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OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-3000

JUL 25 2008

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Federal Procurement Data System (FPDS) Contract Reporting Data
Improvement Plan

I appreciate the DoD procurement community's dedication and effort in improving our data reported to the Federal Procurement Data System (FPDS). Many strides were made since we completed the Department's transition to the new reporting environment and I appreciate your workforce's diligence in reviewing reported data. On May 9, 2008, the Office of Management and Budget (OMB) issued new guidance (attached) for continued improvement of data quality reported to FPDS. The Department provided OMB the attached FPDS Contract Reporting Data Improvement Plan in response on July 22, 2008.

At this time, I ask that you review the attached plan to understand your Component's responsibilities. Please note the requirements for specific data field analysis and the schedule for providing your Component plan, periodic assessments, and year-end certifications. Your initial Component plan is due August 31, 2008.

My action officer for this effort, should you have any questions, is Lisa Romney, lisa.romney@osd.mil, 703-602-8007. Please provide deliverables associated with this plan to her attention.

for 

Shay D. Assad
Director, Defense Procurement,
Acquisition Policy and
Strategic Sourcing

Attachments:
As stated



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Director, Office of Small Business Programs

Director, Business Transformation Agency

Director, Defense Manpower Data Center



DEPARTMENT OF DEFENSE
FEDERAL PROCUREMENT DATA SYSTEM (FPDS)
CONTRACT REPORTING
DATA IMPROVEMENT PLAN

Version 1.0

Dated July 10, 2008

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1.0 Purpose

This serves as the Department of Defense's (DoD's) Plan for continual improvement of the contract data reported to the Federal Procurement Data System (FPDS). As the Department matures in its use of enterprise business intelligence, this plan may be incorporated into a broader procurement data improvement package.

2.0 Background

On May 9, 2008, Office of Federal Procurement Policy (OFPP) issued a memorandum requiring additional steps to verify and validate the accuracy of data in FPDS. The memorandum required each Chief Acquisition Officer (CAO) to establish requirements to ensure that the 2008 FPDS contract data is reflected accurately and timely. At a minimum, OFPP asked that the CAOs shall:

- Establish a Department-wide requirement for routine, statistically-valid data verification and validation (V&V).
- Provide certification of data accuracy and completeness to OFPP each year, as will be required in an upcoming FAR case specifically designed to clarify FPDS roles and responsibilities.
- Assign clear data verification responsibilities.
- Make necessary adjustment to policies, procedures, and training, as needed.
- Provide the Administrator of OFPP an annual statement of verification and validation results against FY08 data by January 5, 2009.

This plan incorporates the requirements of the OFPP memorandum and provides instruction to the Components for completion of tasks to support the data accuracy improvement effort.

3.0 Department Roles & Responsibilities

Defense Procurement, Acquisition Policy, & Strategic Sourcing (DPAP)

1. Maintain this plan and update yearly; provide annual update for the coming fiscal year by September 30th to Components and to OFPP as requested.
2. Establish quarterly and annual scorecards for Office of Secretary of Defense, Acquisition Technology and Logistics (OSD/AT&L) leadership based on FPDS data and Components' reports.
3. Review Component data V&V reports, with assistance as needed from BTA Federal Implementation team and DMDC, and approve the recommendations and proposed corrective action plans.
4. Track accuracy trends by Component and by data field.
5. Provide overall DoD annual certification of data accuracy and completeness to OFPP according to Components' certifications and data V&V results.

6. Serve as the Department's lead representation to the federal FPDS Change Control Board (CCB) and other related groups.
7. Periodically test the Component data V&V testing procedures as part of the DPAP evaluation process.
8. Establish DoD enterprise business intelligence capability for procurement data with assistance from the Business Transformation Agency (BTA); develop and make available to the Components additional reports as they are identified that may be used to improve FPDS data accuracy.

