming, and the description of how the maximization of small business participation as subcontractors is carried out.

B. Using competition in an effective manner

8) Do statements of work (SOW), including those in task and delivery orders, have:

- a. Sufficient information, stated clearly, so that offerors may make informed business decisions on whether to respond and perform the due diligence necessary to propose the best solutions possible?**

Services are critical to our mission and all acquisition personnel ensure that we acquire them effectively and efficiently. The Department is actively promoting increased use by program and procurement personnel of Performance-Based Service Acquisitions techniques for both contracts and task/delivery orders, with a goal of achieving at least 45% by FY2011. It is increasingly understood that it is not solely Procurement's responsibility to implement the use of PBSA, and that integrated teams must develop and cooperate in the acquisition strategies to successfully

prepare performance-based statements of work. To this end, OPE has required all procurement staff to complete a PBA online course by the end of 2007, and is working to assure that PBA courses are included in the requirements for receiving a FAC-PPM.

Bureaus routinely seek industry comments and suggestions regarding performance objectives and standards via market research, public meetings, RFIs, and release of draft SOWs. Treasury staff does strive to define requirements in clear, concise language. This is beneficial to the Department because more contractors will understand the requirement, allowing for more potential proposals to propose the best solutions.

b. Clear performance measures and expectations related to quality, responsiveness, timeliness, and costs?

To the extent we are successful in raising the percentage of contracting dollars using performance-based methods and strategies, we will improve the use of performance measures and quality. Therefore, it is essential that service requirements specify results rather than methods of performance, and we increase the value of requirements employing this good practice.

9) Does the agency consider complexity, commerciality, availability, and urgency in establishing offeror response times? Has sufficient time been built into the acquisition schedule to maximize competition and encourage contractors to provide quality proposals that would allow for a best value award based on initial offers?

Yes, sufficient time must be built in the acquisition schedule to permit the widest competition and thorough source selection review. The more time allotted to an offeror to prepare and submit a proposal the highest the quality of the proposal will be received. Also a selection based on best value is an excellent strategy to follow because it allows offerors to propose dissimilar approaches that can be difficult to compare and demands more time for review, but the results may be trade-offs, better competition, and most likely better prices.

A great deal of the Department's spending is on information technology services. Before any acquisition documents are developed, market research is normally conducted by the program and procurement staff to obtain information about available and alternative solutions. Market research is crucial in developing, validating, and refining the performance requirements. Information Technology acquisitions in particular, because of their continuous evolving practices and industry trends, require market research efforts tailored to the complexity and estimated value of the products and services the Department buys. Market research determines the type of acquisition milestones procurement must establish depending on customers' needs, acquisition urgency and complexity, commercial availability, criticality of the service/task, resources available, qualifications, and other sourcing considerations.

10) Is the agency taking recent and relevant past performance into account, including quality, timeliness, and cost control? Is the agency using the Past Performance Information Retrieval System (PPIRS)?

Yes, FAR 15.304 (c)(3)(i) requires consideration of past performance in all negotiated procurements over \$100,000. The contracting process provides for consideration of various aspects of a contractor's performance such as relevant past performance information on the timeliness in completing the work within budget, quality control programs in place, subcontract

management, and overall customer satisfaction. Contractors' past performance is a separate evaluation factor for award and is key to assess the likelihood of successful performance of future contracts. Most often past performance questionnaires are also sent during the solicitation process to different sources requesting above mentioned information and an analysis is performed on the data collected by the evaluation team. The Department of the Treasury Acquisition Regulation (DTAR) requires reporting of past performance information to the PPIRS through the National Institutes of Health Contractor Performance System (CPS). Contracting Officers also access this system in addition to the Past Performance Information Retrieval System (PPIRS) to retrieve past performance assessment reports detailing a potential contractor past performance. A recent draft update to the Departments procedures further emphasizes the use of PPIRS as a primary source for past performance information over the more limited CPS.

11) Does the documentation for source selection decision include the rationale for any tradeoffs made or relied on by the source selection authority, including the benefits associated with additional costs?

The tradeoff source selection process is generally selected when the Department wishes to consider award to other than the low-cost provider. Factors such as technical capabilities, qualifications, experience, and past performance are evaluated in combination with price in order to achieve the best value for the government. The Contracting Officer's rationale for these tradeoffs must be documented and retained with the competition contract file. The Office of the Procurement Executive reviews the source selection documentation during its Evaluation and Monitoring visits to the bureaus to verify that the appropriate documentation is in the file.

12) Are orders under indefinite-delivery vehicles reported to FPDS as non-competitive when competition is not used?

Yes. The Department of Treasury Acquisition Bulletin (AB) No. 07-02 requires two verification and validation (V&V) reviews each year of the FPDS-NG data to ensure Contracting Officers report accurately each contractual action. The AB also requires completion of the "extent competed" field in FPDS-NG for all relevant actions by any Treasury procurement activity, although this is not required government-wide or by the FPDS-NG system. Compliance is therefore low but increasing with education and communication of V&V results. Increasingly, bureaus are developing training to facilitate the correct reporting of data in FPDS-NG. For example, the IRS published a Helpful Hints/Tips Sheet and disseminated it to all procurement personnel. In addition, bureaus are increasingly adding reviewing roles and responsibilities in formal policy and personnel management processes.

