

Date: October 27, 2016

From: Acting Deputy Senior Procurement Executive

Subj: VA PPM (2017-05) - Use of Integrated Product Teams (IPTs) for Major Acquisitions (Revised) (VAIQ 7717684)

To: Veteran Affairs Heads of Contracting Activities (HCAs)

1. **Purpose.** The purpose of this Department of Veterans Affairs (VA) Procurement Policy Memorandum (PPM) is to redefine the mandatory use of Integrated Product Teams (IPTs) for all acquisitions valued above \$7 million (including options) within the Department of Veterans Affairs (VA). IPTs are also required for complex acquisitions valued at less than \$7 million when there is considerable technical, program, or business risk to the Government. This PPM rescinds and replaces PPM 2013-07, Use of Integrated Product Teams (IPT) for Major Acquisitions, dated May 24, 2013, and provides clarification to some aspects of the policy.

2. **Effective Date.** December 1, 2016.

3. **Background.** An IPT is a cross-functional team that is led by a program manager (PM). The IPT must work collaboratively to develop strategies and approaches to meet specific acquisition and program objectives. The goals of the IPT are to:

- a. Define and refine the technical requirements;
- b. Discuss risks and develop mitigation strategies;
- c. Decide on the acquisition milestones and process to ensure success; and
- d. Accomplish effective lifecycle acquisition, contract, and performance management to provide the best value to the VA customer.

4. **Applicability.** This policy applies to all acquisitions valued above \$7 million (including options) and are required for complex acquisitions valued at less than \$7 million when there is considerable technical, program, or business risk to the Government.

5. **Policy.** It is imperative IPTs be assembled or waivers approved at the planning stage of the acquisition cycle.

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The following procurement actions are excluded from the IPT process:

- a. Construction, Architect-Engineering Services;
- b. Orders against existing Indefinite Delivery Contracts;
- c. Requirements to be covered under Interagency Agreements with other Federal agency contracting activities; and
- d. National Acquisition Center (NAC) pharmaceutical procurements and all Federal Supply Schedules (FSS) established by the NAC.

The program office is responsible for establishing the IPT, chairing the IPT, and when appropriate, arranging for a trained facilitator. The facilitator may be a contractor or an experienced Government employee. Facilitators may be obtained by using the multiple award contract vehicles for Global IPT Facilitation Services. The IPT Facilitation Services contracts are posted on the Center for Acquisition Resource Excellence (CARE) website at: <http://vaww.ecms.va.gov/CARE/Libraries/Library.aspx?LibraryID=67>.

IPTs must consist of voting members from the program office, contracting/procurement office, Office of Small and Disadvantaged Business Utilization (OSDBU), and any other representatives as deemed necessary by the Chair. The IPT may develop a charter using the attached Optional Charter Template or a comparable document. The IPT shall engage their local Advocate for Competition in discussions regarding competition. The Office of the General Counsel (OGC) will be a non-voting member that provides legal support in an advisory capacity. Each IPT member shall exercise sound business judgment within their core functional area of expertise and is empowered to make decisions without seeking higher level approval.

6. **IPT Role.** The IPT must produce the following work products:

- a. Documented market research;
- b. An Acquisition Plan (AP), completed in accordance with FAR 7.1;
- c. A statement of work (SOW), performance work statement (PWS) or statement of objectives (SOO);
- d. An independent Government cost estimate (IGCE); and
- e. Any other products deemed necessary by the IPT.

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7. **Facilitator Role.** The facilitator's role is to:

- a. Keep the team focused and on schedule;
- b. Help team members resolve conflict and achieve consensus; and
- c. Assist with writing and/or editing all documents, to include minutes of each session.

8. **IPT Waiver Process.** Adherence to the following IPT waiver process is mandatory. If the PM and the cognizant contracting officer (CO) determines the acquisition is not suited for an IPT, the PM must provide written justification that addresses why waiving the IPT process is in the best interest of VA. A valid justification may include the following reasons to waive the IPT process: (1) the requirement is not complex enough to warrant an IPT and (2) an agency's need is of an unusual and compelling urgency

9. **Approval for IPT Waivers.** IPT waivers above \$100 million must be granted by the Deputy Senior Procurement Executive (DSPE). Pursuant to the authority of the VAAR, part 801.670, the DSPE delegates to the Head of Contracting Activity (HCA) the authority to approve IPT waivers up to \$100 million. This authority cannot be re-delegated. HCAs shall:

- a. Exercise sound business judgment when waiving the mandatory use of the IPT process. All waivers must be in writing, signed by the HCA, and entered into the Electronic Contracting Management System (eCMS) as part of the official contract file.
- b. Ensure that written requests and justifications for all IPT waivers greater than \$100 million are routed through their office to the DSPE for review, approval or disapproval.

