



Western  
Area Power  
Administration

# Desert Southwest Region *Acquisition Program*

December 13, 2017

CTC/DSW Meeting

Fiscal Year 2018



# WELCOME

- DSW Procurement Office
  - Procurement Manager – Susan Ethridge
  - Supplies & Services Team Lead – Steve Turner
    - Elizabeth Baierl
    - Tatiana Young
    - Greg Cagle
    - Caroline Bachelier
  - Construction Team Lead – Eric Jordan
    - Tim Modjeski
    - Joy Trujillo
    - Don Reed



# Continued

- Government Purchase Card Purchasing Agents
  - Matt Dye
  - Lisa Jankovic

Contractor Staff – Purchasing Assistant

- Georgette Reyes-Wiltz



# 2017 STATISTICS

- DSW processed 550 transactions valuing over \$60M.
- WAPA Competition Achievement – 78% (Goal 69%)
- WAPA Small Business Achievements
  - Small Businesses - 88% (Goal 70%)
  - 8(a) Small Businesses – 19% (Goal 15%)
  - Small Disadvantaged Businesses – 42% (Goal 15%)
  - Woman Owned Small Businesses – 24% (Goal 10%)
  - HUBZone Businesses – 5% (Goal 3%)
  - Services Disabled Veteran Owned SB – 23% (Goal 7%)





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# Federal Procurement - Overview

John Kral

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# A Brief History of Federal Procurement

- A checkered history...Civil War and WWI; WWII changed everything
- Federal Property & Administrative Services Act of 1949 (est. GSA, procurement policy & procedures)
- Office of Federal Procurement Policy Act of 1974 (a FAR is born!)
- Provide uniform policies & procedures for use by Executive Branch agencies; meet needs for cost, quality & timeliness; conduct business with integrity, fairness & openness; fulfill public policy goals
- Now has its own body of law; different from UCC and general contract law



# Fun FAR Facts

- “FAR applies to all acquisitions as defined in the FAR except where expressly excluded” (FAR 1.104)
- What’s an “acquisition?” (FAR 2.101(b )(2))
- What acquisitions are excluded? PMA power contracts, national security, contracts required by statute
- US Government awards \$500B in contracts (14% of fed budget)
- Full & open competition levels the playing field
- Government agencies to act as the “honest broker”



# FAR Wars

- FAR v. Reclamation law (power marketing and related services contracts)
- PMAs almost alone have this unique authority (BPA has its own version of the FAR)
- What's the risk?
- Protests, audits, litigation, reductions in delegation
- Privity of contract; we're on the "outside looking in"
- But what can go wrong???
- FAR does have its advantages







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# Federal Procurement

Susan Ethridge, Procurement Manager



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# ACQUISITION VS. PROCUREMENT

- Acquisition is a much broader, strategic process to acquire supplies, services and construction. (The defining of the conceptualization, initiation, design, development, contracting, production, deployment, logistics support and closing out of a project for satisfying an need.)
- Procurement is the technical process of actually getting the service or product. (The contract to fulfill a requirement from the right vendor at the right time, in the right quantity and the best possible rates.)



# PROCUREMENT REGULATIONS

- Federal Government acquisitions are subject to federal statutes and regulations.
  - FAR (Federal Acquisition Regulation)
  - DEAR (Department of Energy Acquisition Regulation)
  - WAM (Western Acquisition Manual)
  - McNamara-O'Hara Service Contract Act (Wage and Hour)
  - Davis Bacon Regulation (Wage and Hour)
  - CICA (Competition in Contracting Act)



# PROCUREMENT INTEGRITY ACT

- The Department of Energy, like most federal agencies, purchases many products and services from the private sector. To preserve the integrity of the Federal procurement process and assure fair treatment of bidders, offerors, and contractors, laws govern the procurement process and the manner in which federal and contractor personnel conduct business with each other. One of these statutes is Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), often referred to as the Procurement Integrity Act. This Act prohibits certain activities by personnel involved in the procurement process. The Federal Acquisition Regulation (FAR), at Section 3.104, sets forth the regulations that implement the provisions of the Procurement Integrity Act.