C. Emphasizing sound contract management and oversight

1) Are properly trained contracting officer representatives and contracting officer technical representatives designated for contracts (including indefinite delivery contracts and task orders) before contract performance begins?

A Contracting Officer's Technical Representative (COTR) is designated for all actions in accordance with DTAR 1001.670. The Contracting Officer reviews the COTR's nomination, verifies the training and experience, and if acceptable, sends a letter of appointment to the COTR upon contract award. DTAR 1001.670 requires COTRs to complete the basic COTR acquisition training course (24 hours) and complete at least 8 hours of job-related maintenance training each year. This will shortly be updated to reflect the new FAC-COTR policy. Reviews of the

contract file by the Office of the Procurement Executive take place during Evaluation and Monitoring visits to verify that the COTR's certificates (basic training and maintenance training) were current and in the file together with the COTR appointment letter that specifies duties and responsibilities of the nominee.

2) Does the agency have appropriate processes in place to ensure that proposed modifications are within the scope of the contract or order?

A revision to the Department of Treasury Acquisition Regulation (DTAR) 1043.102 is in process to reduce the threshold for modifications that increase the total estimated value of a contract. Any contract modification, when considered with previous modifications, that increases the total estimated value of a contract, task order, or delivery order by 10% or more as compared with the initial award value must be approved by the BCPO prior to execution, unless the increase remains under the micropurchase threshold. COs must include in the contract file a determination that a proposed modification is within the general scope of the agreement. Legal counsel must be consulted in doubtful or unusual situations, such as when modifications, other than exercise of original options, increase the total price by 20% or more. Out of scope modifications are subject to the same competition requirements as a new contract or order.

3) Are quality assurance surveillance plans included in the contracts?

Yes, Contracting Officers normally delegate the quality assurance function to the COTR/Alternate COTR as part of their duties listed in the COTR's Appointment Letter. A formal Quality Assurance Surveillance Plan (QASP) is required for performance based acquisitions, in which case the requiring activity is responsible for providing the Contracting Officer with the QASP. The government may also require offerors to submit a proposed QASP for the government's consideration in development of the government's QASP.

Department of the Treasury

Competition Report FY2012



January 31, 2013



Department of the Treasury Competition Report FY2012

Table of Contents

Federal Acquisition Regulation Reporting Requirements	1
Departmental Advocate Activities	1
New initiatives to increase the acquisition of commercial items	1
New initiatives to increase competition	2
New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	2
Any barriers to the acquisition of commercial items or competition that remain	2
Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research	2
Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses	3

Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive that covers the topics below.

Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. In fiscal year 2012 the Office of the Procurement Executive (OPE) chartered a Competition Advocacy Council comprised Department and Bureau Competition Advocates whose responsibilities as described in Federal and Treasury Acquisition Regulation include promoting the acquisition of commercial items through full and open competition; challenging requirements that may inhibit competitive acquisition; and challenging barriers to the acquisition of commercial items and full and open competition. The Council monitors Bureau and Departmental performance related to competition and contract risk indicators; reviews Treasury and Bureau policies, procedures, and staffing for effective competition advocacy; and communicates best practices for effectively increasing competition in contracting across the Department.

The Council reviewed departmental and Bureau Competition rates as reflected in the table below:

Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
2012	32,779	\$5,867,730,724	17,410	53%	\$4,919,359,344	84%
2011	35,297	\$7,242,996,288	17,460	49%	\$6,301,427,853	87%
2010	36,532	\$5,986,566,432	17,745	49%	\$4,808,103,928	80%
2009	45,622	\$4,865,158,591	16,570	36%	\$2,888,450,091	59%
2008	38,056	\$4,560,571,044	14,703	39%	\$3,582,209,957	79%

Source: Federal Procurement Data System Competition Report run on 1/24/2013.

In fiscal year 2012 Treasury saw an increase in the percentage of competed actions across the department, but with a slight decrease in the percentage of competed dollars over fiscal year 2011. According to data available in the Federal Procurement Data Systems, greater than 50% of Treasury's contracts actions were competitive in fiscal year 2012, and more than 84% of contracted dollars.

New initiatives to increase the acquisition of commercial items

Treasury bureaus reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items

through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions. Treasury data reflected in FPDS as of 1/29/2013 indicates that 59% of actions and 25% of dollars awarded in FY2012 were commercial items, commercial services pursuant to FAR 12.102(g), or supplies or services pursuant to FAR 12.102(f). \$2.8B in obligations, representing 48% of reported Treasury obligations in FY2012, was reported by the US Mint as not using commercial item procedures. This information has been reported to the Competition Advocate for the US Mint to address.

