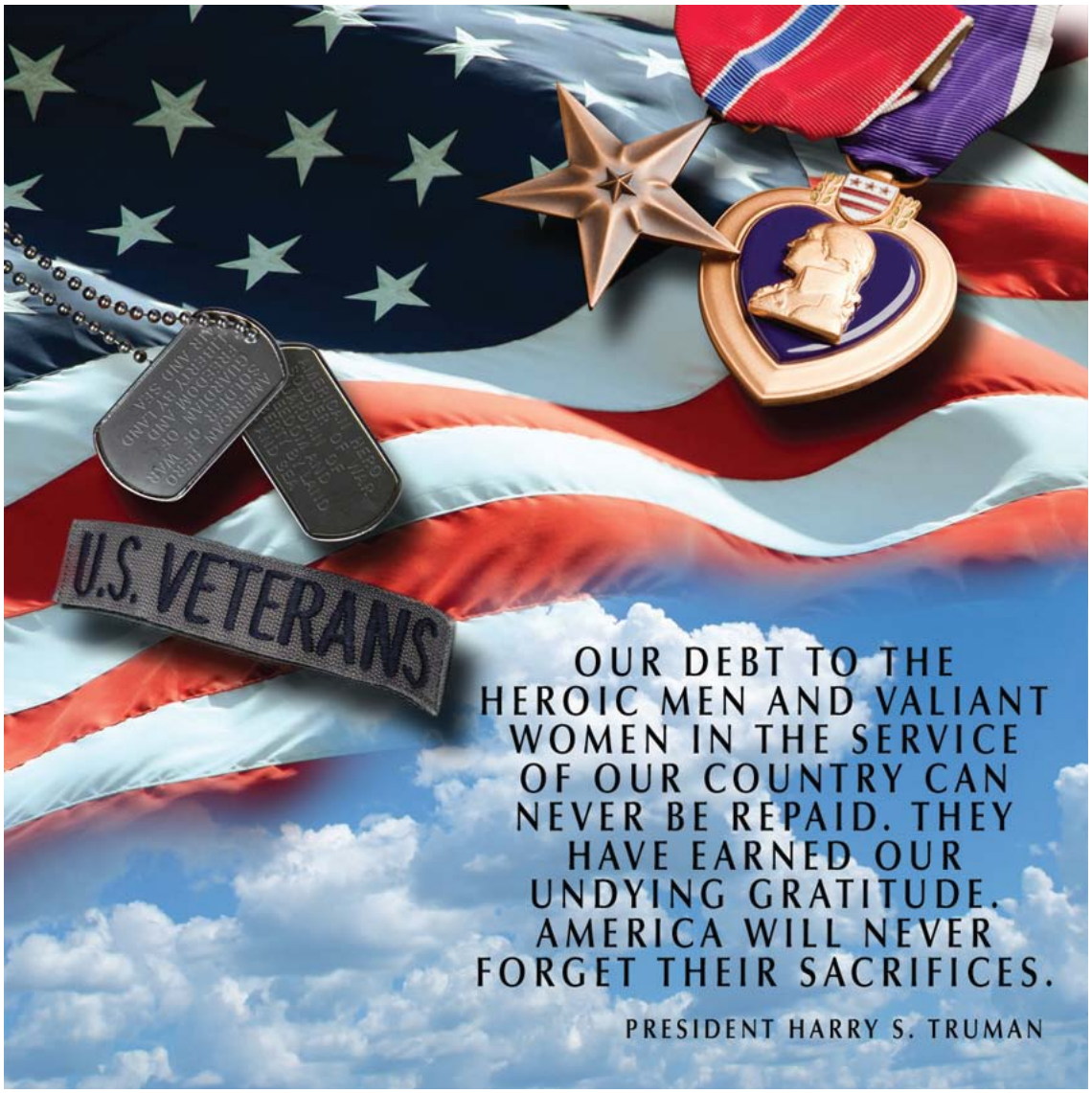
Office of Procurement Operations
U.S. Department of Homeland Security
Washington, DC 20528



Program Management, Administrative, Clerical and Technical Services (PACTS) Ordering Guide

Version 1.4
April **2011**

Foreword

The Program Management, Administrative, Clerical and Technical Services (PACTS) program is a suite of multiple-award indefinite delivery/indefinite quantity (IDIQ) contract vehicles. The *PACTS Ordering Guide* contains the information required to use these contract vehicles to obtain program management, administrative, clerical and technical services throughout DHS. It provides the procedures for ordering services under PACTS, and defines the roles and responsibilities of the major parties involved in the ordering process. These contracts are available to DHS Headquarters and its components, and orders may be placed directly by a DHS-warranted Contracting Officers. Components that use other federal agency resources to provide contracting services may delegate procurement authority to allow the use of the PACTS contracts on the Component's behalf.

Questions regarding these guidelines and procedures, or those of a contractual nature, should be directed to the Office of Procurement Operations (OPO), Enterprise Information Technology Acquisitions Division (EAD-1) / PACTS Program Management Office using the email address below. The EAD will revise these guidelines, as needed, to improve and streamline the process of awarding and managing orders under the PACTS contracts.

This Ordering Guide is intended to provide guidance on general ordering processes for the PACTS contracts. This information is intended to supplement the requirements of the base PACTS contracts, particularly those of clause G.4 Task Order (TO) Procedures. The information provided in this Guide in no way supersedes the provisions of the Federal Acquisition Regulation, the Homeland Security Acquisition Regulation, the Homeland Security Acquisition Manual, or any ordering activity-specific policies and guidance.

Office of Procurement Operations
Enterprise Information Technology Acquisitions Division
Attn: H. Harrison Smith, Contracting Officer, (202) 447-0445
Sherry Barber, Program Manager, (202) 447-5523
245 Murray Lane, SW, Bldg. 410
Washington, DC 20528

For PACTS Questions Contact: PACTS@DHS.GOV

HOW TO USE THIS GUIDE

Our goal was to keep the guide short and simple. Therefore, the PACTS ordering guide only contains the information required to use this vehicle for obtaining Program Management, Administrative, Clerical and/or Technical Services throughout DHS. Chapters 1 – 3 provide general information, roles and responsibilities, and PACTS Ordering Procedures. Appendices A-E provide the PACTS contractor list, specific ordering procedures, fair opportunity exception guidance, and a Task Order Request Package (TORP) checklist. Appendices F-Q contain information that may assist a TO contracting officer or requiring activity in completing the necessary paperwork to be submitted with the TORP. There are optional sample templates and forms for: a Statement of Work (SOW), Performance Work Statement (PWS), Quality Assurance Surveillance Plan (QASP), Service Level Agreement (SLA), Statement of Objectives (SOO), Proposal Evaluation Plan, Submission Instructions/Evaluation Criteria, and a sample debriefing letter to unsuccessful Offerors.

Table of Contents

1. General Information 1
1.1 Background 1
1.2 Purpose 1
1.3 Scope 2
1.4 Authorized Users 3
1.5 Contractors 3
2. Roles and Responsibilities 4
2.1 PACTS Program Management Office (PMO) 4
2.2 Requiring Activity 4
2.3 Contracting Officer – PACTS Contract Level 5
2.4 Contracting Officer – Task Order Level 5
2.5 Contracting Officer's Technical Representative – Task Order Level 6
2.6 Task Order Contract Ombudsman 6
2.7 Contractor's Program Manager 7
3. PACTS Ordering Procedures 8
3.1 PACTS Ordering Procedures 8
3.2 PACTS PMO Assistance 10
3.3 Scope of PACTS Task Orders 10
3.4 Fair Opportunity Exceptions 10
3.5 Fair Opportunity Exceptions Procedures 11
3.6 Where to Locate More PACTS Contract Information 11
4. Appendices 14
4.1 Appendix A. PACTS Contractor List 14
4.2 Appendix B. Detailed PACTS Task Order Procedures 15
4.3 Appendix C. Fair Opportunity Exception Courtesy Copy to the PACTS PMO 22
4.4 Appendix D. Request for Task Order Memorandum to the Office of Procurement Operations 24
4.5 Appendix E. Checklist for Task Order Request Package (TORP) 25
4.6 Appendix F. Additional Guidance on Performance-Based Service Acquisition 27
4.7 Appendix G. Streamlined Acquisition Plan Sample Format 30
4.8 Appendix H. Sample Format for a Statement of Work (SOW) 44
4.9 Appendix I. Sample Format for a Performance Work Statement (PWS) 45
4.10 Appendix J. Sample Quality Assurance Surveillance Plan (QASP) 47
4.11 Appendix K. Sample Service Level Agreement (SLA) 49
4.12 Appendix L. Sample Statement of Objectives (SOO) 50
4.13 Appendix M. PACTS Proposal Evaluation Plan 52
4.14 Appendix N. Sample E-Mail Requests for Proposal 53
4.15 Appendix O. Proposal Submission Instructions/Evaluation Criteria 59
4.16 Appendix P. Sample Debriefing Letter to Unsuccessful Offeror 61
4.17 Appendix Q. PACTS Glossary 63

List of Figures

Figure 1 - PACTS Task Order Process 12

1. General Information

1.1 Background

The major goal of the **P**rogram Management, **A**dministrative, **C**lerical and **T**echnical **S**ervices (PACTS) acquisition was to create a streamlined portfolio of contract vehicles for various services with accessibility by DHS Headquarters and its components. In support of Executive Order 13360, PACTS is a 100% Service Disabled Veteran Owned Small Business (SDVOSB) set-aside. The types of services provided under the PACTS Program make up a significant portion of requirements currently being acquired through various procurement vehicles across the Department of Homeland Security (DHS).

The strategic goals and objectives for the PACTS acquisition include:

(1) Providing a comprehensive range of services for use throughout the Department.
(2) Providing a continuous alignment between business strategy, business processes, and various management services while maintaining an acquisition approach based on flexibility and efficiency.
(3) Acquiring essential services in an effective, economical, and expedient manner consistent with the DHS mission.
(4) Supplementing current DHS-wide procurement vehicles.
(5) Promoting and supporting DHS small business goals and initiatives.
(6) Providing opportunities for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs).

To accomplish these objectives the Office of Procurement Operations (OPO), Departmental Operations Acquisition Division (DOAD) has:

- Established services vehicles through a portfolio of Indefinite Delivery Indefinite Quantity (IDIQ) contracts and effected monetary savings by focusing on procurements from an enterprise-wide perspective, thus leveraging DHS' buying power through economies of scale;
- Enhanced the availability of services from small business;
- Established a portfolio of component assessable and effective contracting vehicles tailored exclusively for SDVOSBs to provide these services; and
- Streamlined and standardized acquisition processes and procedures.

1.2 Purpose

This document provides the procedures for placing Task Orders (TOs) for services under PACTS, and defines the roles and responsibilities of the major parties involved in the ordering process. TOs against PACTS may be placed by OPO (for use on its own behalf or for use by the components) or by component TO Contracting Officers who hold a current DHS warrant. However, overall responsibility for administration of the PACTS contracts rests with the Contract-level Contracting Officer (CO).

The ordering guidelines contained herein are in concert with the best practices guidance of the Office of Federal Procurement Policy (OFPP) and the Office of Management and Budget (OMB), as well as Homeland Security Acquisition Manual (HSAM) policy. Specifically, in promoting PACTS, OPO will focus on the following:

- Making simplified ordering procedures and award documentation templates available to DHS and its Components;
- Managing a reasonable number of PACTS awards with highly skilled, responsible Service-Disabled Veteran-Owned Small Business contractors who possess a wide variety of expertise;
- Promoting performance-based work statements;
- Improving the efficiency of the ordering process with the use of PRISM and other electronic ordering systems. These systems encompass requisitioning, soliciting, ordering, contract/order/solicitation management, award and closeout;
- Ensuring availability of acquisition, technical, program and contracting personnel to provide advice and guidance, at no cost to the component level ordering office; and,
- Scheduling periodic meetings between the PACTS Program Management Office (PMO), PACTS contractors, and DHS components to discuss administrative matters, future requirements, and needed improvements in the ordering process.

1.3 Scope

The PACTS IDIQ contracts will promote the use of performance based contracting, accommodate the issuance of TOs for various types of pricing arrangements (Fixed Price (FP), Time and Materials (T&M), and Labor Hour (LH)), and will allow for various FP incentive contracting features. Cost-reimbursable orders of any type are not permitted under PACTS (although other direct costs (ODCs) may be included as part of a FP or T&M/LH TO). Specific program or project requirements will be defined in TOs that will be competed at the Functional Category level. TOs will be competed using the Fair Opportunity provisions of the Federal Acquisition Regulation (FAR), Part 16.505. PACTS IDIQ contracts have a two (2) year base period and three (3) one-year option periods that may be exercised at the sole discretion of DHS/OPO. TOs issued under PACTS must have individually-defined performance periods. PACTS will allow for TO performance at any location in the Continental United States (CONUS) or Outside the Continental United States (OCONUS). To effectively manage this acquisition, the PACTS PMO will be responsible for providing initial acquisition program support to PACTS. The PACTS PMO will play pivotal roles with transforming the “typical” acquisition environment by focusing on program outcomes and business successes.

Appendix A provides a list of prime contractors that provide services in the following four (4) comprehensive Functional Categories (FCs) under PACTS:

- FC1 – Program Management
- FC2 – Administrative
- FC3 – Clerical
- FC4 – Technical

The Federal Acquisition Streamlining Act (FASA) has established a "general" preference for multiple awards, and in doing so:

- Authorizes exemption from the public notice requirement when placing orders;
- Limits protests in connection with the issuance of orders except on the grounds that the order increases the scope, period, or maximum value of the contract (except for TOs which exceed $10,000,000);
- Mandates that multiple awardees have a fair opportunity to be considered for orders in excess of the simplified acquisition threshold; and,

- In accordance with the 2008 Defense Authorization Bill, protests are authorized for TOs exceeding $10,000,000.

Pursuant to FAR requirements, PACTS requires that each prime contractor in the pertinent Functional Category have a "fair opportunity to be considered" for each TO within that Functional Category. Unless one of the exceptions cited at FAR 16.505 applies, the CO for the individual TO will announce each requirement to all prime contractors who have received an award for the applicable FC.

1.4 Authorized Users

DHS PACTS contracts are intended for use by DHS and its components. The contracts are not Government-Wide Acquisition Contracts and cannot be used by other Federal agencies. DHS components that use another federal agency to provide contracting services may delegate procurement authority to allow the use of the PACTS contracts on the component's behalf. It is the component's responsibility to ensure that the delegation precludes non-DHS orders placed on the contracts and that awarded orders are included in the monthly contractor activity reports.

1.5 Contractors

PACTS is a SDVOSB set-aside. The identification of specific TO requirements and the TO competition process will enable PACTS contractors and PACTS contractor teams to form the most advantageous solutions for satisfying specific requirements. PACTS contractors, by Functional Category, are listed in Appendix A, inclusive of complete addresses, fax and phone numbers, company points of contact (POCs), and links to the contractor's PACTS home pages or portals at http://www.dhs.gov/xopnbiz/opportunities/ or http://mgmt-ocpo-sp.dhs.gov/sites/epic/opo/Pages/PACTS.aspx

2. Roles and Responsibilities

The following describes the roles and responsibilities for matters regarding PACTS contract administration, as well as other administrative information.

2.1 PACTS Program Management Office (PMO)

The PACTS PMO was established with the following responsibilities:

- Ensuring that customers are aware of their responsibilities and of the scope of the PACTS contract;
- Addressing and satisfying the needs of all participants in the process;
- Maintaining a level of program integrity that prevents or mitigates contractual or programmatic problems;
- Soliciting feedback and providing continuous process improvement; and,
- Promoting guidance and providing assistance to customers who use PACTS.

The PACTS PMO is available to work directly with customers and PACTS contractors throughout the TO process, and to provide assistance, support, and overall PACTS contract level contract management/administration. As such, the PACTS PMO is guided by directives from other organizations, and develops, employs and promulgates procedures and templates that support these directives, e.g., DHS Acquisition Directive 102-01, Investment Review Process. The PACTS PMO is also responsible for receiving, monitoring and reporting all TO awards and all "fair opportunity" exceptions.

