

**DCMA**  
Defense Contract Management Agency



**DCMA**  
Defense Contract Management Agency

**DCMA**  
Defense Contract Management Agency

# ***PROCUREMENT MANAGEMENT REVIEWS: BEST PRACTICES AND AREAS OF CONCERN***

**Presented By:**

**Janet Carlson**

**December 1, 2005**

**Key Point:**      ***Conclusion at the Start -***

***Strong Mission Support is  
directly related to Good  
Contract Management  
Practices!***

## **Successful Practices**

### **Organization & Mission**

- **Strong commitment to mission**
- **Smart contracting**
  - **Use of agents to leverage contracting and technical resources**
  - **Delegating specialized areas (construction, base support, IT)**
- **Flexible and agile structure**

**Successful Practices**

**Organization  
& Mission**

- **Organizing to streamline customer interface**
- **Positioning HCA/contracting in organization to ensure procurement is positioned for optimal organizational value**
- **Establishment of an acquisition organization and strengthening acquisition/procurement focus**
- **Co-locating contracting/customers when feasible and organizing to streamline customer interface**

**Successful Practices**

**Policies  
and  
Procedures**

- **Internal compliance reviews, good management controls**
- **Use of peer reviews, contract review boards or “second pair of eyes” for quality control – whichever best fits the organizational size and style**

**Successful Practices**

**Policies  
and  
Procedures**

- **Contracting officer forums**
- **Monthly acquisition workshops**
- **Policy and procedures on the Intranet and easily accessible**
- **Preaward approval checklists or threshold quick sheets**
- **Good reporting – DD Forms 350s/2759s**

**Suggestions**

**Policies  
& Procedures**

- **Differentiate between policy and guidance**
- **Use FAR/DFARS number system for easy reference**
- **Assign COs to assist in internal compliance reviews & emphasize peer reviews (doesn't have to be just a policy initiative)**

**Policies  
and  
Procedures**

**Areas of Concern**

- **Policy and procedures out of date/not user friendly**
  - **Post on Web with presentations, regulations, policy changes, etc.**
  - **Difficult to locate information in Outlook Public Folder**
- **Establish a periodic policy review schedule**
- **Information on internal reviews not captured – can't highlight systemic issues, action plans**



**Areas of Concern**

**Policies  
and  
Procedures**

- **Lack of consistency and standardization in contract management procedures**
- **Uneven implementation of policy and procedural guidance**
- **File management**
  - **Unable to locate contract files for PMR**
  - **Failure to follow contract sign-out procedures**

**Successful Practices**

**Procurement  
Planning**

- **Quarterly commitment and obligation goals**
- **Posting procurement plans on Internet for Industry**
- **Requesting white papers/RFIs from industry to generate ideas/for market research**
- **Contracting and customers work together at start of requirements process. Contracting plays critical role in acquisition strategy and requirements development.**

## Suggestions

### Procurement Planning

- Acquisition planning, to include life cycle analysis and sustainment
- Staggering contracts
- Spend analysis to identify opportunities for better contract vehicles and streamlining
- Fiscal year planning - better requirements management

**Procurement  
Planning**

**Areas of Concern**

- **Market research**
  - **Lack and limited knowledge on conducting market research**
- **Procurement planning**
  - **Personnel seem reactive vs. proactive**
  - **Program managers don't understand basic contracting process**
  - **Customers are unsure of status of requirements once submitted**
  - **Off-cycle procurements and emergency requirements**

**Successful Practices**

**Contracting,  
Solicitation,  
and  
Selection  
Procedures**

- **Contract folders are well organized**
- **Streamlined ordering processes**
- **Incentives tied to performance, what is critical to customer or saves money**
- **Technical evaluations are thorough**
- **Aggressively reducing PALT, setting expectations for processing time by action type (i.e., small purchase, large competitive)**

**Successful Practices**

**Contracting,  
Solicitation,  
and  
Selection  
Procedures**

- **Pre/postaward team site visits before re-competes to validate requirements**
- **Postaward conferences**
- **Utilizing market response to determine set-asides**
- **Setting aside actions for difficult to fill groups (i.e., HUBZones, veteran-owned or service-disabled veteran-owned small businesses)**
- **Build on current contract performance, aim for continuous improvement**

**Contracting,  
Solicitation,  
and  
Selection  
Procedures**

**Successful Practices**

**Purchase Card Program**

- **Well written guidance, handbooks**
- **Implemented CARE to monitor with an in-house auditing system for management controls (55% of customers on CARE)**
- **Online DoD training as well as on-site training**
- **Both IG and random audits (IG are done on site, others are faxed in remotely)**
- **Card review schedule and checklist**

