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NOV 02 2018

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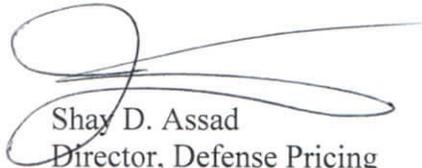
SUBJECT: FY18 Procurement Management Review "Year in Review" Newsletter

To facilitate management oversight of the procurement function, the Defense Contract Management Agency (DCMA) leads independent reviews of the procurement function of each Other Defense Agency and Defense Field Activity that performs contracting operations. These reviews assess the effectiveness of the contracting function, analyze and assist in any problem areas, and identify noteworthy practices that may be beneficial to all organizations.

In the interest of enhancing the performance of contracting personnel throughout the Department of Defense (DoD), the DCMA Procurement Management Review (PMR) team has prepared the attached newsletter to share their observations, best practices, and lessons learned. This issue highlights common Commendations and Recommendations resulting from recent PMRs.

I encourage your wide distribution of the newsletter, as many of the PMR findings have broad application throughout the contracting community and across all DoD Components.

My point of contact for PMRs is Mr. Michael Pelkey, at 703-614-1253 or Michael.f.pelkey.civ@mail.mil. You may also address comments or questions to the PMR program manager, COL Joseph M. Davis, at 804-734-1642 or Joseph.Davis@dcma.mil.

for 
Shay D. Assad
Director, Defense Pricing
and Contracting

Attachment:
As stated

DISTRIBUTION:

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cc:

DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION & PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)

PROCUREMENT MANAGEMENT REVIEWS

FISCAL YEAR 2018 IN REVIEW

The objective of the Procurement Management Review (PMR) is to help enhance the performance of the contracting departments in contributing to the success of their agencies.

On behalf of the Director, Defense Pricing and Contracting (formerly DPAP), the Defense Contract Management Agency (DCMA), along with volunteers from Services and Agencies, reviews the procurement functions of the Other Defense Agencies (ODA) and 4th Estate Contracting Activities that have contracting authority. These agencies, unlike the military departments, are typically not large enough to have a separate staff devoted to the review function.

There are eighteen agencies and activities in the program that are reviewed. Each agency is reviewed about once every three years and this equates to about six reviews per year.

The PMR team is composed of:

Program Manager:

COL Joseph M. Davis

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804-734-1642

Permanent PMR Team Members:

Kim Henderson

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804-734-0439

Elizabeth Fuqua – on board April 2018

elizabeth.s.fuqua.civ@mail.mil;

804-734-1529

Daisy Pierce – on board May 2018

daisy.pierce2.civ@mail.mil;

804-734-0442

A huge Thank You to the FY18 augmentees:

- DARPA (29 Jan 2018 – 16 Feb 2018)
 - Bradley Chassee – MDA
 - Amanda Szabolcs – USAF
 - Maj Michael Hawkins – SOCOM
 - Paul Addorisio - USAF
- MDA (12 Mar 2018 – 30 Mar 2018)
 - Heidi Ingraham – USAF
 - Lee Mutschler – USAF
 - Peter Warner – SOCOM
 - Brenda Hall – DLA
- DTRA (30 Apr 2018 – 18 May 2018)
 - Joanne Battaglia – DLA
 - Kimberly Cox Streets - DLA
 - Elizabeth Mudd - DSS
- DHRA (11 Jun 2018 – 29 Jun 2018)
 - Brenna Loseke – DMAE
 - Jason Nuckols – DeCA
 - Julia Roquemore – DLA
- DSCA (23 Jul 2018 – 10 Aug 2018)
 - Greg Stojakovich – DCMA
 - Adrienne Hickle – DMEA
 - Ray Ward – DAU
 - Brenda Hall - DLA

PMRs and PMR Reports

PMR reviews assess overall performance of the Contracting function within the activity, including:

- Compliance with statutes, regulations, and policies
- Structure, processes, and practices of the Contracting office as they relate to meeting decision requirements
- Training, morale, and other environmental factors that enable success

The result of each review is a report that includes the PMR team's findings, in three categories :

Commendable: Initiatives the ODA has institutionalized that are considered best practices or other efforts resulting in improvements to the ODA's operations, collaboration/teaming, work environment, quality of life, etc.

