DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Procedures Update (APU)
No. 2010-2
September 30, 2010

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 incorporate the HIA review process into the DTAP, describe changes to the program, and provide guidance on file documentation required to support the review.

Effective Date: These DTAP changes are effective 10/1/2010.

Cancellation: AB 09-04 is hereby cancelled.

Background: In the past Treasury has used Prosight as the reporting tool for High Impact Acquisitions (HIA) reviews. Prosight is being retired as of 9/30/2010. OPE is therefore changing the DTAP to explain the change from Prosight reporting to spreadsheet reporting and updating accordingly the HIA Program Guide.

DTAP Update:

Accordingly, the DTAP is changed by adding:

1046.70 HIA Program

(a) Purpose. The HIA process was initiated to:

(1) give management insight into high profile contracts in the areas of Cost, Schedule, Performance/compliance with contract terms and conditions, and/or qualifications of the contracting officer (CO)/contracting officer technical representative (COTR); and

(2) improve communication and coordination among Program Managers (PMs), COTRs and COs.

(b) Bureaus must follow the HIA process explained in the HIA Program Guide.

(c) 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 HIA and must be tracked and reported in accordance with the HIA Program Guide:

(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.

(d) Contract File Documentation. The following documentation generated under the HIA program must be in the contract file.

(1) HIA Coordination Form
(2) IAT Charter
(3) Corrective Action Plan
(4) Monthly Progress Report

Cost/Benefit Analysis:

It is estimated that between 64 and 170 hours a month will be spent collectively on the HIA program.

1st month after quarter ends:
4 hrs- OPE time to format lists
60 hrs- Bureau time to update (10 bureaus at 6 hrs each)
100 hrs- PM, CO, and COTR time to meet and incremental time to complete coordination form (est 200 contracts at .5 hr each). Assumes time is already spent in contract management.
6 hrs- OPE time to prepare scorecard

2nd month after quarter ends:
40 hrs- IAT time to develop a charter (est 10 projects at 4 hrs each)
60 hrs- IAT time to develop a Corrective Action Plan (est 10 projects at 6 hrs each)
5 hrs- OPE time to review Corrective Action Plans (est 10 Plans at .5 hr each)
60 hrs- IAT time to develop a Monthly Progress Report (10 bureaus at 6 hrs each)
4 hrs- OPE time to update progress scores

3rd month after quarter ends:
60 hrs- IAT time to develop a Monthly Progress Report (10 bureaus at 6 hrs each)
4hrs- OPE time to update progress score

It is OPE's opinion that the benefit derived from having management insight, corrective action, and tracking of high profile contracts valued collectively at over $100M far outweighs the time spent on the HIA program.

Communications related to this AB may be directed to Heather Coyle at Heather.Coyle@do.treas.gov or (202) 622-2092.

HIA Program Guide
Updated 10/1/2010

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 Program Guide:

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 High Impact Acquisitions (HIA).

II. Major Investments

OPE will request a list of contracts supporting major investments from the capital planning process quarterly. OPE will email the bureaus a list of the major investments and related contracts along with several columns to be populated including Cost, Schedule, Performance and qualifications of the contracting officer (CO)/contracting officer technical representative (COTR). Bureaus are responsible for adding any High Impact Acquisitions (HIA) to the list that were not captured by the capital planning process.

III. Other High Impact Acquisitions (HIA)

OPE will email the bureaus its known list of other than major investments along with several columns to be populated including Cost, Schedule, Performance and qualifications of the contracting officer (CO)/contracting officer technical representative (COTR). Bureaus are responsible for adding any new other High Impact Acquisitions (HIA) to the list.

IV. Quarterly HIA review process and file documentation

Each quarter COs will be notified via email to review and update/add contract information as necessary to the major and other HIA excel sheets. 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; and 2) a record for retention in the contract file. Bureaus may tailor the HIA Coordination Form as long as substantially the same information is captured.

After OPE notifies COs of the timeframe for updating contracts on the spreadsheets, 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 update the spreadsheets with contract cost, schedule, performance and CO/COTR qualification information. The CO must certify the information is accurate and complete by entering the date of their final review on the spreadsheets.

