

# **POWER PRACTICES**

“5 Practices for Enhancing Competition in the Federal Marketplace”

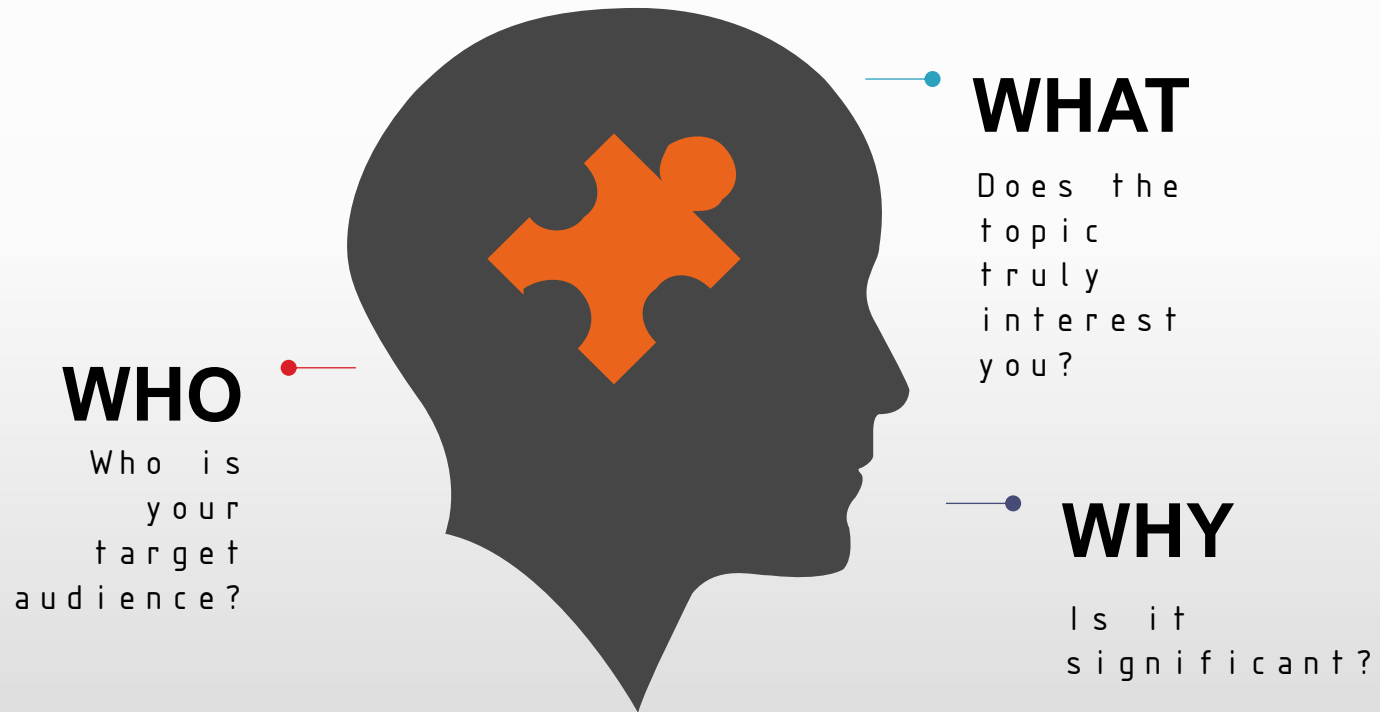
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Markesha McCants  
GSA, Federal Acquisition Service



# RESEARCH

Power Practices 1.0: “5 Power Practices to Enhance Competition when using Federal Supply Schedules”



