

DEPARTMENT OF DEFENSE



MARKET RESEARCH REPORT GUIDE FOR IMPROVING THE TRADECRAFT IN SERVICES ACQUISITION

Version 2.0

OCTOBER 2014

MARKET RESEARCH

INTRODUCTION

The imbedded market research template, when completed, becomes part of your acquisition planning process which will support requirements definition, the Acquisition Strategy, Acquisition Plan, Source Selection Plan, and Small Business Plan. These findings will translate into the final RFP, Performance Plan, Incentive Plan and resultant contract administration. The template is broken into two parts. Part 1 contains general information about the requirement such as classification, description, background, vendor information, small business opportunities, and AbilityOne requirements. The second part contains more investigative information such as the market and industry analysis. Part 2 is targeted toward more complex, high value procurements. Each section provides guidance and example questions to aid in answering the section fully.

The entire report may not be suitable for all procurements. FAR 10.002, (b)(1) states that the extent of market research will vary, depending on such factors as urgency, estimated dollar value, complexity, and past experience. Acquisition personnel are encouraged to use their best judgment when determining which sections of the report to address and which sections are not applicable or not required.

The guide is geared towards mid to senior level acquisition professionals preparing market research for services acquisitions. It is not intended to provide comprehensive information on the subject of market research, but a simplified standard process for conducting and documenting market research. More detailed and comprehensive information on the analysis of market research can be found in the Market Intelligence Guide that has been prepared by the Naval Postgraduate School.

PREPARATION

- Identify and understand the key characteristics of the requirement.

- Assemble a team seeking those who are familiar with the marketplace, requirement, contracts, etc. and establish communications.
- Identify the market research objectives.
- Develop the market research strategy (team assignments, information needs, information gathering sources and techniques, etc.).
- Begin investigating the market. Evaluate whether commercial services are available documenting the results along the way.

CONSIDERATIONS

- Start early, while the requirement is still flexible. Market Research should be a continuous process throughout the acquisition and flexibility to adjust to changes in market capacity should be emphasized to the maximum extent possible.
- Reach out to other users of the services (including providers of the services).
- Communicate with your team.
Involve users in the process.
Use market research to first determine the availability of existing government wide or Agency-wide contract vehicles to meet your requirement. You should determine commercial capabilities, practices, items, and services to meet the general requirement. Use market research to obtain specific and detailed information to make various acquisition decisions.
- Tailor the market research efforts, and do not waste valuable time. Refine as you proceed, from general to specific.
- Analyze the data received to determine if the market research objectives have been met.
- Evaluate if a commercial solution is feasible and the capability of small businesses to meet your needs
- Perform trade-off analyses to see if the requirement can be modified to better suit commercial business practices, terms and conditions.
- Documentation. Results should be clearly documented so that the information can be used to refine the requirement, develop the acquisition plan, solicitation, terms and conditions, statement of work, and evaluation criteria for source selection.
- Documentation also provides a historical record of market research efforts, and that market research was performed.

TECHNIQUES

- Reading trade journals.
- Contacting knowledgeable people (Government and industry) in specific markets.
- Contacting contracting officers, contract specialists, and project officers in other federal agencies and private industry (other users). Take advantage of the lessons that these individuals have learned in previous acquisitions.
- Contacting known sources of services.
- Reviewing market surveys prepared by companies.
- Performing Spend analysis
- Doing market surveys to obtain information from potential sources.
- Conducting site visits.
- Attending trade shows, conferences, and symposia.
- Querying Government databases (FPDS-NG, PPIRS, CPS, GSA, FedBizOpps, SBA databases, e-Portals in Commerce (e-PIC), etc.) that provide relevant information on acquisitions.
- Using Internet tools and performing Web searches.
- Reviewing results of recent market research on similar or identical requirements.
- Formal requests for information, sources sought synopses, draft statements of work and solicitations in appropriate technical or scientific journals, business publications, and/or in FedBizOpps.
- Obtaining source lists of similar Services from other contracting activities or agencies, trade associations or other sources.
- Reviewing catalogs and literature published by service providers.
- Reviewing Federal Supply Schedule contracts, and other Government contracts.
- Conducting interchange meetings or holding pre-solicitation conferences to involve potential offerors early in the acquisition process.
- Finding established structures within the industry where buyers and sellers find each other.

Market Research Report

For

(Program/Command Name)

Part 1

Author: (Name)

Report Date: (mm/dd/yyyy)

Organization: (Org symbol)

Report Title: (Service name)

PSC and NAICS Code: (Codes and descriptions)

Portfolio: (Knowledge Based Services, Facility Related Services, Equipment Related Services, Electronics & Communications Services, Transportation Services, or Medical Services)

Estimated Value: (\$ value including all options)

Market Research Objectives

Enter text.