New initiatives to increase competition

Treasury monitors competition as a component of contract risk, one portion of the Treasury procurement balanced scorecard which includes risk reduction, savings, and small business contracting. Treasury's continued positive trend reflects an optimal level of competition across the department. The bureaus indicate that they have achieved this largely through communication and close coordination with their customers during acquisition planning sessions. No new initiatives were required to further increase competition in fiscal year 2012.

New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

The Department of Treasury Acquisition Procedures (DTAP) requires each Bureau to name a PBA Advocate to establish procedures and dollar threshold(s) for the review prior to release of service solicitations to assure performance based techniques are adequately implemented. The DTAP requires the contracting officer to prepare a determination and findings (D&F) when an acquisition plan states that PBA methods are impractical. Treasury data reflected in the FPDS Performance based acquisition report as of 1/30/2013 indicates that 59% of eligible actions and 62% of eligible dollars awarded in FY2012 were PBA. This reflects a continuing increasing trend in this area over the past five years.

FY	% PBA Actions	% PBA Dollars
2012	57%	62%
2011	52%	59%
2010	44%	54%
2009	33%	44%
2008	22%	36%

Any barriers to the acquisition of commercial items or competition that remain

Bureau Competition Advocates reported no barriers to the acquisition of commercial items or competition.

Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research

Treasury acquisition training incorporates modules on competition and the acquisition of commercial items. In fiscal year 2012 OPE provided training on its vendor outreach and communication plan highlighting efforts to improve acquisition planning, reduce barriers to

vendor engagement, increase transparency, protect non-public information, enhance small business participation, and improve communications with contractors.

Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses

Each bureau has a Small Business Specialist who reviews requisitions for set-aside potential and small business participation ensuring that a fair share of prime and subcontracts are awarded to small businesses of all types. These specialists regularly attend and conduct vendor outreach sessions; perform market research and dynamic searches for small business in the System for Award Management (SAM). The Small Business Specialists are also involved in improving their own small business program with new and innovative ideas and techniques in the attempt to find small businesses.

OPE worked closely with the Treasury Office of Minority and Woman Inclusion (OMWI) and the OSDBU to ensure Treasury met its small business goals. OPE required Bureaus to submit lists of all open purchase requests valued at greater than the micro-purchase threshold and to indicate which actions would be set-aside for Small Business, HUBZone and/or Service Disabled Veteran Owned Small Business. OPE issued an Acquisition Procedure Update that required contracting officers to submit acquisition plans for any action within certain designated North American Industry Classification System (NAICS) categories not to be set aside for a small business, HUBZone or SDVOSB business. OPE, OMWI, and OSDBU reviewed these acquisition plans to identify further opportunities for small business participation within these traditionally challenging categories of small business.

Department of the Treasury

Competition Report FY2013



January 31, 2014



Department of the Treasury Competition Report FY2012

Table of Contents

Federal Acquisition Regulation Reporting Requirements	1
Departmental Advocate Activities	1
New initiatives to increase the acquisition of commercial items	1
New initiatives to increase competition	2
New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	2
Any barriers to the acquisition of commercial items or competition that remain	2
Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research	3
Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses	3

Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive that covers the topics below.

Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. In fiscal year 2013 the Competition Advocacy Council, comprised of Department and Bureau Competition Advocates promoted the acquisition of commercial items through full and open competition; challenging requirements that may inhibit competitive acquisition; and challenging barriers to the acquisition of commercial items and full and open competition. The Council monitored Bureau and Departmental performance related to competition and contract risk indicators; reviewed Treasury and Bureau policies, procedures, and staffing for effective competition advocacy; and communicated best practices for effectively increasing competition in contracting across the Department.

The Council reviewed departmental and Bureau Competition rates as reflected in the table below:

Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
2013	30,430	\$6,824,389,567	17,248	57%	\$5,858,033,894	86%
2012	32,779	\$5,867,730,724	17,410	53%	\$4,919,359,344	84%
2011	35,297	\$7,242,996,288	17,460	49%	\$6,301,427,853	87%
2010	36,532	\$5,986,566,432	17,745	49%	\$4,808,103,928	80%
2009	45,622	\$4,865,158,591	16,570	36%	\$2,888,450,091	59%
2008	38,056	\$4,560,571,044	14,703	39%	\$3,582,209,957	79%

Source: Federal Procurement Data System Competition Report run on 11/4/2013.

In fiscal year 2013 Treasury saw an increase in the percentage of competed actions across the department, and an increase in the percentage of competed dollars over fiscal year 2012. According to data available in the Federal Procurement Data Systems, greater than 50% of Treasury's contracts actions were competitive in fiscal year 2013, and 86% of contracted dollars.

New initiatives to increase the acquisition of commercial items

Treasury bureaus reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions.

