



# PROCURE-TO-PAY<sup>Orlando</sup> TRAINING SYMPOSIUM 2018

## DoD's Participation in FFATA and DATA Act, Integrated Award Environment (IAE), and Other Federal Initiatives

Presented by:

|                                 |  |
|---------------------------------|--|
| Erica Thomas                    | Lisa Romney                              |
| DoD Financial Management Reform | Defense Procurement & Acquisition Policy |
| OSD Comptroller                 | OUSD Acquisition & Sustainment           |

April 2-5, 2018, Orlando FL

# Background

- Federal Funding Accountability & Transparency Act (FFATA) of 2006, amended in 2008, established reporting requirements for federal awards (e.g., contracts, grants, loans) at the prime and sub-tier levels – USASpending launched in 2007
- Digital Accountability and Transparency Act (DATA Act) amended FFATA in 2014
  - Expand FFATA to include obligation data from financial systems to supplement current contract and financial assistance award data on USASpending.gov
  - Establish Government-wide data standards for financial data and provide reliable and searchable government-wide spending data on USASpending.gov
  - Improve data quality of information submitted to USASpending.gov by holding agencies accountable for completeness and accuracy of the data submitted
  - Leverage lessons learned from the Recovery Act
  - Require agency Inspectors General and the Comptroller General to audit and report on agency compliance with the law’s mandates
  - **Goal of the law is to improve the ability of Americans to track and understand how the government is spending their tax dollars**

# Reporting Requirements

- DATA Act requires quarterly submissions of financial and award data to Treasury (via their Broker), which will be made available to the public. Reports are submitted in a specific file formats unique to the DATA Act portal/Treasury Broker.
  - A: Summary Level Appropriations
  - B: Summary Level Object Class and Program Activity
  - C: Award Financial Data (Recorded Obligations for Reported Awards from D1/D2)
  - D1: Procurement Actions (sourced daily from FPDS for federal government)
  - D2: Grants and Financial Assistance Actions
  - E: Awardee Executive Compensation Data (sourced from SAM for federal government)
  - F: Subawards (sourced from FSRS for federal government)
- Reporting deadline: “Not more than three years from enactment of the DATA Act quarterly reporting of financial data will begin”, I.e. May of 2017
  - Statute allows DoD up to three six-month extensions (if needed)

# DoD's DATA Act Leadership

## Senior Accountable Official

- Mr. Mark Easton, OUSD(C) DCFO

## Senior Executive Leadership Team

- Ms. Michele Bail, OUSD(C) Program and Financial Control (P&FC)
- Ms. Alaleh Jenkins, OUSD(C) ADCFO
- Ms. Lora Muchmore, OUSD(C) BIO
- Ms. Dorothy Ferguson, DFAS, Accounting Standards and Reporting
- Ms. LeAntha Sumpter, OUSD(A&S) Defense Procurement and Acquisition Policy (DPAP)
- Mr. Dale Ormond, OUSD(R&E), Basic Research

## DoD Working Group, Primary Members Included:

- OUSD(C) POCs from Business Integration Office (BIO) and Program & Financial Control
- DFAS POCs from Agency-Wide and Departmental Reporting
- POCs from Defense Procurement Acquisition Policy (DPAP) and Research and Engineering (R&E)

# DoD Data Sources for DATA Act Reporting

**File A** Defense Departmental Reporting System (DDRS) leveraged to provide Summary level APPN data

**File B** DDRS also leveraged to provide summary level obligation and outlay data by object class and program activity

**File C** DoD UOT, still under development for audit purposes, will be leveraged to provide transaction level obligation data, beginning sometime in 2018

**File D1** Federal Procurement Data System (FPDS) – Contract Awards

**File D2** Defense Assistance Awards Data System (DAADS) - Grant/Assistance Awards

**File E** System for Award Management (SAM) – Awardee/Vendor Information

**File F** FFATA Subaward Reporting System (FSRS) – Subaward attributes

# Benefits – Beyond Meeting the Statute

## Data standardization

- Government-Wide financial data standards established for any funds made available to, or expended by, Federal agencies and entities receiving Federal funds
- DoD FM and Acquisition participated in OMB/Treasury led working groups to define the data elements required for DATA Act reporting
- Implementation efforts uncovered a number of data anomalies across the Department, which have since been corrected
- Further reporting will force continual improvement in our data quality, which benefits DATA Act reporting and Audit efforts

