



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

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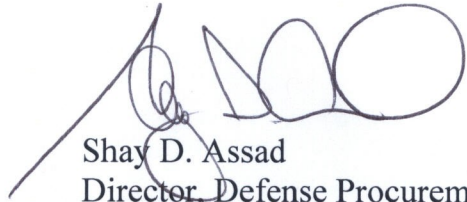
MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT), ASA (ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION & LOGISTICS MANAGEMENT),
ASN (RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Updated Instructions for Independently Verifying and Validating Federal
Procurement Data System (FPDS) Contract Data for FY09 and FY10

Many strides have been made since DoD completed and benchmarked our FY08 data improvement effort, and I appreciate your workforce's diligence in continuing to review reported data in FPDS. On October 7, 2009, the Office of Management and Budget (OMB) issued its most recent guidance (see attachment) for continued improvement of data quality. This memorandum provides updated associated DoD guidance for all Components to follow while completing their verification and validation of FY09 contract actions in FPDS.

As the OMB guidance was received late in our FY09 validation efforts, for the remainder of FY09 activities please continue to follow the data element review requirements of the DoD Data Improvement plan (available at <http://www.acq.osd.mil/dpap/pdi/eb/index.html> under FPDS), as well as the methodology you used for FY09 Q1-Q3 validation reporting in order to remain consistent across the fiscal year. However, for your FY09 Final Certification please provide the certification in the OMB prescribed format, addressing all of the narrative requirements. The remaining areas of the OMB guidance regarding data elements and methodology shall be implemented and addressed in DoD's FY10 data improvement activities. The DoD Data Improvement Plan will be updated and posted at the above noted website to reflect the FY10 requirements by November 30, 2009.

In addition to your on-going efforts, I ask that your organization designate a contract reporting "stand-down" day to concentrate efforts on making necessary corrections identified by anomaly reports and other methods in FPDS, clearing remaining draft and error records, and resolving any other contract reporting issues for FY09 reported data. As a reminder, final FY09 data improvement results and certifications are due to my action officer, Lisa Romney (lisa.romney@osd.mil or 703-602-8007) by December 15, 2009.

A handwritten signature in black ink, appearing to read 'Shay D. Assad', with a stylized flourish extending to the right.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 7, 2009

OFFICE OF FEDERAL
PROCUREMENT POLICY

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES

FROM:

Lesley A. Field
Acting Administrator

SUBJECT:

Improving Acquisition Data Quality for
Fiscal Years 2009 and 2010

As we increase the transparency of our acquisition activities in support of the Recovery Act, the President's March 4, 2009 Memorandum on Government Contracting, and related initiatives, we must continue our targeted efforts to improve the quality of data in the Federal Procurement Data System (FPDS). This memorandum outlines the steps agencies must take in FY 2010 to improve acquisition data quality.

The FPDS Data Quality Working Group has worked with my staff for the past several months to analyze agencies' FY 2008 data quality plans and certification reports. These plans and reports demonstrate that agencies are generally undertaking more disciplined processes to improve and validate the accuracy of their FPDS information than in the past. However, the group found three areas where the validation and reporting guidance and processes could be improved.

First, the group recommended that agencies be required to provide more explicit information in their planning and certification reports to support a complete assessment of their data quality improvement activities and the identification and sharing of best practices. This year's guidance requires that agencies' data quality improvement and validation activities be described more explicitly.

Second, the group recommended refinements to the FY 2008 sampling methodology. Though more detailed than previous guidance, the FY 2008 guidance was not sufficient for determining the accuracy of specific data elements by agency with the statistical precision required by our guidance. There were also some ambiguities in the sampling guidance that appear to have contributed to inconsistencies in agencies' sampling approaches. To address this issue, the validation guidance asks agencies to consider data element accuracy when developing their sampling methodologies and eliminates ambiguous language in the prior year's guidance.

Third, the group urged the Office of Federal Procurement Policy (OFPP) to focus the FY 2009 and FY 2010 data quality efforts on data elements whose quality is dependent on the agency's internal data entry and control procedures. Agencies pointed out that, for FY 2008, they were required to validate data downloaded into FPDS from other databases whose accuracy was dependent on other agencies or contractors. This year's guidance focuses agency validation efforts on internally generated data elements whose quality is best controlled by the agency itself. For other data elements, including externally generated data, agencies are asked to report on their use of other approaches, such as anomaly reports, to catch errors or systems problems.