Treasury data reflected in FPDS as of 11/5/2013 indicates that 59% of actions and 19% of dollars awarded in FY2013 were commercial items, commercial services pursuant to FAR 12.102(g), or supplies or services pursuant to FAR 12.102(f). \$2.8B in obligations, representing 48% of reported Treasury obligations in FY2012, was reported by the US Mint as not using commercial item procedures. In FY2013, MINT updated their Standard Operating Procedures to address the purchase of Commercial Items and issuing performance based contracts.

New initiatives to increase competition

Treasury monitors competition as a component of contract risk, one portion of the Treasury procurement balanced scorecard which includes risk reduction, savings, and small business contracting. Treasury's continued positive trend reflects an optimal level of competition across the department. The bureaus indicate that they have achieved this largely through communication and close coordination with their customers during acquisition planning sessions. As part of the FAC-COR continuous training requirements Level II and Level III Contracting Officer Representatives (CORs) had to complete the mandatory courses by September 30, 2013 including:

CLE028 – Market Research for Technical Personnel (4 CLPs)

CLM031 – Improved Statement of Work (4 CLPs)

Any COR who failed to complete these courses by this date either had their FAC-COR certification suspended or revoked.

New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

The Department of Treasury Acquisition Procedures (DTAP) requires each Bureau to name a PBA Advocate to establish procedures and dollar threshold(s) for the review prior to release of service solicitations to assure performance based techniques are adequately implemented. The DTAP requires the contracting officer to prepare a determination and findings (D&F) when an acquisition plan states that PBA methods are impractical. Treasury data reflected in the FPDS Performance based acquisition report as of 11/4/2013 indicates that 60% of eligible actions and 73% of eligible dollars awarded in FY2013 were PBA. This reflects a continuing increasing trend in this area over the past five years.

FY	% PBA Actions	% PBA Dollars
2013	60%	73%
2012	57%	62%
2011	52%	59%
2010	44%	54%
2009	33%	44%
2008	22%	36%

Source: Federal Procurement Data System Competition Report run on 11/4/2013.

Any barriers to the acquisition of commercial items or competition that remain

Given the unique nature of the Bureau of Engraving and Printing's (BEP's) mission, there are a number of items from which there are only a single or limited sources of supply to obtain the

needed services or supplies to support the manufacturer of U.S. banknote currency and other securities. Though this barrier exists, BEP continues to aggressively pursue efforts to identify where possible alternate sources for both current requirements and future needs.

Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research

In addition to the ongoing training provided by the Internal Revenue Service (IRS) Procurement through the Treasury Acquisition Institute, the Office of Strategic Acquisition Initiatives hosts business unit specific outreach sessions, as requested by the customer, to assist CORS, program/project managers and their staff in developing advance acquisition plans, acquisition plans, acquisition strategies, performance-based work statements, and management of the performance-based contract after award. Through these outreach sessions, customers are better informed about Federal Government-wide initiatives such as PBA, competition requirements, acquisition planning, including the use of small business concerns, IRS program/budget initiatives and advance planning procedures.

As a continual effort to find, assess and source unique and novel technologies for its needs, The Bureau of Engraving and Printing (BEP) has issued standing Sources Sought Notices on FebBizOpps as well as on Moneyfactory.com. Responses are reviewed to determine their potential for use.

Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses

Each bureau has a Small Business Specialist who reviews requisitions for set-aside potential and small business participation ensuring that a fair share of prime and subcontracts are awarded to small businesses of all types. These specialists regularly attend and conduct vendor outreach sessions; perform market research and dynamic searches for small business in the System for Award Management (SAM). The Small Business Specialists are also involved in improving their own small business program with new and innovative ideas and techniques in the attempt to find small businesses.

The Bureau's Small Business Specialist (SBS) participates in OSDBU's Vendor Outreach Sessions (VOS). The SBS serves as a counselor to various small business concerns and provides the firms with advice and information on upcoming requirements in order to maximize opportunity for small business participation. Firms are also given the opportunity to meet with the SBS or a SBS representative at extended appointments to further engage the firm in small business opportunities, and to learn how the firm can participate in Treasury acquisitions. The Bureau's Small Business Office has also developed a small business database of firms that have actively marketed themselves to the Department of the Treasury. The database is used as the first source when program offices and/or Bureau personnel request small business sources for upcoming acquisitions.

Department of the Treasury

Competition Report FY2014



January 29, 2015



Department of the Treasury Competition Report FY2014

Table of Contents

Federal Acquisition Regulation Reporting Requirements	1
Departmental Advocate Activities	1
New initiatives to increase the acquisition of commercial items	2
New initiatives to increase competition	2
New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	3
2014 Source: FPDS-NG Competition Report run on 24 Dec 14.	4
Any barriers to the acquisition of commercial items or competition that remain	4
Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses	4

Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation (FAR) 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive and Chief Acquisition Officer that covers the topics below.

Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. In fiscal year 2014 coordination with Bureau Chiefs of Contracting Offices promoted the acquisition of commercial items through full and open competition; challenging requirements that may inhibit competitive acquisition; and challenging barriers to the acquisition of commercial items and full and open competition. The Office of the Procurement Executive monitored Bureau and Departmental performance related to competition and contract risk indicators; reviewed Treasury and Bureau policies, procedures, and staffing for effective competition advocacy; and communicated best practices for effectively increasing competition in contracting across the Department.

