

7.107-3 Bundling.

(a) *Bundling* may provide substantial benefits to the Government. However, because of the potential impact on small business participation, before conducting an *acquisition* strategy that involves *bundling*, the agency *shall* make a written determination that the *bundling* is necessary and justified in accordance with 15 U.S.C. 644(e). A bundled requirement is considered necessary and justified if the agency would obtain measurably substantial benefits as compared to meeting its agency's requirements through separate smaller contracts or *orders*.

(b) The agency *shall* quantify the specific benefits identified through the use of *market research* and other techniques to explain how their impact would be measurably substantial (see 10.001(a)(2)(iv) and (a)(3)(vii)).

(c) Such benefits *may* include, but are not limited to-

- (1) Cost savings;
- (2) Price reduction;
- (3) Quality improvements that will save time or improve or enhance performance or efficiency;
- (4) Reduction in *acquisition* cycle times, or
- (5) Better terms and conditions.

(d) Benefits are measurably substantial if individually, in combination, or in the aggregate the anticipated financial benefits are equivalent to-

- (1) Ten percent of the estimated contract or *order* value (including *options*) if the value is \$94 million or less; or
- (2) Five percent of the estimated contract or *order* value (including *options*) or \$9.4 million, whichever is greater, if the value exceeds \$94 million.

(e) Reduction of administrative or personnel costs alone is not sufficient justification for *bundling* unless the cost savings are expected to be at least ten percent of the estimated contract or *order* value (including *options*) of the bundled requirements.

(f)

(1) Notwithstanding paragraphs (a) through (e) of this subsection, the approving authority identified in paragraph (f)(2) of this subsection *may* determine that *bundling* is necessary and justified when

(i) The expected benefits do not meet the thresholds for a substantial benefit but are critical to the agency's mission success; and

(ii) The *acquisition* strategy provides for maximum practicable participation by small business concerns.

(2) The approving authority, without power of delegation, is-

(i) For the Department of Defense, the *senior procurement executive*; or

(ii) For the civilian agencies is the Deputy Secretary or equivalent.

(g) In assessing whether cost savings and/or price reduction would be achieved through *bundling*, the agency and SBA *shall*-

(1) Compare the price that has been charged by small businesses for the work that they have performed; or

(2) Where previous prices are not available, compare the price, based on *market research*, that could have been or could be charged by small businesses for the work previously performed by other than a small business.

(h) If a determination is made that *bundling* is necessary and justified, the *contracting officer shall* include it in the *acquisition* strategy documentation and provide it to SBA upon request.

Parent topic: [7.107 Additional requirements for acquisitions involving consolidation, bundling, or substantial bundling.](#)