## Audit ties – DATA Act is forcing improvements in data quality & processes

- Leveraging DDRS to provide financial data – quality and reliability of data dependent on our departmental reporting processes
- DoD's File C dependent on FIAR requirement to develop a DoD Universe of Transactions. The UoT will be leveraged to support both audit requirements as well as our final DATA Act requirement

# Benefits – Beyond Meeting the Statute

## Impetus for IT modernization efforts

- Drives SFIS/SLOA/USSGL Compliance
- Strengthens interoperability between systems
- Establishes urgency to eliminate legacy systems simplifying FM systems environment and reducing costs
- Several improvements to DAADS implemented; now planning successor capability

## Reporting goes against culture of protecting our data; but benefits include:

- Greater communication between communities that are traditionally siloed (Budget, Finance/Accounting, Procurement and Financial Assistance)
- Provide agencies and the audit community with additional tools to detect and prevent improper payments and fraudulent spending
- Greater visibility and attention to data may uncover additional areas where DoD needs to improve data quality and processes, to include identifying improper payments (once File C provided)
- Opportunity to improve internal agency governance and management, better allocate resources, and leverage data to inform policy-making and financial decision-making

# Audit Recommendations

- DoDIG Audit conducted in the summer/autumn of 2017, auditing DoD and USACE's initial FY17 Q2 DATA Act submissions
- Audit reviewed data from each of the files, with a heavy emphasis on the Contract and Grant (D1 and D2) reporting
- Findings were mixed
- DoD Recommendations/Corrective actions include:
  - Financial Management: Improving reporting of 1) Program Activity Codes and Titles, 2) Object Class Codes, and 3) Reallocated funds (parent-child) relationship
  - Contracts: 1) Develop additional policy instruction regarding the recording of underlying data used in express contract action reports provided to FPDS, 2) Work with the Office of Management and Budget (OMB) and the Department of Treasury to correctly define and explain the data elements contained within the Procurement Award file
  - Grants: 1) Require central repository for Grants, similar to how EDA is used for Contracts, and 2) Implement an independent verification and validation process to ensure accurate, complete, and timely reporting of assistant award data in DAADS and subsequently to FABS

# Current DoD Reporting Status

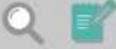
- DoD is reporting all DATA Act required information, the only exception being File C.
- USACE is reporting all DATA Act required information, including File C
- Due to the 90 day delay in reporting acquisition data, in part, the DoD and USACE delay their overall DATA Act submission/certification
- DoD is developing and testing File C; anticipates being able to submit by November 2018
- Procurement community continues to report to FPDS and Electronic Document Access (EDA) as required
  - Continue validation and verification efforts
  - Issued update to PGI regarding express reports (IG recommendation)
- Financial Assistance community continues to report to DAADS as required
  - Establish validation and verification efforts
  - Set requirement to report to EDA (IG recommendation)

# Procurement Policy Enabling DATA Act and Other Federal Initiatives

- FAR case ensuring uniqueness of procurement instrument identifiers
  - Also prescribed use of Activity Address Codes to uniquely identify procurement and funding offices
- FAR case establishing industry hierarchy tracking by CAGE code
- FAR case ensuring line item application in contracts; effective October 2019
- Working several other areas to improve policy, processes, and standards related to certain data (e.g., place of performance)

# New Capabilities of the Integrated Award Environment (IAE)

- GSA is implement functionality in Beta.SAM and retiring legacy systems during FY18
  - Assistance listings – retiring CFDA
  - Wage determinations – retiring WDOL
  - Implementing centralized hierarchy and role management
- FY19 will bring capabilities currently provided by FedBizOpps, SAM, and FPDS (also working on a pilot grants collection capability)

| Q4 FY2017   |                        | DATA SETS   | Q1-Q2 FY18  | Q3-Q4 FY18   | Q1-Q2 FY19  | Q3-Q4 FY19  | Q1-Q2 FY20  | Q3-Q4 FY20  |  |
|---|------------------------|---|---|--|---|---|---|---|--|
|  <p><b>Launch!</b><br/>All publicly available data from SAM, CFDA, FBO, FPDS, WDOL, and FH can be searched and viewed on beta.SAM.gov</p> <p>SEARCH</p> <p>REPORTING</p> <p>DATA ENTRY</p> <p>ADMINISTRATION</p> <p>SYSTEM INTERFACES</p> | ASSISTANCE LISTINGS    |   | ENHANCEMENTS →  |  |   |   |   |   |  |
|   | CONTRACT OPPORTUNITIES |  |  | ENHANCEMENTS →   |   |   |   |   |  |
|   | CONTRACT DATA          |  |  |  |  | ENHANCEMENTS →  |   |   |  |
|   | ENTITY INFORMATION     |   |  |   | ENHANCEMENTS →  |   |   |   |  |
|   | WAGE DETERMINATIONS    |  |  | ENHANCEMENTS →   |   |   |   |   |  |
|   | PAST PERFORMANCE       |   |   |  |   |  |  |  |  |
|   | SUB AWARD DATA         |   |  |  |  | ENHANCEMENTS →  |   |   |  |