# PROCUREMENT INTEGRITY ACT

- The Procurement Integrity Act prohibits the release of source selection and contractor bid or proposal information.
- It also addresses various activities by current Federal employees, certain former Federal Employees, Bidders and Offerors and other personnel involved in agency procurements and contracts.



# STANDARDS OF CONDUCT

- Standards of conduct are the rules which apply to Government employees and individuals dealing with the Government.
- In addition to the applicable procurement and acquisition rules, Federal employees are bound by the Standards of Ethical Conduct, (5 CFR part 2635), and the conflicts of interest statutes in Title 18.



# ANTIDEFICIENCY ACT

- The Antideficiency Act (ADA), Pub.L. 97–258, 96 Stat. 923, is legislation enacted by the United States Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds. The law was initially enacted in 1884, with major amendments occurring in 1950 (64 Stat. 765) and 1982 (96 Stat. 923).

\*\*Prohibits Federal employees from making or authorizing an expenditure from, or creating or authorizing an obligation unless authorized by law.



# DISCLOSING ACQUISITION INFORMATION

- Contractor bid or proposal information or source selection information may not be obtained or disclosed before or after contract award, except as authorized by law.
- Employees who engage in prohibited conduct may be subject to civil and/or criminal penalties or incarceration.





# KEY PLAYERS IN ACQUISITIONS

- Contracting Officer
- Contract Specialist
- Contracting Officer Representatives
- General Counsel
- Program Managers
- Project Managers
- Competition Advocates
- Small Business Advocates
- Auditors and Accountants
- Specialist (Security, Engineering, Environmental, Technical)



# ACQUISITION PROCESS

- Pre-solicitation Phase
- Solicitation and Evaluation Phase
- Award Phase
- Contract Administration Phase

\*\* DSW's Procurement Process is "cradle to grave".



# WHO CAN BIND THE FEDERAL GOVERNMENT?

A Contracting Officer (CO or KO) is a person who can bind the Federal Government of the United States to a contract that is greater than the Micro-Purchase threshold. This is limited to the scope of authority delegated to the Contracting Officer by the head of the agency.



# HOW IS A VENDOR SELECTED?

- GSA (General Services Administration)
- FedBizOpps (Federal Business Opportunities (FBO))
- IFB (Invitation for Bid)
- RFP (Request for Proposal)
- Set-asides
- Strategic Sourcing Vehicles (NASA SWEP, DOE Contracts, etc.)



# ENVIRONMENTAL IMPACT TO PROCUREMENT?

- Environmental Initiatives
- Contractual Requirements
  - NEPA (National Environmental Policy Act)
  - Tortoise Monitoring
  - Migratory Bird Act
  - Biological
  - Cultural
  - Health and Safety



# CHALLENGES PROCUREMENT ENCOUNTERS WHEN EXECUTING A PROJECT

- Receipt and timing of *complete* package.
  - Defining the Government's Requirement in a quality Performance Work Statement or Specifications and Drawings
  - Realistic schedules/delivery dates
  - Funding (Projects are forward funded.)
  - Justifications and Approvals
  - Independent Government Estimates
  - Environmental Clearances

KEY TO SUCCESS – **PLANNING !**





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# WAPA'S ACQUISITION STRATEGY

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# CATEGORY MANAGEMENT AND STRATEGIC SOURCING

- Integrated Category Management Procurement Framework
  - Reduce organizational spend through proactively managing the goods and services purchased.
  - Enhance internal stakeholder relationships, oversight and risk management.
  - Strategic Sourcing
    - Current
    - IPT (Integrated Product Team) IT, Commodities (Supplies), Services & Construction





# STRATEGIC SOURCING CONTRACTS

- Architect and Engineering (Title I, II and III)
- Background Investigations
- Circuit Breakers
- Control Switchboard Panels
- Crossarm and Braces
- Fiber (OGW)
- Helicopter Maintenance
- Instrument Transformers
- Insulators
- IT Professional Support Services
- Doble Equipment Lease



# STRATEGIC SOURCING CONTRACTS

- Microwave Radios
- Microwave Tower Inspection Services
- Oil Testing Services
- Physical Security Technical Services
- Professional Support Services
- Steel Poles
- Wood Utility Poles
- Structural Steel
- Numerous IT License Agreements and Software and Maintenance contracts



# QUESTIONS OR COMMENTS?

