

3010.001 Policy.

(a) The program office with the requirement or need has overall responsibility for market research. However, the expertise of all members of an acquisition team/Integrated Project or Product Team (IPT) should be utilized for conducting market research. The contracting officer shall provide advice and research initiatives that can only be overseen by a contracting officer such as issuing “Sources Sought” synopses, requests for information, and pre-solicitation notices. Even with these contracting officer-led segments, the acquisition team/IPT shall remain the major contributor to market research activities which, as documented, form a key component of a complete procurement request package prepared and submitted by the program office. Once the solicitation is issued, all communications with industry shall be directed to the contracting officer. At that point, the program office’s direct involvement in market research or interaction with industry shall cease.

The DHS Market Research Guide can be found at usdhs.sharepoint.com/sites/dhsconnect/org/comp/mgmt/ocpo/APL/Pages/Guides%26Tools.aspx under “Guides” and provides additional Department-wide guidance on the conduct of market research. Attachment C, Market Research Report Template, of the DHS Market Research Guide provides a sample market research report template that can be tailored to specific market research needs.

(b) Market research shall be conducted throughout the acquisition process (from pre-award through post-award) beginning with the mission needs statement. The level of specificity and scope varies, but market research shall be a continuous process. The acquisition team/IPT shall review 3008.004, Use of other sources, early in the planning process and also consult with the DHS Strategic Solutions Office (SSO) to verify whether a strategic sourcing contract or order is appropriate. For information on the DHS SSO, see <http://dhsconnect.dhs.gov/org/comp/mgmt/ocpo/SSPO/Pages/default.aspx>. The DHS Directive 060-01, Development and Use of Strategic Sourcing Contract Vehicles, is available at the same DHS SSO site under Policy Links.

(c) Contract requirements that are bundled, or for which substantial bundling is anticipated, must be coordinated with Component, and, as appropriate, DHS small business representatives, and the Small Business Administration, in accordance with the requirements of HSAM 3007.107, and FAR 7.104(d)(1) and (2) and FAR 10.001(c).

(d) The acquisition team/IPT shall use market research information to:

- (1) Refine a requirement to maximize the benefit of competitive market forces;
- (2) Review a requirement if it is determined that a commercial product or commercial service may not satisfy the agency's needs to determine if modifying the requirement may meet mission needs as well as allow a commercial product or service to be acquired; and perform trade-off analysis to determine if the modification is in the best interest of the Government;

- (3) Establish the most suitable approach to acquiring, distributing, and supporting products and services from the best available source (including new entrants into Government contracting);
- (4) Ensure compliance with Government policies, such as socio-economic contracting goals;
- (5) Support price reasonableness determinations;
- (6) Avoid potential problems associated with contingencies and minimize the risk of doing business for the Government and the contractor; and
- (7) Effectively identify the capabilities of small businesses and new entrants into Federal contracting that are available in the marketplace for meeting the requirements of the agency.

(e) Components shall promote increased communication with industry before and during the acquisition process as requirements are being developed. The Office of Federal Procurement Policy issued four Memoranda focusing on myth busting and addressing proper engagement with industry partners including “Myth-Busting #4” Strengthening Engagement with Industry Partners through Innovative Business Practices (May 2, 2019). All Memoranda can be found at <https://www.whitehouse.gov/omb/management/office-federal-procurement-policy/>. The DHS Office of the Chief Procurement Officer provides several practical resource guides to assist Program Managers in conducting and leveraging effective vendor engagement strategies in the development of requirements that can be found at <https://www.dhs.gov/publication/industry-engagement>.

(f) Requirement-specific market research efforts and results are required prior to issuance of the solicitation and shall be clearly documented and included in the contract file. A market research report is required for contract actions awarded above the simplified acquisition threshold (SAT) and shall provide, at a minimum, the following information:

- (1) Participants in the market research effort and responsibilities of team members;
- (2) Market research methods used;
- (3) Timeframes when staff used the market research methods;
- (4) Outcome and conclusion of the market research identifying potential sources, an analysis of the capabilities of potential sources, and findings that impact the procurement, e.g., any actions taken as a result of the market research such as re-evaluation of the requirement to determine whether the need can be restated to permit commercial or non-developmental items to satisfy the agency’s needs; and solicitation and award of resultant contract using policies and procedures in FAR Part 12 - Acquisition of Commercial Products and Commercial Services (See FAR 10.002(c) and (d).);
- (5) The NAICS code(s) of the requirement;

- (6) The name of each company and their point of contact responding to market research efforts, to include each company's business size as it relates to the NAICS code(s) of the requirement;
- (7) How each company was determined to meet or not meet the Government's requirement as communicated in the market research efforts;
- (8) To what extent small businesses have or do not have the ability to support the requirement. If the resulting acquisition strategy does not include a small business set-aside, market research documentation shall explicitly explain why a set-aside is not appropriate; and
- (9) Include the signature of the requirements official and contracting officer.