# PROMOTE COMPETITION

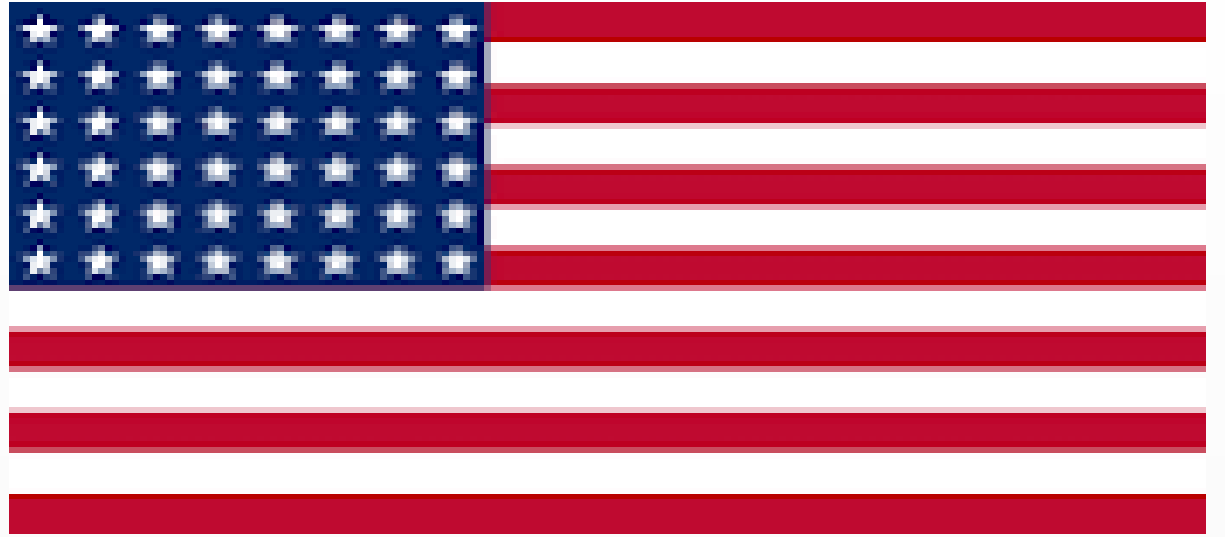
The charge to promote competition continues to replay in the contracting atmosphere. Take for example, the Organization for Economic Cooperation and Development (Competition and Procurement).



# USA

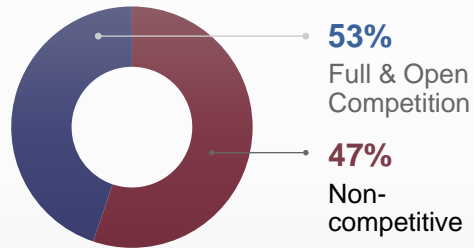
It is the policy of the system to promote competition in the acquisition process.

Federal Acquisition Regulation  
(FAR) 1.102-2 (a)(5)



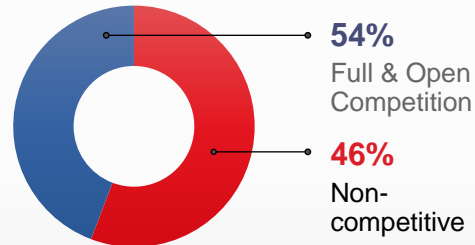
# COMPETITIVE VS. NON-COMPETITIVE

The total amount of contracting dollars has decreased, while the amount reported as full and open competition dollars has remained between 53 and 55 percent of total spend.



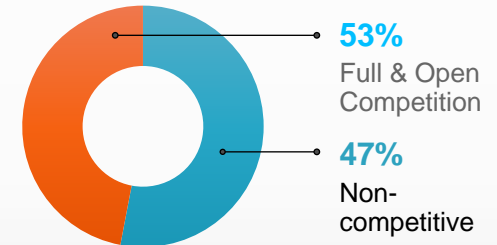
2 0 1 3

Annual Total  
\$463,586,485



2 0 1 4

Annual Total  
\$446,041,870



2 0 1 5

Annual Total  
\$439,639,328

# COMPETITIVE PROCUREMENT SPENDING

~ 50% of DOE FY15 and ~ 40% of DOD contract spending was on contracts that were awarded noncompetitively or that received one offer



40%  
**Defense**



50%  
**Energy**

# COMPETITION IN CONTRACTING ACT

The Competition in Contracting Act of 1984 (CICA) makes full and open procurement as the standard for most contracting opportunities.

1

9

8

4





**PLAN**

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**OFFER**

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**WORK COLLOBORATIVELY**

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**EMPOWER**

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**REMOVE**

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# PRACTICES

# POWER PRACTICE

How are we approaching acquisition strategy and planning efforts to create a competitive environment?

- *Are we employing planning as an integral part of the overall acquisition process?*
- *Are we applying planning efforts commensurate to the size, scope, and nature of a given requirement?*
- *Are we considering strategic sourcing solutions?*
- *Are we considering changing or unforeseen mission needs?*