2.2 Requiring Activity

The requiring activity or component is responsible for preparing the TO request package (TORP)***** to include a purchase request/requisition. It should be noted that the TORP will include internal government documents which shall not be released to the PACTS contractors. Appendix B provides the detailed TORP Procedures for acquiring services via the PACTS contracts. The TORP shall contain, at a minimum, the following:

- Complete statement of work (SOW), statement of objectives (SOO), or performance work statement (PWS);
- Independent government cost estimate (IGCE);
- Proposal instructions (including proposal due date);
- Contractor evaluation criteria and evaluation plan; and,
- Name, title, address, phone number, e-mail, and fax of requisitioner/requiring activity POC.

Also include the following, as applicable:

- Acquisition Plan;
- Fair opportunity exception (see Appendix C);
- Other pertinent statute/regulation requirements, including applicable Section 508 requirements or exceptions;
- Necessary approvals (Investment Review Board (IRB), etc., if applicable); and
- Specific security requirements and documentation (e.g., DD 254).

It is the responsibility of the requiring activity to obtain the necessary approvals (e.g., IRB, funds certification, etc. prior to submitting the TORP to the TO CO). Additionally, personal services shall not be ordered under PACTS, and it is the responsibility of the requiring activity to ensure that they are not included in any PACTS TO(s).

***** See Appendix E – Checklist for PACTS TORP.

2.3 Contracting Officer – PACTS Contract Level

The PACTS Contract Level CO has the overall responsibility for the administration of the PACTS contracts. The Contract Level CO, without right of delegation, is the only individual authorized to take actions on behalf of the Government to amend, modify, or deviate from the base contract terms, conditions, requirements specifications, details and/or delivery schedules. Within that CO authority is the ability to delegate to an Administrative Contracting Officer (ACO) for the administration, management and oversight of the contracts.

The Contract Level CO is responsible for the overall administration and final closeout of the contracts, and when necessary, shall:

- Provide scope oversight;
- Serve as liaison between the contractor and DHS;
- Assist in expediting orders;
- Ensure compliance with contract requirements;
- Issue the CO's final decision and handle all contract-level contractual disputes under the Contract Disputes Act; and
- Issue all modifications against the base contract(s).

2.4 Contracting Officer – Task Order Level

Services will be ordered via TOs issued by TO COs within the DHS Headquarters or component's organization in accordance with the ordering procedures set forth in this Guide. Another federal agency that provides contracting services to a DHS component may place TOs on that component's behalf. All warranted COs of DHS, including its components, are authorized TO COs. The Office of Procurement Operations is available to conduct acquisitions on behalf of components, in particular for those without an in-house procurement capability. Such actions should be coordinated with the PACTS PMO (see Appendix D for a template cover memorandum for forwarding a requirement to the PACTS PMO).

TO CO responsibilities include:

- Ensuring that TOs are within the scope of the contract (i.e., that the Northern American Industry Classification System (NAICS) code for the requirement is the same as the NAICS code(s) for the Functional Category under which the TO is being issued);
- Issuing TO Request for Proposals (TORFPs) and evaluating TO technical and cost/price proposals;
- Overseeing the TO procurement process through award;
- Approving or withholding payment, or authorizing partial payment of invoices;
- Ensuring the administration and final closeout of TOs;
- Forwarding an end of fiscal year notification to the Contract Level CO at PACTS@DHS.GOV (either by memo, letter, or electronically) stating which TOs awarded in the preceding fiscal year are closed and final disposition complete, including release of claims letters (if applicable);

- Completing contractor performance evaluations, with input from the contracting officer's technical representatives (COTRs)/requiring activity using the Contractor Performance Assessment Reporting System (CPARS) at http://www.cpars.csd.disa.mil/cparsmain.htm;
- Requesting and verifying Contractor Past Performance information during the solicitation and evaluation process;
- Adhering to the terms and conditions of the PACTS contracts, FAR, and other applicable laws, regulations and guidelines (including the Service Contract Act and any applicable wage determinations);
- Assisting the PM/COTR in selecting the appropriate Functional Category (FC). The appropriate FC is the FC where the predominant amount of work is defined per the SOW/SOO/PWS. Only one (1) FC should be identified for the defined requirement. The TO CO has the final authority when determining which FC that shall be used for a particular requirement;
- Designating the TO COTR after confirming training and certification;
- Providing a copy of the COTR designation letter to the COTR and contractor; and,
- Forwarding copies of the TORFP, exception for fair opportunity explanation, TO award documentation, and TO modification documentation to the DHS PACTS PMO at PACTS@dhs.gov.

2.5 Contracting Officer's Technical Representative – Task Order Level

TO COs should designate COTRs for individual TOs, who will be responsible for the day-to-day coordination of that TO. It is the TO CO's responsibility to confirm that the designated individual is a trained, certified COTR. A copy of the letter of designation, identifying specific duties and responsibilities will be provided to the contractor.

The TO COTR responsibilities may include:

- Representing the TO CO in the administration of technical details within the scope of the TO;
- Ensuring final inspection and acceptance of all TO deliverables and reports, and such other responsibilities as may be specified in the TO, including review of Section 508 compliance testing results; and
- Completing the contractor performance evaluations using the CPARS at http://www.cpars.csd.disa.mil/cparsmain.htm) with respect to each TO.

The COTR is not authorized to make any representations or commitments of any kind on behalf of the TO CO or the Government. The COTR does not have authority to alter the contractor's obligations or to change the TO specifications, pricing, terms or conditions. If, as a result of technical discussion(s), it is desirable to modify TO requirements or the specification, changes will be issued in writing and signed by the TO CO.

2.6 Task Order Contract Ombudsman

In accordance with FAR Part 16.505(b)(5), a contractor protest under subpart 33.1 is not authorized in connection with the issuance or proposed issuance of an order of less than $10,000,000 under a task/delivery order contract, except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract. In accordance with the 2008 Defense Authorization Bill, protests are authorized for TOs exceeding $10,000,000. Contractors shall contact the Task/Delivery Order Level Competition Advocate of the appropriate Component to ex-

press concern with the issuance or proposed issuance of a task/delivery order on the grounds stated previously. The Task Order/Delivery Order Level Ombudsman's responsibilities are to:

- Address contractor concerns regarding compliance with task/delivery order award procedures;
- Review contractor complaints on task/delivery order contracts;
- Ensure all contractors are afforded a fair opportunity to be considered for each task/delivery order, consistent with FAR 16.505(b); and
- When requested, maintain strict confidentiality of the contractor requesting assistance.

The Contract Level Ombudsman for PACTS is the DHS Headquarters Competition Advocate, within the Office of Procurement Operations (OPO). The Contract Level Ombudsman is responsible for the final recommendations/decisions for all orders under this contract, when resolution cannot be determined at the component level.

Contractors should contact the PACTS PMO to appeal TOs issued by non-DHS procurement offices. The PACTS PMO will coordinate the appeals with the Headquarters Competition Advocate for resolution.

2.7 Contractor's Program Manager

The contractor's Program Manager shall act as the central POC with the Government for all program-wide technical matters, and will represent the contractor at all post-award status meetings. The contractor's Program Manager shall be responsible for resolution of all technical issues, program management, and other contract support. This includes providing comprehensive account support for the PACTS contract. The contractor's Program Manager is responsible for overall contract performance and shall not serve in any other capacity under this contract.

3. PACTS Ordering Procedures

3.1 PACTS Ordering Procedures

This section describes the necessary steps required to issue TOs under FAR Part 16.505. TOs may be issued using either a traditional ordering process or a multi-phased ordering process – the TO CO shall determine which is the most appropriate ordering process for the requirement. This section of this guide contains the PACTS contractor list, TO procedures, fair opportunity exception guidance, the TORP checklist, and sample templates and forms for optional use. Clause G.4 Task Order (TO) Procedures of each base contract should also be used when issuing TO Request for Proposals (TORFPs) or TOs. The PACTS PMO does not approve TORFPs, but will provide support by reviewing TORFPs if requested by the TO CO.

For TOs that will be performed Outside the Continental United States (OCONUS), each PACTS contract includes an OCONUS multiplier which shall be applied to the **unburdened** hourly labor rate to arrive at the OCONUS hourly labor rate. The hourly labor rates that are listed in Section B of each PACTS contract are the fully burdened hourly labor rates – therefore, the OCONUS multiplier should not be applied to the hourly labor rates listed in Section B.

The PACTS Contractors will perform calculations identifying the unburdened labor rates in a clear and concise manner within the TO proposal. TORFPs should be very clear as to what and which portion of the work is to be performed OCONUS.

3.1.1 Traditional Ordering Process

In utilizing the Traditional Ordering Process, and after the determination of Fair Opportunity Exception or unrestricted competition, the prime contractors within the designated FC shall have the opportunity to submit a full technical and cost/price proposal.

If the TO request is complex and requires extensive technical and cost/price proposals from each contractor, the Government shall allocate the proper resources to evaluate each of the proposals according to the evaluation plan (see Appendix M – PACTS Proposal Evaluation Plan for a sample). The following key steps provide guidance for the ordering process, see Figure 1: PACTS Task Order Process:

- **STEP 1: TORP DEVELOPMENT** (Acquisition Planning) - the requiring activity prepares the TORP documents either for the Traditional or Multi-phased Ordering Process and forwards it to the TO CO, refer to Section 2.2 and Appendix B.

  ▯NOTE: The PACTS PMO staff is available to assist in the development and/or review of acquisition planning documentation prior to submission to the TO CO.

- **STEP 2: TASK ORDER SOLICITATION PREPARATION** - the TO CO reviews the TORP and prepares a TORFP to be forwarded to the prime contractors within the designated FC. The TORFP should not be referred to as a Request for Quote (RFQ) or Request for Proposal (RFP) by the TO CO.

  The request should typically place a limit of no more than fifteen (15) pages on the technical proposal, subject to adjustment at the discretion of the TO CO based on the size, scope and complexity of the TO. The request may also include an oral presentation and Due Diligence sessions, if it is determined to be beneficial to the evaluation. A complete cost/price proposal must be submitted, with no page restrictions. The amount of time allowed for the traditional response is typically ten (10) days, which may be adjusted by the TO CO based on the scope/complexity of the requirement and the needs of the customer.

- **STEP 2a: FAIR OPPORTUNITY DETERMINATION** – in accordance with the Section 3.5. Fair Opportunity Exceptions, and if a Fair Opportunity Exception applies, the TO CO prepares the solicitation in accordance with the applicable regulations.

- **STEP 3: ISSUANCE OF THE SOLICITATION** – the TO CO issues the solicitation to PACTS contractors in the appropriate FC. The TORFP shall utilize a Standard Form (SF) 18, SF 1449, or Optional Form 347 as the cover sheet. The first sentence of the cover sheet should read: This TORFP is for services under your firm's Functional Category [insert appropriate Functional Category number here] PACTS award for the Department of Homeland Security (DHS), [insert the name of the ordering/requiring activity here].
- **STEP 4: PROPOSAL EVALUATION** – the TO CO receives and evaluates proposals in accordance with the Evaluation Plan.
- Technical and cost/price evaluations are conducted by the Government evaluation teams designated according to the written evaluation plan. Negotiations may take place, if needed.
- ▯**NOTE**: A copy of award documentation must be provided to the PACTS PMO via email at PACTS@DHS.GOV.
- **STEP 5: TASK ORDER AWARD** – the TO CO awards the TO to the successful offeror (contractor).
- **STEP 6: NOTIFICATION TO UNSUCCESSFUL OFFEROR(S)** – the TO CO issues non-select notifications to the unsuccessful offeror(s). If requested by the offeror, the TO CO should provide explanation for the non-selection in accordance with G.4.8 of the base PACTS contract.

3.1.2 Multi-Phased Ordering Process

While it is anticipated that the traditional ordering process will be used for the majority of requirements under PACTS, a multi-phased approach is available for use when appropriate.

Under the multi-phased approach, the TO CO will issue a proposal request for a PHASE 1 brief technical proposal and price/cost estimate to the appropriate FC contractors. Subsequently, a down-select is conducted inviting only those offeror(s) remaining in the competition to submit a PHASE 2 full technical and price/cost proposal.

The multi-phased process provides three (3) major benefits. First, it allows the Government to focus the TO selection on the most qualified contractors. Second, it saves the Government significant time and expenditures associated with evaluating a potentially large number of proposals. Third, it saves less qualified candidates significant time and expenditures in proposal costs. The following key steps provide guidance for the multiphase process:

- **STEP 1: TORP DEVELOPMENT** – Refer to section 3.1.1. Step 1.
- **STEP 2: PHASE 1 - MULTI-PHASE SOLICITATION/RESPONSE** – the TO CO reviews the TORP and prepares a TORFP for a Multi-Phased Technical and Cost/Price Task Order to be forwarded to the prime contractors within the designated FC.

  The request may be for a written TO proposal, oral presentation, or both. If the PHASE 1 request includes a written TO proposal, the request would typically place a limit of no more than seven (7) pages for the response, which encompasses the proposed technical and management approach or the past performance/qualifications approach. It also includes past performance information.

  ▯NOTE: Within the seven (7) pages, the offeror(s) should also include a preliminary estimate or Not-To-Exceed (NTE) estimate for cost/price.

The amount of time allowed for the PHASE 1 response is typically five (5) days, which may be adjusted based on the scope/complexity of the requirement and the needs of the requiring activity. The request may also include an oral presentation if it is determined to be beneficial to the evaluation.

Evaluation of the PHASE 1 proposals and estimates are conducted by the Government evaluation team designated in the written evaluation plan.

Based on the evaluation results, the TO CO performs a down-select that identifies the contractors that are most qualified to compete for the TO. Only the most qualified offeror(s) that are identified in the down-select process are invited to submit a PHASE 2 Full Technical and Cost/Price Proposal.

- **STEP 3: PHASE 2 – FULL TECHNICAL AND COST/PRICE PROPOSAL REQUEST** – the TO CO issues the solicitation for PHASE 2 proposals.
- **STEP 4: PHASE 2 – PROPOSAL EVALUATION** – PHASE 2 proposals and estimates are evaluated in accordance with Section 3.1.1., Step 4
- **STEPS 5 and 6: PHASE 2 – TASK ORDER AWARD AND NOTIFICATION TO UNSUCCESSFUL OFFEROR(S)** – Refer to Section 3.1.1, Steps 5 and 6.

3.2 PACTS PMO Assistance

Upon request of the TO CO, the PACTS PMO will assist with the creation of the TORFP or review a TORFP if developed by the requiring activity. The PACTS PMO can offer advice regarding one (1) or more of the following issues:

- Applicability of the SOW/PWS/SOO with respect to contract scope;
- Adequacy of the evaluation criteria;
- Does the IGCE support the SOW;
- Appropriateness of the selected contract type; and
- Adequacy of the rationale used for the exception to the requirements for fair opportunity to be considered.

The PACTS PMO may be contacted via e-mail at PACTS@dhs.gov.

3.3 Scope of PACTS Task Orders

Although an individual TO may only be identified under one Functional Category, it may include a small portion of services from another Functional Category. The TO CO, with the advice/assistance of the PACTS PMO (if requested), will determine the appropriate FC for a TO request. This determination will be based on the predominant work to be performed under the TO. (See Appendix B for detailed scope of FCs.)

3.4 Fair Opportunity Exceptions

In accordance with FASA and FAR Part 16.505(b) (2), the TO CO will provide all awardees, within the appropriate FC, a fair opportunity to be considered for each order in excess of the micro purchase threshold, unless one of the conditions below applies:

- The agency need for such services is so urgent that providing a fair opportunity would result in unacceptable delays;
- Only one awardee is capable of providing the required services, at the level of quality necessary, because the services required are unique or highly specialized;

- The order must be issued on a sole-source basis, in the interest of economy and efficiency, because it is a logical follow-on to a TO already issued under this contract (provided that all awardees were given a fair opportunity to be considered for the original order) (see Note 1 below)

Note 1: If the order is a follow-on to a TO that was not issued under PACTS, or is a delivery order for which the PACTS awardees were not given the opportunity to compete, this exception CANNOT be used.

Note 2: Although one of the exceptions to fair opportunity procedures is that it is necessary to place an order with a particular vendor in order to satisfy a minimum guarantee, the minimum guarantees for all PACTS contractors are the responsibility of the PACTS PMO. This exception shall not be used for PACTS TOs.

3.5 Fair Opportunity Exceptions Procedures

The elimination of any PACTS contractor from contract competition requires a written rationale and is developed as a part of the TORP. The rationale must be written in accordance with the fair opportunity rationale format example included at page C-2 of Appendix C. The TO CO, or other designated agency official, in accordance with agency regulations and in compliance with FAR 16.505(b) (2), must sign the exception rationale.

