- (2) Prepare and submit an annual report to the agency senior procurement executive, in accordance with agency procedures, describing—
- (i) Such advocate's activities under this subpart;
- (ii) New initiatives required to increase the acquisition of commercial items:
- (iii) New initiatives required to increase competition;
- (iv) New initiatives to ensure requirements are stated in terms of functions to be performed, performance required or essential physical characteristics;
- (v) Any barriers to the acquisition of commercial items or competition that remain; and
- (vi) Other ways in which the agency has emphasized the acquisition of commercial items and competition in areas such as acquisition training and research.
- (3) Recommend to the senior procurement executive of the agency goals and plans for increasing competition on a fiscal year basis; and
- (4) Recommend to the senior procurement executive of the agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in acquisition.

PART 7—ACQUISITION PLANNING

7.101 [Amended]

- 10. Section 7.101 is amended by removing the definition "Market survey"
- 11. Section 7.102 is revised to read as follows:

7.102 Policy.

(a) Agencies shall perform acquisition planning and conduct market research (see part 10) for all acquisitions in order to promote and provide for—

(1) Acquisition of commercial items or, to the extent that commercial items suitable to meet the agency's needs are not available, nondevelopmental items other than commercial items, to the maximum extent practicable (10 U.S.C. 2377 and 41 U.S.C. 251 *et seq.*); and

- (2) Full and open competition (see part 6) or, when full and open competition is not required in accordance with part 6, to obtain competition to the maximum extent practicable, with due regard to the nature of the supplies or services to be acquired (10 U.S.C. 2301(a)(5) and 41 U.S.C. 253a(a)(1)); and
- (b) This planning shall integrate the efforts of all personnel responsible for

significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner. Agencies that have a detailed acquisition planning system in place that generally meets the requirements of 7.104 and 7.105 need not revise their system to specifically meet all of these requirements.

12. Section 7.103 is amended by revising paragraph (b); redesignating paragraphs (c) through (l) as (d) through (m) and adding a new paragraph (c); and in newly designated (m) by removing "10.002(c)" and inserting "11.001(b)" to read as follows:

7.103 Agency-head responsibilities.

* * * * *

- (b) Encouraging offerors to supply commercial items, or to the extent that commercial items suitable to meet the agency needs are not available, nondevelopmental items other than commercial items in response to agency solicitations (10 U.S.C. 2377 and 41 U.S.C. 251, et seq.); and
- (c) Promoting and providing for full and open competition with due regard to the nature of the supplies and services to be acquired (10 U.S.C. 2305(a)(1)(A) and 41 U.S.C. 253a(a)(1) (see parts 6 and 11).
- 13. Section 7.105 is amended in paragraph (a)(8)(iii) by revising the parenthetical to read "(see 11.001(d))"; by revising paragraph (b)(1); and by revising paragraph (b)(12)(i) to read as follows:

7.105 Contents of written acquisition plans.

* * * * *

(b) Plan of action—(1) Sources. Indicate the prospective sources of supplies and/or services that can meet the need. Consider required sources of supplies or services (see part 8). Include considerations of small business and small disadvantaged business concerns (see part 19). Address the extent and results of the market research and indicate their impact on the various elements of the plan.

* * * * * * (12) * * *

(i) The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing (see subpart 7.3) and distribution of commercial items (see part 11);

* * * * *

PART 9—CONTRACTOR QUALIFICATIONS

14. Section 9.106–1 is amended by revising paragraph (a) to read as follows:

9.106-1 Conditions for preaward surveys.

- (a) A preaward survey is normally required when the information on hand or readily available to the contracting officer is not sufficient to make a determination regarding responsibility. However, if the contemplated contract will have a fixed price at or below the simplified acquisition threshold or will involve the acquisition of commercial items (see part 12), the contracting officer should not request a preaward survey unless circumstances justify its cost.
- 15. Section 9.306 is amended in paragraph (f) introductory text by revising the parenthetical to read "(see 11.404)".
- 16. Part 10 is revised to read as follows:

PART 10-MARKET RESEARCH

Sec.

10.000 Scope of part.

10.001 Policy.

10.002 Procedures.

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

10.000 Scope of part.

This part prescribes policies and procedures for conducting market research to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services. This part implements requirements of 41 U.S.C. 253a(a)(1), 41 U.S.C 264b, and 10 U.S.C. 2377.

10.001 Policy.

- (a) The head of an agency shall—
- (1) Ensure that, in coordination with customers, legitimate needs are identified and trade-offs evaluated to acquire items which meet those needs;
- (2) Conduct market research appropriate to the circumstances—
- (i) Before developing new requirements documents for an acquisition by that agency;
- (ii) Before soliciting offers for acquisitions with an estimated value in excess of the simplified acquisition threshold; and
- (iii) Before soliciting offers for acquisitions with an estimated value less than the simplified acquisition threshold when adequate information is not available and the circumstances justify its cost.
- (3) Use the results of market research to determine—