

Consolidation of Contract Requirements

National Dredging Meeting

COL Kevin Stoddard

Deputy Director , DOC

Washington, DC

2 June 2015



US Army Corps of Engineers
BUILDING STRONG



Agenda

- Current Requirements
- Discussion – Industry View
- USACE Today
- Path Forward



BUILDING STRONG®

Current Requirements

- "Consolidation" means the **use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements** that previously have been provided to, or performed under two or more separate contracts. (DFARS 207.170-3)
- Agencies shall not consolidate contract requirements with an estimated total value exceeding \$2 million (DoD Class Deviation 2013-O0021) **unless** a determination is made that **consolidation is necessary and justified**. (DFARS 207.170-3)



Discussion

- Industry partners voice varying opinions relating to consolidation depending on:
 - ▶ Type of Work
 - ▶ Location of Work
 - ▶ Trades Required
 - ▶ Specialized Skills
 - ▶ Outcome of previous competitions
 - ▶ Different industry forums

- Common theme – no standardization on when to conduct a consolidation determination – so no standardized application of business judgment



USACE Today

- To ensure any potential for consolidation is necessary and justified, USACE clarified new construction requirements are not categorically exempt from the definition of “consolidation” under 15 U.S.C. 657q(a)(2) (UAI 207.170-100).

- Adding additional “flags” to trigger when a consolidation analysis is required for construction
 - ▶ When a solicitation will be used to obtain offers for a single contract or multiple award contract that:
 - (a) Satisfies two or more projects identified by separate project authorizations (i.e. DD 1391's or non-Army equivalent (for military projects) or decision documents (for civil works projects), and/or

 - (b) Satisfy a single project authorization or decision document that includes multiple work sites, even if those work sites are on a single installation, where the project work sites are not physically contiguous

Note: Language only triggers when the analysis is required to **ensure consolidation is necessary and justified**



Path Forward

- **National Defense Authorization Act (NDAA) for Fiscal Year 2013** defined “Consolidation of Contract Requirements” at 15 U.S.C. § 657q(a)(2) as follows:
 - “the term “consolidation of contract requirements”, with respect to contract requirements of a Federal agency, means a use of a solicitation to obtain offers for a single contract or a multiple award contract—
 - (1) to satisfy 2 or more requirements of the Federal agency for goods or services that have been provided to or performed for the Federal agency under 2 or more separate contracts lower in cost than the total cost of the contract for which the offers are solicited; or
 - (2) to satisfy requirements of the Federal agency for **construction projects to be performed at 2 or more discrete sites**; . . .”
 - ▶ Step 1 - SBA action to promulgate change complete
 - ▶ Step 2 - Open FAR Case pending publication of a proposed FAR rule. Implementation to occur once requirements of the rule making process complete.
-
- BLUF: No discernable impact on USACE operations anticipated - USACE procedures already address when analysis is required for construction