Unfortunately, in spite of the aforementioned, both the overall percentage of competed actions and the percentage of competed dollars experienced a 2% and 3%, respectively, decrease from FY13. An analysis of individual bureau competition rates illuminates that all bureaus except the Internal Revenue Service (IRS) had a decrease in the percentage of competed actions. However, the vast majority of bureaus had an increase in the percentage of competed dollars – only the Mint and the Office of the Comptroller of the Currency experienced decreases and they were 1% and 6%, respectively.

The Office of the Procurement Executive (OPE) reviewed departmental and Bureau Competition rates and are summarized in the below table:

Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
2014	28,685	\$5,549,359,316	15,763	55%	\$4,602,944,359	83%
2013	30,430	\$6,824,389,567	17,248	57%	\$5,858,033,894	86%
2012	32,779	\$5,867,730,724	17,410	53%	\$4,919,359,344	84%
2011	35,297	\$7,242,996,288	17,460	49%	\$6,301,427,853	87%
2010	36,532	\$5,986,566,432	17,745	49%	\$4,808,103,928	80%
2009	45,622	\$4,865,158,591	16,570	36%	\$2,888,450,091	59%
2008	38,056	\$4,560,571,044	14,703	39%	\$3,582,209,957	79%

Source: Federal Procurement Data System – Next Generation (FPDS-NG) Competition Report run on 15 Dec 14.

In fiscal year 2014 Treasury saw a decrease across the board over fiscal year 2013. In fact, FY 2014 had the lowest number of total actions since it began tracking competition rates in 2008. Similarly, total obligated dollars is the least since 2009, number of competed actions is the least since 2008, percentage of competed actions is the least since 2012, total competed dollars is the least since 2009, and percentage of competed dollars is the least since 2010.

New initiatives to increase the acquisition of commercial items

Treasury bureaus reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions. Treasury data reflected in FPDS-NG as of January 06, 2015 indicates that 60% of actions and 47% of dollars in FY2014 were awarded using commercial item procedures pursuant to FAR 12.102. This is a significant increase from 19% of dollars awarded in FY2013.

Most notably, during FY14 Mint was able to overcome the difficulty it was having with using commercial item procedures in FY13. Of the \$2.67B in Mint FY14 obligations, representing 48% of reported Treasury obligations, 54% of Mint actions and 46% of Mint dollars were awarded using commercial item procedures which is the result of buying gold and silver using commercial procedures.

New initiatives to increase competition

Treasury monitors competition as a component of contract risk. Other risk elements monitored by the Department include the use of high risk contract types and small business contracting. This year's end to Treasury's positive trend is tied to Mint's 2% reduction to the number of competed actions and 1% reduction in the amount of competed dollars. During FY15, OPE and Mint will closely monitor competitive acquisitions in order to compete requirements when it is appropriate.

Regardless, through increased inter-bureau collaboration, procurement assessments, various other monthly or quarterly contract reviews, customer outreach, and increased training, the department is poised to arrest any further reduction to competition. For FY15, OPE has initiated quarterly (monthly for BEP and IRS) acquisition reviews of critical and high interest procurements for all bureaus. Additionally, weekly OPE procurement reviews were instituted for BEP and will continue until May 2015 or later depending on the quality of BEP's procurements.

The bureaus indicate that better communication and close coordination with their customers during acquisition planning sessions is beginning to yield positive results. Only actions in which the nature of the work is specialized, proprietary or otherwise available from only one source affect the department's competition goals and the ability to acquire commercial items. Additionally, OPE has instituted efforts to educate and enhance better communications all around.

Some of the training and events that were conducted during FY14 in order to aid and encourage competition were:

Small Business Administration (SBA) Certificate of Competency Program;
 SBA Annual training;
 SBA Subcontracting Plans – Pre & Post-Award;
 Market Research and SBA;
 SBA Subcontracting Assistance (CMRD);
 General Services Administration (GSA) BPAs and Contractor Teaming Arrangements;
 GSA Using Multiple Award Schedules (Basic);
 GSA Schedules and eBuy;
 GSA FAR Subpart 8.4 verses open market;
 GSA Schedules and SBA;
 US Pan Asian American Chamber of Commerce Business Matchmaking Event at Arlington, VA;
 IRS Competition In Contracting and Justification for Other Than Full and Open Competition (JOFOC), Limited-Sources Justification (LSJ) and Justification for an Exception to Fair Opportunity (JEFO);
 Currency trade shows; and,
 Several others that are too numerous to list.

Additionally, in conjunction with OSDBU, Fiscal Service conducted a vendor outreach session as well as a SBA Dynamic Networking event at Fairmont, WV.

For IRS, its FY14 efforts to advance acquisition planning has reduced the number of “Unusual and Compelling Urgency” justifications to three.