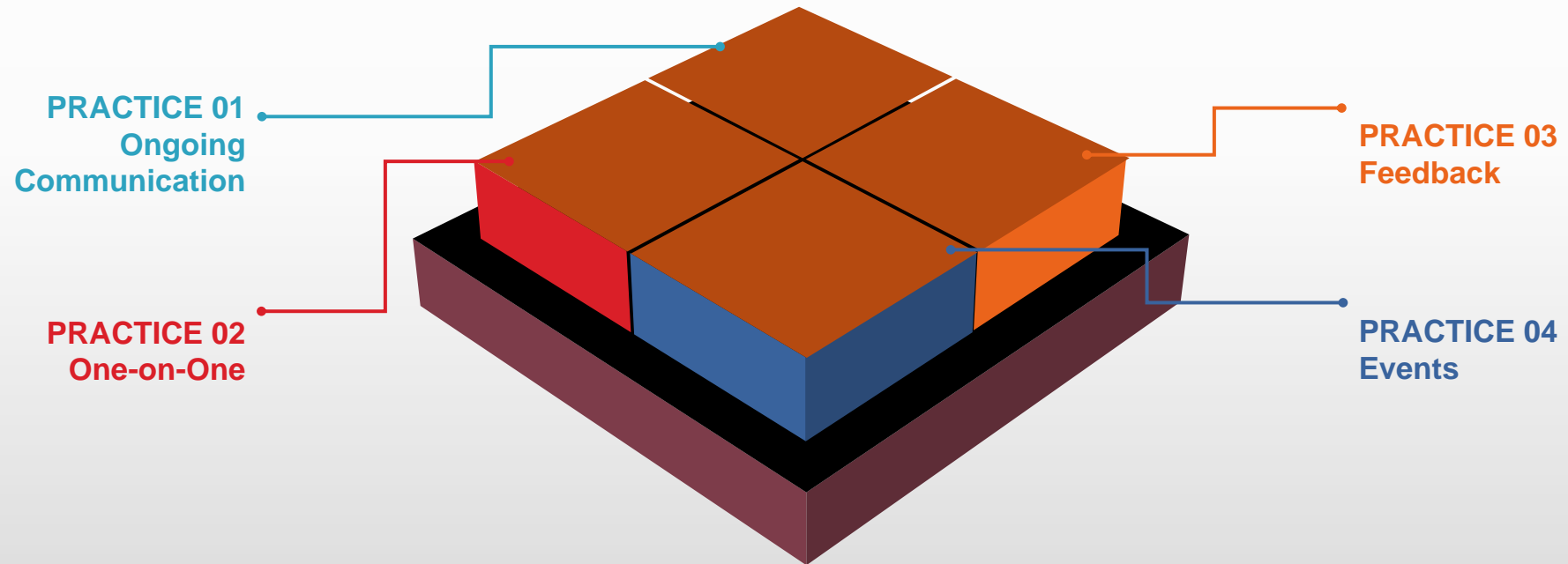
# 2

## POWER PRACTICE

How are we involving industry partners early in the acquisition process?

*The Government must not hesitate to communicate with the commercial sector as early as possible in the acquisition cycle to help the Government determine the capabilities available in the commercial marketplace. FAR 1.102(a)(4)*

# INDUSTRY ENGAGEMENT



# 3

## POWER PRACTICE

How are we collaborating with the competition advocate?

*The Competition in Contracting Act (CICA) requires each agency and procuring activity to establish a "competition advocate" within its organization to review and challenge any procurement that limits competition.*

*41 U.S.C. 1705 and FAR Subpart 6.5*

# YOUR COMPETITION ADVOCATE

Responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition.



# 4

## POWER PRACTICE

How creative and innovative can we really be when contracting in the federal marketplace?

*The Acquisition Team must provide uniformity where it contributes to efficiency or where fairness or predictability is essential. The System should also, however, encourage innovation, and local adaptation where uniformity is not essential. FAR 1.102(d)*

# 5

## POWER PRACTICE

What strategies are we using to remove any barriers to competitions?

*Structural barriers have more to do with basic industry conditions such as cost and demand than with tactical actions taken by incumbent firms. Sometimes it is possible to quantify these kinds of barriers because it is known in advance how much it will cost to build an efficient plant or to purchase necessary inputs.*

*Strategic barriers are intentionally created or enhanced by incumbent firms in the market, possibly for the purpose of deterring entry. These barriers may arise from behavior such as exclusive dealing arrangements, for example.*





**PLAN**

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# PRACTICES

Questions, please.



# References

- Power Practices 1.0: 5 Power Practices to Enhance Competition when using Federal Supply Schedules, Markesha McCants
- Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings” provided ongoing initiatives to achieve better buying in the federal government and Better Buying Power (BBP) emphasized principles for more efficient, effective, and innovative contracting for DoD acquisitions
- Federal Supply Schedules: More attention needed to competition and prices, Government Accountability Office (GAO), July 2015
- The Office of Federal Procurement Policy (OFPP) May 31, 2007, Memorandum on Enhancing Competition in Federal Acquisition
- The President’s March 4, 2009, Memorandum on Government Contracting calls on federal agencies to examine their use of non-competitive contracting
- OFFP October 27, 2009, Memorandum on Increasing Competition and Structuring Contracts for the Best Results
- OFFP October 27, 2009, Memorandum on “Myth-Busting”: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process
- OFFP May 7, 2012, Memorandum on “Myth-Busting 2”: Addressing Misconceptions and Further Improving Communication During the Acquisition Process
- OFFP December 4, 2014, Memorandum on Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings
- GAO August 2015, Department of Energy Actions Needed to Strengthen Acquisition Planning for Management and Operating Contracts