

Office of the Senior Procurement Executive
OST/M-60

THE ACQUISITION CONNECTOR



Procurement Integrity and Business Ethics

Within the Federal acquisition community statutes govern our behavior and conduct as it relates to procurement practices within the federal Government. Likewise, there are instances where the lines of good customer service and ethical conduct can become distorted. As a result, we need reminders of what our professional conduct and behavior should or should not be in a particular instance. Moreover, we should know what professional conduct and behavior a contractor should exhibit when doing business with the Federal Government.

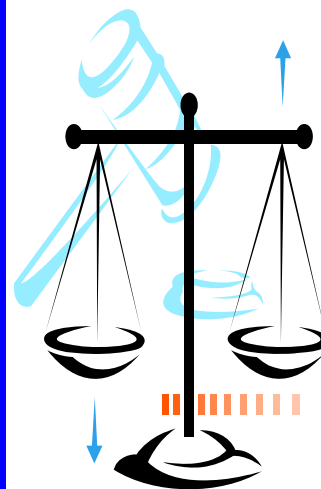
Apparently the Councils (Defense Acquisition Regulatory Council (DARC), Civilian Agency Acquisition Council (CAAC), and FAR Council) agree and remain steadfast in their conviction that integrity and ethics are paramount in the Federal Acquisition environment. This is evidenced by two recent FAR Cases brought to the Councils by the Department of Justice (DOJ), FAR Case 2007-006, Contractor Compliance Program and Integrity Reporting and FAR Case 2006-007 Contractor Code of Business Ethics and Conduct. Briefly, both FAR Cases 2007-006 and 2006-007 require contractors to have a written code of business ethics and conduct, a training program and an internal control system. On its face, this may seem not too unconventional and is consistent with current business governance practices. However, these FAR Cases may be categorized as Compliance and Enforcement, demonstrating that the Councils are clear in their expectation and unwavering in their resolve to ensure fairness and integrity within the Federal acquisition process. Far Case 2007-006 (*Enforcement*), among other things, facilitates the timely discovery of improper conduct in connection with Government contracts which means the Government must be notified if any contractor or subcontractor employee is observed committing criminal activity, e.g., falsifying records under a federal contract or substituting materials from what was agreed upon in the contract. In addition, it requires the contractor to ensure corrective measures are promptly instituted and carried out.

Volume 1, Issue 2

September 2007

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Also, a contractor may be suspended and/or debarred for knowingly failing to timely disclose a violation of Federal criminal law in connection with the award or performance of any Government contract performed by the contractor or a subcontractor. In comparison, FAR Case 2006-007 (*Compliance*), requires that in addition to the above, when directed the contractor must display the Federal agency Office of the Inspector General (OIG) Fraud Hotline Posters. The intent of these two FAR Cases is to put contractors on notice that corporate business ethics is not only part of a governance structure but it is an integral element to maintaining and growing business with the Federal Government.

With respect to the Acquisition Workforce, the business practice constraints are clear. We are responsible and accountable for preserving the integrity of the Federal procurement process, which is inherent in the work we perform as acquisition professionals. Integrity and ethics are considered core business competencies for all Federal acquisition workforce personnel. The Procurement Integrity Act addresses such issues as disclosing procurement information, obtaining procurement information, discussing employment with contractors, accepting compensation from contractors, etc. as well as what penalties apply if a violation occurs. Criminal penalties that could apply include imprisonment and fine. The Office of the Senior Procurement Executive (OSPE) will, in conjunction with the Office of General Counsel, provide supplemental training on acceptable Standards of Conduct for Employees of the Executive Branch affected by the Procurement Integrity Act. The supplemental training is designed to bring parity between acquisition workforce personnel and industry as we endeavor to further the mission of the Department of Transportation.

For additional information on Procurement Integrity please consult:

- Title 41 USC, Chapter 423
- FAR 3.1, Safeguards
- Transportation Acquisition Regulation (TAR), PART 1203 - IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST
- Transportation Acquisition Manual (TAM), 1203 – IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Recognition Corner!

Congratulations to - **Cassandra Wells, OSPE** for being recognized by the Federal Acquisition Institute (FAI) for serving as a subject matter expert assisting in the 2007 Contracting Workforce Competencies Survey design for OFPP and FAI. The survey achieved a Government wide 60% response rate. **Elizabeth Moya, MARAD** for being recognized by the OFPP Administrator, Paul Denett for her work on the FAR Strategy Team.



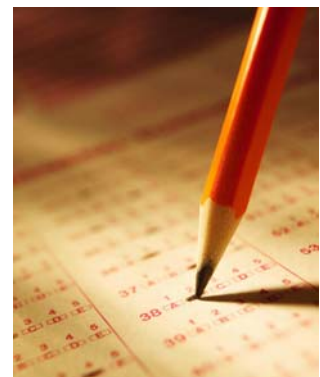
Office of the Senior Procurement Executive Website is Under Construction!!!



The Office of the Senior Procurement Executive (OSPE) website is being updated. The new look and feel of the M-60 website will provide stakeholders with a wealth of information and updates pertaining to Acquisition within DOT and the larger acquisition community. Don't forget to click it!

Test Your Acquisition Knowledge

1. Why is Procurement Integrity Important to the Acquisition Community ?
2. What is FFATA ?
3. What are the highly recognized Seven Steps to Performance Based Acquisition?
4. What kind of contracting authority do COTR's have?