To improve efficiency and reduce administrative burden, OFPP is consolidating the data quality planning, validation, and reporting requirements for fiscal years 2009 and 2010. In lieu of separate planning and certification reports, agencies shall now submit annually a single FPDS Data Quality Report that includes the agency's certification of the completeness and accuracy of its FPDS data for the previous fiscal year, a description of activities to assure data input accuracy, and a summary of its policies and procedures for measuring and reporting data accuracy.

Please submit your FY 2009 Agency FPDS Data Quality Reports (Exhibit 1) no later than January 5, 2010 by e-mail in .pdf format to Jack Kelly in OFPP (jkelly@omb.eop.gov) and to Kate Oliver at the General Services Administration (kathleen.oliver@gsa.gov). To improve the sharing of best practices, we encourage you to post your agency's latest internal data quality guidance, including your sampling and data validation instructions, to OMB's MAX website no later than October 30, 2009, and to update this information as necessary.

If you have questions concerning this guidance, please call or e-mail Jack Kelly at 202-395-6106 or jkelly@omb.eop.gov, or Julie Basile at 202-395-4821 or jbasile@omb.eop.gov. Thank you for your attention to this important issue.

Attachments

Agency FPDS Data Quality Report

Agency Name: _____

Fiscal Year of FPDS Data: _____

Agency Data

Number of Contracting Offices Providing Data to FPDS: _____

Total Procurement Obligations for this fiscal year: _____ (\$ in millions)

Part I - Data Quality Certification

Certification Statement

I certify that ____% of all reportable contract actions awarded during FY _____ for my agency have been entered into FPDS as fully and accurately as possible as of the date of my signature. [Agencies unable to certify entry of 100% of their reportable contract actions must discuss the reasons for this and their plans to remedy this situation under the following section of this Part.]

Explanation of Data Missing from Certification

[Use additional pages as necessary to discuss any procurement data that are not included in this certification. Identify data belonging to organizations that have been unable to enter their data into FPDS as well as contract writing system (CWS) data and "draft" FPDS records that have not passed the FPDS data validation routines. For each category of missing FPDS records, indicate the number, dollar value, and age of the missing records and your milestone plans for bringing these records into FPDS.]

Part II - Assuring Data Input Accuracy

Agencies' efforts to assure the input of high quality procurement data typically fall into three broad groups of activities. The first two groups consist of activities intended to: (1) assure that accountability for data accuracy is clearly defined and properly assigned, and (2) implement quality controls over data input. The third group consists of other measures that agencies may take to monitor and improve their data quality on a routine basis. Please discuss your agency's activities to assure data input accuracy according to the following outline along with any other points you want to include.

Accountability for Data Accuracy

1. Address whether or not data quality was included as a critical element, included but not as a critical element, or not addressed in the performance evaluations of contract specialists, contracting officers, heads of contracting activities, senior procurement executives, and chief acquisition officers.

2. Describe any other ways in which personnel in the agency and its subordinate components were held accountable for ensuring FPDS data accuracy.
3. Discuss any barriers or challenges that your agency faced in implementing accountability for data accuracy throughout the agency, and any steps that the agency has taken, or is planning to take, in FY 2010 to improve such accountability.

Controls over Data Input

1. Provide the percent of the agency's FPDS contract action reports (CARs) entered directly from each contract writing system(s) used by the agency, the percent entered directly into FPDS through the web portal, and the percent entered by any other methods during this fiscal year:

a. Contract Writing System(s) (Identify name and version)

	%
	%
	%
	%

b. Web Portal (On-line login)

_____ %

c. Other

_____ %

Total

100 %

If applicable, please describe any "Other" method(s) used:

2. Identify the positions (e.g., contracting officer, contract specialist, clerk, etc.) of the individuals that **entered** the CARs into FPDS, by checking all that apply.

- | | |
|---|-------|
| a. Federal employee - contracting officer | _____ |
| b. Federal employee - contracting specialist | _____ |
| c. Federal employee - data entry clerk | _____ |
| d. Federal employee - other. Please specify | _____ |
| <hr style="border: 0.5px solid black;"/> | |
| e. Contractor - program manager/key personnel | _____ |
| f. Contractor - data entry clerk | _____ |
| g. Contractor - other. Please specify | _____ |

3. Identify the positions (e.g., contracting officer, contract specialist, clerk, etc.) of the individuals that **approved** the CARs entered into FPDS, by checking all that apply.

- | | |
|---|-------|
| a. Federal employee - contracting officer | _____ |
| b. Federal employee - contracting specialist | _____ |
| c. Federal employee - data entry clerk | _____ |
| d. Federal employee - other. Please specify | _____ |
| <hr style="border: 0.5px solid black;"/> | |
| e. Contractor - program manager/key personnel | _____ |
| f. Contractor - data entry clerk | _____ |

g. Contractor – other. Please specify _____

4. Discuss the type and frequency of procurement and FPDS training provided to personnel who enter CARs into FPDS.
5. Identify whether all data elements in all CARs had to pass the FPDS edits before the corresponding awards could be issued by the agency's contract writing system. If only some data elements or some CARs were subject to the FPDS edits, identify them.
6. Discuss any other procedures, e.g., internal controls, used by the agency to ensure that data entered into contract writing systems and FPDS were correct when entered.
7. Discuss any barriers or challenges that your agency faced in establishing effective controls over the accuracy of data going into FPDS, and any steps that the agency is planning to take in subsequent fiscal years to establish such controls.

Other Data Quality Assurance Procedures

Discuss any other procedures used by the agency on a routine basis during the year to review the accuracy of its procurement data in contract writing systems and/or FPDS and to correct any errors found. Discuss separately any other such procedures that the agency is planning to implement in subsequent fiscal years. Examples of such procedures might include:

1. The use of anomaly reports that flag questionable data element values based on their relationship to other data elements. [NOTE: A list of anomaly reports suggested by GSA is posted in the "Data Quality Guidance" section of the MAX Collaboration Tool pages on FPDS Data Quality.]
2. Periodic Contract Review Boards.
3. Outside peer reviews.

Part III - Measuring and Reporting Data Accuracy

There are four factors that affect the quality of the data accuracy results reported on the Attachment to this Exhibit. The first two deal with the independence and qualification of the persons who review the FPDS records and contract files. The second two deal with the scope and adequacy of the review process itself. Please discuss your agency's policies and procedures for measuring and reporting the accuracy of your FPDS data according to the following outline along with any other points you want to include.

Independence of Reviewers

1. Discuss whether the persons who reviewed and validated the FPDS data were government employees, contractors, or a combination thereof.
2. Were all sampled contract action reports (CARs) validated against the associated contract files by individuals other than the persons who entered the contract data for those CARs and the

contracting officers who awarded those contracts? If not, explain why not. Also, discuss additional steps, if any, you have taken beyond those required by the OFPP guidance that address the independence issue.

3. Discuss any changes that the agency plans to make with respect to this issue in subsequent fiscal years.

Qualifications of Reviewers

1. Describe the qualifications reviewers were required to have with respect to contracting experience and FPDS.
2. Describe any special training on Federal procurement rules and procedures that was provided to the reviewers.
3. Describe any special training on FPDS that was provided to the reviewers.
4. Discuss any changes that the agency plans to make with respect to this issue in subsequent fiscal years.

Scope of Review

1. Describe whether the contract action report population from which the sample was selected included:
 - a. All transaction types (e.g., modifications, delivery orders, etc.);
 - b. All components of the agency that submit contract action reports to FPDS;
 - c. Data from all four quarters of the fiscal year; and
 - d. Transactions funded from non-appropriated funds. [NOTE: Transactions from non-appropriated funds should not be reported to FPDS unless approved by the GSA FPDS Program Office.]
2. Describe whether your agency validated at least all data elements identified in the OFPP guidance. If it did not, discuss why.
3. Identify any additional data elements reviewed beyond those requested in OFPP guidance.
4. Describe whether the agency reviewed all the records identified in the sample.
5. Discuss any changes that the agency plans to make with respect to this issue in subsequent fiscal years.

Adequacy of Review

1. Describe the sample design and methodology used to select the contract action reports for the sample. If the agency did not select a random sample of contract action reports, describe the sample selection method that was used and justify how the sample is providing useful information about the accuracy of data elements.

2. Identify whether the agency selected a sufficiently large sample to comply with the statistical precision standard requested by OFPP (i.e., a 95% confidence level of ± 5 percentage points around the accuracy rate), and provide the 95% confidence interval for the overall accuracy rate and the data element accuracy rates. If the requested standard was not achieved, explain why the current sample was used and why the standard could not be met.
3. Did your agency pull the sample and conduct its review at the overall agency level or at the component level? If at the component level, indicate the number of components that conducted reviews, whether the SPEs (or equivalent) at those components reported the confidence levels of their samples to you, and what those confidence levels were.
4. Identify whether the reviewers compared the data elements in FPDS to the information in the contract file. If not, describe how they validated the data elements.
5. Identify whether the review included additional steps to validate the FPDS data beyond a comparison to the contract file (e.g., logic tests of relationships among related data elements, anomaly reports, etc.). Describe the additional methods used.
6. Discuss any changes that the agency plans to make with respect to this issue in subsequent fiscal years.

Other Activities to Validate Data

Please summarize any other activities performed by the agency to measure and report the accuracy of its FPDS data that aren't included in the discussion of the preceding four factors.

Required Signature

SENIOR PROCUREMENT EXECUTIVE NAME (Printed)

SENIOR PROCUREMENT EXECUTIVE SIGNATURE

DATE

Agency Name: _____ Fiscal Year of FPDS Data: _____ Overall Accuracy Rate: _____ %

Percent of Total Procurement Spend Covered by Sample: _____ %

Accuracy Computation for Key Data Elements

<u>Data Element Name</u>	(Column A) No. of Records Reviewed	(Column B) No. of Correct Records	(Column A/ Column B as %) Accuracy Rate	Systemic Causes of Invalid Data (Check all that apply) <u>User</u> <u>FPDS</u> <u>Other</u>	
2A Date Signed	_____	_____	_____	_____	_____
2C Completion Date	_____	_____	_____	_____	_____
2D Est. Ultimate Completion Date	_____	_____	_____	_____	_____
2E Last Date to Order	_____	_____	_____	_____	_____
3A Base and All Options Value	_____	_____	_____	_____	_____
3B Base and Exercised Options Value	_____	_____	_____	_____	_____
3C Action Obligation	_____	_____	_____	_____	_____
4C Funding Agency ID	_____	_____	_____	_____	_____
6A Type of Contract	_____	_____	_____	_____	_____
6F Performance Based Service Acquisition	_____	_____	_____	_____	_____
6M Description of Requirement	_____	_____	_____	_____	_____
8A Product/Service Code	_____	_____	_____	_____	_____
8G Principal NAICS Code	_____	_____	_____	_____	_____
9A DUNS No	_____	_____	_____	_____	_____
9H Place of Manufacture	_____	_____	_____	_____	_____
9K Place of Performance ZIP Code (+4)	_____	_____	_____	_____	_____
10A Extent Competed	_____	_____	_____	_____	_____
10C Reason Not Competed	_____	_____	_____	_____	_____
10D Number of Offers Received***	_____	_____	_____	_____	_____
10N Type of Set Aside	_____	_____	_____	_____	_____
10R Statutory Exception to Fair Opportunity	_____	_____	_____	_____	_____
11A CO's Business Size Selection	_____	_____	_____	_____	_____
11B Subcontract Plan	_____	_____	_____	_____	_____
12A IDV Type	_____	_____	_____	_____	_____
12B Award Type	_____	_____	_____	_____	_____
Total Records Sampled	_____	_____	_____	_____	_____

***This data element must be validated beginning with the FY 2010 data, but is not required to be validated for the FY 2009 data.

Exhibit 1
Attachment – cont.

NOTE: This Attachment provides a standard format for agencies to use in reporting the overall accuracy rate for the data elements being validated as well as the accuracy rate for each data element. (Note that the data element names are as they appear on the FPDS screens.) Please summarize the data accuracy results collected from all subordinate offices that validated and certified their own data into this Attachment. Please also discuss any systemic causes of invalid data in as much detail as you can, with particular attention to errors caused by FPDS or any other components of the Integrated Acquisition Environment. Use additional pages as needed.

Making Statistically Valid Comparisons of FPDS Data and Contract Files

This Exhibit provides guidance on how agencies are expected to conduct statistically valid comparisons of their FPDS data and the underlying contract files. This guidance includes the procedures required to conduct statistically valid, independent reviews of FPDS data, as well as definitions of key terms, e.g., accuracy rate.

