The Office of Acquisition and Logistics Management Newsletter

Happy Holidays

THE IMPORTANCE OF CONDUCTING FAIR AND REASONABLE PRICE DETERMINATION

A fair and reasonable price determination is an assessment by the Government that an offeror's proposed price for a supply or service can be considered "fair and reasonable" on the basis of applying one or more price analysis techniques. Fair and reasonable price determination can also be defined as what a rational person would pay for an item or service under competitive market conditions.

The Air Force spent up to $1,280 to replace a single metal coffee mug until it realized the error. Over two years, the Air Force spent $326,785 on 391 mugs. Had the buyer conducted a fair and reasonable price determination, this extravagance would have been detected earlier. The coffee mugs were specially designed for air refueling tankers to make it possible for crew members on to warm their drinks during long flights. However, due to a design flaw, the handle broke easily when dropped. As a result, mugs were being replaced despite prices raising exponentially. Fortunately, the Air Force recently established the Rapid Sustainment Office (RSO). The purpose of RSO is to identify rare replacement parts and develop inexpensive and effective solutions. To address this issue, the RSO was able to develop a replacement part using a 3D printer for just 50 cents per handle.

Fair and reasonable price determination is conducted to prevent just this type of problem. As stated earlier, fair and reasonable price determination is what a rational person would pay under competitive market conditions. No rational person would pay $963 for a coffee mug and an additional $1280 to replace it when damaged. For your next procurement, be sure to conduct a fair and reasonable price determination in accordance with FAR 8.404(d), 12.209, 13.106-3, as applicable.

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To learn more, there is a short, free, on-line, training course on fair and reasonable price determinations in FAITAS. *FAC 085 – B2B: Price Reasonableness for Simplified Acquisitions* provides a general overview of fair and reasonable price determinations while earning the student one-half (½) continuous learning point (CLP).

PROJECT UPDATE: NIH PROPERTY MANAGEMENT PORTAL (NPMP) IN FY18

NIH introduced the NIH Property Management Portal (NPMP) in 2018 as a key component of a Reimagine HHS, Optimize NIH: Phase III Initiative. NIH has over 261,980 assets valued at over $1.7B assigned to over 26,000 personnel. This project will streamline business processes and policy surrounding property management, resulting in innovation and improvement property management at NIH.

The NPMP is a web-based application used to improve and maintain accurate property management records by aligning assets with the appropriate accountable users. For the first time, NIH staff – including government employees, contractors, and fellows – can see all accountable property for which they are responsible. NPMP allows users to see every asset in their name within the property system of record. Many are surprised to see equipment still assigned to them from previous positions – perhaps even at another Institute or Center – as well as items that were removed from their possession for service or repair but never returned.

Raising the level of user involvement in the management of accountable property at NIH is not only essential to fostering a culture of transparency, but it is also critical to meeting standards for responsible property management set forth by Health and Human Services (HHS) as well as the General

Services Administration (GSA). NPMP facilitates open communication between IC Property Offices and their supported communities. The use of the NPMP promotes data accuracy and its maintenance. The Office of Acquisition and Logistics Management (OALM) is the project's Business Owner, while the National Institute of Allergy and Infectious Diseases (NIAID) is the Technical Owner.

In FY2018, fourteen ICs began implementation of NPMP, and as a result, over 5,000 accountable users verified over 54,500 property items. Also, 39 classes were delivered to 244 IC staff members during this same time period.

Successful implementation of the NPMP across NIH relies on sponsorship by executive leaders at every Institute and Center (IC). Adoption of NPMP is considered a change management project related to property. ICs will be expected to establish and utilize an implementation team who is committed to the project and will devote adequate time to A collaboration site to allow IC project members to access the most current resources is available to support their IC's implementation. Additionally, IC Property achieving success. Professionals must attend instructor-led training and can leverage a web-based tutorial by accessing NIH LMS and searching under "NPMP."

