

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, April 30, 2014, at 10:00 a.m. and continued until 11:35 a.m.

ATTENDEES:

Board Members:

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense
David C. Williams, Vice Chair and Inspector General, U.S. Postal Service
Allison Lerner, Inspector General, National Science Foundation
Daniel Levinson, Inspector General, U.S. Department of Health and Human Services
Mark Reger, Interim 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
Amy Haseltine, Associate Deputy Assistant Secretary for Grant Policy, U.S. Department of Health and Human Services
Keith Maddox, Special Assistant, U.S. Department of Education Office of Inspector General
Karen Pica, Management Analyst, Office of Management and Budget
Dorrice Roth, Deputy Chief Financial Officer, Department of the Treasury
LeAntha Sumpter, Deputy Director, Defense Procurement 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 of the members present, the minutes of the March 26, 2014, meeting were approved. Mr. Ginman recapped two significant activities that occurred since the April GAT Board meeting. He announced that the Digital Accountability and Transparency (DATA) Act had passed in both the Senate and the House of Representatives and was forwarded to the President on April 29 for approval.¹ Mr. Ginman also provided the members with a recap of the Data Transparency Summit, organized by the Data Transparency Coalition, held on April 29. He commented that GAT Board members participated on many of the summit panels. He added that the GAT Board received acknowledgment during the summit for its work in integrating government transparency efforts.

The members briefly discussed the components of the DATA Act and its impact on the GAT Board's efforts. The members acknowledged that the DATA Act shifts leadership for implementing

¹ President Obama signed the DATA Act into law on Friday, May 9, 2014.

government-wide transparency and accountability from the Office of Management and Budget (OMB) to the Department of the Treasury (Treasury). Mr. Reger commented that coordination of federal transparency related efforts between Treasury and OMB will continue. He further commented that the GAT Board's advisory role to OMB on transparency and accountability efforts across the federal government is also expected to continue.

Ms. Tighe suggested the need for a discussion to ensure that the GAT Board's focus and current data standardization efforts are aligned with Treasury's vision. Mr. Reger reported that Ms. Ho, the Executive Director for Data Transparency at the Treasury Department and a member of the GAT Board's Financial Management and Data Transparency Working Group, will be leading the effort to implement the DATA Act's call for improved federal financial data quality and data display. He added that Ms. Ho expressed a willingness to update the GAT Board on Treasury's vision and strategic direction in this area. The members agreed to invite Ms. Ho to the May 28 meeting and reschedule the Data Analytics Working Group briefing to June 25. Ms. Roth commented that Ms. Ho is scheduled to brief the members of the Chief Financial Officers Council on May 18 and agreed to relay the GAT Board's invitation.

There was a brief discussion of the components of federal spending. In light of the significant amount of funding allotted to health care, salaries and benefits, and retirement and disability expenses, Mr. Ginman questioned if the GAT Board's efforts should reach beyond expenditures for contracts and grants. Mr. Ginman reminded the members of the request from members of the transparency community, during the GAT Board's public meeting, for the return of detailed expenditure information similar to what was previously available on the Consolidated Federal Funds Report published by the Census Department. The members approved the 2014 Way Forward document with no changes to the strategic focus. Mr. Ginman requested that the document be updated with the change in scheduled briefings and posted on Recovery.gov's GAT Board section.²

Ms. Sumpter then began the scheduled Procurement Data Integrity and Standardization Working Group (working group) briefing with a detailed update on previously reported working group efforts.³ This included information on three Federal Acquisition and Regulatory Council cases (FAR cases) designed to improve industry hierarchy for contract reporting, ensure cross-government uniformity of contract award numbers, and establish standards for uniformed government-wide use of contract line items; along with a collaborative effort between the Department of Defense (DoD) and Treasury to establish standards for inter-governmental transactions.

Ms. Sumpter announced that the FAR case to establish an industry hierarchy for contract reporting has been approved and will be implemented on November 1. She explained that implementation will result in a government-owned source for the organizational hierarchy of businesses providing procurement services to the federal government. The members discussed in detail the impact of this case on data integrity and standardization efforts. Several members commented on the need to expand this requirement and the use of the Commercial and Government Entity code to grant awards.

Ms. Sumpter additionally provided the members with a comprehensive description of the current procedures for collecting and maintaining organizational hierarchical information. She also provided

² The GAT Board's 2014 Way Forward Document was published on Recovery.gov on April 30, 2014.

³ Upon approval, the Procurement Data Integrity and Standardization working group briefing is expected to be made available on Recovery.gov.

the members with an in-depth description of the timeline and the mechanisms for the new data collection procedures. Several members commended the working group for their efforts to build an alternative source of industry hierarchies for contract reporting.

A detailed discussion of uniformed contract award numbers ensued. Ms. Sumpter provided the members with the goals of the FAR case that establishes uniformity in contract award numbers. She explained that the case requires the use of Activity Address Codes (AACs) as the unique identifier for contracting and other offices, in order to standardize procurement transactions across the federal government. Mr. Ginman commented on the importance of establishing a unique agency identifier. He added that Congress' termination of the use of Federal Information Processing Standards Codes resulted in the loss of a standard way to identify agencies. Several members commented that different agency identifiers are used by various communities across the federal government. Ms. Haseltine commented that the issue is ingrained in the business processes used by the different communities and cautioned that a comprehensive rather than piecemeal solution should be sought. She added that in light of the discussions during the Data Transparency Summit, the DATA Act could be leveraged to form a group to examine the issue.

