



## OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

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AND SUSTAINMENT

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Fiscal Year 2019 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 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.

Kim Herrington  
Acting Principal Director,  
Defense Pricing and Contracting

Attachment:  
As stated

DISTRIBUTION:

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HEALTH SCIENCES.

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 REVIEW

## FISCAL YEAR 2019 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 Principal Director, Defense Pricing and Contracting (DPC), the Defense Contract Management Agency (DCMA), along with teams of volunteers, 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.

### FY19 Augmentees

The DCMA PMR is augmented by contracting professionals (GS-1102-13/14/15 or comparable civilian or military level/rank) from the ODAs and military departments who volunteer to assist with reviews on an ad hoc basis. The size of the teams may vary, but they typically average around six members.

A huge Thank You to the FY19 Augmentees.

**Defense Media Activity (DMA)**  
**15 October – 2 November 2018**  
Betty Chu-Chang – NAVWAR  
Christine Epps – US Army  
Samantha Kelly – DISA  
Helena Unten – MDA

**Department of Defense Education Activity (DoDEA)**  
**22 October – 9 November 2018**  
Anthony Cicala – DARPA  
Andrea Eckenrode – NAVWAR  
Jennifer Morgan – MDA  
Dennis Swafford – DSS

**Defense Health Agency (DHA)**  
**28 January – 15 February 2019**  
Keith DePoorter – ACC  
Meredith Howes – SOFSA  
Rachel Keener – DLA

**Defense Information Systems Agency (DISA)**  
**11 March – 29 March 2019**  
Cathy Canoles – DCMA  
Jessie Hartel – DCMA  
George Hunt III – ACC

**Defense Contract Management Agency (DCMA)**  
**15 April – 3 May 2019**  
Sarah Ridlon (Team Lead) – MDA  
Andriani Buck – DISA  
Monica Clemons – MDA  
Kyle Gregory – DLA  
Twana Harper – DSS  
Michelle Norton – ACC

**Defense Microelectronics Activity (DMEA)**  
**10 June – 28 June 2019**  
Robbi Gregg – WHS  
Flanice Lewis – NAVWAR

**Defense Finance and Accounting Service (DFAS)**  
**15 July – 2 August 2019**  
Heather Failla – DCMA  
Ronald Hobbs – USAF  
John Kwiatkowski – MDA  
Charles Mielke – DLA

**DISA Defense Capabilities Contracting Office (PLA)**  
**12 August – 16 August 2019**  
Cathy Canoles – DCMA  
Jessie Hartel – DCMA

The PMR Team is composed as follows:

### DPC REPRESENTATIVE:

Mike Pelkey  
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Phone: 703-614-1253

### DCMA PROGRAM MANAGER:

COL Joseph Davis  
E-mail: [joseph.m.davis2.mil@mail.mil](mailto:joseph.m.davis2.mil@mail.mil)  
Phone: 804-734-1642

### DCMA PERMANENT PMR TEAM MEMBERS:

Kim Henderson (Deployed Oct 2019)

Elizabeth Fuqua  
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Agencies/activities reviewed by the PMR program change over time, as they merge, new ones are created, existing ones are disestablished, or new contracting authorities are delegated. Reviews are conducted approximately every three years. On occasion out of cycle reviews are required or requested.

### Agencies/Activities Covered by the PMR Program:

Department of Defense Education Activity (DoDEA)  
Defense Advanced Research Projects Agency (DARPA)  
Defense Commissary Agency (DeCA)  
Defense Contract Management Agency (DCMA)  
Defense Finance and Accounting Service (DFAS)  
Defense Human Resource Activity (DHRA)  
Defense Information Systems Agency (DISA)  
Defense Intelligence Agency (DIA)  
Defense Microelectronics Activity (DMEA)  
Defense Media Activity (DMA)  
Defense Counterintelligence and Security Agency (DCSA)\*  
Defense Threat Reduction Agency (DTRA)  
Missile Defense Agency (MDA)  
National Geospatial Intelligence Agency (NGA)  
National Security Agency (NSA)  
Defense Health Agency (DHA)  
Uniformed Services University of the Health Sciences (USUHS)  
United States Special Operations Command (USSOCOM)  
United States Transportation Command (USTRANSCOM)  
Washington Headquarters Services (WHS)

\*DCSA formerly Defense Security Service (DSS)

Announcement of the FY20 PMR schedule and call for volunteers is available at:  
<https://www.acq.osd.mil/dpap/policy/policyvault/USA001338-19-DPC.pdf>

Volunteers from all Services and Defense Contracting Activities are requested.

