

PART 2024 - PROPERTY AND SUPPLY

Subpart 0 - Advance Acquisition Plan

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Attachments: Exhibits A, B, and C

PART 2024 - PROPERTY AND SUPPLY

Subpart 0 - Advance Acquisition Plan

§2024.701 Policy.

Policy Letter 81-1 published by the Office of Federal Procurement Policy requires all Agencies to develop and implement an annual Advance Acquisition Plan (AAP) and to develop and issue procedures for preparing such a plan. AAPs are developed and used by Rural Development to assure efficient and economical acquisitions, and to prevent wasteful practices resulting from hurried or unnecessary yearend acquisitions. Program, contracting, budget and fiscal personnel will provide support and necessary assistance to ensure the success of this system.

§2024.702 Scope.

This subpart establishes the Rural Development AAP system to meet the requirements in §2024.701 of this subpart. This system includes:

- (a) Annual AAPs;
- (b) Established acquisition leadtimes and cutoff dates;
- (c) Acquisition tracking system;
- (d) Procedure for obtaining approval for requirements which do not meet the established cutoff dates or are not included on AAPs;
- (e) Procedure for involving contracting, budget and program personnel in advance procurement planning; and
- (f) Procedure for reducing yearend spending.

§2024.703 [Reserved]

§2024.704 Objectives.

The objectives of AAP are:

- (a) To provide goods and services to assist managers in completion of responsibilities and award acquisitions in an orderly manner, ensure sound acquisition practices and effective competition, stimulate innovative acquisition methods to meet program needs, and maintain accountability.

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RD Instruction 2024-0
§2024.704 (Con.)

- (b) To provide a flexible system that allows revisions reflecting budget changes, emergencies and program direction changes, and thereby become an effective tool in planning and managing the program functions which are implemented through the acquisition process;
- (c) To assess the appropriateness and provide advice on the best methods to meet program needs;
- (d) To control unnecessary fourth-quarter spending; and
- (e) To provide data to assist:
 - (1) Equipment review groups in meeting overall location needs.
 - (2) Contracting personnel in developing individual transaction plans,
 - (3) In consolidating requirements to reduce workload and provide price breaks by quantity buying,
 - (4) In more economical distribution of contingency funds,
 - (5) In meeting budget planning and limitations,
 - (6) In meeting reporting requirements for controlled acquisitions,
 - (7) Program and contracting personnel in developing specifications and statements of work,
 - (8) Managers in meeting essential and priority requirements,
 - (9) In overall reduction of yearend spending,
 - (10) Contracting managers in scheduling workloads and resources.

§2024.705 Types of acquisitions.

- (a) AAPs include the following types of acquisitions which are funded from "Salaries and Expenses" funds or from other annual appropriations and revolving funds:
 - (1) Proposed contract actions estimated to exceed \$25,000 annually;
 - (2) Interagency agreements estimated to exceed \$25,000 annually;

(3) Delivery orders against existing contracts (including General Services Administration (GSA) and Federal Supply Schedule (FSS) contracts) estimated to exceed \$100,000 (except delivery orders placed against the Multi-Function Work Station (MFWS) contract).

(4) All Automated Data Processing (ADP) and word processing related acquisitions in excess of \$25,000 (except delivery orders placed against the MFWS contract); including contracts, delivery orders against existing contracts (including GSA Federal Supply Schedule contracts), and interagency contracts and agreements.

(5) High-waste vulnerability requirements which are proposed contracts estimated to exceed \$10,000 and classified in one or more of the areas listed below:

- (i) Consulting services,
- (ii) Audiovisual products and services,
- (iii) Furniture,
- (iv) Noncompetitive contracts, and
- (v) Personal services contracts.

(b) The Contract Review Board (CRB) will approve an annual budget for MFWS related expenditures.

(c) All Rural Development acquisitions must be included on the AAP regardless of the Rural Development entity making the acquisition (i.e., National Office, Finance Office, State Office, or a field office). (See §2024.706 of this subpart for further guidance on acquisitions relating to program services.)