If a BCPO determines that a planned or existing procurement action falls within the definition of a HIA 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.

V. Collection and Use of 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 –"I don't know" and red - problems/ not all questions were answered. A *status* score is the result of analyzing answers to Cost, Schedule, Performance/compliance with contract terms and conditions, and/or qualifications of the CO/COTR).

  A *progress* score is given for updating contract reviews or 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.

  All scores of yellow and red are compiled on a scorecard along with the status and progress score.

- 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 Plan (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.

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

High Impact Acquisition Coordination Form

This form is being sent to the COTR/program office for input to ensure contract information on the Major and Other HIA spreadsheets is up-to-date and current for this HIA Quarterly Review.

Date: (Contracting Officer enters date sent to COTR/program office).

Date for Return from COTR to CO office: (allow time to facilitate a complete and accurate accounting of contract status within the required timeframe)

Quarterly Review: (Contracting Officer enters quarter and year, e.g. 4QFY10)

Section 1 – General Contract Information

Investment Name (If major only):

Contract or Task Order Number:

Has the Contract/Task Order been awarded? If not, when is the planned date of award?

Type of Contract/Task Order (In accordance with FAR Part 16):

Contractor Name:

Period of Performance (Start date, End Date):

Total Estimated Value (including options):

Cumulative Obligations to Date:

Comments:

All of the above information can be verified from the contract or contract modifications. Cite record used to verify information and initial below.

_____ Initials

Section 2 – EVM Information

EVM in the contract? (E300 requirement)

If no, when will it be in the contract?

If earned value is not required or will not be a contract requirement, explain why?

Does this contract have development modernization or enhancement features (ref. CPIC EVM Guide)? If yes, continue answering questions in this section. If no, skip to next Section.

Select the Treasury EVM thresholds that apply to actions with Development, Modernization or Enhancement (DME). The following thresholds for the contractor-developed component of investments apply to DME costs at the Contract Line Item Number (CLIN) level for performance-based acquisitions and to DME costs at the Task Order level for non-performance-based contracts:

/ / **DME costs above $50 million** – "Full" 32 ANSI criteria EVMS – *external validation is required.* The contractor must supply proof of validation by the Cognizant Federal Agency (CFA) that EVM is applied in full compliance with ANSI/EIA Standard 748. CFA is defined in Federal Acquisition Regulation (FAR) Subpart 42.003.

/ / **DME costs $20 to $50 million** – "Full" 32 ANSI criteria EVMS – *self-validation is required.* The contractor must provide proof of self-validation that EVM is applied in full compliance with ANSI/EIA Standard 748.

/ / **DME costs under $20 million** – *"Core" EVM reporting is required.* EVM principles must be applied for tracking investment cost, schedule, and performance, but need only comply with a subset of ANSI/EIA Standard 748 criteria, listed in CPIC EVM Guide at Appendix C.

If EVM is in the contract, was the contract baseline (IBR or (IBR CORE)) developed consistent with Treasury's EVM threshold compliance for DME?

If a baseline change request did occur on the investment, validate that you took appropriate contract action.

Comments:

Examples of EVM verification can be obtained from the ANSI/EIA criteria found in the Full and Core EVMS Requirements in the CPIC EVM Guide, and or other documentation related to validation/acceptance, IBR/IBR Core, etc. Cite progress and status of EVMS and record used to verify information and initial below.

_____ Initials

Section 3 – Cost, Schedule, Performance

Is the contract on schedule?

Is the contract on budget?

Is contractor delivering in accordance with the contract?

Comments:

Examples of cost, schedule, performance information can be verified from inspection and acceptance of deliverables in accordance with the contract, EVM data, compliance or non-compliance with contract clauses; progress reports; recent technical interchange meetings; status of service level agreements; payments IAW prescribed contract payment clause (if T&M, notice of exceeding 85% of ceiling price in the schedule). Cite record used to verify information and initial below.

