



DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
106 ARMY PENTAGON
WASHINGTON DC 20310-0106

25 APR 2005

MEMORANDUM FOR MACOM COMMANDERS

SUBJECT: Policy Letter 02-05; Mandatory Reporting Procedure for Bundled and Consolidated Contracts.

1. References:

- a. Federal Acquisition Regulation (FAR) 19.202-1(e) (1) (iii) and FAR 7.104(d) (1)
- b. Defense FAR Supplement (DFARS) 219.201(d) (11).

2. The purpose of this memorandum is to provide direction and guidance to insure compliance with the referenced regulations implementing changes regarding contract bundling and consolidation. There are now additional types of actions that will require an Army small business specialist's review as a result of changes made in the definition of bundling. These actions consist of orders placed against Indefinite Quantity type contracts like Federal Supply Schedules awarded by the General Services Administration and actions awarded by any non-DOD agency. There are also additional reporting requirements.

3. In order to ensure compliance with the FAR the following actions are required:

- a. Substantial bundling that is necessary or justified because the Government would derive measurably substantial benefits shall be planned in accordance with FAR 7.104 and documented IAW FAR 7.105 and 7.107 using the format in the DOD Benefit Analysis Guidebook. Only the Army Acquisition Executive can determine that bundling is necessary and justified when the expected benefits do not meet the thresholds in FAR 7.107, but are critical to the agency's mission success. Justifications must include all of the elements listed in FAR 7.107(e). Documentation shall also include the DD Form 2579 (coordinated with the assigned small business specialist and the Small Business Administration Procurement Center Representative), the proposed acquisition strategy, and bundling justification. The bundling documentation must be sent to the Director, SADBU, within 30 days of approval, but in no case any later than 30 days prior to the issuance of a solicitation or placement of an order for the requirement.

- b. Small business specialists shall notify the Army's SADBU Office, by e-mail or fax if a proposed acquisition strategy involves substantial bundling that is unnecessary or unjustified as determined by a benefit analysis, or is not identified as bundled by the

SADBU

SUBJECT: Policy Letter 02-05; Implementation of the Reporting Procedures for Bundled and Consolidated Contracts.

activity even after coordination with the Small Business Specialist and the activity's Associate Director, SADBU.

c. Each MACOM shall include the following reports to the Director, SADBU with their mid-year and annual Strategic Management System (SMS) reports:

(1) The extent of consolidation of contract requirements that has occurred the previous fiscal year (DFARS 207.170); and

(2) The impact of those consolidations on the availability of small business concerns to participate in procurements as both contractors and subcontractors.

4. The key to a successful acquisition is to involve the small business specialist as early as possible in the acquisition strategy/planning process. It is the duty of the small business specialist to support their command by identifying alternative strategies that maximize opportunities for small business, and assist in identifying small businesses capable of performing the requirements through aggressive market research conducted by the requiring and contracting activities.

5. The POC for this action is Mr. Paul Gardner, (703) 697-2868.



Tracey L. Pinson
Director

DISTRIBUTION:

ADMINISTRATIVE ASSISTANT TO THE SECRETARY OF THE ARMY
NATIONAL GUARD BUREAU
U. S. ARMY MATERIEL COMMAND
U. S. ARMY CORPS OF ENGINEERS
U. S. ARMY SPACE AND MISSILE DEFENSE COMMAND
U. S. ARMY MEDICAL COMMAND
U. S. ARMY INTELLIGENCE AND SECURITY COMMAND
MILITARY TRAFFIC MANAGEMENT COMMAND
U. S. ARMY MEDICAL RESEARCH MATERIAL AND COMMAND
U. S. ARMY TEST AND EVALUATION COMMAND
U. S. ARMY CONTRACTING AGENCY

CF: