



**DEPARTMENT OF THE NAVY**  
NAVAL SUPPLY SYSTEMS COMMAND  
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MECHANICSBURG PA 17055-0791

NAVSUPINST 4200.82C  
SUP 21  
9 July 2003

NAVSUP INSTRUCTION 4200.82C

Subj: PROCUREMENT PERFORMANCE MANAGEMENT ASSESSMENT  
PROGRAM (PPMAP) OF THE NAVY FIELD CONTRACTING SYSTEM  
(NFCS)

Ref: (a) NAPS 5201.692  
(b) EBUSOPSOFFINST 4200.1 (Series)  
(c) NAVSUPINST 4200.85 (Series)

Encl: (1) Navy Field Contracting System Guide for  
Conducting PPMAPS at Offices Exercising Simplified  
Acquisition Procedures  
(2) Navy Field Contracting System Guide for Conducting  
PPMAPS at Offices Exercising Ordering Authority  
(3) Navy Field Contracting System Guide for Conducting  
PPMAPS at Offices Managing Purchase Card Programs  
(4) NAVSUPHQ PPMAP Guide

1. Purpose. To update policies, procedures and outline responsibilities for the management and execution of the PPMAP within the Navy Field Contracting System (NFCS).

2. Cancellation. NAVSUPINST 4200.82B. This instruction has been revised significantly and must be read in its entirety.

3. Scope. This instruction applies to Naval Supply Systems Command Headquarters (NAVSUPHQ) PPMAP staff as well as the staffs of the PPMAP offices co-located at the Fleet Industrial Support Centers (FISCs) and Navy Regional Contract Centers (NRCCs).

4. Background. This instruction implements and supplements the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), the Navy Acquisition Procedures Supplement (NAPS) and is based on the Department of Defense (DOD) Inspection Program.

5. Procedures. All NAVSUP PPMAP staffs conducting PPMAPS of the NFCS shall follow the policies and procedures outlined in this instruction. Enclosures (1) through (3) can be used independently or in conjunction with one another based on the procurement authority of the command being reviewed. Enclosure (4) is primarily for use by NAVSUP Headquarters (NAVSUPHQ) PPMAP staff.

6. PPMAP Objectives. The primary objective of the program is to ensure that activities receiving contracting authority

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and direction from NAVSUPHQ are executing this grant of authority in an effective and efficient manner.

PPMAP provides a framework from which assessments of NFCS contracting activities are performed to evaluate the overall effectiveness of an activity's procurement processes including the issuance of contracts, actions accomplished using simplified acquisition procedures, orders placed against existing contracts and management of Governmentwide purchase card programs. NAVSUPHQ, as well as the PPMAP offices, perform PPMAPs to ensure that effective internal controls exist to ensure compliance with statutory and regulatory guidance and management oversight and control is being exercised to meet mission requirements within prescribed limits.

## 7. PPMAP Cycles

a. NAVSUPHQ PPMAPs. NAVSUPHQ PPMAPs shall be conducted on a three-year cycle. NAVSUPHQ PPMAP staff will to the extent practicable, coordinate the conduct of PPMAPs with the NAVSUP Command Inspector General (IG). Activity review cycles shall be based on the anniversary date the activity was granted procurement authority.

b. PPMAP Offices. PPMAP offices co-located at the FISCs and NRCCs shall conduct PPMAPs on the following schedule.

(1) Activities managing purchase card programs: Annually\*. (Refer to enclosure (3) to determine those activities that will receive a desk audit or a site visit)

(2) Activities exercising simplified acquisition authority. Every three years. (All activities exercising authority up to simplified acquisition threshold will receive site visits)

(3) Activities exercising ordering authority. "Ordering PPMAPs" will be conducted in conjunction with either a purchase card PPMAP or a Simplified Acquisition Procedures (SAP) PPMAP. Activities exercising ordering authority whose purchase authority is limited to purchase card and ordering will be reviewed on an annual cycle\*.

This review will be conducted in conjunction with the regularly scheduled purchase card PPMAP. Activities exercising SAP and ordering authority will have the ordering PPMAP accomplished annually and in conjunction with the SAP review in the third year of the cycle. (Depending on level of other contracting authority, this review may be accomplished using a desk audit or a site visit conducted in conjunction with a purchase card or simplified acquisition PPMAP.)

c. Supply Management Inspection (SMI) Staff. SMI staff shall review Fleet contracting programs including purchase card programs to coincide with the Inter-deployment Training Cycle (IDTC) and regularly scheduled SMI but not later than 18 months from the previous SMI. Units not associated with an IDTC should also receive a purchase card review on an 18-month cycle.

Table 1-1

	Review Period	CONUS On-Site Audit	CONUS Desk Audit	OCONUS On-Site Audit	OCONUS Desk Audit
All activities that operate a purchase card program	Annual*	Any activity that has more than 1,200 PC transactions annually	Any activity that has 1,200 or less PC transactions annually	Any activity that uses the PC up to \$25K OR has more than 3,200 PC transactions annually	Any activity that has 3,200 or less PC transactions annually
All activities that exercise simplified acquisition authority	Every three years	All SAP Reviews	All SAP Reviews	All SAP Reviews	All SAP Reviews
All activities that exercise ordering authority	Annual*	Any activity that issues more than 500 delivery/task orders annually	Any activity that issues 500 or less delivery/task orders annually	Any activity that issues more than 500 delivery/task orders annually	Any activity that issues 500 or less delivery/task orders annually
All activities that exercise unlimited contracting authority	Every three years	All unlimited activities	All unlimited activities	All unlimited activities	All unlimited activities

\*Beginning 1 January 2004, purchase card and ordering PPMAPs will be accomplished on an 18-month cycle.

8. PPMAP Responsibilities

a. NAVSUP 02

(1) Schedule and conduct PPMAPs of FISC Norfolk and its detachments, FISC San Diego and its detachments, FISC Pearl Harbor, FISC Yokosuka, FISC Jacksonville, FISC Puget Sound, NRCC Naples, NRCC Singapore, NAVICP, NAVOCEANO, NAVMEDIACEN, NAVMEDLOGCOM and NEXCOM.

(2) Review quarterly PPMAP reports from the field PPMAP staff.

(3) Prepare annual reports for Deputy Assistant Secretary of the Navy (DASN) (ACQ) on PPMAPs conducted by NAVSUPHQ PPMAP staff and PPMAP staff co-located at FISC and NRCC.

b. Field PPMAP Staff

(1) Schedule and conduct PPMAPs for all activities under their cognizance.

(2) Assist NAVSUPHQ PPMAP staff and NAVSUP IG as required in performance of NAVSUPSYSCOM PPMAPs.

(3) Assist Fleet Type Commanders (TYCOMs) in conducting SMIs including purchase card reviews as requested.

(4) Submit quarterly PPMAP reports to NAVSUPHQ.

9. Definitions

a. PPMAP Offices. The organizations within the Fleet Industrial Supply Centers (FISCs) and Naval Regional Contracting Centers (NRCCs) that provide contract management support and oversight of the activities of the Navy Field Contracting System (NFCS).

These offices are located at FISC Norfolk, FISC San Diego, NRCC Naples and NRCC Singapore.

b. PPMAP Offices by Region. Each PPMAP office supports a designated geographical region. The regions are outlined below:

(1) FISC Norfolk: Areas east of the Mississippi, the Caribbean, Central America, South America and metropolitan New Orleans.

(2) FISC San Diego: Areas west of the Mississippi River (except metropolitan New Orleans), Alaska and Hawaii.

(3) NRCC Naples: All of Europe, Iceland, Azores, Africa, the Middle East and Southwest Asia.

(4) NRCC Singapore: All activities from the Indian Ocean to those in the Pacific Ocean (except for Hawaii).

c. Supply Management Inspection (SMI) Staff. The organization within the TYCOM that provides a comprehensive assessment evaluating the current condition, administration, accountability and operation of a shore and Fleet unit's logistic support.

10. PPMAP Rating System. Upon the completion of all PPMAPs, the NAVSUPHQ staff analyst or field office analyst from the FISC or NRCC will assign a rating for the portion(s) of the review conducted at that command or facility. There are two ratings.

An activity can receive an ACCEPTABLE rating or an UNACCEPTABLE rating. The basis for assigning these ratings will be spelled out in each of the enclosures. An activity may pass one portion of the review (i.e. SAP Review and/or ordering and/or purchase card) and fail the ordering and/or purchase card portion of the review. In that case, only the contracting authority in the failed areas will be affected. Activities who fail any portion of the review will have their contracting authority for those methods suspended until appropriate corrective actions can be taken.

11. PPMAP Office Reporting Requirements. All PPMAP offices are required to report as follows:

a. Quarterly PPMAP Report - PPMAP offices shall report quarterly using the format contained under Attachment A. Reports shall be submitted electronically to the NAVSUP 02 PPMAP program manager by the 15<sup>th</sup> of the month following the end of each quarter.

b. Purchase Card/Ordering Review Schedule - Starting with the quarterly report for the quarter ending 31 December 2003, PPMAP offices shall submit a PPMAP review schedule, using the format contained under Attachment B, for the upcoming 18-month review cycle. Subsequent quarterly reports shall include review schedule updates as appropriate.

c. SAP Review Schedule - Starting with the quarterly report for the quarter ending 31 December 2003, PPMAP offices shall submit a PPMAP review schedule using the format contained under Attachment C for the upcoming three-year review cycle. Subsequent quarterly reports shall include review schedule updates as appropriate.

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d. PPMAP Office Organizational Chart - Starting with the quarterly report for the quarter ending 31 December 2003, PPMAP offices shall submit a PPMAP office organizational chart. Subsequent quarterly reports shall include updates as appropriate.

12. Significant Changes

a. The instruction has been divided into four sections that identify over-sight policies and procedures for activities exercising purchase card authority, activities exercising ordering authority, activities exercising simplified acquisition authority and activities managed and supported by NAVSUPHQ.

b. A statistical sampling process has been developed that identifies the population and sample size to be reviewed.

c. Critical elements have been developed to determine if the contracting offices/officers under review are in compliance with current statutory, regulatory and/or contract guidance.

d. Pass/fail guidelines have been added to standardize the review process.

e. A process had been created to address instances where commands receive UNACCEPTABLE ratings.

f. A process has been created to address instances where commands fail their re-review.

13. Action. This instruction is effective upon receipt.



D. M. FITZGERALD  
Deputy Commander  
Contracting Management

Distribution:  
NAVY SUPARS

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Order from:  
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Quarterly PPMAP Report Format

From: Commanding Officer, \_\_\_\_\_  
To: Commander, Naval Supply Systems Command (SUP 02)

Subj: QUARTERLY PROCUREMENT PERFORMANCE MANAGEMENT ASSESSMENT  
PROGRAM (PPMAP) REPORT, \_\_\_\_\_ QUARTER 20XX

1. PPMAPS

	<u>Current</u> <u>Qtr</u>	<u>Year to</u> <u>Date</u>
a. Conducted		
(1) Total PPMAPS		
(a) SAP		
(b) Ordering		
(2) PPMAP office assist visits		
(3) Re-Reviews conducted		
(4) Unacceptable ratings*		

b. Findings

<u>Description</u> (Critical Elements)	<u>Current</u> <u>Qtr</u>	<u>Year to</u> <u>Date</u>
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Status of Previously Unacceptable Ratings (include name of activity)

\*4<sup>th</sup> quarter report shall include a summary of all approved less than satisfactory PPMAP ratings together with facts regarding restoration of purchase authority, where applicable

2. Purchase Card Reviews

	<u>Current</u> <u>Qtr</u>	<u>Year to</u> <u>Date</u>
a. Conducted		
(1) Total Reviews		
a. New on-site reviews		
b. New desk audits		
(2) Unacceptable ratings		
Repeat unacceptable ratings		
(3) Follow-up reviews completed		
(4) Follow-up reviews outstanding		

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PROGRAM (PPMAP) REPORT, \_\_\_\_\_ QUARTER 20XX

- (5) Stand downs completed
- (6) Stand downs reviews outstanding
- (7) Previews CY reviews outstanding

b. Findings

<u>Description</u> (Critical Elements)	<u>Current</u> <u>Qtr</u>	<u>Year to</u> <u>Date</u>
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Status of Previously Unacceptable Ratings (include name of the activity)

<u>3. Procurement Authority</u> (Number of activities with each type of authority)	<u>Current</u> <u>Qtr</u>	<u>Year to</u> <u>Date</u>
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- a. PC (Level I)
- b. PC+ Supply Ordering (Level II)
- c. PC+ Service Ordering (Level III)
- d. SAP

4. Other

Purchase Card/Ordering: PPMAP Review Cycle Schedule

<u>January</u>	<u>City/State</u>	<u>Level 1,2,3</u>
Date (s)	Location	Authority Level
<u>February</u>		
Date (s)	Location	Authority Level
<u>March</u>		
Date (s)	Location	Authority Level
<u>April</u>		
Date (s)	Location	Authority Level
<u>May</u>		
Date (s)	Location	Authority Level
<u>June</u>		
Date (s)	Location	Authority Level
<u>July</u>		
Date (s)	Location	Authority Level
<u>August</u>		
Date (s)	Location	Authority Level
<u>September</u>		
Date (s)	Location	Authority Level
<u>October</u>		
Date (s)	Location	Authority Level
<u>November</u>		
Date (s)	Location	Authority Level
<u>December</u>		
Date (s)	Location	Authority Level
<u>January</u>		
Date (s)	Location	Authority Level
<u>February</u>		
Date (s)	Location	Authority Level
<u>March</u>		
Date (s)	Location	Authority Level

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April

Date (s)	Location	Authority Level
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May

Date (s)	Location	Authority Level
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June

Date (s)	Location	Authority Level
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SAP: PPMAP Review Cycle Schedule

<u>Activity Name</u>	<u>City/State</u>	<u>Scheduled Review Date</u>
Name (s)	Location	Date

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**NAVY FIELD CONTRACTING SYSTEM GUIDE  
FOR CONDUCTING PPMAPS AT OFFICES  
EXERCISING SIMPLIFIED ACQUISITION PROCEDURES**



1. Purpose. Provide guidance on conducting reviews of activities exercising contracting authority limited to using simplified acquisition procedures up to the simplified acquisition threshold.
2. Scope. This guidance applies to NAVSUPHQ PPMAP staff as well as the staffs of the PPMAP offices.
3. Policy. NAVSUPHQ PPMAP staff as well as FISC and NRCC PPMAP office staffs shall conduct reviews per the policies set forth below. PPMAPs will be conducted on all activities within the cognizance of the NAVSUPHQ and regional PPMAP areas of responsibility to:

- a. Ensure that the exercise of contracting authority delegated under the NAVSUPSYSCOM Head of the Contracting Agency (HCA) is effective, efficient and within statutory, regulatory and agency guidelines.

- b. Identify systemic contracting issues within activities of the NFCS and provide HCA and enterprise-wide solutions. In addition, subsequent to scheduled PPMAPs provide ad-hoc training.

- c. Ensure contracting offices' training requirements and contracting officer's warrants are in compliance with statutory and regulatory guidance.

- d. Evaluate that the delegated contracting authority of NFCS activities is appropriate for mission accomplishment.

#### 4. Definitions

- a. Blanket Purchase Agreements. Simplified acquisition method that allows contracting officer to establish bilateral agreements with qualified sources of supply to purchase recurring requirements in general commodity categories.

- b. General Services Administration. Government agency responsible for establishing commercial contracts (schedules) for supplies and services at stated prices for given periods of time.

- c. Imprest Fund. A cash fund of a fixed amount, established by an advance of funds from a finance or disbursing officer to a duly appointed cashier.

- d. Purchase Card. The purchase card is the credit-card-like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for supplies and services in support of Official Government business.

e. Purchase Order. When issued by the Government, means an offer by the Government to buy supplies or services, including construction and research and development, upon specified terms and conditions, using simplified acquisition procedures.

f. Simplified Acquisition Procedures. Procedures found in FAR Part 13, DFARS Part 213, NAPS 52.213 and NAVSUPINST 4200.85 (Series).

g. Simplified Acquisition Threshold. Upper dollar threshold for using simplified acquisition procedures. (Presently \$100,000, \$5 million dollars using the commercial test program).

h. Total Small Business Set-Aside. All requirements between \$2500 and \$100,000 are exclusively reserved for small business participation.

i. SF 44. A multi-purpose variation of the purchase orders that can be used as a purchase order, receiving report, invoice and public voucher.

j. Unpriced Purchase Order. An order for supplies or services for which a firm fixed price is not established at the time the purchase order is awarded.

## 5. PPMAP Procedures

### a. Pre-PPMAP Planning

(1) Once an activity has been selected for a PPMAP, the PPMAP program manager or detachment director will select a PPMAP analyst(s) to conduct the review.

(2) The PPMAP program manager, detachment director or designated analyst will forward an announcement letter within 60 days of the scheduled PPMAP identifying the date and time of the proposed review.

(3) The following information should be made available in a central location for the PPMAP analyst(s) on their arrival. Copies of all warrants, training records, a list of personnel who received annual ethics training and a description of the process by which awards are issued. This should include who has final signature authority for various levels of purchase actions.

(4) 30 days prior to the conduct of the PPMAP the analyst shall forward a letter or e-mail to the command requesting transactional data be forwarded to the PPMAP

detachment office. The activity shall provide the transactional data on a word document or excel spreadsheet. The data shall list all actions using simplified acquisition procedures by fiscal year in the three buckets identified below. The spreadsheet shall include as a minimum all purchase actions using simplified acquisition procedures for the last two fiscal years unless the present fiscal year will only provide one quarter of the annual actions.

In that case, the analyst should request the three most recent years within the following buckets; (\$0 to \$25,000), (\$25,001 to \$100,000) and (\$100,001 to \$5 million). The fields on the spreadsheet should include as a minimum, the purchase order number, BPA call number, LOA order number and date of order, dollar amount and a description of the supply or service.

(5) Based on the total population size of each of the three buckets the PPMAP analyst shall then;

(a) Using the table identified in attachment A of enclosure (1), identify the sample size from each of the three buckets,

(b) Use the random sample generator to identify the selected sample files to be reviewed,

(c) Cut and paste the selected samples from the three buckets into a word document or excel spreadsheet, and

(d) Forward the word document/excel spreadsheet to the activity and request they pull the purchase files selected for review making them available at the time of the PPMAP.

b. Conducting the PPMAP

(1) The SAP PPMAP will consist of four review areas - a transactional review, a management review, an evaluation of "repeat findings" and a review of other elements. The transactional review consists of a purchase file review that evaluates the completed purchase file against critical elements. The management review will evaluate among other things the activities management of the procurement function to include proper issuance of contracting officers warrants, required training to include DAWIA and ethics, signature authority, acquisition planning (inclusion of a formal acquisition plan (if required), special interest items and contract closeout procedures. The review of "repeat findings" evaluates the ability of the command to establish a process that eliminates previous findings or issues. Finally, the review of other elements will consist of a review of other purchase methods utilized by the command. Only the transaction review,

management review and repeat finding evaluation will factor in to the final rating of the activity's procurement assessment.

(2) Prior to initiating the PPMAP review, the PPMAP program manager, detachment director or PPMAP analyst shall conduct an in-brief with the commanding officer, executive officer, director or senior leadership to explain the purpose of the review, how the review will be conducted, the rating methodology and how the results will be briefed to them.

(3) The PPMAP analyst will review the activities contracting officer warrants, training records and ethics training records and ensure that they are current and in compliance with statutory and regulatory guidance.

(4) The PPMAP analyst will review the availability of contracting guidance at the activity. (i.e. hard copy FAR/DFAR, internet based, web based portal, etc).

(5) The PPMAP analyst will confirm that the sample purchase actions for each of the three buckets is made available at the command are those previously requested by the PPMAP analyst. (Files not made available at the time of the PPMAP will be considered failed files). The PPMAP analyst shall perform a transactional review of the file samples selected in the random sample. The purchase file review will consist of evaluating the quality of the following critical elements within the procurement process.

(6) The PPMAP analyst will also conduct a review of "other elements" which are additional contracting methods that the command may be utilizing.

\*NOTE: The review of each purchase file is a "stand-alone" event. Even if a file has more than the allowable number of deficiencies (fails more than the allowable critical elements), the file can only fail once. A deficiency is defined as a situation in which the purchase action (i.e. purchase order, BPA call, LOA order) under review does not meet the minimum standards for documentation identified in the critical elements provided below. Based on an his/her evaluation of the systemic nature of the deficiency, the PPMAP analyst must report all deficiencies noted in the purchase file and include in the report a finding or issue related to that deficiency.

(7) Critical Elements for SAP. The critical elements for the transactional review are identified below in bold. The PPMAP analyst shall review each purchase file to determine if the file contains deficiencies in the areas defined as "critical elements". If a file has 8 or more discrepancies, the file will be considered failed. If the activity has more file failures

than allowed by the PPMAP matrix, they will fail the transactional portion of the review. In addition, even if an individual file passes (meaning it does not have eight or more deficiencies) and discrepancies exist in the file that appear to be systemic among all the files reviewed the PPMAP analyst shall make the deficiency a finding or issue in the report depending on the severity and frequency of the deficiency.

a. Actions under \$2500

(1) Pre-solicitation/Solicitation:

- Valid purchase request (Adequate funding, approvals, and proper purchase description)
- Documentation supporting screening efforts to determine if requirement is available from mandatory Government sources of supply
- If purchase card is not used, written determination by SES, flag or general officer describing the reasons why the purchase card was not used for a micropurchase as either a method of payment or method of procurement.

(2) Award

- Award document properly completed (DD 1155/SF 1149)
- Award document signed by warranted Contracting Officer (KO) within his/her authority
- Proper clauses where required
- Splitting requirements
- Foreign acquisitions
- Proper use of fast payment procedures
- Award amount within funding limits of purchase request

(3) Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Separation of function

- Improper ratifications
- b. Actions between \$2,500 and \$25,000
- (1) Pre-solicitation/solicitation
- Valid purchase request (Adequate funding, approvals, and proper purchase description)
  - Documentation supporting screening efforts to determine if requirement is available from mandatory Government sources of supply
    - Documentation of market research
    - Documentation of commerciality
    - Waiver of Total Small Business Set-Aside (if applicable)
    - Documentation of competition (number of sources solicited, number of responses received, etc.)
    - Use of proper solicitation provisions
    - Record of solicitation
    - Sole source justification (where applicable)
    - Posting written requirements between \$10,000 and \$25,000 in a public place or using NECO
- (2) Award
- Determination that prices paid were fair and reasonable
  - Award document signed by warranted KO within his/her authority
    - Award document properly completed
    - Proper clauses included in purchase order
    - Splitting
    - Foreign Acquisitions (i.e. Buy American, Berry Amendment, etc compliance)
    - Proper use of fast payment procedures

request

- Award amount within funding limits of purchase

(3) Post Award:

acceptance

- Proper use of modifications
- Documentation of receipt, inspection and
- Proper contract reporting (DD Form 350)
- Separation of function
- Improper ratifications

c. Actions Between \$25,001 and \$5 Million

(1) Pre-solicitation/solicitation

approvals, and proper purchase description)

- Valid purchase request (Adequate funding, determine if requirement is available from mandatory Government sources of supply
- Documentation supporting screening efforts to
- Documentation of market research
- Documentation of commerciality
- Waiver of Total Small Business Set-Aside (if applicable)
- Documentation of competition (number of sources solicited, number of responses received, etc.)
- Use of proper solicitation provisions
- Record of solicitation
- Sole source justification (Where applicable) (Modified FAR Part 6 if using FAR Part 13.5)
- Record of synopsis action in FEDBIZOPP

(2) Award

reasonable

- Determination that prices paid were fair and
- Award document signed by warranted KO within his/her authority

Part 12/13)

- Proper clauses included in purchase order (FAR Part 12/13)
- Documentation supporting use of FAR Part 13.5
- Properly completed DD Form 1155 or SF 1449
- Award amount within funding limits of purchase request

(3) Post Award

acceptance

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Proper contract reporting (DD Form 350)
- Separation of function
- Improper ratification

d. Other Elements (Additional SAP Authority). The PPMAP staff analyst must also review, as a minimum, the following elements in addition to those elements found in the transactional review. Where deficiencies are noted, the PPMAP staff analyst should include findings or issues within the body of the report addressing those deficiencies.

(1) Blanket Purchase Agreements (BPA)/Letter of Agreements (LOA)

- Proper Clauses
- Bilateral signature
- Caller authorization letter
- Issued per prescribed format (FAR Part 13, DFARS Part 13 and NAVSUPINST 4200.85 Series)
- KO performing semiannual reviews

(2) Unpriced Purchase Orders (Not-to Exceed Orders)

- KO established NTE price in purchase file
- NTE price identified in purchase order
- NTE/UPO noted above price on purchase order schedule

(Where applicable)

- Government furnished property clause included

(Series)

- KO authorized price increases (where applicable)
- NTE/UPO reports performed per NAVSUPINST 4200.85

(3) Standard Form 44s

- Activity authorized to use SF44
- Activity maintains list of personnel authorized to issue SF-44
- Activity personnel properly appointed to use SF44
- Individual transactions do not exceed \$2,500 (Except for aviation fuel and oil, overseas transactions by contracting officers in support of contingencies and transactions in support of intelligence and other specialized activities.

(4) Imprest Fund

(Must have letter of authorization from ASN (Office of Financial Operations (FMO) or USDC

- Activity authorized to maintain Imprest Fund.
- Fund amount is per letter establishing fund
- Imprest fund cashier/alternate properly appointed
- Annual reviews being accomplished
- Fund, receipts and interim receipts properly safe guarded

(5) Indefinite Delivery Type Purchase Orders

type

- Bilateral purchase order
- Proper clauses
- Identified as delivery, quantity or requirements
- Proper ordering procedures in use
- Total of orders does not exceed SAT
- Ordering officers properly appointed

- Contracting officers acting within his/her contracting authority

e. Completing the PPMAP

(1) Based on the transactional review, the management review and the evaluation of repeat findings, the PPMAP analyst will assign the activity a rating based on the activities level of effectiveness in managing the procurement function as evidenced by the number of file failures, repeat findings, findings, issues and general observations of the analyst.

(2) Assigning a Rating

(a) Transactional Review File Failures. Each selected file will be reviewed and analyzed to determine if it passes and/or fails based on meeting certain documentary standards that are quantified in the critical elements for each bucket. If any one purchase file in any of the three purchase actions buckets has more than a combined total of eight discrepancies then the file is considered to have failed the transactional review. If the number of file failures for all three buckets exceeds the number of allowed failures in the PPMAP matrix the activity will fail the transactional portion of the SAP review.

The PPMAP analyst shall review each file independently. Discrepancies noted in the review whether from a passed and/or failed purchase file shall be evaluated in terms being systemic in nature. Depending on the severity and/or frequency of a specific discrepancy throughout the review, the PPMAP analyst will write the deficiency as a finding or issue in the body of the report.

(b) Management Review. If the review of the management function of the activity reveals that they are not managing the procurement function in an effective manner, the analyst should/shall recommend a failure in this area. A failure would include but is not limited to the effective management of the procurement function to include proper issuance of contracting officers warrants, required training to include DAWIA and ethics, signature authority, acquisition planning (inclusion of a formal acquisition plan (if required), improper ratifications, exceeding contracting officer warrants, special interest items and contract closeout procedures. The PPMAP analyst shall review each discrepancy in this element and based on the severity and frequency of the deficiencies noted, write either a finding or issue to be included in the body of the report.

(c) Repeat Findings. Repeat findings are findings identified in the previous PPMAP that remained uncorrected and

were of a systemic nature leading them to be identified as findings in the present report. If an activity has 50 percent or more repeat findings, the activity will fail this portion of the review. All repeat findings will be written up and addressed in the body of the report.

If any activity fails any combination of two areas, they will receive an UNACCEPTABLE rating for the SAP portion of the PPMAP. Prior to assigning an UNACCEPTABLE rating, the PPMAP analyst shall discuss the findings and issues with the FISC (Code 200)/NRCC (02) to determine the appropriate course of action.

Table 1-1

Transactional Review	Management Review	Repeat findings	Overall Rating
Pass	Pass	Pass	Acceptable
Pass	Pass	Fail	Acceptable
Pass	Fail	Pass	Acceptable
Pass	Fail	Fail	Unacceptable
Fail	Fail	Pass	Unacceptable
Fail	Pass	Fail	Unacceptable

NOTE: Even if the command receives an ACCEPTABLE rating in the three review areas, if in the opinion of the PPMAP analyst, the command is not effectively managing the purchase function as typified by an unusual number of management issues (i.e. improper ratifications, contracting officers exceeding their authority, ineffective controls with which to prevent fraud, waste and abuse) he/she can recommend and the responsible FISC assign a UNACCEPTABLE rating. This should be based on a systemic view of all of the sampling and observations of the analyst throughout the PPMAP.

(3) Acceptable Rating. If as a result of the SAP PPMAP the command did not fail two out of three of the review areas the command will be assigned an ACCEPTABLE rating.

(4) Unacceptable Rating. If as a result of the SAP PPMAP the review revealed that the command failed two out of three of the review areas, the command will be assigned an UNACCEPTABLE rating.

(5) Commands Receiving an UNACCEPTABLE Rating. If a command receives an UNACCEPTABLE rating, the PPMAP staff analyst shall take the following action;

(a) Debrief the FISC (Code 200)/NRCC (Code 02) who will report the results to the commanding officer of the failed command, NAVSUP Codes 02/029/021/022 and the command's major claimant.

(b) Based on the recommendation/instruction provided by the FISC (Code 200) or NRCC (Code 02), the PPMAP analyst will inform the commanding officer that as a result of the "UNACCEPTABLE rating", the command will be required to conduct a PPMAP "Stand-Down". This "Stand-down" will include; (1) Having SAP procurement authority suspended for a period of 15 days pending the development and execution of a Plan of Actions and Milestones (POA&M); (2) Within 15 days, the responsible party will schedule a PPMAP analyst to come on-site, conduct training, investigate processes leading up to the UNACCEPTABLE rating and assist in the development of the POA&M.

(c) On the final day of the PPMAP, the PPMAP analyst will leave a "draft report" or presentation with the command identifying the areas that led to the command to receive an UNACCEPTABLE rating for the PPMAP. This will include highlighting the findings, issues and repeat findings that will be included in the final PPMAP report.

(d) The command receiving the UNACCEPTABLE rating shall provide a POA&M to the PPMAP analyst within 15 days of the debriefing date of the PPMAP.

(e) The responsible PPMAP office will schedule within 15 days of the last day of the review a "Procurement Stand-Down" per (b) above.

(f) The PPMAP analyst shall provide the command a final report 30 days after the date of the final debrief of the command.

(g) The command receiving the UNACCEPTABLE rating for the PPMAP shall provide the PPMAP program manager, PPMAP detachment director or PPMAP analyst a written report within 30 days of the date of the "Official Written Report" detailing all of the corrective actions taken to correct the deficiencies noted in the report.

\*A detailed matrix is provided below to indicate all actions taken as a result of a PPMAP

Table 1-2

Action POC	Action Item	Start Date	Time-Frame	Completion Date		
PPMAP Director	Stand-Down	15 Days after Command Fails PPMAP. "	Between 1 and 3 days	TBD		
PPMAP Analyst	Draft Report	Final Day of Review	1 Day	Last Day of Review		
Command	*POA&M	Final Day of Review	15 Days	15 Days after notification of failed PPMAP		
PPMAP Analyst	Final Report	Upon completion of review	30 Days	30 Days after completion of review		
Command	Final Response (Written Report)	Upon receipt of draft report/presentation	60 Days	30 Days after receipt of final report		
PPMAP Analyst	Follow-up Review	Upon acceptance of final response	1 Year	1 year after acceptance of final response		

\*Denotes actions to be taken if command fails PPMAP

(6) Follow-up Reviews to UNACCEPTABLE rating. Based on the successful acceptance of the final response detailing the corrective actions taken by the command, the PPMAP program manager or PPMAP detachment director will reschedule a re-review to be accomplished a year after the date of the final PPMAP report. The re-review will use the same process as the original review noted above. The PPMAP analyst will call the command on a quarterly basis to provide mentorship on procurement issues leading up to the follow up review.

If a command receives an UNACCEPTABLE rating in their re-review, the PPMAP analyst of the responsible FISC will take the following actions.

(a) Based on consultation with NAVSUP 02/029/021 suspend their procurement authority indefinitely pending development of a POA&M.

(b) Develop a transition plan with Major Claimant to provide procurement support during suspension.

(c) Develop a POA&M in conjunction with major claimant to resolve outstanding procurement issues.

(d) The responsible FISC PPMAP Office will provide an analyst on-site to assist in training and establishing process to correct deficiencies.

(e) Procurement authority cannot be re-instated until Major Claimant certifies that process are in place to ensure effective management of procurement process.

(7) Debriefing the Command. The NAVSUPSYSCOM PPMAP program manager, PPMAP detachment director, PPMAP team lead or PPMAP analyst will conduct the debriefing of commanding officer or senior leadership of the reviewed command.

(8) Post PPMAP Training. Subsequent to the PPMAP, the PPMAP analyst will conduct training on (a) the issues identified in the repeat and/or findings and findings proposed for the "draft report"; (b) issues requested by the command and/or; (c) special interest items identified by the NAVSUPSYSCOM PPMAP program manager or detachment director. Commands that fail their PPMAP will have training provided as part of the PPMAP "Stand-Down".

(9) Issuing the Final Report

(a) Whenever practicable the PPMAP analyst will leave a draft PPMAP report or presentation at the command to allow them to review and analyze the findings and suggestions.

(b) The respective PPMAP office shall issue the final report no later than 30 days after the completion of the PPMAP. As a minimum, the final report shall address management of the procurement function, findings, issues, special interest items and any best practices identified.

(c) When compiling the final report, PPMAP analysts shall ensure that deficiencies are written up as findings with a full discussion and a required action by the command and that issues are written up providing a full discussion with suggested action. (See samples below)

The activity shall be required to provide a response to the final report within 60 days that shall include a POA&M supporting the corrective actions to be taken to address the findings and issues.