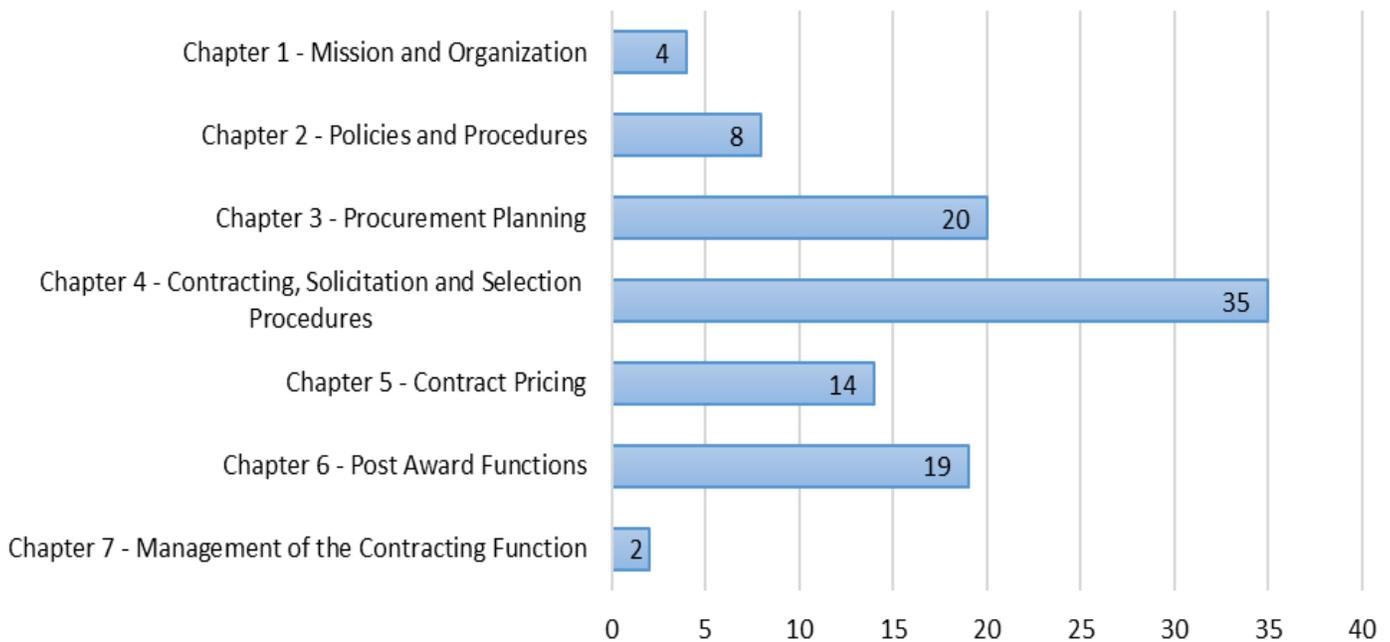
Suggestions: Areas where greater efficiencies could be obtained, but no serious deficiencies are noted. Typically associated with subjects in internal policy or procedure that are not related to regulation. ODAs should consider suggestions but are not required to report plans or progress.

Recommendations: Based on frequent observations of non-compliance with regulation or policy, or systemic deficiencies that have associated risk or are cause for concern. Within 60 days from the date of the report, ODAs are required to submit a remedial Plan of Action and Milestones .

