DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Thomas A. Sharpe, Jr.
        Senior Procurement Executive
        Office of the Procurement Executive

SUBJECT: **High Impact Acquisition (HIA) Reviews and File Documentation**

Purpose: To explain the HIA review process and provide guidance on file documentation required to support the review.

Effective Date: 2QFY09 HIA Review

Expiration Date: This AB will expire when cancelled or superseded.

Cancellation: ABs 06-04, 06-04 R1 and 06-04 R2

Background: The HIA process was initiated: (1) to give management insight into high profile contracts in the areas of Earned Value Management (EVM), Cost, Schedule, Performance/compliance with contract terms and conditions, and/or qualifications of the contracting officer (CO)/contracting officer technical representative (COTR); and (2) to improve communication and coordination among Program Managers (PMs), COTRs and COs. The process is managed using the ProSight tool, which comes complete with a users manual of instructions on how to use the tool and update contracts. The manual may be viewed or downloaded from http://intranet.treas.gov/procurement/prosight_tool_instructions.asp. Also, hands-on training is available from the Office of the Procurement Executive (OPE) upon request.

Required Actions:

   I. **HIA definition**

All planned or existing procurement actions, e.g., interagency agreements, contracts, task orders, delivery orders and purchase orders meeting at least one of the following criteria are considered an HIA and must be tracked and reported in accordance with this AB:

  1. a value greater than $10 million (estimated);
  2. contracts that support OMB 300 major investments;

3. Competitive Sourcing actions under OMB Circular A-76;
4. controversial or otherwise sensitive such that they warrant the attention of the Senior Procurement Executive, e.g., complex or high profile multiple-bureau purchases, relevant protests or claims, or acquisitions in which interest or inquiries have been expressed by either the White House or Congress, Inspectors General (OIG and TIGTA), or Government Accountability Office (GAO); or
5. obligation of American Recovery and Reinvestment Act of 2009 (also referred to as the Recovery Act or ARRA) funds.

NOTE: Item 2 is referred to as related to major investments and items 1, 3, 4 and 5 are referred to as other than major investments.
(This is a recent change from previous ABs referring to Item 2 as IT HIAs; 1, 3 and 4 as non-IT HIAs and 5 is newly introduced to the list via this AB.

II.   ProSight Users Guide and instructions on updating contracts in ProSight

The High Impact Acquisition Quarterly Review Guidance is available at
http://intranet.treas.gov/procurement/prosight_tool_instructions.asp. The guidance provides instructions to COs on how to use the tool and update contracts, read scores, and capture ProSight upgrades. Hands-on ProSight training is also available from the OPE upon request.

III.   Initial reporting of HIAs in ProSight

Whenever an HIA is planned or initiated that meets criteria 1, 3, 4 or 5, the BCPO must enter it as a record in ProSight early in the planning process, as soon as the need is identified and always in advance of any public notification, e.g., in FedBizOpps or e-Buy. HIAs meeting only criterion 2 will be identified by Program Managers in their OMB Exhibit 300s and do not require BCPOs to enter them as records.

IV.   BCPO Certification of active contracts in ProSight

Prior to the start of each quarter, OPE will send to BCPOs a list of contracts for verification of contract "status." The status of a contract in ProSight is defined as either: pre-award, active or closed. The contract list will provide the contract status and any contract with the status blank is either new or in error. BCPOs must verify the status provided for these contracts to ensure active contracts are not overlooked.

V.   Quarterly HIA review process and file documentation

Each quarter, as determined by the CPIC calendar, COs will be notified via email to review and update contract information as necessary in the ProSight tool. A copy of the email request will be sent to BCPOs to assure that the correct CO is assigned the task of reviewing and updating the contract.

The HIA Coordination Form (see Attachment I) is to be used as: 1) a document to coordinate

between the COTR/program office and CO responses entered in ProSight; and 2) a record for retention in the contract file.

After OPE notifies COs of the timeframe for updating contracts in ProSight, the CO must forward Attachment 1 to the COTR/program office to facilitate a complete and accurate accounting of the contract update within the required timeframe. Bureaus may supplement this guidance as appropriate so long as the HIA Coordination Form and supporting documentation are retained in the file, readily available for management oversight and auditing purposes. The CO is required to enter coordinated responses in ProSight on EVM, contract cost, schedule, performance and CO/COTR qualifications. The last entry in ProSight is for the CO to certify the information is accurate and complete by entering the date.

If a BCPO determines that a planned or existing procurement action falls within the definition of a HIA, above, and determines that such action does not warrant reporting, the BCPO may submit a waiver request to the Senior Procurement Executive, OPE. The waiver request should include a detailed justification, explaining why the listed action(s) should be excluded from the reporting requirement.

VI.   Collection and Use of ProSight Data for Scorecard

- OPE staff will analyze the data input after the reporting cutoff deadline is reached.
- Data will be analyzed for completeness and identification of problems arising during contract administration.
- Contracts will be given traffic light style scores for *status* and *progress, i.e.,* Green - no problems, yellow – not all questions were answered/"I don't know" and red - problems. A *status* score is the result of analyzing ProSight answers to EVM, Cost, Schedule, Performance/compliance with contract terms and conditions, and/or qualifications of the CO/COTR). All scores of yellow and red are compiled on a scorecard along with the status and progress score. A *progress* score is given for updating contracts timely, providing and completing IAT Charters, Corrective Action Plans and Monthly Progress reports once a contract appears on the scorecard. As long as actions are done accurately and timely, contracts will receive a *progress score* of green, even though the contract may be given a *status* score of red. If the CO pursues information from the program office without response, this will be noted and the contract will receive a progress score of yellow.
- Once a contract appears on the scorecard, within 2 weeks the Integrated Acquisition Team must meet to develop a Charter (see Charter sample - Attachment II).
- Four weeks after the contract appears on the scorecard, a Corrective Action plans (see sample - Attachment III) is due to OPE.
- The team must report on progress against the Corrective Action Plan monthly via the Monthly Progress Reports (MPRs) (see sample - Attachment IV) due to OPE by the 5th calendar day of each month starting the first month after the corrective action plan is due. MPRs must be submitted until report card *status* and *progress* revert to a score of green for one month on the scorecard.

Communications related to this AB may be directed to Karen Davis at karen.davis@do.treas.gov or (202) 622-2092.

Attachment I – High Impact Acquisition Coordination Form
Attachment II – IAT Charter
Attachment III – Corrective Action Plan
Attachment IV – Monthly Progress Report