



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION
AND SUSTAINMENT

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: FY 2020 Procurement Management Review “Year in Review” Newsletter

To provide independent assessments of Other Defense Agency and Defense Field Activity contracting operations, my office sponsors the Procurement Management Review (PMR) program that the Defense Contract Management Agency (DCMA) executes. These reviews examine the effectiveness of the contracting function and identify noteworthy practices that may be beneficial to other DoD organizations. The attached newsletter summarizes observations, best practices, and lessons learned coming out of the FY20 reviews. I encourage you to share this with your respective contracting leaders for their awareness and interest.

My point of contact for the PMR program is Mr. Michael Pelkey, at 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.

TENAGLIA.JOHN
.M.1154945926

Digitally signed by
TENAGLIA.JOHN.M.115494592
6
Date: 2021.01.22 16:07:03
-05'00'

John M. Tenaglia
Principal Director,
Defense Pricing and Contracting

Attachment:
As stated

DISTRIBUTION:

COMMANDER, UNITED STATES TRANSPORTATION COMMAND
COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, DEFENSE COMMISSARY AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DIRECTOR, DEFENSE HEALTH AGENCY
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DIRECTOR, DEFENSE SECURITY SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DIRECTOR, NATIONAL SECURITY AGENCY
DIRECTOR, DEFENSE MEDIA ACTIVITY
DIRECTOR, DEPARTMENT OF DEFENSE EDUCATION ACTIVITY
DIRECTOR, DEFENSE HUMAN RESOURCES ACTIVITY
DIRECTOR, DEFENSE MICROELECTRONICS ACTIVITY
DIRECTOR, WASHINGTON HEADQUARTERS SERVICES
PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF THE
HEALTH SCIENCES.

cc:

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

PROCUREMENT MANAGEMENT REVIEW

FISCAL YEAR 2020 IN REVIEW

A message from the
Principal Director, Defense
Pricing and Contracting (DPC)
Mr. John M. Tenaglia



The PMR Team:

DPC REPRESENTATIVE:

Mike Pelkey

E-mail: Michael.f.Pelkey.civ@mail.mil

Phone: 703-614-1253

DCMA PROGRAM MANAGER:

COL Joseph Davis

E-mail:

Joseph.m.davis2.mil@mail.mil

Phone: 804-609-4712

DCMA PERMANENT PMR TEAM MEMBERS

Kim Henderson

E-mail:

kim.f.Henderson.civ@mail.mil

Phone: 804-609-4346

Elizabeth Fuqua

E-mail:

Elizabeth.s.Fuqua.civ@mail.mil

Phone: 804-609-4345

Daisy Pierce

E-mail: daisy.pierce2.civ@mail.mil

Phone: 804-609-4344

In FY20, Procurement Management Reviews (PMRs) continued to contribute to the success of the Other Defense Agencies (ODAs) and 4th Estate Contracting Activities (4th Estate) by promoting consistency and adherence to the many compliance requirements of our business. I appreciate the efforts of the Defense Contract Management Agency staff who execute the PMR program to provide the Principal Director, Defense Pricing and Contracting (DPC) with an objective assessment of an organization's contracting operations, regulatory compliance, lessons learned and best practices.

This past year, with unprecedented challenges related to COVID-19, reviewed organizations and the PMR teams alike adapted to the new work environment by migrating to virtual PMRs. With the transition to virtual work environments, the PMR teams found, despite a significant shift to telework, our contracting workforce continued to accomplish their respective missions. I want to particularly thank all augmentees who volunteered to participate as PMR team members this past year.

Thank you to the FY20 Augmentees

Defense Intelligence Agency (21 October – 8 November 2019)

Megan Faherty – DTRA
Elizabeth Kelly – DCMA
Stanley Lau – DCMA
Maj Keith Miner – US Army

Washington Headquarters Services

(27 January – 14 February 2020)

Ashley Maddox – DCSA
Steven Marshall – DFAS
David Stevens – USTRANSCOM
Mi Taylor – DCMA

Uniformed Services University of the Health Sciences

(9 March – 27 March 2020)

Alicia Becker – DISA
Lindsay Clingan – NSA
Katie Oyler – DCSA
Betty Perkinson – DeCA
Michelle Timmons – DISA

Defense Commissary Agency (27 April – 15 May 2020)

Lisa Coyle – DCSA
Dawn Montgomery – NGA
Marki Settles – DTRA
Pamela Talbot – DCMA

United States Transportation Command

(6 July – 24 July 2020)

Karen Gatton-Zarn – MDA
David Hoag – DeCA
Jeffrey Teague – NGA

National Geospatial-Intelligence Agency

(10 August – 28 August 2020)

Brent Brinson – MDA
David Tenenbaum – USSOCOM
Matthew Tonay – US Air Force

Review Cycle

Due to the fluid nature of organizational structures, Agencies/activities reviewed through the PMR program may change over time. Reviews are conducted approximately every three years with out of cycle reviews occurring as required.

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 FY21 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 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.

FY20 Most Common Review Findings

RECOMMENDATIONS

Chapter 2—Policy:

File Documentation: Ensure files are complete, information fully supports decisions/strategies, and that files clearly represent a complete history of the transaction and are uploaded into the electronic contract filing system (FAR subpart 4.8; DFARS subpart 204.8).

Chapter 3—Procurement Planning:

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; 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

FY20 Most Common Review Findings—continued

Chapter 4—Contracting, Solicitation and Selection Procedures:

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).