## beta.SAM.gov Timeline

beta.SAM.gov | For People Who Make, Receive, and Manage Federal Awards

# Summary

- DATA Act provides the public with unprecedented transparency into how their tax dollars are being spent
- DoD leadership continuing to work closely with OMB, Treasury, and various cross-government committees to improve DATA Act requirements and guidance
- DoD is also participating in efforts to improve federal procurement process and data standardization; as well as implement the new IAE capabilities in Beta.SAM
- Check it out at:
  - <https://www.usaspending.gov>
  - <https://beta.sam.gov>

# https://www.usaspending.gov

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USAspending.gov | Data Lab An official website of the U.S. government

Welcome to the new USAspending.gov!  
We will continue to improve the data quality and display on a rolling basis. Questions? Check out our [About](#) page for important information on the data and authoritative sources or join the conversation on our [Community](#) page.

USASPENDING.gov Spending Explorer Award Search Profiles Download Center Glossary

## In 2017, the government spent \$3.98 trillion.<sup>1</sup>

Curious to see how this money was spent? We hope so — we've opened the conversation around federal spending and provide the tools to help you navigate the budget from top to bottom.

A big-picture view of the federal spending landscape

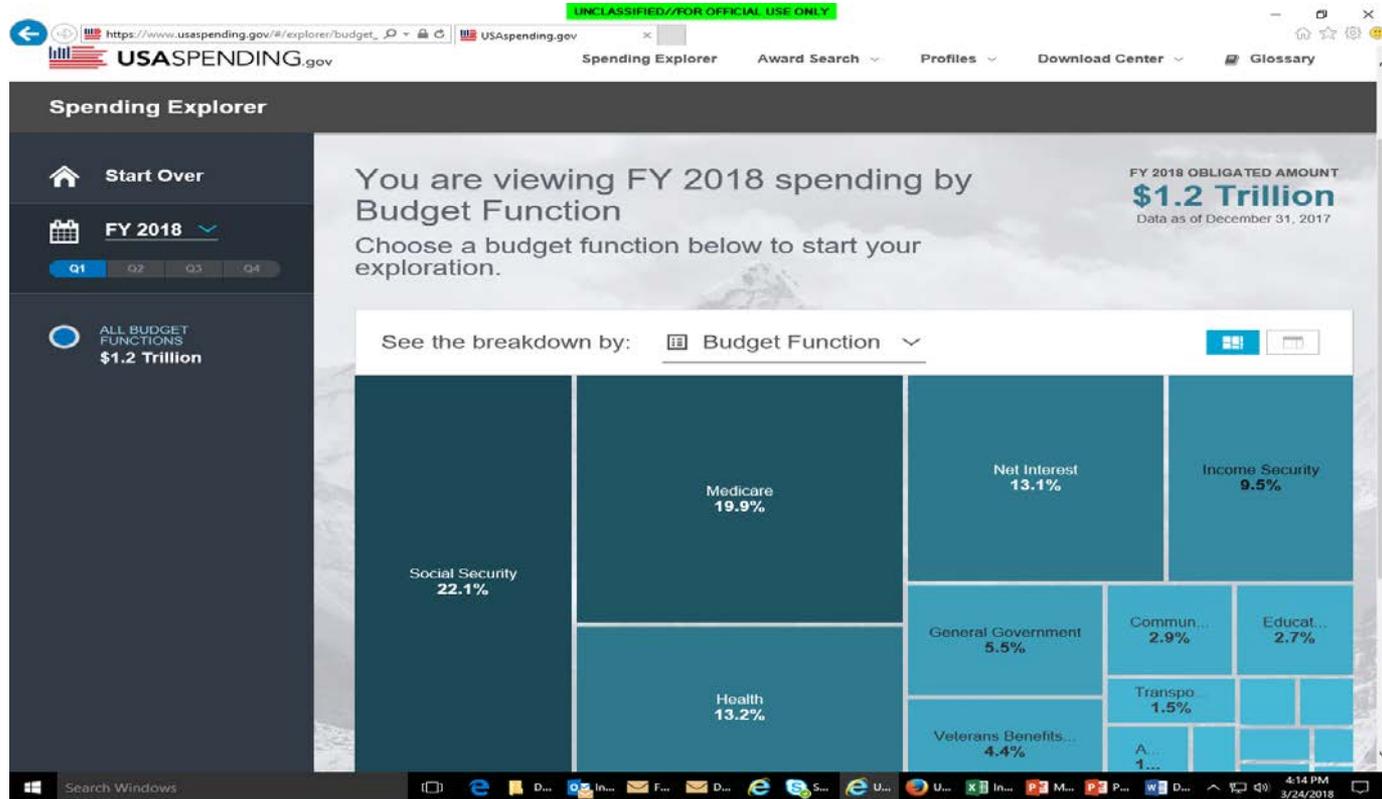
The Spending Explorer lets you explore the entire federal budget in increasing granularity, illustrating how awards derive from federal

