



DEPARTMENT OF THE TREASURY

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Acquisition Bulletin (AB)

No. 07-02

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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM:

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SUBJECT:

AB 07-02: Treasury Procurement Data Integrity Procedures

Purpose: This Acquisition Bulletin (AB) serves to establish a Departmental plan for assuring the accuracy of data entered into the Federal Procurement Data System – Next Generation (FPDS-NG) through validation and verification (V&V).

Effective Date: This AB is effective immediately.

Expiration Date: This AB will expire when cancelled or superseded.

Background: On March 9, 2007, Office of Federal Procurement Policy (OFPP) issued a memorandum requiring additional steps to verify and validate the accuracy of data in FPDS-NG. The memorandum required each Chief Acquisition Officer (CAO) to establish requirements to ensure that FPDS-NG data are accurate and timely. At a minimum, this requirement was that we:

- Establish a department-wide requirement for routine, independent, statistically valid data V&V.
- Provide certification of data accuracy and completeness to the General Services Administration (GSA) each year, as will be required in an upcoming Federal Acquisition Regulation (FAR) case specifically designed to clarify FPDS-NG roles and responsibilities.
- Assign clear data verification responsibilities.
- Make necessary adjustment to our policies, procedures, and training, as needed.
- Provide the Administrator of OFPP our annual statement of V&V results by December 15, 2007.

Actions Required:

1. Bureau Chief Procurement Officers (BCPOs) shall:
 - a. Conduct at least semi-annual V&V each year in accordance with the V&V Process described below. Each bureau V&V Report is due each year on the last

business day on or before 5/31 and 11/30. The first review of the first half of FY2007 will be due 7/31/2007.

- b. Develop a plan for ensuring 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. The Contracting Officer is ultimately responsible for the accuracy of data supplied to FPDS.
 - c. Implement agreed corrective action plans as identified in the V&V Report and regularly communicate implementation status to OPE.
2. Office of Procurement Executive (OPE) shall:
- a. Define the scope of each Bureau V&V review in accordance with the methodology in the V&V Process no later than 4/15 and 10/15 of each year.
 - b. Review Bureau V&V Reports and approve the recommendations and proposed corrective action plans.
 - c. Track accuracy trends by bureau and by data field.
 - d. Provide certification of data accuracy and completeness to GSA each year in keeping with each bureau's performance.
 - e. Submit required reports to OFPP.
 - f. Periodically test the Bureau V&V testing procedures as part of the OPE Evaluate and Monitor program.

V&V Process:

Each bureau (Contracting Agency) that uploads records to FPDS-NG shall follow the V&V Process steps as identified below:

Step 1: Build Statistical Population. OPE generates the overall statistical population for review. OPE shall generate from FPDS-NG a complete list by Contracting Agency of Procurement Instrument Identifiers (PIIDs) executed during the V&V period with their accompanying data from the Minimum Required V&V Fields and supply it to the BCPO.

Step 2: Develop V&V Review List. For each Contracting Agency, OPE will also develop two sampling categories: the "100% Review Category" and the "Statistically Sampled Category." The data integrity will be sampled in the two categories based on a flexible dollar threshold to assure consistent data integrity regardless of bureau size.

Step 2a: Develop 100% Review Category. All actions in this category will be reviewed. To define actions in this category, OPE will sort the statistical population generated in Step 1, by 'Action Obligation' in descending order and calculate the sum of the total obligations. OPE will identify the fewest number of actions that cumulatively sum to 75% of total obligations. This group of actions requires a 100% sample rate, meaning every contract in this group should have the minimum fields reviewed by a Bureau's V&V team.

If, during a particular review, the dollar distribution would result in an unreasonable number of actions falling in the 100% Review Category, a different dollar percentage may be agreed upon with OPE, which may result also in a different agreed upon requirement for margin of error in the Statistically Sampled Category, below.

Step 2b: Develop Statistically Sampled Category. A sample of actions in this category will undergo V&V to achieve a margin of error of plus or minus 10% with an 85% confidence level. To determine how many actions need V&V to achieve this level of statistical validity, OPE will use the sample size calculator at <http://www.raosoft.com/samplesize.html>. For the population size, enter difference between the total number of actions for the review (from Step 1) and the number of actions that will be sampled at 100% (from Step 2a.) Then, OPE will randomly select PIIDs that will receive a V&V review using a random number generator. (A generator is available at <http://www.randomizer.org/form.htm>.)

