

ACQUISITION INSTRUCTION (AI) 11-01

FROM: Mitchell J. Ross
Director, Acquisition & Grants Office

MEMORANDUM FOR: NOAA Acquisition Staff

SUBJECT: Acquisition Management Review Program

I. Purpose

The purpose of this Acquisition Instruction (AI) is to implement NOAA's Acquisition Management Review (AMR) Program.

II. Background

Periodic review of NOAA's acquisition activities is necessary to ensure compliance with applicable federal laws and regulations, as well as Department of Commerce and NOAA policies and procedures. This AMR Program is established to provide the oversight necessary to fulfill those responsibilities and to ensure a consistent and efficient review process across all acquisition functions within NOAA.

III. General Policy

The Policy and Oversight Division (POD) of the Acquisition and Grants Office (AGO) is responsible for the conduct of reviews under this AMR Program. The Oversight and Compliance Branch of the POD will perform and document the results of the review, and will track completion of any necessary corrective actions through to closeout of the review.

The POD will conduct a formal AMR of each AGO Acquisition Division every two years. More frequent reviews may be conducted if significant areas of non-compliance are found during a review or as otherwise directed by the AGO Director.

The AMR Program procedures to be used are set forth in Attachment 1.

IV. References

None

V. Effective Date

This AI is effective on December 15, 2010 and will remain in effect until superseded or revoked.

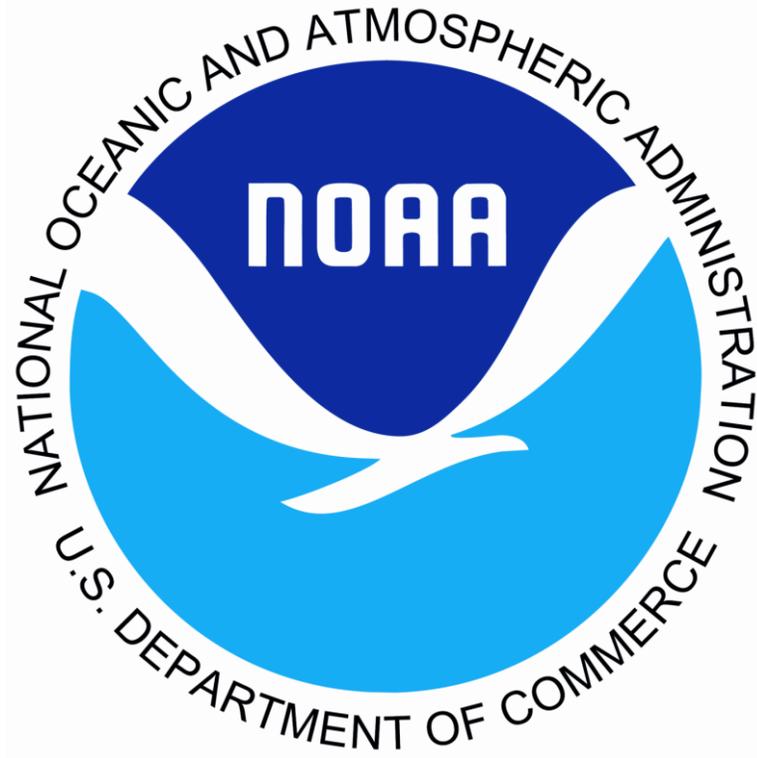
VI. Effect on Other Directives

This AI supersedes any existing local directives that may conflict with the terms of this AI.

VII. Point of Contact:

Questions concerning these procedures may be directed to LaVonne Baker at 816-823-3820 or via e-mail at Lavonne.D.Baker@noaa.gov.

Attachment 1 – AGO Acquisition Management Review Program



ACQUISITION MANAGEMENT REVIEW PROGRAM

December 15, 2010

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Chapter 1

Acquisition Management Review Program

1-1 General

The purpose of the AGO AMR Program is to determine the efficiency and effectiveness with which AGO executes its responsibilities and to assess compliance with established law, regulation, policy, directives, and procedures. The review will assist AGO in recognizing and acting on identified problems in its contracting placement and administration activities. The assessments will be used to improve operational effectiveness to ensure a high level of service to AGO customers, and achieve acquisition excellence to maximize NOAA mission performance.

1-2 Scope

The primary focus of AGO's AMR Program is to provide the Senior Bureau Procurement Official (SBPO) and Head of Contracting Office (HCO) with an evaluation of the performance of AGO Acquisition Divisions (AD) in terms of compliance with statutory requirements, DOC regulations and directives, and AGO policies and procedures. The Program aims to improve business practices by providing NOAA acquisition professionals with viable recommendations to improve acquisition processes; share best practices to foster acquisition excellence; and provide HCOs on-site assistance on acquisition policy issues or practices to aid in achieving the overarching goal of maintaining an efficient, effective and compliant acquisition activity. The AMR will be an on-sight review conducted by the Review and Analysis (R&A) Section of the Oversight and Compliance (O&C) Branch. The R&A Section will conduct a formal on-site AMR of each AD once every 24 months unless an exception has been granted by the SBPO.

1-3 Planning

Pre-AMR planning will be performed to ensure the review team is familiar with the organization to be reviewed, its customers, workload, staffing, and known strengths and weaknesses before the review begins. This reduces the need for extensive on-site briefings, interviews, and study of internal and external directives or instructions. The adequacy of pre-AMR planning and preparation will be reflected during the conduct of the review and in the quality of the review report. Planning activities will include review of other pertinent reports, such as those issued by the Government Accountability Office (GAO), DOC Office of Inspector General, or associated with prior AMRs or other Internal Management Control Reviews.

1-4 Responsibilities

- a. **Director, Policy & Oversight Division (POD).** The POD Director will:
 - (1) Oversee the implementation and effective execution of the AMR program within AGO to ensure efficiency, timeliness, accuracy and equity in all program activities.
 - (2) Review and approve AMR reports prior to submission to the SPBO.

- (3) Ensure reports are issued timely to all affected stakeholders and any review findings are tracked through to closeout.
- (4) Keep the SPBO informed of any politically sensitive or high visibility issues or problems related to the conduct or findings of AMR reviews.

b. **Oversight and Compliance (O&C) Branch.** The O&C Chief will:

- (1) Manage the AMR Program to conduct activities in accordance with AGO policies and ensure accomplishment of program goals.
- (2) No later than July 30th of each fiscal year, provide the POD Director and SPBO a complete schedule of proposed AMRs for the upcoming fiscal year for review and approval; quarterly schedule updates will be issued as required.
- (3) Appoint the AMR Team Lead for each review and determine the size and composition of the team.
- (4) Request subject matter experts from outside the O&C office as available to augment audits and provide training opportunities to Acquisition Divisions.
- (5) Ensure adequate funds for travel-related costs associated with on-site audits have been obtained from appropriate sources prior to the conduct of each audit.
- (6) Review draft and final audit reports for clarity and completeness prior to forwarding for POD Director and SPBO review, and ensure any resulting revisions are made.
- (7) Ensure Corrective Action Plans (CAP) are obtained from offices audited and all findings are tracked and appropriately closed out.
- (8) Review this guide annually for additions, deletions and general changes as appropriate. Revise guide and distribute supplements as required.

c. **AMR Team Lead.** The AMR Team Lead will be the Review and Analysis Section Chief, unless otherwise designated by the O&C Branch Chief:

- (1) Assign specific duties to Review Team members.
- (2) Appoint a member of the Review Team as the Logistical Support Coordinator to:
 - (a) Prepare notification letter to HCO.
 - (b) Prepare TDY orders.
 - (c) Make airline/lodging reservations.
 - (d) Assemble AMR documents and information for team members; e.g., a copy of the previous AMR report, rating sheets, any applicable audit reports, logistical information, and any other pertinent information.
- (3) Develop a list of contracting actions to be reviewed using various database reports (e.g., C-Buy and FPDS-NG) to ensure an adequate sampling.
- (4) Arrange for working space and clerical assistance for the team.
- (5) Issue notification memorandum to HCO no later than 60 days prior to the scheduled start date of review.
- (6) Communicate with the designated point of contact in office to be reviewed to discuss any special issues/concerns related to the upcoming Review.
- (7) Meet with team members and discuss work assignments.

- (8) Conduct in-briefings and out-briefings with the appropriate management representatives; e.g., Acquisition Division Directors, Field Delegate Office managers, etc.
- (9) Appoint a team member to prepare the AMR report.
- (10) Prepare and disseminate the draft and final AMR reports, obtaining all required internal reviews and approvals prior to dissemination.
- (11) Obtain the Corrective Action Plan from the audited office within established timeframes.
- (12) Track all required corrective actions through to appropriate completion and close audit.

d. **Team Members**. Team members will:

- (1) Review all pertinent documents prior to the start of the review.
- (2) Perform the review in accordance with the instructions from the Team Lead and this guide.
- (3) Ensure accuracy of all findings.
- (4) Maintain objectivity.
- (5) Report on efficiencies and best practices as well as areas of noncompliance and repeat findings.

e. **Head of Contracting Office (HCO)**: The HCO of the Acquisition Division under review will:

- (1) Ensure all files selected for review are collected and made available for review by the team on arrival.
- (2) Provide adequate space and any required IT support.
- (3) Provide any other required administrative support identified in the notification memorandum.
- (4) Prepare and submit the Corrective Action Plan within the established timeframe.
- (5) Ensure timely completion of all required corrective actions.

Chapter 2

AMR Procedures

2-1 General

AMR's are scheduled and coordinated with NOAA Acquisition Divisions. Audits are approximately 4-5 days in length and begin with an in-brief with HCOs to afford them the opportunity to discuss any self-assessment results, present challenges faced and efforts made to resolve them, and identify any best practices being employed.

The remainder of this chapter sets forth the specific procedures that will be used in conducting the AMR.

2-2 Sampling Methodology

A discretionary sample will be selected from a listing of actions completed in the previous fiscal year by the Acquisition Division under review. The sample may be expanded if the initial review of the selected acquisition actions identifies problems that may be linked to a previous contracting action. Sampling reviews will be conducted on any acquisition that has received management or public scrutiny, or by special request of the HCO. For any task orders selected, the master Indefinite Delivery Contract, regardless of when awarded, will also be reviewed. A complete listing of all actions to be reviewed will be provided to the HCO with the notification memorandum.

2-3. Notification to Office Under Review

a. No less than 60 days prior to the start of the review, the AMR Team Lead will issue the notification memorandum to the HCO of the office to be reviewed. The notification memorandum template is at Exhibit A.

b. The memorandum will state the nature, date, and expected duration of the review and provide a point of contact; request sufficient administrative work space to support the team members; and identify any documents to be provided to the Team Lead prior to initiation of the review. Information needed may include:

- (1) Organization Charts
- (2) List of customer and points of contact for each
- (3) Local policies and procedures (i.e., local guides, Standard Operation Procedures, Staffing (Required, Authorized, On-board))
- (4) Any facts or circumstances impacting efficient operations

c. The notification memorandum may also request an orientation briefing be presented to the review team on arrival. Orientation topics would include organization, nature and scope of contracting operations, staffing, acquisition/contracting problems, and results of any self-

assessments conducted. A copy of the listing of contract actions that will be reviewed will be provided with the memorandum.

2-4 In-Brief

At the outset of the review, the Team Lead will brief the HCO on the purpose and conduct of the AMR, make any necessary introductions, and address any administrative issues. The in-brief agenda is at Exhibit B.

2-5 Performing the Review

The AMR Team Members will utilize checklists (that will be made available at the AGO website) and their inherent contracting knowledge to perform in-depth reviews of contract files and other relevant records. Matters of fact will be determined during the review (i.e., a document is either in the file or not). The Team will be particularly alert to any indication of non-compliance across the Division or repeat findings from prior reviews. Other review activities will include conducting interviews with Acquisition Division staff and customers to gather necessary supplementary information of various sorts and to identify best practices.

At the close of business each review day, the Team Lead will assemble team members and assess the results of the review for that day. Team members will relay information and preliminary findings relative to their specific areas of responsibility at that time.

Prior to completion of the review, the Team Lead will conduct a final meeting with the team to review the significant findings and recommendations to be included in the report. During the meeting, evaluations and overall ratings will be determined based on guidance contained in Chapter 3.

2-6 Conducting Interviews

Reviewing contract file records along with conducting face-to-face discussions will support the overall assessment of the Acquisition Division's contracting effectiveness and efficiency. Accordingly, during the course of the review, AMR team members may communicate with appropriate Acquisition Division staff to clarify contract file information or local policies and identify best practices. AMR team members will notify the Team Leader of the need to discuss an issue with an Acquisition Division employee. In most cases, the Team Leader will accompany team members when meeting with the Contracting Officer or any other employee.

The Team Members may also conduct interviews of selected Acquisition Division internal and external customers to obtain information on the level of service being provided and any customer issues or concerns regarding the acquisition support they are receiving.

2-7 In-Process Reviews

During the review, the Team Lead will keep the HCO informed of progress and discuss preliminary findings to ensure understanding between the team and the Acquisition Division.

The Team Lead will provide the Acquisition Division sufficient time to address deficiencies identified during the review. The HCO will be granted the opportunity to reconcile findings with the Team Lead at a mutually agreeable time before the last day of the review. All reconciled findings will be removed from the final review.

2-8 Out-Brief

At the completion of the review and prior to departure, the Team Lead will conduct an out-brief with the HCO, and any others as determined by the HCO. A summary of the AMR results will be discussed identifying any findings, observations, recommendations, and commendations. It will be stressed in the out-brief that all evaluations are tentative and subject to change prior to issuance of the final report. The out-brief agenda is at Exhibit C.

CHAPTER 3

STANDARDS AND REPORT

3-1 Rating Standards

The AMR will provide the SBPO a status of the contracting organization as assessed by the team. The status report will identify the assigned overall rating as determined by the AMR Team based on specific areas inspected and an overall assessment of findings. Five ratings will be used to identify AMR results:

- a. **Outstanding:** Effective and efficient, with high level management attention. No violations of law, regulation, policy or procedures.
- b. **Excellent:** Effective and efficient, with high level management attention. No violations of law, regulation and very few violations of policy and procedures.
- c. **Satisfactory:** Conditions meet acceptable standards in accordance with law, regulation, policy and procedures. The Acquisition Division is functioning at an acceptable level with areas of needed improvement.
- d. **Marginal:** Conditions meet acceptable standards in accordance with law, regulations, policy and procedures. The Acquisition Division is functioning at a level with many areas of needed improvement. A finding of Marginal performance will require a subsequent AMR in six months and may result in lowered dollar thresholds for Senior Bureau Procurement Official reviews.
- e. **Unsatisfactory:** Conditions do not meet acceptable standard in accordance with law, regulation, policy and procedures. A finding of Unsatisfactory performance will result in suspension of Head of Contracting Office authority and SBPO becoming the Head of Contracting Office. A subsequent AMR will be conducted in six months.

The preliminary results of the AMR and overall rating assigned will be presented to the HCO by the Team Lead during the out-brief. The overall rating and general strengths and weaknesses will be discussed at that time. The proposed overall rating may change as a result of reviews by the POD Director and/or SPBO.

3-2 AMR Report

The AMR report will be prepared in the following format:

- a. Table of Contents: Identifies location of the major subheadings and page numbers.
- b. Executive Summary: The Executive Summary will be concise yet comprehensive enough for the reader to get an overall picture of managerial and operational efficiencies, inefficiencies, and compliance. It will address the following:
 - (1) Purpose of the review.
 - (2) Organization reviewed, date of the review, and names/organizations of Team Leader, Team Members, and any augmentees.
 - (3) Dates the in-brief and out-brief were conducted and attendees of each.
 - (4) Mission, staffing, and workload of the Acquisition Division.
 - (5) Key customers contacted and findings resulting from those contacts.
 - (6) Rating assigned based on the review.
 - (7) General statement of overall findings.
- c. Review Findings: This section will include:
 - (1) Conduct of review and general observations.
 - (2) Specific findings regarding performance of acquisition activities to support the assigned Review rating. Address areas of non-compliance, repeat findings from prior reviews and best practices.

3-3. Review/Approval of Report

The O&C Chief will prepare and submit the AMR report to the POD Director for concurrence within 15 days after completion of the audit, and will promptly make any necessary changes, if required. The HCO will be given 21 days to review the AMR report and provide comments prior to submittal to the SPBO. Once comments have been received, the AMR report will be submitted to the SPBO for review and approval within seven days after receipt of HCO comments.

The approved report will be issued to the Acquisition Division reviewed within three days after approval by the SPBO. The transmission will identify the due date for the Corrective Action Plan (CAP) which will be approved by the SPBO and implemented by the Acquisition Division.

3-4 Corrective Action Plan

The transmission forwarding the report to the office reviewed will identify the format, content, and due date for the Corrective Action Plan. The HCO will submit the Corrective Action Plan to the O&C Chief within 30 days after receipt of the report for approval by SBPO.

3-5 AMR Closeout

The Review and Analysis Section Chief will track completion of all actions identified in the Corrective Action Plan. The AMR will be closed upon completion of all required corrective actions.

3-6 Lessons Learned

Information obtained from AMRs pertaining to areas of non-compliance, repeat findings, etc. identified in the reviews conducted will be disseminated periodically through training sessions, conferences, memoranda, and posting on the AGO website.

Exhibit A – AMR Notification Memorandum

Exhibit B – In-brief Agenda

Exhibit C – Out-brief Agenda

Exhibit D – AMR Milestones and Flowchart

AMR Notification Memorandum

(Date)

MEMORANDUM FOR: *(HCO of Office to be Reviewed)*

FROM: William C. Wagner
 Chief, Oversight and Compliance Branch
 Policy and Oversight Division
 Acquisition and Grants Office

SUBJECT: Acquisition Management Review

An Acquisition Management Review (AMR) of *(Office to be Reviewed)* is scheduled from *(date)* to *(date)*. The AMR will assess compliance with Federal acquisition laws and regulations and Department of Commerce and AGO directives, policies and procedures. The AMR is further intended to assess the level of customer service being provided and to assist managers in the development of suitable approaches to resolve problems impeding successful operations.

Upon arrival, the AMR team will provide an in-brief prior to the commencement of the AMR. Attendees should include the HCO as well as Branch Chiefs and any others as identified by the HCO. A listing of the contract actions to be reviewed is attached.

The following AMR team members will be in attendance at the scheduled AMR:

(List names of Team Chief and Team Members)

The following documents are to be provided within *(number)* of days from receipt of this memorandum:

(List documents)

Request the name and telephone number of a point of contact to coordinate the necessary arrangements for the AMR visit, including work area space, telephone and IT needs.

If you have any questions on this AMR, contact *(name and phone number)*.

Attachment

In-Brief Agenda

- Attendees will include the AMR Team, HCO, and others as determined by the HCO
- Introductions of AMR Team, HCO and any other attendees
- The Team Lead will address the following topics as a minimum:
 - Purpose and objectives of the AMR
 - General conduct of the AMR
 - Daily updates to HCO
- The HCO will have an opportunity to present information concerning:
 - Office mission and customers
 - Staffing
 - Acquisition and/or management practices, problems or concerns
 - Administrative matters for the team

Out-Brief Agenda

- Attendees will include the AMR Team, HCO, and others as identified by the HCO
- The AMR Team lead will address the following topics as a minimum:
 - Major strengths and weaknesses identified
 - Proposed overall rating assigned the office reviewed
 - Commendations and laudatory comments
 - Any other findings/observations that will be addressed in the final AMR report
 - Issues that arose during the review which require policy/training by the POD
 - Timeframes for issuance of the AMR report and submission of the Corrective Action Plan

AMR Milestone and Flowchart

Milestones:

- July 31FYxx** OCB publishes AMR schedule for next FY
- AMR - 30 Days** OCB sends notification memorandum to HCO with list of actions to be reviewed
- AMR 1st Day** AMR in-brief
- AMR Last Day** AMR out-brief
- AMR + 15 Days** AMR Report prepared and submitted to POD Director for review
- AMR + 30 Days** AMR Report submitted to SPBO for approval
- AMR + 33 Days** AMR Report issued to HCO
- AMR + 63 Days** HCO submits Corrective Action Plan (CAP) to O & C Chief
- AMR + 80 Days** HCO completes all CAP actions
- AMR + 90 Days** O&C closes out AMR

Flowchart:

