

Per Federal Acquisition Regulation 7.107-5(d), below is the Governmentwide policy regarding contract bundling, including regarding the solicitation of teaming and joint ventures.

7.107 Additional requirements for acquisitions involving consolidation, bundling, or substantial bundling.

7.107-1 General.

(a) If the requirement is considered both consolidated and bundled, the agency shall follow the guidance regarding bundling in 7.107-3 and 7.107-4.

(b) The requirements of this section 7.107 do not apply—

(1) If a cost comparison analysis will be performed in accordance with OMB Circular A-76 (except 7.107-4 still applies);

(2) To orders placed under single-agency task-order contracts or delivery-order contracts, when the requirement was considered in determining that the consolidation or bundling of the underlying contract was necessary and justified; or

(3) To requirements for which there is a mandatory source (see 8.002 or 8.003), including supplies and services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled or the Schedule of Products issued by Federal Prison Industries, Inc. This exception does not apply—

(i) When the requiring agency obtains a waiver in accordance with 8.604 or an exception in accordance with 8.605 or 8.706; or

(ii) When optional acquisitions of supplies and services permitted under 8.713 are included.

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7.107-3 Bundling.

(a) Bundling may provide substantial benefits to the Government. However, because of the potential impact on small business participation, before conducting an acquisition strategy that involves bundling, the agency shall make a written determination that the bundling is necessary and justified in accordance with 15 U.S.C. 644(e). A bundled requirement is considered necessary and justified if the agency would obtain measurably substantial benefits as compared to meeting its agency's requirements through separate smaller contracts or orders.

(b) The agency shall quantify the specific benefits identified through the use of market research and other techniques to explain how their impact would be measurably substantial (see 10.001(a)(2)(iv) and (a)(3)(vii)).

(c) Such benefits may include, but are not limited to—

- (1) Cost savings;
- (2) Price reduction;
- (3) Quality improvements that will save time or improve or enhance performance or efficiency;
- (4) Reduction in acquisition cycle times, or
- (5) Better terms and conditions.

(d) Benefits are measurably substantial if individually, in combination, or in the aggregate the anticipated financial benefits are equivalent to—

(1) Ten percent of the estimated contract or order value (including options) if the value is \$94 million or less; or

(2) Five percent of the estimated contract or order value (including options) or \$9.4 million, whichever is greater, if the value exceeds \$94 million.

(e) Reduction of administrative or personnel costs alone is not sufficient justification for bundling unless the cost savings are expected to be at least ten percent of the estimated contract or order value (including options) of the bundled requirements.

(f)(1) Notwithstanding paragraphs (a) through (e) of this subsection, the approving authority identified in paragraph (f)(2) of this subsection may determine that bundling is necessary and justified when—

(i) The expected benefits do not meet the thresholds for a substantial benefit but are critical to the agency's mission success; and

(ii) The acquisition strategy provides for maximum practicable participation by small business concerns.

(2) The approving authority, without power of delegation, is—

(i) For the Department of Defense, the senior procurement executive; or

(ii) For the civilian agencies is the Deputy Secretary or equivalent.

(g) In assessing whether cost savings and/or price reduction would be achieved through bundling, the agency and SBA shall—

(1) Compare the price that has been charged by small businesses for the work that they have performed; or

(2) Where previous prices are not available, compare the price, based on market research, that could have been or could be charged by small businesses for the work previously performed by other than a small business.

(h) If a determination is made that bundling is necessary and justified, the contracting officer shall include it in the acquisition strategy documentation and provide it to SBA upon request.

7.107-4 Substantial bundling.

(a)(1) Substantial bundling is any bundling that results in a contract or task or delivery order with an estimated value of—

(i) \$8 million or more for the Department of Defense;

(ii) \$6 million or more for the National Aeronautics and Space Administration, the General Services Administration, and the Department of Energy; or

(iii) \$2.5 million or more for all other agencies.

(2) These thresholds apply to the cumulative estimated dollar value (including options) of—

(i) Multiple-award contracts;

(ii) Task orders or delivery orders issued against a GSA Schedule contract; or

(iii) Task orders or delivery orders issued against a task-order or delivery-order contract awarded by another agency.

(b) In addition to addressing the requirements for bundling (see 7.107-3), when the proposed acquisition strategy involves substantial bundling, the agency shall document in its strategy—

(1) The specific benefits anticipated to be derived from substantial bundling;

(2) An assessment of the specific impediments to participation by small business concerns as contractors that result from substantial bundling;

(3) Actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming;

(4) Actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract, or order, that may be awarded to meet the requirements;

(5) The determination that the anticipated benefits of the proposed bundled contract or order justify its use; and

(6) Alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives.

7.107-5 Notifications.

(a) Notifications to current small business contractors of agency's intent to bundle. (1) The contracting officer shall notify each small business performing a contract that it intends to bundle the requirement at least 30 days prior to the issuance of the solicitation for the bundled requirement.

(2) The notification shall provide the name, phone number and address of the applicable SBA procurement center representative (PCR), or if an SBA PCR is not assigned to the procuring activity, the SBA Office of Government Contracting Area Office serving the area in which the buying activity is located.

(3) This notification shall be documented in the contract file.

(b) Notification to public of rationale for bundled requirement. (1) The agency shall publish on its Web site a list and rationale for any bundled requirement for which the agency solicited offers or issued an award. The notification shall be made within 30 days of the agency's data certification regarding the validity and verification of data entered in the Federal Procurement Data System to the Office of Federal Procurement Policy (see 4.604).

(2) In addition, the agency is encouraged to provide notification of the rationale for any bundled requirement to the GPE, before issuance of the solicitation (see 5.201).

(c) Notification to SBA of follow-on bundled or consolidated requirements. For each follow-on bundled or consolidated requirement, the contracting officer shall obtain the following from the requiring activity and notify the SBA PCR no later than 30 days prior to issuance of the solicitation:

(1) The amount of savings and benefits achieved under the prior consolidation or bundling.

(2) Whether such savings and benefits will continue to be realized if the contract remains consolidated or bundled.

(3) Whether such savings and benefits would be greater if the procurement requirements were divided into separate solicitations suitable for award to small business concerns.

(4) List of requirements that have been added or deleted for the follow-on.

(d) Public notification of bundling policy. In accordance with 15 U.S.C. 644(q)(2)(A)(ii), agencies shall publish the Governmentwide policy regarding contract bundling, including regarding the solicitation of teaming and joint ventures, on their agency Web site.

7.107-6 Solicitation provision.

The contracting officer shall insert the provision at 52.207-6, Solicitation of Offers from Small Business Concerns and Small Business Teaming Arrangements or Joint Ventures (Multiple-Award Contracts), in solicitations for multiple-award contracts above the substantial bundling threshold of the agency (see 7.107-4(a)).