To complete Step 2, OPE will compile the complete list of PIIDs for review, along with their associated data from FPDS-NG. This list will be called the V&V Review List.

Bureau chief procurement officers are encouraged to add PIIDs to the V&V Review List beyond those chosen by OPE to assure coverage of relevant contracting sub-units, for example, a field office or contracting branch. The PIIDs that are added must be clearly identified in the final report.

Step 3: Compare Contract Writing System (CWS) records with FPDS-NG records. Each Contracting Agency shall run a list of actions and obligated dollars for the V&V period from their CWS and compare with the list of actions from FPDS-NG in Step 1. Use the date signed as the basis for the CWS query. Are there any records (i.e., dollars or actions) not uploaded and captured by FPDS-NG? If so, consult with OPE, identify the reason for the discrepancy, develop corrective action plan, and include findings in the V&V Report.

Step 4: Perform V&V Review. The BCPO shall arrange to have each PIID selected for review in Step 2 reviewed by a person working outside the contracting unit that which performed the transaction, for example another operational contracting branch or a procurement policy office. Very small bureaus with no such organizational structure may organize V&V swaps with other bureaus' staff, or work with their own accounting, finance, A-123, IG, or other staff to support the activity. The V&V shall cover every action identified for review in Steps 2a and 2b.

The scope of the V&V review shall include, at a minimum, each of the FPDS-NG fields identified in the "V&V Minimum Review Fields" section below, which will be supplied by OPE in a spreadsheet for each PIID selected in Step 2. If a bureau wishes to review all fields or a larger sample, OPE will work with the bureau to generate the information required.

The V&V reviewer shall conduct the review using the Department of the Treasury Validation and Verification Review Worksheet (Worksheet) (Attachment 1). For each PIID assigned, the reviewer shall compare the data for each field in the Worksheet PIID contained in the V&V Review List (generated as a result of Step 2) to the contract file. If the data to support the correct value in FPDS-NG are not available in the contract file, the V&V reviewer may use alternative means to determine the correct value. For example, the V&V reviewer may interview the Contracting Officer responsible, or refer to other relevant sources of information. If the review cannot find any basis upon which to validate the FPDS-NG data, the FPDS-NG data shall be considered in error, and the basis of the error shall be noted clearly in the findings comments.

Regardless of whether or not it was previously required by FPDS-NG to validate a record, complete and accurate data entry in the 37 'V&V Minimum Review Fields' listed below is mandatory at the Department of the Treasury, effective immediately. This means that when an FPDS-NG data entry template allows a value to be entered, an accurate value shall be entered. This requirement recognizes that data for some fields below are only logical when using certain FPDS-NG templates. For example, 'Referenced IDV PIID' only makes sense in the context of entering data about a task or delivery order, and would be blank/null for a purchase order. However, the V&V review should find a null value in the 'Extent Competed' field for a delivery order as an error.

It is also recognized that some of the fields below, e.g., '6F Performance Based Services Acquisition' are check boxes which are either checked or unchecked. The Treasury requirement is that this field must be accurately completed.

V&V Minimum Review Fields

The following fields shall be reviewed as part of the V&V Process. Additional fields may be reviewed at the initiative of each BCPO. The number before the field name refers to the element number in the FPDS-NG Data Element Dictionary.

1. 1A 'PIID'
2. 1C 'Referenced PIID'
3. 2A 'Date Signed' /1
4. 3C 'Action obligation' /1
5. 4A 'Contracting Office Agency ID'
6. 4B 'Contracting Office ID'
7. 4C 'Funding Agency ID' /1
8. 6A 'Type of Contract'
9. 6F 'Performance Based Service Acquisition'
10. 6M 'Description of Requirement' /1
11. 7E 'Is Economy Act'
12. 8A 'Product or Service Code'
13. 8G 'NAICS Code' /1
14. 8K 'Use of EPA Designated Products'
15. 8L 'Use of Recovered Material'
16. 8N 'Bundled Requirements'
17. 9A 'DUNS Number' /1
18. 9B Contractor Name from Contract /1
19. 9C 'Principal Place of Performance' /1
20. 9D 'Principal Place of Performance Name' /1
21. 9E 'Country of Origin'
22. 9H 'Place of Manufacture'
23. 10A 'Extent Competed'
24. 10C 'Reason Not Competed'
25. 10E 'Pre Award Synopsis Requirement'
26. 10H 'Commercial Item Acquisition Procedures'
27. 10R 'Statutory Exception To Fair Opportunity'