10. **IPT Facilitation Contracts.** Under the performance of an IPT facilitation contract, the contractor may receive or have access to certain sensitive information, including information provided on a proprietary basis. The government shall ensure that the contractor complies with all of the policies and procedures at FAR 3.11, Preventing Personal Conflicts of Interest for Contractor Employees Performing Acquisition Functions.

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11. **Contact Information.** Please direct questions regarding this PPM to the Procurement Policy and Warrant Management Service (003A2A), via email at: [VA.Procurement.Policy@va.gov](mailto:VA.Procurement.Policy@va.gov).

/s/

Sheila P. Darrell

Attachment

CC:

Under Secretaries for Health, Benefits, and Memorial Affairs;  
National Cemetery Administration, Chief Facilities Management Officer, Office of Facilities Management; Directors, VHA Service Area Offices  
Directors and Network Contract Managers, Veterans Integrated Service Networks;  
Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices  
Directors, Denver Acquisition and Logistics Center, Corporate Franchise Datacenter, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center  
Executive Director and Chief Operating Officer, VA National Acquisition Center

Attachment

**OPTIONAL CHARTER  
TEMPLATE**

**[PROJECT NAME]**

**INTEGRATED PRODUCT TEAM (IPT)**

\_\_\_\_\_  
Signature/Program or Project Manager  
Chairperson, IPT

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Contracting Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Office of Small and Disadvantaged  
Business Utilization

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/IPT Member and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/IPT Member and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/IPT Member and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Competition Advocate

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Office of General Counsel

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Facilitator

\_\_\_\_\_  
Date

**I. PURPOSE.** This section should set forth the overall description of the project mission and the specific objectives of the team. Team goals should be in writing to prevent conflicts resulting from misunderstandings or hidden agendas that may develop.

**II. SCOPE OF PROGRAM.** This section should provide a description of the work that the team is to accomplish and how it links to the Department of Veterans Affairs' mission.

**III. INTEGRATED PRODUCT TEAM (IPT) MEMBERSHIP, ROLES, AND RESPONSIBILITIES.** This section should set forth the IPT's membership by office and function, to include the roles and responsibilities of the Chairperson of the IPT (who is the Program Manager), the members as a whole, and any other special members of the IPT. It is important to select the appropriate number of individuals who have the necessary skill-sets associated with the requirement. The team members must be willing to share responsibilities and accountability while working together toward a common objective. IPT members must possess the ability to work in a less structured environment and to be innovative. The contracting officer, as the Government's authorized agent, shall provide guidance to the IPT members regarding the rules and regulations for acquisitions. Additionally, pursuant to Federal Acquisition Regulation (FAR), Subpart 1.102-4 (e), if a particular strategy or practice is not prohibited by law, policy or executive order, assume it can be done. A trained facilitator may be invaluable to the team, to ensure adherence to established goals, schedules, help resolve conflict, and facilitate team consensus.

*It is important for IPT members to have comprehensive skill sets to include, but limited to the following:*

- a. Technical and functional expertise;
- b. Contracting/procurement expertise;
- c. Understanding of the FAR and VAAR;
- d. Legal expertise and ability to interpret statutes;
- e. Problem-solving and decision-making skills;
- f. Interpersonal skills; and
- g. Team-building skills.

**IV. PERFORMANCE MEASURES.** Measurable performance goals, such as timelines/milestones, should be established to track and identify progress toward achieving contract award. Procurement Administrative Lead Time (PALT) must be factored into the performance measures. The IPT will produce a list of work products and a planned date for completion. Below are examples of acquisition steps to address:

- Acquisition plan approval
- Statement of work
- Specifications
- Completion of acquisition-package preparation
- Purchase request
- Justification and approval for other than full and open competition, where applicable
- Issuance of synopsis
- Issuance of solicitation
- Evaluation of proposals, audits, and field reports
- Beginning and completion of negotiations
- Contract preparation, review, and clearance
- Contract award

**V. OPERATING PROCEDURES.** This section should set forth the team's meeting procedures, particularly how decisions will be made. For example, will the team hold regular meetings or conference calls? May alternates attend? What will constitute a quorum? Will decisions be made by majority vote or consensus? How will a tie or lack of consensus be resolved? Will voting by e-mail be allowed?

**VI. DISSOLUTION OF THE IPT.** This section should set forth the date or milestone at which the IPT is dissolved.