

*Redefining  
Ingenuity™*

# Purchasing – Fair and Reasonableness

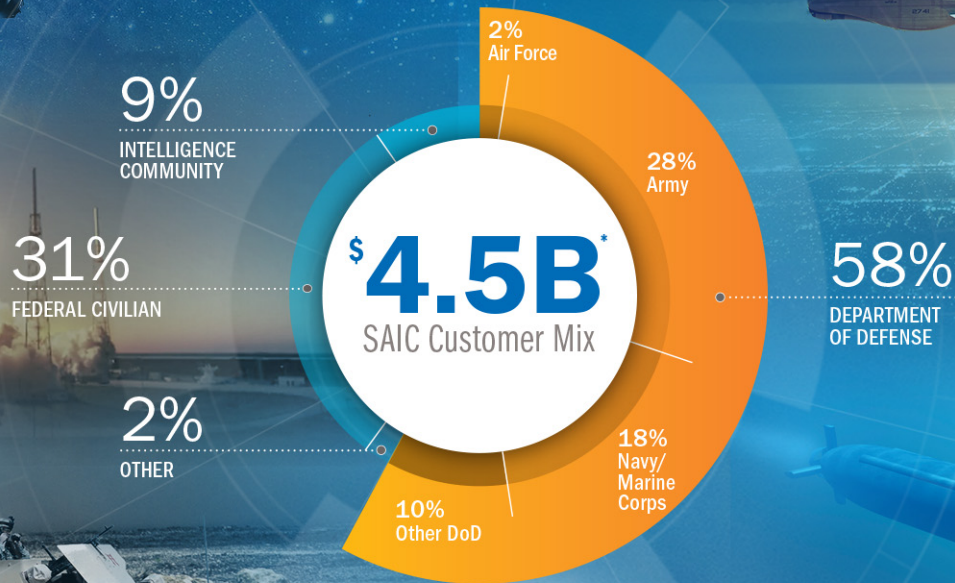
Presented to Jackson State University  
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**SAIC**  
Redefining Ingenuity™

# SAIC Overview



\* fiscal year ending Feb. 3, 2017

# Market Segments

Our business can be categorized into four areas that describe what we do and the markets we serve.

## Engineering, Integration, & Mission Services

- Technical and engineering support
- Training and simulation
- Program and financial management
- Research

## Logistics, Readiness, & Sustainment

- Product Sustainment and Support
- Supply Chain Management



## Information Technology

- Infrastructure support
- Applications O&M
- Consulting and application development
- Cybersecurity

## Platform Integration

- Land
- Sea
- Weapons system



# SAIC Flexible Procurement Processes

## Effective and Reasonable Approach

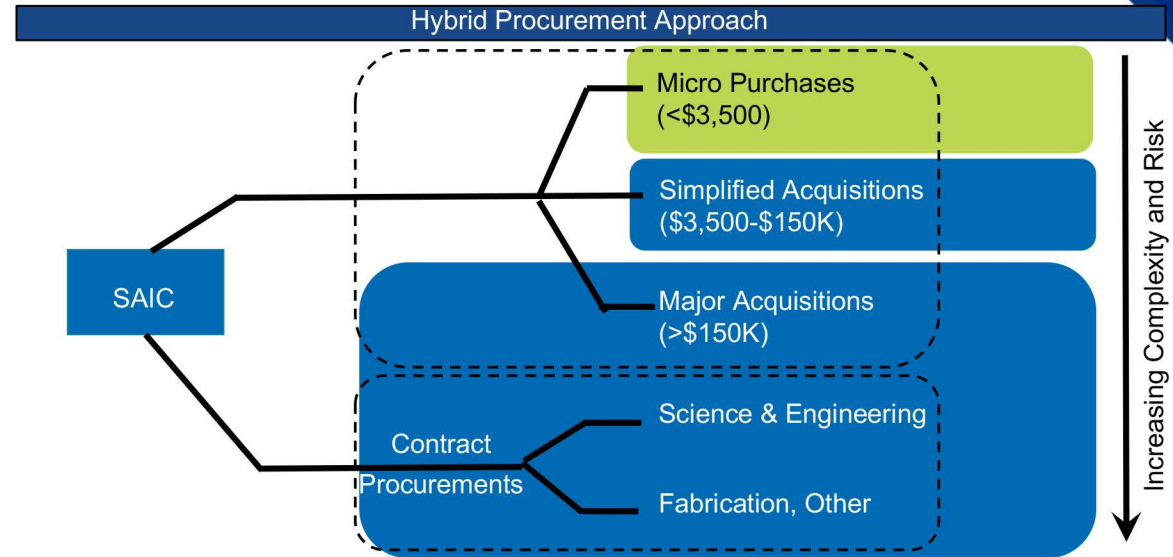
- The most complex and highest risk procurements are performed by SAIC, using our DCMA-approved purchasing systems and ISO-certified project management processes
- Simplified acquisitions can be performed by a Subcontractor, and micro purchases are performed by any SAIC designated OMES II employee. In all cases, we make these procurements, reducing risk, lowering cost
- Committed Procurement Expert (supported by Business Manager) has oversight and responsibility.
- Business and Procurement Manager maintains financial and transactional control, ensuring FAR- and NASA-compliant processes are followed.