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

Government Purchase Card (GPC): Conduct GPC monthly compliance reports and semiannual Head of Activity report. Complete GPC purchase log. Ensure independent verification and validation of acceptance of GPC purchases. Appoint Billing Officials and issue electronic Delegation/Appointment letters using Procurement Integrated Enterprise Environment (PIEE)/Joint Appointment Module (JAM) (DoD SmartPay 3 Government-wide Commercial Purchase Card Policies, Procedures and Tools – SP3 Transition

Chapter 5—Pricing:

IGCE: Confirm IGCEs are based on sound methodology when used as basis of determining price reasonableness (FAR 13.106-3, 15.404-1).

Price Reasonableness: Ensure adequate price reasonableness determinations are being performed, signed, and included in file (FAR subpart 8.4; FAR 4.803(a)(19), 13.106-3, 14.408-2, 15.406-3).

Chapter 6—Post Award:

Contracting Officer's Representative (COR): Ensure the Contracting Officer makes a decision that a COR is required and appointed in writing with the responsibilities and limits of authority clearly specified (DFARS PGI 201.602-2).

JAM/Surveillance and Performance Monitoring (SPM) Module (previously Contracting Officer Representative Tracking (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 JAM/SPM Module (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).

SUGGESTIONS

Chapter 2—Policy:

Signature Block: Ensure documents are signed at appropriate authority, and signature blocks reflect the correct name and title.

File Documentation: File email correspondences as Portable Document Format (PDF) within the electronic contract filing system.

Chapter 3—Procurement Planning:

PALT: Establish and publish Procurement Administrative Lead Time (PALT) standards for all contract actions.

Chapter 4—Contracting, Solicitation and Selection Procedures:

Clauses: Include a copy of the terms and conditions, clauses, and price list in the contract file when utilizing Federal Supply Schedules (FSSs) (FAR 8.405-3, 13.303-3).

Chapter 5—Pricing:

Price Reasonableness: Provide the FAR/DFARS reference(s) in the contract file for the basis used to determine price reasonableness (FAR 13.106-3, 15.404-1).

Cost and Pricing Data: Include the exception to Truthful Cost or Pricing Data in the award rationale determination (FAR 15.403-1(b)(c)).

Chapter 6—Post Award:

Closeout: Consider alternate sources to assist with closeout.

COMMENDABLE ITEMS

Chapter 1 – Mission and Organization:

Customer Focused: Consistent emphasis on customer support, cooperation, and providing outstanding service with timely results.

Mission and Teamwork: Quickly identifying, discussing, and resolving issues as they occur

Chapter 7 – Management and Contracting Function:

Flexible work schedules and fitness program: These schedules contribute to the morale of the workforce.

Communication: Management, timely and effectively, keeps the workforce informed of news, management expectations, organizational changes, and policy updates.

Watch Area

Documentation:

As the team spends the first week of each PMR reviewing documents, and the FAR stipulates sufficient documentation constituting a complete history of the transaction via FAR 4.801, contract files are a key component to the PMR process. Every activity should provide processes, standard practices, and training to ensure contract files are complete.

PMR Preparation Tips

Notification letter provided to the Agency a few months prior to a scheduled PMR lists advance 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 Undefinitized 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.).*

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
- Cause 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

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.*
- *Two additional private rooms for interviews (during the second week) with telephones for non-located employees.*

Helpful Hints and Resources

Have a scheduled PMR?

Submit a Policy SME to participate in an upcoming PMR to find out what to expect when your agency is reviewed.

Have an acquisition question?

Visit the DAU “Ask the Professor” page at:

<https://www.dau.mil/aapp/pages/default.aspx>

Policy Updates

Sign up for policy updates at the Federal Register website:

<https://www.federalregister.gov>

FARSite Status

1 Oct 2019 – GSA deployed the new Acquisition.gov

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

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>

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.

FAQs

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.

Question: What are the 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

PMRs – Past, Upcoming, Projected

FY20 PMR Schedule

October – 08 November 2019	Defense Intelligence Agency (DIA)
27 January – 14 February 2020	Washington Headquarters Services (WHS)
09 March – 27 March 2020	Uniformed University of the Health Sciences (USUHS)
27 April – 15 May 2020	Defense Commissary Agency (DeCA)
06 July – 24 July 2020	United States Transportation Command (USTRANSCOM)
10 August – 28 August 2020	National Geospatial Intelligence Agency (NGA)

FY21 PMR Schedule

19 October – 06 November 2020	United States Special Operations Command (USSOCOM)
25 January – 12 February 2021	Defense Advanced Research Projects Agency (DARPA)
01 March – 19 March 2021	Defense Counterintelligence and Security Agency (DCSA)
12 April – 30 April 2021	National Security Agency (NSA)
07 June – 25 June 2021	Defense Media Activity (DMA)
19 July – 06 August 2021	Missile Defense Agency (MDA)

FY22 Projected PMR Schedule

18 October – 05 November 2021	Defense Threat Reduction Agency (DTRA)
24 January – 11 February 2022	Defense Human Resource Activity (DHRA)
07 March – 25 March 2022	Department of Defense Education Activity (DODEA)
25 April – 13 May 2022	Defense Health Agency (DHA)
06 June – 24 June 2022	Defense Information Systems Agency (DISA)
18 July – 05 August 2022	Defense Contract Management Agency (DCMA)

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 CLPs.

**Why participate
on a PMR?**