

Acquisition Strategy

DOE G 413.3-13

Project Management Programs

December 2022

DOE G 413.3-13 – cont'd

- Purpose
- Scope
- Development
- Requirements and Approval

DOE G 413.3-13 – cont'd

Project Management Document Hierarchy

Agency/DOE Policy/Guidance

Federal/National Level Policy/Guidance

- OMB Circular A-11: Part 7**
Capital Programming Guide: References EIA-748 for EVMS Requirements
- FAR Part 34: Major System Acquisition**
General Describes Acquisition Policy and Procedures to OMB Circular A-109 and OMB A-11
- FAR Part 34.2: Earned Value Management System**
Describes policies and procedures for EVMS in major acquisitions defined in OMB A-11, Part 7
- FAR Part 52.234-4: Earned Value Management System**
Establishes compliance the Earned Value requirements of EIA-748
- SAE International EIA 748™**
Earned Value Management System

- DOE EM Program Management Protocol**
- DOE-PM-SOP- Current Version**
PM EVMS ECRSOP Compliance Assessment Guide
- DOE 413.3B Current Version**
Program and Project Management for the Acquisition of Capital Assets
- DOE 413.3-1**
Managing Design and Construction Using Systems Engineering
- DOE 413.3-5A**
Performance Baseline
- DOE 413.3-7A**
Risk Management
- DOE G 413.3.9A**
Project Reviews for Capital Asset Projects
- DOE 413.3-10.B**
Integrated Project Management Using the EVMS
- DOE 413.3-12**
Project Definition Rating Index
- DOE 413.3-15A**
Project Execution Plans
- DOE 413.3-18A**
Integrated Project Team Guide for formation and implementation
- DOE 413.3-20**
Change Control Management
- DOE 413.3-21A**
Cost Estimating Guide

Field Office/TOC Contract/ Contractor Policy/Guidance

- Tank Operations Contract - DE-AC27-08RV14800**
Performance-Based Cost-Plus-Award Fee Contract
- TFC-PLN-84**
Tank Operations Contract Project Execution Management Plan
- TFC-PLN-147**
TOC Project Controls System Description
- RPP-PLAN-62858**
TOC Project Execution Plan for TSCR, Tank Farm Upgrades, and Waste Feed Delivery

Tank Operations Contract

Purpose.

This guide serves as a tool for federal project directors (FPDs) and the Integrated Project Team (IPT) for developing a project acquisition strategy document.

An acquisition strategy is a comprehensive high-level technical and business management approach designed to achieve project objectives within specified resource constraints.

It is also considered the framework for the next phases of planning, organizing, staffing, controlling, and leading a project.

In sum, the acquisition strategy provides an approach for activities essential for project success and for formulating functional strategies and plans.

The DOE O 413.3 requires the development and approval of the acquisition strategy for projects with total project cost (TPC) of \$20M or greater, as part of the Critical Decision-1 (CD-1), Approve Alternative Selection and Cost Range Milestone.

Scope.

This guide **discusses the process for formulating an acquisition strategy for DOE projects using as the basis the Federal Acquisition Regulations (FAR) for acquisition planning in general.** The guide will include discussions with application examples on the following main topics that should be covered in an acquisition strategy document for a project (the FPD and the IPT have wide latitude in tailoring the presentation of the acquisition strategy document as long as the **topics** identified here are **addressed** in a coherent manner):

1. **Desired outcome, requirements, and major applicable conditions**
2. **Cost and schedule range**
3. **Alternatives** (technical and location) and risk analysis
4. **Business and acquisition approach**
5. **Management structure and approach**

Development.

The **project FPD leads the acquisition strategy development** with the assistance of the Federal team members of the IPT.

Project **stakeholders among DOE service centers, DOE-HQ's program offices, site offices, laboratories and industry are often consulted** during acquisition strategy development.

A **Contracting Officer is typically part of the IPT** and is often the best resource for developing the business and acquisition approach (section 4.0 of this document).

However, **care should be taken to avoid discussing or releasing pre-procurement sensitive information, directly or indirectly, especially to current contractors, that could be construed as giving or appearing to give a potential offerer a competitive advantage**, the appearance of competitive advantage, or result in those contractors being unable to propose on the new work.

The objective in preparing the acquisition strategy **is to describe and integrate the high level technical and management approaches**, to guide top-down alignment of all project team activities, **and enhance the ultimate goal of a successful project.**

The **FAR is the basis for acquisition planning** in general.

The acquisition strategy document precedes the acquisition plan document but does not contain the details of implementation or procurement sensitive information appropriate to the acquisition plan.