(10) Sample Finding/Issue. PPMAP analysts should write up deficiencies as follows:

(a) Findings. Findings are deficiencies which are based in statute, regulation or good business practice that due to the severity and frequency of the action rise to a level that the command must be compelled to correct this process or practice. The command must respond and correct all findings identified in the report.

(b) Issues. Issues are deficiencies. They may be based in statute, regulation or good business practice. However, their occurrence based on the severity or frequency did not rise to the level that the command must be compelled to correct the process or practice. The command does not have to respond or correct issues identified in the report.

1 Sample finding

- a Finding number -
- b Discussion -
- c Examples -
- d Required Action -

2 Sample Issue

- a Issue number -
- b Discussion -
- c Examples -
- d Suggested Action -

**STATISTICAL SAMPLING TABLE**

<b>Total Population</b>	<b>Sample Size</b>	<b>NTE Deficiencies</b>
2-15	2	0
16-25	3	0
26-90	5	1
91-150	8	2
151-280	13	3
281-500	20	5
501-1,200	32	7
1,201-3,200	50	10
3,201-10,000	80	14
10,001-35,000	125	21
35,001-150,000	200	21
150,001-500,000	315	21

90.0% Quality Level  
90.0% Confidence Level

American National Standard  
American Society For Quality  
ANSI/ASQC Z1.4-1993

NAVSUPINST 4200.82C  
9 Jul 03

**NAVY FIELD CONTRACTING GUIDE  
FOR CONDUCTING PPMAPS AT OFFICES  
EXERCISING ORDER AUTHORITY**



1. Purpose. Provide guidance on conducting reviews of activities exercising contracting authority limited to issuing delivery/task orders against existing contract vehicles.
2. Scope. This instruction applies to NAVSUPHQ PPMAP staff as well as the staffs of the PPMAP offices co-located at the FISCs and NRCCs.
3. Policy. NAVSUPHQ staff as well as FISC and NRCC PPMAP offices shall conduct reviews per the policies set forth below. PPMAPs will be conducted on all activities within the cognizance of NAVSUPHQ and regional PPMAP office to:
  - a. Ensure that the exercise of contracting authority delegated under the NAVSUPSYSCOM HCA is effective, efficient and within statutory, regulatory and agency guidelines.
  - b. Identify systemic contracting issues with activities of the NFCS and provide HCA and enterprise-wide solutions. In addition, subsequent to schedule PPMAPs provide ad-hoc training.
  - c. Ensure contracting offices' training requirements and contracting officer's warrants are in compliance with statutory and regulatory guidance.
  - d. Evaluate that the delegated contracting authority of NFCS activities is appropriate for mission accomplishment.
  - e. Ensure that orders are being issued per the applicable terms and conditions of the basic contract and all amendments.
  - f. Ensure delivery/task orders are issued in a manner in which sound business practices are the result.

#### 4. Definitions

- a. Delivery Order. A delivery order is an order for supplies placed against an established contract or with Government sources.
- b. GSA Federal Supply Schedule (FSS) Program. The GSA FSS program is directed and managed by the General Services Administration (GSA) and provides Federal agencies with a simplified process for obtaining commonly used commercial supplies and services at prices associated with volume buying (also see FAR 8.002). Indefinite delivery contracts (including requirements contracts) are established with commercial firms to

provide supplies and services at stated prices for given periods of time. Similar systems of schedule-type contracting are used for military items managed by the Department of Defense. These systems are not included in the FSS program covered by this subpart. The GSA schedule contracting office issues publications entitled FSS containing the information necessary for placing delivery orders with schedule contractors. Ordering offices issue delivery orders directly to the schedule contractors for the required supplies and services.

c. GSA Delivery Order. A GSA delivery order is an order placed against one of the GSA FSS issued under the GSA FSS program.

d. Indefinite Delivery Contracts. There are three types of indefinite-delivery contracts:

- (1) Definite-quantity contracts,
- (2) Requirements contracts, and
- (3) Indefinite-quantity contracts.

The appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award.

e. JWOD. The Javits-Wagner-O'Day Act (41 U.S.C.46-48c), referred to as "the JWOD Act," and the rules of the Committee for Purchase from People Who Are Blind or Severely Disabled (41 CFR Chapter 51) requires the Government to purchase supplies or services on the procurement list at prices established by the committee from JWOD participating nonprofit agencies if they are available within the period required. The "Procurement List" is a list of supplies (including military resale commodities) and services that the committee has determined are suitable for purchase by the Government under the Javits-Wagner-O'Day Act.

f. Task Order. A task order is an order for services placed against an established contract or with Government sources.

g. UNICOR. Federal Prison Industries, Inc. (FPI), also referred to as UNICOR, is a self-supporting, wholly owned Government corporation of the District of Columbia. FPI provides training and employment for prisoners confined in Federal penal and correctional institutions through the sale of its supplies and services to Government agencies (18 U.S.C. 4121-4128).

5. PPMAP Procedures

a. Pre-PPMAP Planning

(1) Once an activity has been selected for a PPMAP, the PPMAP program manager or detachment director will select a PPMAP analyst(s) to conduct the review.

(2) The PPMAP program manager, detachment director or designated PPMAP staff analyst will forward an announcement letter within 60 days of the scheduled PPMAP identifying the date and time of the proposed review.

(3) The following information shall be made available in a central location for the PPMAP analyst(s) on their arrival or mailed by traceable means in the case of a desk audit to the PPMAP analyst.

(a) Copies of all warrants, training records, a list of personnel who received annual ethics training and a description of the process by which awards are issued. This should include who has final signature authority for various levels of delivery/task orders.

(4) 30 days prior to the conduct of the PPMAP, the analyst shall forward a letter or e-mail requesting transactional data be forwarded to the PPMAP detachment office. The activity shall provide the following information on a word document or excel spreadsheet. The data shall list all delivery/task orders by fiscal year in the four buckets identified below. The spreadsheet shall include as a minimum all delivery/task orders for the last two fiscal years unless the present fiscal year will only provide one quarter of the annual actions. In that case, the analyst should request the three most recent years within the following buckets; IDIQ orders for single, multiple and unpriced delivery/task orders. GSA schedule orders from \$0 to \$25,000 for supplies and services, GSA schedule orders above \$25,000 and all UNICOR and JWOD orders. The fields on the spreadsheet should include as a minimum the order number, date of order, dollar amount and a description of the supply or service

(5) Based on the total population size of each of the four buckets, the PPMAP analyst shall then;

(a) Identify the sample size from each of the four buckets based on the attachment A of enclosure (2),

(b) Use a random sample generator to identify the selected sample files to be reviewed,

(c) Cut and paste the selected samples from the four buckets into a word document or excel spreadsheet,

(d) Forward the word/excel spreadsheet to the activity and request they pull the ordering files selected for review making them available either as part of the desk audit or site visit at the time of the PPMAP.

b. Conducting the PPMAP

(1) The ordering PPMAP will consist of three review areas including a transactional review, a management review and an evaluation of "repeat findings". The transactional review consists of a purchase file review that evaluates the completed purchase file against certain critical elements. The management review will evaluate, among other things, the activities management of the procurement function to include proper issuance of contracting officers warrants, required training to include DAWIA and ethics, signature authority, acquisition planning (inclusion of a formal acquisition plan (if required), special interest items and contract closeout procedures. The review of "repeat findings" evaluates the ability of the command to establish a process that eliminates previous findings or issues of other purchase methods utilized by the command. Only the transaction review, management review and repeat finding evaluation will factor in to the final rating of the activity's procurement assessment.

(2) Prior to initiating the PPMAP review, the PPMAP program manager, detachment director or PPMAP analyst shall conduct an in-brief with the commanding officer, executive director, director or senior leadership to explain the purpose of the review, how the review will be conducted, the rating methodology and how the results will be briefed.

(3) The PPMAP analyst will review the activities contracting/ordering officer warrants, training records and ethics training records and ensure that they are current and in compliance with statutory and regulatory guidance.

(4) The PPMAP analyst will review the availability of contracting guidance at the activity (i.e. hard copy FAR/DFAR, internet based, web based portal, a copy of the contract and amendments, etc.).

(5) The PPMAP analyst shall confirm that the sample delivery/task orders for each of the four buckets is made available or provide via mail are those previously requested by the PPMAP analyst. (Files not made available at the time of the desk/site visit will be considered failed files). The PPMAP analyst shall perform the transactional review of the file

samples selected in the random sample. The delivery/task order review will consist of evaluating the quality of the following critical elements within the procurement process.

(6) The PPMAP analyst will review the contract under which the ordering officer is placing orders to confirm the correct procedures for ordering.

\*NOTE

The review of each task/delivery order file is a "stand-alone" event. If a file has more than the allowable deficiencies (fails more than the allowable critical elements), the file can only fail once. A deficiency is defined as a situation in which the task/delivery order does not meet the minimum standards for documentation identified in the critical elements provided below. Based on his/her evaluation of the systemic nature of the deficiency, the PPMAP analyst must report all deficiencies noted in the task/delivery order file and include in the report as a finding or issue depending on the severity and frequency of the deficiency.

(7) Critical Elements for Ordering

The critical elements for the transactional review are identified below in bold. The PPMAP analyst shall review each ordering file to determine if the file contains deficiencies in the areas defined as "critical elements". If a file has three or more discrepancies, the file will be considered failed. If the activity has more file failures that are allowed by the PPMAP matrix, they will fail the transactional portion of the review. In addition, even if an individual file passes (meaning it does not have three or more deficiencies) if discrepancies exist in the file that appear systemic among all the files reviewed the PPMAP analyst shall make the deficiency a recommendation or issue in the report depending on the severity and frequency of the deficiency.

(a) GSA Schedule Orders

(1) Supplies

Pre-solicitation/solicitation

- Proper funding document (Adequate funding, approvals, purchase description)
- Documentation supporting screening requirements from mandatory Government sources of supply
- Documentation of market research for requirements over \$2500

- Documentation supporting screening requirements from mandatory Government sources of supply

Award

- Additional clauses not included in order
- Awarding items only listed on schedule
- Properly completed award document (DD Form 1155/SF 1449)
- Award document signed by warranted KO within his/her authority
- Documentation of KO seeking three sources to obtain "Best Value" for actions over \$2500
- Documentation supporting "Best Value" decision in ordering file for actions over \$2500
- Documentation identifying whether the GSA Schedule is a single or multiple award schedule
- Proper documentation of foreign acquisitions
- KO did not exceed maximum ordering threshold of schedule

(2) Services

Pre-solicitation/solicitation

- Proper funding document (Adequate funding, approvals, purchase description)
- Documentation supporting screening requirements from mandatory Government sources of supply
- Complete request for quotations (Solicitation provided to at least three vendors)
- Ensure all orders over \$100,000 are competitively solicited unless contracting officer waives requirement
- Documentation of market research
- Must provide a "fair notice of intent" to make a purchase and basis by which KO will make selection in purchase file

Award

- Documentation delivery order for services was placed on competitive basis (Receive at least three quotations)

- KO determines in writing that no additional contractors can fulfill work requirement
- Documentation of award to contractor providing the best value and lowest overall cost to the Government.
- Review BPAs against GSA schedules for services
- Evaluate request for quotations on which BPAs will be issued. Ensure it identifies the number of BPAs that will be issued and the basis for awarding the BPAs
- Are BPA reviews being accomplished periodically (at least annually) to ensure that the BPAs represent the best value to the Government
- Review BPA calls to ensure that proper procedures have been followed and that the basis for award has been documented
- KO did not exceed maximum ordering threshold of schedule

#### Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Separation of function
- Improper ratification
- Proper contract reporting (DD Form 1057/DD Form 350)

#### (b) UNICOR/JWOD Orders

##### Pre-solicitation/solicitation

- Proper funding document (adequate funding, approvals, purchase description)
- Documentation supporting screening requirements from mandatory Government sources of supply
- Additional clauses not included in order
- Determine if market research was performed (UNICOR orders)
- Based on market research is UNICOR comparable to private sources in terms of price, quality and/or delivery
- If not comparable, was UNICOR provided a copy of the solicitation

#### Award

- Awarding items only listed on schedule
- Properly completed award document (DD Form 1155/SF 1449)
- Award document signed by a warranted KO within his/her authority

Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Proper contract reporting (DD Form 1057/DD Form 350)
- Separation of function
- Improper ratifications

Contracts (c) Indefinite Delivery/Quantity/Requirements

1 Priced IDTC Contracts

A Single Delivery/Task Order Award

Pre-solicitation/solicitation

- Proper funding document (adequate funding, proper approvals, statement of work) independent Government estimate that is supported by specific costs.

Award

- Ensure that delivery/task order is within scope of contract
- Award document in accordance with contract
- Award document signed by a warranted KO within his/her Authority

Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Proper contract reporting (DD Form 1057/DD Form 350)
- Separation of function

b Multiple Delivery/Task Order Award

Pre-solicitation/solicitation

- Proper funding document (adequate funding, proper approvals, statement of work)
- Independent Government estimate that is supported by specific costs

Award

- Solicitation and award that provides all offerors a fair opportunity to compete for requirements over \$2,500
- Ensure that delivery/task order is within scope of contract award document in accordance with contract

Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Proper contract reporting (DD Form 1057/DD Form 350)
- Separation of function

2 Un-priced IDIQ Contracts

Pre-solicitation/solicitation

- Proper funding document (Adequate funding, proper approvals, statement of work)
- Independent Government estimate that is supported by specific costs
- Tasks are well defined

Award

- Solicitation and award that provides all offerors a "fair opportunity" to compete for requirements over \$2,500
- Ensure that delivery/task order is within scope of contract
- Award document per contract

Post Award

- Proper use of modifications
- Documentation of receipt, inspection and acceptance
- Proper contract reporting (DD Form 1057/DD Form 350)
- Separation of function

c. Completing the PPMAP

(1) Based on the transactional review, the management review and the evaluation of repeat findings, the PPMAP analyst will assign the activity a rating based on the activities level of effectiveness in managing the ordering function as evidenced by the number of file failures, repeat finding, findings, issues and general observations of the analyst.

(2) Assigning a Rating

(a) Transactional Review File Failures. Each selected file will be reviewed and analyzed to determine if it passes and/or fails based on meeting certain documentary standards that are quantified in the critical elements for each bucket.

If any one-delivery/task order file in any of the order buckets has more than a combined total of three discrepancies then the file is considered to have failed the review. If the number of file failures exceeds the number of allowed failures for all the buckets combined in the PPMAP matrix, the activity will fail the transactional portion of the ordering review.

The PPMAP analyst shall review each file independently. Discrepancies noted in the review whether from a passed and/or failed file shall be evaluated in terms of being systemic in nature. Depending on the severity and/or frequency of a specific discrepancy throughout the review the PPMAP analyst will write the deficiency as a finding or an issue in the body of the report.

(b) Management Review. If the review of the management of the purchase function reveals that they are not managing in an effective manner, the analyst should/shall recommend a failure in this area. A failure would include but is not limited to the effective management of the procurement function to include proper issuance of contracting officers warrants, required training to include DAWIA and ethics, signature authority, acquisition planning (inclusion of a formal acquisition plan (if required), management of CORs, BPA reviews, special interest items and contract closeout procedures. The PPMAP analyst shall review each discrepancy in this element and based on the severity and frequency of the deficiencies noted write either a recommendation or issue to be included in the body of the report.

(c) Repeat Findings. Repeat findings are findings identified in the previous PPMAP that remain uncorrected and were of a systemic nature leading them to be identified as findings in the present report. If an activity has 50 percent or more repeat findings the activity will fail this portion of

the review. All repeat findings will be written up and addressed in the body of the report.

If any activity fails any combination of two areas they will receive an UNACCEPTABLE rating for the ordering portion of the PPMAP. Prior to assigning an UNACCEPTABLE rating, the PPMAP analyst shall discuss the findings with the FISC (Code 200/NRCC Code 02) to determine the appropriate course of action.

Table 1-1

Transactional Review	Management Review	Repeat findings	Overall Rating
Pass	Pass	Pass	Acceptable
Pass	Pass	Fail	Acceptable
Pass	Fail	Pass	Acceptable
Pass	Fail	Fail	Unacceptable
Fail	Fail	Pass	Unacceptable
Fail	Pass	Fail	Unacceptable

NOTE: Even if the command receives an ACCEPTABLE rating in the three review areas, if in the opinion of the PPMAP analyst the command is not effectively managing the ordering function as typified by an unusual number of management issues (i.e. improper ratifications, contracting officers exceeding their authority, ineffective controls with which to prevent fraud, waste and abuse), he/she can recommend and the responsible FISC assign an UNACCEPTABLE rating. This should be based on a systemic view of all of the sampling and observations of the analyst throughout the PPMAP.

(3) Acceptable Rating. If as a result of the Ordering PPMAP, the review revealed that the command did not fail two out of three review areas, the command will be assigned an ACCEPTABLE rating.

(4) Unacceptable Rating. If as a result of the Ordering PPMAP, the review revealed the command failed two out of three of the review areas, the command will be assigned an UNACCEPTABLE rating.

(5) Commands Receiving an UNACCEPTABLE Rating. If a command receives an UNACCEPTABLE rating, the PPMAP staff analyst shall take the following actions:

(a) Debrief the FISC (Code 200/NRCC (Code 02) who will report the results to the commanding officer of the failed command, NAVSUP Codes 02/029/021/022 and the command's major claimant.

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(b) Based on the findings/instruction provided by the FISC (Code 200)/NRCC (Code 02) the PPMAP analyst will inform the commanding officer that as a result of the "UNACCEPTABLE" rating the command will be required to conduct a PPMAP "Stand-Down". This "Stand-Down" will include: (1) Having the ordering authority suspended for a period of 15 days pending the development and execution of a POA&M; and (2) Within 15 days, the responsible PPMAP office will schedule a PPMAP analyst to come on-site, conduct training, investigate processes leading up to the UNACCEPTABLE rating and assist in the development of the POA&M.

(c) On the final day of the PPMAP, an analyst will leave a "draft report" or presentation with the command identifying the areas that led to the command receiving an UNACCEPTABLE rating. This will include highlighting the findings, repeat findings and issues that will be included in the final PPMAP report.

(d) The failing command shall provide a POA&M to the PPMAP analyst within 15 days of the command failing the PPMAP.

(e) The responsible PPMAP office will schedule within 15 days of the last day of the review a "Procurement Stand-Down" per b above.

(f) The PPMAP analyst shall provide the command a final report 30 days after the date of the debriefing date of the PPMAP.

(g) The command receiving the UNACCEPTABLE rating shall provide the PPMAP program manager, PPMAP detachment director or PPMAP analyst a written report within 30 days of the date of the "Official Written Report" detailing all of the corrective action taken to correct the deficiencies noted in the report.

\*A detailed matrix is provided below to indicate all actions taken as a result of the PPMAP.

Table 1-2

Action POC	Action Item	Start Date	Time-Frame	Completion Date
PPMAP Director	Stand-Down	15 Days after Command Fails PPMAP	Between 1 and 3 days	TBD
PPMAP Analyst	Draft Report	Final Day of Review	1 Day	Last Day of Review
Command	*POA&M	Final Day of Review	15 Days	15 Days after notification of failed PPMAP
PPMAP Analyst	Final Report	Upon completion of review	30 Days	30 Days after completion of review
Command	Final Response (Written Report)	Upon receipt of draft report/presentation	60 Days	30 Days after receipt of final report
PPMAP Analyst	Follow-up Review	Upon acceptance of final response	6 months	6 months after acceptance of final response

\*Denotes actions to be taken if command fails PPMAP

(6) Follow-Up Reviews to Failed PPMAPs. Based on the successful acceptance of the final report that details the corrective actions taken by the command, the PPMAP program manager or PPMAP detachment director will reschedule a re-review to be accomplished six months after the date of the final PPMAP report.

The re-review will use the same process as the original review noted above. The PPMAP analyst will call the command on a monthly basis to provide mentorship on procurement issues leading up to the re-review.

If a command receives an UNACCEPTABLE rating in their re-review, the PPMAP analyst of the responsible FISC will take the following actions.

(a) Based on consultation with NAVSUP 02/029/021, suspend their procurement authority indefinitely pending development of a POA&M.

(b) Develop a transition plan with major claimant to provide procurement support during suspension.

(c) Develop a POA&M in conjunction with major claimant to resolve outstanding procurement issues.

(d) The responsible FISC PPMAP office will provide an analyst on-site to assist in training and establishing process to correct deficiencies.

(e) Procurement authority cannot be re-instated until major claimant certifies that processes are in place to ensure effective management of procurement process.

(7) Debriefing the Command. The NAVSUPSYSCOM PPMAP program manager, PPMAP detachment director, PPMAP team lead or PPMAP analyst will conduct the debriefing of commanding officer or senior leadership of the reviewed command.

(8) Post PPMAP Training. Subsequent to the PPMAP, the PPMAP analyst will conduct training on (a) the issues identified in the repeat and/or new findings proposed for the "draft report", (b) issues requested by the command and/or, (c) special interest items identified by the NAVSUPSYSCOM PPMAP program manager or detachment director. Commands receiving an UNACCEPTABLE rating will have training provided as part of the PPMAP "Stand-Down".

(9) Issuing the Final Report

(a) Whenever practicable, the PPMAP analyst will leave a draft PPMAP report or presentation at the command to allow them to review and analyze the findings and issues.

(b) The respective PPMAP office shall issue the final report no later than 30 days after the completion of the PPMAP. As a minimum, the final report shall address administration, management of the procurement function, findings, issues, special interest items and any best practices identified.

(c) When compiling the final report, PPMAP analysts shall ensure that deficiencies are written up as findings with a full discussion and a required action by the command and that issues are written up providing a full discussion with suggested action. (See samples below)

(d) The activity shall be required to provide a response to the final report within 60 days that shall include a POA&M supporting the corrective actions to be taken to address the findings and issues.

(10) Sample Finding/Issue

(a) Findings. Findings are deficiencies which are based in statute, regulation or good business practice that due to the severity and frequency of the action rise to a level that the command must be compelled to correct this process or practice. The command must respond and correct all findings identified in the report.

(b) Issues. Issues are deficiencies. They may be based in statute, regulation or good business practice. However, their occurrence in severity or frequency did not rise to the level that the command must be compelled to correct the process or practice. The command does not have to respond or correct issues identified in the report.

1 Sample finding:

- a Finding Number -
- b Discussion -
- c Examples -
- d Required Action -

2 Sample Issue:

- a Issue Number -
- b Discussion -
- c Examples -
- d Suggested Action -

**STATISTICAL SAMPLING TABLE**

Total Population	Sample Size	NTE Deficiencies
2-15	2	0
16-25	3	0
26-90	5	1
91-150	8	2
151-280	13	3
281-500	20	5
501-1,200	32	7
1,201-3,200	50	10
3,201-10,000	80	14
10,001-35,000	125	21
35,001-150,000	200	21
150,001-500,000	315	21

90.0% Quality Level  
 90.0% Confidence Level

American National Standard  
 American Society For Quality  
 ANSI/ASQC Z1.4-1993

**NAVY FIELD CONTRACTING GUIDE**  
**FOR CONDUCTING PPMAPS AT OFFICES**  
**MANAGING PURCHASE CARD PROGRAMS**



**Review of Contracting Offices Exercising  
Purchase Card Authority**

1. Review of CONUS Purchase Card Programs. The following is applicable to all Navy Field Contracting System (NFCS) activities that manage a Government-wide Purchase Card (GCPC) program and shall be used to conduct Procurement Performance Management Assessment Program (PPMAP) reviews. Activities that operate a purchase card program shall be reviewed annually, either by conducting desk audits or on-site reviews. NFCS activities that have additional procurement authority above and beyond purchase card authority shall have an annual review conducted of their purchase card program, either on-site or via a desk review depending upon the number of purchase card transactions and a tri-annual review of their other procurement functions.

PPMAP staffs shall set activity review cycles based on the anniversary date of when the activity established its purchase card program or a date established by the PPMAP staff. The PPMAP staff shall set review cycles to ensure all activities whose purchase card transactions for the previous fiscal year exceeded 1,200 receive a site visit. All other activities will, at a minimum, receive a desk audit. As a guide to determine if an activity should receive an on-site review or desk audit, see Table (1-1) below. PPMAP staffs may schedule additional purchase card site visits based on operational requirements at the discretion of the PPMAP staff director.

Table 1-1

	Review Period	On-Site Audit	Desk Audit
All Activities that operate a PC program	*Annually	Any activity that has more than 1,200 PC transactions annually	Any activity that has 1,200 or less PC transactions annually
Activities that have SAP authority or above	*Tri-annually (every three years)	All SAP reviews	1,200 or less PC transactions

\*Areas other than PC will be reviewed on a tri-annual basis. The PC portion of the activity shall be reviewed annually.

\*Beginning 1 January 2004, Purchase Card and Ordering PPMAPs will be accomplished on an eighteen (18) review month cycle

a. Pre-Purchase Card Audit/Review Planning

9 Jul 03

(1) The PPMAP staff director will identify an activity be scheduled for a purchase card desk audit or site review. They will assign the review to the PPMAP staff analyst.

(2) The designated personnel at each PPMAP staff site will provide the necessary purchase card query files from "ad-hoc reporting" (Dynamic Reporting) to the PPMAP staff analyst. The periodicity for the All Transaction Report shall include the preceding twelve months from the date the report is generated.

(3) The PPMAP staff analyst will then generate the transaction report for the activity to be reviewed. All training, federal express and Document Automation and Production Service (DAPS) purchases shall be excluded from the total population of purchase card transactions for the twelve-month period. Thus, Merchant Category Codes (MCC) 4215, 8211, 8220, 8241, 8249 and 8299 (all of these MCC codes relate to either training or federal express) shall be excluded and purged from all the transaction reports. DAPS purchases shall be manually extracted from the transaction report.

(4) The PPMAP staff analyst will then review the file and perform the following:

(a) Using the table in Attachment A to enclosure (3), determine the correct sample size utilizing the number of PC transactions from the all transaction report, less training purchases and the allowable number of deficiencies based upon the sample size, for the reviewed activity's purchase card transaction population.

(b) Using a "random number generator", the PPMAP staff analyst shall generate a random sample for the population found in the file.

(c) Identify the files to be extracted.

(d) Extract those files identified by the random sample generator.

(e) The PPMAP staff analyst will prepare an announcement letter that includes a checklist (see attachments (2) and (3) for guidance) for APCs to confirm they have forwarded all of the required information to perform the desk audit or site review. The announcement letter will identify the date the desk or site review will be conducted and request the following information from the activity:

Note: The information requested below shall be made available in a central location for on-site reviews or mailed by traceable means in the case of a desk audit.

1 Copies of semiannual reviews.

2 A copy of the activity Internal Operating Procedure (IOP).

3 Copies of all warrants, letters of delegation and DOD PC training records for APCs, AOs, purchase cardholders and Reviewing Officials (ROs). Per the EBUSOPSOFFINST 4200.1, the training records shall include certificates of training resulting from successful completion of Department of Navy Government Purchase Card Tutorial, the Navy/Marine Corps Purchase Card training and Interactive Customer Assistance CD ROM, refresher training and proof the required ethics training was accomplished. Additionally, cardholders who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must show evidence of completion of one of the following courses: NAVSUP Simplified Acquisition Course, CON 101, Contracting Fundamentals, or CON 202, Intermediate Contracting.

NOTE: For desk reviews, a listing containing the names of the APC, AOs and card holders and their latest date of successful completion of PC training shall be submitted in lieu of certificates of training for each APC, AO and CH. The listing shall be certified by the program APC.

4 Copies of all corrective actions taken as a result of semiannual reviews.

5 Copies of files identified in sampling methodology. The requested file should include the monthly cardholder's statement, purchase card log, requisition and receipt documentation for the specific transaction chosen.

6 Copies of Letters of Agreement (LOAs) established by the command, a list of all command LOAs, users or other commands that use the LOAs and any reviews accomplished on the use of the LOAs by the APC.

(f) When conducting a desk audit, the PPMAP staff director or analyst will conduct a telephone in-brief with the activity commanding officer or executive officer and APC. The in-brief should explain the purpose of the review, how it will be conducted, the rating methodology and how the results will be briefed to them.

b. Conducting the Purchase Card Desk Audit/Site Review

(1) The PPMAP staff analyst will verify that all the requested information has been provided, including the exact number and specific purchase card transaction files requested, purchase card statements, purchase card logs, requisition

documents and receipt documentation. If the activity does not provide all the information requested, the desk audit will be cancelled and a site visit scheduled within a reasonable amount of time. The PPMAP staff analyst may call the activity prior to scheduling the site visit and request the missing information.

However, if the information is not provided within five to seven business days, a site visit shall be scheduled. In cases where the missing information is a lost purchase card file identified in the random sample, the file will be counted as if it had a deficiency and the file will fail the transactional portion of the review.

(2) If during the course of the desk audit or site review the PPMAP staff analyst suspects a fraudulent action with regard to a purchase card transaction, they shall immediately meet with the commanding officer and APC, identify their concern regarding the transaction(s) and recommend the commanding officer take appropriate action.

If the suspected fraudulent action is discovered as the result of a desk audit, the PPMAP staff analyst/PPMAP director/FISC CO staff shall call the activity commanding officer and APC and discuss the concern. In addition, the PPMAP staff analyst shall contact the FISC commanding officer and NAVSUP Code 02 to suspend the purchase cardholder's account until an investigation can be accomplished.

(3) The purchase card desk audit or site review shall consist of a transactional review, an internal management review and a review of other specific purchase elements.

(4) Transactional Review

(a) The PPMAP staff analyst will review randomly selected files received from, or made available at the activity against critical elements noted below.

NOTE: The review of each file is a "stand-alone" event. If a file has more than one deficiency (fails more than one element), the file can only fail once. A deficiency is defined as the purchase card file does not meet the requirements identified by the critical element. The PPMAP staff analyst must report all deficiencies noted in the purchase card file review of any file and issue a finding and recommendation on any deficiencies noted.

(b) Critical elements for the transactional review are:

1 Unsupported questionable items defined as purchases from vendor locations that appear questionable in terms of mission requirements. (i.e. upscale or high profile retail outlets, liquor stores, video and music stores, etc.)

2 Misuse of the purchase card defined as:

a Items appear excessive in terms of quality, quantity or otherwise did not appear to meet the Government's minimum requirement;

b Procurement of prohibited items per EBUSOPSOFFINST 4200.1;

c Exceeding the micropurchase threshold; or

d Anyone other than the cardholder making a purchase(s).

3 Abuse of the purchase card defined as:

a Items were not for Government use but rather were for personal use of the purchaser, certifying officer or recipient of the purchased items. (Items do not need to be taken home for an item to be personal in nature). Items of personal preference that do not appear to fulfill actual mission requirements can also be for personal use and amount to abuse;

b Procurement of items that may be otherwise appropriate except for underlying details such as price reasonableness (we paid an unreasonable price.); or

c. Unauthorized Commitments. Unauthorized commitments for the purpose of this instruction are "purchase actions" accomplished by a Government employee (military or civilian) who lacks authority (purchase card or otherwise) to obligate the Government contractually and subsequently a purchase cardholder initiates a transaction absent proper review and approval.

4 Failure to use mandatory sources when required; i.e., UNICOR, JWOD, etc.

5 No Receipt. If there is no receipt available for review, the file shall be considered deficient.

6 Lost File. If a file identified in the random sample is unavailable for review for any reason, the file shall be considered deficient.

(c) If the number of deficiencies exceeds the allowable number authorized delineated in table contained in

Attachment A to enclosure (3), the activity fails the transactional review.

(5) Internal Management Review

(a) PPMAP staff analysts will review the following internal management controls critical elements to determine if an activity is effectively managing the function.

1 Span of Control. Using the transaction report generated from "ad-hoc reporting" (Dynamic Reporting), the PPMAP staff analyst shall review the number of cardholders under the cognizance of an Approving Official (AO) and Agency Program Coordinator (APC). If the activity has more than seven cardholders per AO or more than 300 cardholders per APC, they shall fail this element. The PPMAP staff analyst shall also review the transaction workload to determine if the transactional span of control is too great. If, in the opinion of the PPMAP staff analyst, the total number of transactions under an AO's cognizance exceeds the ability of the AO to effectively review the monthly purchase card invoice, they should make a finding and recommendation to that effect in the final report.

As a guide, if the AO averages more than 150 transactions per month from all of their cardholders over a yearly period the PPMAP staff analyst should ask the AO two questions:

1) "Are you reviewing 100 percent of your cardholder's transactions?", and

2) "Are you certifying the monthly invoice in a manner that minimizes prompt payment penalties and optimizes purchase card rebates?" If the answer to either or both questions is no, the PPMAP staff analyst should begin a review of the activity's AOs to determine if their span of control elements support the effective review and proper certification of the monthly purchase card invoices. Negative responses to the questions noted above would not result in a failure in this element but would result in a recommendation under Other Review Elements.

2 Equitable Distribution of Business. Using the transactional data report from the Pre-Purchase Card Desk Audit/Site Review Planning file, the PPMAP staff analyst shall sort the file by cardholder and vendor to determine if there is a pattern of cardholders not equitably distributing business among qualified suppliers. If there is a pattern of cardholders not equitably distributing business, then the activity fails this element.

3 Semiannual Reviews. The PPMAP staff analyst will review the semiannual reviews submitted by the activity.

If they did not accomplish the review or did not address the elements required by EBUSOPSOFFINST 4200.1, the activity fails this element of the review.

4 Training. The PPMAP staff analyst will review the training records of the command. If any APC, AO, or purchase cardholder has been provided a purchase card, account, warrant or delegation of authority absent the training required in EBUSOPSOFFINST 4200.1, the activity fails this element.

5 Internal Operating Procedures (IOP). The activity shall submit their IOP to the PPMAP staff analyst. If the activity does not have or fails to submit an IOP, they fail this element. In addition, if in the judgment of the PPMAP staff analyst, the IOP does not effectively provide local guidance for management and oversight of the local program, the activity shall fail this element. If in the opinion of the PPMAP staff analyst the IOP has minor errors and omissions that do not substantially affect the performance of the local program, the PPMAP staff analyst shall make a recommendation in the report that requires the APC to rewrite the IOP.