28. 10M 'Solicitation Procedures'
29. 10N 'Type of Set Aside'
30. 10P 'Evaluated Preference'
31. 11A 'Contracting Officer's Determination of Business Size'
32. 11B 'Subcontracting Plan'
33. 11D 'Reason Not Awarded to Small Disadvantaged Business'
34. 11E 'Reason Not Awarded to Small Business'
35. 12A 'IDV Type'
36. 12B 'Award Type'
37. 12C 'Reason for Modification' /1

/1 Field will be used in Federal Funding Accountability and Transparency Act of 2006 reporting.

If an error is found as part of the independent V&V review process, the V&V reviewer shall record an error as part of the V&V report. This is critical to preserve the statistical validity of the V&V process. Failure to properly record an error during the V&V process, or targeted efforts to "clean up" records identified for V&V review before the V&V reviewer has examined them, if discovered, will result in the requirement for subsequent reviews to be performed by an outside entity satisfactory to OPE, with any associated costs to be paid by the bureau.

Correction of any errors found during the V&V review *after* having recorded and accounted for them as a statistical matter is **required**.

Step 5: Conduct Root Cause Analysis and Identify Corrective Actions. To consolidate the findings from each of the individual PIID V&V reviews, each BCPO shall designate one or more people to perform analysis to consider how or why each error occurred, identify patterns, or investigate the root nature or cause of the issue. Errors may be caused for different reasons, for example, by system issues, training issues, lack of supervisory emphasis, or other causes. The analysis team should have access to (and may be the same people as) the Independent V&V reviewers.

Corrective actions should attempt to address not just the immediate fix of a data error, but to address the root cause of the error. Corrective actions might include, but not be limited to:

- Recommendations for changes in the settings and validations of the CWS and/or FPDS-NG systems;
- Required policy or definitional clarifications;
- Training issues and needs; or
- Other ideas for improvement.

Step 6: Compile the V&V Report. Each bureau shall report the results of the V&V in the following format:

Cover sheet that includes:

- Name of the Contracting Agency (bureau)
- V&V period covered

- Name(s) and contact information of those who prepared the report
- Names and contact information of Independent V&V reviewers who compared the FPDS-NG data to the data in the contract file.
- Signature of the BCPO that the report was prepared consistent with this Acquisition Bulletin.

Report Summary shall include:

1. Total number of PIIDs generated during V&V period and their dollar value.
 - Report must clearly identify any PIIDs added to the review beyond those randomly selected by OPE.
2. Total number of PIIDs reviewed and their total dollar value.
3. Calculated percentages of actions reviewed and dollars reviewed.
4. Identified discrepancies between the number of CWS and FPDS-NG records.
5. Total number of errors discovered, by field.
6. Calculated error percentage field by field. (e.g., if for field 6A 'Type of Contract', 2 errors were recorded among the 50 contracts identified in Step 2b, the calculated error percentage would be $2/50 = 4\%$. This would mean a 96% data accuracy for that field, with 85% confidence that the accuracy was no less than 86%.)
7. Summary of root cause(s) of errors (should be summarized for recurring errors, but should cover each type of root cause identified, e.g., user error, training need, incorrect CCR data, (un)identified system error, etc.)
8. Corrective actions planned to reduce the number of errors or discrepancies, including due dates and action owners.
9. Recommendations to OPE for improvement of the V&V process and policy.

Report Annex shall include:

10. Copies of completed V&V Review Worksheets.

Questions about this AB may be directed to Kevin Youel Page at kevin.youel-page@do.treas.gov or (202) 622-0651.

Attachments (2):

1. Department of the Treasury Validation and Verification Review Worksheet v1.0, dated 5/25/2007



Treasury V&V
Review Worksheet v1

2. OMB Memorandum, Federal Procurement Data Verification and Validation, dated March 9, 2007



OMB Memo
3-9-07.pdf