The **FAR allows for tailoring an acquisition strategy and plan with specific content based on the size and complexity of the project.**

The **information provided to respond to the FAR** and using the guidelines provided in Office of Management and Budget (OMB) Circular No. A-11, Preparation, Submission, and Execution of the Budget, **ensure the Government receives the best value and that agency business processes focus on optimizing performance at the lowest cost.**

Five characteristics are found in a comprehensive acquisition strategy: **realistic, credible, durable, flexible, and risk management.**

An acquisition strategy is **realistic when the programmatic, functional, operational objectives are attainable.**

An acquisition strategy is **credible when reasonable and/or innovative technical and location alternatives are given due consideration and critical thinking is demonstrated in evaluating the alternatives.**

Acquisition strategy **durability discourages disruption from negative external or internal choices by concentrating on strategy rather than detailed planning.** For durability, an acquisition strategy only includes a high-level view, or approach, and does not include detail that may change based on later operational or tactical decisions.

A **flexible acquisition strategy is related to the effort made to keep the project description at the strategy level so that operational details can be better incorporated within that vision without changes or redirection** to the strategy or without significant disruption to project resources or project baselines.

Risk management in an acquisition strategy is concerned with the identification, analysis, management, and tracking of potential impacts to the project.

Thus the characteristics of realism, credibility, durability, flexibility, and managed risk are used to guide the development and execution of an acquisition strategy. An acquisition strategy meets the five characteristics through a comprehensive and integrated depiction of the technical and business management issues at the strategic level.

The acquisition strategy conveys the IPT's approach for the successful acquisition of the project and rationale for that approach. The approach should include the alternatives analyzed; market conditions, competition considerations, and performance based contracting opportunities. The acquisition strategy incorporates those considerations to develop business and management approach(es) the project anticipates to integrate and coordinate contractor efforts.

Approvals of mission needs and acquisition strategies do not constitute approvals required by the Office of Acquisition and Supply Management (OPAM) for business clearance purposes, including acquisition plans. **The acquisition strategy is approved by the Program Secretarial Officer (PSO) as part of CD-1.** The strategy may or may not anticipate a procurement contract that requires an acquisition plan as delineated in FAR 7.1.

The IPT has wide latitude in tailoring the presentation of the acquisition strategy as long as the topics identified in the Acquisition Strategy Format and Content section are addressed in a coherent manner. A combination of narrative and tables is common, keeping emphasis on brevity and integrating key points across the document. For example, major risks identified for a technical/location alternative reasonably affects the business and management approach in most cases. **For the recommended alternative, the business and management approach should reflect how the IPT intends to address those risks.**

It is recommended that during the process of ranking alternatives **the IPT should have conducted an analysis with defined criteria to support the precision indicated by the ranking.**

For example, **rankings of high, medium and low are common from structured discussions of the alternatives with subject matter experts, while ranking 1 through 10 indicates significant discrimination and analysis to delineate between a particular rank,** and the rank one increment above and one below.

Do not imply unsupportable precision in your alternatives by applying arithmetic operations to ordinal rankings, e.g., averaging rankings to create additional decimal places of ranking, without having developed criteria to support additional granularity among alternatives.

Requirements and Approval

Per DOE O 413.3, all projects with a TPC of \$20M, or greater, require an acquisition strategy approved by the Program Secretarial Officer (PSO). For Major System projects with a TPC of \$750M or greater, the Office of Engineering and Construction Management (OECM) reviews the acquisition strategy and provides recommendations to the PSO prior to acquisition strategy approval.

An electronic version of the acquisition strategy for a Major System project should be submitted to (preferably in MS Word) ESAAB.SECRETARIAT@hq.doe.gov at least three weeks prior to any scheduled CD-1 decisional briefings. OECM will then coordinate the review of the acquisition strategy and will provide a recommendation memo to the appropriate PSO or Deputy Administrator. Approval of the acquisition strategy does not imply approval of CD-1.

The acquisition strategy is a durable vision of the high level technical and business management approach. **The strategy is based on assumptions, facts and circumstances existing at the time of development and may be changed when additional information becomes available or conditions change.**

Changes should make good business sense and be documented. Material changes to the acquisition strategy, such as changes in contract type consideration, approach to competition, or changing major milestones are documented and approved at the same approval level as the original.

Administrative or acquisition planning level of detail should be saved for future acquisition planning products to avoid the acquisition strategy document becoming a procurement sensitive document or containing decisions reserved for the contracting officer later in the acquisition planning process.