6 Repeat Findings. The PPMAP staff analyst shall review the previous purchase card report resulting from the review of the activity. If there are two or more repeat findings, the activity shall fail this element.

7 Separation of Duties. APCs, AOs, ROs and purchase cardholders each have specific roles, responsibilities and duties defined in EBUSOPSOFFINST 4200.1. The PPMAP staff analyst shall review the roles, responsibilities and duties of the activity APC, AOs, RO and purchase cardholders to ensure that they do not have multiple roles, responsibilities and duties that are in conflict or do not provide for effective checks and balances within the local program.

8 Separation of Function. Separation of function is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase.

A file fails this element if a proper separation of function is not occurring or if documentation, or lack thereof, precludes the PPMAP staff analyst from definitely determining that a proper separation of function occurred. Failure of this element includes instances in which the cardholder is the only signature on the receipt or the receipt is present but no signature(s) is on the receipt. For the purpose of this element, if the command has an internal process either, electronic or paper, that clearly and definitely establishes evidence of proper receipt and separation of function for each transaction, the transaction passes this element.

From the randomly selected files received from/or made available at the activity, the PPMAP staff analyst shall review the files for evidence of separation of functions.

NOTE: The randomly selected files are the same files selected for the transactional portion of the review.

If a file does not have evidence of separation of functions, it shall be considered deficient. Utilizing Table (1-2) below, if the number of separation of function deficiencies exceeds the allowable amount for the number of files reviewed, the activity fails this element.

Table 1-2

Sample Size (Files Reviewed)	NTE Separation of Function Deficiencies
2	0
3	0
5	1
8	1
13	1
20	2
32	3
50	5
80	8
125	12
200	20
315	32

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9 Splitting Requirements. Cardholders shall not split requirements over the micro-purchase threshold to avoid the competition requirements or break down requirements to make several purchase card transactions. Splitting requirements in that manner is an inappropriate use of the purchase card and may be violating statutory requirements for small business participation, competition or service contract act requirements.

a Process for determining splitting of requirements:

(1) The PPMAP staff analyst shall use the same file of annual transactions from "ad-hoc reporting" (Dynamic Reporting) as discussed above in paragraph 1a.(2) on page 2.

(2) The PPMAP staff analyst shall determine the number of occurrences that the same cardholder placed an order(s) with the same vendor on the same day where the aggregate amount of the transactions exceeds \$2,500. After the determination is made that orders were placed by the same cardholder, with the same vendor, on the same day, further research may be required to determine if splitting of requirements actually occurred.

(3) The PPMAP staff analyst shall then determine the number of occurrences that were actually split requirements. Utilizing Table (1-3) below, if the number of split requirements exceeds the allowable amount allowed for the number of PC transactions reviewed, the activity fails this element.

Table 1-3

Number of PC Transactions	Allowable Splits
1-25	0
26-90	1
91-150	2
151-280	3
281-500	5
501-1,200	7
1,201-3,200	10
3,201-10,000	14
10,001+	21

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b If an activity fails four or more of the internal management control critical elements, they will fail the internal management control portion of the review.

(6) Other Review Elements. The PPMAP staff analyst must also review, as a minimum, the following elements in addition to those elements found in the transactional and internal management review. Where deficiencies are noted, the PPMAP staff analyst should make recommendations within the body of the report to address those deficiencies. If the PPMAP staff analyst is conducting a purchase card desk audit, they will phone the activity APC to discuss issues related to the subject areas.

(a) Monthly purchase card certification cycle is per Department of Navy (DON) policy. The PPMAP staff analyst shall review and evaluate the number of transactions per cardholder and number of days the activity is taking to certify monthly invoice.

(b) Dispute Process. The PPMAP staff analyst should ensure that an activity has a process to track and resolve disputes. Is the activity process in accordance with Citibank Disputes Guide?

(c) Contract Reporting. Are purchase actions between \$2,500 and \$25,000 being reported on a DD Form 1057? (Excluding actions where a contracting officer is issuing purchase action and reporting the purchase action). Are purchase actions over \$25,000 being reported on a DD Form 350? (These would normally be oral orders that are paid for using the purchase card).

(d) Delinquencies. Does the activity have payment problems that have caused delinquencies leading to card suspensions as provided in NAVSUP Policy Letter PC00-06? The PPMAP staff analyst should verify how many suspended accounts an activity presently has.

(e) Corrective actions taken as a result of semi-annual reviews. Has the activity documented corrective actions taken based on deficiencies noted in semiannual reviews?

(f) Accountability of plant property purchased with purchase card. Does the activity have a process? Are purchase card purchases being entered into system per SECNAVINST 7320.10?

(g) Letters of Agreements (LOAs). Does the activity issue LOAs? Are they per DON policy? The PPMAP staff analyst does not need to look at ordering process in this review.

(h) Convenience Check Program. Is the activity managing their convenience check program per DOD and DON policy?

(i) Approval Process. Does the purchase card file adequately reflect the appropriate levels of approval have been obtained and documented for those items noted in EBUSOPSOFFINST 4200.1 " List of Prohibited and Special Attention Items" and other items requiring special attention?

(j) APC, AO, RO, certifying officer and accountable official letters of appointment and delegation, purchase cardholder letters of delegations, contracting officer warrants, and purchase card profiles. The PPMAP staff analyst shall ensure that all cardholders' letters of delegations or warrants as required by EBUSOPSOFFINST 4200.1, reflect actual purchase authority and are up to date.

(k) Proper use of the increased purchase authority for procurements used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical or radiological attack.

In cases where the review of the other elements reveals the activity lacks the ability to effectively manage their purchase card program, the PPMAP staff analyst should contact NAVSUP 02 to discuss issues. Based on the magnitude and severity of the issues, an UNACCEPTABLE rating may be warranted.

c. Conducting Desk Audits/Site Reviews of Level 5 APCs Managing Multiple Activities. For the purpose of this section, multiple activities are defined as Level 5 APCs with multiple level 5 designators in their hierarchy. The decision to perform a desk audit vice a site visit at each of the multiple activity sites shall be based on Table 1-4 below.

Table 1-4

	Review Period	On-Site Audit	Desk Audit
All activities that operate a PC program	Annually	Any program that has more than 1,200 PC transactions annually	Any program that has 1,200 or less PC transactions annually

PPMAP staff directors may choose to schedule site visits at the location of the APC or commanding officer of the APC to facilitate the Internal Management Review and the PPMAP debrief.

In cases where the PPMAP staff analyst is performing a desk audit or site review of a Level 5 APC that is managing more than one activity the analyst should conduct the review as follows:

(1) The analyst will conduct a transactional review on each of multiple activities independently. This includes establishing the total population and sample size, selecting the random files to be reviewed and reviewing the selected files against the critical elements separately for each of the activities. If the number of deficiencies exceeds the allowable number authorized in the table in Attachment A to enclosure (3), the activity will fail the transactional review. The result will be that each of the activities exceeding the maximum number of deficiencies will be closed vice all of the activities under the APC. A stand-down shall be conducted at the activity(s) that failed per para d (3) below.

(2) Perform the Internal Management Review for all activities under the APC. The APC of multiple activities is responsible for the overall management of the purchase card program at all of the sites including oversight of each of the multiple activities. The APCs are responsible for ensuring all of their multiple units are in compliance with both the transactional review and the internal management review elements noted above. If the PC program under the APC fails four or more of the internal management review elements across all managed activities, the APC and all the activities under their cognizance shall fail the overall desk audit or site review.

(3) Perform the "Other Review Element" portion of the desk audit or site review for all activities under the APC.

Although this may not impact the final rating, they can be indicative of successful management of the local purchase card program.

d. Completing the Purchase Card Desk Audit or Site Review

(1) Assigning a Rating. The PPMAP staff analyst will assign an adjectival rating of their evaluation of the results of the transactional review and the internal management review. If the rating is a result of a desk audit, the PPMAP staff director/analyst will conduct a telephone exit briefing with the activity commanding officer or executive officer. The exit briefing should explain the results of the review, the recommendations and suggestions, if any, when the activity should expect the final report and what is expected of the activity as a result of the review. Per guidance below, the analyst shall assign an acceptable or unacceptable overall rating for the PC review.

(a) Acceptable Rating. The desk audit or on-site review revealed that the activity did not exceed the allowable number of deficiencies noted in the table in Attachment A to enclosure (3) and the internal management review revealed three or fewer deficiencies.

(b) Unacceptable Rating. The desk audit or on-site review revealed the activity had more than the allowable deficiencies noted in the table in Attachment A to enclosure (3) and/or the internal management review revealed four or more deficiencies. Table (1-5) below is a guide for determining how a PPMAP staff analyst should assign an activity an overall rating as a result of a purchase card review:

Table 1-5

Transactional Review	Internal Management Review	Overall Rating
Pass	Pass	Acceptable
Pass	Fail	Unacceptable
Fail	Pass	Unacceptable**
Fail	Fail	Unacceptable

\*\*If the review is of multiple activities under one APC, the overall rating would be ACCEPTABLE for activities that passed the transactional review. However, the specific activity that failed the transactional review would fail, and the procedures delineated in paragraph (3) below shall be followed.

(2) Issuing the Report. If the PPMAP staff analyst assigns an overall ACCEPTABLE rating to the activity, the analyst will prepare the PC report for the signature of the FISC CO, XO, or Code 200/200A. A summary or brief will be provided to the activity at the completion of the review. PPMAP staff analyst shall use Attachment D to enclosure (3) to report the results of the purchase card desk audit or site review. The final report shall be provided to the activity within 30 days after completion of the PC review. The report should include recommendations and suggestions resulting from the deficiencies noted in the report. In addition, copies of the report shall be provided to the applicable HA or Level 3 APC. If the analyst assigns an UNACCEPTABLE rating, they should follow the procedures noted below.

(3) Activities Receiving Unacceptable Ratings.

(a) "Unacceptable Rating". If an activity receives an unacceptable rating either from a desk audit or site review, the field PPMAP staff shall take the following actions:

1 In the case of a desk review, the FISC commanding officer or Code 200 will report the results to the commanding officer of the failed activity, the activity's

Level 3 APC and NAVSUP Codes 02/029/21/029A4. The PPMAP staff analyst will inform the command that as a result of the "Unacceptable Rating," they will receive, as a minimum, an immediate three-day suspension of card services. The PPMAP staff director will suspend cardholder and AO accounts of the activity for a minimum of three days (with the exception of one cardholder and AO account which will remain open to accomplish critical mission requirements). The command APC will be required to hold a "stand-down" which will include training for all personnel based on the findings and recommendations resulting from the PC review and a review of the purchase card internal policies and procedures.

Activities receiving a suspension of card services as a result of an "unacceptable rating" cannot have a reinstatement of purchasing authority until the "stand-down" has been completed. The command shall also be required to develop a POAM to address deficiencies and provide documentation to the PPMAP staff analyst on the results of the "stand-down". This should include type of training performed, number of personnel trained, policies and procedures revised based on recommendations and suggestions, etc. The POAM shall be submitted to and approved by the PPMAP staff analyst in a reasonable amount of time. If the activity fails to submit a POAM within a reasonable amount of time, the PPMAP staff director may suspend all cardholder and AO accounts until the POAM is submitted and approved.

2 In cases where deficiencies in the transactional review or internal management review lead to a purchase card file (transactional review) failure or a failure in one of the internal management elements (internal management review) but those specific deficiencies have been identified and corrective action taken based on the results of a regularly scheduled semiannual review, the PPMAP staff analyst may take the alternative action noted in a below. The activity must be able to substantiate its claim that corrective action was taken and was effective by providing the PPMAP staff analyst with e-mails, memorandums/policy, letters of reprimand, and/or purchase card files accomplished after the review supporting the effects of the corrective action taken. The PPMAP staff analyst may review additional files in order to verify or substantiate corrective actions to ensure the activity has completely eliminated the deficiency found during the semi annual review. The additional files that are reviewed shall only be used to determine that the corrective actions have taken hold and shall not be included or counted towards the total number of deficiencies allowed based on the random sample. The alternative action is that Command purchase card accounts will not be suspended and the command shall conduct training covering all of the findings and recommendations resulting from the review.

NOTE: When writing the PC review report, ALL deficiencies shall be counted (for reporting purposes) regardless of the corrective action taken by the activity as noted above.

3 In the case of a site review, the analyst will apprise the field PPMAP staff director of the unacceptable rating. The director will inform the FISC commanding officer and Code 200 who will determine the appropriate course of action. The FISC commanding officer or Code 200 will report the results to the commanding officer of the failed activity, the activity's Level 3 APC and NAVSUP Codes 02/029/21/21C/029A4. The PPMAP staff analyst will then proceed as follows:

a The FISC will schedule a PPMAP staff analyst to provide on-site support to review policies, procedures and processes to determine root causes of the "Unacceptable Rating".

b The PPMAP staff director will suspend cardholder and AO accounts of the failed activity for a minimum of three days (with the exception of one cardholder and AO account that will remain open to accomplish critical mission requirements). Activities receiving a suspension of card services as a result of an "unacceptable rating" cannot have a reinstatement of purchasing authority until the "stand-down" has been completed. A POAM shall be submitted to and approved by the PPMAP staff analyst in a reasonable amount of time. If the activity fails to submit a POAM within a reasonable amount of time the PPMAP staff director may suspend all cardholder and AO accounts until the POAM is submitted and approved. The command purchase card accounts will remain suspended until the activity performs the required stand-down.

c During the suspension/stand-down period the PPMAP staff analyst shall review and approve all purchase card transactions for the command, assist in developing a POA&M and provide training where required.

d After the suspension period, the activity will be returned to full status with all accounts reopened by the PPMAP staff.

e In cases where deficiencies in the transactional review or internal management review lead to a purchase card file (transactional review) failure or a failure in one of the internal management elements (internal management review) but those specific deficiencies have been identified and corrective action taken based on the results of a regularly scheduled semiannual review, the PPMAP staff analyst may take the alternative action noted in para 1 on page 13 of this enclosure. The activity must be able to substantiate its claim that corrective action was taken and was effective by providing the PPMAP staff

analyst with e-mails, memorandums/policy, letters of reprimand, and/or purchase card files accomplished after the review supporting the effects of the corrective action taken. The PPMAP staff analyst may review additional files in order to verify or substantiate corrective actions to ensure the activity has completely eliminated the deficiency found during the semi annual review. The additional files that are reviewed shall only be used to determine that the corrective actions have taken hold and shall not be included or counted towards the total number of deficiencies allowed based on the random sample. The alternative action is as follows:

(1) Command purchase card accounts will not be suspended and the command shall conduct training covering all of the findings and recommendations resulting from the review.

NOTE: When writing the PC review report, ALL deficiencies shall be counted (for reporting purposes) regardless of the corrective action taken by the activity as noted above.

(2) Whether the unacceptable rating was a result of a desk audit or site visit, the PPMAP staff analyst shall prepare the PC Report for signature by the FISC commanding officer. The report should include recommendations and suggestions generated from the deficiencies noted in the review. The report shall be provided to the activity within 10 working days of the completion of the review. NAVSUP 21 shall be provided a copy of all reports that assign an unacceptable rating. The PC report will request that the activity respond to the report within 30 days of their suspension and provide the corrective action taken. The report will also indicate to the command that a "Follow-Up" review will be conducted within 180 days of re-establishing the purchase card and AO accounts. A copy of the report will be provided to the activity's major claimant and Level 3 APC.

(b) Follow-Up Review

1 An announcement letter will be issued 30 days prior to the "follow-up review" identifying the date the follow-up review will be conducted. The activity's major claimant and Level 3 APC will be copied on the announcement letter and invited to participate in the follow-up review.

2 The PPMAP staff analyst will conduct an on-site "Follow-up Review" within 180 days of re-establishing the purchase card and AO accounts. The review will be conducted in the same manner as the original review.

3 The transaction review will consist of reviewing a random sample of purchase card transactions from the total population of actions accomplished within the 180 days.

Using the table in Attachment A to enclosure (3), the PPMAP staff analyst will choose the appropriate sample size and allowable number of deficiencies for the population. The PPMAP staff analyst will also conduct an internal management review and a review of other elements.

4 Per the table in attachment A to enclosure (3), if the activity exceeds the allowable number of deficiencies for the selected sample size or fails the internal management review, they will receive a second unacceptable rating.

5 If an activity fails the "Follow-up Review", their purchase card authority shall be revoked and their purchase card program will be suspended indefinitely (including suspending all cardholder and AO accounts). Their major claimant or Level 3 APC will be required to provide procurement support for the duration of the revocation.

6 The FISC commanding officer will issue the PC report within five days to the activity identifying the deficiencies and providing recommendations and suggestions for improvement. The report will require the activity to establish a POA&M and provide weekly updates. In addition, the report shall require the activity to respond to the recommendations and suggestions within 30 days after issuance of the report.

(c) Reinstating Purchase Card Programs

1 Activities whose authority has been revoked and purchase card and AO accounts suspended may apply for reinstatement of its purchase card program under the following conditions:

a Written certification by its major claimant or Level 3 APC that the entire PC staff has been trained, the activity's program is in compliance with DOD and DON policies and procedures and internal management controls have been put in place to ensure that future deficiencies will not occur.

b The command must receive the FISC commanding officer's concurrence to reinstate the Purchase Card Program.

2 Upon satisfactory completion of above, the PPMAP staff analyst shall notify the Level 3 APC and NAVSUP 02 to reinstate account privileges.

2. Review of OCONUS Purchase Card Programs. The following is applicable to all NFCS activities that manage an OCONUS Government-wide Commercial Purchase Card (GCPC) Program and shall be used to conduct PPMAP reviews. Activities that operate a Purchase Card program shall be reviewed annually either by

conducting desk audits or on-site reviews. NFCS activities that have additional procurement authority above and beyond purchase card authority including those who exercise \$25,000 authority with the purchase card shall have an annual review conducted of their purchase card program, either on-site or via a desk review depending upon the number of PC transactions or PC dollar authority level and a tri-annual review of their procurement functions.

PPMAP staffs shall set activity review schedules based on the anniversary date of when the activity established its purchase card program or a date established by the PPMAP staff. PPMAP staffs shall set review cycles to ensure all activities that are authorized to use the purchase card up to \$25,000 per transaction or whose purchase card transactions for the previous fiscal year exceeded 3,200 receive a site visit.

All other activities will as a minimum receive a desk audit. As a guide, see Table (2-1) below. PPMAP staffs may schedule additional purchase card site visits based on operational requirements at the discretion of the PPMAP staff director.

Table 2-1

	Review Period	On-Site Audit	Desk Audit
All Activities that operate a PC Program	*Annually	Any Activity that uses the PC up to \$25,000 OR Any Activity that has more than 3,200 PC Transactions Annually	Any Activity that has 3,200 or less PC Transactions Annually
All Activities that have SAP Authority or above	*Tri-Annually (every three years)	All SAP Reviews	3,200 or less PC Transactions

\*Areas other than PC will be reviewed on a tri-annual basis. The PC portion of the activity shall be reviewed annually.

\*Beginning 1 January 2004, purchase card and ordering PPMAPs will be accomplished on an 18-month review cycle.

a. Pre-Purchase Card Audit/Review Planning

(1) The PPMAP staff director will identify that an activity should be scheduled for a purchase card desk audit or site review. They will assign the review to the PPMAP staff analyst.

(2) The designated personnel at each PPMAP staff site will provide the necessary purchase card query files from "ad-hoc reporting" (Dynamic Reporting) to the PPMAP staff analyst. The periodicity for the all transaction report shall include the preceding 12 months from the date the report is generated.

(3) The PPMAP staff analyst will then generate the transaction report for the activity to be reviewed. All training, federal express and DAPS purchases shall be excluded from the total population of PC transactions for the 12 month period. Thus, Merchant Category Codes (MCC) 4215, 8211, 8220, 8241, 8249 and 8299 (all of these MCC codes relate to either training or federal express) shall be excluded and purged from the all transaction report. DAPS purchases shall be manually extracted from the transaction report.

(4) The PPMAP staff analyst will then review the file and perform the following:

(a) Using the table in Attachment A to enclosure (3), determine the correct sample size utilizing the number of PC transactions from the all transaction report, less training purchases and the allowable number of deficiencies based upon the sample size for the reviewed activity's purchase card transaction population.

(b) Using a "random number generator", the PPMAP staff analyst shall generate a random sample for the population found in the file.

(c) Identify the files to be extracted.

(d) Extract those files identified by the random sample generator.

(e) The PPMAP staff analyst will prepare an announcement letter (see Attachment B to enclosure (3)) and include a checklist (see Attachment C to enclosure (4)) for APCs to confirm they have forwarded all of the required information to perform the desk audit or site review. The announcement letter will identify the date the desk or site review will be conducted and request the following information from the activity:

NOTE: The information requested below shall be made available in a central location for on-site reviews or mailed by traceable means in the case of a desk audit.

1 Copies of semiannual reviews.

2 A copy of the activity Internal Operating Procedure (IOP).

3 Copies of all warrants, letters of delegation and DOD PC training records for APCs, AOs, purchase cardholders and Reviewing Officials (ROs). Per EBUSOPSOFFINST 4200.1, the training records shall include certificates of training resulting from successful completion of DON Government Purchase Card Tutorial, the Navy/Marine Corps Purchase Card training and Interactive Customer Assistance CD ROM, refresher training and proof the required ethics training was accomplished. Additionally, card holders who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must show evidence of completion of one of the following courses: NAVSUP Simplified Acquisition Course, CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting.

NOTE: For desk reviews, a listing containing the names of the APC, AOs and card holders and their latest date of successful completion of purchase card training shall be submitted in lieu of certificates of training for each APC, AO and card holder. The program APC shall certify the listing.

4 Copies of all corrective actions taken as a result of semiannual reviews.

5 Copies of files identified in sampling methodology. The requested file should include the monthly cardholder's statement, purchase card log, requisition, receipt and documentation for the specific transaction chosen.

6 Copies of Letters of Agreement (LOAs) established by the command, a list of all command LOAs, users or other commands that use the LOAs and any reviews accomplished on the use of the LOAs by the APC.

(f) When conducting a desk audit, the PPMAP staff director or analyst will conduct a telephone in-brief with the activity commanding officer or executive officer and APC. The in-brief should explain the purpose of the review, how it will be conducted, the rating methodology and how the results will be briefed to them.

b. Conducting the Purchase Card Desk Audit/Site Review

(1) The PPMAP staff analyst will verify that all the requested information has been provided, including the exact number and specific purchase card transaction files requested, purchase card statements, purchase card logs, requisition documents and receipt documentation. If the activity does not provide all the information requested, the desk audit will be cancelled and a site visit scheduled within a reasonable amount of time. The PPMAP staff analyst may call the activity prior to scheduling the site visit and request the missing information.

However, if the information is not provided within five to seven business days, a site visit shall be scheduled. In cases where the missing information is a lost purchase card file identified in the random sample, the file will be counted as if it had a deficiency and the file will fail the transactional portion of the review.

(2) If during the course of the desk audit or site review the PPMAP staff analyst suspects a fraudulent action with regard to a purchase card transaction, they shall immediately meet with the commanding officer and APC, identify their concern regarding the transaction(s) and recommend the commanding officer take appropriate action. If the suspected fraudulent action is discovered as the result of a desk audit, the PPMAP staff analyst/PPMAP director/NRCC commanding officer staff shall call the activity commanding officer and APC to discuss the concern. In addition, the PPMAP staff analyst shall contact the NRCC commanding officer and NAVSUP 02 to suspend the purchase cardholder's account until an investigation can be accomplished.

(3) The purchase card desk audit or site review shall consist of a transactional review, an internal management review and a review of other specific purchase elements.

(4) Transactional Review

(a) The PPMAP staff analyst will review randomly selected files received from, or made available at the activity against critical elements noted below.

NOTE: The review of each file is a "stand-alone" event. If a file has more than one deficiency (fails more than one element), the file can only fail once. A deficiency is defined as the purchase card file does not meet the requirements identified by the critical element.

The PPMAP staff analyst must report all deficiencies noted in the purchase card file review of any file and issue a finding and recommendation on any deficiencies noted.

(b) Critical elements for the transactional review are:

1 Unsupported questionable items defined as purchases from vendor locations that appear questionable in terms of mission requirements, (i.e. upscale or high profile retail outlets, liquor stores, video and music stores, etc.)

2 Misuse of the purchase card defined as:

a Items appear excessive in terms of quality, quantity or otherwise did not appear to meet the

Government's minimum requirement;

b Procurement of prohibited items per  
EBUSOPSOFFINST 4200.1;

c Exceeding the OCONUS \$25,000 single purchase  
limit; or

d Anyone other than the cardholder making a  
purchase(s).

3 Abuse of the purchase card defined as:

a Items were not for Government use but rather  
were for personal use of the purchaser, certifying officer or  
recipient of the purchased items. (Items do not need to be  
taken home for an item to be personal in nature). Items of  
personal preference that do not appear to fulfill actual mission  
requirements can also be for personal use and amount to abuse.

b Procurement of items that may be otherwise  
appropriate except for underlying details such as price  
reasonableness (we paid an unreasonable price); or

c Unauthorized Commitments. Unauthorized  
commitments for the purpose of this instruction are "purchase  
actions" accomplished by a Government employee (military or  
civilian) who lacks authority (purchase card or otherwise) to  
obligate the Government contractually and subsequently a  
purchase cardholder initiates a transaction absent proper review  
and approval.

4 Failure to use mandatory sources when  
required; i.e., UNICOR, JWOD, etc.

5 No Receipt. If there is no receipt available  
for review, the file shall be considered deficient.

6 Lost File. If a file identified in the random  
sample is unavailable for review for any reason, the file shall  
be considered deficient

(c) If the number of deficiencies exceeds the  
allowable number authorized delineated in table contained in  
Attachment A to enclosure (3), the activity fails the  
transactional review.

(5) Internal Management Review

(a) PPMAP staff analysts will review the following  
internal management controls critical elements to determine if  
an activity is effectively managing the function.

1 Span of Control. Using the transaction report generated from "ad-hoc reporting" (Dynamic Reporting) the PPMAP staff analyst shall review the number of cardholders under the cognizance of an AO and APC. If the activity has more than seven cardholders per AO or more than 300 cardholders per APC, they shall fail this element. The PPMAP staff analyst shall also review the transaction workload to determine if the transactional span of control is too great. If, in the opinion of the PPMAP staff analyst, the total number of transactions under an AO's cognizance exceeds the ability of the AO to effectively review the monthly purchase card invoice, they should make a finding and recommendation to that effect in the final report. As a guide, if the AO averages more than 150 transactions per month from all of their cardholders over a yearly period the PPMAP staff analyst should ask the AO two questions: 1) "Are you reviewing 100 percent of your cardholder's transactions?" and 2) "Are you certifying the monthly invoice in a manner that minimizes prompt payment penalties and optimizes purchase card rebates?" If the answer to either or both questions is no, the PPMAP staff analyst should begin a review of the activity's AOs to determine if their span of control elements support the effective review and proper certification of the monthly purchase card invoices. Negative responses to the questions noted above would not result in a failure in this element but would result in a recommendation under Other Review Elements.

2 Equitable Distribution of Business. Using the transactional data report from the Pre-Purchase Card Desk Audit/Site Review Planning file, the PPMAP staff analyst shall sort the file by cardholder and vendor to determine if there is a pattern of cardholders not equitably distributing business among qualified suppliers. If there is a pattern of cardholders not equitably distributing business, then the activity fails this element.

3 Semiannual Reviews. The PPMAP staff analyst will review the semiannual reviews submitted by the activity. If they did not accomplish the review or did not address the elements required by EBUSOPSOFFINST 4200.1, the activity fails this element of the review.

4 Training. The PPMAP staff analyst will review the training records of the command. If any APC, AO or purchase cardholder has been provided a purchase card, account, warrant or delegation of authority absent the initial training required in EBUSOPSOFFINST 4200.1, the activity fails this element. In addition, ALL program participants are required to successfully repeat this training as a refresher every two years. If ANY participant has not completed refresher training every two years as required by EBUSOPSOFFINST 4200.1, the activity will fail this element.

5 Internal Operating Procedures (IOP). The activity shall submit their IOP to the PPMAP staff analyst. If the activity does not have or fails to submit an IOP they fail this element. In addition, if in the judgment of the PPMAP staff analyst, the IOP does not effectively provide local guidance for management and oversight of the local program, the activity shall fail this element. If in the opinion of the PPMAP staff analyst the IOP has minor errors and omissions that do not substantially affect the performance of the local program, the PPMAP staff analyst shall make a recommendation in the report that requires the APC to rewrite the IOP.

6 Repeat Findings. The PPMAP staff analyst shall review the previous purchase card report resulting from the review of the activity. If there are two or more repeat findings, the activity shall fail this element.

7 Separation of Duties. APCs, AOs, ROs and purchase cardholders each have specific roles, responsibilities and duties defined in EBUSOPSOFFINST 4200.1. The PPMAP staff analyst shall review the roles, responsibilities and duties of the activity APC, AOs, RO and purchase cardholders to ensure that they do not have multiple roles, responsibilities and duties that are in conflict or do not provide for effective checks and balances within the local program.

8 Separation of Function. Separation of function is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase. A file fails this element if a proper separation of function is not occurring or if documentation, or lack thereof, precludes the PPMAP staff analyst from definitely determining that a proper separation of function occurred. Failures of this element include instances in which the cardholder is the only signature on the receipt or the receipt is present but no signature(s) is on the receipt. For the purpose of this element, if the command has an internal process either electronic or paper that clearly and definitely establishes evidence of proper receipt and separation of function for each transaction, the transaction passes this element.

From the randomly selected files received from/or made available at the activity, the PPMAP staff analyst shall review the files for evidence of separation of functions.

NOTE: The randomly selected files are the same files selected for the transactional portion of the review.

If a file does not have evidence of separation of functions it shall be considered deficient. Utilizing Table (2-2) below, if the number of separation of function deficiencies exceeds the

allowable amount for the number of files reviewed, the activity fails this element.

Table 2-2

Sample Size (Files Reviewed)	NTE Separation of Function Deficiencies
2	0
3	0
5	1
8	1
13	1
20	2
32	3
50	5
80	8
125	12
200	20
315	32

9 Splitting Requirements. Cardholders shall not split requirements over the micro-purchase threshold to avoid the competition requirements or break down requirements to make several purchase card transactions. Splitting requirements in that manner is an inappropriate use of the purchase card and may be violating statutory requirements for small business participation, competition or service contract act requirements.

a Process for determining splitting of requirements:

(1) The PPMAP staff analyst shall use the same file of annual transactions from "ad-hoc reporting" (Dynamic Reporting).

(2) The PPMAP staff analyst shall determine the number of occurrences that the same cardholder placed an order(s) with the same vendor on the same day where the aggregate amount of the transactions exceeds the OCONUS \$25,000 single purchase limit. After the determination is made that orders were placed by the same cardholder, with the same vendor, on the same day, further research may be required to determine if splitting of requirements actually occurred.

(3) The PPMAP staff analyst shall then determine the number of occurrences that were actually split requirements. Utilizing Table 2-3 below, if the number of split requirements exceeds the allowable amount allowed for the number of PC transactions reviewed, the activity fails this element.

Table 2-3

Number of PC Transactions	Allowable Splits
1-25	0
26-90	1
91-150	2
151-280	3
281-500	5
501-1,200	7
1,201-3,200	10
3,201-10,000	14
10,001+	21

b If an activity fails four or more of the internal management control critical elements, they will fail the internal management control portion of the review.

(6) Other Review Elements. The PPMAP staff analyst must also review as a minimum the following elements in addition to those elements found in the transactional and internal management review. Where deficiencies are noted, the PPMAP staff analyst should make recommendations within the body of the report to address those deficiencies. If the PPMAP staff analyst is conducting a purchase card desk audit, they will phone the activity APC to discuss issues related to the subject areas.

(a) Monthly purchase card certification cycle per DON policy. The PPMAP staff analyst shall review and evaluate the number of transactions per cardholder and number of days the activity is taking to certify monthly invoice.

(b) Dispute Process. The PPMAP staff analyst should ensure that activity has a process to track and resolve disputes. Is the activity process in accordance with Citibank Disputes Guide?

(c) Contract Reporting. Are purchase actions between \$2,500 and \$25,000 being reported on a DD Form 1057 (excluding actions where a contracting officer is issuing purchase action and reporting the purchase action)? Are purchase actions over \$25,000 being reported on a DD Form 350 (these would normally be oral orders that are paid for using the purchase card)?

(d) Delinquencies. Does the activity have payment problems that have caused delinquencies leading to card suspensions as provided in NAVSUP Policy Letter PC00-06? The PPMAP staff analyst should verify how many suspended accounts an activity presently has.

(e) Corrective actions taken as a result of semi-annual reviews. Has the activity documented corrective actions taken based on deficiencies noted in semiannual reviews?

(f) Accountability of plant property purchased with purchase card. Does the activity have a process? Are purchase card purchases being entered into system per SECNAVINST 7320.10?

(g) Letters of Agreements. Does the activity issue LOAs? Are they following DON policy? The PPMAP staff analyst does not need to look at ordering process in this review.

(h) Convenience Check Program. Is the activity managing their convenience check program per DOD and DON policy?

(i) Approval Process. Does the purchase card file adequately reflect that the appropriate levels of approval have been obtained and documented for those items noted in EBUSOPSOFFINST 4200.1 "List of Prohibited and Special Attention Items" and other items requiring special attention?

(j) APC, AO, RO, certifying officer and accountable official letters of appointment and delegation, purchase cardholder letters of delegations, contracting officer warrants, and purchase card profiles. The PPMAP staff analyst shall ensure that all cardholders' letters of delegations or warrants as required by EBUSOPSOFFINST 4200.1, reflect actual purchase authority and are up to date.

(k) Proper use of the increased purchase authority for procurements used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical or radiological attack.