## Policies and Processes

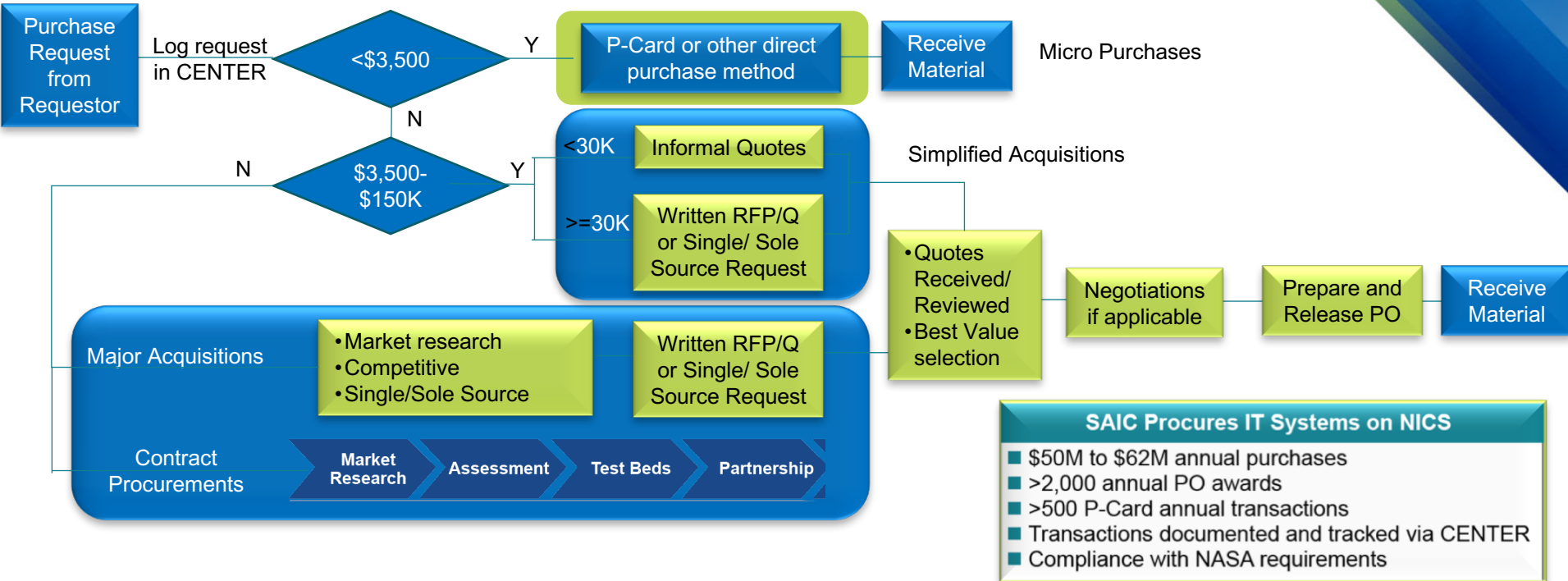
- SAIC-Policy-3 Procurement
- SAIC-Policy-4 Business Execution
- NID 7120.99 NASA IT Project Management

## Tools Available

- P-Cards
- Procurement
- Subcontracting
- CENTER with tailored Procurement Module



# Procurement Approach



## SAIC Procures IT Systems on NICS

- \$50M to \$62M annual purchases
- >2,000 annual PO awards
- >500 P-Card annual transactions
- Transactions documented and tracked via CENTER
- Compliance with NASA requirements

## SAIC's Approach to Fair & Reasonableness

- Methods for determining a Fair and Reasonable Price for the Government.
  - Competition along with Negotiations.
  - Prices Previously Paid by the Government or Other than Government
  - Parametric Estimates
  - Competitively Published Prices
  - Independent Estimates
  - Market Rate Comparison
  - Other Than Cost or Price Information
- Regardless of the type procurement (LPTA, Best-Value, P-Card) every transaction is documented, tracked, approved, and completed in our system and in accordance with the Prime Contract provisions and SAIC Best Practices and Policy

## Federal Acquisition Rules on Price Reasonableness

- Federal Acquisition Regulation Part 13.1 allows Fair and Reasonable Determinations Based on These 7 Techniques:
  - Competitive Quotes
  - Market Research
  - Comparison to Previous Prices Paid
  - Current Price Lists, Catalogs, Advertisements
  - Comparison to Similar Items in the same Industry
  - Purchasing Officials Personal Knowledge
  - Independent Estimates

## Price Submission to the Government for Award / Consent

- When submitting your Pricing to the Government include the following:
  - Price Analysis documents and determination
  - Market Research / Bid List
  - Detailed Bill of Material and Services
  
- Other material required by the Request for Quote / Request for Proposal



# Questions?

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## Resources

Federal Acquisition Regulation, Parts 13.1 and 15.4

Competitive Negotiations: The Source Select Process. Ralph Nash and John Cibinic. George Washington University. National Law Center, Chapter 5. VII, Evaluation of Costs to the Government