_____ Initials

Section 4 – Investment Project Manager Contact Information

Name:

Investment Bureau:

Phone Number:

Email:

Comments:

The COTR must verify this information and keep it updated. Cite record used to verify information and/or initial below to indicate up-to-date information.

_____ Initials

Section 5 – Contracting Officer Information

CO Name:

CO Bureau:

CO Phone:

CO E-Mail:

CO FAC-C or DAWIA Certification Level:

Does the CO have appropriate acquisition qualifications per OFPP memo 05-01?

COTR Email:

Does the COTR have qualifications per DTAR 1001.67?

Comments:

Cite record used to verify information and/or initial below to indicate up-to-date information.

_____ Initials

Integrated Acquisition Team (IAT) Charter
High Impact Acquisition Review Process

1. **Mission and Purpose:** The IAT exists to manage the contract to meet investment and mission goals. The IAT will develop and implement a Corrective Action Plan and continue to monitor and report monthly contract progress until contract management risks are under control and contract status is "green."

2. **Scope:** The IAT covers [insert Contract and/or Task Order Number – (Investment Name)] under review, e.g., Environmental Greening Project/GS-OOS-45726.

4. **Authority:** DTAP 1046.70- HIA Program

5. **Membership, Roles and Responsibilities:** Provide names of individuals responsible for milestones and steps in the Corrective Action Plan and designate any other necessary facilitator.

   Chairperson: Responsible for the agenda and drafting the minutes of the meeting, facilitates discussions and ensures issues are resolved by responsible member(s). Responsible for reporting under DTAP 1046.70 to OPE.

   Contracting Officer: Responsible for interpreting four corners of the contract and allowing any changes.

   Project Manager: Responsible for articulating and interpreting and the government's requirements.

   Contracting Officer's Representative: Performs contract duties and responsibilities as designated by the Contracting Officer and reports on the contractor's performance.

   Subject Matter Expert: Responsible for providing advice in their specialty area.

6. **Meeting, Scheduling, Agenda and Minutes:** Discuss when, where and how often the members will meet to discuss reports on contract progress and/or changes.

   (e.g., Meet every Wednesday in Conference Room A at 10 AM until contract issues are addressed. Meet on the first Thursday of each month in Conference Room A at 10 AM with vendor to review progress. Meet on the first Tuesday during the months of October, January, April, and July to discuss and prepare for quarterly updates.)

High Impact Acquisition Corrective Action Plan

Answers were given to HIA queries as either "I don't know" or "No." Use this form (or format) as the Corrective Action Plan when responding to OPE.

Name of Investment *(Fill-in below)*

Contract/Task Order No. *(Fill-in below)*

High Impact Acquisition Type *(Check all that apply)*

- ☐ Estimated to be of value greater than $10 million.
- ☐ Related to OMB 300 major investments.
- ☐ Competitive Sourcing actions under OMB A-76
- ☐ Controversial or otherwise sensitive such that they warrant the attention of the SPE.
- ☐ Obligation of American Recovery and Reinvestment Act of 2009 (also referred to as the Recovery Act or ARRA) funds

Category(s) and Question(s) at issue. *(Select one response for each question from the drop-down menus for the baseline and current month. Format status for current month as MM YYYY)*

		Baseline Reporting (Initial Scorecard results)	Current Monthly Status ( )
EVM*			
	Are earned value management clauses in the solicitation/contract, if not, when?		
	Was the contract baseline (IBR or IBR (Core)) developed consistent with Treasury's EVM threshold for DME compliance?		
	If a baseline change request occurred on the investment, has the contract been modified to incorporate the change?		
Contract Cost, Schedule & Performance			
	Is the contract on schedule?		
	Is the contract on budget?		
	Is the contractor delivering IAW the contract?		
Qualifications			
	Does the CO have appropriate acquisition qualifications per OFPP Memo 05-01?		
	Does the COTR have appropriate qualifications per DTAR 1001.67?		