§2024.706 Program service acquisitions.

Program service acquisitions are submitted for inclusion in the AAP by the sponsoring National Office division or Staff Office. The sponsoring office estimates will include nationwide requirements and costs. Field offices will not be required to seek additional approval for program service contracts which meet the following criteria:

- (a) Specific authorization exists in current agency instructions for the required program service;
- (b) The requirement is within the contracting budget allotted to the requesting office; and

RD Instruction 2024-0
§2024.706 (Con.)

(c) The contracting officer has the appropriate delegation of authority or warrant to make the acquisition.

§2024.707 Advance acquisition plans.

(a) Divisions which propose acquisitions identified in §2045.705 of this subpart will submit them as a part of their regular budget request due on May 1. Use the format shown in Exhibit C of this subpart.

(b) The Budget Division (BU) will integrate AAPs into its annual budget formulation process with assistance from the Directives and Administrative Services Division (DASD).

§2024.708 Contract Review Board (CRB).

(a) All acquisitions are approved by the Administrator or designee. The CRB acts as an advisor to the Administrator to make efficient and effective use of Agency resources. The Administrator, or designee, may approve acquisition requests without CRB review to meet high priority and emergency situations.

(b) The Rural Development CRB normally meets monthly. In the June and August meetings, the CRB reviews the AAP, categorizes proposed requirements, and makes funding recommendations to the Administrator for the next fiscal year. The AAP will be approved by the Administrator by September 30. The CRB:

- (1) Reviews and approves proposed acquisitions not previously included in the AAPs;
- (2) Reviews and approves proposed acquisitions submitted after acquisition cutoff dates indicated in Exhibit B of this subpart;
- (3) Monitors acquisition status or progress;
- (4) Categorizes requirements based on current fiscal balances, commitments, and obligations; and
- (5) Determines the fiscal quarter in which acquisition will be planned to occur.

(c) The CRB consists of the following individuals:

- (1) Associate Administrator.
- (2) Deputy Administrator, Financial and Administrative Operations.

- (3) Deputy Administrator, Program Operations.
- (4) Director, Budget Division (non-voting).
- (5) Director, Directives and Administrative Services Division (non-voting).

(d) Proposed requirements not included in the September AAP approved by the Administrator or which do not meet an established acquisition cutoff date are reviewed and approved by the CRB at subsequent meetings. Such requirements will be introduced by the cognizant Deputy Administrator during the monthly Board meetings. Approved AAPs can be revised only to reflect budget changes, emergencies and program direction changes.

(e) Requisitioners submitting acquisition requests to the CRB after the cutoff dates specified in Exhibit B of this subpart will include a justification for late submittals and the statement shown below. Such requisitioners will obtain approval by the appropriate Assistant Administrator or Division Director prior to submitting their late requests.

"The financial data code(s) cited herein and the appropriation associated therewith, have been made available to meet this requirement in subpart of an approved program. These funds are being obligated to meet a current need for the program and not merely to obligate funds that would otherwise revert to the Treasury.

DATE _____ SIGNATURE _____

APPROVAL OFFICIAL:

DATE _____ SIGNATURE _____"

§2024.709 Acquisition categories.

(a) The following alpha/numeric system will be employed in "categorizing" acquisitions:

- (1) Category "A" - Essential acquisitions needed (or required) to maintain current operations at the same level into the next fiscal year.
- (2) Category "B" - Major agency initiatives to be considered for approval and funding before Category "C" initiatives.
- (3) Category "C" - All other initiatives which may be funded based on availability of funds.

(4) The fiscal year quarter in which an acquisition is planned shall be denoted as "1", "2", "3", or "4". (See Exhibits "A" and "B" of this subpart for guidance).

Thus, Category "A1" denotes an essential requirement to maintain current operations at the same level and planned for the first quarter of the upcoming fiscal year.

(b) The requisitioning office will recommend a categorization on the Requirement Initiation Review Document (see Exhibit C of this subpart).