In cases where the review of the other elements reveals the activity lacks the ability to effectively manage their purchase card program, the PPMAP staff analyst should contact NAVSUP 02 to discuss issues. Based on the magnitude and severity of the issues, an UNACCEPTABLE rating may be warranted.

c. Conducting Desk Audits/Site Reviews of Level 5 APCs Managing Multiple Activities. For the purpose of this section, multiple activities are defined as Level 5 APCs with multiple Level 5 designators in their hierarchy. The decision to perform a desk audit vice a site visit at each of the multiple activity sites shall be based on Table 2-4 below.

Table 2-4

	Review Period	On-Site Audit	Desk Audit
All activities that operate a PC program	Annually	Any program that has more than 1,200 PC transactions annually	Any program that has 1,200 or less PC transactions annually

PPMAP staff directors may choose to schedule site visits at the location of the APC or commanding officer of the APC to facilitate the Internal Management Review and the PPMAP debrief. In cases where the PPMAP staff analyst is performing a desk audit or site review of a Level 5 APC that is managing more than one activity the analyst should conduct the review as follows:

(1) The analyst will conduct a transactional review on each of multiple activities independently. This includes establishing the total population and sample size, selecting the random files to be reviewed and reviewing the selected files against the critical elements separately for each of the activities. If the number of deficiencies exceeds the allowable number authorized in the table in Attachment A to enclosure (3), the activity will fail the transactional review. The result will be that each of the activities exceeding the maximum number of deficiencies will be closed vice all of the activities under the APC. A stand-down shall be conducted at the activity(s) that failed per paragraph d. (3) below.

(2) Perform the Internal Management Review for all activities under the APC. The APC of multiple activities is responsible for the overall management of the purchase card program at all of the sites including oversight of each of the multiple activities. The APCs are responsible for ensuring all of their multiple units are in compliance with both the transactional review and the internal management review elements noted above. If the PC program under the APC fails four or more of the internal management review elements across all managed activities, the APC and all the activities under their cognizance shall fail the overall desk audit or site review.

(3) Perform the "Other Review Element" portion of the desk audit or site review for all activities under the APC. Although this may not impact the final rating, they can be indicative of successful management of the local purchase card program.

d. Completing the Purchase Card Desk Audit or Site Review

(1) Assigning a Rating. The PPMAP staff analyst will assign an adjectival rating of their evaluation of the results of the transactional review and the internal management review. If the rating is a result of a desk audit, the PPMAP staff director/analyst will conduct a telephone exit briefing with the activity commanding officer or executive officer. The exit briefing should explain the results of the review, the recommendations and suggestions, if any, when the activity should expect the final report and what is expected of the activity as a result of the review. Per guidance below, the analyst shall assign an acceptable or unacceptable overall rating for the PC review.

(a) Acceptable Rating. The desk audit or on-site review revealed that the activity did not exceed the allowable number of deficiencies noted in the table in Attachment A to enclosure (3) and the internal management review revealed three or fewer deficiencies.

(b) Unacceptable Rating. The desk audit or on-site review revealed the activity had more than the allowable deficiencies noted in the table in Attachment A to enclosure (3) and/or the internal management review revealed four or more deficiencies. Table 2-5 below is a guide for determining how a PPMAP staff analyst should assign an activity an overall rating as a result of a purchase card review:

Table 2-5

Transactional Review	Internal Management Review	Overall Rating
Pass	Pass	Acceptable
Pass	Fail	Unacceptable
Fail	Pass	Unacceptable**
Fail	Fail	Unacceptable

\*\*If the review is of multiple activities under one APC, the overall rating would be ACCEPTABLE for activities that passed the transactional review. However, the specific activity that failed the transactional review would fail and the procedures delineated in paragraph (3) below shall be followed.

(2) Issuing the Report. If the PPMAP staff analyst assigns an overall ACCEPTABLE rating to the activity, the analyst will prepare the PC report for the signature of the NRCC commanding officer, executive officer, technical/executive director or Code 02/N2. A summary or brief will be provided to the activity at the completion of the review. PPMAP staff analyst shall use Attachment D to enclosure (3) to report the results of the purchase card desk audit or site review. The final report shall be provided to the activity within 30 days after completion of the PC review. The report should include recommendations and suggestions resulting from the deficiencies noted in the report. In addition, copies of the report shall be provided to the applicable HA or Level 3 APC. If the analyst assigns an UNACCEPTABLE rating, they should follow the procedures noted below.

(3) Activities Receiving Unacceptable Ratings

(a) "Unacceptable Rating". If an activity receives an unacceptable rating either from a desk audit or site review, the field PPMAP staff shall take the following actions:

1 In the case of a desk review, the NRCC commanding officer or Code 02/N2 will report the results to the commanding officer of the failed activity, the activity's Level 3 APC and NAVSUP Codes 02/029/21/029A4. The PPMAP staff analyst will inform the command that as a result of the "Unacceptable Rating," they will receive, as a minimum, an immediate three-day suspension of card services. The PPMAP staff director will suspend cardholder and AO accounts of the activity for a minimum of three days (with the exception of one cardholder and AO account which will remain open to accomplish critical mission requirements). The command APC will be required to hold a "stand-down" which shall include training for all personnel based on the findings and recommendations resulting from the PC review and a review of the purchase card internal policies and procedures. Activities receiving a suspension of card services as a result of an "unacceptable rating" cannot have a reinstatement of purchasing authority until the "stand-down" has been completed. The command shall also be required to develop a POAM to address deficiencies and provide documentation to the PPMAP staff analyst on the results of the "stand-down". This should include type of training performed, number of personnel trained, policies and procedures revised based on recommendations and suggestions, etc. The POAM shall be submitted to and approved by the PPMAP staff analyst in a reasonable amount of time. If the activity fails to submit a POAM within a reasonable amount of time the PPMAP staff director may suspend all cardholder and AO accounts until the POAM is submitted and approved.

2 In cases where deficiencies in the transactional review or internal management review lead to a purchase card file (transactional review) failure or a failure in one of the internal management elements (Internal Management Review) but those specific deficiencies have been identified and corrective action taken based on the results of a regularly scheduled semiannual review, the PPMAP staff analyst may take the alternative action noted in paragraph a below. The activity must be able to substantiate its claim that corrective action was taken and was effective by providing the PPMAP staff analyst with e-mails, memorandums/policy, letters of reprimand, and/or purchase card files accomplished after the review supporting the effects of the corrective action taken. The PPMAP staff analyst may review additional files in order to verify or substantiate corrective actions to ensure the activity has completely eliminated the deficiency found during the semiannual review. The additional files that are reviewed shall only be used to determine that the corrective actions have taken hold and shall not be included or counted towards the total number of deficiencies allowed based on the random sample. The alternative action is as follows: Command purchase card accounts will not be suspended and the command shall conduct training covering all of the findings and recommendations resulting from the review. The results of the stand-down will be reported as noted above.

NOTE: When writing the PC review report, ALL deficiencies shall be counted (for reporting purposes) regardless of the corrective action taken by the activity as noted above.

3 In the case of a site review, the analyst will apprise the field PPMAP staff director of the unacceptable rating. The director will inform the NRCC commanding officer and Code 02/N2 who will determine the appropriate course of action. The NRCC commanding officer or Code 02/N2 will report the results to the commanding officer of the failed activity, the activity's Level 3 APC and NAVSUP Codes 02/029/21/21C/029A4. The PPMAP staff analyst will then proceed as follows:

a The FISC will schedule a PPMAP staff analyst to provide on-site support to review policies, procedures, and processes to determine root causes of the "Unacceptable Rating".

b The PPMAP staff director will suspend cardholder and AO accounts of the failed activity for a minimum of three days (with the exception of one cardholder and AO account that will remain open to accomplish critical mission requirements). Activities receiving a suspension of card services as a result of an "unacceptable rating" cannot have a reinstatement of purchasing authority until the "stand-down" has

been completed. A POAM shall be submitted to and approved by the PPMAP staff analyst in a reasonable amount of time. If the activity fails to submit a POAM within a reasonable amount of time, the PPMAP staff director may suspend all cardholder and AO accounts until the POAM is submitted and approved. The command purchase card accounts will remain suspended until the activity performs the required stand-down

c During the suspension/stand-down period the PPMAP staff analyst shall review and approve all purchase card transactions for the command, assist in developing a POA&M and provide training where required.

d The PPMAP staff analyst will contact NAVSUP 02 and confirm the date that the suspension period should be terminated. NAVSUP requires one day to have the accounts operational. After the suspension period, the activity will be returned to full status with all accounts reopened.

e In cases where deficiencies in the transactional review or internal management review lead to a purchase card file (transactional review) failure or a failure in one of the internal management elements (Internal Management Review) but those specific deficiencies have been identified and corrective action taken based on the results of a regularly scheduled semiannual review, the PPMAP staff analyst may take the alternative action noted in paragraph 1. The activity must be able to substantiate its claim that corrective action was taken and was effective by providing the PPMAP staff analyst with e-mails, memorandums/policy, letters of reprimand, and/or purchase card files accomplished after the review supporting the effects of the corrective action taken.

The PPMAP staff analyst may review additional files in order to verify or substantiate corrective actions to ensure the activity has completely eliminated the deficiency found during the semi-annual review. The additional files that are reviewed shall only be used to determine that the corrective actions have taken hold and shall not be included or counted towards the total number of deficiencies allowed based on the random sample. The alternative action is as follows: 1) Command purchase card accounts will not be suspended and the command shall conduct training covering all of the findings and recommendations resulting from the review. The results of the stand-down will be reported as noted above, and 2) whether the unacceptable rating was a result of a desk audit or site visit, the PPMAP staff analyst shall prepare the PC report for signature by the NRCC commanding officer. The report should include recommendations and suggestions generated from the deficiencies noted in the review. The report shall be provided to the activity within 10 working days of the completion of the review. NAVSUP 21 shall be provided a copy of all reports that assign an

unacceptable rating. The PC report will request that the activity respond to the report within 30 days of their suspension and provide the corrective action taken. The report will also indicate to the command that a "Follow-Up" review will be conducted within 180 days of re-establishing the purchase card and AO accounts. A copy of the report will be provided to the activity's major claimant and Level 3 APC.

NOTE: When writing the PC review report, ALL deficiencies shall be counted (for reporting purposes) regardless of the corrective action taken by the activity as noted above.

(b) Follow-Up Review

1 An announcement letter will be issued 30 days prior to the "follow-up review" identifying the date the follow-up review will be conducted. The activity's major claimant and Level 3 APC will be copied on the announcement letter and invited to participate in the follow-up review.

2 The PPMAP staff analyst will conduct an on-site "Follow-up Review" within 180 days of re-establishing the purchase card and AO accounts. The review will be conducted in the same manner as the original review. If the activity has previously accomplished less than 150 purchase card transactions a year they will not be scheduled for a site visit but will be monitored via "ad-hoc reporting" (Dynamic Reporting) for a 6-month period. If within that period, the PPMAP staff analyst detects the activity is not properly managing or operating their program they will again suspend the AO and purchase cardholder accounts.

3 The transaction review will consist of reviewing a random sample of purchase card transactions from the total population of actions accomplished within the 180 days. Using the table in Attachment A to enclosure (3), the PPMAP staff analyst will choose the appropriate sample size and allowable number of deficiencies for the population. The PPMAP staff analyst will also conduct an internal management review and a review of other elements.

4 Per the table in Attachment A to enclosure (3), if the activity exceeds the allowable number of deficiencies for the selected sample size or fails the internal management review, they will receive a second unacceptable rating.

5 If an activity fails the "Follow-up Review" their purchase card authority shall be revoked and their purchase card program will be suspended indefinitely (including

suspending all cardholder and AO accounts). Their major claimant or Level 3 APC will be required to provide procurement support for the duration of the revocation.

6 The NRCC commanding officer will issue the PC report within five days to the activity identifying the deficiencies and providing recommendations and suggestions for improvement. The report will require the activity to establish a POA&M and provide weekly updates. In addition, the report shall require the activity to respond to the recommendations and suggestions within 30 days after issuance of the report.

### (c) Reinstating Purchase Card Programs

1 Activities whose authority has been revoked and purchase card and AO accounts suspended may apply for reinstatement of its purchase card program under the following conditions:

a Written certification by its major claimant or Level 3 APC that the entire PC staff has been trained, the activity's program is in compliance with DOD and DON policies and procedures and internal management controls have been put in place to ensure that future deficiencies will not occur.

b The command must receive the FISC commanding officer's concurrence to reinstate the Purchase Card Program.

2 Upon satisfactory completion of above, the PPMAP staff analyst shall notify the Level 3 APC and NAVSUP 02 to reinstate account privileges.

### 3. Review of Fleet Purchase Card Programs

a. Scope. This chapter provides guidance for the purchase card portion of the Supply Management Inspection (SMI).

b. Policy. SMI teams will review Fleet purchase card programs to coincide with the Inter-Deployment Training Cycle (IDTC) and regularly scheduled SMI but not more than 18 months from the previous SMI. Units not associated with an IDTC should also receive a purchase card review on an 18-month cycle. Fleet SMI teams should replace their present purchase card inspection process with the purchase card review process in this part.

#### c. Definitions

(1) Contract Reporting. DOD/DON requirement for reporting procurement actions above \$2,500.

(2) Delinquencies. Monthly purchase card invoices that have not been paid within 30-day payment period.

(3) Dispute Process. Purchase card process by which a cardholder can challenge a transaction.

(4) Dynamic Reporting. Citibank database used to identify purchase card transactions to be reviewed.

(5) Fleet. All Naval activities using the SMI process.

(6) Inspector. Member of the SMI team assigned a specific review area.

(7) Mandatory Sources. UNICOR and JWOD are the only mandatory sources.

(8) Micropurchase Threshold. The dollar threshold (\$2,500) that is the maximum amount a purchase card can be used as a procurement method.

(9) Purchase Card. A credit card account established with the bank that enables properly authorized Government personnel to buy and pay for supplies and services in support of official Government business.

(10) Questionable Purchase. Purchases that fall into one or more of the following categories:

(a) Purchases that are not required to fill immediate need to support DON mission requirements.

(b) Purchases that are not for Government use but rather are for personal use of the purchaser, certifying officer or recipient of the purchased items.

(c) Purchases that exceed authorized limits.

(d) Purchases that may have been split to circumvent the micropurchase level.

(e) Purchases prohibited by EBUSOPSOFFINST 4200.1.

(f) Purchases made by a non-purchase cardholder.

(11) Rotation of Sources. Cardholders rotating business among suppliers.

(12) Separation of Function. DON requirement that prohibits the person requiring the item from being the person who purchases or receives the item. The person executing the purchase shall not be the person to receive the item.

(13) Splitting. Where the cardholder "splits" or otherwise "breaks down" several requirements, the aggregate of

which would exceed \$2,500 into small purchases to stay within micropurchase threshold.

(14) Supply Management Inspection (SMI). The SMI is a comprehensive assessment evaluating the current condition, administration, accountability and operation of a unit's logistic support.

(15) Transaction File. Compilation of individual transactions randomly selected from the total population of purchase card transactions compiled by a unit.

d. Pre-Purchase Card Audit/Review Planning. The following procedures will be incorporated into the SMI process.

(1) The TYCOM will assign an individual to provide the inspection team with the necessary query files from "ad-hoc reporting" (Dynamic Reporting). The periodicity for the all transaction report for the unit being reviewed shall include the preceding twelve months from the date the report is generated.

(2) The SMI inspector will then generate the transaction report for the unit to be reviewed. All training, federal express and DAPS purchases shall be excluded from the total population of PC transactions for the twelve-month period. Thus, Merchant Category Codes (MCC) 4215, 8211, 8220, 8241, 8249 and 8299 (all of these MCC codes relate to either training or federal express) shall be excluded and purged from the transaction report. DAPS purchases shall be manually extracted from the transaction report.

(3) The SMI inspector will then review the file and perform the following:

(a) Using the table in Attachment A to enclosure (3), determine the correct sample size utilizing the number of PC transactions from the all transaction report and the allowable number of deficiencies, based upon the sample size, for the reviewed unit's purchase card transaction population.

(b) Using a "random number generator", the SMI inspector shall generate a random sample for the population found in the file.

(c) Identify the files to be extracted.

(d) Extract those files identified by the random sample generator.

(e) The unit being reviewed shall make the following information available to the inspection team either electronically or by paper.

1 Copies of semiannual reviews since the last SMI.

2 A copy of the unit IOP.

3 Copies of all warrants, letters of delegation and DOD PC training records for APCs, AOs, purchase cardholders and ROs. Per EBUSOPSOFFINST 4200.1, the training records shall include certificates of training resulting from successful completion of the DON Government Purchase Card Tutorial, the Navy/Marine Corps Purchase Card training and Interactive Customer Assistance CD ROM, refresher training and proof the required ethics training was accomplished. Additionally, card holders who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must show evidence of completion of one of the following courses: NAVSUP Simplified Acquisition Course, CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting.

4 Copies of all corrective actions taken as a result of semiannual reviews.

5 Copies of files identified in sampling methodology. The requested file should include the monthly cardholder's statement, purchase card log, requisition, receipt and documentation for the specific transaction chosen.

6 Copies of LOAs established by the command, a list of all command LOAs, users or other commands that use the LOAs and any reviews accomplished on the use of the LOAs by the APC.

e. Conducting the SMI Purchase Card Review

(1) The SMI inspector will verify that all the requested information has been provided, including the exact number and specific purchase card transaction files requested, purchase card statements, purchase card logs, requisition documents and receipt documentation. If the unit does not provide all the information requested or instances where a purchase card file identified in the random sample is lost, the missing information shall be counted as if it had a deficiency and the file will fail the transactional portion of the review.

(2) If during the course of the review, the SMI inspector suspects a fraudulent action with regard to a purchase card transaction they shall immediately meet with the commanding officer and APC, identify their concern regarding the transaction(s) and recommend the commanding officer take appropriate action. In addition, the SMI inspector shall contact the TYCOM and NAVSUP 02 to suspend the purchase cardholder's account until an investigation can be accomplished.

(3) The purchase card review shall consist of a transactional review, an internal management review and a review of other specific purchase elements.

(4) Transactional Review

(a) The SMI inspector will review randomly selected files received from, or made available at the unit against critical elements noted below.

NOTE: The review of each file is a "stand-alone" event. If a file has more than one deficiency (fails more than one element), the file can only fail once. A deficiency is defined as the purchase card file does not meet the requirements identified by the critical element. The SMI inspector analyst must report all deficiencies noted in the purchase card file review of any file and issue a finding and recommendation on any deficiencies noted.

(b) Critical elements for the transactional review are:

1 Unsupported questionable items defined as purchases from vendor locations that appear questionable in terms of mission requirements. (i.e. upscale or high profile retail outlets, liquor stores, video and music stores, etc.)

2 Misuse of the purchase card defined as:

a Items appear excessive in terms of quality, quantity or otherwise did not appear to meet the Government's minimum requirement;

b Procurement of prohibited items per EBUSOPSOFFINST 4200.1;

c Exceeding the micropurchase threshold; or

d Anyone other than the cardholder making a purchase(s).

3 Abuse of the purchase card defined as:

a Items were not for Government use but rather were for personal use of the purchaser, certifying officer or recipient of the purchased items. (Items do not need to be taken home for an item to be personal in nature). Items of personal preference that do not appear to fulfill actual mission requirements can also be for personal use and amount to abuse;

b Procurement of items that may be otherwise appropriate except for underlying details such as price reasonableness (we paid an unreasonable price); or

c Unauthorized Commitments. Unauthorized commitments for the purpose of this instruction are "purchase actions" accomplished by a Government employee (military or civilian) who lacks authority (purchase card or otherwise) to obligate the Government contractually and subsequently a purchase cardholder initiates a transaction absent proper review and approval.

4 Failure to use mandatory sources when required; i.e., UNICOR, JWOD, etc.

5 No Receipt. If there is no receipt available for review, the file shall be considered deficient.

6 Lost File. If a file identified in the random sample is unavailable for review for any reason, the file shall be considered deficient.

(c) If the number of deficiencies exceeds the allowable number authorized delineated in table contained in Attachment A to enclosure (3), the unit fails the transactional review.

(5) Internal Management Review

(a) SMI inspectors will review the following internal management controls critical elements to determine if a unit is effectively managing the function.

1 Span of Control - Using the transaction report generated from "ad-hoc reporting" (Dynamic Reporting) the SMI inspector shall review the number of cardholders under the cognizance of an AO and APC. If the unit has more than seven cardholders per AO or more than 300 cardholders per APC, they shall fail this element. The SMI inspector shall also review the transaction workload to determine if the transactional span of control is too great. If, in the opinion of the SMI inspector, the total number of transactions under an AO's cognizance exceeds the ability of the AO to effectively review the monthly purchase card invoice, they should make a finding and recommendation to that effect in the final report. As a guide, if the AO averages more than 150 transactions per month from all of their cardholders over a yearly period the SMI inspector should ask the AO two questions:

1. "Are you reviewing 100 percent of your cardholder's transactions?", and

2. "Are you certifying the monthly invoice in a manner that minimizes prompt payment penalties and optimizes purchase card rebates?"

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If the answer to either or both questions is no, the SMI inspector should begin a review of the unit's AOs to determine if their span of control elements support the effective review and proper certification of the monthly purchase card invoices. Negative responses to the questions noted above would not result in a failure in this element but would result in a recommendation under Other Review Elements.

2 Equitable Distribution of Business. Using the transactional data report from the Pre-Purchase Card Desk Audit/Site Review Planning file, the SMI inspector shall sort the file by cardholder and vendor to determine if there is a pattern of cardholders not equitably distributing business among qualified suppliers. If there is a pattern of cardholders not equitably distributing business, then the unit fails this element.

3 Semiannual Reviews. The SMI inspector will review the semiannual reviews submitted by the unit since their last SMI. If they did not accomplish ALL of the reviews or did not address the elements required by EBUSOPSOFFINST 4200.1, the unit fails this element of the review.

4 Training. The SMI inspector will review the training records of the command. If any APC, AO or purchase cardholder has been provided a purchase card, account, warrant or delegation of authority absent the initial training required in EBUSOPSOFFINST 4200.1, the unit fails this element. In addition, ALL program participants are required to successfully repeat this training as a refresher every two years. If ANY participant has not completed refresher training every two years as required by EBUSOPSOFFINST 4200.1, the unit will fail this element.

5 Internal Operating Procedures (IOP). The unit shall submit their IOP to the SMI inspector. If the unit does not have or fails to submit an IOP they fail this element. In addition, if in the judgment of the SMI inspector, the IOP does not effectively provide local guidance for management and oversight of the local program, the unit shall fail this element. If in the opinion of the SMI inspector the IOP has minor errors and omissions that do not substantially affect the performance of the local program, the SMI inspector shall make a recommendation in the report that requires the APC to rewrite the IOP.

6 Repeat Findings. The SMI inspector shall review the previous purchase card report. If there are two or more repeat findings, the unit shall fail this element.

7 Separation of Duties. APCs, AOs, ROs and purchase cardholders each have specific roles, responsibilities and duties defined in EBUSOPSOFFINST 4200.1. The SMI inspector shall review the roles, responsibilities and duties of the unit APC, AOs, RO and purchase cardholders to ensure that they do not have multiple roles, responsibilities and duties that are in conflict or do not provide for effective checks and balances within the local program.

8 Separation of Function. Separation of function is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase. A file fails this element if a proper separation of function is not occurring or if documentation, or lack thereof, precludes the PPMAP staff analyst from definitely determining that a proper separation of function occurred. Failures of this element include instances in which the cardholder is the only signature on the receipt or the receipt is present but no signature(s) is on the receipt. For the purpose of this element, if the command has an internal process either electronic or paper that clearly and definitely establishes evidence of proper receipt and separation of function for each transaction, the transaction passes this element.

From the randomly selected files received from/or made available at the unit, the SMI inspector shall review the files for evidence of separation of functions.

NOTE: The randomly selected files are the same files selected for the transactional portion of the review.

If a file does not have evidence of separation of functions it shall be considered deficient. Utilizing Table 3-1 below, if the number of separation of function deficiencies exceeds the allowable amount for the number of files reviewed, the unit fails this element.

Table 3-1

Sample Size (Files Reviewed)	NTE Separation of Function Deficiencies
2	0
3	0
5	1
8	1
13	1
20	2
32	3
50	5
80	8
125	12
200	20
315	32

American National Standard  
American Society For Quality  
ANSI/ASQC Z1.4-1993

9 Splitting Requirements. Cardholders shall not split requirements over the micro-purchase threshold to avoid the competition requirements or break down requirements to make several purchase card transactions. Splitting requirements in that manner is an inappropriate use of the purchase card and may be violating statutory requirements for small business participation, competition or service contract act requirements.

a The process for determining splitting of requirements is as follows:

(1) The SMI inspector shall use the same file of annual transactions from "ad-hoc reporting" (Dynamic Reporting) as discussed above.

(2) The SMI inspector shall determine the number of occurrences that the same cardholder placed an order(s) with the same vendor on the same day where the aggregate amount of the transactions exceeds \$2,500. After the determination is made that orders were placed by the same cardholder, with the same vendor, on the same day, further research may be required to determine if splitting of requirements actually occurred

(3) The SMI inspector shall then determine the number of occurrences that were actually split requirements. Utilizing Table (3-2) below, if the number of split requirements exceeds the allowable amount allowed for the number of purchase card transactions reviewed, the unit fails this element.

Table 3-2

Number of PC Transactions	Allowable Splits
1-25	0
26-90	1
91-150	2
151-280	3
281-500	5
501-1,200	7
1,201-3,200	10
3,201-10,000	14
10,001+	21

American National Standard  
American Society For Quality  
ANSI/ASQC Z1.4-1993

b If a unit fails four or more of the internal management control critical elements, they will fail the internal management control portion of the review.

(6) Other Review Elements. The SMI inspector must also review as a minimum, the following elements in addition to those elements found in the transactional and internal management review. Where deficiencies are noted, the SMI inspector should make recommendations within the body of the report to address those deficiencies. If the SMI inspector is conducting a purchase card desk audit, they will phone the unit APC to discuss issues related to the subject areas.

(a) Monthly purchase card certification cycle per DON policy. The SMI inspector shall review and evaluate the number of transactions per cardholder and number of days the unit is taking to certify monthly invoice.

(b) Dispute Process. The SMI inspector should ensure that unit has a process to track and resolve disputes. Does unit process follow the Citibank Disputes Guide?

(c) Contract Reporting. Are purchase actions

between \$2,500 and \$25,000 being reported on a DD Form 1057? (Excluding actions where a contracting officer is issuing purchase action and reporting the purchase action). Are purchase actions over \$25,000 being reported on a DD Form 350? (These would normally be oral orders that are paid for using the purchase card).

(d) Delinquencies. Does the unit have payment problems that have caused delinquencies leading to card suspensions as provided in NAVSUP Policy Letter PC00-06? The SMI inspector should verify how many suspended accounts a unit presently have.

(e) Corrective Actions Taken as a Result of Semi-annual Reviews. Has the unit documented corrective actions taken based on deficiencies noted in semiannual reviews?

(f) Accountability of Plant Property Purchased with Purchase Card. Does the unit have a process? Are purchase card purchases being entered into system per SECNAVINST 7320.10?

(g) Letters of Agreements. Does the unit issue LOAs? Are they following DON policy? The SMI inspector does not need to look at ordering process in this review.

(h) Convenience Check Program. Is the unit managing their convenience check program per DOD and DON policy?

(i) Approval Process. Does the purchase card file adequately reflect the appropriate levels of approval that have been obtained and documented for those items noted in EBUSOPSOFFINST 4200.1 "List of Prohibited and Special Attention Items" and other items requiring special attention?

(j) APC, AO, RO, certifying officer and accountable official letters of appointment and delegation, purchase cardholder letters of delegations, contracting officer warrants, and purchase card profiles. The SMI inspector shall ensure that all cardholders' letters of delegations or warrants as required by EBUSOPSOFFINST 4200.1, reflect actual purchase authority and are up to date.

(k) Proper use of the increased purchase authority for procurements used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical or radiological attack.

In cases where the review of the other elements reveals the unit lacks the ability to effectively manage their purchase card program, the SMI inspector should contact NAVSUP 02 to discuss issues. Based on the magnitude and severity of the issues, an UNACCEPTABLE rating may be warranted.

f. Completing the Purchase Card Review

(1) Assigning a Rating. The SMI inspector will assign an adjectival rating of their evaluation of the results of the transactional review and the internal management review. Per the guidance below, the SMI inspector shall assign an acceptable or unacceptable overall rating for the purchase card review.

(a) Acceptable Rating. The purchase card review revealed that the unit did not exceed the allowable number of deficiencies noted in the table in Attachment A to enclosure (3) and the internal management review revealed three or fewer deficiencies.

(b) Unacceptable Rating. The purchase card review revealed the unit had more than the allowable deficiencies noted in the table in Attachment A to enclosure (3) and/or the internal management review revealed four or more deficiencies.

Table 3-3 below is a guide for determining how a SMI inspector should assign the unit an overall purchase card rating as a result of a purchase card review:

Table 3-3

Transactional Review	Internal Management Review	Overall Rating
Pass	Pass	Acceptable
Pass	Fail	Unacceptable
Fail	Pass	Unacceptable
	Fail	Unacceptable

g. Corrective Actions for an UNACCEPTABLE Purchase Card Rating:

(1) The commanding officer will accomplish the following actions within 30 days of receiving an "Unacceptable Rating":

(a) Train purchase card personnel in deficient areas (AOs and cardholders).

(b) Provide a certification to the TYCOM that corrective action has been taken and the unit's purchase card program is in compliance with DOD, DON and FMO guidance.

h. SMI Purchase Card Program Re-Inspection. A re-inspection of the unit's purchase card program shall occur

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9 Jul 03

within 90 days of the unit failing the original purchase card portion of the SMI. As a result of the failure and re-inspection, the TYCOM will certify the unit's program as following DON policies. A copy of the re-inspection report shall be provided to NAVSUP 21.

**STATISTICAL SAMPLING TABLE**

<b># of PC Transactions</b>	<b>Sample Size</b>	<b>NTE Deficiencies</b>
2-15	2	0
16-25	3	0
26-90	5	1
91-150	8	2
151-280	13	3
281-500	20	5
501-1,200	32	7
1,201-3,200	50	10
3,201-10,000	80	14
10,001-35,000	125	21
35,001-150,000	200	21
150,001-500,000	315	21

90.0% Quality Level  
 90.0% Confidence Level

American National Standard  
 American Society For Quality  
 ANSI/ASQC Z1.4-1993

SAMPLE LETTER

From:  
To:

Subj: PURCHASE CARD PROCUREMENT MANAGEMENT OVERSIGHT OF THE  
NAVY FIELD CONTRACTING SYSTEM (NFCS)

Ref: (a) NAVSUPINST 4200.82B

Encl: (1) List of Random files for review

1. Per reference (a), the Fleet Industrial Supply Center (FISC)/Naval Regional Contracting Center (NRCC) Performance Measurement Assessment Program (PPMAP) Staff Location will conduct an annual Purchase Card review at Activity. The scheduled date of the purchase card program review is Date. This review will be conducted by a desk audit/on-site review.

2. In preparation for the audit/review, you are requested to send the following information: (If on-sight review is scheduled, activity shall have above information available for the analyst review at a central location in the command).

a. Copies of semiannual reviews.

b. A copy of the activity Internal Operating Procedure (IOP).

c. Copies of all warrants, letters of delegation and DOD PC training records for APCs, AOs, purchase cardholders and Reviewing Officials (ROs). Following EBUSOPSOFFINST 4200.1, the training records shall include certificates of training resulting from successful completion of DON Government Purchase Card Tutorial, the Navy/Marine Corps Purchase Card training and Interactive Customer Assistance CD ROM, refresher training and proof the required ethics training was accomplished. Additionally, CHs who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must show evidence of completion of one of the following courses: NAVSUP Simplified Acquisition Course, CON 101, Contracting Fundamentals, or CON 202, Intermediate Contracting.

NOTE: For desk reviews, a listing containing the names of the APC, AOs and CHs and their latest date of successful completion of PC training shall be submitted in lieu of certificates of training for each APC, AO and CH. The listing shall be certified by the program APC.

d. Copies of all corrective actions taken as a result of semiannual reviews.

Attachment B  
to Enclosure (3)

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Subj: PURCHASE CARD PROCUREMENT MANAGEMENT OVERSIGHT OF THE  
NAVY FIELD CONTRACTING SYSTEM (NFCS)

e. Copies of files identified in sampling methodology. The requested file should include the monthly cardholder's statement, purchase card log, requisition and receipt documentation for the specific transaction chosen.

f. Copies of Letters of Agreement (LOAs) established by the Command, a list of all command LOAs, users or other commands that use the LOAs and any reviews accomplished on the use of the LOAs by the APC.

The information should be received at the FISC/NRCC at least three working days prior to start date of desk audit.

If you are scheduled for a desk audit and are unable, or do not provide all of the information requested by this announcement letter, including the exact number of specific purchase card transaction files requested, your command will be scheduled for a site visit within the next thirty days.

3. The review will consist of three elements: transactional, internal management controls and other specific purchase elements. The transactional review will have six critical elements: unsupported questionable purchases, misuse of purchase card, abuse of the purchase card, failure to use mandatory sources, no receipt for purchases and lost files. The Internal Management Review will have nine critical elements, span of control, equitable distribution of business, semiannual review, training, internal operating procedures, repeat findings, separation of duties, separation of function and splitting of requirements. Your activity will receive either an acceptable or unacceptable rating. The rating will be based on the number of deficiencies identified during the transactional and internal management reviews. The number of deficiencies is established by the statistical sampling methodology and is based on the sample size of total purchase card transactions you have accomplished this year.

4. If your activity does not exceed the number of allowable deficiencies, you will receive an acceptable rating. If your command exceeds the number of allowable deficiencies, you will receive an unacceptable rating and fail the review.

5. If your activity receives an overall acceptable rating, a report will be issued within 30 days with recommendations and suggestions to help you effectively manage your program. You will have 30 days to submit a plan of actions and milestones identifying the corrective actions taken on the noted discrepancies.

