



U.S. Department of Justice

SEP 30 2004

Washington, D.C. 20530

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL
FOR ADMINISTRATION

FROM: Lee J. Lofthus
Procurement Executive

SUBJECT: Class Deviation from the Federal Acquisition
Regulation, 4.602(c)(4)

In accordance with Federal Acquisition Regulation (FAR) 1.404(a) and Justice Acquisition Regulation 2801.404, your approval to deviate from the detailed reporting requirements in FAR 4.602(c)(4) is requested. The Chairperson, Civilian Agency Acquisition Council (CAAC) has been consulted concerning this class deviation as required in FAR 1.404.

FAR Case 2003-19, Federal Procurement Data System, was published as a final rule on December 11, 2003. It mandates that effective October 1, 2004, agencies shall submit only individual contract action reports for all contract actions greater than \$2,500.00 and modifications to those transactions regardless of dollar amount. Prior to that date, agencies were able to report their contract data on actions between \$2,500.00 and \$25,000.00 in summary form. As explained below, the Department of Justice cannot comply with this new requirement at this time.

These new data requirements are based on the assumption that agencies have automated systems able to collect the requisite procurement data and that those systems are integrated with the new Federal Procurement Data System-Next Generation (FPDS-NG). In short, it is expected that the data will be collected and centralized via direct machine-to-machine data transfers. The Department of Justice procurement systems simply do not meet these baseline requirements and will not do so completely until FY 2009.

Since December 2003, our procurement personnel have been reporting individual contract award data on actions greater than \$25,000.00 and modifications to those transactions regardless of dollar amount over the web portal into FPDS-NG. With the exception of one bureau, these actions are directly entered into FPDS-NG on an individual basis. This process has not been procedurally



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MEMORANDUM FOR BUREAU PROCUREMENT CHIEFS

FROM: Lee J. Lofthus
Procurement Executive

SUBJECT: Procurement Guidance Document 04-03
Class Deviation from FPDS-NG Detailed Reporting Requirements.

Attached is a class deviation from the reporting requirement in Federal Acquisition Regulation (FAR) 4.602(c)(4) which requires, effective October 1, 2004, that agencies submit only individual contract action reports for all contract actions greater than \$2,500. This deviation, which is effective as of the date of issuance, applies to those bureaus that do not have an automated contract writing system that is capable of reporting machine-to-machine to FPDS-NG. It will remain in effect until the earlier of: a bureau's transition to the Unified Financial Management System (UFMS); or, the certification of a bureau's automated contract writing system as capable to report its data machine-to-machine to FPDS-NG.

Bureaus that do not report directly to FPDS-NG must continue to submit their contract award information that is less than \$25,000 on the Standard Form 281, Summary Contract Action Report (\$25,000 and Under) on a quarterly basis. Quarterly reports must be submitted to the Procurement Policy and Review Group in accordance with Justice Acquisition Regulations Subpart 2804.6.

If you have any questions concerning this memorandum, please call Harold Belcher on (202) 616-3756.

Attachment

difficult as it essentially mirrors our previous method of collecting the data internally and allowed us to shut down that system. However, our procurement personnel are experiencing difficulties in entering their contract award data into FPDS-NG, primarily due to its instability. Transactions between \$2,500.00 and \$25,000.00 are continuing to be reported in a summary form.

On October 1, 2004, when the new reporting requirements are implemented, the number of individual contract action reports required to be entered by DOJ into FPDS-NG will increase from approximately 32,000 to 160,000. We understand the importance of, and support, reporting complete, timely and accurate data, however, we do not have the resources to manually enter these additional individual contract action reports. In order to report this additional data, it must be captured from an automated contract writing system and reported in a machine-to-machine fashion. We simply do not have such systems at this time.


Several bureaus currently have automated contract writing systems. However, only one, ATF, is currently capable of reporting machine-to-machine to FPDS-NG. Other bureaus with automated contract writing systems are in the process of having those systems certified by FPDS-NG as being acceptable to report data machine-to-machine. As those systems are certified, they will report directly to FPDS-NG. However, those systems still do not cover the majority of the department's procurements.

Our solution is based on the implementation of a new Unified Financial Management System (UFMS). The Department has selected and is in the process of acceptance testing of this new system which will include a contract writing and reporting system and, when deployed, will allow us to comply with the new reporting requirement. The UFMS will be deployed to the bureaus beginning in FY 2006 and will be completed by FY 2009.

The removal of the ability to report our smaller dollar transactions in a summary report and requiring us to comply with the new, lower individual contract action reporting threshold by manual data entry will pose a significant and impossible burden on our contracting resources given our current state of automation. There is no exception to this FAR requirement.

To ensure that we do not compromise our ability to use our contracting resources to support critical program requirements, and to allow us to collect and report our small dollar value contract award data in a summary form, we recommend that a class deviation be issued to allow us to continue to report at the FY 2004 thresholds. This memorandum serves as that request for a class deviation. This deviation shall remain in effect until the earlier of the certification by FPDS-NG of the bureau's contract

writing systems as FPDS-NG compliant or until the UFMS is
deployed to them.

Approved: 
Paul R. Corts
Assistant Attorney General
for Administration

Date: 10-4-04