DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

1 Dec 2010

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Improving Competition in Defense Procurements

The attached Director, Defense Procurement and Acquisition Policy memorandum "Improving Competition in Defense Procurements" of November 24, 2010 provides guidance for competitive acquisitions when only one offer is received. Specifically, when only one offer is received, the contracting officer will not use FAR 15.403-1(c)(1)(ii) or (iii) to determine that the offered price is based on adequate competition.

Solicitations should be open a minimum of 30 days. Effective immediately, if a solicitation is open less than 30 days and only one offer received, the acquisition will be re-solicited for a minimum of an additional 30 days unless a waiver is obtained from the Head of the Contracting Activity. If the solicitation has been open at least 30 days, or has been re-advertised, and only one offer received, the contracting officer shall open negotiations with the sole offeror unless a waiver is obtained from the Head of the Contracting Activity. The basis for the negotiations shall be certified cost or pricing data or other than certified cost or pricing data, as determined appropriate by the contracting officer. Results of these negotiations shall be documented in appropriate business clearances.

Please ensure this guidance is provided to all contracting personnel. My point of contact is Mr. Bob Johnson at Robert.F.Johnson@Navy.Mil or 703-693-2936.

Elliott B. Branch

ELLIOTT B. BRANCH
Executive Director
DASN (A&LM)

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As stated

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ACQUISITION,
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NOV 24 2010

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
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DIRECTORS OF THE DEFENSE AGENCIES
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SUBJECT: Improving Competition in Defense Procurements

This memorandum provides additional guidance for competitive situations in which only one offer is received in response to a solicitation and is based on the direction provided in the USD(AT&L) memorandum "Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending" dated September 14, 2010. To maximize the savings that are obtained through competition, contracting officers will no longer use the standard at FAR 15.403-1(c)(1)(ii) or (iii) to determine that the offered price is based on adequate competition when only one offer is received.

Effective immediately, you will ensure that if a solicitation was open for less than 30 days and only one offer was received, the contracting officer shall re-advertise the solicitation for a minimum of an additional 30 days, unless a waiver is obtained from the head of the contracting activity. Further, if the solicitation was open for at least 30 days, or has been re-advertised and still only one offer is received, the contracting officer shall conduct negotiations with the offeror, unless this requirement is specifically waived by the head of the contracting activity. The basis for these negotiations shall be either certified cost or pricing data or other than certified cost or pricing data, as appropriate. In no event, should the negotiated price exceed the price originally offered.

Contracting officers shall document the results of the negotiations in the Business Clearance/Pricing Negotiation Memorandum in accordance with FAR 15.406-3 and DFARS PGI 215.406-3 in the same manner as any negotiated procurement. Contract Review Boards or other similar review mechanisms should be used to ensure the Business Clearance/Pricing Negotiation Memorandum documents the process and supports the negotiated price as being fair and reasonable. The Peer Reviews conducted post award will be the mechanism for assessing the application of this process.

The intent of this guidance is to ensure more effective competition that will result in more effective use of the Department's resources and savings for the taxpayer. Should you have any questions, please contact Mrs. Susan Hildner at 703-697-0895, or at Susan.Hildner@osd.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy