

Government Accountability and Transparency Board

A meeting of the Government Accountability and Transparency Board (GAT Board) was held at the Recovery Accountability and Transparency Board (Recovery Board) Office in Washington, D.C. on Wednesday, September 24, 2014, at 10:00 a.m. and continued until 10:55 a.m.

ATTENDEES:

Board Members:

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense

Allison Lerner, Inspector General, National Science Foundation

Daniel Levinson, Inspector General, U.S. Department of Health and Human Services

David Mader, Controller, Office of Management and Budget

Calvin Scovel, Inspector General, U.S. Department of Transportation

Kathleen S. Tighe, Inspector General, U.S. Department of Education

Agency Staff:

Brett Baker, Assistant Inspector General for Audit, National Science Foundation

Ross Bezark, Executive Director, GAT Board and Recovery Board

Kay Daly, Assistant Inspector General for Audit, U.S. Department of Health and Human Services

Nancy Gunderson, Deputy Assistant Secretary for Grants and Acquisition Policy, U.S. Department of Health and Human Services

Karen Lee, Chief of Management Controls and Assistance Branch, Office of Management and Budget

Keith Maddox, Special Assistant, U.S. Department of Education, Office of Inspector General

Atticus Reaser, General Counsel, Recovery Board

Dorrice Roth, Deputy Chief Financial Officer, Department of the Treasury

Scott C. Stewart, Director, Application Development and Chief Technology Officer, U.S. Postal Service, Office of Inspector General

LeAntha Sumpter, Deputy Director, Defense Procurement and Acquisition Policy, Program Development and Implementation, U.S. Department of Defense

Cynthia Williams, GAT Board Secretary, Recovery Board

DISCUSSION:

Mr. Ginman called the meeting to order at 10:00 a.m., and by unanimous vote, the members present approved the minutes of the June 25, 2014 meeting. Mr. Ginman provided the members with an overview of his presentation to the Council of the Inspectors General on Integrity and Efficiency (CIGIE). He commented that his presentation included a discussion of the GAT Board's strategic vision and the efforts of the four working groups. Mr. Ginman added that he had also discussed the need for a unique identifier and file identifiers in the data shared between the agencies and Offices of Inspectors General (OIG). Ms. Tighe and Ms. Lerner added that the presentation was well received by the CIGIE members.

The members briefly discussed the status of the Federal Acquisition Regulation (FAR) Case requiring a unique award identifier. Mr. Ginman informed the members of a potential delay in implementing the requirement. Mr. Ginman and Mr. Mader discussed efforts underway to move the requirement forward, as well as steps that might be needed to ensure implementation.

Ms. Sumpter then began the scheduled Procurement Data Integrity and Standardization Working Group (working group) briefing.¹ She provided a comprehensive update of seven efforts underway designed to improve standardization and transparency of federal award data. These included working group efforts to improve industry hierarchy for contract reporting, ensure cross-government uniformity of contract award numbers, establish standards for uniform government-wide use of contract line items, establish a requirement to ensure the accurate use of vendor data associated with the vendor unique identifier, determine policy changes necessary for capturing place of performance data for contracting, establish standards for inter-governmental transactions; and establish uniform standards for electronic invoicing.

Ms. Sumpter reported that the final rule for the FAR Case mandating the use of the Commercial and Government Entity Code to improve the industry hierarchy for contract reporting was published on May 30, 2014. She noted that implementation is set for November 2014. Ms. Sumpter added that implementation of the rule will be iterative to accommodate foreign registrants. The members briefly discussed the implication that this effort has on the government's use of the Dun and Bradstreet unique identifier (DUNS). Ms. Sumpter commented that this case along with several other efforts have illuminated long standing issues with the use of proprietary data such as the DUNS to maintain organizational hierarchical information. The members discussed various challenges with identifying and reporting on predecessor data.

Ms. Tighe informed the members of the Recovery Board's recent decision not to renew the licensing agreement with Dun and Bradstreet that allows for the display of certain historic Recovery Act recipient-related data. She explained that the Recovery Board made the determination based on the repeal of the Recovery Act recipient and display requirements, the Recovery Board's pending termination, and the relative cost to continue to display this static data. Mr. Reaser provided pertinent background information regarding the contract, along with an overview of the discussions with the General Services Administration (GSA) that helped to guide the actions of the Recovery Board.

Ms. Sumpter next discussed the work completed to date to ensure uniformity of contract award numbers across the federal government. Mr. Ginman emphasized that this is key to transparency. Ms. Sumpter informed the members that the final rule for the FAR Case publication requiring the use of a unique office and award identifier is pending. She also informed the members of a collaborative effort between the Procurement Committee for eGov (PCE) and GSA to issue and manage the rollout of the office identifiers. Ms. Sumpter commented that implementation is expected to begin on October 1, 2015, for the office identifier and on October 1, 2017, for the award identifier. She noted that the implementation date for the office identifier might be impacted by any delays requiring the use of a unique award identifier.

¹ Upon approval, the Procurement Data Standardization and Transparency Working Group briefing will become an official part of the meeting minutes and available on Recovery.gov.

Ms. Sumpter described the work completed to date to establish a set of standards by which contract line items are used across the federal government. She explained that a working group spearheaded by the Office of Management and Budget (OMB) determined that while 18 of the 23 contracting agencies utilize contract line items and associated contract line item numbers (CLINs), a lack of standardization across those agencies exists. Ms. Sumpter commented that the number of agencies utilizing the CLIN concept and the amount of effort expended at the working group level should result in a smooth adoption of the recommended requirement. She added that standardizing the development and use of the CLIN is a pivotal piece in the effort to standardize intergovernmental transactions.

Ms. Sumpter informed the members of the current practice at some agencies, of changing the data associated with the vendor identification number (VIN). Ms. Sumpter commented on the lack of a rule enforcing the consistent use of all data associated with the VIN. She added that the working group deemed it necessary to establish such a rule and that a FAR Case has been drafted to ensure that vendor data is accurate and reliable across the federal government. Ms. Sumpter reported that once agreement to open the FAR Case has been reached by all applicable parties, a FAR Case number will be assigned and the effort will move forward.

Ms. Sumpter reported on an initiative originally identified by the Federal Funding Accountability and Transparency Act (FFATA) Grants/Assistance and Procurement Working Group to determine requirements needed to standardize the collection and reporting of the place of performance for federal/state awards. She explained that the Award Committee for eGov (ACE) recently voted to pursue standardization efforts for five data elements required by the FFATA deemed critical to the overall transparency effort. She added that the PCE agreed to lead the standardization efforts for three of the five FFATA data elements identified. These include place of performance, period of performance, and the definition of award. Ms. Sumpter further explained that in an effort to create a baseline, the PCE is exploring all regulations that govern place of performance, and as its next step will map the regulations to the lifecycle of the award.

Ms. Tighe reminded the members of the importance of maintaining alignment with the Department of the Treasury's (Treasury) efforts to implement the requirements of the Digital Accountability and Transparency Act (DATA Act). Ms. Sumpter assured the members that the working group efforts are aligned with Treasury's vision for DATA Act implementation and involve collaboration with Treasury representatives. The members then engaged in a discussion of multiple scenarios regarding the collection and reporting of place of performance information.

The last two working group efforts discussed by Ms. Sumpter were the initiatives to establish standards for intergovernmental transactions and electronic invoicing. Ms. Sumpter explained that a federal-wide working group was established by ACE to address standards for intergovernmental transactions, and as a result, the Department of Defense is collaborating with Treasury to explore the use of the Purchase Request Data Standard for all electronic exchanges. Mr. Ginman commented that establishing standards in this area is critical to accurately answering questions regarding the movement and use of federal funds.

Ms. Sumpter informed the members that OMB has the lead on establishing government-wide uniform standards for electronic contractor invoices. She added that collaborative efforts to determine invoicing standards, identify shared service providers, and initiate needed FAR changes will take place in 2015.

Ms. Sumpter concluded her briefing with a summary of the anticipated timeline for the seven initiatives. She reported that the timeframe for completing the development and implementation of policy updates initiated in fiscal year 2012 extends into fiscal year 2016, and the timeframe for systems development and implementation into fiscal year 2017-2018. Ms. Sumpter also noted that the necessary integration with federal financial systems is expected to follow a staggered schedule that will coincide with the applicable standards maturity. This concluded the working group presentation. The members thanked Ms. Sumpter for the informative update.

The members then engaged in a brief discussion of the viability and strategic direction of the GAT Board. Mr. Ginman announced that OMB had provided input, as requested, on the future necessity for the GAT Board. He commented that based on that input as well as previous member discussions, the GAT Board is expected to continue its mission for the foreseeable future. Mr. Mader added that the composition of the GAT Board affords a unique viewpoint not currently replicated in the government. He also added that the GAT Board has been the impetus for many current standardization and transparency initiatives across the government. Ms. Tighe reminded the members of the Recovery Board's scheduled sunset on September 30, 2015, which will necessitate the identification of a new venue for GAT Board meetings. The members briefly discussed alternate meeting places.

Mr. Ginman commented that an initial draft of the GAT Board's 2014 activities and its 2015 strategic plan would soon be prepared. Mr. Ginman queried the members on the need for structural changes to the GAT Board's strategic direction. Ms. Tighe commented that increased integration with Treasury's vision might be needed. Mr. Mader suggested that an OMB/Treasury briefing be added to the agenda for the October meeting. He committed to working with Treasury to present an update on DATA Act implementation efforts that could help inform the development of the GAT Board's direction for 2015. Mr. Mader also informed the members of the OMB/Treasury Public Town Hall meeting scheduled for Friday, September 26.

A brief discussion of the need for inclusion and collaboration in the drive to improve federal transparency and accountability ensued. Mr. Ginman commented that without funding or resources of its own, the GAT Board has had to leverage existing resources and rely on collaborative efforts already in place. He added that only recently had efforts been made to encourage communication between the federal financial and procurement communities. Mr. Ginman emphasized the need for Treasury to remove barriers to communication and bring all communities to the table for a robust discussion of the issues and viable solutions. The members agreed that increased cohesion between all federal communities is vital for success.

The next GAT Board meeting is scheduled for Wednesday, October 29, 2014.

Cynthia Williams
Secretary

Procurement Data Standardization and Transparency



**STATUS UPDATE BRIEFING TO THE GOVERNMENT
ACCOUNTABILITY AND TRANSPARENCY BOARD
SEPTEMBER 24, 2014**

**LEANTHA SUMPTER
DEPUTY DIRECTOR, DEFENSE PROCUREMENT
PROGRAM DEVELOPMENT & IMPLEMENTATION**

Purpose

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- Previous briefs focused on procurement plan of action to improve transparency and data standardization building on 5 years of validation and verification of procurement data.
- Today's purpose is to provide a brief update on:
 - Contracting regulatory actions; and
 - Electronic Invoicing
- **Discuss:**
 - Ongoing effort to collaborate with Grants community on FFATA Data Elements
 - ✦ Place of Performance
 - ✦ Use of System for Award Management data
 - Federal-wide working group on inter-governmental transactions

Improve Industry Hierarchy for Contract Reporting

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Description:

Clarify and improve Government's ability to determine industry hierarchy for contract reporting (e.g. family tree)

Goals:

- Develop a government source of data for reporting (by industry) regarding legal entity relationships
- Use this source to enable transparency of industry reporting

Work Completed to Date:

- Final rule published May 30, 2014
- Ensured both System for Award Management (SAM) and Commercial and Government Entity (CAGE) systems are modified to implement this capability

Next Steps:

- Outreach to industry to ensure 1 November 2014 implementation will be successful
- Implementation will be iterative as companies update their registration in SAM particularly for foreign registrants

Ensure Uniformity of Contract Award Numbers across the Federal Government

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Description:

Ensure uniformity of contract award and order numbers across the federal government; use a unique procurement office identifier as the prefix to that number

Goals:

- Ensure that contract actions are traceable to the issuing contract office
- Ensure both award and order numbers are uniform and unique across the federal government
- Improve operations and transparency

Work Completed to Date:

- Final rule publication pending
- Ensured the Procurement Committee for eGov (PCE) is working with GSA to issue/manage office identifiers

Next Steps:

- Ensure GSA implements their strategic plan to ensure smooth rollout of the procurement office identifiers
- Mandatory date for systems implementation is anticipated to be October 1, 2015 for office identifiers; October 1, 2017 for award identifiers

Establish Standards for Uniform use of Contract Line Items across the Federal Government

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Description:

Establish standards for uniform use of Contract Line Items (CLINs) across the federal government

Goals:

- Ensure that contract line items are traceable to funds used for award and to deliverables to improve operations
- Enable future transparency

Work Completed to Date:

- Proposed rule published for public comments on August 5, 2014
- Comments due October 6, 2014

Next Steps:

- Adjudicating public comments
- Determine mandatory date needed for systems implementation

Establish Requirement that Vendor Data (associated with unique identifier) be unchanged

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Description: As identified by the Grants/Assistance & Procurement (FFATA) working group – Ensure accurate use of vendor data associated with vendor unique identifier (e.g. DUNS and/or CAGE)

Goals:

- Ensure that vendor data is accurate and reliable
- Enable future transparency

Work Completed to Date:

- DoD drafted FAR case submitted to DAR staff on July 1, 2014
- Case number still pending GSA agreement to open case (NASA has agreed)

Next Steps:

- Work with FAR council to publish proposed rule for comment

Determine Policy Changes Necessary to Place of Performance for Contracting

7

Description: As identified by the Grants/Assistance & Procurement (FFATA) working group – Determine future state/requirements for capturing place of performance

Goals:

- Ensure that data is accurate and reliable and reflects business rules that must evolve to recognize multiple scenarios
- Enable future transparency

Work Completed to Date:

- Review of FAR, DFARS and agency supplements completed Sept 2014
- DoD drafting FAR case

Next Steps:

- Discuss results of review with PCE and FACE and ACE membership
- Continue to work cross-functionally with HHS on common federal award standard where possible

Establish Standards for Inter Governmental Transactions

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Description:

Establish standards for exchange of inter/intra governmental transactions (including assisted acquisition)

Goals:

- Ensure that direct cite and reimbursable funds are traceable to awards and to deliverables to improve operations
- Enable future transparency
- Improve auditability across the federal government

Work Completed to Date:

- ACE established a federal wide working group to address standards
- DoD partnering with Treasury to explore use of Procurement Request Data Standard (PRDS) for electronic exchanges

Next Steps:

- Leveraging work of ACE working group to establish standards
- Determine utility of a transaction exchange and transaction standard to improve audit and transparency

Electronic Invoicing

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Description:

Establish uniform standards for contractor invoices across the federal government

Goals:

- Ensure a common invoicing data set required of contractors; reducing contractor costs / burden
- Enable electronic invoicing standard processes to be implemented across government; reduce number of supporting systems and costs
- Enable traceability of invoiced funds against obligations and outlays

Work Completed to Date:

- OFPP included invoice standards in the group of procurement standards to be addressed
- OFPP is collecting the data sets used today by identified potential shared service providers for consideration

Next Steps:

- OFPP work with PCE this summer to determine the invoicing standards
- Initiate FAR changes to establish standards and electronic invoicing requirements for contractors
- Work with Treasury to identify shared service providers

Summary

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- **Developing and implementing policy updates initiated in FY12 will extend into FY16**
- **Systems development and implementation will extend into FY17-FY18 based on budget cycles**
- **Integration with financial systems will be staggered on a schedule to coincide with the standards maturity**