When combined with the aforementioned, an increase in FPDS-NG data accuracy in FY15 (due to a newly awarded department-wide FedDataCheck contract) should yield greater insight into specific barriers that are preventing competition in addition to the appropriate action that should be taken to address these barriers.

New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

The Department of Treasury Acquisition Procedures (DTAP) requires each Bureau to name a Performance-Based Acquisition (PBA) Advocate to establish procedures and dollar threshold(s) for the review prior to release of service solicitations to assure performance based techniques are adequately implemented. The DTAP also requires the contracting officer to prepare a determination and findings (D&F) when an acquisition plan states that PBA methods are impractical. Treasury data reflected in the FPDS-NG Performance-based acquisition report as of December 24, 2014 indicates that 63% of eligible actions and 73% of eligible dollars awarded in FY2014 were PBA. This reflects a continued increasing, albeit lessened, trend in this area over the past five years.

FY	% PBA Actions	% PBA Dollars
2014	63%	73%
2013	60%	73%

2012	57%	62%
2011	52%	59%
2010	44%	54%
2009	33%	44%
2008	22%	36%

2014 Source: FPDS-NG Competition Report run on 24 Dec 14.

Any barriers to the acquisition of commercial items or competition that remain

Given the unique nature of the Bureau of Engraving and Printing's (BEP's) mission, there are a number of items from which there is only a single or limited source of supply to obtain the needed services or supplies to support the manufacturer of U.S. banknote currency and other securities. Though this barrier exists, BEP continues to aggressively pursue efforts to identify (where possible) alternate sources for both current requirements and future needs. Similarly, the Mint faces challenges when competing precious metal requirements.

Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research

In addition to the ongoing training provided by the Treasury Acquisition Institute, the Internal Revenue Service (IRS) Office of Strategic Acquisition Initiatives hosts business unit specific outreach sessions as requested by the customer to assist CORs (contracting officer representatives), program/project managers and their staff in developing advance acquisition plans, acquisition plans, acquisition strategies, performance-based work statements, and management of the performance-based contract after award. Through these outreach sessions, customers are better informed about Federal Government-wide initiatives such as PBA, competition requirements, acquisition planning, including the use of small business concerns, IRS program/budget initiatives and advance planning procedures.

As a continual effort to find, assess and source unique and novel technologies for its needs, BEP has issued standing Sources Sought Notices on FebBizOpps as well as on Moneyfactory.com. Responses are reviewed to determine their potential for use.

Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses

Each bureau has a Small Business Specialist who reviews requisitions for set-aside potential and small business participation ensuring that a fair share of prime and subcontracts are awarded to small businesses of all types. These specialists regularly attend and conduct vendor outreach sessions; perform market research and dynamic searches for small business in the System for Award Management (SAM). The Small Business Specialists are also involved in improving their own small business program with new and innovative ideas and techniques in the attempt to find small businesses.

Each bureau's Small Business Specialist (SBS) participates in OSDBU's Vendor Outreach Sessions (VOS). The SBS serves as a counselor to various small business concerns and provides the firms with advice and information on upcoming requirements in order to maximize opportunity for small business participation. Firms are also given the opportunity to meet with

the SBS or a SBS representative at extended appointments to further engage the firm in small business opportunities, and to learn how the firm can participate in Treasury acquisitions. The Bureau's Small Business Office has also developed a small business database of firms that have actively marketed themselves to the Department of the Treasury. The database is used as the first source when program offices and/or Bureau personnel request small business sources for upcoming acquisitions. With the arrival of the new OSDBU, new and different methods are being implemented that should have a significantly positive affect on Treasury's vendor and customer outreach.

Department of the Treasury

Competition Report FY2016



April 28, 2017



Department of the Treasury Competition Report FY2016

Table of Contents

Federal Acquisition Regulation Reporting Requirements	1
Departmental Advocate Activities	1
New initiatives to increase the acquisition of commercial items	2
New initiatives to increase competition	2
New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics	3
2016 Source: FPDS-NG Competition Report run on 17 Feb 17.	3
Any barriers to the acquisition of commercial items or competition that remain	3
Other ways in which the agency has emphasized the acquisition of commercial	4
items and competition in areas such as acquisition training and research	
Activities taken in conjunction with Treasury's Office of Small Disadvantaged	4
Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses	4

Federal Acquisition Regulation Reporting Requirements

Federal Acquisition Regulation (FAR) 6.502(b)(2) requires the Competition Advocate to prepare and submit an annual report to the agency Senior Procurement Executive and Chief Acquisition Officer that covers the topics below.