**The body of the PMR 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 - Post Award Functions
- Chapter 7 - Management of the Contracting Functions

**The PMR reviews assess:**

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

**FINDINGS BY CATEGORY – RESULTS & REQUIRED ACTIONS:**

**Commendable** – observations that are considered best business practices or other efforts resulting in improvements to the ODA’s operations, collaboration/teaming, work environment, quality of life, etc.

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

**Recommendations** – based on observations of non-compliance to regulation/policy, 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 Plan of Action and Milestones (POA&M) to be approved. Organizations should report the status of implementation and updates to the POA&M to the PMR Program Manager. If an organization implements a recommendation before it submits its POA&M, a report on that recommendation is not required.

**FY19 most common review findings were found in Chapter 4, followed by Chapter 3 and Chapter 6.**

**Chapter 4—Contracting, Solicitation and Selection Procedures most common findings:**

**Contract Action Report (CAR):** Ensure CAR submitted to Federal Procurement Data System (FPDS) is included in the contract file and that all fields are accurate and complete (FAR 4.604; DFARS PGI 204.606).

**Clauses:** Include required FAR and DFARS clauses in solicitations and awards tailored to the specific requirement and contract type (FAR Subpart 52.1).

**File Documentation:** Ensure files are complete, information fully supports decisions/strategies, and that files clearly represent a complete history of the transaction (FAR Subpart 4.8).

**System for Award Management (SAM):** Ensure files are documented to demonstrate SAM is consistently checked (FAR 4.1103, 9.104-6, 9.405, 17.207(c)(5)).

**Chapter 3—Procurement Planning most common findings:**

**DD2579 Small Business Coordination Record:** Ensure DD2579s are consistently completed, coordinated/signed by Small Business Specialist, and retained in the contract file (DFARS 219.201(c)(10)(b)).

**Independent Government Cost Estimate (IGCE):** Ensure IGCE estimator provides an independent cost estimate prior to proposal along with a narrative validating the source or basis of how the estimator came to that cost or price, where the information was derived from, the date the IGCE was completed, the estimator’s name, and their signature (DOD IGCE Handbook for Services Acquisition and DISA IGCE Deskbook; FAR 4.803(a)(7)).

**Justification and Approvals (J&As):** Ensure J&As and Limited Source Justifications (LSJs) are accomplished, that decisions are sufficiently justified, and documents are signed by appropriate approval authority (FAR Subparts 6.303, 6.304).

**Market Research:** Conduct Market Research and ensure documentation is included in the contract file (FAR 10.001, 10.002).

**Chapter 6—Post Award most common findings:**

**Contracting Officer’s Representative (COR):** Ensure a copy of the COR appointment letter is provided to the contractor, documented in the COR Tracking (CORT) Tool with copy retained in the hard copy contract folder (DoD COR Handbook; DFARS 201.602-2(2)(v)).

**CORT Tool:** Ensure documentation is provided in files whether a COR has been properly trained, nominated, appointed, and the appointment has been sent to the Contractor and Administrative Contracting Officer (ACO) and posted to CORT Tool (DoD COR Handbook; FAR 1.602-2(d); DFARS 201.602-2; DFARS PGI 201.602-2).

**Modification Documentation:** Ensure modifications are processed and documented to include analysis of events leading to modification request and consideration of scope (FAR Part 43, 4.803).

**Modification Authority:** Validate the proper clause is cited as the authority for modification and that the selected clause is in the basic contract (FAR 4.803, Part 43, 52.212-4).

**Option:** Ensure options are properly exercised, fully documented, and that notice of intent is issued timely (FAR 17.207, 52.217-9).

### Continuing Issue:

- **Documentation!** Insufficient documentation continues to be the most prevalent finding. Together with interviews of agency personnel, reviews of contract files are the primary basis of a PMR assessment. FAR 4.801 states the documentation in the files shall be sufficient to constitute a complete history of the transaction for the purpose of -
  - 1) Providing a complete background as a basis for informed decisions at each step in the acquisition process;
  - 2) Supporting actions taken;
  - 3) Providing information for reviews and investigations; and
  - 4) Furnishing essential facts in the event of litigation or congressional inquiries.