CIO-SP3 UNRESTRICTED AND CIO-SP3 SMALL BUSINESS RECEIVE BEST-IN-CLASS DESIGNATION

Two of NITAAC's GWACs have been designated as Best-in-Class (BIC)! BIC is a contracting and acquisition designation used to identify contracts that meet rigorous category management performance criteria as defined by OMB. The designated contracts represent preferred government-wide solutions and provide a unique opportunity to leverage the government's buying power.

The two GWACs are: CIO-SP3 Unrestricted and CIO-SP3 Small Business. Both specialize in a wide range of commercial and noncommercial IT service solutions across 10 task areas and 137 labor categories.

Best-in-Class (BIC) means that something has been designated by the Office of Management and Budget (OMB) as a preferred governmentwide solution that:

- Allows acquisition experts to take advantage of pre-vetted, governmentwide contract solutions;
- Supports a governmentwide migration to solutions that are mature and market-proven;
- Assists in the optimization of spend, within the governmentwide category management framework; and
- Increases the transactional data available for agency level and governmentwide analysis of buying behavior.

For more information about NITAAC CIO-SP3 visit the website at: https://nitaac.nih.gov/services

NITAAC MAINTAINS MATURITY LEVEL 2 CMMI RATING

NITAAC has renewed our CMMI Maturity Level 2. What does this mean? The rating validates that:

- Our work and processes have received the highest form of third-party validation.
- We manage projects with an established set of practices.
- We're dedicated to continuous improvement and producing great work that makes a difference.

What is CMMI? The CMMI® (Capability Maturity Model® Integration) model is a collection of best practices that help organizations to improve their processes. This model is developed by product teams with members from industry, government, and the Software Engineering Institute (SEI). Best practices in the CMMI model focus on activities for providing quality services to customers and end users. CMMI integrates bodies of knowledge that are essential for a service provider.

NITAAC can now proudly state that we have a Maturity Level 2 CMMI Rating for the NITAAC organization, in addition to having attained Best in Class (BIC) for all three GWAC contracts.

ACQUISITION TRAINING INFORMATION

Acquisition Training at NIH

Acquisition Training Classes that are offered by the NIH Training Center can be accessed at the following link:
Acquisition Management Training.

Federal Acquisition Certification Coursework

CON courses and other Federal Acquisition Certification required courses can be found at the NIH Training Center, Federal Acquisition Institute, and Defense Acquisition University.

Section 508 Accessibility Training

Section 508 Accessibility Training courses can be accessed at:
CIT Section 508 Accessibility training website.

Green Purchasing Training

Green Purchasing Training and other Green Training courses can be found at:
OALM Green Purchasing Website.

As a reminder, per HHS policy, all contracting officers, contract specialists, purchase cardholders, card approving officials, CORs and acquisition staff in job series 1102, 1105, and 1106 are required to take the Green Purchasing training every two calendar years. The training includes online training modules for your convenience.

Questions regarding Green Purchasing Training should be sent to:
GreenPurchasing@mail.nih.gov.

NIH BLANKET PURCHASE AGREEMENT (BPA) LISTS AVAILABLE ONLINE

Lists of all NIH Blanket Purchase Agreements (BPAs) can be found at the NIH Blanket Purchase Agreement webpage.

This location contains Two BPA Lists:

1. Complete vendor alphabetical list;
2. Vendor list sorted by commodity; and

If you have any questions or need further clarification, please contact the BPA helpline at 301-496-5212 or email.

tak skal du have

"Thank You" in Danish

SPECIAL THANKS
We'd like to thank all those who contributed to this issue
and to future editions of the OALM Newsletter.

We encourage staff to submit articles that would be of interest to our readers. We will do our best to include such articles in future editions of the OALM Newsletter.

Please address all correspondence to the editors: Jesse Lee, Jesse.Lee2@nih.gov, Michele McDermott, McdermottMl@od.nih.gov, Milton Nicholas, NicholaM@od.nih.gov, or Barry Solomon, SolomonBJ@od.nih.gov.

If you have any questions or comments regarding the information, policy and/or procedures published in *this* issue, you may contact Jesse Lee at the email address above. For future issues please contact the Simplified Acquisitions Helpline on (301) 496-0400 or via email at OALMNewsletter@mail.nih.gov and you will be referred to the appropriate editor.