(c) The Rural Development Contract Review Board will assign a final category.

§2024.710 Acquisition tracking system.

Acquisitions submitted to BU by initiating offices and approved by the CRB will be consolidated into the "Contract and Acquisition Status Report," and the Agency budget request to the Department. This report will be published monthly by BU with assistance from DASD.

§2024.711 Acquisition leadtimes.

(a) After approval by the Administrator, or designee, the proper office will be notified by BU of these approvals. The initiating office will prepare the necessary documentation and a "ready" requisition. The success of the AAP system depends greatly on the timely submission of "ready" requisitions. There are certain key requirements that make a requisition "ready" for processing by contracting personnel. A "ready" requisition contains the following:

- (1) Completed Form AD-700, "Procurement Request."
- (2) Appropriate funding.
- (3) A full description of the requirement (specifications, work statements, drawings, delivery schedules, contractor selection criteria, etc.).
- (4) Supporting documentation, including all required clearances, approvals, authorizations and justifications.

(b) Requisitions which are not "ready" cannot be processed and must be returned to the requisitioner for corrective action. This is of particular importance as the end of the fiscal year increase in acquisition workload approaches.

(c) Initiating offices will submit their "ready" requisitions to DASD through BU as early as possible in the fiscal year to avoid submission of requests that will cause acquisitions in the fourth quarter of the year. Acquisition requests should be submitted well in advance of the leadtimes shown in Exhibit A of this subpart, and will be submitted early in the first and second quarters of the year to the fullest extent possible.

(d) Acquisition leadtime begins when a properly prepared, fully documented "ready" requisition is received in the DASD contracting office, and ends when an award is made. Acquisition leadtimes for submission of "ready" requisitions are listed in Exhibit A of this subpart.

§2024.712 Acquisition cutoff dates.

Proper processing of acquisition transactions is controlled by required time periods to accomplish various phases of the acquisition cycle. To ensure that all acquisitions meet bona fide needs of the Government during the current fiscal year, cutoff dates for receipt of "ready" requisitions are indicated in Exhibit B of this subpart. All efforts should be made to submit requests well in advance of these established dates. Only urgent and compelling acquisitions should be submitted on or after these dates. Those submitted after these dates shall be reviewed and processed in accordance with §2024.708 (a), (d) and (e) of this subpart.

§§2024.713 - 2024.750 [Reserved]

Attachments: Exhibits A, B and C

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ACQUISITION LEADTIMES

Small Purchases

		<u>Supplies</u>	<u>Services</u>
Open Market Purchases	\$ 1 - \$ 1,000	7 days	7 days
	\$ 1,000 - \$ 2,500	15 days	15 days
	\$ 2,500 - \$10,000	30 days	25 days
	\$10,000 - \$25,000	55 days	85 days
Federal Supply Schedule	Mandatory source	7 days	
	Multiple award	30 days	
	schedule		

Contracts

Sealed Bid Contracts	\$ 25,000 - \$500,000	80 days	110 days
	over \$500,000	120 days	120 days
Negotiated Contracts (full and open competition)	\$ 25,000 - \$100,000	125 days	155 days
	\$ 100,000 - \$500,000	155 days	185 days
	over \$500,000	160 days	185 days
Exercise of Priced Option	any amount	30 days	90 days

Acquisition leadtimes may vary depending on the nature of materials or services that are requested. Offices requesting Automated Data Processing (ADP) equipment or services are cautioned that such acquisitions usually require Departmental technical approval and a specific delegation of acquisition authority from the Department or GSA that usually requires additional time. Likewise, requirements negotiated under the authority of 41 U.S.C. 253(c)(1) (sole source) may require an additional leadtime of 60-90 days beyond those listed above for "full and open" competitive negotiated contracts.