Start Over | 2017 | \$3.98 Trillion | Department of Energy Efficiency and Renewable Energy, Energy Programs, Energy | 2017 (2016-2017) \$2.4 Billion

See the Breakdown by: Program Activity

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# Spending Explorer



# Agency Profile

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https://www.usaspending.gov/#/agency/1173 USAspending.gov

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## Agency Profile

- Overview**
- Obligated Amount
- Object Classes
- Federal Accounts



### Department of Defense

#### Agency Mission

The mission of the Department of Defense is to provide the military forces needed to deter war and to protect the security of our country.

#### Website

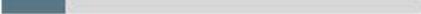
<https://www.defense.gov/>

#### Budgetary Resources for FY 2017

*FY 2017 data reported through June 30, 2017.*

## \$1.2 Trillion

This is 14.7% of the total U.S. federal budgetary resources for FY 2017.



### Obligated Amount

*FY 2017 data reported through June 30, 2017.*

Agencies spend their available budgetary resources by making binding financial commitments called **obligations**. An agency incurs an obligation, for example, when it places an order, signs a contract, awards a grant, purchases a service, or takes other actions that require it to make a payment.

*As of June 30, 2017, the Department of Defense has...*

obligated **\$727.6 Billion** against its **\$1.2 Trillion** in budgetary resources



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# Search for Awards

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## Advanced Search

2 Active Filters:

TIME PERIOD: FY 2018  
AWARDING AGENCY: Department of the Army (USA) | Sub-Agency

Submit Search  
Reset search

Keyword

Time Period

Fiscal Year Date Range

All Fiscal Years

FY 2018  FY 2012

FY 2017  FY 2010

FY 2016  FY 2011

FY 2015  FY 2009

FY 2014  FY 2008

FY 2013

Award Type

Agency

Awarding Agency

Department of the Army (USA) | Sub-Agency

TABLE TIME MAP

## Spending by Award

Contracts 25,976 Grants 1,870 Direct Payments 0 Loans 0 Other 2

| Award ID      | Recipient Name             | Start Date | End Date   | Award Amount     |
|---------------|----------------------------|------------|------------|------------------|
| W58RGZ12C0008 | SIKORSKY AIRCRAFT CORP...  | 6/6/2012   | 11/30/2022 | \$11,540,258,365 |
| 0005          | FLUOR INTERCONTINENTAL...  | 7/7/2009   | 6/30/2018  | \$10,660,949,978 |
| W58RGZ08C0003 | SIKORSKY AIRCRAFT CORP...  | 12/12/2007 | 9/30/2016  | \$9,971,240,754  |
| 0004          | DYNCORP INTERNATIONAL L... | 7/7/2009   | 6/30/2018  | \$6,761,026,360  |
| W58RGZ13C0002 | THE BOEING COMPANY         | 6/10/2013  | 12/31/2021 | \$4,844,995,949  |
| W31P4Q14C0034 | LOCKHEED MARTIN CORPO...   | 12/31/2013 | 9/30/2019  | \$4,122,841,434  |
| DASAO299C1234 | COMBAT SUPPORT ASSOCIA...  | 12/11/1999 | 11/13/2017 | \$3,760,222,973  |
| DAAH2303C0345 | ARMY FLEET SUPPORT LLC     | 10/11/2003 | 12/31/2017 | \$3,501,545,394  |
| W52P1J10C0062 | VECTRUS SYSTEMS CORPO...   | 9/29/2010  | 3/28/2018  | \$3,299,113,818  |

# Questions?



# Procure-to-Pay



## Training Symposium

**April 3 - April 5, 2018 • Hilton Orlando - Orlando, FL**