

Contract Formation

Activity 2: Market Research

Methods for collecting information in order to understand the marketplace and assess the availability of sources.

Related Flow Charts: Flow Chart 2

Related Courses: CLC 004 (Market Research); FAC 081 (Back to Basics: Market Research); FCL-A-0411 (ACC: Market Research)

Tasks	FAR Reference(s)	Additional Information
1. Perform tactical market research related to the acquisition.	FAR 10.001 Policy [market research].	<p>Tactical market research refers to the investigation into the specific need or requirement. As a general practice, most agencies perform strategic market research (surveillance of the marketplace) on a continuous basis.</p> <p>The purposes of market research are to:</p> <ul style="list-style-type: none">• Discover prevailing industry practices;• Identify the availability of commercially available solutions;• Identify customary industry terms, conditions, and warranties;• Uncover historical acquisition information;• Ensure maximum competition; and• Reveal pricing information. <p>All members of the acquisition team—including business advisors, program managers, engineers, logisticians, legal staff, test/evaluation staff, cost specialists, and the customer—should conduct market research. Each member of the acquisition team</p>

		may focus on conducting market research on specific aspects related to the acquisition. The ultimate goal is to combine and collectively analyze all the market research results.
2. Identify sources related to the acquisition or the open market to obtain goods/services for the Government.	FAR 10.001 Policy [market research].	<p>Consider the:</p> <ul style="list-style-type: none"> • Available sources; • Availability of commercial or nondevelopmental items; • Extent to which commercial items or nondevelopmental items could be incorporated at the component level; • Practices of firms engaged in producing, distributing, and supporting commercial items; • Availability of recovered materials; and • Likely effect of consolidation or bundling on quality, price, and availability.
3a. Review existing contract files to identify relevant market information available in acquisition histories.	<p>FAR 10.002(b)(2) Procedures [market research].</p> <p>FAR 7.103(n) Agency-head responsibilities [acquisition plans].</p>	<p>As a minimum, identify information that can be used to:</p> <ul style="list-style-type: none"> • Improve the requirements documents (e.g., pictures, drawings, diagrams, or other graphic representations); and • Identify requirements that have been identified in the past as factors that have unnecessarily limited competition or increased price.
3b. Identify knowledgeable government and industry personnel.	FAR 10.002(b)(2)(i) Procedures [market research].	<p>Contact knowledgeable individuals to inquire about:</p> <ul style="list-style-type: none"> • Market capabilities to meet requirements; • Successful acquisition strategies; • Industry best practices; • Pitfalls to avoid; and • Successful incentives.
3c. Review market research results from	FAR 10.002(b)(2)(ii) Procedures [market	Review recent history and the results of market research

similar requirements.	research].	conducted to meet similar requirements.
3d. Review published requests for information from journals or business publications.	FAR 10.002(b)(2)(iii) Procedures [market research].	Review information in appropriate technical or scientific journals or business publications.
3e. Collect market information from the Interagency Contract Directory (ICD).	FAR 10.002(b)(2)(iv) Procedures [market research].	Query the Governmentwide database of contracts and other procurement instruments intended for use by multiple agencies available at https://www.contractdirectory.gov/contractdirectory/ and other Government and commercial databases that provide information relevant to agency acquisitions.
3f. Participate in interactive online communications.	FAR 10.002(b)(2)(v) Procedures [market research].	Identify other potentially useful sources of market information and the types of data typically available from each, including sources such as: <ul style="list-style-type: none"> • Industry buyers; • State and local government buyers; • Other non-federal buyers; and • Personal contacts or surveys.
3g. Collect source lists from other agencies and professional associations.	FAR 10.002(b)(2)(vi) Procedures [market research].	Identify trade and professional associations that may be useful sources of market information and the types of data typically available from each, including sources such as the: <ul style="list-style-type: none"> • Better Business Bureau; • Chamber of Commerce; • State and local government watchdog agencies; • Institute of Supply Management; and • National Contract Management Association.

3h. Collect market information from printed or online catalogs, periodicals, and similar sources.	FAR 10.002(b)(2)(vii) Procedures [market research].	Reviewing catalogs and other generally available product literature published by manufacturers, distributors, and dealers or available on-line.
3i. Hold pre-solicitation conferences.	FAR 10.002(b)(2)(viii) Procedures [market research].	Lead an exchange meeting to involve potential offerors early in the acquisition process.
4. Document market research results.	FAR 10.002(e) Procedures [market research].	Based on the size and complexity of the acquisition, the file should include a market research plan.