## **Suggestions**

### **Contracting, Solicitation, and Selection Procedures**

- **BPA's on GSA schedules – develop business strategy (single/multiple award) that benefits the Agency**
- **Give additional expertise/guidance to COs and customers on intellectual property, data rights and import/export issues**
- **Evaluate mix of contracting actions - optimize contracting resources and workload**
- **Develop simplified acquisition checklist (same idea as large purchase checklist) reduces mistakes and documentation time**



**Areas of Concern**

**Contracting,  
Solicitation,  
and  
Selection  
Procedures**

- **BPA's**
  - **Synopsise above \$25K unless GSA**
  - **Limit to \$5M**
  - **Review annually**
- **Use of Commercial Item Test Program for T&M services (FAR 13.5) (Contract Operations)**
- **Across-the-board non-disclosure statements for contractor support**
- **Commercial item acquisitions**

**Areas of Concern**

**Contracting,  
Solicitation,  
and  
Selection  
Procedures**

- **GPC records are incomplete and inaccurate**
  - **Active cardholders**
  - **Refresher cardholder training**
  - **Prior reviews**
  - **Outdated GPC Deskbooks**
- **Contract option periods improperly exercised**
  - **Notices not sent on intent to renew**
  - **Options exercised unilaterally without preliminary notices**
  - **Missing determination of best interest of the government to exercise option**

**Successful Practices**

**Pricing**

- **Detailed market research**
- **Development of subject matter pricing experts**
- **Grouping price analysts together in one division (policy/price analysis)**
- **Firm-fixed-priced milestones for performance**
- **Using a variety of pricing methodologies- price analysis and commercial benchmarks**

## Areas of Concern

### Pricing

- **Application of Service Contract Act wage adjustments**
- **Pre/Post negotiation memorandums should explain differences between negotiated price and Independent Government Cost Estimates (IGCEs), as well as differences between IGCEs (what was changed and why is it more applicable) and a total cost summary.**

**Successful Practices**

**Postaward  
Functions**

- **Contracting Officer Representatives (CORs)**
  - Training and appointment letters well documented
  - Interviews indicated very informed, good communications with COs
- **Contractor support for the contract close-out process**
  - Know what is physically complete
  - Work the closeouts before they get old (easy/simplified actions immediately)

**Successful Practices**

**Postaward  
Functions**

- **Contract transition teams**
- **Combine pre/postaward personnel**
- **Contract administration**
  - **Milestones for option exercise, contract renewals, etc. tracked and monitored**
  - **Dedicated contract management support for commercial activities**

**Areas of Concern**

**Post Award  
Functions**

- **Contract closeout – determine when physically complete and establish goals/performance metrics (consider dedicated or contractor support if necessary)**
- **Citing incorrect authority for modifications and issuing modifications unilaterally**
- **Contracts retained for contract administration get minimal post award management - leverage contract administration personnel by assigning other contracts for dedicated post award (corporate or maintenance contracts)**

**Successful Practices**

**Management  
of  
the  
Contracting  
Function**

- **Use of contractor support to address workload surge – especially if long term requirement may be substantially reduced. Contractor support staff are also used to fill government vacancies when they arise (know the business)**
- **Good metrics that fit mission support and track across the enterprise**



## **Suggestions**

### **Management of the Contracting Function**

- **Review warrants for appropriate number and limitations.**
- **Encourage better communication with contractor support employees. Support personnel have higher turn over and feel they are excluded unnecessarily.**
- **Put incentives into contractor support task order for contractor support employee retention.**

**Management  
of the  
Contracting  
Function**

**Areas of Concern**

- Contracting organizations when specialized are also stove piped – people need cross training, new experiences
- Communications down to the worker level
- Focus on career development
  - Rotational assignments
  - Assist with career planning
- Succession plans for acquisition workforce
  - Skills gap analysis
  - Project out year requirements – build for the future
  - Consider expected turnover

**Areas of Concern**

**Management  
of the  
Contracting  
Function**

- **Measuring customer satisfaction and assess where improvements in service or approach are required**
- **Re-think metrics - not just PALT, customer satisfaction surveys, but also strategic support and enterprise trend analysis**
- **Review metrics on a frequent basis and make appropriate changes when indicated**

**Areas of Concern**

**Management  
of the  
Contracting  
Function**

- **Relationship of contracting divisions and policy. Policy implementation should reinforce policy.**
- **Contract workload sent to other agencies needs to be tracked/monitored – avoiding regulations or lack of customer service?**
- **Use of non-DoD contract vehicles**