See Page 5 and 6 for Answers

Upcoming Events

Fall 2007

- September 7—End of FY 2007 (For Processing PRs)
- October 10 — Procurement Management Council (PMC) Meeting

Winter 2007

- Procurement Management Council (PMC) Meeting



FPDS-NG Tips of the Month:

October 1, 2007—Scheduled release of the new FPDS-NG Quick Tips Guide. The guide is designed as a handy desk reference to providing direct assistance to the procurement officials in target areas of FPDS-NG data entry.

Contracting Officers and Specialist are reminded to validate and finalize all FPDS-NG actions. For an action to be considered final and apply towards an agency's various contracting goals (e.g., Competition, Performance Based, Socioeconomic, etc.) the action must satisfy all validation rules and be finalized. If not, the action remains in a draft status and is not considered in workload/goal achievement levels.

The Business Policy Division is receiving ideas, kudos (recognition) and innovative practices for the OSPE Acquisition Connector Newsletter for the upcoming issues. Please submit your ideas, comments, and innovative practices via email to the OSPE mailbox at ospeacquisition@dot.gov

Coming Soon Performance Measurement Assessment Tool (PMAT)

Some years ago, the Office of the Senior Procurement Executive (OSPE) adopted the Balance Scorecard (BSC) approach as a structured methodology for using performance measurement results to gauge progress and to help reach our goal of creating a world-class acquisition system oriented to business solutions and facilitating mission accomplishment. The Performance Measurement Assessment Tool (PMAT), is the chosen survey instrument which uses statistical measurement to provide Acquisition Managers with subjective and objective data to assess the state of our business solutions. PMAT provides managers with a quality control attribute to assess the state of the acquisition system, identify opportunities to leverage and improve acquisition performance, and to develop strategies for maintaining the health of the agency acquisition systems.

Accordingly, the annual PMAT survey is scheduled for **November 1-16, 2007**. The PMAT survey provides an opportunity for procurement customers and employees to assess and report out on how your acquisition service office is executing the work it performs. Your participation is valued. Please contact your Chief of the Contracting Office (COCO) for details.

Did You Know

That DOT implementation of the Federal Funding Accountability and Transparency Act (FFATA) is underway. The Chief Acquisition Officer (CAO), Linda Washington, Chief Financial Officers (CFO), Phyllis Scheinberg, and Chief Information Officer (CIO), Dan Mintz, have jointly issued a memorandum ensuring that OAs are aware of the requirements and the timeframes associated with FFATA compliance. Contract award information will be reported through FPDS-NG and Grant award information will flow through our Grants Information System (GIS). For more information go to http://www.dot.gov/ost/m60/Reporting_Requirements.pdf

View the memo FFATA Points of Contact: Contracts - Camille Reddick and Grants—Ellen Shields

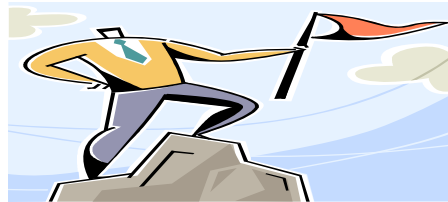
Innovative Practices

Federal Highways

Western Federal Lands Highway Division

Western Federal Lands Highway Division (WFLHD) is taking a new approach to delivering Construction services in meeting program needs by establishing several Multiple Award Task Order Contracts (MATOC) and others, that have the ability to control program schedule and cost. Part of their mission is to deliver construction services in unique and pristine locations while partnering with The Federal Land Management Agency (FLMA). The MATOC contracts provide an avenue for quick response, partner agency task order award flexibility, and the ability to overcome geographical challenges, which may impede the schedule. Additional information can be found on the WFLHD web page

<http://www.wfl.fha.dot.gov/edi/idiq/>



Test Your Acquisition Knowledge (Answers)

1. One writer states that the Act is needed to preserve the fairness and honesty (integrity) of the Federal procurement process and assure impartial treatment of bidders, offerors, and contractors, laws govern the procurement process and the manner in which federal and contractor personnel conduct business with each other. The Procurement Integrity Act prohibits certain activities by personnel involved in the acquisition process. The FAR, at Section 3.104, sets forth the regulations that implement the provisions of the Procurement Integrity Act.
2. The Federal Funding Accountability and Transparency Act (FFATA) is a federal law designed to reduce wasteful and unnecessary spending by requiring OMB to establish the existence and operation of a searchable website that provides public access to information about Federal expenditures, this includes Contracts and Grants. Award data may be gathered from three Federal sources, Federal Procurement Data System-Next Generation (FPDS-NG), Federal Assistance Award Data System (FAADS), and Grants.gov.
3. 1) Establish the team, 2) Decide what problem needs solving, 3) Examine private-sector and public-sector solutions, 4) Develop a Performance Work Statement (PWS) or Statement of Objectives (SOO), 5) Decide how to measure and manage performance, 6) Select the right contractor, and 7) Manage performance. See http://acquisition.gov/comp/seven_steps/home.html

Test Your Acquisition Knowledge (Answers) Continued

4. Only a duly appointed Contracting Officer has the authority to enter into, administer, or terminate contracts. The contracting officer may designate other Government personnel to act as authorized representatives for such functions as technical monitoring, inspection, approval of shop drawings, testing, approval of samples, and other functions of a technical nature not involving a change in the scope, price, terms or conditions of the contract or order. Such designation shall be in writing and shall contain specific instructions as to the extent to which the representative may take action for the contracting officer, but will not contain authority to sign contract documents.