The body of the report follows a seven chapter format:

- **Chapter 1 - Mission and Organization**
- **Chapter 2 - Policy and Procedures**
- **Chapter 3 - Procurement Planning**
- **Chapter 4 - Contracting, Solicitation and Selection Procedures**
- **Chapter 5 - Pricing**
- **Chapter 6 - Postaward Functions**
- **Chapter 7 - Management of the Contracting Functions**

FY18 - PMR Team Findings by Chapter



The largest number of FY18 findings involved Contracting, Solicitation and Source Selection Procedures. A brief description of the most common findings is shown below:

SAM – Ensure SAM/EPLS is checked prior to contract award and non-administrative modifications (FAR Subpart 4.11, 4.12; DFARS Subpart 204.11 and 204.12)

Synopsis - Synopsise proposed contract actions before issuing any resulting solicitation or task order/call and or document the exception (FAR 5.201 and FAR 5.203) and include the award synopsis in the contract file

Contract File Integrity - Ensure files are complete, information in the documentation fully supports decisions/ strategies, and files clearly represent a complete history of the transaction (FAR Subpart 4.8)

Contract Action Reports (CAR) - Ensure accuracy of CAR coding, and conduct training as necessary (FAR Subpart 4.6; DFARS PGI 204.606)

Contracts signed after effective date and/or period of performance (PoP) start date - Ensure awards that are signed after the effective date of the contract document availability of funds (Anti-Deficiency Act, 31 U.S.C 1341)

Government Purchase Card Program (GPC) - Ensure proper separation of duties among key functions on GPC programs (OMB Circular A-123, Appendix B Revised, paragraph 4.3)

Quality Assurance Surveillance Plan (QASP) - Ensure that when a QASP is required, it is included in the solicitation and contract (FAR 46.201(a))

Source Selection Information Markings - Ensure that all source selection documents are properly marked (FAR 3.104, FAR 2.101)

FY18 PMR Findings, continued

The most common findings in the area of Procurement Planning, are as follows:

- Market Research - Perform adequate market research and clearly document the market research performed, to include whether commercial items are available to meet the Government's needs (FAR 10.001(a)(2), 10.002(b))
- Services - Include in contract files a Certificate of Non-personal Services (DFARS 237.503(c) and PGI 237.503) and determination that none of the functions to be performed are inherently governmental (FAR 7.503 and DFARS 207.500)
- Determination and Findings - Include any required D&Fs in the contract file, including for exercise of options (FAR 17.207) and Commercial Item Determinations (DFARS 212.102)
- Small Business Coordination - Ensure Small Business coordination documentation is captured with all review levels and signatures (DFARS 219.201(c)(10))
- Independent Government Cost Estimate (IGCE) - Adequately support and document the IGCE (FAR 15.406-1, 4.803(a)(7))
- Procurement Administrative Lead Time (PALT) - Ensure customers understand PALT for common contract actions and work to obtain timely and complete requirements packages

Most findings related to Post Award functions also had to do with file documentation.

- Contracting Officer's Representative (COR) oversight - Ensure all COR responsibilities are being performed, results of surveillance documented, COR files are reviewed by the Contracting Officer and the review is documented in contract files (DFARS 201.602-2, DFARS PGI 201.602-2, and DoD COR Handbook)
- Subcontracting Plans - Ensure Subcontracting Plan monitoring, evaluation, and documentation is completed (FAR 19.706)
- Government Furnished Property - Ensure files contain documentation of government furnished property administration matters (FAR Part 45 and DFARS Part 245)
- Contract Closeout - Ensure that the contract file includes the Closeout Section or indicates the location of the Closeout files (FAR 4.804)
- Modifications - Ensure modifications are processed and documented to include analysis of events leading to modification request and consideration of scope (FAR Part 43)
- Options - Ensure options are properly exercised, fully documented, and funding is available (FAR 17.207)

Best Practices

The PMR Team found numerous commendable processes to share as best practices. The noteworthy commendable items are as follows:

DHRA's Contract Court ensures service requirements are reviewed, validated, and approved.