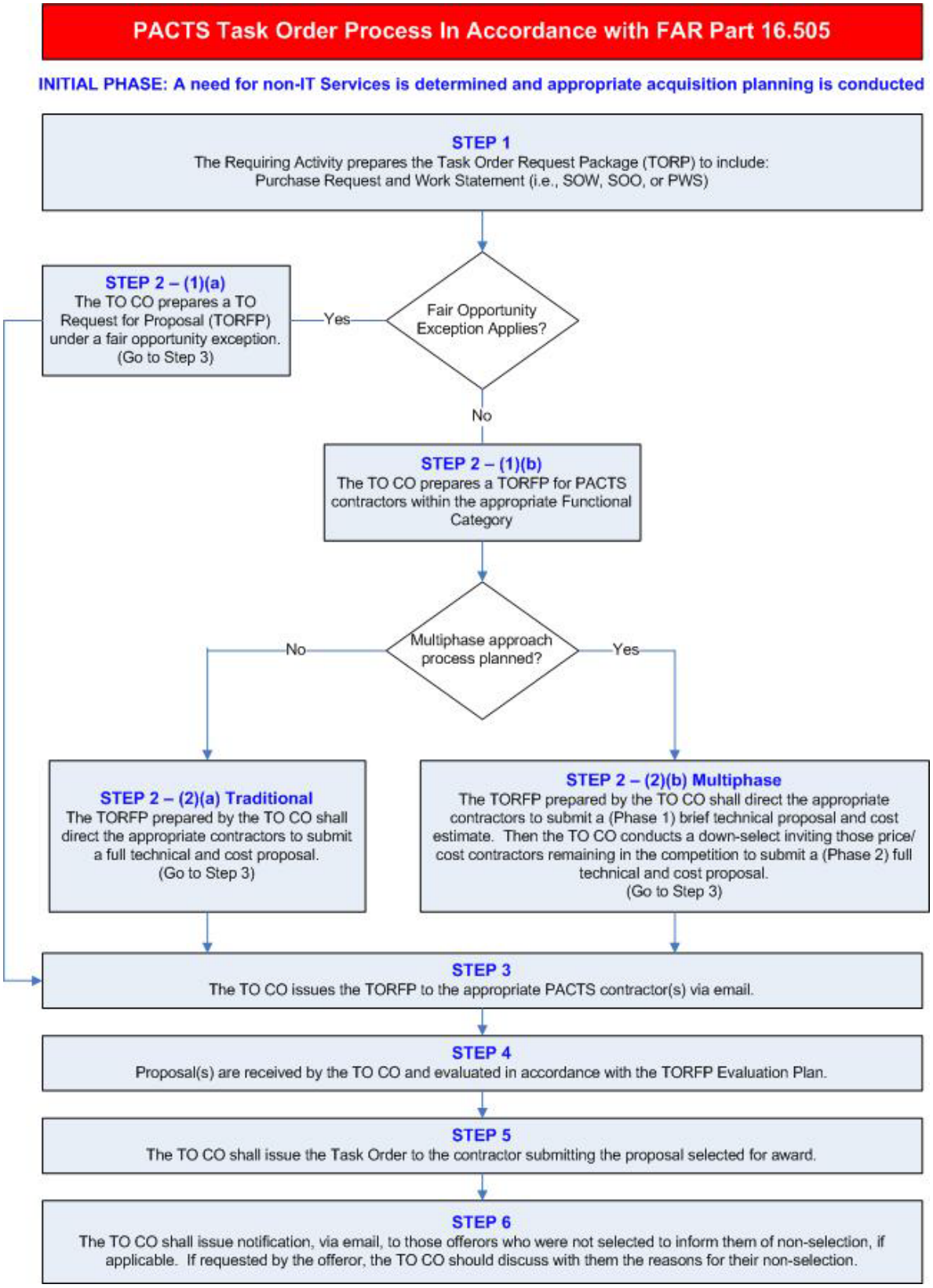
The TO CO should provide a courtesy copy of the exception to the fair opportunity rationale to the PACTS PMO (send to PACTS@dhs.gov). If the PACTS PMO has any questions, they will be addressed to the TO CO directly.

3.6 Where to Locate More PACTS Contract Information

Non-DHS personnel may find additional information on PACTS Contracts on the DHS Internet website: http://www.dhs.gov/xopnbiz/opportunities/

DHS personnel may find additional information on the PACTS contract on the DHS Intranet – DHS Connect: http://mgmt-ocpo-sp.dhs.gov/sites/epic/opo/Pages/PACTS.aspx

Figure 1 - PACTS Task Order Process



STEP 1	The Requiring Activity prepares a TORP to include: a purchase request and work statement. (i.e., SOW, SOO, or PWS) that includes, at a minimum, work to be performed, location of work, period of performance, deliverable schedule, applicable performance standards, and any special regulations, including applicable Section 508 requirements or exceptions; an IGCE; contractor evaluation criteria and evaluation plan. Also, to be included, if applicable: • Statement identifying the basis for using an exception to the fair opportunity process • Acquisition Plan documentation (if required) • Specific security requirements and documentation (e.g., DD254) *See PACTS Ordering Guide Appendix E – Checklist for TORP Upon request of the Requiring Activity (TO CO or Program Office), the PACTS PMO will assist with the creation and the review of the TORP. The PACTS PMO can offer advice regarding the applicability of the work statement, the appropriate functional area of the work to be performed, whether or not the IGCE supports the SOW, adequacy of the evaluation criteria, and appropriateness of the task order type. The ordering activity shall send any fair opportunity exception statements to the PACTS PMO.
STEP 2	The TORP is forwarded to the TO CO who prepares a TO Request for Proposal (TORFP) to be issued to the PACTS contractors in accordance with the following task order competition approach: 1) Determine the application of a Fair Opportunity Exception: (a) If an Exception applies, issue the TORFP to the appropriate PACTS contractors. (b) If an Exception does not apply, go to (2). (2) Determine the task order processing approach, select either (a) or (b): (a) Traditional Process: issue the TORFP for a full technical and price/cost proposal to the appropriate PACTS contractors within the appropriate Functional Category (FC). (b) Multiphase Process: issue a TORFP for a (Phase 1) brief technical proposal and price/cost estimate to the appropriate PACTS contractors within the appropriate Functional Category (FC), as described above, and then conduct a down-select, inviting those offerors remaining in the competition to submit a (Phase 2) full technical and cost proposal.
STEP 3	It is recommended that the TO CO issue TORFPs via e-mail, and request that responses be submitted in the same medium. (The PACTS PMO should be included on the e-mail issued by the TO CO – enter 'PACTS@dhs.gov' on the "cc" line of the e-mail.) The "sent" message will serve as the official copy of the release of the proposal request. E-mail return receipts must also be requested by the TO CO when the TORFP is issued. The TO CO is responsible for verifying return receipts have been received from all solicited contractors. The TORFP shall include, at a minimum, the following: TO identifier number, date of proposal request, identification of DHS component customer, work statement (i.e., SOW, SOO, or PWS), identification of anticipated ordering process – traditional or multiphase, task order type, proposal due date, DHS (contracting officer/specialist) point-of-contact information, instructions for submission of a technical and cost/price proposal, and criteria/basis for award. Other information to be included, if applicable: request for special pricing data (related to travel or other ODCs), identification of incumbent contractor, and a request for "no bid" reply from solicited contractors.
STEP 4	Responses received shall be evaluated using the evaluation criteria provided in the TORFP and in accordance with the evaluation plan. The TO CO will lead in any discussions or negotiations for the Government, if needed. After the completion of the evaluation process, the TO CO / TO COTR shall prepare a completed award recommendation package, which at a minimum, shall include: the basis for which the proposal request was issued (fair opportunity, or an exception to fair opportunity), the selection criteria / methodology used to evaluate the proposals received, the results of the evaluation, and the rationale for the recommendation of the TO awardee, including a summary of any negotiations conducted, cost/price analysis and best value analysis.
STEP 5	The TO CO shall issue the task order to the contractor submitting the proposal selected for award.
STEP 6	After the task order is awarded, the TO CO shall issue notification, via email, to those offerors who did not receive the award to inform them of their non-selection. If requested by the offeror, the TO CO should discuss with them the reasons for their non-selection. The TO CO may only discuss the reasons for non-selection. The TO CO may not discuss other contractors' proposals, compare contractors' proposals, or allow a non-selected contractor access to the award decision documentation.

4. Appendices

4.1 Appendix A. PACTS Contractor List

Functional Category	PACTS Contract Awardees	Contract Number	E-mail
FC1	Winbourne and Costas	HSHQDC-09-D-00011	PACTSFC1@winbournecostas.com
FC1	Klett Consulting Group	HSHQDC-09-D-00012	PACTSFC1@kcg-inc.net
FC1	Longview-FedConsulting	HSHQDC-09-D-00013	PACTSFC1@longview-inc.com
FC1	Teracore	HSHQDC-09-D-00014	PACTSFC1@teracore.com
FC1	Savvee Consulting	HSHQDC-09-D-00016	PACTSFC1@savvee.biz
FC1	Best Value Technology, Inc. (BVTI)	HSHQDC-09-D-00017	PACTSFC1@bvti.com
FC1	Loch Harbour Group	HSHQDC-09-D-00018	PACTSFC1@lochharbour.com
FC2	Winbourne and Costas	HSHQDC-09-D-00019	PACTSFC2@winbournecostas.com
FC2	Longview-FedConsulting	HSHQDC-09-D-00020	PACTSFC2@longview-inc.com
FC2	Veterans Enterprise Technology Solutions	HSHQDC-09-D-00021	PACTSFC2@vets-inc.com
FC2	Vet-Fed Resources	HSHQDC-09-D-00022	PACTSFC2@vet-fed.com
FC2	Kingfisher Systems	HSHQDC-09-D-00023	PACTSFC2@kingfishersys.com
FC2	DS3 Computing Solutions	HSHQDC-09-D-00024	PACTSFC2@ds3cs.com
FC2	Strategic Alliance Enterprises	HSHQDC-09-D-00025	PACTSFC2@saejv.com
FC2	Patricio Enterprises	HSHQDC-09-D-00026	PACTSFC2@patricioenterprises.com
FC2	HCI	HSHQDC-09-D-00027	PACTSFC2@hc-inc.net
FC2	CTI	HSHQDC-09-D-00028	PACTSFC2@ctirms.com
FC3	Winbourne and Costas	HSHQDC-09-D-00029	PACTSFC3@winbournecostas.com
FC3	ADDX Corporation	HSHQDC-09-D-00030	PACTSFC3@addxcorp.com
FC3	imPACTS	HSHQDC-09-D-00031	PACTSFC3@impactsllc.com
FC3	TAPE	HSHQDC-09-D-00032	PACTSFC3@tape-llc.com
FC3	Kingfisher Systems	HSHQDC-09-D-00033	PACTSFC3@kingfishersys.com
FC3	Szanca Solutions	HSHQDC-09-D-00034	PACTSFC3@szanca.com
FC3	Centuria	HSHQDC-09-D-00035	PACTSFC3@centuria.com
FC4	Ursa Navigation Solutions	HSHQDC-09-D-00036	PACTSFC4@ursanav.com
FC4	Emesec	HSHQDC-09-D-00037	PACTSFC4@emesec.net
FC4	Best Value Technology, Inc. (BVTI)	HSHQDC-09-D-00038	PACTSFC4@bvti.com
FC4	imPACTS	HSHQDC-09-D-00039	PACTSFC4@impactsllc.com
FC4	LRS Federal	HSHQDC-09-D-00040	PACTSFC4@lrsfederal.com
FC4	KMEA	HSHQDC-09-D-00041	PACTSFC4@kmea.net
FC4	VETCO	HSHQDC-09-D-00042	PACTSFC4@vetcollc.com
FC4	Strategic Alliance Enterprises	HSHQDC-09-D-00043	PACTSFC4@saejv.com
FC4	Solute	HSHQDC-09-D-00044	PACTSFC4@solute.us
FC4	Serrano IT Services	HSHQDC-09-D-00045	PACTSFC4@serranoits.com

4.2 Appendix B. Detailed PACTS Task Order Procedures

All PACTS orders shall be issued on a competitive basis, unless a fair opportunity exception justification is approved by the appropriate official. (See Sections 3.4 and 3.5 for discussion of fair opportunity exceptions and Appendix C for processing fair opportunity exceptions). The TO request, proposal preparation, evaluation and award process are described below.

Description of Functional Categories (FCs) under PACTS

The TO CO, with the advice/assistance of the PACTS PMO if desired, will determine the appropriate functional category for the requirements. This determination will be based on the predominant work to be performed under the TO. PACTS offers four (4) different Functional Categories (FCs) of support and services, as listed below:

Functional Category 1 – Program Management (541611)

TOs solicited/awarded under this Functional Category will primarily consist of providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup, and business process improvement. FC1 TOs will also include efforts performed by general management consultants that provide a full range of administrative; human resource; marketing; process, physical distribution, and logistics; or other management consulting services to clients.

Functional Category 2 – Administrative (561110)

TOs solicited/awarded under this Functional Category will primarily consist of providing a range of day-to-day office administrative services, such as financial planning; billing and recordkeeping; personnel; and physical distribution and logistics for others on a contract or fee basis. FC2 TOs do not provide operating staff to carry out the complete operations of a business.

Functional Category 3 – Clerical (561410, 561421, and 561431)

TOs solicited/awarded under this Functional Category will primarily consist of efforts for Document Preparation Services, Telephone Answering Services, and/or Private Mail Center Services.

- Document Preparation Services – Efforts primarily engaged in one or more of the following: (1) letter or resume writing; (2) document editing or proofreading; (3) typing, word processing, or desktop publishing; and (4) stenography (except court reporting or stenotype recording), transcription, and other secretarial services.
- Telephone Answering Services – Efforts primarily engaged in answering telephone calls and relaying messages to clients.
- Private Mail Centers – Efforts primarily comprised of (1) providing mailbox rental and other postal and mailing (except direct mail advertising) services or (2) providing these mailing services along with one or more other office support services, such as facsimile services, word processing services, on-site PC rental services, and office product sales. (Note: Individual offices, agencies, or geographical regions (such as

the national capital region) may have required use lists, or other policies which provide guidance on the use and source of mail services efforts. The use of PACTS does not supersede any such requirements or policies.)

Functional Category 4 – Technical (541330)

TOs solicited/awarded under this Functional Category will primarily consist of efforts engaged in applying physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems. FC4 TOs may involve any of the following activities: provision of advice, preparation of feasibility studies, preparation of preliminary and final plans and designs, provision of technical services during the construction or installation phase, inspection and evaluation of engineering projects, and related services.

Contract Level Contracting Officer Assistance (If Necessary)

The Office of Procurement Operations is available to conduct acquisitions on behalf of components, in particular for those without an in-house procurement capability. Such actions should be coordinated with the PACTS PMO (see Appendix D for a template cover memorandum for forwarding a requirement to the PACTS PMO).

Task Order Request Package (TORP)

The requiring activity prepares the TORP. A TORFP request shall be provided to the PACTS contractors in the associated predominant functional category, including a description of work to be performed and the basis upon which the selection will be made. See Appendix E for a TORP checklist. Optional use samples of templates/forms are provided in the Appendices to this document. These include additional guidance on Performance-Based Service Acquisition (PBSA) (Appendix F), a sample Statement of Work (SOW) (Appendix H), a sample Performance Work Statement (PWS) (Appendix I), a sample Quality Assurance Surveillance Plan (QASP) (Appendix J), a sample Service Level Agreement (SLA) (Appendix K), and a sample Statement of Objectives (SOO) (Appendix L). At a minimum, the TORP should contain the following:

- **Statement of work, performance work statement or statement of objectives** - The requiring activity may select from three types of work statements, depending on their specific requirements. However, performance-based orders must be used to the maximum extent possible, as required by FAR 37.102.
- **Funding document** – (purchase request, requisition, etc.) PACTS TOs are funded by the requiring activity. The document which describes the required supplies or services so that contracting can be initiated.
- **Independent government cost estimate** - The independent government cost estimate (IGCE) should be developed by the customer and submitted to the TO CO as part of the TORP and will assist the TO CO in determining the reasonableness of a contractor's cost and technical proposals. The IGCE is for GOVERNMENT USE ONLY and should not be made available to PACTS contractors. Customers may obtain information to develop an IGCE from Section B of the PACTS contracts.
- **Acquisition Plan** – The Acquisition Plan should be completed by the customer and submitted to the TO CO as part of the TORP. The Acquisition Plan is provided in accordance with FAR 16.505 (7) (i), and HSAM 3007: ["Acquisition Plan", as used in this chapter, means a document used to fulfill the acquisition planning requirements of (FAR)

48 CFR Parts 7.105 and 7.107. This includes all acquisitions, including contracts, and task orders or delivery orders under Indefinite Delivery/Indefinite Quantity contracts (for example Federal Supply Schedule contracts, Government Wide Agency Contracts (GWACs), etc).]