### PMR Preparation Tips:

Notification letter provided to the Agency a few months prior to a scheduled PMR list advanced data and on-site data PMR Team requires.

#### Advance Material

- *Organizational Charts*
- *Workload/Performance Data for FAR and non-FAR actions*
- *Unique Existing or Proposed Programs*
- *DAWIA Certification Data on Acquisition Workforce*
- *Statistics regarding ratifications of unauthorized commitments, protests, equitable adjustments, and claim*
- *List of all Undefined Contract Actions (UCAs) or Unpriced Change Orders (UCOs)*
- *Other Transactions (MIPRs, Grants, SBIRs, STTRs)*
- *Description of Government Purchase Card (GPC) Program*
- *List of Management Concerns, Challenges, and Problems*
- *Description of post award functions*
- *List of Contracting Officers and Warrant Levels*
- *Personnel Roster*
- *Contracting Authority*

#### Security Verification

- *Agency code for the Joint Personnel Adjudication System (JPAS) and the name and contact number for two POCs at the Agency (PMR POC and Security POC).*
- *Verification if the following are required for each team member:*
  - *DD Form 2875, System Authorization Access Request (SAAR)*
  - *Social Security Number*
- *If on-site parking is not available, then verification of parking area and any cost associated.*
- *Any building restrictions that the PMR Team should be aware of (personal cell phones, smart watches, recording devices prohibited, etc.).*

#### On-Site Workspace and Equipment

- *A dedicated, lockable room to accommodate workstations for six team members and the Program Manager (door key provided to team).*
- *The work area will require access to a printer and basic office supplies (white board, markers, pens, note pads, staples, clips, folders, printer paper, ink pens, etc.).*
- *Six work stations each with a computer, dual monitors (standard size or larger), keyboard, and a mouse.*
- *Each computer should grant access to any electronic files that are being reviewed, internal and external regulations, and allow email and internet connectivity.*
- *The Team room should have a telephone with internal and external access if cell phones are prohibited.*
- *All paper contract files, for review, should be in the room when the team arrives.*

#### Information for Team's Use Upon Arrival

- *In-Brief*
- *Mission Statement*
- *Copies of Reviews, Surveys, Audits, and Investigations*
- *Internal policies including review and approval authorities*
- *Threshold Chart*
- *List of Local Reports Used to Manage Workload*
- *Competition Goals and Statistics*
- *Small Business Goals and Statistics*
- *Clause Control Plan*

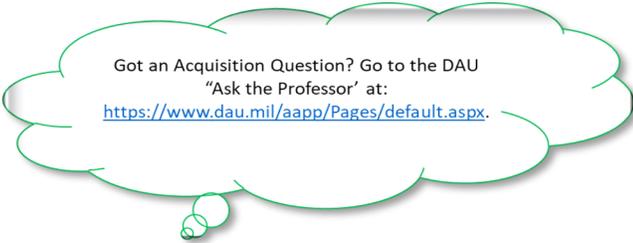
- *Local Clauses*
- *Waivers and/or unique funding codes*
- *Number of contractor support employees*
- *Employee awards*
- *Turnover statistics*
- *Overtime/Compensatory time statistics*
- *COR Program*
- *Services Requirements Review Board (SRRB) policy*
- *Warrant Process*
- *Total Contract Actions and Obligations*



**PMR Preparation Tips:**

- Review the last PMR report:
  - Determine if corrective actions were effective and enduring.
  - If issues have not been corrected, what has been, or is being done?
- Conduct self-inspections or peer reviews:
  - Identify areas of concern and develop plans to address them.
- Review and update local policies and/or clauses.
- Identify information the PMR Team will need in order to understand your Agency/Activity.

**Helpful Hints**



**DAU Provision and Clause Matrix:**  
This tool provides guidance on the use of all provisions and clauses contained in the FAR, DFARS, Department of Veterans Affairs Acquisition Regulation (VAAR), and Department of Energy Acquisition Regulation (DEAR). It also includes guidance on the use of provisions and clauses contained in DoD class deviations.  
<https://www.dau.mil/tools/t/FAR,-DFARS,-VAAR,-DEAR-Provision-and-Clause-Matrix>

**FARSite Status**  
<https://www.dau.edu/training/career-development/contracting/blog/FARSite-Status>

- FARSite will no longer be available beginning October 1, 2019.
- An updated GSA site on ACQ.gov will go live October 1, 2019.
- The FARSite Clause Logic tool will no longer be available after October 24, 2019.
- Beginning October 1, 2019, users will be re-directed to the new GSA site.