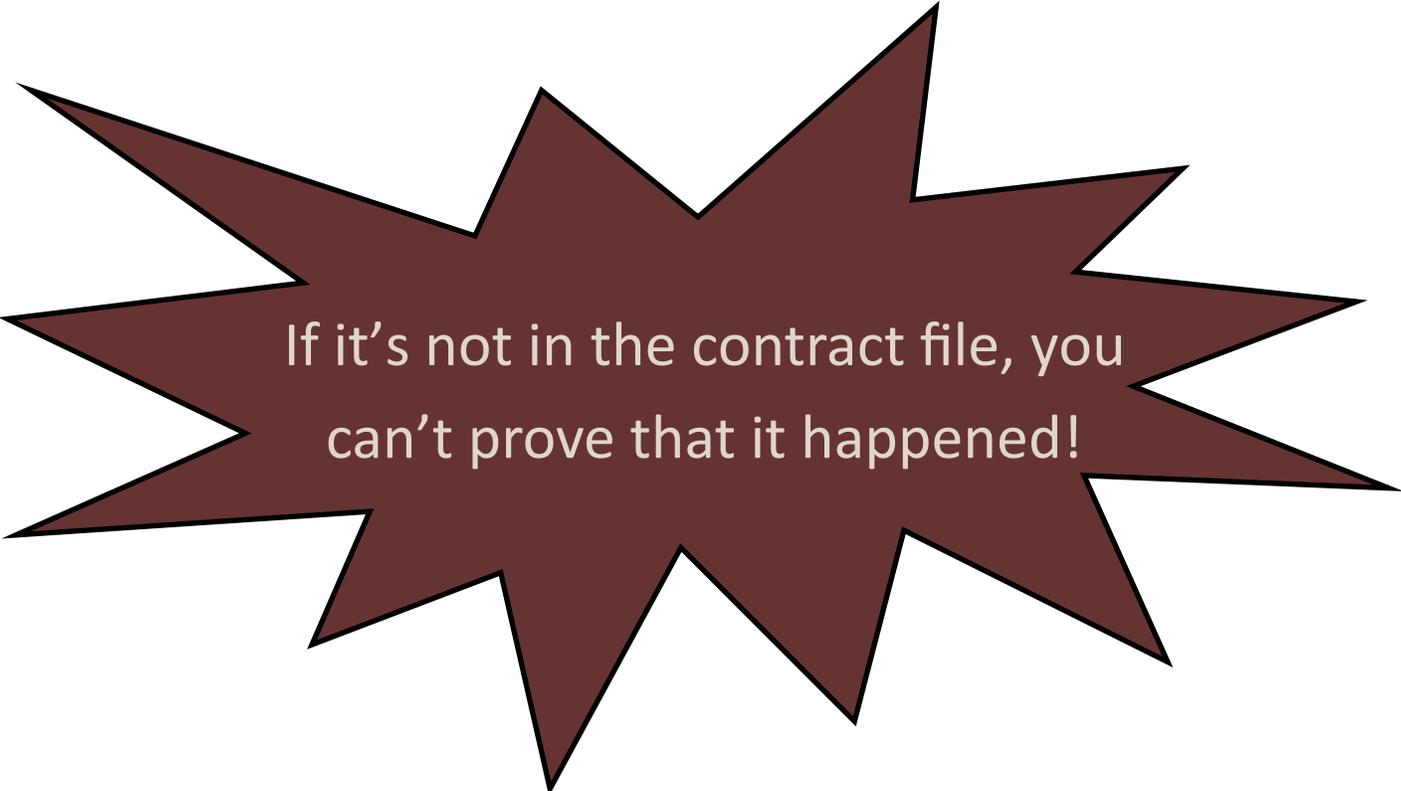
DTRA's Acquisition Portal/Dashboard/Toolbook provides a one-stop shop for the acquisition community.

DTRA's Acquisition Strategy Review process ensures early procurement planning with Division stakeholders.

MDA's Reporting On the Condition Of Contracts In Time (ROCKIT) Tool collects and compiles baseline data to aid in establishing an agency PALT.

MDA's Source Selection Facility utilizes two secure rooms to facilitate the processing of classified source selections. The Source Selection Manager and a dedicated support staff assists with solicitation preparation, evaluation criteria development and source selection documentation .