When making purchases using PACTS which require an AP, the following applies:

- For acquisitions using PACTS and meeting the threshold at HSAM 3007, provide a copy of the AP to OCPO for approval.
- The Contracting Officer may choose to provide additional information in the AP beyond the content requirements of the sample format included herein as Appendix G.
- The streamlined AP sample format included as Appendix G may be used in lieu of the content and format required by the DHS Acquisition Planning Guide, HSAM Chapter 3007, if approved by the ordering activity HCA.

- **Justification for work statement that is not performance-based.** FAR 37.102 has established the policy to use the PBSA approach, to the maximum extent practicable, for **ALL** services, including those acquired under supply contracts. Services exempted from this policy are: architect-engineer, construction, utility and services that are incidental to supply purchases. Use of any other approach must be justified to the TO CO in the TORP. This justification to not use PBSA should be addressed in the acquisition plan. However, if there is no acquisition plan, then the TO CO should include within the TO file a short paragraph describing why PBSA is not being used. See Appendix F, Additional Guidance on Performance-Based Service Acquisition, for additional information.
- **TO-unique DD Form 254.** Use when requirements involve access to information classified "Confidential," "Secret," or "Top Secret." Include Clause FAR 52.204-2. Additional information on Industrial Security is available at www.dss.mil.

The TO CO will assist in the preparation of the following TORP documents:

- **Proposal evaluation plan and criteria** - The TO CO, in conjunction with the requiring activity, develops the evaluation criteria and associated weights that form the basis for TO award. An optional use recommended sample PACTS proposal evaluation plan is included in Appendix M.
- **Fair opportunity exception rationale (if applicable*)*** - (See Appendix C) – The requiring activity and the TO CO must prepare the written rationale if an exception to fair opportunity is determined. The TO CO or other designated agency official, in accordance with agency regulations and in compliance with FAR 16.505(b) (2), must sign the exception rationale.

Task Order Request for Proposal (TORFP)

The TO CO prepares the necessary documents for the TORFP. The TO CO will electronically solicit each TO requirement, either utilizing the traditional process or multiphase process (See Sections 3.1.1 and 3.1.2), to all contractors within a particular functional category, unless a fair opportunity exception applies (see Appendix C).

The posting can either be accomplished manually or, if available, via electronic ordering systems. Either method will satisfy the requirement for a fair opportunity to be considered. The

following is the manual process in which to solicit a proposal request. The steps involved in the manual process include:

- The TO CO releases the TORFP (either traditional or multiphase) to all PACTS contractors via e-mail and requests that the contractors submit their responses in the same medium. These e-mail addresses are listed in Appendix A.
- The PACTS PMO should also be included on the e-mail by including them on the "cc" line of the e-mail (PACTS@dhs.gov).
- The "sent" message will serve as the official copy of the release of the proposal request.
- E-mail return receipts must also be requested when the proposal request is released.
- The TO CO is responsible for verifying that return receipts have been received from all solicited PACTS contractors.
- If a return receipt is not received within 24 hours, the TO CO is responsible for contacting the program manager of the contractor to ensure that the request has been received and take corrective action, if necessary.
- Proposals received via e-mail, using the manual process, shall be handled in the same manner as described above/below for proposals received.

Each contractor shall evaluate the opportunity and determine whether or not to submit a proposal. The proposal request will include, at a minimum, the following information:

- Date of announcement;
- End user customer agency;
- SOO, SOW or PWS;
- Anticipated ordering process: traditional or multiphase;
- Anticipated TO type and the need for certified cost or pricing data (unlikely since cost-reimbursable TOs are not permitted under PACTS, and so the data would only apply to ODCs);
- Incumbent contractor, if any;
- Contracting organization point of contact: name, phone number, and fax (contracting officer (CO) and contract specialist); and
- E-mail address/mailing address or fax number; and proposal due date;
- Instructions for submission of a technical and cost/price proposal; and
- Criteria/basis for award.

A submission date, based on the size, scope and complexity of the TO, will be established for receipt of proposals.

The contractors are required to submit a proposal upon request of the TO CO. If a contractor chooses to not bid on the TO, the contractor shall submit a "no bid" reply in response to the proposal request. All "no bids" shall include a brief statement as to why the contractor is choosing not to bid, e.g., conflict of interest.

Technical and Price/Cost Proposal Submission

Technical Proposals. The proposal request will state whether an oral proposal is required in addition to, or instead of, written technical proposals. Responses will be streamlined and succinct to the extent practical, based on the estimated dollar value and complexity of the work, stating compliance or exception to requirements, risks, assumptions and conflict of interest issues.

Responses will not be a proposal as defined in FAR Part 15, but only sufficient information to be considered in accordance with FAR Part 16. Proposals shall not merely restate SOO, SOW or PWS requirements. Both oral and written technical proposals shall address, as a minimum:

(1) Technical/management approach;
(2) Key personnel assigned;
(3) Quantities/hours of personnel by labor categories;
(4) Other direct costs (ODCs) (materials and supplies, travel, training, etc.);
(5) Risks and risk management plan;
(6) Period of performance;
(7) Government-furnished equipment (GFE)/Government-furnished information (GFI);
(8) Security (including clearance level);
(9) Teaming arrangement (including subcontracting); and
(10) Other pertinent data, e.g., potential conflict of interest issues.

Price/Cost Proposals. If the TO process is multiphase, the contractors will be required to submit a preliminary estimate or not-to-exceed estimate in PHASE 1 and a written complete price proposal shall be required in PHASE 2. In the case of a traditional TO process, a written price proposal shall always be required as part of the contractors initial proposal submission. This part of the proposal shall include detailed price amounts of all resources required to accomplish the task, i.e., labor hours, rates, travel, incidental equipment, etc. When competing for TO awards under the fair opportunity process, the contractor is permitted to propose labor rates that are lower than those originally proposed and established in the Section B CLIN Rate Tables of the PACTS Contracts. The contractor shall fully explain the basis for proposing lower rates. The proposed, reduced labor rates will not be subject to audit during the proposal evaluation process, however, the rates may be reviewed for realism to ensure the Government will not be placed at risk of nonperformance. The reduced labor rates will apply only to the respective TO and will not change the fixed rates in the Section B CLIN Rate Tables. The level of detail required shall be primarily based on the contract type planned for use, as further discussed below.

1) Fixed-price (FP) and time-and-materials (T&M). The proposal shall identify labor categories in accordance with the Section B CLIN Rate Tables, and the number of hours required for performance of the task. The proposal must identify and justify use of all non-labor price elements. It must also identify any GFE and/or GFI required for TO performance. If travel is specified in the TO SOW/PWS, air fare and/or local mileage, per diem rates by total days, number of trips, and number of contractor employees traveling shall be included in the price proposal. Prior to incurring any long distance travel expenses, the contractor shall obtain written approval from the TO's contracting officer's technical representative (COTR) of approximate travel dates, expected duration, origin and destination, purpose, estimated costs (for ODCs only) and the number and names of personnel traveling.

2) Other relevant information. This information shall always be in writing and shall address other relevant information as required by the contract or requested by the TO proposal request. The contractor shall assume all costs associated with preparation of proposals for TO awards under the fair opportunity process. The Government will not reimburse awardees for the preparation of fair opportunity proposals.

Task Order Types

Under PACTS, the TO COs may negotiate several types of TOs which differ in the degree of risk assumed by the contractor for the costs of performance and in the profit incentives offered.

The task types are grouped into four broad categories: firm fixed-price, time-and-materials, labor hour, and fixed price incentive contracts.

- **Fixed-price (FP)** - A FP contract provides for a price that is not subject to any adjustment. It places a significant risk upon the contractor and full responsibility for all costs resulting in a profit or loss. It also provides the maximum incentive for the contractor to control costs and perform effectively. It is suitable for acquiring services on the basis of reasonably definite functional or detailed specifications, when performance uncertainties can be identified and reasonable estimates of their cost impact can be made and the contractor is willing to accept a firm fixed-price representing assumption of the risks involved.
- **Time-and-materials (T&M) and labor hours (LH)** - A T&M or labor hour contract type may be used only when it is not possible, at the time of placing the order, to accurately estimate the extent or duration of the work or to anticipate costs with any reasonable degree of confidence. This contract type provides no positive profit incentive to the contractor for cost control or labor efficiency. Accordingly, appropriate Government surveillance of contractor performance is required to provide reasonable assurance that efficient methods and effective cost controls are being used. A T&M or labor hour contract type may only be used after the TO CO executes a D&F that no other contract type is suitable.
- **Incentive Task Orders** – Incentive contracts are appropriate when the required supplies or services can be acquired at lower price, with improved delivery or technical performance, by relating the amount of profit or fee payable to the contractor's performance. Cost reimbursable TOs are not permitted under the PACTS Contracts, but in some instances incentives may be included by the TO Contracting Officer in a TO. Incentive TOs are designed to obtain specific acquisition objectives by establishing reasonable and attainable targets that are clearly communicated to the contractor; and including appropriate incentive arrangements designed to motivate contractor efforts that might not otherwise be emphasized; and discourage contractor inefficiency and waste. As cost reimbursable TOs are not permitted under the PACTS Contracts, the only basic category of incentive contracts available are fixed-price incentive contracts (see 16.403 and 16.404). Since it is usually to the Government's advantage for the contractor to assume substantial cost responsibility and an appropriate share of the cost risk, fixed-price incentive contracts are preferred when contract costs and performance requirements are reasonably certain. Award-fee contracts are also a type of incentive contract.

Evaluation and Award

The Government will evaluate the contractors' technical and price proposal in accordance with the selection criteria in the TOs solicitation. The Government's award decision will be based, at a minimum, on selection criteria which address past performance, technical/management approach and price. Among other sources, evaluation of past performance will be based on a database built from past performance assessments provided by TO COTRs on individual TOs performed throughout the life of the contract (See Section H.9 of the contract). In addition to past performance, technical/management approach and price, individual TO selection criteria may include other factor(s) relevant to the particular requirement. The order of importance for the factors will be identified in each individual request for proposal. If necessary, during the evaluation of proposals, the Government may contact a contractor with questions concerning its proposal.

After the technical proposals have been received and evaluated, an authorized official from the requiring activity will document, sign and forward the results to the TO CO for review and approval. The TO CO reserves the right to withdraw and cancel a task if issues pertaining to the proposed task arise that cannot be satisfactorily resolved.

After completion of the evaluation, discussions, if any, and best value analysis, the TO CO/TO COTR shall prepare a complete award recommendation package to document the selection process and to serve as evidence that the fair opportunity to be considered rule was applied, unless an exception was taken under FAR Part 16.505(b)(2). At a minimum, it shall include:

(1) A statement indicating whether announcement of the TO requirement was made to all contractors eligible for receiving an award for the task requirement, or if an exception to the fair opportunity to be considered rule was cited (cite the exception);
(2) The selection criteria /methodology used to evaluate the competing contractors;
(3) The results of the evaluation; and
(4) The rationale for the recommendation of the TO awardee, including a summary of any negotiations conducted, cost/price analysis and best value analysis.

The TO CO's decision on each order shall be final and shall not be subject to protest under FAR Subpart 33.1, except for a protest that an order (of any value) increases the scope, period, or maximum value of the contract. Additionally, if a TO (including options) is more than $10,000,000 to include options, a protest may be filed under FAR Subpart 33.1. The DHS Office of Procurement Operations/Ordering Activity Ombudsman will review complaints from the contractors and ensure that all contractors are afforded a fair opportunity to be considered for each order, consistent with the procedures in the contract. The designated Ombudsman is identified in Chapter 2 of this guide.

TOs may be issued by e-mail, regular mail or facsimile using an Optional Form 347, or an agency prescribed form.

4.3 Appendix C. Fair Opportunity Exception Courtesy Copy to the PACTS PMO

There are four exceptions to competition in FAR 16.505 that apply to multiple-award TO requirements. They are listed below along with policy interpretations.

Urgency

This exception applies in cases of "public exigency." The agency need for such services is so urgent, that providing a fair opportunity would result in unacceptable delays. However, the user must objectively demonstrate that the public interest would suffer if requirements were not fulfilled, e.g., failure to develop a program by a date mandated by Congress, etc. A failure to meet established work requirements is not a sufficient cause, unless it can be demonstrated that some public interest is threatened.

Unique Requirements

This exception applies when only one awardee is capable of providing the required services, at a sufficient quality level, because the services ordered are unique or highly specialized.

Follow-On

In this case, the order must be issued on a sole-source basis, in the interest of economy and efficiency, because it is a logical follow-on to a TO already issued under the PACTS contract. This exception is available only if all awardees were given a fair opportunity to be considered for the original order. The following information must be provided: (a) reference to the prior TO under PACTS, (b) reference to the competition that was conducted under PACTS that resulted in the incumbent's award, and (c) some evidence that the project is a continuation of ongoing efforts toward the same ends.

Note: If the order is a follow-on to a TO that was not issued under PACTS, or is a delivery order for which the PACTS awardees were not given the opportunity to compete, this exception CANNOT be used.

Guaranteed Minimum

This exception occurs when it is necessary to place an order to satisfy a minimum guarantee.

Note: This exception shall not be used by delivering ordering activities for PACTS TOs.

Sample Fair Opportunity Written Explanation

The following provides a sample fair opportunity exception rationale format that may be used by the ordering activity. The TO CO should provide a courtesy copy of the approved exception to the fair opportunity rationale to the PACTS PMO upon approval by the ordering activity's Competition Advocate at **PACTS@dhs.gov**. If the PACTS PMO has any questions, they will be addressed to the TO CO directly.

FAIR OPPORTUNITY EXCEPTION RATIONALE FORMAT

Applicable TO Contract Number, Task Order Number

Title of Task Order

In accordance with FAR 16.505 (b) (2), the following is provided as rationale to support an exception to the fair opportunity process under PACTS (only one exception should apply).

Urgency

The agency need for such services is so urgent that providing a fair opportunity would result in unacceptable delays.

Contractor Name:
Rationale *(enter narrative here)*:

Unique Requirements

Only one awardee is capable of providing the supplies or services required, at the level of quality required, because the supplies or services ordered are unique or highly specialized.

Contractor Name:
Rationale *(enter narrative here)*:

Follow-On

The order must be issued on a sole-source basis, in the interest of economy and efficiency, as a logical follow-on to an order already issued under this contract, provided that all awardees were given a fair opportunity to be considered for the original order.

Contractor Name:
Contract Number:
Task Order Number:
Rationale *(enter narrative here)*:

Guaranteed Minimum

This exception occurs when it is necessary to place an order to satisfy a minimum guarantee.

Note: This exception shall not be used by delivering ordering activities for PACTS TOs.

Concurrence: _____ _____
Task Order Contracting Officer Date

_____ _____
Ordering Activity Ombudsman Date

4.4 Appendix D. Request for Task Order Memorandum to the Office of Procurement Operations

Applies when a component requests that the Office of Procurement Operations (OPO) place a PACTS TO on its behalf. A sample is provided below.

IN REPLY
REFER TO:

MEMORANDUM

FROM: Component XX
TO: Daniel McLaughlin, Acting HCA, Office of Procurement Operations
Attn: PACTS Task Order Contracting Officer
SUBJECT: REQUEST FOR TASK ORDER

The purpose of this memorandum is to request that a task order be competed among the PACTS contractors in accordance with the fair opportunity provisions, for the support described in the attached Task Order Request Package. All required supporting documentation is provided as specified on the PACTS Task Order Request Checklist and Instructions and Ordering Guidelines.

My point of contact for this action is *[insert name]*, who can be reached at the following email address: *[insert email address]* or phone number: *[insert number]*.

Sincerely,

Component Official

Attachments: a/s

4.5 Appendix E. Checklist for Task Order Request Package (TORP)

PACTS TASK ORDER REQUEST CHECKLIST AND INSTRUCTIONS: This form constitutes a request for contract support under the PACTS contracts. The requiring activity shall complete this form, together with the associated attachments, and forward the entire package to the appropriate component PACTS ordering contracting officer for processing.