Defense Manpower Data Center (DMDC)

1. Develop and periodically make available to DPAP and Component leads a small business and socio-economic anomaly report using comparisons of FPDS data with extracted Central Contractor Registration (CCR) data.
2. Develop and periodically make available to DPAP and Component leads a competition anomaly report.
3. Develop and periodically make available to DPAP and Component leads a status of actions report identifying draft records in the system.
4. Develop and make available to DPAP and Component leads a monthly summary report of contract actions reported (fiscal year to date) to FPDS compared against the prior fiscal year.
5. Coordinate with and support Component Leads, BTA, and GSA (as necessary) for complex corrective actions plans.

Business Transformation Agency (BTA)

1. Coordinate with and support Component Leads, DMDC, and GSA (as necessary) for complex corrective actions plans.
2. Develop and periodically make available to DPAP and Component leads additional reports as they are identified in the enterprise business intelligence effort sponsored by DPAP that may be used to improve FPDS data accuracy.

Component Leads (Services & Agencies)

This section applies to each Component that has procurement authority and is reporting to FPDS – see attached list.

1. Develop and maintain an FPDS Contract Reporting Data Improvement Plan (known further as "Plan" in this document) for the Component that incorporates the requirements of this Department plan and any additional requirements pertinent to that Component. Provide the plan that will be used to accomplish data V&V and certification for FY08 data to DPAP's Program Development and Integration (PDI) directorate by August 31, 2008. Subsequent annual updates incorporating any changed items from the DoD plan will be due by October 31st.
2. In accordance with the instruction provided by OFPP, ensure that all staff with data entry and review functions are evaluated or otherwise receive appropriate

- management feedback for their role in promoting and maintaining procurement data integrity. Address these efforts in the submitted Plan.
3. Provide the Senior Procurement Executive's annual certification of the prior fiscal year's reported data to DPAP by December 15th.
 4. Conduct data V&V each year in accordance with the data V&V process described in section 4.0 and provide quarterly results to DPAP/PDI.
 - Q1-Q3 FY08 results are due September 30, 2008. Q4 FY08 results and annual summary are due December 15, 2008. This schedule is applicable only to FY08 V&V efforts.
 - Subsequent years' quarterly results will be due on the last business day of the month following quarter-close. Annual summaries are due with the Senior Procurement Executive's certification by December 15th.
 5. Implement DPAP and Component agreed-upon corrective actions plans as identified in the Data V&V Report and regularly communicate implementation status to DPAP and DMDC.
 6. Develop and utilize preventative maintenance procedures to help improve confidence in FPDS data accuracy.

4.0 Data Verification & Validation (V&V) Process

Each Component with procurement authority that reports contract data to FPDS shall follow the Data V&V Process steps as identified below:

Step 1: Review the list of Key Data Elements to be assessed. DPAP will supply the Components with the document (MS Excel Spreadsheet) that includes all of the required FPDS data elements to be reviewed by the Components (hard copy is found at Exhibit B). This document will indicate per data element, the applicable FPDS data entry use case scenario and provide an explanation of the verification to be performed.

Step 2: Determine the method of conducting data V&V and statistically valid sample sizes. Each Component shall determine its own statistically valid method of verifying and validating the data elements indicated in the document provided in Step 1 for FPDS contract action reports (CARs) against the actual contractual actions accomplished, and describe it in the Component's Plan. Components shall certify in their reports that any sampling conducted is accomplished randomly; and that the sample size is sufficient to produce statistically valid conclusions at the 95% confidence level, with an error rate of no more than +/- 5% per assessed data element per use case. An accuracy rate per data element of 95% shall be the goal used in computations. Each Component shall consider every FPDS reportable transaction, according to FAR Subpart 4.6 parameters, they award per assessment period as part of the baseline population for determining sample size for that assessment period. Component business intelligence and contract writing systems may be used as the primary means to accomplish data V&V efforts. Component Plans must address any deficiencies in their abilities to conduct data V&V on each required data element from Step 1 and plan and schedule for addressing this deficiency.