MDA collaborated with DAU on the design of a three-day MDA-specific class for all supervisors and future leaders within the Contracting department.



If it's not in the contract file, you
can't prove that it happened!

The PMR team requests that the contracting activity provide the following:

- Agency JPAS code and the name and contact number for two Points of Contact at agency (PMR POC and Security POC) to coordinate visit details

Advance Material:

- Current organizational charts (Agency/Activity and Contracting Office)
- Contracting workload/performance data for last three Fiscal Years
- Description of any unique agency programs/contracts
- DAWIA certification data for Contracting personnel
- Information on any ratifications, protests, equitable adjustments, and claims
- List of all Undefinitized Contract Actions awarded in last three years
- List of agency management concerns and challenges
- Description of post-award functions retained by the agency
- List of Contracting Officers and warrant levels/limitations

On-site work space and equipment:

- A dedicated, lockable room with space for six work stations. The work area will require a printer, white board, markers, general office supplies (pens, note pads, staple, clips, etc.)
- Six work stations each with a computer, dual monitors, and a mouse
- Two additional private rooms for interviews (during the second week)
- Email and internet access
- A private share drive area to store working files

Initial documentation for Team review:

- Mission Statement
- In-brief
- Recent reviews, surveys, audits, and investigations
- Agency contracting policies, including review and approval authorities and thresholds
- Personnel roster
- Summary of workload reports
- Competition goals and statistics
- Small Business goals and statistics
- List of Other Transactions awarded
- Description of Government Purchase Card program
- Clause Control Plan and Local clauses
- Waivers and any unique funding codes

Future PMRs

Announcement of the FY19 PMR schedule and call for volunteers is available at:

https://www.acq.osd.mil/dpap/pacc/pa/procurement_management_reviews.html.

Volunteers from all Services and Defense Contracting Activities are requested!

The latest FY19 PMR schedule is:

Oct 15 - Nov 02, 2018	Defense Media Activity (DMA)
Oct 22 - Nov 09, 2018	Department of Defense Education Activity (DoDEA)
Jan 28 - Feb 15, 2019	Defense Health Agency (DHA)
Mar 11 - Mar 29, 2019	Defense Information System Agency (DISA)
Apr 15 - May 03, 2019	Defense Contract Management Agency (DCMA)
May 28 - May 31, 2019	Defense Threat Reduction Agency (DTRA)*
Jun 10 - Jun 28, 2019	Defense Micro-Electronics Activity (DMEA)
Jul 22 - Aug 09, 2019	Defense Finance and Accounting Service (DFAS)

*Follow-up to FY18 review (Apr 30 – May 18, 2018)

The projected FY20 PMR Schedule is:

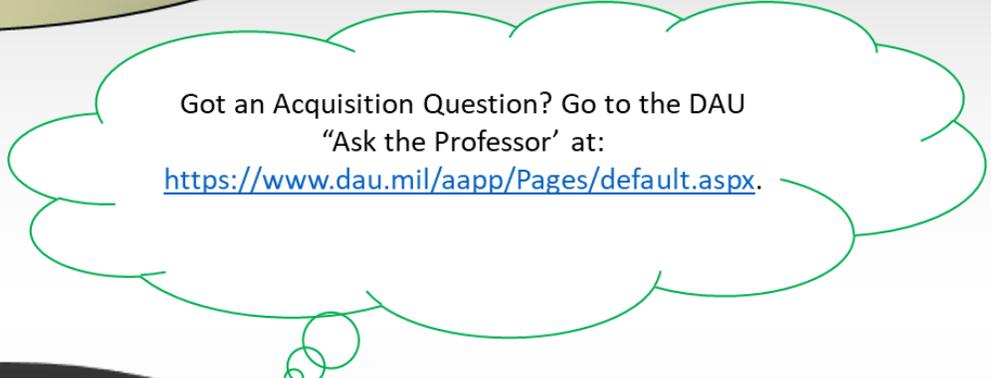
Oct 21 - Nov 08, 2019	Defense Intelligence Agency (DIA)
Jan 27 - Feb 14, 2020	Washington Headquarters Service (WHS)
Mar 09 - Mar 27, 2020	Uniformed Services University of the Health Sciences (USUHS)
Apr 27 - May 15, 2020	Defense Commissary Agency (DeCA)
Jun 08 - Jun 26, 2020	United States Transportation Command (USTRANSCOM)
Jul 20 - Aug 07, 2020	National Geospatial Intelligence Agency (NGA)