Below are some questions to possibly consider. However, the team must determine how much research is required to ensure

Guidance: What do you hope to gain from market research?

- *Refinement of the requirement in industry terms.*
- *Increased competition.*
- *Increased small business participation.*
- *Understanding of cost.*
- *Develop effective contract structure.*
- *Inform the incentive approach between the USG and future contractors*
- *Understand performance measurements that serve as quality assurance of “goodness” in supplies/services received (i.e. Operational Management considerations such as adequate application of skill mix, efficiency in processes to establish cost avoidance and reduced rework, etc.)*
- *Understand the potential for major subcontractor involvement and the USG’s strategy to balance monitoring of key subcontractor’s with prime contractor privity.*
- *Early identification of potential OCI risks and the anticipated mitigation plans*

- *Understand the intellectual property (i.e. tech data and software) landscape necessary to increase competition (i.e. what does the USG already own across the DoD and what do we need to procure through future contracts or via deferred ordering/delivery on existing contracts)*
- *Understand the anticipated industry need for Government Furnished Material/Equipment/Information/Real Property and how it affects the acquisition approach (i.e. do we need to establish Rent-free non-interference relationships with other DoD activities prior to finalizing our solicitation etc.*

Service Description

Enter text.

Guidance: Include a description of the service to be addressed by this market research report.

- *What is the service?*
- *What are the components or elements of the service?*
- *When is the service required?*
- *Where will the service be performed?*
- *Are there unique requirements?*
- *Are there mandatory source requirements?*
- *What other government agencies are buying the service?*
- *What current contract vehicles are available?*

Background

Enter text.

Guidance: Provide a short narrative on the requirement for which this service will support. Include information relative to the previous awards such as:

- *Is the requirement new? If not, how long has the service been required?*
- *Is there available market research information already done by others in government?*
- *What past acquisition strategies were used?*
- *What past government work has been performed by potential suppliers?*
- *What past efforts have been taken to remove competitive barriers?*
- *What are some problems encountered during past contract performance?*
- *What is the past performance baseline?*
- *What changes have occurred in the market place (suppliers, trends, technologies)?*
- *What are the lessons learned/best practices?*

Potential Supplier Information

Enter text.

Guidance: Use the table to build the list of potential vendors and known sources that could be solicited to provide the service required.

Vendor Name	Location	Point of Contact	Capability
<i>ABC, Inc.</i>	<i>Bangor, ME</i>	<i>Name: Phone: Email:</i>	<i>Provides all required services with consistent superior past performance ratings. Able to successfully provide surge capacity when required. Substantial operations in every state in Northeast region.</i>

- *Identify name, location, point of contact and an assessment of their capabilities to meet our requirements in terms of performance, cost, schedule and risk.*
- *Identify the number of sources contacted; identify whether they were large business, small business, small/disadvantaged business, Section 8A business, woman-owned business, government/non-government.*
- *Describe efforts to locate sources and explain the rationale used to exclude sources.*

Small Business Opportunities

Enter text.

Guidance: Provide an assessment of the potential opportunities for small business set aside and direct award opportunities.

- *Is the service suitable for small business?*
- *Can the requirement be segmented to include small business?*

AbilityOne Program

Enter text.

Guidance: In accordance to FAR (2011) Part 8.002(a)(2), determine if the service is provided by the AbilityOne Program.

- *The procurement list can be found on the AbilityOne Program's website:
www.abilityone.gov.*

Conclusions and Recommendations

This section applicable if completing Part 1. Not applicable if completing Part 2.

Guidance: Summarize your data analysis with recommendations for:

- *acquisition strategies to pursue (i.e. Commercial acquisition, 8A direct, small business set aside, sole source, full & open, native American direct or Hubzone)*

- *list of potential contract vehicles that already exist which may be employed to satisfy your requirement*
- *quality and thoroughness of the government's technical performance documents and configuration control data to include suggestions for improvement before contract solicitation*
- *relevant risks to be considered as part of any source selection activities*
- *specific contract terms and conditions*
- *OCI Concerns*
- *Intellectual Property Concerns*
- *GFE/GFI/GFP/GFM Concerns or details*

Part 2

Performance Requirements

Enter text.

Guidance: State the critical performance requirements which the service must meet.

- *What are the performance requirements and how are they measured? If the requirement is not performance based, why?*
- *Are the requirements military unique or can they be acquired in the commercial marketplace?*
- *What are the performance trade-offs to better accommodate the commercial market?*
- *How does industry sell the service and are the requirements written in those terms?*

Market Intelligence

Enter text.

Guidance: Describe any available commercial factors.