Step 3: Establish the personnel to perform the data V&V activities. Once the data V&V method is chosen, each Component shall ensure personnel assigned to conduct the data V&V throughout the Component's hierarchy are independent from the personnel that originally submitted the data in FPDS. Components shall identify their lead representative(s) and for data V&V in their Plans.

Step 4: Identify missing records or other discrepancies between FPDS and Contract Writing System records. Identify any records that have not been submitted to FPDS in accordance with the timelines established in the Federal Acquisition Regulation (FAR) Subpart 4.6 and perform root cause analysis. Develop corrective action plans and a routine schedule for monitoring instances such as these to mitigate the number of occurrences in the future. Include these findings in the reports provided to DPAP.

Step 5: Perform data V&V reviews. Data V&V reviews, at a minimum, shall include each of the FPDS data elements identified in the document provided in Step 1. For each CAR determined from Step 2, data V&V reviews shall compare the data contained within each data element in FPDS with that from the actual contract action.

The OFPP memorandum identified the 46 data elements below to be reviewed for FY08. At a minimum for DoD, the fields with asterisks (*) shall be reviewed during the data V&V process for FY08 data, as applicable per CAR use case; although the Components are requested to accomplish data V&V on all 46 elements if possible. Additional fields may be reviewed at the initiative of each Component. The number associated to each field name below is the FPDS Data Dictionary element number; definitions and formats are available in this document.

1. 1A PIID*
2. 1C Referenced IDV ID*
3. 2A Date Signed*
4. 2C Completion Date*
5. 2D Est. Ultimate Completion Date*
6. 2E Last Date to Order*
7. 3A Base and All Option Value*
8. 3B Base and Exercised Options Value*
9. 3C Action Obligation*
10. 4C Funding Agency ID*
11. 4F Funded by Foreign Entity*
12. 5B Who Can Use
13. 5D Fee for Use of Service
14. 5J Fee Paid for Use of IDV
15. 6A Type of Contract*
16. 6F Performance Based Service Acquisition*
17. 6M Description of Requirement
18. 7A Clinger Cohen Act
19. 7B Walsh-Healy Act*
20. 7C Service Contract Act*

21. 7D Davis Bacon Act*
22. 8A Product/Service Code*
23. 8G Principal NAICS Code*
24. 8K Use of EPA Designated Products*
25. 8L Use of Recovered Material*
26. 8N Bundled Contract*
27. 9A DUNS Number*
28. 9C Principal Place of Performance Code*
29. 9H Place of Manufacture*
30. 9K Place of Performance Zip Code (+4)*
31. 10A Extent Competed*
32. 10C Reason Not Competed*
33. 10N Type of Set Aside*
34. 10P Evaluated Preference*
35. 10R Statutory Exception to Fair Opportunity*
36. 11A CO's Business Size Selection*
37. 11B Subcontract Plan*
38. 12A IDV Type*
39. 12B Award Type*
40. 12C Reason for Modification (if 12D = M)*
41. 13N 8(a) Program Participant*
42. 13O HUBZone Firm*
43. 13P Small Disadvantaged Business*
44. 13U Woman Owned Business*
45. 13V Veteran Owned Business*
46. 13W Service-Related DVOB*

Components shall also review the following two data elements to address high-priority DoD data items:

1. 6E Multiple or Single Award IDC*
2. 10M Solicitation Procedures*

Step 6: Perform root-cause analysis and document the field as inaccurate. If the field is found to be inaccurate or inappropriately incomplete, perform root cause analysis, including the contracting officer for the action as appropriate. If satisfactory root cause cannot be determined, the field will be documented as an error, with the root cause identified as Unknown. When the root cause has been determined, the error shall be documented with the *appropriate root cause (listed in Exhibit C)* and provide a corrective action plan where the target goal is not achieved and routine schedule for addressing any repetitive errors.

