

**Analysis of Bundling Rule Changes of FAC 2001-17, 20 Oct 03**  
**HQ AFMC/CDB**

FAR Paragraph	Pre-FAC2001-17	Post FAC 2001-17	Comment
2.101 Definitions	"Bundling" is consolidation of 2 or more requirements, previously performed under <i>separate smaller contracts</i> , into a <i>single contract</i> that is not suitable for performance by a small business	The term "Single contract" amended to include 1) multiple awards of indefinite-quantity contracts under a single solicitation, 2) orders placed under a Federal Supply Schedule, 3) orders placed under a task order or delivery order contract awarded by another agency	Bundling use to apply at the contract level, now it applies at the contract and delivery order level.
7-103(d) Acquisition Planning	Written plan not specifically required for orders	Requirement for written plan extended to individual orders	
7-104 General Procedures for Acquisition Planning	No coverage	7-104(d)(1): >coordinate acq plan with small bus specialist when \$7M or higher for DoD activities, unless acquisition is entirely set-aside for small business. Threshold of \$7M applies to cum max potential of all multiple contracts and orders, including options. >The small business specialist is to notify agency (DoD) small business office when the specialist finds "unnecessary, unjustified, or unidentified bundling." >if "substantial bundling" small business specialist shall assist in identifying alternative strategies	Agency = DoD  Obtaining small business specialist coord on <i>all</i> acq plans is prudent
7-105 Contents of Written Acquisition Plans	No coverage	7-105(b)(1) Sources: when strategy involved bundling, identify incumbent contractor and contracts affected by the bundling. Address extent and results of market research [presumably, as it relates to bundling.	
7-107(a) Additional requirements for acquisitions involving bundling	If bundling is desired, conduct market research to determine if bundling is necessary and justified. Necessary and justified if measurably substantial benefits.	No change.	>See Part 10, Market Research >Involve your small business specialist in the market research
7-107(b) Benefits	>Measurably substantial benefits include cost savings/price reduction, quality improvements, reduction in acquisition cycle times, better terms and conditions, and any other benefits.	10% or 5% or \$7.5M savings must now be shown at the contract or order level, whichever is the subject of the acquisition strategy.	

	>substantial means measurably benefits equivalent to 10% of estimated contract (if value equal or less than \$75M) or 5% of estimated contract, or \$7.5M, whichever is greater, (if value exceeds \$75M)		
7-107(c) SAE authority	The service acquisition executive, without power of redelegation, may determine bundling is necessary and justified even if the savings thresholds of 10%/5%/\$7.5M are not found, when bundling is critical to mission success	No change	
7-107(e) Substantial Bundling	Substantial is any contract with average annual value of \$10M or more. >If substantial bundling, then 1) need to identify specific benefits from contract bundling; 2) identify impediments to participation by small business because of bundling; 3) specify actions to maximize small business subcontracting at any tier; 4) include specific determination that benefits justify bundling; 5) document #4.	>Substantial is any contract or order of \$7M or more (for DoD). >Subcontracting includes suppliers >Items at left apply also to orders >6 <sup>th</sup> item added: identify alternative strategies that would reduce the scope of the bundling and give reason for not using.	
8.404(a)(ii)(2)	No coverage	Orders placed under FSS require 1) acquisition planning; 2) development of IT strategy 3) compliance with all FAR bundling rules.	
10.001(c)(2)	Give 30 days warning when bundling contracts. 30 days prior to release of solicitation.	Now, 30 days is expressed as 30 days before release of solicitation or 30 days prior to placing an order without a solicitation.	Notification procedure unchanged and goes to the incumbent small businesses affected by the bundling.
16.505(a)(7)(iii) Ordering	No coverage	Orders must comply with FAR bundling rules.	
16.505(b) Ordering			Contains changes to the ordering process unrelated to bundling.
19.201(d)(11) & (12)	No coverage	DoD small business office to conduct annual reviews to assess 1) extent to which small business are receiving fair share of Federal procurements; 2) adequacy of contract bundling documentation and justification; 3) actions taken to mitigate the effects of necessary and justified contract bundling on small	

		business. DoD Small business office to provide copy of this assessment to SECDEF and SBA Administrator.	
19.201-1(e)(1)(iii)	CO to provide a copy of proposed acquisition package to SBA PCR 30 days prior to release of solicitation for a bundled requirement.	No change to notification requirement but contents of notification enumerated: all information relative to justification of bundling, including acq plan and including information required by 7.107(e). When substantial bundling involved, same notification and notification content goes to DoD small business office.	Substantial bundling is when resultant contract or order is equal to or greater than \$7M.
42.1502(a) Collecting Contractor performance information	No basic FAR coverage	Past performance "report cards" are to include an evaluation of how well the prime contractor performed small business subcontracting IAW the small business subcontracting plan.	