Attachment B  
to Enclosure (3)

Subj: PURCHASE CARD PROCUREMENT MANAGEMENT OVERSIGHT OF THE  
NAVY FIELD CONTRACTING SYSTEM (NFCS)

6. My point of contact for this desk audit/sight review is  
\_\_\_\_\_  
Analyst . He/she can be reached at \_\_\_\_\_ phone  
# \_\_\_\_\_ or  
e-mail \_\_\_\_\_ Analyst \_\_\_\_\_.

Signature

**APC PURCHASE CARD REVIEW CHECKLIST**

**REQUESTED INFORMATION**

**YES**      **NO**

Copies of semiannual reviews

Copy of Internal Operating Procedures (IOP)

Copies of Warrants/Letters of Delegations/Card profiles

Copies of training records for all APCs, AOs and cardholders  
(include evidence of ethics training)

Copies of corrective actions taken as a result of semiannual  
reviews

Copies of files identified in Statistical Sampling Methodology  
To include:

1. Monthly cardholders statement
2. Purchase card log
3. Requisition
4. Receipt documentation

Process for managing and accounting for government property  
(i.e. palm pilots, blackberries, laptops etc.)

Letters of Agreements (LOAs) - (if applicable)  
(Provide sample LOA)

Convenience Check Program Policy - (if applicable)  
(Levels of approval above cashier)

Provide policy regarding obtaining approvals for special  
attention items

Evidence of Reports (DD-1057 - DD-350) orders over \$2,500  
(If applicable)

**I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND ACCURATE IN  
ACCORDANCE WITH THE ANNOUNCEMENT LETTER**

—

**Signature**

THE ABOVE INFORMATION WILL BE AVAILBLE FOR THE ANALYST UPON  
ARRIVAL FOR THE ON-SIGHT REVIEW

NAVSUPINST 4200.82C  
9 Jul 03

4200  
Ser XXX  
Date

From: Commanding Officer  
To: Commanding Officer  
(shall include Level 3,4,5 Hierarchy Number(s) for all  
PC accounts reviewed)

Subj: ANNUAL REVIEW/AUDIT OF PURCHASE CARD PROGRAM

Ref: (a) NAVSUP ltr 4200, Ser21C2/3019,PC03-02 of \_\_\_\_\_  
(b) EBUSOPSOFFINST 4200.1

Encl: (1) Report of Subject Review

1. Per references (a) and (b), a member of my Procurement Performance Measurement Assessment Program (PPMAP) Staff conducted an annual review of your activity's purchase card program. The review was conducted and consisted of three review categories; a transactional review of your command's purchase card activity for the period \_\_\_\_\_ to \_\_\_\_\_, an internal management control review and a review of other critical program elements. Your activity's overall rating based on this review is ACCEPTABLE/UNACCEPTABLE. Enclosure (1) is the report of the review. Included in the report are findings and recommendations intended to improve the overall effectiveness of your program.

2. Your activity is required to respond to all findings addressed in the Review Report no later than 30 days from the date of this letter. Your response must address the intended corrective action and provide a date by which the corrective action will be executed as well as copies of any documentation, samples, policy letters or locally approved instructions related to corrective action.

(For any review with an UNACCEPTABLE rating, the following paragraphs shall be used in the cover letter vice paragraph 2 above).

3. This rating will automatically generate a minimum three-day suspension of purchase card services. One cardholder and approving official account will remain open to accomplish critical mission requirements. You will also be required to hold a "stand-down" to review and evaluate recommendations and suggestions, provide training and develop a Plan of Action and Milestones (POA&M) to address the deficiencies. During the suspension/stand-down period, a member of the PPMAP Staff will be on hand to review and approve all purchase card transactions and assist with the stand-down. Your stand-down will be conducted on \_\_\_\_\_.

Attachment D  
to Enclosure (3)

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Subj: ANNUAL REVIEW/AUDIT OF PURCHASE CARD PROGRAM

4. You will have 30 days from the conclusion of the suspension/stand-down to submit a POA&M identifying corrective actions taken to correct the noted deficiencies. Your POA&M is due on \_\_\_\_\_.

5. An on-site follow-up review will be conducted within 180 days of re-establishing your purchase card and approving official accounts. Your major claimant is invited to participate in the follow-up review. Should you fail this review, procurement authority at your command will be revoked and your purchase card program will be suspended indefinitely. Your follow-up review is schedule for \_\_\_\_\_.

6. My PPMAP Staff is available for consultation and assistance. The point of contact is Mr./Ms/Mrs. \_\_\_\_\_ at DSN \_\_\_\_\_, Comm \_\_\_\_\_ or e-mail \_\_\_\_\_.

Copy to:  
SUP 21;

Executive Summary  
(For each PC Account Number Reviewed)

**Transactional Review**

Each file selected was evaluated against the critical elements noted below.

Unsupported questionable items: # of deficiencies  
Misuse of the purchase card: # of deficiencies  
Abuse of the purchase card: # of deficiencies  
Failure to use mandatory sources: # of deficiencies  
No Receipt: # of deficiencies  
Lost File: # of deficiencies

Table 1 provides an overview of the results of the transactional review. Your rating for the transactional review was **ACCEPTABLE/UNACCEPTABLE**.

Table 1

Total Population	Sample Size	# Of Allowable Deficiencies	# Of Deficiencies
XXX	XXX	XXX	XXX

**Internal Management Review**

A review of your internal processes including policies, procedures and program documentation was conducted to determine if adequate internal management controls are in place. The critical review elements are:

Span of Control: Acceptable/Unacceptable

Equitable distribution of business: Acceptable/Unacceptable

Semiannual reviews: Acceptable/Unacceptable

Training: Acceptable/Unacceptable

Internal Operating Procedures: Acceptable/Unacceptable

Repeat Findings: Acceptable/Unacceptable

Separation of Duties: Acceptable/Unacceptable

Separation of functions: Acceptable/Unacceptable

Split Purchases: Acceptable/Unacceptable

Identification of four or more deficiencies in the Internal Management Review will result in a failed rating for this portion of the review. Your rating for this element of the review was **ACCEPTABLE/UNACCEPTABLE**.

### **Other Critical Program Elements**

To ensure the effectiveness of the overall management of your purchase card program, a review of additional program elements was conducted. Deficiencies noted within this area of the review do not impact the overall rating assigned as a result of the complete review. However, findings are noted and corrective action is required

#### **ANNUAL PURCHASE CARD REVIEW**

##### **I. Contracting Authority**

A. Delegated Contracting Authority: (i.e.- Purchase card, purchase card plus, SAP, etc.)

B. Contracting Organizational Structure. (i.e.- APCs, # of AOs, # of cardholders, etc.)

##### **II. Management Support and Control**

A. Status of Corrective Action Required From Previous Reviews.

B. Regulatory Guidance and Standards of Conduct

1. Standards of conduct and ethics training

2. Regulations (i.e. - copies of EBUSOPSOFFINST 4200.1 (Series) and Purchase Card CD Rom available)

##### **III. Results of Transactional Review**

A. Rating assigned to Transactional Review Category - XXXX

B. Findings and Recommendations:

1. Unsupported questionable items

**Finding**  
**Discussion**  
**Recommendation**

2. Misuse of the purchase card

**Finding**  
**Discussion**  
**Recommendation**

3. Abuse of purchase card

**Finding**  
**Discussion**  
**Recommendation**

4. Failure to use mandatory sources

**Finding**  
**Discussion**  
**Recommendation**

5. No Receipt for Purchase

**Finding**  
**Discussion**  
**Recommendation**

6. Lost File

**Finding**  
**Discussion**  
**Recommendation**

IV. Results of Internal Management Control Review

- A. Rating assigned to Internal Management Control - XXXX

- B. Findings and Recommendations:

1. Span of Control

**Finding**  
**Discussion**  
**Recommendation**

2. Equitable Distribution of business

**Finding**  
**Discussion**  
**Recommendation**

3. Semiannual reviews

**Finding**  
**Discussion**  
**Recommendation**

4. Training

**Finding**  
**Discussion**  
**Recommendation**

5. Internal Operating Procedures

**Finding**  
**Discussion**  
**Recommendation**

6. Repeat Findings

**Finding**  
**Discussion**  
**Recommendation**

7. Separation of Duties

**Finding**  
**Discussion**  
**Recommendation**

8. Separation of Function

**Finding**  
**Discussion**  
**Recommendation**

9. Split Purchases

**Finding**  
**Discussion**  
**Recommendation**

V. Results of Other Program Review Elements

A. Rating assigned to Other Program Review Category - XXXX

B. Findings and Recommendations:

1. Monthly Purchase Card Certification Cycle

**Finding**  
**Discussion**  
**Recommendation**

2. Dispute Process

**Finding**  
**Discussion**  
**Recommendation**

3. Contract Reporting

**Finding**  
**Discussion**  
**Recommendation**

4. Delinquencies

**Finding**  
**Discussion**  
**Recommendation**

- Reviews 5. Corrective Action taken as a Result of Semiannual

**Finding**  
**Discussion**  
**Recommendation**

6. Accountability of Plant Property

**Finding**  
**Discussion**  
**Recommendation**

7. Letters of Agreement

**Finding**  
**Discussion**  
**Recommendation**

8. Approval Process

**Finding**  
**Discussion**  
**Recommendation**

9. Purchase cardholder letters of delegation

**Finding**  
**Discussion**  
**Recommendation**

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**NAVY FIELD CONTRACTING GUIDE  
FOR CONDUCTING PPMAPS AT CONTRACTING OFFICES  
EXERCISING UNLIMITED CONTRACTING AUTHORITY**



## **NAVSUP Headquarters PPMAP Guide**

### INTRODUCTION

#### 1. Background

NAVSUP 02 has oversight authority for over 1,300 activities, the bulk of which have limited authority (purchase card, ordering, and simplified acquisition procedures). These activities make up the Navy Field Contracting System (NFCS). The Commander, NAVSUP established the Procurement Performance Management Assessment Program (PPMAP) process as the basic method by which procurement operations receiving NAVSUP Head of Contracting Authority (HCA) authority are reviewed, assessed and reported. NAVSUP developed the PPMAP approach per Navy Acquisition Procedures Supplement (NAPS) 5201.691, "Procurement Management Oversight". NAVSUP 02 retains PPMAP oversight responsibility for the NFCS activities with contracting authority above the simplified acquisition threshold. Oversight of the activities with limited contracting authority is delegated to field PPMAP offices located in Fleet and Industrial Supply Center (FISC) Norfolk, FISC San Diego, Naval Regional Contracting Center (NRCC) Naples and NRCC Singapore.

NAVSUP's PPMAP incorporates elements from a variety of sources including: (1) NAVSUP Inspector General's (IG) Command Assessment requirements, (2) Robert S. Kaplan and David P. Norton's Balanced Scorecard Approach, (3) award-winning surveys developed by the Department of Transportation and the Internal Revenue Service for use by activities during self-assessments, (4) the criteria for the Malcolm Baldrige National Quality Award, (5) Assistant Secretary of the Navy's March 1996 guidance, and (6) earlier versions of quality-oriented review approaches developed by NAVSUP.

#### 2. Purpose

The purpose of the PPMAP is to allow NAVSUP to rely on an activity's documented quality reviews to the maximum extent practical while validating the activity is meeting mission requirements and ensuring the integrity of the contracting process. Simply stated, the approach minimizes compliance-oriented aspects of oversight, integrates quality assessment factors and requires the development and monitoring of performance-based, self-assessment metrics for critical acquisition processes.

The first five chapters of this guide detail the procedures taken by NAVSUPHQ PPMAP staff to conduct a PPMAP review, while the sixth chapter documents areas an activity should cover in their Self-Assessment/Quality Assurance Plans.

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### 3. Scope

This guide applies to contracting offices that receive contracting authority and direction from Commander, NAVSUP. The guide also applies to activities receiving authority to use the Governmentwide Commercial Purchase Card Program, herein after known as the Purchase Card program from NAVSUP.

CHAPTER 1

PPMAP REVIEW AUTHORITY AND REVIEW CYCLE

1. Review Authority

The Commander, NAVSUP established the PPMAP process as the basic method by which procurement operations receiving NAVSUP HCA authority are reviewed, assessed and reported. To successfully assess all activities receiving NAVSUP procurement authority, NAVSUP assigns PPMAP responsibility to FISC Norfolk, FISC San Diego, NRCC Naples and NRCC Singapore. They perform assessments and oversight of activities with less than unlimited authority, including organizations that exercise only purchase card authority within the divisions' geographic regions.

The responsibility to conduct PPMAPs is retained or delegated by NAVSUP 02 as follows:

<u>Command Being Inspected</u>	<u>Organization Conducting PPMAP</u>
NAVSUP claimant activities including FISC Norfolk and detachments, FISC Jacksonville, FISC Puget Sound, FISC Pearl Harbor, FISC San Diego, FISC Yokosuka	NAVSUP 02
Naval Inventory Control Point	NAVSUP 02
NEXCOM	NAVSUP 02
NRCC Naples and detachments	NAVSUP 02
NRCC Singapore and detachments	NAVSUP 02
NAVOCEANO	NAVSUP 02
NAVMEDLOGCOM	NAVSUP 02
NAVMEDIACEN	NAVSUP 02
NAVSUP CONUS field activities in Eastern and Northeastern region	FISC Norfolk PPMAP Office
NAVSUP CONUS field activities in Southeastern region	FISC Norfolk PPMAP Office, Charleston Detachment

<u>Command Being Inspected</u>	<u>Organization Conducting PPMAP</u>
NAVSUP CONUS field activities in Western and Hawaii regions	FISC San Diego PMAPP Office
NAVSUP OCONUS field activities in Europe/Africa/Middle East	NRCC Naples PPMAP Office
NAVSUP OCONUS field activities in Far East	NRCC Singapore PPMAP Office
Navy Exchanges	NEXCOM

## 2. Review Cycle

### a. General

(1) Under the PMR system, NAVSUP 02 reviewed activities on a three-year cycle. Under the PPMAP system, NAVSUP will transition activities to a five-year review cycle. NAVSUP 02 will maintain a running PPMAP planning cycle for five fiscal out-years. NAVSUP will determine actual PPMAP dates no later than April of the preceding fiscal year. NAVSUP 02 will determine the dates jointly with field activities and with the NAVSUP IG. NAVSUP will provide Deputy Assistant Secretary of the Navy for Acquisition Management (DASN (ACQ)) and NAVSUP PPMAP field offices a copy of the schedule upon its completion.

(2) Although five-years is a long time between reviews, the on-going communication plan described below will actually increase NAVSUPs' formal interaction with field activities. NAVSUP 02 recognizes NAVSUP IG will continue to perform command reviews on a three-year cycle and whenever possible, NAVSUP 02 will schedule PPMAP's in conjunction with the NAVSUP IG. When simultaneous reviews are not possible, NAVSUP 02 will provide contracts representatives to assist the NAVSUP IG; however, the representatives will not conduct a complete PPMAP.

(3) NAVSUP's PPMAP field offices perform assessments and oversight of applicable activities, including activities that only exercise purchase card authority. Activities whose authority is limited to exercising the purchase card method of procurement shall be assessed annually.

b. PPMAP Time Span. In addition to transitioning activities to a five-year review cycle, NAVSUP 02 has established an eight-day review. As explained under the description of the Pre-Assessment Checklist, use of the checklist should eliminate a major portion of the effort required during on-site reviews; therefore, NAVSUP 02 should be able to complete reviews in less time and with smaller teams. NAVSUP 02's goal is to eventually reduce reviews to five days.

c. On-going Communication

The PPMAP on-going communication plan will continue interaction between NAVSUP 02 and its field activities. Under the plan, NAVSUP 02 will disseminate any new/pertinent information at the semiannual Senior Acquisition Council (SAC) conference and provide an opportunity for the activities to exchange information and provide feedback to the PPMAP program manager or his designee.

CHAPTER 2

POLICY AND GENERAL ELEMENTS

1. Policy

a. General. Per NAPS 5201.691, the primary objective of procurement management oversight is to encourage and assist activities in making continuous improvements in their acquisition processes. Oversight also provides a mechanism for sharing "best practices" throughout the Navy. As the formal process to assess procurement operations of NAVSUP field activities, PPMAP is a flexible, performance-based, process-oriented program that reviews Chief of the Contracting Office (CCOs) and their activities' self-assessment processes and procedures.

b. Vision. While maximizing review efficiency, minimizing the size of review teams and decreasing the time spent at each activity, NAVSUP's vision is to assess the health of activities' procurement processes and to explore possibilities for improving processes.

c. Goal. With NAVSUP's vision as a guide and based on CCOs' documented quality reviews, NAVSUP's goal is to provide beneficial feedback and to evaluate the following:

- (1) Integrity of the procurement process;
- (2) Mission accomplishment;
- (3) Management of the contracting function;
- (4) Contract planning, solicitation, source selection and post award function;
- (5) Simplified acquisition procedures including the purchase card program;
- (6) Special interest items;
- (7) Identification of best practices;
- (8) Improvement possibilities (consulting);
  - (a) Business approaches,
  - (b) Business processes, and
  - (c) Business judgment.

d. Measures of Success. Upon completion of the review, the PPMAP team will summarize its assessment of an activity's performance by a rating of Satisfactory or Unsatisfactory (See Chapter 5 for a discussion of less than satisfactory ratings).

e. Customer Service Standards. During a PPMAP review, an activity can expect the following from the PPMAP team:

- (1) A professional, courteous and respectful relationship;

- (2) Prompt attention to issues;
- (3) Same day responses;
- (4) If same day responses are not possible, projected response times;
- (5) Genuine effort to understand an activity's unique business;
- (6) Findings and issues based on an appreciation of the activity's operational environment; and,
- (7) Training to buyers, negotiators, and other contracting personnel to assist in implementing findings and issues.

Throughout the PPMAP, the assessment team should act more as "consultants" vice "auditors." Per the PPMAP concept, the goal of the team's review is to assist the organization in a constructive, positive manner.

2. Procurement Performance Management Assessment Program (PPMAP) Database. NAVSUP utilizes an Internet accessible, interactive PPMAP database to aid in conducting both pre-/post-PPMAP review actions. The database allows the paper-free exchange of information among NAVSUP 02, PPMAP team members and assessed field activities for all phases of the PPMAP process.

3. PPMAP Activity Notification. Approximately four months prior to a PPMAP review, NAVSUP 02 will post an activity's notification letter (see Attachment A to enclosure (4)) onto the PPMAP database. The letter provides information for the pending on-site PPMAP review, including the names of PPMAP program manager and PPMAP team leaders. The letter requires the activity to complete the pre-assessment checklists within 30 days prior to the review.

4. Structure. Several critical review elements (see Attachment B of enclosure (4)) comprise the PPMAP review. The PPMAP review includes an activity's submission of a PPMAP pre-assessment checklist, the assessment of CCOs and their activities' self-assessment/QA plans (as described in Chapter 6), on-site interviews, traditional compliance review of sample files, review of an activity's Purchase Card Program as part of the SAP assessment and the identification/provision of training requirements.

a. Pre-Assessment Checklist. To allow NAVSUP to gain familiarity with an activity before actually visiting, an activity will complete a PPMAP pre-assessment checklist via the web based PPMAP database one month prior to its pending review. As shown by Attachment C of enclosure (4), the checklists cover six assessment areas. Each assessment area identifies a cognizant PPMAP team member and requests the activity to identify a corresponding point of contact. Use of the checklist will eliminate the time consuming effort of researching during

the on-site portion of the reviews; therefore, NAVSUP should be able to complete reviews sooner and with smaller teams.

Upon submission of the completed pre-assessment checklists to NAVSUP, the cognizant PPMAP team members for each assessment area will review the activity's responses. Subsequent to review of the activity, the PPMAP team members will begin pre-review discussions and clarifications with the activity's points of contact.

Activities should not develop "written"/"formal" policies for the sole purpose of addressing questions in the modules. When modules request submission of policy/brief descriptions of procedures, a description, as stated, is sufficient if a written policy is not available.

b. On-Site Briefings/Interviews

(1) General. The PPMAP will continue to place special emphasis on on-site briefings and interviews with top management, employees, customers and Contracting Officer Representatives (CORs). Direct interaction between the PPMAP team and those involved in the acquisition process, whether in the form of interviews or briefings, provides an opportunity for the review team to learn about the needs, successes and challenges of the activity. Via the interviews and briefings, the review team can, (1) focus attention on specific procurement functions in the acquisition process, (2) determine training needs, (3) learn about corrective actions taken by an activity, and, (4) become familiar with plans to support NAVSUP's strategic plan and to implement acquisition reform initiatives.

(2) Briefings. Initially, the PPMAP team leader will provide an in brief to the director/head of contracts and/or activity's commanding officer. Prior to the meeting, the PPMAP team leader should ask the director/head of contracts to identify activity participants at each brief. The PPMAP team leader should use the briefs to explain the PPMAP review process and to address major evaluation factors. Following the PPMAP team leader's brief, the director/head of contracts will brief the PPMAP team. The brief should cover the activity's overall procurement mission, organization, major programs and management of the procurement function. The director/head of contracts should identify major problem areas as well as the activity's approach to resolving the problems. In addition, management should address new or on-going initiatives to improve the activity's quality, efficiency and responsiveness. The briefing should not exceed one hour in length. The team's objective during the director/head of contract's brief is to gain a clear understanding of the activity's procurement operations and self-assessment/QA plan.

(3) Interviews. Interviews will be conducted with the commanding officer, the director/head of contracts, the small purchase manager, counsel, customers and employees. Attachments D and E of enclosure (4) provide interview questions for both customers and employees. Although the attachments contain questions, the interviewers should customize questions per the review itself (i.e., possible findings, corrective actions, etc.) and with the flow of the interview. The team may interview additional managers at the discretion of the PPMAP program manager.

In addition to interviews with top management, the PPMAP team will conduct interviews with employees in supervisory and non-supervisory positions, customers and CORs. As with top management interviews, interviewers should customize questions per the review itself (i.e., possible findings, corrective actions, etc.) and with the flow of the interview. The PPMAP program manager shall select employees at random from the list of contracting personnel.

To ensure the interview process is successful, team members should establish a good working relationship with the interviewees. During the interview, the interviewer should address any suggestions, comments, questions or criticisms received prior to the interviews. In addition, interviewers should limit identification of customers to the activity's name.

c. Sample File Review. As stated in the Introduction, the PPMAP minimizes compliance-oriented review and focuses on the assessment of critical acquisition processes. Minimization, however, does not mean elimination; therefore, the PPMAP still contains limited aspects of compliance review. The PPMAP team will perform an in-depth file review of a small sample of contracts and simplified acquisitions. Specifically, reviewers will check to ensure files are following applicable procurement regulations.

Coordinating with the activity and its detachments, the PPMAP program manager and team leaders (Large and SAP) are responsible for selecting which sample files to review. The PPMAP team leaders, in concert with the PPMAP program manager and directorate operations staff, should use the activity's Procurement Management Reporting System (PMRS) DD350 and DD1057 data reports for sample file selection. Sample files shall be selected based upon the criteria set forth in the statistical sampling methodology, see Attachment F of enclosure (4). To give the activity time to pull the files selected, the PPMAP team leader should electronically submit the file list to the activity two weeks prior to the on-site PPMAP. At that time, the activity can inform the PPMAP program manager if there are any problems with the file selection.

When a reviewer notes deficiencies, the reviewer should discuss potential findings with the negotiator, contracting officer or other knowledgeable personnel. The review team will consider file review findings and issues when assessing the overall effectiveness of the activity and the viability of its self-assessment processes. The review team will also use the file reviews to identify opportunities to provide formal and informal training.

d. Special Interest Items. Attachment G of enclosure (4) provides a detailed description of special interest items that are reviewed by the PPMAP team during the inspection. NAVSUP 02 will continuously update this listing to reflect areas of concern throughout DOD, SECNAV and NAVSUP.

e. Purchase Card Program. As part of the PPMAP team's SAP assessment, the team will review an activity's "Purchase Card Program". The "Purchase Card Program" refers to the Government-wide Commercial Purchase Card Program described in EBUSOPSOFFINST 4200.1(Series).

f. Training. The identification/provision of training requirements is an important aspect of the PPMAP. Before execution of reviews, NAVSUP will specifically request activities to provide a list of areas in which the activity would like to receive training or assistance. In addition, during reviews, team members will use file reviews and general findings to identify opportunities to provide training or assistance. The training may be formal or informal and it may be provided to groups or individuals. Whatever the circumstance or level of formality, the purpose of the training is to assist activities with improving processes and procedures and to assist with the implementation of recommendations and suggestions.

g. Performance-Based Data. Throughout the week, the PPMAP team will review the performance-based data gathered from the activity. First, as required by the activity's self-assessment/QA plan, the team will confirm the activity gathered data on a timely basis. Second, the activity should produce documentation to demonstrate the activity took corrective actions and set goals based on data collected and analyzed. Third, the review team will assess the activity's goals and corrective actions for good business judgment and for progress. Finally, the team will analyze the data for consistency/agreement among the activity's management and employees.

CHAPTER 3

PPMAP TEAM COMPOSITION, SELECTION AND RESPONSIBILITY

1. Team Composition

a. Criteria. As a general rule, NAVSUP will base team size and composition on type and volume of contracts and small purchase actions completed by an activity the year prior to its assessment; the activity's contracting authority level and the activity's responses to the pre-assessment checklists. The pre-assessment checklist process may make it unnecessary for some team members to participate in the on-site review.

b. Members (General). PPMAP teams will generally consist of no more than the following nine members: (1) Overall team leader, (2) Large contracts team leader, (3) Large contracts team member, (4) SAP team leader, (5) SAP team member, (6) Quality assurance representative, (7) Management systems representative, (8) Small and Disadvantaged Business Utilization Director (if required), and (9) Office of Counsel representative. As the PPMAP process matures, the requirement for a Large Contracts team member and a SAP team member may be eliminated. Consequently, if the Small and Disadvantaged Business Utilization Director is not required, a team may be as small as six people.

2. Team Selection

a. Candidates. NAVSUP obtains candidates for PPMAP teams from the following sources: (1) NAVSUPHQ, (2) NAVSUP PPMAP field offices, and (3) NAVSUP field activities and occasionally non-NAVSUP personnel. Upon formal issuance of NAVSUP's PPMAP schedule for a given fiscal year, individuals from each of the sources should volunteer through their supervisors to participate on selected PPMAP's. The letter announcing the PPMAP schedule will include information regarding nomination instructions and procedures.

Every NAVSUPHQ 02 division is responsible for supporting PPMAP. Therefore, every NAVSUP 02 division director should participate in at least one PPMAP review per fiscal year. NAVSUP 02 has instituted a policy, whereby activity advocates must participate as a PPMAP team member when their activity is scheduled for a PPMAP review. NAVSUP 02 professional staff members also actively volunteer to participate on at least one PPMAP per fiscal year. NAVSUP will rotate team members to provide all NAVSUP 02 personnel equal opportunity to participate on PPMAP reviews. NAVSUP 02 will make every effort to ensure military personnel permanently assigned to NAVSUP 02 participate on at least one PPMAP during his/her tour of duty.

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NAVSUP's PPMAP field offices are the main source for PPMAP SAP team members; therefore, NAVSUP encourages the PPMAP field offices to actively nominate personnel to participate on NAVSUP's assessments. Due to PPMAP field offices intense travel schedules, the PPMAP program manager will coordinate the final selection of PPMAP field office personnel with the PPMAP field office directors.

NAVSUP encourages field activities to nominate personnel to participate on PPMAP reviews. To the extent possible, NAVSUP will rotate personnel to ensure every activity directly assessed by NAVSUP has at least one representative participating on at least one PPMAP review per fiscal year. Upon management's submission of a nominee (see Attachment H of enclosure (4)), NAVSUP considers the nominee available for all requested PPMAP reviews. Whenever possible, NAVSUP will inform management of a nominee's final selection prior to contacting the nominee.

b. Selection. NAVSUP selects team leaders and team members with applicable experience/expertise.

(1) Team Leader Selection. NAVSUP 02 designates activity advocates as PPMAP team leaders.

(2) Team Member Selection. NAVSUP considers the following factors in PPMAP team selection:

- (a) The type of activity to be assessed,
- (b) Specific assessment requirements (i.e. purchase card, reimbursable service contracts, etc.),
- (c) The nominee's experience/expertise,
- (d) The nominee's personal preference,
- (e) The nominee's parent activity. (If possible, each field activity directly reviewed by NAVSUP shall have at least one representative participating on at least one PPMAP review per fiscal year.

3. NAVSUP PPMAP Program Manager. The PPMAP program manager is the point of contact for all PPMAP matters. The PPMAP program manager is responsible for ensuring the constant improvement and update of the PPMAP process; developing, coordinating and communicating PPMAP policy with NAVSUP PPMAP field offices; reviewing PPMAP field offices' quarterly PPMAP reports; scheduling, planning and facilitating all NAVSUP 02 PPMAPs; maintaining records of each PPMAP review; providing feedback on PPMAP trends to NAVSUP 02 and to NAVSUP field activities; maintaining NAVSUP PPMAP database; soliciting PPMAP team member nominees; submitting PPMAP team member nominees to NAVSUP 21; providing PPMAP team members PPMAP planning information; coordinating activities pre-assessment checklist submissions; and generally assisting PPMAP team leaders prior to each review.

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In addition to the general responsibilities listed, NAVSUP program manager will frequently serve as the self-assessment/QA and management representative on PPMAP reviews.

CHAPTER 4

THE ON-SITE REVIEW (INCLUDING ACTIVITY EVALUATION)

1. General. While on-site, the PPMAP team must establish professional credibility and must maintain objectivity to effectively assess an activity. The team must not give the "appearance" of bias or the appearance of partiality. Therefore, the team must avoid all appearance of improper conduct. Accordingly, team members should not accept accommodations or other forms of hospitality from personnel of the activity being assessed. The limitation on acceptance of hospitality applies to off duty hours and personal leave time.

The PPMAP team will base the activity's rating on observations and subsequent findings during the review. During the review, the PPMAP team will answer basic questions such as:

- a. Is the activity actually reviewing processes?
- b. Has the activity taken sound and reasonable corrective actions based on observations and data analysis?
- c. What were the outcomes of the corrective actions?
- d. Has the activity attempted to define/assess quality using customer surveys, employee surveys, and other tools?
- e. How well has the activity documented findings and subsequent actions?
- f. Did the activity provide a reasonable rationale for selection of critical acquisition processes for monitoring/review?
- g. Has the activity set goals and developed trends using statistical data?
- h. Have managerial decisions resulted in favorable trend indicators?
- i. Did the sample file review indicate the activity is producing sound, regulatory-compliant, high-quality contractual documents?
- j. Has the activity proactively/successfully addressed special interest items?

NAVSUP will rotate team members to provide all NAVSUP 02 personnel equal opportunity to participate on PPMAP reviews. NAVSUP 02 will make every effort to ensure evaluation with

customer surveys. In the same manner, the review team can compare employee survey data to the manager's self-assessment of the workforce as well as to responses given during on-site employee interviews. Similarly, the on-site interview of top management can serve to support managerial self-assessment data. Generally, the PPMAP team can usually have more than one set of data or information to validate conclusions.

## 2. Agenda

a. General. During the PPMAP, the assessment team will be challenged with completing many actions in a short period of time. In order to maintain focus and organization, NAVSUP will provide team members a flexible agenda to follow during the PPMAP.

b. Initial Team Meeting. During the initial meeting, the PPMAP program manager will discuss review procedures and will provide updated review information as necessary. The PPMAP program manager should introduce the Large Contracts and SAP team leaders and the team members should introduce themselves and discuss their contracting backgrounds.

The team will discuss administrative matters and ensure each team member has adequate accommodations. The PPMAP program manager will develop a list of room and telephone numbers to distribute to all team members. The PPMAP team must also establish guidelines for carpooling, (1) to and from the activity to be assessed, (2) during lunchtime, and (3) in the evenings. Rental cars are for the team's benefit; therefore, drivers are responsible for individuals assigned to their cars (approximately one rental car for every three team members). The team must pay for any snacks, beverages, etc., provided by the host activity. Finally, the team should vote on work hours with the understanding that if the team starts working at 0730, the workday should end at approximately 1700. Team members should understand that long workdays might be required to complete the PPMAP review.

Team members will be instructed to refrain from discussing the number and types of possible findings to anyone outside the PPMAP team. Additionally, team members should not discuss the numbers and types of possible findings with other inspection teams on personnel outside the PPMAP team. However, as consultants, team members should freely engage activity personnel in conversations about processes, procedures and other business-related topics.

c. Meetings (General). In addition to the initial team strategy meeting, the team will periodically meet throughout the PPMAP to discuss review results and to reassess approach and

methodology. Structuring the timing and frequency of the meetings is at the discretion of the overall team leader. There may be daily team planning meetings at the beginning of each workday. Finally, to keep the team leader current on the latest findings and assessments, the team leader may conduct a results meeting each afternoon prior to meeting with the IG or providing daily briefings to the activity's contract management.

Before the team meetings, the team leader should conduct one-on-one status meetings with group leaders and, as necessary, individuals handling special interest items. Team members should use the daily meetings as an opportunity to share and compare observations/findings from file review, interviews, etc. In fact, team members should discuss anything they consider significant. The open interaction between team members should assist the team with identifying trends, systemic problems, etc. that may lead to formal findings or issues. Team leaders should ensure that all areas of the PPMAP are addressed during the meetings at some time during the PPMAP.

Beginning the second day of the review, the PPMAP team leader and the PPMAP program manager will conduct daily briefings with the activity's contracts management, if so desired by the activity to keep management apprised of the PPMAP team's observations and findings. During the briefings, the team leader should be open about the team's observations. As the team identifies potential findings, the team leader should emphasize them to the contracts management.