Mr. Ginman commented on the need to reestablish an authoritative source to establish and enforce the uniformed agency identifier and suggested that OMB would be the logical choice to drive the solution. Mr. Reger agreed to relay the GAT Board's position at the upcoming data transparency meeting. Ms. Pica commented that the requirements of the DATA Act could be leveraged to bring together the stakeholders from across the federal government to examine the issue and propose a solution. She committed to work with colleagues to advance the discussion of the issue to ensure resolution.

Ms. Sumpter informed the members that significant progress had been made to establish requirements for the FAR case involving the uniform use of contract line items and the initiative to establish standards for inter-governmental transactions. She described the work completed to date and the next steps for both initiatives.

Ms. Sumpter then reported on the joint effort with the Department of Health and Human Services to study the differences in grant and procurement data and its uses. Ms. Sumpter and Mr. Ginman provided the members with examples of differing grant and procurement definitions for the same data elements. Ms. Sumpter also reported on the partnership with the Office of Federal Procurement Policy to establish uniformed standards for electronic contractor invoicing. Mr. Ginman discussed previous efforts to prevent the creation of additional electronic invoicing systems. He informed the members of the prior decision to limit the number of systems through the issuance of OMB policy rather than through FAR regulations. He added that the OMB policy had not yet been issued. Mr. Reger informed the members that the President's management agenda on federal shared service providers included a review of this issue. He extended an invitation to Mr. Ginman to attend the next meeting on shared service providers to discuss this issue and solicit action by OMB officials.

Ms. Sumpter concluded her briefing with a summary of the revised timelines for the completion of the working group efforts. She informed the members that policy updates initiated in Fiscal Year (FY) 2012 would extend into FY 2015, while systems development and implementation would extend into FYs 2017 and 2018.

Mr. Ginman discussed a proposal for the inclusion of a unique identifier in databases used by the Inspector General (IG) and law enforcement community. He explained that the inclusion of this identifier would assist agency officials to flag high-risk businesses during the contract award process, respond to congressional inquiries, and take remedial actions against contractors such as suspensions and debarments.

Ms. Tighe informed the members that most IGs utilize case management systems for their investigations work. She commented that it may be possible to add the identifying field to those systems and pass that information along to agency debarment officials. She cautioned that restrictions exist on how the data could be shared beyond the IG and law enforcement community. She suggested that a more apt solution to assist agencies with the identification of high-risk entities would be to ensure that federal solutions such as Treasury's Do Not Pay system include the needed information. Ms. Lerner recommended, and the members agreed, that the proposal be presented to the Council of the Inspectors General on Integrity and Efficiency's Investigations Committee for discussion and consideration. Mr. Ginman informed the members that he had discussed the proposal with the DoD IG, Jon Rymer, who suggested a briefing to the Recovery Board. Ms. Tighe agreed to contact Mr. Rymer regarding this briefing.

The next GAT Board meeting is scheduled for May 28, 2014.

Cynthia Williams
Secretary

Procurement Data Standardization and Transparency



**STATUS UPDATE BRIEFING TO THE GOVERNMENT
ACCOUNTABILITY AND TRANSPARENCY BOARD
APRIL 30, 2014**

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

Purpose

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- **July 2014 – Previous brief focused on procurement plan of action to improve transparency and data standardization building on 5 years of validation and verification of procurement data. Recommendations included:**
 - Initiate a series of regulatory actions to clarify industry hierarchy, ensure uniformity of contract award numbers and contract line items; ensure procurement offices are uniquely identified
- **Today's purpose is to provide a brief update on:**
 - Contracting regulatory actions; and
 - Electronic Invoicing
- **Discuss:**
 - New effort to collaborate with Grants community on FFATA Data Elements
 - New 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:

- Public comments on proposed FAR case 2012-024 adjudicated; pending publication as a final rule by OMB
- 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

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:

- Public comments on proposed FAR Case 2012-023 adjudicated; final case forwarded to Councils for approval prior to publication as final rule
- 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
- Determine mandatory date needed for systems implementation

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:

- DARC and CAC finalizing proposed FAR Case 2013-014 for public comments
- Ensured the Procurement Committee for eGov (PCE) is supportive of this change (17 of 23 organizations use CLINs today)

Next Steps:

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

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

FFATA Data Elements Collaboration

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Description:

Establish cross-functional (procurement and grants) uniform standards for data to comply with FFATA reporting requirements for individual federal awards (applicable to prime awards and first tier subawards)

Note: Expected DATA Act does not change federal award reporting requirements

Goals:

- Ensure a common understanding of the data being reported from both communities
- Ensure a consistent and common set of processes apply across the data elements shared by both communities
- Enable increased transparency

Work Completed to Date:

- DoD/HHS finalizing initial set of data elements and definitions for briefing to the PCE, FACE, & ACE
- DoD/HHS developing initial set of recommended policy, process, and system changes to enable the standards

Next Steps:

- DoD and HHS provide data elements, definitions, and recommended policy and process changes to PCE, FACE, and ACE (Q3FY14)
- Initiate policy, process, and system changes

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 FY15**
- **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**