Departmental Advocate Activities

As the Departmental Competition Advocate, I work to assure that the acquisition system, policies, metrics, and oversight are adequate to assure the levels of competition required by law. In fiscal year (FY) 2016, as with previous years, coordination with Bureau Chiefs of Contracting Offices promoted the acquisition of commercial items through full and open competition; challenging requirements that may inhibit competitive acquisition; and, challenging barriers to the acquisition of commercial items and full and open competition. The Office of the Procurement Executive monitored Bureau and Departmental performance related to competition and contract risk indicators; reviewed Treasury and Bureaus for effective competition advocacy; and communicated best practices for effectively increasing competition in contracting across the Department. Additionally, for FY 2016, the Departmental Competition Advocate conducted a round table discussion and training with bureau Competition Advocates.

Unfortunately, the recent trend has been a fewer number of actions and fewer contractors receiving awards for approximately the same total dollar value. During all of FY 2016 only 3,695 vendors received awards as compared to FY 2015 when 4,154 vendors received awards. Yet, in spite of this, the percentage of competed dollars continues to increase above the Treasury goal of 85% competed dollars. Similarly, Treasury's rate of competed acquisitions where only one bid/proposal was received has decreased from 15% during FY 2015 to 14% during FY 2016 as a result of an increased awareness of the causes that dissuade vendors from competing for Treasury requirements.

Each month as part of ProcureStat reporting and following fiscal year end, the Office of the Procurement Executive (OPE) reviewed departmental and Bureau Competition rates and are summarized in the below table:

Fiscal Year	Total Actions	Total Dollars	Competed Actions	% Competed Actions	Competed Dollars	% Competed Dollars
2016	18,127	\$5,909,334,520	11,721	64%	\$5,268,706,537	89%
2015	20,557	\$5,406,363,584	12,665	61%	\$4,708,345,366	87%
2014	28,685	\$5,549,359,316	15,763	55%	\$4,602,944,359	83%
2013	30,430	\$6,824,389,567	17,248	57%	\$5,858,033,894	86%
2012	32,779	\$5,867,730,724	17,410	53%	\$4,919,359,344	84%
2011	35,297	\$7,242,996,288	17,460	49%	\$6,301,427,853	87%

2010	36,532	\$5,986,566,432	17,745	49%	\$4,808,103,928	80%
2009	45,622	\$4,865,158,591	16,570	36%	\$2,888,450,091	59%
2008	38,056	\$4,560,571,044	14,703	39%	\$3,582,209,957	79%

Source: Federal Procurement Data System – Next Generation (FPDS-NG) Competition Report run on 03 Mar 17.

In FY 2016 Treasury saw a decrease in the number of contract actions from FY 2015. In fact, FY 2016 had the lowest number of total actions since Treasury began tracking competition rates in FY 2008. This reduction in the number of awards has been a great concern of the Treasury Director, Office of Small Disadvantaged Business Utilization as a result of there being what appears to be less opportunity for small business to compete for Treasury requirements; even though the percent of Treasury awards to small business remains relatively constant. Regardless, total obligated dollars remains within a normal range of \$5.5 - \$6.0 billion.

New initiatives to increase the acquisition of commercial items

Treasury bureaus reported little difficulty and few barriers to promoting the use of commercial items and acquisition approaches. The bureaus indicate that they promote commercial items through many mechanisms, including quality assurance reviews, market research training (often combined with small business research) and support, and acquisition planning sessions. Treasury data reflected in FPDS-NG as of February 06, 2017 indicates that 60% of actions and 48% of dollars in FY2016 were awarded using commercial item procedures pursuant to FAR 12.102. This is a slight increase from 47% of dollars awarded in FY2015.

New initiatives to increase competition

Treasury monitors competition as a component of contract risk. Other risk elements monitored by the Department include the use of high risk contract types and small business contracting. Regardless, the continuation of bureau monthly and quarterly Major Acquisition Program (MAP) reviews and increased inter-bureau collaboration was instrumental to bringing to light impediments to competition as well as solutions that other bureaus have found. Additionally, MAP reviews afford contracting personnel, customers, program officers, Legal and other stake holders to address and collectively resolve impediments and issues. MAP reviews have been instrumental to providing the Senior Procurement Executive (SPE) and Treasury Advocate for Competition insight into bureau critical acquisitions. MAP reviews also afford the SPE and Treasury Chief Information Officer an opportunity to partly fulfill their oversight and approval responsibilities under FITARA (Federal Information Technology Acquisition Reform Act).

OPE also conducted a focused procurement assessment of the Bureau of the Fiscal Services that considered how much competition occurred but didn't identify anything out of the ordinary. Bureaus conducted customer outreach plus training that, although not specific to competition, has increased awareness. Also contributing is Treasury's emphasis on taking a fresh look at recurring requirements. This approach has resulted in competition where there hasn't been any for several years. Above and beyond the improvements indicated by data, OPE's experience with bureaus appears to show an improved culture within the Treasury contracting community. Where there previously was an overt resistance to go against a customer's desire for a sole

source award, contracting officers seem to express greater empowerment to challenge sole source requirements.

As important as the aforementioned is, the greatest initiative to increase competition really isn't an initiative. Rather, it has been the combined leadership and support of senior executives and political leadership within Treasury that has had the greatest positive impact on increasing competition as well as achieving greater efficiencies and cost savings. It is anticipated that Treasury leadership will continue to press for greater competition where it makes sense in FY17.