There are no mandatory formats or requirements for documenting the results of on-going market research. A sample market research report template is included in the current version of the DHS Market Research Guide. Ongoing market research being conducted as part of an acquisition shall be documented in accordance with Component or program requirements but should be documented annually. Examples of ongoing market research include vendor outreach sessions and general market research such as reviewing industry publications.

3010.001-70 Responsibilities.

The roles and responsibilities for conducting market research in the acquisition process are as follows:

- (a) *Acquisition Team.* The acquisition team shall assist the program office in conducting and documenting the market research necessary to develop the acquisition strategy and pre-award acquisition documentation. An acquisition team may be composed of some or all members of an integrated project team (IPT).
- (b) *Contracting Officer.* The contracting officer shall:
 - (1) Provide advice to the program office and IPT regarding the extent of the research and the level of documentation needed for an acquisition based on factors such as urgency, estimated dollar value, complexity, and past performance.
 - (2) Provide advice and support to the program office and its IPT throughout the acquisition lifecycle, ensuring that market research is documented prior to the release of the solicitation for acquisitions exceeding the SAT. This includes documenting vendor engagement to ensure that potential sources of information are explored to the maximum extent practicable.
 - (3) Approve and sign the market research report and ensure that appropriate market research documentation is included in the official contract file.

(c) *Integrated Product/Project Team.* The IPT members shall work together to build successful and balanced programs, identify and resolve issues, and make sound and timely decisions based on timely input from the entire team, when appropriate. A typical IPT includes representation from contracting, legal, Office of Small and Disadvantaged Business Utilization (OSDBU), and the program (i.e., those who ultimately require the product or services) to define the need, plan the procurement, and construct the statement of work/performance work statement.

(d) *Program Office.* The program office shall identify and define the Government's requirement by describing the needs, skills, options, qualities, and other pertinent information required of an item or service. The program office has overall responsibility for market research. Therefore, the program office shall:

- (1) Prepare a complete description of program requirements in the context of available goods or services in the marketplace.
- (2) Conduct and coordinate market research utilizing as many techniques as possible as identified in FAR 10.002(b)(2) and the current version of the DHS Market Research Guide.
- (3) Seek advice from the contracting officer, small business specialist, DHS or Component Industry Liaison, and, as appropriate, the DHS Strategic Solutions Office to ensure that potential sources of information are fully explored, including existing contract vehicles, small businesses, and new entrants to Government contracting.
- (4) Determine if commercial products or non-developmental items are available that meet the Government's requirement.
- (5) Serve as the primary point of contact in meetings with potential vendors to ascertain additional market research information.
- (6) Ensure that all vendors contacted understand that the reason they are being contacted is for market research purposes only and that no orders are being placed at that time.
- (7) Request vendors to provide their standard publicly and commercially available literature and capability documents in response to market research inquiries.
- (8) Write the market research report.
- (9) Provide copies of all market research documentation as part of the procurement request package.
- (10) Include the signature of the requirements official in the finalized market research report prior to the contracting officer's approval and signature.

(e) *Small Business Specialist.* The small business specialist shall participate in the acquisition planning process to help program offices identify requirements for small businesses. Participation includes the review of each proposed acquisition exceeding the SAT for potential inclusion into the socioeconomic program, assisting in identifying alternative strategies that

would reduce or minimize acquisition strategies involving substantial bundling, and the coordination of the procurement forecast of expected contract opportunities.

(f) *Strategic Solutions Office (SSO)*. The SSO shall provide DHS stakeholders economic and performance benefits through collaboration, application of sound analysis, and enterprise planning for acquisition initiatives. The SSO collaborates with stakeholders to develop, deploy, and maintain strategic sourcing strategies that enhance mission performance and optimize commodity management. The SSO provides support to acquisition teams on Department-wide or multi-Component contracting initiatives.

(g) *Industry Liaison*. DHS along with each Component has an assigned Industry Liaison who serves as a liaison between the government and industry. The Industry Liaisons support industry engagement efforts and connect industry partners who want to learn about or do business with DHS with appropriate government officials. Industry Liaisons respond to general inquiries and invite feedback from vendors. They work with different Industry Associations and can help in assessing existing capabilities in the marketplace. They share information related to industry challenges and perceptions. Industry Liaisons connect program officials and contracting officers with other DHS offices that have similar needs or requirements. A complete list of Industry Liaisons can be found at <https://www.dhs.gov/acquisition-innovations-motion>.