1. Task Order (TO) Title:

2. Requiring Activity Point of Contact:	
Name:	Phone:
Title:	Fax:
Organization:	Email:

3. Designated Task Order Contracting Officer's Technical Representative (COTR):	☐ Check here if same as Block 2
Name:	Phone:
Title:	Fax:
Organization:	Email:

4. Pool:	5. Functional Category:
☐ Service Disabled Veteran Owned Small Business set-aside	☐ FC1 ☐ FC3 ☐ FC2 ☐ FC4

6. Attachments Checklist:	Complete package must include all of the items listed in this block, as required or applicable. Send files electronically via email or fax to the Task Order Contracting Officer. All files shall be completed using MS Word or MS Excel, as appropriate.
☐ Work Statement (check one): ☐ Statement of Work (SOW) ☐ Performance Work Statement (PWS) including a Quality Assurance Surveillance Plan (QASP) ☐ Statement of Objectives (SOO) All work statements must include applicable Section 508 requirements or exceptions ☐ Independent Government Cost Estimate (IGCE) ☐ Proposal Evaluation Plan/Criteria ☐ Acquisition Plan ☐ Task Order-Unique DD Form 254 Use if security level is required at the Secret and above levels. ☐ Funding Document(s) Scanned or other electronic version is preferable	☐ Investment Review Board (IRB) Approval (if applicable)

7. Task Order Information:
(a) Recommended Contract Type (check one): ☐ Fixed Price (FP) (including FFP, FP with incentive fee, or FP with award fee) ☐ Time-and-Materials (T&M) (including LH) ☐ Hybrid Type (combination of FP and T&M -- provide details) Time-and-materials (T&M) contracts require justification in accordance with Federal Acquisition Regulations (FAR) [See Appendix B - Ordering Procedures and Appendix Q – PACTS Glossary for an explanation of terms – note that the Contracting Officer makes the final determination of which order type is in the best in-

terest of the Government.]

(b) T& M Rationale:

(c) FASA Exception:

If you are citing a FASA exception to Fair Opportunity Competition, designate which one below and provide a rationale narrative:

☐ The agency need for services is of such urgency that providing such opportunity would result in unacceptable delays

☐ Only one such contractor is capable of providing services required, at the level of quality required, because they are unique or highly specialized

☐ The order should be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on

It is necessary to place an order to satisfy a minimum guarantee (does not apply to PACTS TOs)

(d) FASA Exception Rationale:

See Appendix C for further instructions

4.6 Appendix F. Additional Guidance on Performance-Based Service Acquisition

General

Performance-based service acquisition (PBSA) is the preferred method of contracting for services and supplies. PBSA is contracting for results, not just best efforts, and involves structuring all aspects of an acquisition around the purpose of the work to be performed. Essential elements of PBSA include: (1) performance requirements, expressed in either a performance work statement (PWS) or statement of objective (SOO); performance requirements described in terms of "what" the required output is and not "how" the work is to be accomplished; (2) performance standards or measurements, which are the criteria for determining whether the performance requirements are met; (3) appropriate performance incentives, either positive or negative; and (4) a surveillance plan that documents the Government's approach to monitoring the contractor's performance (see Appendix B for further PACTS ordering guidance). The essential PBSA elements are discussed further below.

Policy

FAR 37.102 has established the policy to use the PBSA approach, to the maximum extent practicable, for **ALL** services, including those acquired under supply contracts. Services exempted from this policy are: architect-engineer, construction, utility and services that are incidental to supply purchases. Use of any other approach has to be justified to the task order Contracting Officer (TO CO). This justification to not use PBSA should be addressed in the acquisition plan. (Reference FAR 7.105.) However, if there is no acquisition plan, then the TO CO should include within the task order (TO) file a short paragraph describing why PBSA is not being used.

Contract Type

The order of precedence set forth in FAR 37.102(a) (2) should be followed for all TOs. Requiring activities should use the contract type most likely to motivate contractors to perform at optimal levels.

Performance Work Statement

The PWS identifies the technical, functional and performance characteristics of the Government's requirements. The PWS describes the work in terms of the purpose of the work to be performed, rather than either "how" the work is to be accomplished or the number of hours to be provided. The format for the PWS is similar to the traditional statement of work (SOW) (See Appendix H for sample SOW format). In addition, the PWS will include performance standards, incentives, and a quality assurance surveillance plan (QASP) to monitor and measure program performance at systematic intervals and provide quantifiable data needed for informed decision-making. (See Appendix I for further guidance on the PWS).

Performance Standards/Metrics - Performance standards or metrics reflect the level of service required by the Government to meet performance objectives. Standards may be objective (e.g., response time) or subjective, e.g., customer satisfaction. Service level agreements are performance standards that translate customer's priorities into measurable vendor performance outcomes. Performance standards:

- Use commercial standards where practicable, e.g., ISO 9000,

- Ensure the standard is needed and not unduly burdensome, and
- Must be measurable, easy to apply, and attainable.

If performance standards are not available, the PWS may include a requirement for the contractor to provide a performance matrix, as a deliverable, to assist in the development of performance standards for future TOs.

Performance Incentives - Incentives may be positive or negative; monetary or non-monetary. Note: If a financial incentive is promised, funding for the incentive must be committed at time of TO award.

Examples of monetary incentives include:

- Incentive fees.
- Share-in-savings.
- Negative monetary incentives (can be included if the desired results are not achieved - deduction should be equal to the value of the service lost).

Examples of non-monetary incentives include:

- Revised schedule.
- Positive performance evaluation.
- Automatic extension of contract term or option exercise.
- Lengthened contract term (award term contracting) or purchase of extra items (award purchase).
- Letters of appreciation to individual employees that may translate to bonuses.

Quality Assurance Surveillance Plan (QASP) - The QASP is a plan for assessing contractor performance to ensure compliance with the Government's performance objectives. It describes the surveillance schedule, methods, performance measures, and incentives. The QASP is included as part of the PWS and inspects the outputs, not the process. In a QASP, the level of surveillance should be commensurate with the dollar amount, risk, and complexity of the requirement (see Appendix J for sample QASP).

Statement of Objectives

The SOO is an alternative to the PWS. It is a very brief document (two to ten pages, depending upon complexity) which summarizes key agency goals and outcomes, to which contractors respond. It is different from a PWS in that contractors propose their solutions (including a technical approach, performance standards, incentives, and a QASP) based upon commercial practices. As a minimum, a SOO should contain the following information:

- Purpose.
- Scope or mission.
- Period and place of performance.
- Background.
- Performance objectives, goals and outcomes.
- Any operating constraints.

A SOO sample format is provided in Appendix L.

Additional Resources

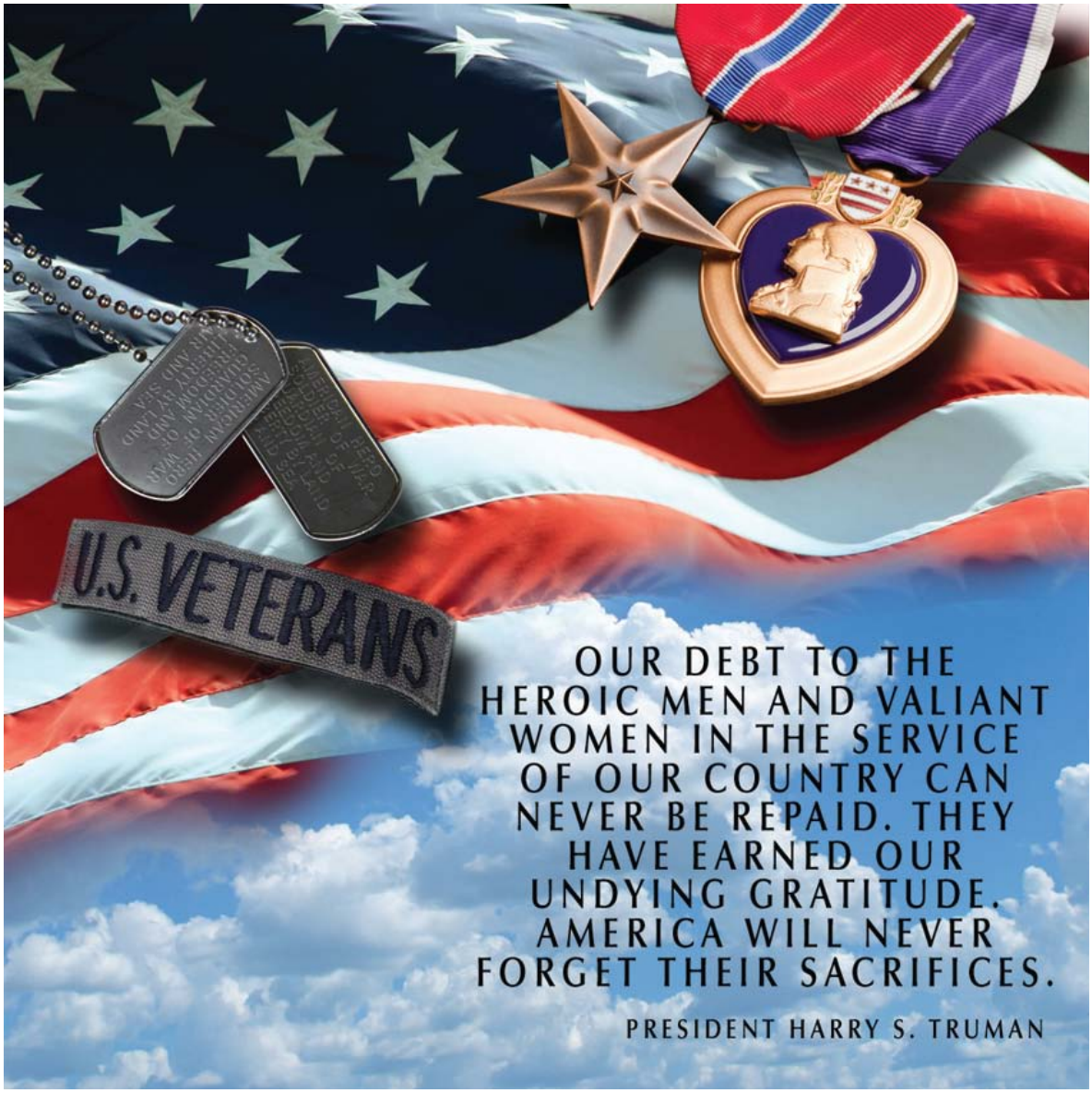
Refer to the following links to learn more about PBSA:

- Defense Acquisition University link to PBSA - http://www.dau.mil/performance_support/pbsa.asp
- Department of Defense Guidebook - http://www.acq.osd.mil/dpap/Docs/pbsaguide010201.pdf
- Navy Acquisition Reform - http://www.acquisition.navy.mil/navyaos/content/view/full/139
- NASA Guidance for PBSA - http://ec.msfc.nasa.gov/hq/library/perfba.htm
- GSA Schedule PBSA information section (toolkit), to aid in preparing performance-based TOs - http://www.gsa.gov/pbsc
- NEW WEB-ENABLED 7 STEPS PBSA GUIDE (Click link to 7 Steps Guide) - http://www.gsa.gov/performancebasedcontracting

4.7 Appendix G. Streamlined Acquisition Plan Sample Format

Streamlined Acquisition Plan

Program Management, Administrative, Clerical and Technical Services (PACTS)



TASK ORDER ACQUISITION PLAN

AP # _____

Submitted by:

_____ _____
(Name) Date
Program Official (or official title)
(DHS Component and Organization)
(Telephone number)

_____ _____
(Name) Date
Contracting Officer
(DHS Contracting Activity)
(Telephone number)

Concurrence: (Additional concurrence signatures may be added in accordance with HSAM, Component Guidance)

_____ _____
(Name) Date
Small Business Specialist
(DHS Contracting Activity)
(Telephone number)

Approval: (For requirements greater than or equal to $10 million but less than or equal to $25 million)

_____ _____
(Name) Date
Associate Director
Enterprise Information Technology Acquisition Division (EAD-1)
DHS Office of Procurement Operations
(Telephone number)

Approval: (For requirements greater than $25 million but less than $300 million)

_____ _____

(Name) Date
Head of the Contracting Activity
(Component)
(Telephone number)

Note: For all acquisition plans with a value greater than or equal to $300 million, the revised plan must be submitted to the CPO for approval.

Section A. Acquisition Background and Objectives

In Fiscal Year 2009, DHS competitively awarded a suite of Department-wide indefinite delivery/indefinite quantity contracts for program management, administrative, clerical, and technical services to supplement current DHS-wide procurement vehicles and create a streamlined portfolio of service contract vehicles accessible to DHS Headquarters and its Components. These Program Management, Administrative, Clerical and Technical Services (PACTS) contracts enable DHS business and program units to acquire essential support services in an effective, economical manner consistent with the DHS mission. PACTS is a multiple-award contract vehicle specifically designed as a preferred source for program management, administrative, clerical, and technical services to be utilized Department-wide. PACTS shall only be used for services that fall within the Northern American Industry Classification System (NAICS) codes (541611, 561110, 561410, 561421, 561431, and 541330) listed under the PACTS Functional Categories, and shall not be used for information technology (IT) services. Use of the PACTS contract vehicle is not mandatory for consideration.

PACTS shall not be used to create personal services task orders. Contractor employees must be managed by the contractor, not by federal personnel.

This streamlined Acquisition Plan describes a task order acquisition for (insert the Functional Category and type of services here: Functional Category 1 – Program Management, Functional Category 2 – Administrative, Functional Category 3 – Clerical, or Functional Category 4 – Technical) services under the PACTS contracts. Federal Acquisition Regulation (FAR) 19.201 states "it is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, veteran-owned small business, HUBZone small business, small disadvantaged business and women-owned small business concerns." PACTS is a service-disabled, veteran-owned, small business (SDVOSB) set-aside. This task order requirement can be fully satisfied through the use of the PACTS contract and will enable DHS to meet the established SDVOSB goals.

The specific objective of the proposed task order is to (state the objective of this specific acquisition) _____
_____
_____
_____

A1. Statement of Need

The Office of _____ has a requirement to obtain (briefly describe the service) _____ (program management, administrative, clerical, or technical) services to (describe why the customer needs the service)
_____
_____
_____
_____

This requirement will be satisfied through a task order acquisition and will be an SDVOSB set-aside under Functional Category (1, 2, 3, or 4) of PACTS. The Northern American Industry

Classification System (NAICS) code(s) for this requirement is/are (FC1 – 541611, FC2 – 56110, FC3 – 561410, 561421, and 561431, and FC4 – 541330), which fall(s) under the scope of (Functional Category 1 – Program Management, Functional Category 2 – Administrative, Functional Category 3 – Clerical, or Functional Category 4 – Technical) of the PACTS program. (Insert the following sentences, as appropriate: Although this requirement does include a portion of Functional Category (1, 2, 3, or 4) services, the predominant effort is in Functional Category (1, 2, 3, or 4), and a task order may only be issued under a single Functional Category. Therefore, in accordance with the PACTS contracts and Ordering Guide, which do permit a small portion of a task order to include efforts from another Functional Category, this task order will be issued under Functional Category (1, 2, 3, or 4)).

A2. Applicable Conditions

State all significant conditions or constraints affecting the acquisition. Discuss all external constraints on cost (limited budget or program funded from fees), schedule (e.g., Congressionally mandated implementation dates), or capability/performance (e.g., new technology or interoperability).

A3. Cost

The independent government cost estimate of the proposed task order is as follows:

	Base Period	Option 1	Option 2	Etc.	Total Est. Cost
Labor	**$**	**$**	**$**	**$**	**$**
Other	**$**	**$**	**$**	**$**	**$**
Travel	**$**	**$**	**$**	**$**	**$**
Total	**$**	**$**	**$**	**$**	**$**

1. **Life-cycle costs** (include one of the following statements, as applicable)

☐ Life-cycle costs are not applicable to these services.

OR

Life cycle costs will be considered as follows:

_____

_____

_____

2. **Design-to-cost** (include one of the following statements, as applicable)

☐ Design-to-cost objectives are not applicable to this task order.

OR

The underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors included in this cost estimate are:

_____
_____
_____

3. **Application of should-cost** (include one of the following statements, as applicable)

☐ A should-cost analysis is not applicable to this task order.