**For the purposes of this particular assessment tool, the PM determines whether EVM is or is not in the contract.*

Issue(s)/Problem(s) Description *(Elaborate on basis for "no" or "I don't know" responses)*

(e.g., The contract is over budget by $10,000 and behind schedule by two months)

Root Cause Analysis *(Fill-in below)*

(e.g., There have been excusable delays in performance due to unusually severe weather conditions as a direct result of Hurricane Katrina)

Risk of Contract Issue(s) to Investment *(Discuss in terms of cost, schedule, performance, progress or completion, or other impact or perception). Assess the relative level of risk associated with the issue(s) as it relates to the investment.*

(e.g., Risk is low because deliverables are not on the current critical path to delivering mission outcomes in the XYZ Investment and the anticipated claim is within the amount budgeted for in management reserve).

Assessed Level of Risk (*Check only one box*) ☐ High ☐ Moderate ☐ Low

Proposed/Recommended Corrective Action *(Fill-in below)*

(e.g., We have worked with the vendor to redefine acceptable delivery dates and claim parameters. Expect to receive claim next quarter).

Corrective Action Plan Milestones and Schedule *(Fill-in below)*

Activity Completion Schedule (mm/dd/yyyy)			Corrective Action Activities
Target Date	Revised Target Date	Actual Date	

Contracting Officer and other IAT Members *(Fill-in below)*

Name/Title	Email	Phone #	Signature or Marker **

**If the Contracting Officer plans to convert the document to Portable Document Format (.pdf) and submits it in that format to OPE, then all members of the IAT must sign the CAP to reflect their participation in and concurrence with the CAP. If the Contracting Officer does not convert the CAP to .pdf and will submit as a Word document, he/she may mark the Block "*participated*" for each participating IAT member. The "participated" marker shall be considered as full participation and concurrence by the IAT member- except for dissenting opinions duly noted and clearly delineated in other sections of the CAP.

Note: This Corrective Action Plan is not a performance rating as described in the FAR and it does not require a contractor's review or concurrence (except when that entity is a member of the IAT). Nevertheless, these performance assessments shall be kept confidential and not divulged except to authorized personnel on a need to know basis.

High Impact Acquisitions
Corrective Action Plan
Monthly Progress Report

(Month Ending [date])

Contract Title/Description	
Contract Number	
Date of Award	
Name of Investment	

Introduction

This monthly progress report is submitted to the U.S. Department of the Treasury, Office of the Procurement Executive. The report summarizes the status of areas scored as yellow and/or red as of the end of [date].

Recent Progress and Status

Update the tables below, and provide more in-depth detail on the recent progress and status of the project with emphasis on each of the project areas causing the yellow/red score, and the efforts underway to resolve outstanding issues or problems.

Category(s) and Question(s) at issue. *(Select one response for each question from the drop-down menus for the baseline and current month. Responses for the baseline must be the same as those given in ProSight. Overwrite the current month/year with 3-letter/2-digit abbreviation.)*

	Baseline Reporting (Initial Scorecard results)	Current Monthly Status ( )
EVM*		
Are earned value management clauses in the solicitation/contract, if not, when?		
Was the contract baseline (IBR or IBR (Core)) developed consistent with Treasury's EVM threshold for DME compliance?		
If a baseline change request occurred on the investment, has the contract been modified to incorporate the change?		
Contract Cost, Schedule & Performance		
Is the contract on schedule?		
Is the contract on budget?		
Is the contractor delivering IAW the contract?		
Qualifications		
Does the CO have appropriate acquisition qualifications per OFPP Memo 05-01?		
Does the COTR have appropriate qualifications per DTAR 1001.67?		

Corrective Action Plan Schedule and Milestones *(Fill-in below)*			
Activity Completion Schedule *(mm/dd/yyyy)*			**Corrective Action Activities**
Target Date	**Revised Target Date**	**Actual Date**	

Assessed Level of Risk to Investment			
Baseline *(Check only one box)*	☐ High	☐ Moderate	☐ Low
As of Current Monthly Progress Report *(Check only one box)*	☐ High	☐ Moderate	☐ Low

Narrative detail on recent progress and status