Procedures:

Although departments and agencies are expected to establish their own internal procedures for sampling and validating their FPDS data, these procedures must conform to the following requirements:

1. The sample design and sample size must be sufficient to produce statistically valid conclusions for the overall department or agency at the 95% confidence level, with a margin of error of no more than ± 5 percentage points. For example, an overall accuracy rate of 92 percent would have a 95 percent confidence interval of 87% to 97%. This degree of precision should be considered a minimum, and agencies are encouraged to utilize larger samples to increase precision and to obtain item and/or program level information that is more actionable or useful to the agency.
2. In designing their samples, agencies shall ensure that the contract action reports sampled are selected randomly from a population of FPDS records that includes all of the FPDS use cases (i.e., transaction types) employed by the agency (however, do not include "draft" FPDS records in the sample). Agencies are also strongly encouraged to stratify their samples and/or also target known problem areas for special scrutiny, provided that the sample size meets the statistical validity requirements in #1 above.

More specifically, agencies shall select a sufficient number of CARs to review so that they can report accuracy rates separately for each of the required data elements with acceptable precision. Agencies should also consider the amount of spending associated with the CAR in their sampling of CARS. This could be done by stratifying the CARS into different categories based on their level of spending or by sampling with probabilities proportional to the amount of spending.

Most large agencies will need to consult with a statistician experienced with complex sample designs in order to design an appropriate sample that will provide useful information to the agency and meet the precision requirements.

3. Each sampled contract action report (CAR) must be validated against the associated contract file by an individual other than the contracting officer who awarded the contract or the person entering the contract data for that contract action record. Although some agencies may also validate their FPDS data against the corresponding data in their contract writing systems, ultimate data verification must be made against the official contract files. The reviewer must obtain sufficient information to validate any CAR data elements not contained in the contract file or contract writing system (CWS). Data elements that cannot be validated must be considered incorrect. This includes CAR data elements that match data in the contract file or CWS that the reviewer and his/her supervisor determine to be inaccurate.
4. Each data element listed in the Attachment to Exhibit 1 shall be reviewed for accuracy when it is available for entry on the FPDS use case or brought forward on a Delivery/Task Order, BPA Call, or Modification from the base record,
5. Agencies shall only use personnel with a working knowledge of and experience with federal procurement processes and the FPDS system to conduct the data validation reviews.
6. Special focus shall be placed on the "Description of Requirement" data element, as it is the only data element during FY09 that specifically identifies contract actions that were funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (Recovery Act). When this field includes a Treasury Account Symbol (TAS) displayed in one of the two allowed formats (TAS::XX XXXX::TAS or TAS::XX XXXX XXX::TAS),

the field shall also include a description of the goods/services that were procured that is clear and can be understood by the general public. If it does not, the field shall be considered inaccurate. Additionally, the TAS identified in the field shall be the predominant Recovery TAS used to fund the contract action if more than one Recovery TAS was used. If it is not, the field shall be considered inaccurate. Finally, if an award notice indicating a Recovery Act award has been posted to FedBizOpps for the contract action that is being reviewed; and the CAR does not indicate a Recovery Act TAS in the "Description of Requirement" field, the field shall be considered inaccurate.

Definitions:

Overall Accuracy Rate – The percent of all the FPDS data elements sampled which were determined to be correct, i.e., they matched the corresponding data in the contract files and the data in the contract files were correct. For purposes of this report, only compute the overall data accuracy for the data elements reported on the Attachment to Exhibit 1. Do not include in this computation the accuracy of other data elements the agency might choose to validate for its own purposes.

Data Element Accuracy Rate – The percentage of data elements in the sampled contract action records that were determined to be correct, i.e., the entry matched the corresponding data in the contract file and the data in the contract file was correct. Only data elements appropriate for the type of record (or "use case") being validated should be counted in computing the accuracy rate. There are many data elements that are not required for certain types of records, e.g., data element 6A, Type of Contract, for a BPA Call. Such "not required" data elements should not appear in those records and therefore can't be validated. Data elements that are required for the type of record being reviewed must not be blank and must be supported by information present in the contract file or contract writing system to be determined accurate. Certain data elements are optional for certain record types, e.g., data element 10A, Extent Competed, is optional for a Delivery Order. If there is a value for an optional data element, that data element must be treated as though it were required. If there is no value for an optional data element, it should be treated as though it were not required.

Total Sample Size – This is the total number of FPDS contract action records selected by all subordinate reporting activities for comparison to the corresponding contract files. Agencies are expected to select these records randomly and in sufficient numbers to produce statistically valid conclusions about the accuracy of the data elements reported on the Attachment to Exhibit 1 at the 95% confidence level, with an error rate of no more than $\pm 5\%$.

Percent of Total Procurement Spend Covered by Sample – This is computed by dividing the total obligations associated with the contract action records sampled by the total obligations associated with all contract actions.