OR

☐ A should-cost analysis was employed in the task order cost estimate as follows:

_____
_____
_____

A4. Capability or Performance

The capabilities or performance requirements of the proposed task order are consistent with the PACTS capabilities or performance requirements described in paragraph B1. of the PACTS Acquisition Plan, and will be further defined in the Task Order Request Package (TORP).

☐ This task order requirement will be performance-based. **OR**

☐ This task order requirement will not be performance-based. Explanation:

_____
_____
_____

A5. Delivery or Period of Performance Requirements

The period of performance for this task order encompasses a base period of _____, from (month/yyyy) _____ to _____ and includes (insert number) _____ (e.g., one-month; three-month; annual) _____ of option periods.

Insert one of the following statements, as applicable: This entire period of performance falls within the current PACTS contract period:

PACTS Contract Periods of Performance by Functional Category	
Functional Category 1	**Functional Categories 2-4**
August 7, 2009 through August 6, 2014	August 6, 2009 through August 5, 2014

OR

The planned period of performance will extend for [X number] (not to exceed 12 months) months beyond the current PACTS contract period, as allowable in the PACTS contract. (The 12 month period applies to all task orders EXCEPT those that fall within the last option year/period, in which case the task order's period of performance may only extend up to 6 months beyond the base contract's period of performance).

Insert the following statement, as applicable: The task order options period(s) (1, 2, etc.) do not fall within the current PACTS contract period, and will only be exercised if and when the base PACTS contract options are exercised by the Office of Procurement Operations.

If information is available, include an Integrated Program Schedule (IPS) showing linkages between contract period of performance and delivery of program capability. Otherwise, state the period of performance for each acquisition, and discuss why that period of performance was chosen.

For any period of performance longer than 5 years, summarize the market research that supports the extended period of performance. Indicate whether the acquisition will be for a term of performance or performance based.

A6. Trade Offs

The trade-offs associated with this task order were envisioned and satisfied during the competitive process of the base PACTS contract. By using the PACTS contract, DHS can reasonably predict the cost, schedule, capabilities and performance of the potential contractor, and may also reasonably expect to receive economies of scale, and other economic efficiencies from the established PACTS contractors who are familiar with the DHS environment.

A7. Risks

In the table below, identify any cost, schedule, capability, or performance risks, and how those risks will be mitigated. If there is a risk management plan, cite the plan number and date and include a brief summary instead of completing the following table.

The risks associated with this task order acquisition are:

Risk Event	Risk Category	Risk Probability	Impact	Risk Management	Responsible Party
Example: Not meeting the acquisition schedule	Schedule	High	Requiring activity will not receive services on time	Strict adherence to milestone schedule	Contracting Officer / Program Office

A8. Acquisition Streamlining

Conducting this acquisition under the PACTS contract satisfies the acquisition streamlining requirements of FAR 7. A description of the acquisition streamlining techniques to be used for this acquisition is included in paragraph C3a. of the PACTS Acquisition Plan and in Appendix B of the PACTS Ordering Guide.

Section B. Plan of Action

B1. Sources

The potential sources for this acquisition are identified in Appendix A of the PACTS Ordering Guide and at the PACTS website:
http://mgmt-ocpo-sp.dhs.gov/sites/epic/opo/Pages/PACTS.aspx

(Insert one of the following statements, as applicable.)

This task order acquisition does not involve bundling.

OR

This task order will involve bundling. The incumbent contractors are _____ and the contracts affected are _____.

B2. Competition

Task order competition, including subcontracting considerations, will be conducted in accordance with the competition procedures outlined in the PACTS Ordering Guide.

(Insert one of the following statements, as applicable) This task order acquisition does not include an exception to fair opportunity. **OR** This task order acquisition does include an exception to fair opportunity for the following reason(s) (e.g., urgent requirement, unique or specialized services, or logical follow-on):

_____
_____
_____

(Insert, as appropriate) All documentation required to support the above cited exception to fair opportunity has been completed and approved by (insert name of appropriate official) on (insert date) in accordance with Component HCA guidance.

B3. Contract Type Selection

In accordance with the PACTS Ordering Guide, the proposed task order type is:

- ☐ Fixed-Price (insert, as appropriate: with award fee **OR** with incentive fee)
- ☐ Time and Materials
- ☐ Labor Hour

(1) Discuss the rationale for the selection of a Firm Fixed Price (FFP), Fixed-

Price with Incentive/Award Fees; Time and Material (T&M); or Labor Hour task orders (e.g. why this task order type must be used to meet the particular agency/program need in question; why some portion of the task order cannot be fixed price; or how the task order is structured to facilitate a future award or some portion thereof as fixed price. Very little explanation is needed for a FFP task order.)

(2) Discuss the Government's additional risks and the burden to manage the additional risks when it selects a task order type other than fixed price (e.g. the Government incurs additional cost risks, and the Government has the additional burden of managing the contractor's costs). In such instances, discuss (A) how the Government identified the additional risks (e.g., pre-award survey, or past performance data), (B) the nature of the additional risks (e.g., inadequate contractor's accounting system, weakness in the contractor's internal controls, etc.), and (C) how the Government will manage and mitigate the risks; and

(3) Discuss the Government resources necessary to properly plan for, award, and administer task orders with additional risks to the Government.

B4. Source-Selection Procedures

It is anticipated that submission of task order proposals will occur on (insert date): _____. Discuss the source selection procedures for the task order including how the procurement will be solicited and awarded – i.e. best value, evaluation factors, relative importance, etc.

B5. Acquisition Considerations

This acquisition will employ the (choose one):

☐ Traditional ordering process wherein the prime contractors within the designated Functional Category (FC) have the opportunity to submit a full technical and cost/price proposal.
OR

☐ Multiphase ordering process to consist of (1) issuance of a proposal request for a Phase 1 brief technical proposal and price/cost estimate to appropriate FC contractors and (2) conducting a down select process that results in inviting only those offeror(s) remaining in the competition to submit a Phase 2 full technical and price/cost proposal.

The PACTS acquisition was conducted, negotiated, and awarded on the basis of full and open competition as a set-aside for SDVOSBs. The PACTS contract is not a multi-year contract as defined in FAR Part 17.1. All applicable acquisition considerations, including performance-based acquisition methodology, are addressed in Appendix B of the PACTS Ordering Guide. There are no special clauses, special solicitation provisions, or FAR deviations included in this acquisition.

B6. Budgeting and Funding

The estimated budget for the task order life-cycle is as follows:

	Prior Year Obligation	FY 1	FY 2	Etc.	Total Funding
Funding Source(s)					
Amount Required					
Amount Budgeted					
(Under or Overage)					

If the amount required does not equal the amount budgeted, explain the difference and what will be done by the program office to address the issue in a note below the table.

B7. Product or Service Descriptions

The support services available through PACTS are commercial in nature. The required services for the proposed task order fall within the NAICS code for PACTS Functional Category (1, 2, 3, or 4), and are defined in Appendix B of the PACTS Ordering Guide.

B8. Priorities, Allocations, and Allotments

Generally, this paragraph is not applicable. However, if your Component is authorized under the Defense Production Act of 1950, as amended, in accordance with FAR 11.6 and HSAR 3011.602, **and will be using** a preferential or priority rating, identify the applicable information.

B9. Contractor versus Government Performance

Address whether any of the task order requirements are covered by OMB circular A-76, or state that this paragraph is not applicable. It should be noted that on July 29, 2009, the Office of Management and Budget (OMB) issued initial guidance on managing the multi-sector workforce, and as of the date of this document, DHS is still in the process of revising its process. Language included in this paragraph shall reflect the most up to date guidance from OMB and DHS.

B10. Inherently Governmental Functions

This task order acquisition does not include contractor support for inherently governmental functions, as defined in FAR Part 7.5. The task order file was documented on (insert date) with a Contracting Officer's determination that the services to be acquired are not inherently Governmental.

B11. Management Information Requirements

Describe, as appropriate, if the proposed task order management information requirements are consistent with the base PACTS contract, e.g., Earned Value Management (EVM), Task Order COTR, Service Level Agreements (SLA), etc., will be used by the Government to monitor the

contractor's effort to include collection of performance, cost, and schedule data. Components are encouraged to use DCAA EVM services.

B12. Make or Buy / Lease or Buy

A Make or Buy plan is ☐ is not ☐ required in accordance with FAR 15.407-2. If not required, cite the applicable exception.

A Lease or Buy plan is ☐ is not ☐ applicable to this task order. If the decision is applicable, provide the factors and analysis as required under FAR 7.4.

B13. Test and Evaluation

(Include the following paragraph as appropriate, or state that test and evaluation is not applicable to this task order requirement.)

The process by which test and evaluation will be conducted is consistent with the procedures outlined in paragraph B4. of the PACTS acquisition plan. Offeror's approaches to test and evaluation will be solicited in the task order competition, consistent with performance-based acquisition principles.

B14. Logistics Considerations

As appropriate, describe the assumptions determining contractor or agency support, both initially and over the life of the acquisition. Discuss how competition will be maintained if the logistics items are not purchased or described in the initial acquisition document. Discuss the requirements for contractor data and data rights, their estimated cost, and the use to be made of the data, if applicable.

B15. Government-Furnished Property (GFP) (Insert one of the following statements, as appropriate)

The following Government property is readily available and will be furnished to the contractor upon task order award:

- (First item)
- (Second item)

OR

The proposed task order does not include a requirement for Government furnished property.

B16. Government-Furnished Information (Insert one of the following statements, as appropriate)

The Government information identified below (complete as applicable): "…will be furnished approximately X days before the start of services", **OR** "…will be posted via (insert name of web-based data repository). (Be specific): (a) Manuals; (b) Drawings; (c) Test Data

OR

The proposed task order does not include a requirement for Government furnished information.

B17. Environmental and Energy Conservation Objectives

The environmental and energy conservation objectives required by FAR Part 7 have been addressed in paragraph D3. of the PACTS acquisition plan. (Insert one of the following statements, as applicable) There are no additional specific environmental or energy conservation objectives associated with the proposed task order. **OR** There are additional environmental or specific energy conservation objectives associated with the proposed task order as follows:

_____

B18. Security Considerations

1. The projected task order does ☐ or does not ☐ involve access to classified information.

If the projected task order does involve access to classified information, discuss how adequate security will be established, maintained and monitored:

_____

_____

_____

2. The projected task order does ☐ or does not ☐ involve sensitive, operational, or critical infrastructure information.

If the projected task order does involve sensitive, operational, or critical infrastructure information, describe the type of operational or infrastructure information (sensitive, operational or critical) and/or identify the type of sensitive (non-classified) information, e.g., PCII, SSI, etc., requiring protection.

_____

_____

_____

3. The projected task order requires all☐, some☐, or none ☐ of the contractor's employees to be required to pass a background investigation☐, possess a secret level clearance☐, or possess a top-secret level clearance☐.

If the projected task order requires the contractor's employees to be required to pass a background investigation or possess a security clearance, list the clauses that will be included in the task order addressing personnel, data or physical security as appropriate.

4. The projected task order does ☐ or does not ☐ require routine contractor physical access to a Federally-controlled facility and/or access to a Federally-controlled information system.

If the projected task order does require routine contractor physical access to a Federally-controlled facility and/or access to a Federally-controlled information system, describe how agency requirements for personal identity verification of contractors will be met.

5. The projected task order does ☐ or does not ☐ require work to be performed within the United States or its territories.

If the projected task order does require work to be performed within the United States or its territories, describe where the work will be performed.

B19. Contract Administration

Administration of the proposed task order will be accomplished by the Task Order Contracting Officer (TO CO) and Task Order Contracting Officer's Technical Representative (TO COTR). The duties and functions of these positions are described in Section 2 of the PACTS Ordering Guide. The PACTS contract Ombudsman will be available to address any concerns regarding compliance with the PACTS task order award process, review contractor complaints on task orders, and ensure all contractors are afforded a Fair Opportunity to be considered for award.

B20. Other Considerations and Additional Requirements:

The task order will ☐ will not ☐ be issued in accordance with the Occupational Safety and Health Act. Describe the strategy to ensure that occupational safety or health is being managed under the resulting task order. If there are no occupational safety or health considerations, discuss why this paragraph is not applicable.

The Services Contract Act is ☐ is not ☐ applicable to this acquisition. If applicable, state that all required clauses and provisions will be included in the solicitation and resulting task order. (Note: Ensure that the independent government estimate includes the applicable SCA in-

creases. Additionally, by the act of submitting a task order proposal, PACTS contractors certify that the labor rates they include in the proposal meet or exceed the wage determinations.)

B21. Milestones for the Acquisition Cycle

The significant milestones for this task order acquisition are as follows:

Event	Date Completed or Due	Person Responsible
Acquisition Plan approval		
Submission of Task Order Request Package (TORP)		
Issuance of Proposal Request		
Receipt of Proposals		
Proposal Evaluation		
Discussions		
Task Order Preparation, Review, and Clearance		
Task Order Award		

B22. Identification of Participants in Acquisition Plan Preparation

The following individuals participated in the preparation of this acquisition plan:

Name	Title	Office	Telephone	Email Address
	Program Official			
	Contracting Officer			
	Office of Security			
	Office of General Counsel			
	Additional Personnel, as Appropriate			

4.8 Appendix H. Sample Format for a Statement of Work (SOW)

1. **PROJECT TITLE**: Provide a short, descriptive title of the work to be performed.

2. **BACKGROUND:** Describe the need for the goods or services, the current environment, and the office's mission as it relates to this requirement. Provide a brief description/summary of the goods or services sought.

3. **SCOPE:** Indicate which PACTS contract functional category applies to the work to be performed. Include a high-level view of the procurement, its objectives, size, and projected outcomes. Do not include anything that will not contribute to the expected result. Do include impacts/implications.

4. **APPLICABLE DOCUMENTS:** List relevant legal, regulatory, policy, and security documents. Include publication number, title, version, date, where the document can be obtained, etc. State which portions of the documents apply.

5. **SPECIFIC TASKS**: Provide a narrative of the specific tasks that make up the SOW. Number the tasks sequentially, e.g., Task 1 - title of task and description, Task 2 - title of task and description, etc. Describe in clear terms, using active language, what work will be performed. The requirement must be defined sufficiently for the contractor to submit a realistic proposal and for the Government to negotiate a meaningful price or estimated cost. SOWs must be "outcome-based," i.e., they must include the development and delivery of actual products (e.g., assessment report, migration strategy, implementation plan, etc.).

6. **DELIVERABLES AND DELIVERY SCHEDULE:** List all outputs/outcomes with specific due dates or timeframes. Include media type, quantity, and delivery point(s). State due dates in terms of calendar days after task order (TO) award.

7. **GOVERNMENT-FURNISHED EQUIPMENT AND INFORMATION:** Identify the Government-furnished equipment and information, if any, to be provided to the contractor, and identify any limitations on use. Be as specific as possible.

8. **PLACE OF PERFORMANCE:** Specify whether the work will be performed at the contractor's site or at a Government site. Provide exact address if possible. Describe any local or long distance travel the contractor will be required to perform.

9. **PERIOD OF PERFORMANCE:** State the period of performance in terms of total calendar days after TO award (e.g., 365 calendar days after TO award), or in terms of start and end date, e.g., October 1, 20XX through September 30, 20XX. The use of "calendar days" provides an accurate understanding of the actual length of the TO, and allows the actual dates of performance to be set at the time of TO award.

10. **SECURITY:** State whether the work will be UNCLASSIFIED, CONFIDENTIAL, SECRET or TOP SECRET. The contract security classification specification, DD Form 254, in the PACTS contracts provides for a TOP SECRET level classification, which includes safeguarding at the prime contractor's facility. State whether the contractor employees will need a background investigation.

4.9 Appendix I. Sample Format for a Performance Work Statement (PWS)

1. **PROJECT TITLE:** Provide a short, descriptive title of the work to be performed.

2. **BACKGROUND:** Describe the need for the goods or services, the current environment, and the office's mission as it relates to this requirement. Provide a brief description/summary of the goods or services sought.

3. **SCOPE:** Indicate which PACTS functional category applies to the work to be performed. Include a high-level view of the procurement, its objectives, size, and projected outcomes. Do not include anything that will not contribute to the expected result. Do include impacts/implications.

4. **APPLICABLE DOCUMENTS:** List relevant legal, regulatory, policy, and security documents. Include publication number, title, version, date, where the document can be obtained, etc. State which portions of the documents apply.

5. **PERFORMANCE REQUIREMENTS:** Provide a narrative of the specific performance requirements or tasks that make up the PWS. Describe the work in terms of the required output (i.e., what is expected from the contractor), rather than how the work is to be accomplished or the number of hours to be provided. Number the tasks sequentially, e.g., Task 1 - title of task and description, Task 2 - title of task and description, etc. The requirement must be defined sufficiently for the contractor to submit a realistic proposal and for the Government to negotiate a meaningful price or estimated cost.

6. **PERFORMANCE STANDARDS:** Performance standards establish the performance levels required by the Government. Examples of performance standards include: (1) quality standards (condition, error rates, accuracy, form/function, reliability, maintainability), (2) quantity standards (capacity, output, volume, amount), and (3) timeliness standards (response times, delivery, completion times, milestones) (see Appendix F for discussion on performance standards/metrics).

7. **INCENTIVES:** Incentives should be used when they will encourage better quality performance. They may be either positive, negative or a combination of both. Incentives may be monetary or non-monetary. Incentives need not be present in every performance-based contract as an additional fee structure. In a fixed-price contract, the incentives would be embodied in the pricing, and the contractor could either maximize profit through effective performance, or have payments reduced because of failure to meet the performance standard. Positive incentives are used if the work exceeds the standards. Standards should be challenging, yet reasonably attainable. Negative incentives are actions used if the work does not meet the standards (see Appendix F for incentive examples).

8. **DELIVERABLES AND DELIVERY SCHEDULE:** List all outputs/outcomes with specific due dates or timeframes. Include media type, quantity, and delivery point(s). State due dates in terms of calendar days after task order (TO) award.

9. **GOVERNMENT-FURNISHED EQUIPMENT AND INFORMATION:** Identify the Government-furnished equipment and information, if any, to be provided to the contractor, and identify any limitations on use. Be as specific as possible.

10. **PLACE OF PERFORMANCE:** Specify whether the work will be performed at the contractor's site or at a Government site. Provide exact address if possible. Describe any local or long distance travel the contractor will be required to perform.

11. **PERIOD OF PERFORMANCE:** State the period of performance in terms of total calendar days after TO award (e.g., 365 calendar days after TO award), or in terms of start and end date, e.g., October 1, 20XX through September 30, 20XX. The use of "calendar days" provides an accurate understanding of the actual length of the TO and allows the actual dates of performance to be set at the time of TO award.

12. **SECURITY:** State whether the work will be UNCLASSIFIED, CONFIDENTIAL, SECRET or TOP SECRET. The contract security classification specifications in Section I of the PACTS contracts provide for additional guidance.

13. **QUALITY ASSURANCE SURVEILLANCE PLAN:** The quality assurance surveillance plan (QASP) is the portion of the PWS that explains to the contractor what the Government's expectations are, and how (and how often) deliverables or services will be monitored and evaluated. It also spells out any incentives that would encourage the contractor to exceed the performance standards. It also imposes negative incentives when the outputs/outcomes are below the performance standards. Attach the QASP to the PWS (see Appendix J for sample QASP).

4.10 Appendix J. Sample Quality Assurance Surveillance Plan (QASP)

A quality assurance surveillance plan (QASP) describes how an agency will survey, observe, test, sample, evaluate and document the contractor's performance in meeting the critical performance standards identified in the contract. The QASP and the performance requirements should be developed concurrently because of their influence on one another. In developing the QASP, the agency should consider the criticality of the process and its output; how performance should be monitored, and how frequently; and the cost to the agency to monitor each standard/acquisition quality level (AQL). Types of monitoring include: random sampling, 100% inspection, periodic inspection, and customer feedback (see FAR 46.401).

1. **TASK ORDER TITLE**: Clerical Services *(Example)*

2. **WORK REQUIREMENTS**: List below the tasks specified in Paragraph 5 of the performance work statement (PWS). *Examples include*:
   - Task 1 - Document Preparation Services
   - Task 2 - Telephone Answering Services

3. **PRIMARY METHOD OF SURVEILLANCE:** Choose a method that best fits your requirement, e.g., criticality of work to be performed, the relative importance of some tasks to others, lot size/frequency of service, surveillance period, stated performance standard, performance requirement, availability of agency people/resources, and cost-effectiveness of surveillance vs. task importance. Acceptable surveillance methods include:
   - 100 percent inspection - recommended only where health and safety are at issue, otherwise it is not cost-effective and is too stringent.
   - Random sampling - appropriate for recurring tasks or production requirements.
   - Periodic inspection - uses a pre-determined plan based on analyses of agency resources and requirements.
   - Customer input - suitable for service-oriented tasks; uses a standard form to document.
   - Contractor self-reporting - appropriate for tasks such as system maintenance where the contractor can provide system records that document performance, i.e., for development projects, monthly reports can detail problems encountered.

   Example: Customer input is the primary surveillance method for Tasks 1 and 2.

4. **SCOPE OF PERFORMANCE:** (provide the scope of the requirement as described in paragraph three of the PWS). For example,

   - Task 1 - Document Preparation Services: includes (1) document editing or proofreading; (2) typing, word processing, or desktop publishing; and (3) other secretarial services.
   - Task 2 - Telephone Answering Services: includes answering telephone calls and relaying messages to clients.

   (Insert other scope statements for remaining work requirements, as appropriate)

5. **PERFORMANCE STANDARDS:** Insert the performance standards listed in paragraph six of the PWS. *Examples include*:
   - Documents prepared within defined turn-around times and in a quality manner (minor or no mistakes) at a rate of 95% of those documents sampled.
   - 100% of the phone messages taken to be delivered to the recipient (via email) within 10 minutes of taking the message.

6. **ACCEPTABLE QUALITY LEVEL:** The AQL must be realistic, stating the minimum standard, percentage of errors allowed, cost trade-offs, etc. *Examples include*: The AQL for this project is 95% due to the type of support required and the allowance for a margin of human error.

7. **EVALUATION METHOD:**

   Example: The contracting officer's technical representative (COTR) will review the customer feedback forms provided on a monthly basis. The COTR will document the findings of the review of the customer feedback forms. The COTR will provide the results of customer feedback forms review findings to the contractor. The contractor provides the COTR with a written response to the findings presented. The COTR and contractor will resolve any discrepancies between the COTR's findings and the contractor's records. The final results will be documented and used to apply incentives.

8. **INCENTIVES** (positive and/or negative): Insert the performance incentives listed in paragraph seven of the PWS. *For example*:

   The following incentives apply:
   - If customer feedback forms indicate compliance with performance standards, there will be no adjustment to the invoice amount.
   - If customer feedback forms indicate non-compliance with performance standards for more than two (2) consecutive reporting periods, the monthly invoice amount will be reduced by 3%.
   - If customer feedback forms indicate exceeding performance standards for more than three (3) consecutive reporting periods, the monthly invoice amount will be increased by 3%.

   (Insert any other appropriate incentives or disincentive)

4.11 Appendix K. Sample Service Level Agreement (SLA)

A service level agreement (SLA) is a formal written agreement made between two parties: the service provider and the service recipient. It defines the expected level of services, the metrics associated with these services, acceptable and unacceptable service levels, and incentive awards for service levels exceeded and/or penalty provisions for services not provided. A sample SLA is provided below.

Desired Outcomes	Required Services	SLA Performance Standard (completeness, cost, reliability, accuracy, timeliness, quality)	Acceptable Quality Level (AQL)	Monitoring Method (Quality Assurance Surveillance Plan/QASP)	Incentives/ Disincentives
X meets and complies with defined requirements, is effectively managed and achieves program objectives.	Execute/perform all required tasks according to Y.	All required milestones and deliverables will be achieved within agreed-upon schedule as specified in A, B, C and/or D.	No deviation without COTR approval	Review of monthly status report, vendor SLA performance metrics and quarterly program reviews.	TBD by agency

4.12 Appendix L. Sample Statement of Objectives (SOO)

The Statement of Objectives (SOO) provides the basic, top-level objectives of a task order (TO), and is provided in lieu of a Government-written statement of work (SOW) or performance work statement (PWS). It provides potential offerors the flexibility to develop cost-effective solutions and the opportunity to propose innovative alternatives for meeting the objectives.

1. PURPOSE:

2. SCOPE OR MISSION:

3. PERIOD AND PLACE OF PERFORMANCE:

4. BACKGROUND:

5. PERFORMANCE OBJECTIVES, GOALS AND OUTCOMES: *Examples include*:

Overall Objectives:

- Personnel - Provide a proper skill mix, experience, and required number of qualified personnel.
- Materials - Provide all necessary supplies, automatic data processing equipment, documentation, and other applicable properties.
- Facilities - Provide administrative and work spaces.
- Organizational processes - Provide internal controls, management oversight, and supply support.

Task Order Objectives:

Most objectives will already be identified within the contract document. Specific TO objectives may be included here. If this type of objective is not included, instructions may be necessary for PACTS contractors to understand how these objectives should be addressed within their proposals. Objectives identified within the SOO are addressed by the PACTS contractors within a SOW, which they write. Therefore, consider how objectives identified in this section could be addressed within a SOW.

Technical Objectives:

- Throughout the life of this effort, achieve improved performance, reliability, security, and reduced cost of the delivered service. *DHS Component* anticipates a potential cost reduction in operational costs for reinvestment in product improvements.
- Ensure that installation will minimally impact other systems located in the designated facility.
- Utilize commercial standards and procedures to the maximum extent in achievement of objectives. The engineering process includes parts management, quality assurance, electro-static discharge control, reliability, maintainability, system safety, etc.

Program Objectives:

- Receive, under a performance-based arrangement, highly reliable services and support that meet or exceed customer requirements and expectations.
- Establish program management that provides accurate and timely schedule and performance information throughout the life cycle of the program.
- Establish a sound risk management system through the integration of metrics to monitor program status. This will mitigate program risks.
- Establish a comprehensive configuration management system.
- Obtain sufficient rights in technical data, both software and hardware, such that the Government can maintain and modify the training system using Government personnel and third party contractors.
- Use electronic technologies to reduce paper copies of program information generated throughout the life of this contract.
- Use electronic technologies to communicate and pass data between Government and contractor organizations.

6. PERFORMANCE METRICS

A summary of the metrics or standards used to determine if performance objectives and outcomes are met. These may be proposed by the contractor.

7. CONSTRAINTS

Identify any statutes, regulations, or agency policies that relate to or otherwise bound the contractor's performance.

4.13 Appendix M. PACTS Proposal Evaluation Plan

Basis of Evaluation (check one): ☐ **Best Value/ Trade-Off** ☐ **Lowest-Price, Technically Acceptable** ☐ **Other**	
Non-Price Factors Evaluation factors and significant sub factors shall be listed, and their relative order of importance cited in adjectival terms Numerical ratings shall not be used in the evaluation of PACTS delivery order proposals.	
List the specific areas of your technical/management requirements to be evaluated. These areas should correspond with, and relate to, specific requirements	
1. Technical/Management Approach	
a.	
b.	
c.	
d.	
List the specific areas of your past performance requirements to be evaluated. These areas should relate to specific work statement requirements.	
2. Past Performance	
a.	
b	
c.	
d.	
List any other evaluation criteria important to you, and their relative order of importance below.	
3. Other Factors (if applicable).	
a.	
b.	
c.	
d.	
Order of Importance of Technical Factors List the order of importance with regards to corporate experience, technical/management approach and any other non-cost criteria for which you may want to evaluate contractor proposals. Examples: a) Factor 1 is more important than Factor 2; Factor 2 is more important than Factor 3; b) Factor 1 and Factor 2 are equal; Factors 1 and 2 are more important than Factor 3.	
Price/Cost Factor Note that balancing cost against the non-cost factors is how you make your best value trade-off decision, and as a result, a percentage is not applied to the cost factor. If realism will be evaluated, the TORFP must state that proposals will be evaluated for realism. Indicate whether **all non-cost** evaluation factors, when combined: ☐ **Are significantly more important than:** ☐ **More important than:** ☐ **Comparatively equal to:** **...the price/cost factor**	

4.14 Appendix N. Sample E-Mail Requests for Proposal

SAMPLE E-MAIL REQUEST FOR MULTIPHASE PROPOSAL (Phase 1)

To: PACTS Contractor

FROM: *Contracting Officer or Contract Specialist*

Cc: PACTS@dhs.gov

Bcc: All PACTS Contractors; *requiring activity POC's e-mail address*

Subject: Request for Technical and Cost Proposal (Multiphase Approach - Phase 1)
[Insert Title of SOW]

Contractor selection for Phase 1 of this DHS requirement, entitled *Title of SOW*, will be made using a multiphase process under the PACTS contract. Phase 1 activities are described below and on the "Instructions to Contractors" attachment.

The functional category for this effort is *[insert functional category]*. Responses are due by *[insert time and date on which responses are due]*. There will be no exceptions to the time and date on which responses are due, unless determined otherwise by the Government.

Offerors are limited to no more than *[insert page limitation, typically no more than seven]* pages for your response, which encompasses your proposed technical and management approach, as well as past performance information. Within the seven pages, the offeror should also include a preliminary estimate or not-to-exceed estimate for cost. The amount of time allowed for the Phase 1 response is *[insert number of days for response, typically no more than five*, *but which may be adjusted based on the scope/complexity of the requirement and the needs of the customer*. *Also include whether an oral presentation will be required.}*

Your response, technical and pricing, should be forwarded electronically to the task order contracting officer no later than the date specified above. When responding, please include "Title of SOW -- Phase 1" on the subject line. To verify receipt of your response, please contact me either by e-mail or telephone.

After evaluation of responses, there will be a down-select conducted prior to continuing on to the second part of this competition, which will involve the issuance of a Request for Technical and Cost Proposal (Multiphase – Phase 2).

We would like to thank you for your continued support of the PACTS program, and for your consideration of submitting a response to this request.

Sincerely,

[Insert name/phone number/email address of contracting officer/contract specialist]

Attachments (Instructions to offerors; SOW)

REQUEST FOR MULTIPHASE PROPOSAL – PHASE 1 (SAMPLE)
INSTRUCTIONS TO CONTRACTORS

This request for a Phase 1 proposal is the first in a two-part process to assess your capabilities in performing the work described in the Statement of Work (SOW). There will be a down-select prior to continuing on to the second part of this competition, which will involve the issuance of a full Request for Technical and Price/Cost Proposal (Phase 2).

Please provide your response to this multiphase proposal request – Phase 1 by *insert time and date on which responses are due*. This information will be used to evaluate which contractors represent the best set of qualifications for further competitive consideration. The Government will not consider or evaluate marketing materials.

Functional Category: [*Fill in applicable Functional Category]*

Task Title**:** [*Insert Title of SOW]*

Composition of Responses* (Example)*:

- **<u>Technical Response</u>**

The contractor shall provide at least one project profile demonstrating successful management and performance of work similar in type and scope to that described in the Statement of Work. The contractor shall also provide one reference for each project profile.

The contractor shall briefly describe its technical approach for completing this task.

- **<u>Price/Cost Proposal</u>**

The contractor shall provide a Preliminary Estimate or Not-To-Exceed figure for fulfilling the requirements of the SOW. The contractor should be prepared, in its full Phase 2 proposal, to propose within the total dollar amount cited in its Phase 1 cost submission. In rare instances, additional information or circumstances may arise and result in an increased price/cost.

Technical Evaluation Criteria:

Contractor responses shall be evaluated as to whether or not they have demonstrated the ability to meet the needs of the Government under the criteria set forth below. These criteria will be used to rate each contractor's proposal. After ranking the responses to the Phase 1 announcement, the Government will determine the group of contractors that will be invited to participate in Phase 2, and a Request for Technical and Cost Proposal (Multiphase – Phase 2) will be sent only to the successful Phase 1 contractors. *List evaluation criteria in descending order of importance – examples follow:*

- **Criteria 1: *Project Profile Information*** - The project profiles submitted demonstrate successful performance and management of tasks similar in type and scope.

- **Criteria 2: *Technical Approach*** - The contractor's technical approach demonstrates a clear understanding of the work to be performed. The proposal outlines an effective, efficient, achievable approach for accomplishing the work to be performed by this task order within the timeline specified by either performance periods or documented in a deliverable schedule.
- **Criteria 3: *Task Specific* -** The customer can have as many technical evaluation criteria as needed to determine the best solution for the organization/project.