3. General Overview. The following information provides a general overview for conducting a PPMAP:

On the morning of the first day, the PPMAP team leader will conduct an in brief to top management and to the activity's commanding officer. The primary purpose of the brief is to establish a rapport with the activity and to discuss methodology used in conducting the assessment. The activity will provide an entry brief to the PPMAP team. If the PPMAP is being conducted in conjunction with an IG command assessment, the PPMAP team will attend an IG pre-assessment meeting. Upon arrival, the PPMAP program manager should check to ensure the previously requested files are available for review. If the activity has not made the files easily accessible for the PPMAP team, the PPMAP program manager will address the issue with contracts management. A copy of the list of contracts should be posted in the review room. Team members initial the sheet beside the contracts files they reviewed to avoid duplication of work.

The Large and SAP contracts team leaders should request Work In Process (WIP) reports, by negotiator, for both large and small purchases. The WIP should exhibit the age of WIP and

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significant milestones for monitoring purposes. The PPMAP team should determine who is responsible for using WIP to manage workload. Following the morning's briefs and meetings, the PPMAP team will initiate file reviews. File review is the team's primary priority on the first day of the PPMAP; however, as possible, team members may also commence special interest item reviews, customer visits and QA assessments as assigned.

The following is a general timeframe for completion of the various elements of the PPMAP:

- a. File Review - 5 days
- b. Special Interest Items Reviews - 3 days
- c. Customer Visits/Review Customer Surveys - 5 days
- d. QA Assessments - 5 days
- e. ALE Initiatives - 4 days
- f. Self-Assessment Metrics - 1 to 2 days
- g. Strategic Plan Initiatives - 4 days
- h. CRB Procedures - 3 days
- i. Training Records/DAWIA Certifications/Warrants - 2 days
- j. Management/Employee Interviews - 4 days
- k. COR/Ordering Officer Interviews - 3 days
- l. Training/discussion by PPMAP Team - 1 day

In addition to the time frames for completing the PPMAP, the following are some general guidelines.

a. File review should be completed by close of business the fifth day.

b. PPMAP team should begin drafting preliminary PPMAP report assessments by the fourth day of the review. The team should ensure that it has a significant basis for findings or issues or written observations.

c. All sections of the PPMAP report should be conceptually complete by the sixth day and the team should have made significant progress completing the final write-up.

d. Before excusing the team for the weekend, the PPMAP team leader should require status on all items. Prior to the departure, the PPMAP team leader should have a general itinerary of team member weekend plans for emergency purposes.

e. The PPMAP team leader will participate in a final out brief to the activity's contract management. The exit briefings will include an assessment of the activity's overall process with suggestions for continuous improvement. The presentation should address best practices, areas of concern and descriptions of assistance provided during the review.

f. The PPMAP team leader will also conduct a final out brief of the PPMAP review to the activity's commanding officer. The commanding officer's out brief should highlight only key best practices, systemic problems, etc. The PPMAP team leader may require team members' attendance and/or participation in the outbrief. The PPMAP team leader will also participate in the IG's official out brief to the commanding officer.

4. Preparation of Report. The team shall draft all best practices, findings and issues on-site and shall provide the drafts to the activity for review via the group leaders and the team leader. "Best Practices" reflect areas in the activity's operations in which the activity has developed/exhibits outstanding processes, procedures, methodologies or initiatives. A finding is a potentially systemic problem in the contracting and/or self-assessment/QA process that requires corrective action. An issue addresses a modification that has potential for improving the activity's policies, processes or procedures.

The review team shall support all assessments with specific examples and shall include a discussion of supporting evidence (i.e., file reviews, trends, interviews, metrics, etc.). In addition, the team should provide recommended or suggested corrective actions. The team leader is responsible for maintaining copies of all assessments submitted by the team. The team leader should remind the activity and the team that all assessments are DRAFTS until NAVSUP 02/029 has approved them.

The PPMAP report is the final product of the review. The report shall consist of an overall assessment of the activity's mission and organization; management of the contracting function; self-assessment/QA processes and procedures; large contract processes and procedures, SAP processes and procedures and special interest items. The report should specifically discuss the overall assessment of each area reviewed, including required and suggested actions for improvements. The discussions should be brief but must include sufficient detail for someone unfamiliar with the review process to understand.

The PPMAP program manager, assisted by the PPMAP team, will complete and submit a draft report to the activity on the last day of the PPMAP review.

5. Evaluation. The PPMAP makes CCOs and their respective activities responsible for performing self-assessments, measuring quality, collecting data and taking necessary corrective actions. The review team's function is to assess activities' actions to ensure activities are, in fact, meeting mission requirements and protecting the integrity of the contracting process. Upon completion of the team's review, the

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team will summarize the final assessment of an activity's performance with a rating of satisfactory or unsatisfactory. An activity's rating may serve as one of the methods by which NAVSUP grants or revises the contracting authority levels granted to the activity.

The team leader may announce a rating of satisfactory to the activity during the exit brief. The team leader cannot, however, share a rating of unsatisfactory until after the HCA has examined findings and made a final determination. The team leader may, however, advise the activity of the potential for a less than satisfactory rating. Within 48 hours of a less than satisfactory rating decision, NAVSUP 02 will notify the activity and its Immediate Superior in Command (ISIC) of the rating and the disposition of procurement authority. For activities rated unsatisfactory will be subject to a full compliance review within 60 days of the issuance of the PPMAP report. (See Chapter 5 for a complete discussion of actions following a less than satisfactory rating).

CHAPTER 5

ACTIONS FOLLOWING A PPMAP ON-SITE REVIEW

1. General. Following the on-site PPMAP review a number of additional actions are necessary. The follow-up actions include:
  - a. Submission of the activity's assessment of the PPMAP,
  - b. Finalizing the PPMAP report,
  - c. Submission of implementation status reports by the assessed activity, and
  - d. Closure of the PPMAP Report. Special actions are required for PPMAP reviews resulting in less than satisfactory ratings. As stated previously, NAVSUP plans to make the exchange of information before and after a PPMAP totally paperless via the PPMAP database.
2. PPMAP Review Critique. At the conclusion of the PPMAP review, the assessed activity will be given an opportunity to complete an assessment via the PPMAP database of the PPMAP team and the PPMAP review process. Attachment I of enclosure (4) contains the PPMAP review critique form.
3. PPMAP Report. The PPMAP report is the final product of the review. As stated in Chapter 6, the PPMAP program manager is responsible for providing a draft PPMAP report to an assessed activity on the last day of the PPMAP. Following the PPMAP, the PPMAP program manager has two workweeks to complete the draft report, submit the report to SUP 21, NAVSUP 22 and NAVSUP 029 for review and chop and to obtain NAVSUP 02's final approval. Once approved, the PPMAP program manager will post the report into the PPMAP database and notify the activity via an electronic email notification.
4. Implementation Status Reports. After the PPMAP report is posted in the PPMAP application, the assessed activity will prepare an Implementation Status Report (ISR) for each finding in the report. (Note: there may be more than one required action per report finding.) The ISRs are due within 30 days after the report has been posted on the PPMAP database.

The ISRs will include a POA&M containing detailed descriptions of each corrective action(s) taken (or planned) to implement each required action. The POA&Ms will include a specific expected completion date(s) or milestone date(s). If the

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assessed activity disagrees with the required action, the reason for disagreement will be stated in the ISR.

The PPMAP team leaders will review the ISRs and provide a response to the assessed activity. If the PPMAP team leaders consider the ISR closed he/she will mark the report as concur/completed and no further action by the activity is required. If additional action is required or if there are questions, the PPMAP team leaders will annotate this in a "response to site" form.

When the expected completion date of the ISR is reached and if the PPMAP team leaders have not marked the ISR "completed", the activity and the PPMAP team leaders will receive an email reminder that the finding still requires action. In order to update the ISR, the activity and/or PPMAP team leader must select the "compose update" tab located atop the ISR. If an activity requires a new completion date for an ISR, they must request it from the PPMAP program manager before changing the date. Activities should complete all required actions within six months from the completion of the PPMAP review.

5. Unsatisfactory Rating. If an activity's PPMAP results in an unsatisfactory rating, NAVSUP will revoke the activity's procurement authority. The activity must submit POA&Ms for every finding within 15 days of PPMAP report issuance. The POA&Ms should include milestones that reflect substantial improvements within 60 days of report issuance. At the end of 60 days, NAVSUP will perform a follow-up review of the activity's finding implementation status report. At the conclusion of the 60-day follow-up review, NAVSUP 02/029 will make a determination regarding reinstatement of procurement authority.

At the end of six months, NAVSUP 02 will conduct a complete follow-up review of the assessed activity. The review will concentrate on actions awarded subsequent to the 60-day follow-up review. NAVSUP 02 will issue a new PPMAP report in the same format as the original report. The new report will contain a separate section to directly address each required action cited in the original report. To obtain a Satisfactory rating, the activity must demonstrate substantial improvement in all deficient areas.

a. Assist Visits. In the event NAVSUP 02 revokes an activity's procurement authority, the activity must fund all costs associated (i.e., travel and per diem) with assist visits required to provide training, management assistance and oversight to correct deficiencies. The activity must also fund all costs associated with the provision of interim procurement support.

CHAPTER 6

SELF-ASSESSMENT/QUALITY ASSURANCE PLANS

The development of self-assessment/QA plans allows Chiefs of the Contracting Office (CCOs) and their activities to identify critical acquisition processes, measure quality, collect data and take necessary corrective actions. Attachment J of enclosure (4) provides sample questions the PPMAP team may use to help determine whether the activity has a viable QA process.

Each CCO and/or activity's self-assessment/QA plan should be unique based on the activity's own environment, requirements and needs. Therefore, activities may describe their plans in any form including narrative descriptions, flowcharts, models or combinations of the above. NAVSUP, however, encourages activities to consider using the guidance that follows as a basis for their plans.

1. Overview

a. Command. The command overview should describe an activity's role, mission, structure, organization (including staffing), customers and products. The overview should provide a good perspective on the parameters in which the activity is performing its acquisition function.

b. Contracting Organizational Leadership. The organizational leadership overview should discuss the senior contracts manager's personal leadership, vision and involvement in the communication of organizational purpose and direction, guiding principles, the creation and sustention of values, the mandate of performance expectations and the maintenance of customer focus. The overview should also address the manner in which the activity continuously learns and improves.

2. Self-Assessment Review Oversight Team. NAVSUP encourages activities to designate a managerial oversight team responsible for administering the self-assessment/QA plan at a macro level. The team should provide primary guidance on issues such as the general collection of data and the documentation of corrective actions for future reference by the activity or by outside assessment teams. In addition, the team should provide guidance on the activity's communication process for providing feedback on initiatives, corrective actions, etc., to customers, employees, contractors and the public. Although various elements throughout the self-assessment/QA plan may be monitored and tracked on different schedules, one of the key responsibilities of the oversight team should be to schedule the periodic assessment of the overall progress of the plan.

3. Large Contracts and Simplified Acquisition Procedures (SAP)

a. General. The "Large Contracts" and "SAP" sections of self-assessment/QA plans should include general and specific provisions for monitoring and improving the activity's contractual products. Accordingly, each section should include a general overview of the process of administering a request for procurement from its receipt through award. The activity may wish to describe or depict specific processes or procedures, and it may elect to elaborate on the customers, products, etc., described in the general overview of the command.

b. Self-Assessment Review Team. If desired, the activity's Large Contracts and SAP self-assessment review teams could oversee implementation of the self-assessment/QA plan at a lower level than the general oversight team previously described. The teams should follow the general oversight team's guidance for data collection, corrective action documentation, etc., but tailor the guidance to address their respective areas' needs.

c. Pre-Award, Award and Post-Award. ASN (RD&A) and NAVSUP consider the tracking, control and continuous improvement of critical procurement processes (pre-award, award and post-award) are key to assessing an activity's self-management and progress toward achieving "quality" in acquisitions. Sections of the plan should include identification of specific critical acquisition processes selected for monitoring/improvement by the activity; descriptions of applicable policies and procedures; quality standards; description of applicable reviews (including in-process); and, identification of metrics developed to track and monitor the activity's progress.

The selection of critical acquisition processes for monitoring and the collection of associated data should address an activity's unique operation. Activities should not limit their selection to critical acquisition processes identified as "problem" areas since activities may wish to improve an already successful process. Although activities may identify unique processes to monitor/measure, activities should document a rationale for their decisions. See Attachment K of enclosure (4) for a sample template for gathering metrics.

d. Miscellaneous. The plan should include sections that address the use and implementation of contract review boards, counsel review, etc. The sections should address areas of specific concern (i.e. purchase card in SAP) and the usual methods for documenting corrective actions and providing feedback to customers, employees and contractors, etc.

4. Small and Disadvantaged Business Utilization (SADBU) Office

The plan should include a section to address:

- a. A general overview of SADBUs processes;
- b. Descriptions of applicable policies and procedures;
- c. Descriptions of applicable reviews (including in-process); and,
- d. Identification of metrics developed to track and monitor the office's progress.

5. Special Interest Items. Special interest items designated by both ASN (RD&A) and NAVSUP should be of particular interest to an activity. The plan should contain a section to address applicable policies, procedures and status. In addition, the activity should develop review processes for selected items and should establish, collect and monitor metrics as appropriate.

6. Performance-Based Focus and Assessments

a. Customer Focus

(1) General. In the area of customer focus, activities should address customer knowledge, relations, accessibility and complaint management. Activities should describe issues such as: (1) how the organization identifies its actual and potential customers, (2) how the organization determines customer's long-term requirements, expectations and preferences, (3) how the activity captures potential customers, and (4) how the activity provides access and information to enable customers to seek assistance, to conduct business and to voice complaints.

(2) Surveys. Customers can provide input regarding satisfaction with contracting service through an on-line survey that gives contracting activities real time access to customer responses. The survey that is administered by NAVSUP 029A2 is located at <http://www.ec.navsup.navy.mil/contracting>. By looking through the eyes of customers, activities can make beneficial changes in their processes.

b. Employees Focus

(1) General. To respond to customers' requirements, a procurement office must have satisfied well-trained employees. In the area of employee focus, activities should describe how the contracting organization maintains a work environment and work climate that supports the well-being, satisfaction and motivation of employees/associates. Accordingly, activities should address how the organization maintains a safe and healthful work environment. It should address formal and

informal feedback methods that have been established and publicized to gauge employee/associate satisfaction. It should reflect results achieved.

(2) Contracting Human Resource Management. Activities should describe issues such as: how the workforce is recruited, developed, organized, enabled to utilize its full potential, continuously trained (non-DAWIA and DAWIA training programs), and aligned with the organization's objectives. Further, it should describe the manner in which the organization strives to build and maintain an environment conducive to performance excellence, full participation and personal and organizational growth.

While addressing human resource management, activities should (1) identify key contracting human resource sub processes; (2) show how the sub processes were designed, implemented, managed, measured and improved; (3) identify metrics collected; and (4) describe how the organization manages and improves the key sub processes through the selection and use of metrics. Activities should also describe the effect employee feedback has had on process design, implementation and improvement.

(3) Surveys. Attachment L of enclosure (4) provides an employee survey. The survey covers a variety of areas including employees' perspectives on working conditions, availability of training and resources, management philosophy, empowerment and other topics that can be indicators of an environment that is conducive to efficient and effective operations. An activity should address (1) the survey's administration, (2) the review of data, (3) the activity's corrective action process, (4) the activity's feedback process, and (5) the documentation of the activity's actions. NAVSUP suggests activities survey employees on an annual basis.

c. Managerial Self-Assessment Surveys. As important as the introduction of customer and employee surveys into the self-assessment/QA plan, the introduction of a managerial self-assessment survey (Attachment M of enclosure (4)) will help organizations immediately identify areas for improvement, set goals and begin efforts to improve systems and processes. Senior procurement officials should complete the survey on an annual basis. Specifically, the survey allows officials to look at procurement practices within an organization including: (1) systems, (2) vendor selection and performance data, (3) contract administration, (4) socio-economic goals, (5) the organizational placement of the procurement office, (6) the education and experience level of the workforce, (7) on-the-job and classroom training, (8) individual development plans for employees, (9) contracting officer certification, (10) the level and use of information technology in the office, (11) the quality of data

collection, (12) quality improvement in general, (13) the use of best practices and benchmarking, and (14) planning as a method of continuous improvement. Again, activities should address (1) the survey's administration, (2) the review of data, (3) the activity's corrective action process, (3) the activity's feedback process and, (4) the documentation of the activity's actions.

Since managers do not base ratings on one-word descriptions (i.e., Excellent, Good, Poor, etc.), the self-assessment survey serves as a valuable tool to managers. Managers base responses on five different "descriptions" of a given subject. As a result, when managers are unable to give their activities the highest ranking in a given area, they can readily see what is necessary to achieve a better score from the descriptions of higher ratings.

7. Strategic Plan Objectives. As part of NAVSUP's field contracting system, activities should be in concert with NAVSUP's strategic plan. As NAVSUP's strategic plan evolves, field activities' self-assessment/QA plans should also evolve to remain current with NAVSUP's latest goals, strategies and objectives. NAVSUP recognizes contracting organizations must maintain a balance between support of NAVSUP 02's strategic plan and support of the organization's parent command strategic plan.

Activities self-assessment/QA plans should discuss their individual strategic plans' development and deployment (i.e., metrics, training, procedures, etc.). Accordingly, activities should include a brief description/diagram of the strategic plan development process. Additionally, activities should address issues such as (1) how the strategy is translated into action plans; (2) the bases for tracking performance; (3) the process for selecting key performance measures and/or indicators; and (4) differences between short-term and long-term plans/goals.

#### 8. Acquisition and Logistics Excellence Initiatives

Most NAVSUP field activities will address Acquisition and Logistics Excellence (ALE) initiatives as part of NAVSUP 02's strategic plan strategy to "Reengineer field contracting through innovative techniques, technology insertion and teaming with customers and vendors." Activities should, nevertheless, ensure their self-assessment/QA plans include the pursuit and implementation of ALE initiatives. Examples of ALE initiatives include the use of:

- a. Integrated Product Teams (IPT),
- b. Best value/greatest value evaluations,
- c. Past performance evaluation criteria,
- d. Oral presentations,

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- e. Multiple awards of Indefinite Delivery, Indefinite Quantity (IDIQ) contracts,
- f. Commercial item solicitations and contracts,
- g. Simplified Acquisition Procedures (SAP),
- h. Electronic Commerce and Electronic Data Interchange (EC/EDI), and
- i. Reverse auction.

As with special interest items, activities' self-assessment/QA plans should provide employees applicable policies and procedures. In addition, as necessary, activities should develop review processes for selected items and should establish, collect and monitor metrics as appropriate.

9. Activity-Developed Guidebooks/References. The final section of the plan provides activities the opportunity to list and describe activity-developed guidebooks/references/newsletters. Activities should identify recipients (employees, customers, etc.) of the documents and discuss the purposes of the documents. Activities may wish to include a complete overview of the documents.

**Notification Letter**

From: Commander, Naval Supply Systems Command  
To: Commanding Officer, [Insert Activity]

Subj: PROCUREMENT PERFORMANCE MANAGEMENT ASSESSMENT  
PROGRAM (PPMAP) REVIEW

Ref: (a) NAVSUPINST 4200.82B  
(b) NAPS 5201.691-1

Encl: (1) PPMAP Review Elements

1. Per reference (a), Naval Supply Systems Command (NAVSUP) will conduct a Procurement Performance Management Assessment Program (PPMAP) review of [Insert Activity] during the period [Insert Date]. The Chief Inspector, [Insert Name], NAVSUP Deputy Commander for Contracting Management, plans to be present later in the week and appear at the outbrief. We will identify the members of the PPMAP team prior to the review.

2. Per reference (b), procurement management oversight in the Department of the Navy will be conducted through the PPMAP. The PPMAP is a flexible, performance-based, compliance-oriented, process review program. This includes self-assessment of, control of, and continuous improvement in critical procurement processes, performance-based metrics, special interest items, and the results of employee and customer surveys. PPMAPs emphasize the importance of an activity's self-management by making Chiefs of Contracting Offices (CCOs) responsible for performing continuous self-assessments and for documenting initiatives, progress, corrective actions, etc. Enclosure (1) provides descriptions of PPMAP review elements we will use in assessing your activity.

3. As part of NAVSUP's PPMAP initiatives, we have developed an internet-enabled, interactive database. The database will allow the paper-free exchange of information between NAVSUP 02 and your activity for all phases of the PPMAP process.

4. The checklist in the PPMAP database is available and your PPMAP point of contact may access it at any time; however, it is recommended that you begin responding to the checklist by [Insert Date]. Please complete your response to the PPMAP "Pre-Assessment Checklist" and provide us with your self-assessment and Quality Assurance plan 30 days prior to the PPMAP review ([Insert Date]) so the team may have sufficient time to review your responses.

There are instructions for completing the checklist on the

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Subj: PROCUREMENT PERFORMANCE MANAGEMENT ASSESSMENT  
PROGRAM (PPMAP) REVIEW

opening page of the PPMAP database. The checklist includes the following six primary assessment areas: (1) Mission and Organization; (2) Management of the Contracting Function; (3) Self-Assessment Quality Assurance; (4) Contract Planning, Solicitation, Source Selection and Post Award Functions; (5) Simplified Acquisition Procedures; and (6) Special Interest Items. Each assessment area corresponds to a chapter of the PPMAP report. The checklist also includes the following three secondary assessment areas: (1) PPMAP Detachment, (2) SADB, and (3) Purchase Card. You should complete only the assessment areas that are applicable to your organization. Each assessment area requests a point of contact at your activity. Your response should address [Insert Activity] as a whole and should include your detachments.

5. On the morning of the first day of the assessment, the activity should provide an entry brief of less than one hour in length to the PPMAP team. The brief should cover your procurement mission, organization, major programs and management of the procurement function. Management should identify major problem areas as well as your approach to resolving the problems. Management should also address new or on-going initiatives to improve the activity's quality, efficiency and responsiveness.

6. [Insert Activity] should provide ample work space and other needed support to the PPMAP team. We request one conference room for both Large Contract and Simplified Acquisition Procedures assessment teams. We will need access to the FAR, DFARS, NAPS and NAVSUPINST 4200.85C, as well as office supplies and equipment. We will require at least four IBM compatible personal computers with Microsoft Word 6.0 (or later version) and access to the activity's LAN. At least two computers should have internet access. Finally, we will require a minimum of three reserved parking spaces.

7. NAVSUP will furnish official visit request information for the PPMAP team. We are looking forward to this opportunity to work with you. The NAVSUP point of contact is [Insert Name], [Insert Code], [Insert Number], [Insert Fax] or [Insert Email].

**Review Elements**

**Strategic Acquisition Planning**

A. Customer Profiling

1. List of Customer Advocates
2. Customer Visit Scheduled/Conducted
3. Metrics for Profiling Customer
4. Management of Customer Information

B. Market Segmentation

1. Is Spend Analysis Conducted/How Often?
2. List of Market Managers
3. Identify Major Markets
4. Management of Market Information

C. Market Management

1. How Often do Market Managers Interact with Customer Advocates?
2. Identify Customer Base for Major Markets
3. Addressing the Business Dynamics of Major Markets
4. Addressing the Regulatory Challenges Associated with Major Markets
5. Sourcing Strategies recommended for Major Markets

**Management**

A. Leadership

1. Direction
  - a. Corporate/Command Values
  - b. Mission and Vision
  - c. Strategic Plan
  - d. Customer Service Standards
  - e. Performance Measures
2. Communication
  - a. Plan

- b. Mechanisms
    - c. Assessment Process
  - 3. Motivation
    - a. Recognition/Rewards Program
    - b. Workplace Climate Survey Results
  - 4. Organization Performance
    - a. Assessment Process
    - b. Key Performance Measures
    - c. Performance Review Results/Action
- B. Strategic Planning
  - 1. Link To NAVSUP Strategic Plan
  - 2. Key Objectives/Initiatives
  - 3. Timetable
  - 4. Goals and Performance
  - 5. Action Plan
- C. Customer Focus
  - 1. Customer Relationship Management Plan
    - a. Customer Identification
    - b. Relationship Maintenance
    - c. Complaint Management Process
    - d. Customer Satisfaction Assessment Process
  - 2. Customer Satisfaction Performance
    - a. Survey Results
    - b. Customer Service Standards Results
    - c. Customer Interview Results
  - 3. Customer Service Training Plan
- D. Business Plan
  - 1. Performance Against Goals
  - 2. Staffing
    - a. Long Range Plan
    - b. Authorized vs. On-Board Results

## **Human Resource Management**

- A. Organization
  - 1. Wiring Diagram
  - 2. Structure Effectiveness
  - 3. Customer Alignment
- B. Employee Satisfaction

1. Employee Survey Results
2. Workplace Friendly Initiatives
3. Standards of Conduct
4. Incentive Awards Program

C. Resource Management

1. Skills Gap
2. Succession Planning
3. Recruitment
4. Tools
5. Contracting/Ordering Officer
6. Appointments/Warrants

D. Training

1. IDP
2. DAWIA
3. Continuous Learning Points
4. Overall Program
5. Professional Memberships
6. Internships
7. In-House Professional/Command-Wide Training
8. Process Review

E. Workplace Infrastructure

1. Physical Working Conditions
2. Labor Saving Devices
3. Information Technology

**Self-Assessment**

A. Training Program

B. Policy

C. Acquisition Reform

D. Warrants

E. Management

F. Special Interest Items

G. Contract Execution

**Ordering**

A. GSA Schedule Orders

1. Supplies

- a. Orders under \$2500
  - Funding document
  - Evidence of screening
  - Part 12/13 Clauses not included
  - Award only on items listed in schedule
  - Completed award document (DD Form 1155/SF1449)
- b. Orders over \$2500
  - Funding document
  - Evidence of screening
  - Documentation of single or multiple award schedule usage
  - Documentation of Best Value determination
  - Award only items listed in schedule
  - Part 12/13 Clauses not included
  - Completed award document (DD Form 1155/SF1449)

2. Services

- a. Funding document
- b. Evidence of screening
- c. Complete request for quote (Provided to at least 3 vendors)
- d. Award to contractor that represents the best value and results in lowest overall cost alternative (Considering all identified factors) to meet Government's needs
- e. BPAs against schedules for services
- f. Complete request for quote. Identify how many BPAs will be issued and basis for award
- g. Review BPAs periodically (at least annually) to ensure BPA represents the best value
- h. Documentation of basis of award.

B. Indefinite Delivery Indefinite Quantity Contracts

1. Priced

- a. Single award
  - Funding document
  - Independent Government estimate
  - Delivery order within scope of contract
  - Award document per contract
- b. Multiple Awards
  - Funding document
  - Independent Government Estimate
  - Solicitation and award evaluation provides all offerors a "fair opportunity to compete"
  - Delivery order within scope of contract
  - Award document in accordance with contract

2. Unpriced
  - a. Funding document
  - b. Independent Government estimate
  - c. Tasks well defined
  - d. Delivery order within scope of contract
  - e. Award document in accordance with contract

### **Purchase Card**

Refer to EBUSOPSOFFINST 4200.1 (Series)

### **SAP**

#### **A. Acquisition Planning**

1. Formal Acquisition Plan (if required)
  - a. Documentation of Acquisition Method
  - b. Order under Existing Vehicle

#### **B. Actions Under \$2500**

1. Pre-Solicitation/Solicitation
  - a. Valid Purchase Request (Funding, Approval, Purchase Description)
  - b. Documentation of screening for mandatory Government sources of supply.
  - c. Written determination by SES, flag or general officer describing why the purchase card was not used for the micro-purchase action as either method of procurement or payment
  - d. Record of solicitation

2. Award
  - a. Award document properly completed (DD Form 1155 or SF 1149)
  - b. Signed by KO
  - c. Proper clauses (Far part 12/13)

3. Post-Award
  - a. Modifications
  - b. Documentation of receipt, inspection and acceptance

#### **C. Actions Between \$2500 and \$25,000**

1. Pre-Solicitation/Solicitation
  - a. Valid purchase request (Funding, approval, purchase description)
  - b. Documentation of screening for mandatory Government sources of supply
  - c. Documentation of market research
  - d. Determination of commerciality

- e. Waiver of Total Small Business Set-Aside
- f. Documentation of Competition Sought (number of sources solicited, adequate purchase description,)
- g. Use of proper solicitation provisions
- h. Record of solicitation
- i. Sole source justification
- j. Posting written requirements between \$10,000 and \$25,000 in a public place

2. Award

- a. Determination of fair and reasonable pricing
- b. Award document properly completed
- c. Proper Clauses (FAR part 12/13)

3. Post-Award

- a. Modification
- b. Documentation of receipt, inspection and acceptance
- c. Contract reporting (DD Form 1057)

D. Actions Between \$25,000 and \$100,000

1. Pre-solicitation/Solicitation

- a. Valid purchase request (funding, approval, purchase description)
- b. Documentation of screening for mandatory Government sources of supply
- c. Documentation of market research
- d. Determination of commerciality
- e. Total Small Business Set-Aside Determination
- f. Documentation of synopsis
- g. Use of proper solicitation provisions
- h. Record of solicitation
- i. Sole source justification

2. Award

- a. Determination of fair and reasonable pricing
- b. Award document properly completed
- c. Proper clauses (FAR part 12/13)

3. Post-Award

- a. Modification
- b. Documentation of receipt, inspection and acceptance
- c. Contract reporting (DD Form 350)

E. Actions between \$100,000 and \$5 Million

1. Pre-solicitation/Solicitation

- a. Valid purchase request (funding, approval, purchase description)
- b. Documentation of screening for mandatory Government sources of supply

- c. Documentation of market research
  - d. Determination of commerciality
  - e. Total Small Business Set-Aside Determination
  - f. Documentation of synopsis
  - g. Use of provisions in RFQ, RFP and IFB
  - h. Record of solicitation
  - i. Sole source justification (FAR Part 6)
  - j. Documentation supporting use of "Test Program" at FAR Part 13.5
2. Award
- a. Determination of fair and reasonable pricing
  - b. Award document properly completed (SF 1449)
  - c. Proper clauses (Far Part 12)
3. Post-Award
- a. Modification
  - b. Documentation of receipt, inspection and acceptance
  - c. Contract reporting (DD Form 350)

F. Other SAP Instruments

1. Blanket Purchase Agreements (BPA)/Letters of Agreement (LOA)
- a. Proper clauses
  - b. Bilateral signature
  - c. Caller authorization
  - d. Issued following prescribed format (Part 13,12, NAVSUPINST 4200.85C and EBUSOPSOFFINST 4200.1 (Series))
  - e. KO performing semiannual reviews per (FAR Part 13 and NAVSUPINST 4200.85C)
2. Unpriced purchase orders (not to exceed)
- a. KO established NTE price
  - b. NTE clause included in purchase order
  - c. NTE/UPO noted above price in schedule
  - d. Government furnished property clause provided where applicable
  - e. KO authorized price increase where applicable (via modification)
3. Standard Form 44s
- a. Activity authorized to use SF 44
  - b. Activity maintains list of personnel authorized to issue SF 44
  - c. Activity personnel properly appointed to use SF 44
  - d. Individual transactions do not exceed \$2500 except for aviation fuel and oil, overseas transactions by contracting officers in support of contingencies, and transactions in support of intelligence and other specialized activities.

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4. Imprest Fund
  - a. Activity authorized to maintain imprest fund (Must have letter from ASN (FM&C) or USD(C)
  - b. Fund amount per authorization
  - c. Imprest fund cashier/alternate properly appointed
  - d. Imprest fund cashier and alternate have individual safes
  - e. Imprest fund cashier/alternate using proper procedures to disburse money (per FAR Part 13 and NAVSUPINST 4200.85C)
  - f. Imprest fund cashier has cash, invoices or vouchers totaling the authorized fund amount at time of review
  - g. Activity performing unannounced Imprest Fund on a quarterly basis per (FAR Part 13 and NAVSUPINST 4200.85C)
  
5. Modifications
  - a. Unilateral (Administrative, Change Orders, Exercising Options)
    - Signed by KO
    - Clear description of actions
  - b. Bilateral (supplemental agreements)
    - Signed by KO and contractor
    - Clear description of actions
    - Included bilateral clauses where applicable

### **Large Contracts**

#### **A. Acquisition Planning**

1. Formal Acquisition Plan (if required)
  - a. Documentation of acquisition method
    - Order under existing vehicle
  
2. Market Research
  - a. Documentation of market research
  - b. Documentation of commercial item determination
  - c. Documentation of procurement history
  
3. Required Sources of Supply
  - a. Document Demonstrating Compliance with the FAR and DFAR 8
  
4. Source Selection Strategy
  - a. Non-Competitive
    - J&A or FAR 13.5 documentation
  - b. Competitive
    - Documentation whether tradeoff or LPTA is appropriate
    - If past performance not used: justification required by FAR 15.304 (c) (3) (iv)

Ensure consistency between source selection plan  
and solicitation

5. Socioeconomic Considerations
  - a. Small business form approved
  - b. Evaluation factors  
Per FAR 15.304 (c) (4), evaluate the extent of participation of small disadvantaged business concerns  
HUBZONE evaluation preference
6. Contract Structure
  - a. Contract Type  
Documentation supporting chosen contract type  
D&Fs required by FAR 16.6 for T&M, labor, hour and letter contracts
  - b. Pricing method  
CLIN structure/pricing arrangement
  - c. Contract administration plan
  - d. Incentive arrangement
7. Requisition Documents
  - a. Accepted 2276 or requisition document
  - b. Requiring activity approvals or documentation  
Consulting services  
Lease vs. purchase analysis  
NMCI waivers
8. Synopsis
  - a. Content (e.g., Note 22 in non-competitive procurements)
  - b. Compliance with FAR 5 time requirements
9. Other Acquisition Planning Issues
  - a. Organizational conflict of interest
  - b. Government furnished property
  - c. Labor statutes

B. Solicitation

1. Pre-solicitation review
  - a. Review by contracting department per office procedures
  - b. Review by Counsel per office procedures
2. Solicitation
  - a. Review solicitation for appropriate clauses and provisions
  - b. Documentation supporting solicitation amendments

C. Negotiation and Evaluation

1. Approvals
  - a. Pre- and post-negotiation approval per office procedures
  - b. Review by Counsel per office procedures
  - c. NAVSUP approval over \$1,000,000
2. Non-Competitive
  - a. Over \$500,000
    - Certification of cost, pricing data, or waiver
    - Cost analysis
    - Use of audit information
      - Use of cost/pricing information from DCMA
      - Pre-negotiation objectives
      - Post-negotiation discussion of negotiations
  - b. Under \$500,000
    - Use of price and cost information
    - Price analysis
      - Pre-negotiation objectives
      - Post-negotiation discussion of negotiations
3. Competitive
  - a. Awarding without discussion
    - Source selection documentation demonstrating award is consistent with evaluation plan
    - Price/cost analysis
    - Responsibility determination
  - b. Discussion
    - Competitive range
    - Meaningful discussions

D. Use of Acquisition Reference Techniques

1. Oral presentations
2. Reverse auctions
3. Past performance/corporate experience
4. Payment using purchase card

E. Strategic Sourcing

1. Source selection
2. Contractor/MEO comparison

F. Service Contracts

1. COR management
2. Performance based service
3. Performance statement of work

4. Performance measures
  - a. Incentives
  - b. Penalties

G. Award Documentation

1. Validity of proposal
2. CHINFO release
3. DD350

H. Post-Award Documentation

1. IDTC contract management
2. Modifications

**Special Interest Items**

A. Central Point of Contact

B. Policy

C. Tracking System

D. Review/Action Process

Pre-Assessment Checklist

**PROCUREMENT PERFORMANCE**  
**MEASUREMENT ASSESSMENT PROGRAM**  
**(PPMAP)**  
**PRE-ASSESSMENT CHECKLIST INSTRUCTION**

1. Please complete and return the checked PPMAP pre-review questionnaire assessment areas to the reviewing activity by the date specified in your activity's PPMAP notification letter:

ASSESSMENT AREA 1	MISSION AND ORGANIZATION___.
ASSESSMENT AREA 2	MANAGEMENT OF THE CONTRACTING FUNCTION___.
ASSESSMENT AREA 2A	PPMAP DETACHMENT___.
ASSESSMENT AREA 2B	SADBU___.
ASSESSMENT AREA 3	SELF-ASSESSMENT/QUALITY ASSURANCE___.
ASSESSMENT AREA 4	CONTRACT PLANNING, SOLICITATION, SOURCE SELECTION, AND POST AWARD FUNCTIONS___.
ASSESSMENT AREA 5	SIMPLIFIED ACQUISITION PROCEDURES___.
ASSESSMENT AREA 5A	PURCHASE CARD___.
ASSESSMENT AREA 6	SPECIAL INTEREST ITEMS___.