Corrective actions should attempt to address not just the immediate fix of a data error, but to address the root cause of the error in order to minimize the possibility of the error to reoccur. Corrective Actions might include, but are not limited to:

- Improving core processes, to include improvements in collecting the source data in the contract writing system

- Recommendations for alterations to the validation rules contained within the contract writing system or FPDS
- Required Policy
- Training / Awareness
- Performance Metrics for Contracting Offices

It is noted that some of the required data elements to be reviewed are completed in FPDS CARs by FPDS itself based on information from other authoritative sources (e.g., CCR or previous CARs submitted by other contracting offices). Associated errors found during data V&V should be highlighted in the reports submitted to DPAP, as well as reported to the FPDS Helpdesk as soon as possible (as necessary) to affect their correction.

Step 7: Correct errors. Upon documentation of the error, root cause of inaccuracy, and corrective action plan; accomplish correction actions to the CARs with errors (this requires the FPDS “CORRECT” system privilege). These corrections, if not correcting a systemic error across the Component or Department, should be accomplished as low in the Component’s hierarchy of organizations / offices as the CORRECT privilege is delegated, and should always be accomplished with the contracting officer’s knowledge. In the case of Defense Agencies without the CORRECT privilege, contact the DoD System Administrator. All errors must be corrected after they are documented with an appropriate root cause and corrective action plan.

Step 8: Review anomaly reports. In addition to reviewing the required data elements, each Component shall review anomaly reports made available by DMDC and BTA. This will serve as the Department’s continuous form of preventative maintenance throughout the fiscal year. Each Component shall follow steps 6-7 of the data V&V process for all discrepancies identified by the reports.

Step 9: Provide Data V&V Reports to DPAP/PDI. Each Component shall report the results of the data V&V, including those errors discovered by reviewing provided anomaly reports to DPAP/PDI in accordance with the identified schedule in Section 3.0. Reports will be shared with the Office of Small Business Programs (OSBP). Reports shall capture the error rates per field that is mandated to be reviewed.

Each Component shall report the results of the Quarterly Assessments in the following format:

Cover sheet shall include:

1. Name of Component
2. Data V&V Period (Quarterly)
3. Name(s) and contact information of those who prepared the report

Report Summary shall include:

1. Number of contracting offices (per each DoD Activity Addressing Code (DoDAAC) identified in FPDS as an active contracting office that may provide data to the system).
2. How samples of FDPS records were selected.
3. How statistical validity of the sample was determined.
4. Total obligations (\$ in Millions) and number of CARs expected to be submitted to FPDS during the data V&V period.
5. Total obligations (\$ in Millions) and number of CARs submitted during the data V&V period.
6. Total number of CARs verified and validated and their total obligation value (sampling chosen from step 2).
7. List of identified discrepancies between the number of records contained within FPDS and the contract action data discovered in Step 4 of the data V&V process.
8. Percent of total obligation amount and total number of actions covered by sample.
9. Accuracy Rates for each Key Data Element (e.g., if field 8G Principal NAICS Code, 12 errors were recorded among the X (50) number of CARs identified in step 2, the calculated ERROR percentage would be 12 divided by 50, equaling 24%. This would mean that 76% percent of the data is accurately stated in that field.)
10. Summary of root cause(s) of errors (please summarize for recurring errors) shall be covered for each type of determined root cause.
11. Corrective actions planned that include an established routine schedule to minimize the number of errors or discrepancies, including due dates and action owners. Please correlate the corrective action plan to its respective root cause(s).
12. Recommendations to DPAP for improvements to FPDS (or other authoritative data sources) to further data accuracy.
13. Recommendations to DPAP for improvement of the data V&V process and policy.

Report Appendix shall include:

1. Completed data V&V review worksheet, summarized at the Component-level

Step 10. Provide Annual Certification to DPAP. Each Component shall provide DPAP its Senior Procurement Executive's annual certification of the fiscal year's reported data and a summary of data V&V efforts for the entire fiscal year. The summary shall address each of the items from Step 9.

5.0 Exhibits

Exhibit A – Components with procurement authority reporting to FPDS

Exhibit B – Data Improvement Plan Worksheet

Exhibit C – Root Cause Codes and Definitions