

# **Top 10 General Multi-Year Procurement Guidance for Site Visit Executive Equipment Buy Requests**

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The initiation of a Multi-Year Procurement [MYP] action is nominated from the DoD Service with MYP submitted to Congress with legislative language request. If approved by Congress, the MYP will be authorised in the following year. This is the most common means of obtaining MYP Authorisation.

If Congress initiates the MYP by providing Authorisation and Appropriations language, even if DoD did not nominate the programme, all official rules remain. This is not common – however, for example authorisation and appropriations language was established for the F/A-18 MYP even though the DoN and DoD did not request it.

The majority of the work will be done to prepare the business case and present the MYP Certification findings and associated documentation to the Secretary of Defense [SECDEF] for submittal to Congress when legislative authority is requested.

The MYP Certification is based upon Cost/benefit Assessment and Programme, not the Service. Assessment must compare a MYP to a single year procurement [SYP]. Service must engage with assessment very early on in their MYP discussions to define what information is required for submittal and approximate how long assessment will take. A formal request requesting the MYP cost/benefit assessment must be completed with a specified timeline is so early discussion will help ensure timelines are aligned.

Once SECDEF submits the MYP certification to Congress, the Office of the Secretary of Defense [OSD] will include requirement exhibits reflecting the proposed MYP for inclusion in request to Congress. You can expect in-depth conversations with Congressional Defense committees regarding any proposed MYPs during the testimony and markup periods, particularly on Advanced Procurement [AP] and Economic Ordering Quantity [EOQ].

When both the Authorisation and Appropriations Acts include language authorising and appropriating funds by Congress for proposed MYP, Visiting Executive can proceed to contract award. Depending on the specific conditions of your MYP contract, there are additional reporting requirements and documentation that must be provided to Congress prior to contract award. These are outlined in the next section.

Congress ultimately makes a trade-off decision; determining whether the advantage of a MYP

outweigh disadvantages, such as loss of flexibility in budget years and committing future Congresses. Congress has installed numerous checkpoints and invokes rigorous oversight of weapon system MYPs. The Congressional Defense Committees have written into the statutory requirements very stringent controls for reporting on their area of interest – AP, EOQ, unfunded contingent liability [UCL] and cancellation ceiling.

1. Submit a formal request to initiate MYP cost/benefit assessment so critical timeline requirements are communicated for the delivery of assessment results to SECDEF.
2. Provide for Requirement cancellations when contractor is notified of non-availability of funds for subsequent years or contractor is not notified funds are available for performance of the succeeding programme year requirement. Cancellation costs may include up-front investment to obtain lower Economic Order Quantities [EOQ].
3. To the greatest extent possible, use MYP contracting to seek, retain and promote subcontractors, vendors and suppliers; payment shall be made to these entities as expeditiously as possible.
4. Provide competition of production items and termination of prime contracts whose performance is deficient.
5. Detail requirements for services/logistics support for components, parts and materials necessary to produce an end item so economic lot purchases and more efficient rates are achieved.
6. Make sure production not to be less than minimum economic rates when considering existing tooling.
7. Only use funds for procurement of end item when component is complete and usable. Variation in quantity [VIQ] is allowed in DoD MYP contracts.
8. Be reminded EOQ permits advanced funding for approved MYP programs to allow component of an end item to be procured at the beginning of the MYP in sufficient quantities to achieve benefits
9. Contain provisions for performance under the contract contingent upon Appropriation of funds and may provide for cancellation payments to be made if Appropriations are not established.
10. Obtain both annual and multiyear offers so lead time is reduced to provide basis for

cost/benefit assessments even while preparation/evaluation of dual offers may increase workload for both contractors and DoD, especially for large or complex acquisitions.