2. PPMAP Report Format. Assessment areas 1, 2, 3, 4, 5 and 6 correspond to the six chapters of the PPMAP report. The PPMAP review team will include assessment areas 2A and 2B, if applicable, in Chapter 2 of the report. The team will include assessment area 5A, if applicable, in Chapter 5 of the report.

3. Each assessment area identifies a responsible PPMAP team member. NAVSUP 02 requests the activity identify an activity Point of Contact (POC) (may be one POC for each area) and provide the information requested for each assessment area.

4. Upon submission of the activity's completed pre-review checklists to the reviewing activity, the cognizant PPMAP team members for each assessment area will review the activity's responses. The responsible PPMAP team members for each assessment area may delegate the review of specified module information to other PPMAP team members. If the cognizant PPMAP team member delegates review, he/she will inform the activity's POC. Subsequent to review of the activity's responses, the PPMAP team members will begin pre-review discussions with the activity's POC. The PPMAP team members may request additional information from the POC including, but not limited to, copies of referenced policies; detailed descriptions of procedures/processes; examples of reported actions; samples of work products; etc.

5. NAVSUP will use information gained during the pre-review

discussions to begin pre-review draft written assessments. During the on-site visit, additional information will be obtained to complete the PPMAP Report.

6. Activities should not develop "written"/"formal" policies for the sole purpose of addressing questions in the attached assessment areas. When questions request submission of policy/brief descriptions of procedures, a description, as stated, is sufficient if a written policy is not available.

**ASSESSMENT AREA 1  
MISSION AND ORGANIZATION**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

Note: Unless specified, questions regarding staff numbers pertain to first level supervisors and below not including management assistants and non-procurement series.

A. Staffing and Organizational Structure

1. Provide an organizational chart of procurement operations including all sites and detachments.

2. Provide functional statements for each site and detachment identified in 1 above.

3. Provide the purchase office codes and UIC's for each site and detachment identified in 1 above.

4. Provide copies of all partnering and pending partnership agreements.

5. Provide personnel information separated by organizational entity to include name, position, grade, warrant level, telephone number, years of experience, mandatory classes completed and DAWIA certifications.

6. How many employees comprise the entire contracting and simplified acquisition procedures staff? Civilian \_\_\_ Foreign Service Nationals \_\_\_ Military \_\_\_ Total \_\_\_

B. Mission Statement. Provide the mission statement and an explanation of how it defines organizational purpose, taking into account the needs and expectations of all key stakeholders.

**ASSESSMENT AREA 2  
MANAGEMENT OF THE CONTRACTING FUNCTION**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

A. Contracting Organizational Leadership

1. Provide the activity's vision statement.
2. How do contracts leaders communicate and reinforce guiding principles supporting organizational values, performance expectations, customer focus and commitment to continuous learning?
3. Describe briefly how contracts leaders review organizational performance and capabilities relative to performance expectations, customer focus, commitment to continuous learning and changing organizational needs.
4. What are your key recent performance review findings, priorities for improvement and opportunities for change?

B. Workforce Education

1. What percentage of your 1102s graduated from college or university with a bachelors or higher degree? <25% \_\_\_\_  
25%-49% \_\_\_\_ 50%-74% \_\_\_\_ 75%-99% \_\_\_\_ 100% \_\_\_\_
2. What percentage of large contracts personnel are DAWIA certified at their current working level? <25% \_\_\_\_ 25%-49% \_\_\_\_  
50%-74% \_\_\_\_ 75%-99% \_\_\_\_ 100% \_\_\_\_
3. Excluding DAWIA Level III certified personnel, what percentage of large contracts personnel are DAWIA certified at the next higher working level? <25% \_\_\_\_ 25%-49% \_\_\_\_ 50%-74% \_\_\_\_  
75%-99% \_\_\_\_ 100% \_\_\_\_
4. What percentage of SAP personnel are DAWIA certified at their current working level? <25% \_\_\_\_ 25%-49% \_\_\_\_ 50%-74% \_\_\_\_  
75%-99% \_\_\_\_ 100% \_\_\_\_

5. Excluding DAWIA Level II certified personnel, what percentage of SAP personnel is DAWIA certified at the next higher working level? <25% \_\_\_ 25%-49% \_\_\_ 50%-74% \_\_\_ 75%-99% \_\_\_ 100% \_\_\_

6. How does the activity deliver and evaluate formal/informal education initiatives and developmental assignments.

7. What percentage of your 1102 workforce holds membership in a professional acquisition organization or holds a professional acquisition certification?

C. Strategic Plan

1. Provide a copy of the activity's strategic plan and the process used to implement the plan.

2. Identify contracting related strategic plan goals and performance against those goals.

3. Describe how the activity strategic plan relates to employee performance plans.

4. How does the activity fully communicate both NAVSUP's and the activity's strategic plans to all employees?

D. Management Information System

1. Provide a description of the Management Information System (MIS) and provide sample reports used for workload management that the activity uses.

2. Describe how the activity uses MIS data to improve contract operations.

3. Is MIS data reported electronically or manually? If manually, why?

E. Reporting Procedures

1. Provide a detailed description of the activity's process for collecting DD1057 and DD350 data.

2. List/briefly describe training employees receive on completion of DD1057 and DD350 data.

F. Customer Focus

1. List the organization's ten major customers/technical

codes (based on total dollars) with points of contact, phone numbers and total dollars obligated for the current fiscal year to date and for the previous fiscal year.

2. Describe the organization's customer management program, including how the activity determines customers' long-term requirements, expectations and preferences and how customer complaints are managed.

3. What percentage of customers served during the following timeframes provided customer satisfaction survey input?

Qtr 1 \_\_\_ Qtr 2 \_\_\_ Qtr 3 \_\_\_ Qtr 4 \_\_\_ Last fiscal year?  
Qtr 1 \_\_\_ Qtr 2 \_\_\_ Qtr 3 \_\_\_ Qtr 4 \_\_\_

4. What was the activity's rating for "Overall Customer Satisfaction" this fiscal year?

Contracts: Qtr 1 \_\_\_ Qtr 2 \_\_\_ Qtr 3 \_\_\_ Qtr 4 \_\_\_  
SAP: Qtr 1 \_\_\_ Qtr 2 \_\_\_ Qtr 3 \_\_\_ Qtr 4 \_\_\_

5. Describe actions taken in response to customer survey input.

6. How does the activity provide results of the customer satisfaction surveys to employees?

7. How does the activity measure and assess customer satisfaction?

8. How are employees trained in customer service?

9. How are customers informed of your customer service standards?

10. Provide information regarding performance against NAVSUP goals.

G. Employee Focus/Organizational Climate

1. Describe organizational climate studies/workplace surveys conducted within the past two years by the activity or outside sources and provide the final report of the latest study/survey.

2. Describe how the organization supports a climate in which decisions are made at the lowest appropriate level.

3. How (by what means) does the organization keep employees informed about the organization's issues and initiatives?

4. How (by what means) does the organization convey the activity's goals to employees?

5. In establishing and planning the activity's goals how does the organization involve the entire contracting/procurement staff?

6. Explain the link between employees' performance appraisal elements and the activity's goals.

7. What formal program(s) or forum does the organization have to recognize employees who perform high quality work?

8. Describe how management encourages employees at all levels to submit ideas and suggestions that improve the procurement process, the work environment and morale.

9. Describe how management motivates/encourages employees to develop and utilize their full potential?

10. Explain how safety, health, ergonomics, laborsaving devices and information technology are integrated to promote employee well-being and satisfaction while balancing this environment with productivity?

11. Describe how the activity has created flexibility in work and job design (e.g., cross-training, job rotation and changes in work layout/locations).

#### H. Contracting Officers Warrant System

1. For the individuals identified as having warrants under "Staffing and Organization", please provide supporting documentation including DAWIA certification if U.S. citizens.

2. Against what criteria does the organization measure employees for the issuance of contracting officer warrants?

3. What percentage of the contracting officers meets the established criteria for contracting officer's warrants?

<25% \_\_\_ 25%-49% \_\_\_ 50%-74% \_\_\_ 74%-99% \_\_\_ 100% \_\_\_

#### I. Contracting Officer Representative Program

1. Under separate cover, please provide a list of all CORs and Ordering Officers including name, phone number, contract number and type, training record and employing activity.

2. What percentage of the CORs meets the established criteria in NAVSUPINST 4205.3 series for CORs?

<25% \_\_\_ 25%-49% \_\_\_ 50%-74% \_\_\_ 75%-99% \_\_\_ 100% \_\_\_

3. What records does the contracting office maintain pertaining to COR evaluations, meetings, etc.?

4. How often does the activity provide or facilitate the provision of COR refresher training?

J. Notable Accomplishments/Best Practices. Briefly describe notable accomplishments over the past two years.

**ASSESSMENT AREA 2A**  
**PPMAP DETACHMENT**

<u>PPMAP Team</u>	<u>Activity</u>
POC _____	POC _____
Phone _____	Phone _____
Fax: _____	Fax: _____
E-Mail _____	E-Mail _____

1. Provide an organization chart of the Procurement Performance Measurement Assessment Program Detachment.

2. Unless provided in the activity's general submission, please provide personnel information to include name, position, grade, warrant level, telephone number, years of experience, mandatory classes completed and DAWIA certifications.

3. During the on-site review, have available a current list of all activities delegated procurement authority by this detachment. The list should group all activities by the level of authority granted them (i.e. purchase card, purchase card plus, SAP).

4. Describe the detachment's system to follow-up and closeout PPMAP's/purchase card reviews.

5. Beside execution of the detachment's primary oversight mission, list all other responsibilities assigned to the PPMAP detachment by their parent command.

6. Describe the detachment's system for maintaining activity files.

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7. During the past year how many PC activities have failed PC reviews? How many SAP activities have failed PPMAPs?
8. How many on-site re-reviews have you accomplished this year?
9. What type of activity database do you maintain for your activities. What data elements do you maintain?
10. What type of non-oversight activities do you perform?
11. What additional field contracting support do you provide?

**ASSESSMENT AREA 2B**  
**SADBU**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

Introduction

The provisions of Navy Acquisition Procedures Supplement (NAPS) 5219.201(S-90) establish Small and Disadvantaged Business Utilization (SADBU) reviews in concert with departmental Procurement Performance Management Assessments (PPMAP), and require the Director, SADBU, Office of the Secretary of the Navy (OSN), to provide guidelines for conducting the PPMAP SADBU segments.

The appropriate use of the OSN SADBU guidelines will contribute to overall consistency in implementing PPMAP SADBU segments. The guidelines are intended to be sufficiently flexible to permit their effective use. They may be amended from time to time to maintain currency and to reflect other changes that are invited to submit suggestions and recommendations concerning the guidelines format, content and utilization.

Special Note: The guidelines should be completed by recording responses under each question or item requesting data. In instances where space is insufficient (under the question/request for data), attach additional pages to the guidelines response where necessary.

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PPMAP SADBUs Segment Structure

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- I. Goals Implementation
- II. Statistical Performance Reports
- III. Small Business Specialist (SBS)
- IV. SADBUs Program Procedures
- V. Subcontracting Plans and Contract Administration
- VI. Training
- VII. Outreach
- VIII. Contracting with the Small Business Administration (SBA); The Section 8(a) Program

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Activity Identification

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Name of Activity:

Date of Review:

Reviewer(s) and Organization:

Activity Commander/  
Commanding Officer

Supply Officer:

Director, Contracts:

Small Business Specialist:

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Part I - Goals Implementation

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I-1. SADBUs Program Goals. Identify the specific actions taken by the Commander/Commanding Officer and the activity to implement the annual OSN goals assignment or its derivative received from the activity's headquarters organization. If the activity has no goals assignment, so note and explain.

I-2. Goals Management. Describe the role of the Commander/Commanding Officer in the goals setting and goals attainment process.

Describe the role of the Small Business Specialist in the goals setting and attainment process.

I-3. Goals Assignment. Provide a copy of correspondence assigning goals to your activity. As applicable, provide copies of your correspondence assigning goals to subordinate elements, or explain the failure to assign goals to subordinate elements. [SECNAVINST 4380.8A, para. 6]

Part II - Statistical Performance Reports

II-1. Prime Contract and Subcontract Award Data. In the format provided below, record, as applicable, your prime contract and subcontract award data (report on two previous fiscal years and current fiscal year to date).

\$s in Millions	FY	FY	FY		
a. TOTAL U.S.	\$ _____	\$ _____	\$ _____		
b. SMBUS PRIME % of U.S.	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %
c. SMBUS S/A % of U.S.	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %
d. Sm Dis. Bus. % of U.S.	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %
e. 8(A) % of U.S.	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %
f. SDB S/A	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %
g. SM Women- OWNED BUS. % of U.S.	\$ _____ _____ %	\$ _____ _____ %	\$ _____ _____ %	_____ %	_____ %

<u>ASSIGNED GOAL</u>	FY	FY	FY	
		TO DATE*	FOR FY	
h. TOT SUB- CONTRACTS**	\$ _____	\$ _____	\$ _____	
i. SMBUS. SUB.**\$ %of TOT SUBCONTRACTS	_____ %	_____ %	_____ %	_____ %
j. SM. DIS. BUS. SUB.** % OF TOT. SUBCONTRACTS	_____ %	_____ %	_____ %	_____ %
k. SM WOMEN- OWNED BUS. SUB.** % OF TOT. SUBCONTRACTS	_____ %	_____ %	_____ %	_____ %
l. TOTAL R&D	\$ _____	\$ _____	\$ _____	
m. SMBUS R&D % TOT.R&D	_____ %	_____ %	_____ %	\$ _____ %
n. TOTAL HEI***\$	\$ _____	\$ _____	\$ _____	
o. HBCU/MI % OF HEI	_____ %	_____ %	_____ %	_____ %

\* INDICATE REPORTING MONTH  
\*\* CONTRACTS RETAINED FOR ADMINISTRATION  
\*\*\* HIGHER EDUCATIONAL INSTITUTIONS

II-2. Factors Which Influence Prime Contract and Subcontract Awards. For the prime contract and subcontract award data (dollar and percentage) provided in II-1 above, explain, as necessary, any change(s) in mission activity, procurement mix, or other attributes that you believe had an impact on the contract award data being presented. Also, provide an explanation if the percentage trend for any of the goaled areas is downward for the last two fiscal years and/or if the activity failed to meet its assigned goal(s) for the last fiscal year.

Part III - Small Business Specialist (SBS)

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III-1. Assignment of Small Business Personnel. Identify the Associate Director of Small Business or Deputy for Small Business and (any) other personnel assigned specifically to the SADB function, including their name(s), title(s), organizational code(s), series and grade(s). Indicate whether the assignment (s) is full-time or part-time.

To whom does the SBS report on small business matters?

Identify (by title) the SBS's immediate supervisor.

If a "full-time" SBS, identify other than SADB duties also performed and the percentage of time devoted to them.

Provide a copy of the SBS appointing letter.

III-2. Coordination of Appointments. For full-time SBS's provide documentation of the appointment coordination with the Director, SADB. If such coordination has not taken place, explain why.

III-3. Part-time SBS Assignments. When a part-time SBS assignment is made at the activity (purchase authority in excess of \$10,000 and activity's annual purchases do not exceed \$100 million) -

What percentage of time is allotted for SADB-related duties?

Do SADB duties take precedence over other functions?

On small business matters, does the SBS report directly to the head of the activity?

Other than SADBUs duties, what functions does the SBS perform?

III-4. SBS Duties. Does the SBS's position description incorporate SADBUs program duties, including the specific responsibilities contained in DFARS, NAPS and SECNAVINST provisions?

Provide a copy of the SBS position.

From the position description provided, identify (in descending order) the approximate percentage of time devoted to each major duty/responsibility.

[DFARS 219.201(d); NAPS 5219(d); SECNAVINST 4380.8A, para. 6]

III-5. SBS Briefings to Command. Has the SBS conducted quarterly briefings for the command on implementation of the activity's SADBUs program?

Do contracting and technical personnel participate in these briefings?

When was the last briefing conducted? Please describe the agenda.

When is the next briefing scheduled, and what agenda items are contemplated?

III-6. Subordinate Activities. Describe the process conducted by the Associate Director of Small Business or Deputy for Small Business to monitor SADBUs program implementation at subordinate contracting activities, including the conduct of PPMAP SADBUs segments.

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#### Part IV - SADBUs Program Procedures

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IV-1. Command Participation. Identify formal and other SADBUs program support measures, in addition to goaling proceedings outlined in Part I, initiated by the head of the activity.

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IV-2. SBA Representatives. Where SBA has assigned a resident procurement center representative, has the activity assigned a small business technical advisor?

IV-3. Set Asides. Describe the role of the contracting officer and the SBS, respectively, in reviewing proposed acquisition actions for potential set-aside applications.

What process is in place to ensure that such review is made before issuance of the solicitation or contract modification, and that the DD Form 2579, Small Business Coordination Record, is documented properly.

If the activity uses automated contracting procedures, how are non-small business-small purchase set-asides reviewed for set-aside applications?

Are contracting officers initiating set-asides when the regulatory criteria are met; or, are contracting officers (apparently) requiring a greater number of prospective small business offerors as a set-aside condition? (Confirm the conclusion with the results of the contracts files review. See Addendum A.)

IV-4. Repetitive Set-asides. Are repetitive small business and SDB set-aside list maintained?

What procedure is utilized by the activity to assure repetitive set-aside implementation?

IV-5. Set-aside Withdrawals and Appeal of Non-set-aside Determinations. During the past two fiscal years to date, how many set-aside withdrawals have been challenged by the SBS, and how many non-set-aside appeals (at the activity level) have been initiated by the SBA.

IV-6. Reporting in the Commerce Business Daily. Describe the confirmation process initiated to assure that pre-award and

post-award synopses are placed (timely) in the Commerce Business Daily.

IV-7. Solicitation Mailing Lists. Describe the activity's mailing list system concerning;

Type (manual or automated);

Search capabilities;

Procedures/frequency for maintaining currency;

Date of last update; and

Identification of firms (e.g. small, small disadvantaged, dealer/manufacturer).

IV-8. Displaying Solicitations. Is a copy of each solicitation for unclassified procurements in excess of \$5,000 each being displayed in the contracting office? If not, explain why.

IV-9. Providing Solicitation Packages. Identify each case where a small business concern was denied a requested solicitation package, including the reason for denial.

IV-10. Small Business and Small Disadvantaged Business Participation as a Source Selection Factor. For acquisitions other than those based on cost or price competition, and which require use of the clause at FAR 52.219-9, Small Business and Small Disadvantaged Business Subcontracting Plan, do solicitations contain an evaluation criterion relative to SB, SDB, HBCU/MI performance of the contract, whether as a joint venture, teaming arrangement, or subcontractor. If not, explain.

IV-11. Utilization of the SDB Evaluation Preference. Does the activity include the SDB evaluation preference in its procurement actions? Explain.

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IV-12. Non-responsibility Referrals. Is the SBS notified when the contracting officer makes a non-responsibility determination on a small business concern?

IV-13. Reporting SB/SDB/HBCU/MI Awards. What system of verification does the activity utilize to monitor reporting of contracts awarded under small business preference procedures?

Does the SBS recommend action(s) to correct (contract award) reporting errors/deficiencies?

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Part V - Subcontracting Plans and Contract Administration

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V-1. Review of Contractor-Proposed Subcontracting Plans. How do the Contracting Officer and SBS establish acceptability of subcontracting plans submitted by prime contractors for incorporation into contracts?

Is there a system in place for ensuring the review of all procurement actions requiring a subcontracting plan?

How are proposed zero goals challenged?

When a zero goal is accepted, is the determination approved at a level above the contracting officer and documented in the contract file?

Describe the contracting officer's utilization of Contract Administration Office data in reviewing the acceptability of the proposed subcontracting plan.

V-2. Requiring the Subcontracting Plan (Solicitations). Since the beginning of the fiscal year, were any solicitations for prime contract awards valued in excess of \$500,000 (\$1 million for construction) issued that did not require submission of subcontracting plans? If so, explain the circumstances that exempted subcontracting plan inclusion and, as appropriate, provide a copy of the "no subcontracting plan" determination

which was approved at a level above the contracting officer.  
(Include results of review of contract files.)

V-3. Inclusion of Subcontracting Plans in Contracts and Contract Modifications. For the past and current fiscal years, how many contracts and modifications (valued over \$500,000/\$1 million for construction) issued to other than small business concerns did not include a subcontracting plan? List the contracts and modifications separately and their dollar values. Concerning erroneous exclusions, what corrective measures were taken to correct oversights or erroneous "no plan" determinations? Provide copies of "no plan" determinations.

V-4. SDB Goals in Subcontracting Plans. If any subcontracting plans reflect an SDB goal of less than 5 percent, do the contract files contain documentation verifying approval (of the lesser goal) two levels above the contracting officer?

V-5. SDB Incentive Provisions. In negotiated contracts that include subcontracting plans, are the SDB/HBCU/MI incentive provisions incorporated? What is the explanation for any exclusions? Have any incentive payments been requested/made under these incentive provisions?

V-6. SDB Award Fee Incentive. For negotiated acquisitions of \$10 million or more, has the activity utilized the SDB award fee incentive clause? Describe the incentive fee plan that was incorporated into the contract(s).

V-7. Retention of Contract Administration by the Activity. Identify the contracts with subcontracting plans that have been retained by the activity for administration for the last and current fiscal years. For these contracts, how is compliance with the subcontracting plan requirements monitored by the activity?

V-8. Subcontracting Reporting, Standard Forms (SF) 294 and 295. Does the activity maintain the semiannual SF 294 reports

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submitted by its prime contractors? Provide a copy of the latest SF 294 received from each of its reporting prime contractors.

Does the activity maintain quarterly SF 295 reports submitted by its prime contractors?

What does the activity do to ensure that SF 295 reports are forwarded to the Director, SADB, on a timely basis?

V-9. Contractor Compliance on Subcontracting Plans. For the past and current fiscal years, identify action(s) taken by the contracting officer(s) to enforce the terms of the subcontracting plan(s).

How has the SBS assisted in this effort?

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Part VI - Training

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VI-1. SADB Program Training Sessions. Describe the SBS' training program utilized to ensure that contracting and technical personnel maintain knowledge of program requirements.

Provide dates of training sessions, topic(s) covered, number of trainees and types of positions, and the name(s)/title(s) of all individuals conducting the training.

When is the next training session scheduled?

VI-2. Advising Activity Personnel on SADB Program Status/Changes. What other methods are used by the activity to ensure that activity personnel receive SADB program information?

Part VII - Outreach

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VII-1. Maintaining an Outreach Program. Describe the activity's program designed to locate and develop prospective source information on small businesses, SDBs, HBCUs and MIs.

VII-2. Prospective Sources. Describe the procedures utilized by the activity to process marketing inquiries from small and disadvantaged business concerns.

VII-3. Briefings Conducted by the Activity. Describe the content and frequency of the briefings on potential contracting opportunities conducted by the activity for small businesses, SDBs, HBCUs, and MIs.

VII-4. Marketing Publications. Identify (by name/title) the publications utilized by the activity to advise prospective and/or services normally procured by the activity.

VII-5. Participation in Outreach Conferences. Identify (by location and date) procurement conferences sponsored/supported by the activity during the past and current fiscal years.

VII-6. SBS Participation in the DOD Area Small Business Council and Similar Organizations. If the SBS is a member of the DOD Area Small Business Council:

Participation capacity,

Other related organizations.

VII-7. Historically Black Colleges and Universities and Minority Institutions. Describe the activity's implementation on the DOD policy to assist HBCUs and MIs.

VII-8. Contracting Officer Appraisal Plans. Do contracting officers' performance appraisal plans include special efforts to increase prime contract and subcontract awards to SDBs, HBCUs and MIs as a critical element? Has this requirement been expanded to include other activity personnel?

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Part VIII - Contracting with the SBA;  
The Section 8(a) Program

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VIII-1. Publicizing 8(a) Contracting Actions. Are all competitive 8(a) actions for national buy requirements synopsized in the Commerce Business Daily and accomplished concurrently with the offerings to SBA? Identify any exceptions taken by the activity.

VIII-2. 8(a) Preference. Is initial SADBUs set-aside preference consideration given to 8(a) program application? Explain any circumstances where this has not occurred.

VIII-3. 8(a) Offerings to SBA. For the past and current fiscal years, of the total number of 8(a) contracts awarded, provide the approximate percentages resulting from your activity's voluntary offerings and from SBA search letters for specific requirements.

Percent resulting from activity offerings \_\_\_\_\_

Percent resulting from SBA search letters \_\_\_\_\_

VIII-4. Outstanding SBA Search Letters. At this point in time, how many search letters remain open for response (to SBA) at your activity?

What system does the activity utilize to follow-up and resolve open search letters?

VIII-5. Competitive vs. Non-competitive 8(a) Actions. When the procurement action meets the 8(a) competition threshold, but

the "2 or more" rule is not met, is a non-competitive offering made to SBA by the activity? Explain.

VIII-6. Technical Assistance to 8(a) Contractors. Has technical assistance ever been offered by the activity to an 8(a) contractor during contract performance? Explain.

VIII-7. Copies of Activity Offerings and Declinations. Are copies of offering and declination letters provided to the Director, SADBU?

VIII-8. Retaining 8(a) Requirements within the 8(a) Program. Does the activity adhere to the DOD policy on retaining follow-on 8(a) requirements within the 8(a) program?

**ASSESSMENT AREA 3**  
**SELF-ASSESSMENT/QUALITY ASSURANCE**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

A. Quality Assurance Systems

1. Please provide a copy of the activity's formal self-assessment and quality assurance plan with most recent quarterly results (i.e. metrics).

2. Provide a detailed description of the activity's self-assessment and quality assurance plan.

3. Who administers the plan?

4. How has the activity communicated the plan to contracting/procurement employees?

5. Briefly describe, or provide examples of, how the activity uses the plan to actively assess and improve acquisition.

6. To encourage best practices and improvement what guiding principles are stated in the plan?

7. What criteria does the activity use for selection of critical acquisition processes that are tracked and monitored?

8. Provide metrics and status of critical acquisition processes tracked by the activity and goals established for improvement.

9. Briefly describe documentation processes and provide examples of corrective actions taken by the activity based on observations and data analysis of critical acquisition procurement processes. After the activity analyzes data and takes corrective actions, how is the information provided to employees?

B. Workforce Training

1. Describe in detail the activity's DAWIA/non-DAWIA training program and all other formal/informal training initiatives.

2. Do all employees have individual development plans (IDP)? Yes \_\_\_ No \_\_\_ If "Yes", what percentage of courses originally included on the IDP's for last Fiscal Year were actually completed? <25% \_\_\_ 25%-49% \_\_\_ 50%-74% \_\_\_ 75%-99% \_\_\_ 100% \_\_\_

3. How does the activity monitor training to ensure all employees receive at least 40 hours of training per year? What percentage of your employees completed mandatory training last fiscal year?

4. Upon completion of training, how do supervisors and employees evaluate the effectiveness and applicability of the training?

5. Provide examples of pertinent on-the-job or rotational assignments, etc., the organization uses to reinforce classroom training.

C. Acquisition and Logistics Excellence Initiatives

1. List notable initiatives implemented by the activity that actively support the acquisition reform program.

2. Provide metrics and status of associated goals the activity tracks to measure progress toward meeting acquisition reform initiatives.

D. Policy

1. Describe in detail the process the activity utilizes to distribute policy to all employees in a timely basis?
2. Provide a copy of latest regularly published newsletter or similar document the activity distributes.
3. During the on-site review, have available NAVSUP policy and instructions, local standard operating procedures, local instructions and local forms.

**ASSESSMENT AREA 4**  
**CONTRACT PLANNING, SOLICITATION, SOURCE SELECTION, AND POST**  
**AWARD FUNCTIONS**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

1. What is your policy/guidance for conducting and documenting any specific planning to include, for example, development of an independent government estimate, market research and commerciality determination?
2. To what degree is there training/coordination with the comptroller to ensure understanding of appropriation restrictions and financial policies?
3. Does the activity post requirements to NECO?
4. What formal guidance do you give to technical evaluation teams?
5. What policy/training/guidance do you have for documentation of source selection decisions?
6. What system does the activity utilize to collect performance data, to communicate performance information with other Government agencies and to apply performance information to procurement decisions and is the system automated?
7. How does the activity maintain evaluations of on-going contracts in the contract files?
8. How does the activity share performance evaluations with contractors and does the activity give the contractor an opportunity to rebut or respond?

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9. Describe the strategy/process the activity employs to eliminate chronic poor performers.

10. What is your process for continuing to coordinate with customers after award?

**ASSESSMENT AREA 5**  
**SIMPLIFIED ACQUISITION PROCEDURES**

PPMAP Team	Activity
POC: _____	POC: _____
Phone: _____	Phone: _____
FAX: _____	FAX: _____
E-Mail: _____	E-Mail: _____

A. General

1. Provide a process flow chart/written description of the process illustrating the flow of procurement documents from receipt through award.

2. How does the activity measure "cycle time". What is "cycle time" for the following categories of procurements over the past 2 years.

\$2500 - \$25,000  
\$25,000 - \$100,000  
\$100,000 - \$5M (When using FAR part 13.5)

3. Have available work-in process reports for the last 12 months for review during the site visit.

4. List any Integrated Program Team (IPTs); Process Action Teams (PAT), Tiger Teams or other Customer Focus Teams in which individuals participated.

5. Provide a copy of the Office of Counsel instruction.

6. Provide a copy of all local instructions relating to the issuance of simplified acquisition procedures.

B. Planning and Requirements Documentation

1. How do the personnel using simplified acquisition procedures work with customers to determine/discuss future requirements?

2. Describe the type of system the command uses to monitor and control the flow of purchase requests within the organization.

3. What policies/procedures does the activity have in place to ensure a separation of function is maintained? (Initiation, award and receipt)

4. What policy, procedures, training is provided to employees concerning the various types of funding and/or limitations on types of funding?

5. What procedures are in place to ensure purchase requirements are screened for their availability from the "Mandatory Government Sources of Supply" (UNICOR, JWOD, GSA, etc.).

#### C. Approvals and Determinations

1. Has the command published guidance on the documentation requirements for limiting competition? Please provide the guidance as part of the site visit.

2. Describe the process for soliciting requirements on an unrestricted basis. Who approves soliciting actions on an unrestricted basis at or below \$10,000? Who approves soliciting actions above \$10,000?

3. Does the Competition Advocate review and evaluate simplified acquisition statistics on a regular basis to identify trends, competition opportunities, etc? What are the dollar thresholds that the Competition Advocate reviews activity requirements?

#### D. Solicitation Procedures

1. What process is in place to review the currency of terms conditions and clauses used in simplified acquisition actions.

2. Do procurement agents/buyers perform market research? What is the process by which market research is conducted? How are the results documented?

3. Does the command maintain a source list?

4. Does the activity promote the use of FAR Part 12 procedures? What policy and procedures exist to assist contracting personnel in utilizing commercial acquisition procedures?

5. What process does the command have in place to ensure that requirements above \$2500 are competed to the maximum extent practical?

6. What is the process by which the command processes and

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approves non-competitive requirements? Who within the command approves non-competitive requirements?

7. What is the process by which the command posts requirements at or above \$10,000? Does the command post paper copies? Does the command post to NECO? Has the command provided public notice of their electronic posting capability?

8. What is the process by which the command synopsis requirements? Are requirements posted to FEDBIZOPPS? Are requirements posted to NECO?

#### E. Evaluation Stage

1. Describe the command's system/process for evaluating contractor past performance? Does the command use RYG? Does the command post information to CPARS? What are the dollar thresholds that the activity uses RYG or CPARS locally?