SAMPLE E-MAIL REQUEST FOR PROPOSAL
(Traditional or Multiphase – Phase 2)

To: *Contracting Officer or Contract Specialist*

Cc: PACTS@dhs.gov

Bcc: All PACTS Contractors *[insert Department of Homeland Security customer's e-mail address]*

Subject: Request for Technical and Cost Proposal *[identify traditional approach or multiphase approach – Phase 2]*
[*Insert Title of SOW]*

Contractor selection for this acquisition, entitled *Title of SOW*, will be made using *[cite whether using a traditional approach or Phase 2 of the multiphase approach]* under the PACTS contract. The functional category for this effort is *[insert name of functional category]*. You are requested to submit a technical and separate full pricing proposal for the effort described on the attached statement of work/statement of objectives/performance work statement. Responses are due by *[insert time* on *insert date on which responses are due]*. There will be no exceptions to the time and date on which responses are due, unless determined otherwise by the Government.

Offerors are limited to no more *[insert page limitation, typically no more than 15 pages]* for your response, subject to adjustment at the discretion of the task order contracting officer based on the size, scope and complexity of the task order. The request may also include an oral presentation if it is determined to be beneficial to the evaluation. A complete cost proposal must be submitted, *with no page restrictions*. Your response must be submitted within *[insert number of days, typically eight* days, *which may be adjusted based on the scope/complexity of the requirement and the needs of the customer*. *Also include whether an oral presentation will be required.]*

Your response, technical and pricing, should be forwarded electronically to the task order contracting officer no later than the date specified above. When responding, please include *Title of SOW* on the subject line. To verify receipt of your response, please contact me either by e-mail or telephone.

We would like to thank you for your continued support of the PACTS Program, and for your consideration of submitting a response to this request.

Sincerely,

[Insert name of contracting officer/contract specialist]
[Insert contracting officer/contract specialist's phone number]
[Insert contracting officer/contract specialist's email address]

Attachments (Instructions to Offerors; SOW/SOO/PWS)

TASK ORDER REQUEST FOR PROPOSAL
(Insert whether Traditional or Phase 2)
INSTRUCTIONS TO CONTRACTORS

Please provide your response to this Task Order Request for Proposal (TORFP) [*cite whether using a traditional approach or Phase 2 of the multiphase approach]* by [*insert time and date on which responses are due*.]

Functional Category: [*Fill in applicable Functional Category]*

Task Title: [*Insert Title of Statement of Work (SOW)]*

Composition of Responses:

- **Technical Response - limited to 15 pages**

  Sample wording. *The Contractor shall provide at least two project profiles demonstrating successful management and performance of work similar in type and scope to that described in the* SOW/SOO/PWS*. The Contractor shall also provide one technical-competency reference for each project profile documented.*

  And

  The Contractor shall also describe its technical approach for completing the work in the SOW/SOO/PWS*. The technical proposal shall reference each "paragraph number" in the SOW and provide the Contractor response to each paragraph. If selected for task order award, this technical response will be used as the basis for award.*

- **Price/Cost Proposal – no page limitation**

  [Sample wording]. The Contractor shall submit a full price proposal for a *[insert contract type]* award (i.e., labor hours, burdened direct labor rates, indirect rates, and other direct costs) that provides the PACTS labor categories and corresponding labor hours to satisfy the requirements of the base period and any other performance periods included in the SOW/SOO/PWS. A total price/cost summary by major element along with detailed breakdowns to support each major element shall be included. In addition, a price/cost summary by major element for each contract period shall be provided.

  The Contractor shall provide a technical response that provides the rationale to support the quantity of hours and the labor mix proposed.

Technical Evaluation Criteria:

Contractor responses shall be evaluated as to whether or not they have demonstrated the ability to meet the needs of the Government under the criteria set forth below. Technical capability is more important than cost. The importance of cost will increase as the difference in technical responses decreases. The following criteria will be used to score each contractors proposal.
List evaluation criteria in descending order of importance – examples follow:

- **Criteria 1: Project Profile Information** - *The project profiles submitted demonstrate successful performance and management of tasks similar in type and scope.*

- **Criteria 2: Technical Approach** - *The contractor's technical approach demonstrates a clear understanding of the work to be performed. The proposal outlines an effective, efficient, achievable approach for accomplishing the work to be performed by this task order within the timeline either specified by performance periods or documented in a deliverable schedule.*
- **Criteria 3: Task Specific** – [*The customer can have as many technical evaluation criteria as are needed to determine the best solution for the organization/project.]*

4.15 Appendix O. Proposal Submission Instructions/Evaluation Criteria

Proposal Submission Instructions

Technical and cost/price proposals shall be separate documents and consist of the following tabs: NOTE: While the technical proposal must not contain any reference to cost, resource information (such as data concerning labor hours and categories, materials, subcontracts, etc.) must be provided so that the contractor's understanding of the requirements may be evaluated.

TAB 1 - Technical Proposal. Technical proposal information will be streamlined and limited to *[insert page limitation]* pages. At a minimum, technical proposals shall address the following elements:

- Technical/management approach
- Key personnel assigned
- Teaming arrangements (including subcontractors)
- Risks and risk mitigation plan
- Period of performance
- Government-furnished equipment (GFE)/Government-furnished information (GFI)
- Security (including clearance level)
- Other pertinent data

NOTE: If instructions are for a performance-based task order, the technical proposal shall also include the offeror's proposed statement of work (SOW) or performance work statement (PWS) detailing the performance requirements resulting from the statement of objectives.

***TAB 2 - Cost/Price Proposal*.** This part of the proposal shall include details for all resources required to accomplish the requirements, e.g., labor hours, rates, travel, incidental equipment, etc. The price proposal shall identify labor categories in accordance with the labor rate tables contained in Section B of the basic contract. It must also identify any GFE and/or GFI required for task performance. If travel is specified in the SOW or PWS, airfare and/or local mileage, per diem rates by total days, and number of trips and number of contractor employees traveling, shall be included. The task order contracting officer should also advise the offeror if cost or pricing information is required.

Evaluation Criteria

This is a best value award, and the evaluation criteria for this award will be based on the following factors and weights assigned to each factor. *[EXAMPLE ONLY – INSERT FACTORS/LANGUAGE AS APPROPRIATE]*

Technical/Management Approach:

(1)

(2)

(3)

Past Performance:

(1)

(2)

(3)

Other Factors:

(1)

(2)

(3)

Order of Importance

For example: Factor 1 is more important than Factor 2; Factor 2 is more important than Factor 3; OR Factors 1 and 2 are equal and more important than Factor 3.

Cost/Price

In performing the best value trade-off analysis, all non-cost evaluation factors, when combined, are MORE IMPORTANT than cost/price (*sample lead-in sentence to specific instructions on a cost/price evaluation)*.

4.16 Appendix P. Sample Debriefing Letter to Unsuccessful Offeror

[Insert date]

[Insert offeror's name]
Title *[Insert offeror's title]*
[Insert name of offeror's company/organization]
Street
City, State ZIP

SUBJECT: PACTS Task Order Request for Proposal # *[insert number]*

Dear *[insert offeror's name]:*

This letter constitutes a written debriefing of your firm's proposal as requested in your e-mail message dated *[insert date].* This debriefing will provide information regarding the Government's evaluation of the significant weak or deficient factors in your firm's proposal. This letter contains only that information which the contracting officer is allowed by regulation to disclose.

Evaluation Results

After careful consideration, we determined that your firm's proposal was not the most advantageous to the Government. The task order was awarded to:

[Insert successful offeror's name and address]

Total technical rating and total evaluated cost/price for the successful offeror's proposal*: [insert rating and cost/price]*

Total technical rating for your firm's proposal: *[insert rating]*

Your firm's proposal contained significant technical deficiencies, most notably:

1. Did not adequately *[insert information]*
2. Demonstrated a lack of *[insert information]*
3. Was deficient in the representation of *[insert information]*

Additional Considerations:

1. Past performance experience is not comparable to *[insert information]*.
2. Your company did not submit *[insert information]* that was included in the schedule of supplies and services.
3. Your company's offered pricing was substantially higher than the pricing proposed by the successful offeror.

Our award decision was based on the technical and price factors identified in Section *[insert section]* of the Task Order Proposal Request.

I would like to thank you for your participation in the task order competition and I hope the information provided above will assist you in future competitions.

Sincerely,

Uncle Sam
Contracting Officer

4.17 Appendix Q. PACTS Glossary

This glossary is not intended to be a comprehensive list of acquisition terminology. These terms are commonly found within this ordering guide and are included for clarification.

Acceptable Quality Level (AQL) – Established as part of a quality assurance surveillance plan. They must be realistic, stating the minimum standard, percentage of errors allowed, cost trade-offs, etc.

Best Value – The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement. It involves the analysis of technical and cost proposals to determine which proposal offers the best trade-off between price/cost and performance, where quality is considered an integral performance factor. See Federal Acquisition Regulation (FAR) Part 15.101.

Contract Bundling – The consolidation of two or more procurement requirements for goods or services previously provided or performed under separate smaller services into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small business concern due to: (A) the diversity, size, or specialized nature of the elements of the performance specified; (B) the aggregate dollar value of the anticipated award; (C) the geographical dispersion of the contract performance sites; or (D) any combination of the factors described in (A), (B) or (C). (See FAR 2.101 (b) and 13CFR125.2)

Debriefing – A document or interaction that outlines the Government's reasoning for selection/non-selection of a TO proposal. May be either oral or written and are held with offerors (almost always unsuccessful offerors) when requested. At the debriefing, the information in evaluations, which is based solely on the factors in the solicitation, is used to explain how the offeror's proposal was rated under each specific evaluation criterion. The evaluation criteria discussed at the debriefings must include only those that can fairly and properly be used for determining source selection, and shall only include information that pertains to the offeror being briefed (i.e., information shall not be provided relative to other offerors' proposals or scoring thereof). See FAR 15.505 and 15.506. Note that the names of individuals providing reference information about an offeror's past performance must also not be revealed.

"Fair-Opportunity-to-be-Considered" Rule – All prime contractors (including their designated subcontractors, if applicable) are considered to possess the basic qualifications for success in those information technology functional categories of the contracts awarded to them. Therefore, the statutory and regulatory requirement for "fair opportunity to be considered" (based on the Federal Acquisition Streamlining Act (FASA) and Federal Acquisition Regulation (FAR) 16.5) will be deemed to have been met by the announcement (through the designated Internet website or e-mail) of all task orders that do not fall under one of the exceptions at FAR 16.505(b) (2) (See Appendix C for the exceptions). Each task order will be evaluated, at a minimum, on selection criteria, which include past performance, technical/management approach, and price/cost.

Federal Acquisition Streamlining Act (FASA) – Public Law 103-355 was enacted in October 1994, and was designed to simplify and streamline the federal procurement process. FASA

raised the small purchase threshold from $25,000 to $100,000 and designated this as the simplified acquisition threshold.

Fixed-Price Task Order – A TO suitable for acquiring commercial items or for acquiring supplies or services on the basis of reasonable definite functional or detailed specifications, when the contracting officer can establish fair and reasonable prices at the outset. For PACTS TOS, may include FFP, FP with award fee, or FP with incentive fee.

Homeland Security Acquisition Manual (HSAM) – A manual that contains Department of Homeland Security (DHS)-wide acquisition policy and procedures. It implements and supplements the Federal Acquisition Regulation (FAR) and the Homeland Security Acquisition Regulation (HSAR). It is non-regulatory in nature and provides uniform procedures for the internal operation of acquiring supplies and services within DHS. The HSAM format conforms to the arrangement and numbering system of the FAR and HSAR and is divided by chapters and subchapters. The HSAM is not a stand alone document and must be read in conformance with the FAR and HSAR. The electronic version of HSAM is provided at www.dhs.gov and DHS Connect.

Independent Government Cost Estimate (IGCE) – Assists the task order contracting officer in determining the reasonableness of a contractor's cost and technical proposals. The IGCE is prepared by the requisitioner and submitted as part of the procurement request. It is for GOVERNMENT USE ONLY and should not be made available to the PACTS contractors. Requisitioners may obtain information for developing an IGCE from Section B of the PACTS contracts.

Indefinite Delivery Indefinite Quantity (IDIQ) Contract – A contract for supplies/services that does not require or specify a firm quantity of supplies/services (other than a minimum or maximum quantity) and/or is used when the exact times of future deliveries are not known at the time of contract award. IDIQ contracts are also known as delivery order or task order contracts that provide for the issuance of orders for the performance of tasks during the period of the contract.

Incentives – Used to encourage better contractor quality performance. They may be either positive, negative, or a combination of both. Incentives may also be monetary or non-monetary. Incentives do not need to be present in every performance-based contract as an additional fee structure. In a fixed price contract, the incentives would be embodied in the pricing and the contractor could either maximize profit through effective performance, or have payments reduced because of failure to meet the performance standard.

Original Equipment Manufacturer (OEM) – A producer/manufacturer that provides a product to its customers, who then proceed to modify or bundle the product before distributing it to their customers.

Performance Based Service Acquisition (PBSA) – The preferred method of contracting for services and supplies. PBSA is contracting for results, not just best efforts, and involves structuring all aspects of an acquisition around the purpose of the work to be performed. Essential elements of PBSA's include: (1) performance requirements, expressed in either a performance work statement or statement of objectives; (2) performance standards or measurements, which are criteria for determining whether the performance requirements are met; (3) appropriate performance incentives, either positive or negative; and (4) a surveillance plan that documents the Government's approach to monitoring the contractor's performance.

Performance Standards – Standards that establish the performance levels required by the Government. Examples of performance standards include: quality standards (condition, error rates, accuracy, form/function, reliability, maintainability), quantity standards (capacity, output, volume, amount), and timeliness standards (response times, delivery, completion times, milestones).

Performance Work Statement (PWS) – A type of work statement that provides performance standards to establish the performance levels required by the Government (e.g., quality standards, quantity standards, and timeliness standards), and incentives to encourage better quality performance (which may be positive or negative, monetary or non-monetary). A PWS normally includes a quality assurance surveillance plan, defined below.

Quality Assurance Surveillance Plan (QASP) – Part of the performance work statement. Its purpose is to set forth the Government's expectations, as well as how (and how often) deliverables or services will be monitored and evaluated. A QASP may also contain incentives that encourage the contractor to exceed the performance standards, and that reduce payment or impose other negative incentives when the outputs/outcomes are below the performance standards.

Small Business Administration Procurement Center Representative (SBA PCR) – Procurement professionals, located in SBA area offices, responsible for the review and evaluation of small business programs in federal agencies and for assisting small businesses in obtaining federal contracts and subcontracts. An SBA PCR reviews proposed procurement opportunities and subcontracting plans to ensure compliance with applicable laws and regulations.

Service Disabled Veteran Owned Small Businesses (SDVOSBs) – A small business concern that is owned and controlled by an individual who is disabled as a result of his/her services in the military All prime PACTS contractors are SDVOSBs.

Service Level Agreement (SLA) – A formal written agreement established between two parties: the contractor and the Government customer. It defines the expected level of services, the metrics associated with these services, acceptable and unacceptable service levels, and incentive awards for service levels exceeded and/or penalty provisions for services not provided.

Statement of Objectives (SOO) – A type of work statement that provides the basic, top-level objectives of a task order, and is provided in lieu of a Government-written statement of work or performance work statement. It provides potential offerors the flexibility to develop cost-effective solutions and the opportunity to propose innovative alternatives for meeting the objectives.

Statement of Work (SOW) – A type of work statement that describes the need for the goods or services, the scope of work to be performed, applicable documents, specific tasks, deliverables and delivery schedule, Government-furnished property and information, place and period of performance, and security requirements.

Task Order (TO) – An order for services placed against an established contract or with Government sources. In the case of the PACTS acquisition, TOs are orders for services placed against contracts awarded under the PACTS solicitation.

Task Order Requirements Package (TORP) – The complete documentation prepared and submitted by the customer (both Department of Homeland Security headquarters and components) to initiate a task order request.

Time–and–Materials Task Order – A TO that provides for acquiring supplies or services on the basis of direct labor hours, at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and materials at cost, including, if appropriate, material handling costs as part of material costs. A time-and-materials TO may be used only when it is not possible at the time the TO is executed to estimate accurately the extent or duration of the work, or to anticipate costs with any reasonable degree of confidence. See FAR 16.601.

www.dhs.gov/openforbusiness – The Department of Homeland Security website that provides information on DHS contracts. The following link provides information that specifically relates to the PACTS contracts, including links to the prime contractor's home pages or portal: http://mgmt-ocpo-sp.dhs.gov/sites/epic/opo/Pages/PACTS.aspx