- *What is the availability of the service?*
- *What is the demand for the service?*
- *What is the maturity of the service?*
- *How many suppliers are in the market and market share?*
- *What is the Government's market share?*
- *What is the pricing structure?*
- *What is the small business footprint?*
- *Are socio-economic factors applicable?*
- *What is the supply chain?*
- *How are the services segmented?*
- *What business, trade, legal, political and other developments affect the market?*
- *What is fair/reasonable market price for the industry, which may include an assessment of available price data, price ranges, known pricing issues, or an explanation of price variations?*
- *What are the applicable industry standards, regulations, trade journals, or process guides germane to the service to be acquired?*
- *Identify any known environmental or safety regulations that affect the service being provided.*
- *Identify standard industry terms and conditions offered to commercial customers in the market place.*
- *Provide your assessment of the government's leverage in the marketplace, such as being the only buyer, making a minority of buys in the market, making the majority of buys, or being one buyer among many.*

Conclusions and Recommendations

Enter text.

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- *quality and thoroughness of the government's technical performance documents and configuration control data to include suggestions for improvement before contract solicitation*
- *relevant risks to be considered as part of any source selection activities*

- *specific contract terms and conditions*

Market Research Techniques Used

Enter text.

Guidance: Describe the various methods used to arrive at the market research findings.

Examples of techniques that may be used are: Internet searches, industry days, one-on-one industry sessions, Requests for Information (RFIs) to Industry (Solicitation for Information or Planning Purposes), FedBizOpps, etc.

USEFULL WEBSITES, SOURCES

Bureau of Labor Statistics (BLS)

URL: <http://www.bls.gov/cpi>

BLS is the principle fact-finding agency for the Federal Government in the broad field of labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other Federal agencies, State and local governments, businesses, and labor entities. Indexes can be tapped for market research purposes (e.g., escalation rates).

DoD Electronic Mall (EMALL)

URL: http://www.logisticsinformationservice.dla.mil/emall_contracting.asp

The DoD EMALL, managed and operated by the Joint Electronic Commerce Program Office (JECPO), allows Government wide Commercial Purchase Card (GCPC) customers to place delivery orders against established contract vehicles to acquire off-the-shelf, finished items from the commercial marketplace. The DoD EMALL offers cross catalog shopping for the purpose of comparison pricing and best value decision-making.

Dow Jones Business Information Services

URL: <http://www.dowjones.com>

Publishes business and financial news and information.

FedBizOpps

URL: <http://www.fedbizopps.gov/>

The official free online listing of Government contracting opportunities which has replaced the Commerce Business Daily. Award notices are posted on this site for requirements over \$25,000 which can be used for market research. You can look by PSC, NAICS, Location, etc.

Federal Strategic Sourcing Initiative (FSSI)

URL: <http://www.gsa.gov/portal/content/112561>

FSSI encourages cross-government collaboration and adoption of industry best practices. This allows the government to aggregate requirements, streamline processes and leverage its buying power. As a result, best value and repeatable processes are created that can be used in any acquisition environment to drive down the cost of commonly purchased commodities.

General Services Administration

URL: <http://www.gsa.gov/>

GSA serves as the acquisition and procurement arm of the federal government, offering equipment, supplies, telecommunications, and integrated information technology solutions to federal agencies so that the agencies can focus on doing what they do best—serving the public.

GSA's "Advantage" service

URL: <http://www.gsaadvantage.gov/>

Since 1949, it has been GSA's mission to help agencies better serve the public by meeting - at best value - their needs for products and services, and to simplify access to information. For over 12 years, GSA Advantage has been a reliable and proven one-stop online resource for thousands of Federal employees worldwide. GSA Advantage offers the most comprehensive selection of approved products and services from GSA contracts. 17

Occupational Outlook Handbook (OOH)

URL: <http://www.bls.gov/oco/>

For hundreds of different types of jobs—such as teacher, lawyer, and nurse—the Occupational Outlook Handbook tells you: the training and education needed; earnings; expected job prospects; what workers do on the job; and working conditions. In addition, the Handbook gives you job search tips, links to information about the job market in each State, and more.

System for Award Management (SAM)

www.sam.gov

The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

Thomas Register

URL: <http://www.thomasregister.com>

Thomas Register consists of an alphabetical listing of American and Canadian companies, addresses, and phone numbers, as well as a product listing, product description, and product manufacturers. The Thomas Register can be searched by company name, product or service, or brand name, and the search can be modified to limit it to a specific geographical area.

OSD Guidelines for Creating and Maintaining a Competitive Environment for Supplies and Services in the DOD, August 2014

[http://www.acq.osd.mil/dpap/cpic/cp/docs/BBP_2-0_Competition_Guidelines_\(Published_22_Aug_2014\).pdf](http://www.acq.osd.mil/dpap/cpic/cp/docs/BBP_2-0_Competition_Guidelines_(Published_22_Aug_2014).pdf)