During FY17, OPE is initiating Program Management Reviews of specific existing, critical and high interest contracts. It is anticipated that the gradual shift in emphasis to post-award, contract administration reviews will help identify areas for improvement in follow-on procurements that will, among other things, garner increased competition.

The bureaus indicate that better communication and close coordination with their customers during acquisition planning sessions is beginning to yield positive results. Only actions in which the nature of the work is specialized, proprietary or otherwise available from only one or very limited sources affect the department's competition goals and the ability to acquire commercial items. Additionally, OPE has instituted efforts to educate and enhance better communications all around.

A couple of the training and events that were conducted during FY16 in order to aid and encourage competition were:

Senior Procurement Executive annual round table with Heads of Contracting Activities; and, Treasury Advocate for Competition annual round table with bureau Advocates for Competition.

When combined with the aforementioned, a continued increase in FPDS-NG data accuracy in FY16 is yielding greater insight into specific barriers that are preventing competition in addition to the appropriate action that should be taken to address these barriers.

New initiatives to ensure requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics

Department of Treasury Acquisition Procedures (DTAP) 1037.6070(a) requires each Bureau to name a Performance-Based Acquisition (PBA) Advocate to establish procedures and dollar threshold(s) for the review prior to release of service solicitations to assure performance based techniques are adequately implemented. The DTAP also requires contracting officer to prepare a determination and findings (D&F) when an acquisition plan states that PBA methods are impractical. Treasury data reflected in the FPDS-NG Performance-based acquisition report as of February 17, 2017 indicates that 41% of eligible actions and 80% of eligible dollars awarded in FY2016 were PBA. Although the percentage of PBA actions continues to decline, the percentage of PBA dollars continues to increase an average of 5.55% each year.

FY	% PBA Actions	% PBA Dollars
----	------------------	------------------

2016	41%	80%
2015	43%	77%
2014	63%	73%
2013	60%	73%
2012	57%	62%
2011	52%	59%
2010	44%	54%
2009	33%	44%
2008	22%	36%

2016 Source: FPDS-NG Competition Report run on 17 Feb 17.

Any barriers to the acquisition of commercial items or competition that remain

Given the unique nature of the Bureau of Engraving and Printing's (BEP's) mission, there are a number of items from which there is only a single or limited source of supply to obtain the needed services or supplies to support the manufacturer of U.S. banknote currency and other securities. Though this barrier exists, BEP continues to aggressively pursue efforts to identify (where possible) alternate sources for both current requirements and future needs. Similarly, the Mint faces challenges when competing precious metal requirements and continually searches for additional resources that can meet Mint requirements.

Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research

In addition to the ongoing training provided by the Treasury Acquisition Institute, the Internal Revenue Service (IRS) Office of Strategic Acquisition Initiatives hosts business unit specific outreach sessions as requested by the customer to assist CORs (contracting officer representatives), program/project managers and their staff in developing advance acquisition plans, acquisition plans, acquisition strategies, performance-based work statements, and management of the performance-based contract after award. Through these outreach sessions, customers are better informed about Federal Government-wide initiatives such as PBA, competition requirements, acquisition planning, including the use of small business concerns, IRS program/budget initiatives and advance planning procedures. The recent change in IRS procurement leadership in 2016 has had the greatest positive impact on the conduct of IRS acquisition, including competition and the purchase of commercial items and services.

As a continual effort to find, assess and source unique and novel technologies for its needs, BEP has issued standing Sources Sought Notices on FebBizOpps as well as on Moneyfactory.com. Responses are reviewed to determine their potential for use.

Activities taken in conjunction with Treasury's Office of Small Disadvantaged Business Utilization (OSDBU) to ensure maximum opportunities are provided to small businesses

Each bureau has a Small Business Specialist who reviews requisitions for set-aside potential and small business participation ensuring that a fair share of prime and subcontracts are awarded to small businesses of all types. These specialists regularly attend and conduct vendor outreach sessions; perform market research and dynamic searches for small business in the System for Award Management (SAM). The Small Business Specialists are also involved in improving

their own small business program with ideas and techniques in the attempt to find small businesses.

Each bureau's Small Business Specialist (SBS) participates in OSDBU's Vendor Outreach Sessions (VOS). The SBS serves as a counselor to various small business concerns and provides the firms with advice and information on upcoming requirements in order to maximize opportunity for small business participation. Firms are also given the opportunity to meet with the SBS or a SBS representative at extended appointments to further engage the firm in small business opportunities, and to learn how the firm can participate in Treasury acquisitions. The Bureau's Small Business Office has also developed a small business database of firms that have actively marketed themselves to the Department of the Treasury. The database is used as the first source when program offices and/or Bureau personnel request small business sources for upcoming acquisitions. The arrival of a new OSDBU resulted in new and different methods being implemented that had a significantly positive affect on Treasury's vendor and customer outreach.