**Best Practices**

**DMA, DoDEA, DISA, DHA, DMEA, and DFAS:** Utilization of flexible work schedule, telework, and fitness program which assist with the morale of the contracting offices.

**DFAS:** Implementation of the Contract Operations Roadmap to Excellence (CORE) Program. An Intern program that has the goal to develop a team of highly qualified contract specialists capable of performing at the journeyman level, with a high degree of technical competence and a broad understanding of the organization and mission.

**DMEA:** Use of CMS File Index. The Index is comprehensive and aligns with the CMS User Manual tabbing and naming convention structure. It also denotes document applicability as well as regulatory references and includes multiple views to include a broad overview of contract folders and a detailed view that captures all possible documentation.

**DISA:** Implementation of the Wizard Tool, a user friendly computer resource that asks customer's a series of questions about their requirement. This tool reduces time by simplifying the processes and ensures that requirement packages are complete with the most current documentation.

**DISA-PLA:** Innovation of the utilization of Joint Worldwide Intelligence Communications Systems (JWICS) which allows for secure communication and file storage.

## PMRs – Past, Upcoming, Projected

### Agencies/Activities reviewed in FY19

Oct 15 – Nov 2, 2018	Defense Media Activity (DMA)
Oct 22 – Nov 9, 2018	Department of Defense Education Activity (DODEA)
Jan 28 – Feb 15, 2019	Defense Health Agency (DHA)
Mar 11 – Mar 29, 2019	Defense Information Systems Agency (DISA)
Apr 15 – May 3, 2019	Defense Contract Management Agency (DCMA)
Jun 10 – Jun 28, 2019	Defense Microelectronics Activity (DMEA)
Jul 15 – Aug 2, 2019	Defense Finance and Accounting Service (DFAS)
Aug 12 – Aug 16, 2019	DISA Defense Capabilities Contracting Office (PLA)*

\*Follow-on to review PLA section of DISA

### FY20 PMR Schedule

Oct 21 – Nov 8, 2019	Defense Intelligence Agency (DIA)
Jan 27 – Feb 14, 2020	Washington Headquarters Services (WHS)
Mar 9 – Mar 27, 2020	Uniformed University of the Health Sciences (USUHS)
Apr 27 – May 15, 2020	Defense Commissary Agency (DeCA)
Jun 8 – Jun 26, 2020	United States Transportation Command (USTRANSCOM)
Jul 20 – Aug 7, 2020	National Geospatial Intelligence Agency (NGA)

### FY21 Projected PMR

Oct 19 – Nov 6, 2020	United States Special Operations Command (USSOCOM)
Jan 25 – Feb 12, 2021	National Security Agency (NSA)
Mar 1 – Mar 19, 2021	Defense Counterintelligence and Security Agency (DCSA)*
Apr 12 – Apr 30, 2021	Defense Advanced Research Projects Agency (DARPA)
Jun 7 – June 25, 2021	Defense Media Activity (DMA)
Jul 19 – Aug 6, 2021	Missile Defense Agency (MDA)

\*DCSA formerly Defense Security Service (DSS)

### Why Participate on a PMR?

⇒ PMR participation provides:

- ⇒ An excellent learning experience and opportunity for professional growth.
- ⇒ An opportunity to obtain insight on ODAs acquisition programs and processes.
- ⇒ A chance to refresh your knowledge on acquisition lifecycle compliance requirements.
- ⇒ A chance to obtain awareness on gaps your agency/activity may have.
- ⇒ An opportunity to gain alternative perspectives on how to approach problems your ODA may be experiencing.
- ⇒ Benefits to the individual and their parent organization.

⇒ DPC recognizes each PMR participant with 10 Continuous Learning Points (CLPs).

### Agencies/Activities want to know...

**Question:** Why are contract specific findings not provided?

**Answer:** The PMR is intended to recommend improvements to processes and policies, not to cite deficiencies in individual contract files. The PMR report is an overarching assessment of procedures and oversight.

### Agency/Activity follow-up actions to a PMR:

- ✓ Agency comments to the DRAFT Report are due approximately 2 weeks following receipt of the DRAFT Report
- ✓ Agency corrective action plan (CAP) is due 60 days after receipt of FINAL Report