

Consolidation of Contract Requirements and Bundling



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US Army Corps of Engineers
BUILDING STRONG®

Consolidation - 15 USC § 657q

“The term ‘consolidation of contract requirements,’ with respect to contract requirements of a Federal agency, means a use of a solicitation to obtain offers for a single contract or a multiple award contract-

(A) to satisfy 2 or more requirements of the Federal agency for goods or services that have been provided to or performed for the Federal agency under 2 or more separate contracts lower in cost than the total cost of the contract for which the offers are solicited;

or

(B) to satisfy requirements of the Federal agency for construction projects to be performed at 2 or more discrete sites[.]”



DFARS 207.170-3

- Agencies shall not consolidate contract requirements with an estimated total value exceeding \$2 million unless the determination is made that the consolidation is **necessary and justified**.
 - ▶ Written D&F is required
- **Benefit Analysis** – Consolidation of contract requirements is necessary and justified if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternate contracting approaches.



Bundling

- **FAR 2.101 Bundling means** – Consolidating two or more requirements for supplies or services, previously provided or performed under ***separate smaller contracts***, into a solicitation for a ***single contract*** that is likely to be unsuitable for award to a small business concern due to—
 - ▶ (i) The diversity, size, or specialized nature of the elements of the performance specified;
 - ▶ (ii) The aggregate dollar value of the anticipated award;
 - ▶ (iii) The geographical dispersion of the contract performance sites; ***or***
 - ▶ (iv) Any combination of the factors described in paragraphs (1)(i), (ii), and (iii) of this definition



Benefit Analysis also required for Bundling

Agency must show that the benefits of consolidation are **measurably substantial**.
FAR 7.107(a)



Questions?