A yellow sun with a central oval and eight triangular rays.

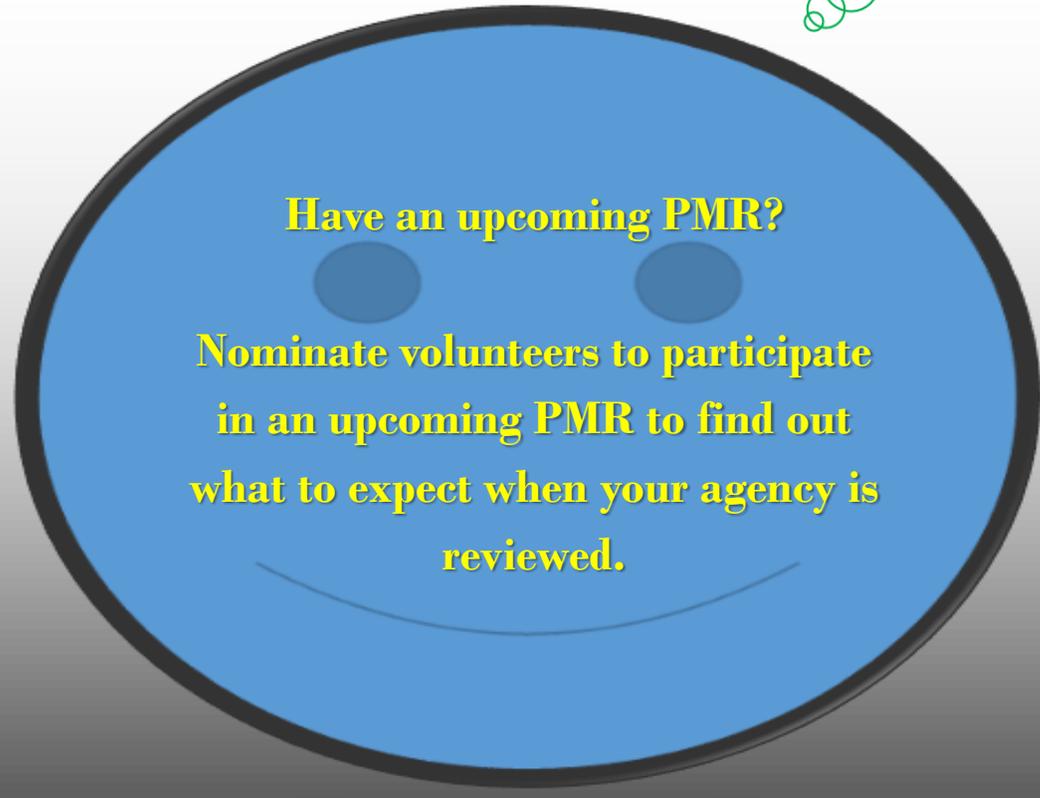
Helpful Hints

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Sign up for policy updates at the
Federal Register website:
<https://www.federalregister.gov>.

A green thought bubble with a black outline and a tail pointing towards the bottom left.

Got an Acquisition Question? Go to the DAU
"Ask the Professor" at:
<https://www.dau.mil/aapp/Pages/default.aspx>.

A large blue smiley face with a black outline, two dark blue circles for eyes, and a curved line for a smile.

Have an upcoming PMR?

**Nominate volunteers to participate
in an upcoming PMR to find out
what to expect when your agency is
reviewed.**