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REQUISITION CUTOFF DATES

<u>Item</u>	<u>Amount</u>	<u>Method of Acquisition</u>	<u>Cutoff Date</u>
<u>Supplies and</u>	any amount	mandatory schedule	9-20
<u>Equipment</u>	any amount	established source	8-30
	any amount	nonmandatory schedule	8-30
	\$1 - \$1,000	small purchase (open market)	9-20
	\$ 1,000 - \$10,000	small purchase (open market)	8-30
	\$ 10,000 - \$25,000	small purchase (open market)	8-06
	\$ 25,000 - \$500,000	contracting (sealed bids)	7-10
	over \$500,000	contracting (sealed bids)	5-30
	\$ 25,000 - \$100,000	contracting (negotiation)	5-25
	\$100,000 - \$500,000	contracting (negotiation)	4-25
	over \$500,000	contracting (negotiation)	4-21
	any amount	exercise of priced option	8-30
 <u>Construction and</u>	any amount	mandatory schedule	9-20
<u>Services</u>	any amount	established source	8-30
<u>(non-ADP)</u>	any amount	nonmandatory schedule	8-30
	\$1 - \$1,000	small purchase (open market)	9-20
	\$ 1,000 - \$2,500	small purchase (open market)	9-15
	\$ 2,500 - \$10,000	small purchase (open market)	7-15
	\$ 10,000 - \$25,000	small purchase (open market)	7-03
	\$ 25,000 - \$500,000	contracting (sealed bids)	6-10
	over \$500,000	contracting (sealed bids)	5-30
	\$ 25,000 - \$100,000	contracting (negotiation)	4-25
	\$100,000 - \$500,000	contracting (negotiation)	3-25
	over \$500,000	contracting (negotiation)	3-25
	any amount	exercise of priced option	6-30
 <u>ADP</u>			
<u>Equipment</u>	up to \$50,000	established source	8-30
	over \$50,000	established source	7-30
	\$1 - \$1,000	small purchase (open market)	9-15
	\$ 1,000 - \$10,000	small purchase (open market)	8-30
	10,000 - \$25,000	small purchase (open market)	7-30
	\$ 25,000 - \$50,000	contracting (sealed bids)	6-30
	\$ 50,000 - \$300,000	contracting (sealed bids)	5-25
	over \$300,000	contracting (sealed bids)	4-01
	\$ 10,000 - \$50,000	contracting (negotiation)	5-20
	\$ 50,000 - \$300,000	contracting (negotiation)	4-30
	over \$300,000	contracting (negotiation)	2-20

REQUISITION CUTOFF DATES

<u>Item</u>	<u>Amount</u>	<u>Method of Acquisition</u>	<u>Cutoff Date</u>
<u>ADP (cont.)</u>			
<u>Services</u>	\$1 - \$2,500	small purchase (open market)	5-15
	\$ 2,500 - \$10,000	small purchase (open market)	7-30
	\$ 10,000 - \$25,000	small purchase (open market)	6-20
	\$ 25,000 - \$500,000	contracting (sealed bids)	5-25
	over \$500,000	contracting (sealed bids)	3-15
	\$ 10,000 - \$25,000	contracting (negotiation)	5-10
	\$ 25,000 - \$100,000	contracting (negotiation)	4-10
	\$100,000 - \$500,000	contracting (negotiation)	3-10
	over \$500,000	contracting (negotiation)	2-15

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REQUIREMENT INITIATION
REVIEW DOCUMENT

DIVISION/OFFICE:

REQUIREMENT NUMBER: (Division or Office symbol - fiscal year - your
Identification number) Example: DASD-86-01

DESCRIPTION OF COMMODITY OR SERVICE:

TYPE OF ACTION:

ESTIMATED COST:

SOURCE OF FUNDS:

DATE COMMODITY/SERVICES IS REQUIRED:

PRIOR YEAR FUNDING OR RELATIONSHIP TO OTHER RURAL DEVELOPMENT ACTIVITIES:

IMPACT ON FUTURE YEARS' FUNDING:

JUSTIFICATION:

AAP CATEGORY: (Recommended categorization based on best information
available to originating division or staff office)
(Example: "B3" indicates a major agency initiative planned
for the third quarter.)

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