2. Describe the process by which contracting officers determine prices fair and reasonable. Does the command conduct reviews of purchase files to ensure awards are made at fair and reasonable prices?

#### F. Award Phase

1. What is the process by which contracting officers ensure awards are made to responsible contractors.

2. Does the command use Contract Review Boards (CRB) for simplified acquisition procedures. What are the dollar thresholds for conducting review boards locally? Are lessons learned at CRBs and source selection efforts, etc., as training devices for employees.

3. Has the command made awards on the basis of other than lowest price for actions accomplished using simplified acquisition procedures?

4. Has the command made any awards with options using simplified acquisition procedures?

5. Does the command use IDTPOs?

6. Does the command issue orders against GSA Federal Supply Schedules?

7. Does the command have internal operating policies and procedures for ensuring the best contracting method is used to acquire the supplies or services?

G. Contractor Performance Data

1. What systems does the activity utilize to collect performance data, to communicate performance information with other Government agencies, and to apply performance information to procurement decisions? Is the systems automated?

2. Does the command maintain evaluations on on-going or closed contracts in the contract files?

3. Describe how the command shares performance evaluations with their contractors and does the command give the contractor an opportunity to rebut or respond.

4. What is the local experience with contractor performance? Do contractors typically meet or exceed customer expectations

5. Does the command share past performance information with other agencies. How?

H. Contract Administration

1. Does the command issues orders using fast payment procedures. Under what circumstances are they issued? What process does the command use to ensure contractor compliance?

2. Does the command have an Imprest Fund?

3. Does the command use SF-44

4. What is the process by which the command accomplishes contract closeout for purchase actions awarded using simplified acquisitions?

5. Does the command have a post-award system to ensure products and services meet or exceed customer's expectations.

6. How does the command ensure that modifications, delivery orders and change orders are accomplished in a timely manner?

7. Describe the process by which the command administers its BPA.

8. Describe the process by which active and closed-out files are maintained.

9. Describe the process by which the DD Form 1057 and DD Form 350 are completed by the purchasing agents/ buyers.

**ASSESSMENT AREA 5A**  
**PURCHASE CARD**

PPMAP Team

		Activity
POC: _____	POC: _____	
Phone: _____	Phone: _____	
Fax: _____	Fax: _____	
E-Mail: _____	E-Mail: _____	

A. General

1. Provide a copy of the activities written Internal Operating Procedures (IOP).
2. How often is the IOP reviewed and updated?
3. Describe the process by which purchase card and accommodation checks are funded.
4. Describe the process by which cardholders ensure sufficient funding is available prior to making a purchase.
5. Describe the process by which cardholders review and approve their monthly invoices, approving officials certify monthly statements and reviewing officials review purchase card transactions. Is the present review, approval and certification process following present DON guidelines?
6. Provide copies of the last 12 months of monthly reviews and two semiannual reviews. Please provide documentation of any corrective action taken resulting from discrepancies identified in the reviews.
7. What is the command's present "span of control" for APCs to the overall purchase card program and AOs to purchase cardholders?
8. How does the command ensure equitable distribution of business of micro purchases?
9. What is the command's dispute process?
10. How does the command account for plant property purchases with the purchase card?
11. How does the command ensure a "separation of functions" with purchase card purchases?
12. Is the command within the DOD guidelines for purchase

card delinquencies? What is present number of delinquent actions/accounts?

13. What is process to ensure purchase cardholders use mandatory sources of supply?

14. How does command ensure items requiring special approvals receive appropriate attention?

15. What process does the command have in place to address instances of apparent unauthorized purchases, misuse and/or abuse?

B. Personnel

1. Please provide a list of all AOs and purchase cardholders by organizational entity to include name, position, grade and telephone number. In addition, provide a detailed explanation of the purchase card hierarchical structure for all AOs and purchase cardholders.

2. Provide the dates and source of training for the APCs, AOS, and purchase cardholder.

3. Provide the copies of the appointment letters or SF1402 for the APCs, AOs, purchase cardholder and reviewing official.

C. Training/Guidance

1. Have the APCs, AOs and purchase cardholders received appropriate standards of conduct training as required their position.

2. Does the command provide local training prior to the appointment of AOs and purchase cardholders including training on the local IOP?

3. Please provide documentation of the refresher training provided by the command including the dates, times and persons attending and persons conducting the training.

4. Describe the process by which the command keeps AOs, purchase cardholders and reviewing officials aware of changes in local policies and procedures.

5. How does the command ensure AOs, purchase cardholders and reviewing officials are aware of current GSA, DOD and DON policies and procedures.

D. Other Uses of the Purchase Card

1. Letters of Agreement (LOAs)

- a. Does the command issue LOAs?
- b. Does the command issue orders against another command's LOAs?
- c. Provide a list of all LOAs by commodity and business size.
- d. Provide a list of all purchase cardholders or commands authorized to issue orders against LOAs.
- e. If you are a command issuing the LOA, what controls do you have in place to ensure ordering officers are competing requirements, documenting awards, and/or properly utilizing the LOAs?
- f. How does the command issuing the LOA report the orders issued against the LOA into the PMRS system?

2. Accommodation Checks

- a. Have you established any accommodation check accounts?
- b. Does the command have an appropriate letter signed by the commanding officer/director authorizing the establishment of an accommodation account?
- c. Please provide the name, code, phone number, grade and series for the accommodation check cashier, accommodation check custodian and the level about signature authority for use of accommodation checks.
- d. Please provide a list of accommodation checks issued including the check number, amount, vendor and supply or service.
- e. Is the accommodation check cashier also a purchase cardholder?
- f. What controls does the command have in place to ensure that the accommodation check cashier obtains a level of approval before issuing an accommodation check?
- g. How are accommodation checks funded?
- h. How does the command provide over-sight of the accommodation check account? Who performs the reviews? Please provide copies of the last two reviews performed on the

accommodation check account. Please provide any documentation resulting from discrepancies identified in the accommodation check review.

i. Describe the process by which the command issues 1099s resulting from issuing accommodation checks for services. Describe the process by which the command reports 1099 to the Internal Revenue Service.

3. Using the Purchase Card as a Method of Payment

a. Does the command use the purchase card as a method of payment for:

- (1) 1556s
- (2) 282 (DAPS orders)
- (3) DD Form 1155s
- (4) SF-1449
- (5) Purchase Orders
- (6) BPA Calls
- (7) LOAs
- (8) GSA Delivery Orders

b. Describe the process by which the command uses the purchase card as a method of payment for the actions described above. Please provide samples of forms paid for using the purchase card.

**ASSESSMENT AREA 6**  
**SPECIAL INTEREST ITEMS**

<u>PPMAP Team</u>	<u>Activity</u>
POC: _____	POC: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____

A. Interagency Acquisition (Economy Act)

1. Provide policy/briefly describe guidelines the activity has issued to personnel regarding Interagency Acquisition.

2. Briefly describe training on Interagency Acquisition the activity provided program officials, financial administrators and contracting officers.

B. Lease-Purchase Analysis and Screenings

1. Briefly describe procedures/provide policy the activity

utilizes to ensure the lease-purchase analysis required by FAR 7.4 is performed.

2. Briefly describe procedures/provide policy the activity utilizes to ensure that the applicable screening for excess Government property was completed before awarding new contracts or extending existing contracts that require leased equipment.

C. Contract Audit Follow-up

1. Briefly describe the procedures/policies the activity has in place to track reportable audit reports.

2. Briefly describe procedures/policies the activity utilizes to continue improving efforts to resolve and dispose of audit reports over 12 months old.

3. Does the activity have a total sustention rate greater than 50 percent? Yes \_\_\_ No \_\_\_

D. Undefinitized Contractual Actions (UCA's). Briefly describe the procedures/provide policy the activity utilizes to ensure compliance with the provisions of DFARS 217.74 and with the provisions of NAVSUP policy letter 98-38 of 14 Jun 99. Is the activity currently tracking any metrics (key acquisition processes, etc.) for the purpose of decreasing the number of UCA's? Yes \_\_\_ No \_\_\_ .If "Yes", please provide metric(s) and status of associated goals. Are risk assessment reviews being performed? Yes \_\_\_ No \_\_\_.

E. Claims

1. What system does the activity utilize to ensure timely processing of claims and disputes?

2. Briefly describe procedures/provide policy the activity utilizes to facilitate the elimination of current claims.

3. Does the activity have procedures/policies in place to avoid claims whenever possible? Yes \_\_\_ No \_\_\_ . If "Yes", briefly describe procedures/provide policy.

4. Provide the metric(s) and status of associated goals the activity is currently tracking (key acquisition processes, etc.) for the purpose of decreasing the number of claims.

F. Government Property in the Possession of Contractors

1. Briefly describe procedures/provide policy the activity utilizes to reduce the amount of excess and underutilized Government property in the possession of contractors.

2. Does the activity conduct periodic property management and verification reviews to ensure contractors are properly reporting government property? Yes \_\_\_ No \_\_\_

3. What procedures/policies does the activity have in place to ensure contracts include appropriate government property clauses?

4. Does the activity perform reviews of SAP procurements to ensure those actions involving GFP use the appropriate GFP clauses and are issued as bilateral orders?

5. Briefly describe procedures/provide policy the activity utilizes to ensure the activity obtains determinations and findings before providing facilities to contractors.

6. Briefly describe procedures/provide policy the activity has for screening government property being transferred from one contract to another.

7. Does COR provide the activity with a list of property in possession of the contractor?

#### G. Protests

1. What process does the activity have in place to ensure that contracting officer final decisions are issued in a timely fashion in respect to agency protests?

2. Is the activity currently tracking any metrics (key acquisition processes, etc.) for the purpose of decreasing the number of protests? Yes \_\_\_ No \_\_\_. If "Yes", please provide metric(s) and status of associated goals.

3. What trends have you observed in either the quantity or type of protests that would indicate problems with procedures of the activity?

#### H. Contract Close-out

1. Describe the process the activity uses for accomplishing contract closeout.

2. Identify the number of contracts currently eligible for closeout. Of those, how many are overage?

3. Has the activity applied any additional resources to contract close-out within the past two years? Yes \_\_\_ No \_\_\_

#### I. Domestic and Foreign Source Restriction Including the Buy American Act

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1. Briefly describe any procedures the activity has in place for screening requirements for non-domestic items.

2. Has the command provided training to buyers and contracting officers on the Buy American Act and the Balance of Payments Act?

3. Describe the process used to review requests for non-domestic items.

4. How does the command identify requirements for non-domestic items to buyers and contracting officers?

J. Use of Fixed-Price Arrangements for Repetitive or Follow-on Service Requirements. Briefly describe the procedures/provide the policy the activity utilizes to ensure personnel fix price services requirements to the maximum extent practicable.

K. Core Business

1. What is your activity's mission?

2. How do you deliver products and services that provide effective combat capability while ensuring best value to the warfighter?

3. How do you achieve the highest standards of quality of service?

4. How do you contribute to our participation in the joint arena?

L. Purchase Card

1. Do you have IOPs that provide program guidance for the agency program coordinator, approving official, purchase cardholder? Please provide a copy.

2. Has the command established an accommodation check account?

3. What is the number of approving officials and cardholders at your activity?

4. What trends have you observed that would indicate problems with the procedures at your activity?

M. Unauthorized Commitments. Do you currently have a process in place to review unauthorized commitments? If so, describe the process.

N. Contracting Information Technology

1. What automated procurement systems do you currently operate?

2. What initiatives are you enacting in regards to eCommerce?

### **Customer Interview Sheet**

NAVSUP PPMAP Process  
Management Category – Customer Interview

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Please rate your level of satisfaction in the area below using a scale of 1 to 5:

1 = never; 2 = sometimes; 3 = often; 4 = most of the time;  
5 = always.

---

#### Communications

1. Contracting officer/representative meets regularly with customer.
2. Customers are provided with an explanation/interpretation of contracting offices procedures for proper procurement requests.
3. Customers know whom to contact to request assistance.
4. Someone at the contracting office is available to discuss issues/concerns/complaints.
5. The contracting office is responsive and attentive to the customers' needs/inquires.

#### Product/Services

6. Customer is provided with the necessary information for procurement request preparation.
7. Contracting office provides assistance to develop procurement requests.
8. Products/Services acquired meet the needs of the customer.
9. Customer is aware of contracting customer service guidebook.
10. Contracting office works with customer on future product/service requirements.

#### Professionalism

11. Customer is treated courteously and professionally.
12. Customer is confident with the expertise provided by the contracting office.

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13. Contracting office responds to complaints efficiently.
14. Contracting office works with the customer in resolving complaints effectively and courteously.
15. Contracting office's conduct and overall interaction with the customer is exceptional.

### **Employee Interview Sheet**

NAVSUP PPMAP Process  
Employee Interview Results

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Please rate your level of satisfaction in the area below using a scale of 1 to 5:

1 = never; 2 = rarely; 3 = sometimes; 4 = most of the time;  
5 = always.

---

#### Management Actions

1. Rewards/recognition incentives are utilized by management.
2. Open communication exists between employees and management.
3. Management supports their mission to the customer.
4. Management takes a vested interest in the employees' IDP development.
5. Workload is equitably distributed amongst the employees.
6. Complaints/issues are resolved in a timely manner.

#### Physical Environment

7. Ergonomic, laborsaving devices & proper tools are provided to accomplish mission.
8. Workstations and the surroundings are adequate to perform duties.
9. The command acts expeditiously to resolve health/safety issues.

#### Cultural Environment

10. A free flow of information & ideas exists amongst colleagues.
11. Policies & instructions are readily available throughout the command to perform functions efficiently and effectively.
12. Management provides an interpretation of policies and instructions when required.

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13. The work atmosphere is conducive for performing assigned duties.

Career Development

14. Your IDP IS reviewed with your supervisor and kept current.

15. Training opportunities are readily available and command supported.

16. Training identified in IDP's are reflective of actual training required to perform duties.

17. Resources are readily available to aid career development.

Strategic Planning

18. How often are you made aware of the command's mission and strategic objectives?

19. Participation in strategic planning and development is solicited/encouraged.

20. You are actively engaged with management in setting command objectives.

## **Statistical Sampling Methodology**

### DETERMINING WHAT FILES AND HOW MANY FILES TO REVIEW USING STATISTICAL SAMPLING

1. A statistical sampling methodology shall be used in determining how many files to review and which specific files to review in the procurement of Large Contracts, Simplified Acquisition Procedures (SAP), Ordering and Purchase Card transactions.

2. Team leaders (Large and Small) will obtain the activities', including their detachments, contract data from Procurement Management Reporting System (PMRS) for all actions over \$25,000 and the SPS/PD2 database (if applicable) for SAP actions under \$25,000. The data shall be segregated, by activity, into the following "buckets", or specific review elements from the review areas' delineated above. The contract data will cover a period of three fiscal years.

a. Large Contracts over \$100,000 not utilizing Federal Acquisition Regulation (FAR) part 13.5

(1) Non-competitive contracting actions and if only one offer received over \$100,000;

(2) Multiple awards of Indefinite Delivery, Indefinite Quantity (IDIQ) contracts;

(3) Commercial Item Contracts; and

(4) Competitive contracting actions over \$100,000 not covered in buckets one, two and three above.

b. SAP

(1) Acquisitions between \$0 and \$25,000;

(2) Acquisitions between \$25,001 and \$100,000;

(3) Acquisitions between \$100,001 and \$5,000,000.

c. Orders

(1) GSA Schedule Orders under \$25,000;

(2) GSA schedule service orders over \$25,000;

(3) GSA schedule supply orders over \$25,000;

(4) IDIQ Priced Single Award; and

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(5) IDIQ priced multiple award.

d. Purchase Card Transactions. The PPMAP review team shall review the purchase card transactions per this instruction.

3. Once the contract data is segregated into the "buckets" or review elements above, NAVSUP 21 will utilize a statistical sampling methodology (90 percent confidence level) in determining how many files to review within each "bucket" (See attached chart below on the next page for determining sample size based on various population sizes).

Statistical Sampling Methodology

Total Population	Sample Size
1	1
2-15	2
16-25	3
26-90	5
91-150	8
151-280	13
281-500	20
501-1,200	32
1,201-3,200	50
3,201-10,000	80
10,001-35,000	125
35,001-150,000	200
150,001-500,000	315

90.0% Confidence Level American National Standard  
 American Society For Quality  
 ANSI/ASQC Z1.4-1993

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4. After the sample size for each "bucket" or review element is determined, team leaders will then utilize a random sample generator to determine which specific files shall be reviewed with in "bucket" or review element.
5. The PPMAP program manager will then notify the activity and request the specific files identified in the random sampling be made available for review.

### **Special Interest Items**

The following represents the list of current special interest items. Those items marked with an asterisk are required to be addressed as critical acquisition processes for monitoring and collection of associated data as part of an activity's self-assessment/quality assurance plan.

1. Interagency Acquisition (Economy Act). A series of IG reports and PPMAP's demonstrated problems still exist with interagency acquisitions.

The Economy Act (31 U.S.C. 1535) is the legal authority for many acquisitions made from other agencies. A general misunderstanding of Economy Act procedures, together with the speed and apparent simplicity of this method of procurement, have led to [continued] instances of abuse." Specifically, activities have exhibited a pattern of issuing interagency orders for support services or supplies outside the servicing agency's area of expertise. The pattern tends to indicate a desire to circumvent Competition in Contracting Act (CICA) or other procurement regulations; therefore, activities should closely scrutinize all interagency acquisitions.

Program officials, financial administrators and contracting officers must become familiar with the most important legal and procedural requirements governing Economy Act acquisitions. In most Economy Act acquisitions, the servicing agency contracting officer is responsible for compliance with CICA, including justification and approvals. Finally, activities must demonstrate special care when obtaining services via interagency acquisitions for Federally Funded Research and Development Centers (FFRDC's).

2. Lease-Purchase Analysis and Screenings. According to an ASN (RD&A) memorandum of 09 April 1999, a DOD IG audit found that several organizations either did not perform, or did not properly perform the lease-purchase analysis required by FAR 7.4. The audit identified instances where failure to complete the lease-purchase resulted in improper funding of capital leases, a potential violation of the Antideficiency Act. In addition, the audit found that many organizations did not screen for excess Government property as required by FAR 8.001. Failure to screen caused unnecessary costs to be incurred for leasing equipment that was available within the Government.

Before any new contract for leased equipment is awarded or before any existing contract is extended, the contracting officer must review the required lease-purchase analysis. In addition, the contracting officer should receive a written certification that applicable screening was completed before

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awarding new contracts or extending existing contracts that require leased equipment.

3. Contract Audit Follow-up. Congress and GAO have expressed concern over the inadequacies of DOD's contract audit follow-up (CAF) system and low sustentation rates. A memorandum from the Assistant Secretary of the Navy (ASN) (RD&A), dated 5 December 1995, reinforced their concern. ASN (RD&A) requires, as part of the semiannual submittal, a written explanation from activities whose total sustentation rate was less than 50 percent. The major areas of concern in the CAF program are the low sustentation rates, overage reports and errors in reported data. Activities are to ensure the accuracy of the length of time deficiencies remained incorrect and of reports that contractors have corrected deficiencies. The Navy also needs to continue improving efforts to resolve and dispose audit reports over 12 months old. It is the contracting officer's responsibility to reach agreement with the contractor, since sustentation rates are dependent upon contracting officers diligently working to resolve and dispose of audit reports. The goal is to achieve a fair and timely settlement.

4. Undefinitized Contractual Actions (UCAs): NAVSUP policy letter 98-38 of 14 June 99 advised the Naval Field Contracting System (NFCS) that the Chief of the Contracting Office (CCO) continues to be the delegate of the HCA to approve UCAs. UCAs must continue to receive management attention to ensure their proper use and strict compliance with the provisions of DFARS 217.74. As an integral part of the HCA delegation to the CCO, the CCO must establish UCA internal control procedures that include periodic risk assessment reviews. ASN has reemphasized its desire to decrease the number of open UCAs. Therefore, NAVSUP field activities should develop individual UCA metrics that can be analyzed or tracked to determine progress toward UCA reduction. For example, activities can possibly reduce the number of UCAs by identifying and subsequently rectifying key, recurrent processes or actions that lead to the creation of UCAs.

5. Claims\*. Recently, industry has expressed concern about the number of claims, the magnitude of claims and the average life span of claims against the Government. Consequently, ASN reemphasized its desire to reduce the Navy's number of open claims. In response, NAVSUP forwarded a goal to ASN to reduce the number of open claims over \$1 million from eight to four by the end of FY 97. Accordingly, NAVSUP must provide quarterly progress reports to ASN. In order to reduce the number of claims, NFCS activities must take action. The contracting activities are responsible resolving current claims as quickly and efficiently as possible. Consequently, NFCS activities

should develop individual claims metrics that measure a specific area in an activity's process. The measurement should coincide with a goal that, if achieved, would reduce the number of open claims (i.e. increased usage of ADR methods with a demonstrated decrease in the number of claims filed).

6. Government Property in the Possession of Contractors. Activities should use regulatory compliance as a step toward reducing the amount of Government property in the possession of contractors. Review should include property management and verification procedures to ensure contractors are properly reporting government property. Activities should review any acquisition of production and research property by contractors for the Government's account to ensure proper authorization of the property. In addition, contracts should include appropriate government clauses.

7. Protests\*. ASN has expressed a desire to decrease the number of GAO protests. In order to reduce the number of protests, NFCS activities should identify and subsequently rectify key recurrent bases for protests. Therefore, NAVSUP field activities should develop individual protest templates that measure a specific area in an activity's process. The measurement should coincide with a goal that, if achieved, would reduce the number of protests (i.e. improved RFPs, improved source selection procedures, or improved execution of debriefs). In addition, activities should enhance efforts to resolve protests before contractors submit the protests to GAO.

8. Contract Closeout\*. Activities often fail to give adequate priority to contract closeout. ASN is concerned that procedures for ensuring the timely closeout of contracts are often inadequate or unenforced. Therefore, NAVSUP field activities should develop individual contract closeout templates that measure specific areas in the activities' closeout processes. The measurements should coincide with a goal that, if achieved, would help ensure contract closeout is given adequate priority and attention.

9. Domestic and Foreign Source Restriction Including the Buy American Act. FAR Subpart 52.225 and DFARS Subpart 252.225 includes guidance on domestic and foreign source restrictions on procurements for supplies and services. Many of these clauses are mandatory based for specific acquisitions. We highlight the following provision that is required in all solicitations that meet or exceed the SAP threshold:

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The following provisions should be included when solicitations for the items described in the provision title, as appropriate.

- 52.225-1 -- Buy American Act-Balance of Payments Program-Supplies.
- 52.225-2 -- Buy American Act - Balance of Payments Program Certificate.
- 52.225-3 -- Buy American Act - North American Free Trade Agreement - Israeli Trade Act - Balance of Payments Program.
- 52.225-4 -- Buy American Act - North American Free Trade Agreement - Israeli Trade Act - Balance of Payments Program Certificate.
- 52.225-5 - Trade Agreements.
- 52.225-6 - Trade Agreements Certificate.
- 52.225-13 - Restrictions on Certain Foreign Purchases.
- 52.225-14 - Inconsistency Between English Version and Translation of Contract.
- 52.225-15 - Sanctioned European Union Country End Products.
- 52.225-16 - Sanctioned European Union Country Services.
- 52.225-17 -- Evaluation of Foreign Currency Offers
- 252.225-7000 -- Buy American Act - Balance of Payments Program Certificate.
- 252.225-7001 -- Buy American Act and Balance of Payments Program.
- 252.225-7002 - Qualifying Country Sources as Subcontractors.
- 252.225-7006 -- Buy American Act - Trade Agreements--Balance of Payments Program Certificate.
- 252.225-7007 -- Buy American Act - Trade Agreements--Balance of Payments Program.
- 252.225-7011 - Restriction on Acquisition of Supercomputers
- 252.225-7012 - Preference for Certain Domestic Commodities (all solicitations)

- 252.225-7016 - Restriction on Acquisition of Ball and Roller Bearings
- 252.225-7019 - Restriction on Acquisition of Foreign Anchor and Mooring Chain
- 252.225-7022 - Restriction on Acquisition of Polyacrylonitrile (PAN) Carbon Fiber
- 252.225-7024 - Restriction on Acquisition of Night Vision Image Intensifier Tubes and Devices
- 252.225-7025 - Restriction on Acquisition of Forgings
- 252.225-7030 - Restriction on Acquisition of Carbon, Alloy and Armor Steel Plate
- 252.225-7033 - Restriction on Acquisition of Four-Ton Dolly Jacks
- 252.225-7038 - Restriction on Acquisition of Aircraft Fuel Cells
- 252.225-7039 - Restriction on Acquisition of Totally Enclosed Lifeboat Survival System

10. Use of Fixed-Price Arrangements for Repetitive or Follow-on Services Requirements. A DOD IG audit found that contracting officials did not use available history from prior contracts to help define costs and reduce risks by awarding firm-fixed-price contracts. While the type of contract decision is a judgment call based on the specific circumstances of the requirement, contracting officers should review available procurement history and fix price service requirements to the maximum extent practicable (see NAVSUP policy letter 00-26).

11. Core Business. NAVSUP letter 4200 Ser 02/2022 of 9 November 2001 advised NAVSUP field activity Chiefs of the Contracting Office to focus on NAVSUP's core contracting business function when considering potential new contracting work. Field contracting offices should consider the following when accepting new work from non-mission customers:

a. "Does it deliver products and services that provide effective combat capability while ensuring best value to the war fighter?"

b. Does it enable us "to achieve the highest standards of quality of service?"

c. Would it contribute to our greater participation in the joint arena?

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12. Purchase Card. EBUSOPSOFFINST 4200.1 (Series) provides DON guidance to activities operating and managing Government-wide Purchase Card Programs (GCPC). Over-sight of those programs is critical to the success of the DON program. Activity APCs are responsible for local operation, management and over-sight of the local program. This includes conducting semiannual reviews of their local purchase card program per EBUSOPSOFFINST 4200.1 (Series). The review of this element should include as a minimum, a review of the APC files to include training, warrants, remedial actions taken as a result of semiannual reviews and an evaluation of his/her management and over-sight actions, the approving official files and purchase cardholder files.

13. Unauthorized Commitments. The CCO of unlimited contracting offices having authority to ratify unauthorized commitments up to \$50,000. PPMAP assessments will review unauthorized commitments ratified by the activity to ensure compliance with FAR 1.6 and whether activity has an efficient process in place.

14. Contracting Information Technology. In 1997, DOD selected Procurement Desktop, Defense (PD2) built by American Management Systems (AMS) as the Standard Procurement System (SPS) for DOD. SPS is being developed and fielded in an incremental manner. Successive releases of SPS provide increasing capability. As of April 1999, SPS was fielded at all Fleet and Industrial Supply Centers (FISCs). Since that initial fielding the FISCs have been updating versions of SPS as the releases are accepted by DON and NAVSUP.

On May 21, 1997, Dr. John Hamre, DOD Comptroller at the time, later to become Deputy Secretary of Defense, issued Management Reform Memorandum (MRM) #2, Paper-free Contracting. Dr. Hamre amended MRM #2 on July 29, 1997 renaming the initiative Paper-free Acquisition, specifically including the logistics community. MRM #2 was aimed at the Acquisition process from requirements generation to contract closeout. On December 8, 1997, Dr. Hamre, as Deputy Secretary of Defense, issued a memo on MRM #2 stating that initiative must succeed and there are no additional resources being provided.

Based on Dr. Hamre's direction, NAVSUP, working with the Navy's Electronic Acquisition - 21<sup>st</sup> Century (EA-21) Office, established under the Navy's Program Executive Office - Acquisition Related Business Systems (PEO-ARBS), focused on an effort to integrate contracting information systems, like SPS, towards a paperless acquisition process.

Navy Acquisition Procedures Supplement (NAPS) Change #97-9 directed the use of the Navy Electronic Commerce Online (NECO)

system for solicitations and the support of DFAS' DOD Electronic Document Access (DEDA) system, to support "the Department of Defense's initiatives to move to a paperless contracting process...". NAVSUP field activities have made extensive use of NECO and provide primarily direct support of EDA. NAPS Change #97-9 directed the use of the Navy Air Force Interface to DOD Electronic Document Access (NAFI-DEDA) system. However, as NAVSUP has had automated feeds to DEDA since 1996 (the only Navy SYSCOM to have such interfaces) which support the Navy's goal of supporting DEDA and no additional resources were to be provided, NAVSUP made the decision to continue the direct interface to DEDA and use NAFI where appropriate as an extension of that capability.

NAVSUP field activities should be using SPS to the maximum extent practicable as soon as the release with the appropriate capabilities has been tested and released for production.

Additionally, they should be using NECO and should be posting 100 percent of their awards to DEDA, augmented by NAFI-DEDA where appropriate for manually processed buys. Field activities should also be using and/or investigating contracting information systems, like the Virtual Bid Room, Navy Logistics Library, etc.

**Nomination Form**

TEAM MEMBER NOMINATION FORM  
FOR \_\_\_\_\_ ASSESSMENT  
PRIVACY ACT STATEMENT

OPNAV 5521/27, Visit Request  
Date:  
Authority: E.O. 11653

PRINCIPLE PURPOSE. This information is necessary to identify personnel visiting activities when such visits are expected to involve access to classified information.

ROUTINE USE. Information provided in the form, when compared with information in the possession of an individual is used in determining whether an individual is who he/she purports to be when visiting an activity. The information may be disclosed to those charged at the activity with making the foregoing determination.

DISCLOSURE. Completion of this form is voluntary. However, failure on your part to answer all questions, or any misrepresentation (by omission, concealment, or misleading, false, or partial answers), may result in the denial of the visit request or access to information classified in the national interest, pursuant to E.O. 11652.

Functional Area to be assessed:  
Team Member's Full Name:  
Rank/Grade:

Activity Address/Org. Code:

Citizenship (Country):  
Security Clearance:  
(Level/Basis/Date):  
Social Security Number:  
Date of Birth (dd/mm/yy):  
Place of Birth:  
Team Member's Phone No:  
Office  
Fax

Printed Name, Phone No of  
Person Nominating Team Member:

**PPMAP Review Critique**

The following survey provides a means for your activity to assess the performance of the PPMAP team during the recent assessment of your activity. The survey also provides a means to provide general comments regarding the PPMAP process.

Please complete by inserting an X in the space to the right that most closely applies to the corresponding statement. An area for comments is provided at the end of the survey.

SURVEY

	<u>Strongly Disagree</u>	<u>Disagree</u>	Neither Agree Nor <u>Disagree</u>	<u>Agree</u>	<u>Strongly Agree</u>
The PPMAP team properly assessed the following areas:					
Integrity of the procurement process.					
Mission accomplishment.					
Management of the contracting function.					
Self-Assessment and Quality Assurance Plan.					
Contract planning, solicitation, source selection and post award functions.					
Simplified Acquisition Procedures including the Purchase Card Program.					
Best practices.					
Special Interest Items.					

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neither Agree Nor Disagree</u>	<u>Agree</u>	<u>Strongly Agree</u>
The PPMAP team provided worthwhile recommendations and suggestions for improvement.					
The PPMAP team provided professional service.					
The PPMAP team provided courteous service.					
The PPMAP team dealt with activity personnel in a respectful manner.					
The PPMAP team provided prompt attention to issues raised by the activity:					
Responded same day.					
If same day response was not possible, PPMAP team provided projected response time.					
The PPMAP team made a genuine effort to understand the activity's business.					
The PPMAP team's recommendations and suggestions were based on an appreciation of the activity's operating environment.					
The PPMAP team provided training to buyers and negotiators related to the PPMAP team's recommendations and suggestions.					

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neither Agree Nor Disagree</u>	<u>Agree</u>	<u>Strongly Agree</u>
The PPMAP team's training was worthwhile.					
Overall review process conducted by the PPMAP team was satisfactory.					

COMMENTS

1. Please provide comments regarding the performance of the PPMAP team.

2. Please provide comments (i.e., positive assessments, suggestions for improvement, constructive criticism, etc.) regarding the PPMAP process.

Thank you for your input. NAVSUP will use the information to assess the PPMAP approach and to make continuous improvements to the approach.

## Quality Assurance Questionnaire

### QUALITY ASSURANCE PPMAP AREAS OF INTEREST AND SAMPLE QUESTIONS

The PPMAP team may use the following sample questions during the PPMAP to determine whether the activity has a viable QA process. After the PPMAP team has reviewed the activity's PPMAP data, team members may wish to tailor these questions to focus on key issues germane to the review. Activities may wish to develop an independent baseline of their organization by performing a self-assessment using these questions as the basis of their review.

1. The following sample questions may be used. Findings should be incorporated into the Management Section of the final report.

a. Does the activity have an effective management system which:

(1) Assures the procurement system provides goods and services with reasonable prices, timely delivery and the required quality, and;

(2) Is in compliance with applicable rules and regulations?

b. Are there clear lines of authority, accountability and responsibility for procurement operations?

c. Is the structure, size and location of the procurement organization appropriate for the items procured?

d. How are buying divisions or branches organized (along project lines, by commodity, etc.)? (May be evident in organization chart.)

e. Does the activity effectively manage its staff and, provide training and development of the procurement workforce?

f. Does the activity maintain a suitable mix of skilled staff (experience, education, and training) to handle current and future requirements?

g. Is the supervisory span of control appropriate?

h. Are procurement personnel aware of their responsibility to satisfy the activity's needs in a timely and cost effective manner?

i. Are staff knowledgeable of the variety of techniques and procedures necessary to accomplish their mission?

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j. How many contracting officers are in the organization? Where are the contracting officers in the organizational structure? (May be evident in organization chart.)

k. Are contracting warrants properly controlled to ensure the activity grants warrants only to individuals who have the mandatory training and experience necessary to carry out the duties of a contracting officer?

2. The following section provides sample process-oriented questions to assist the PPMAP team in acquiring the information necessary to assess an activity's QA process.

a. Quality Assurance System

(1) Has the activity's management conveyed to all personnel the desired quality standards?

(2) Does the activity have a routine formal process for performing in-depth assessment of its procurement system and for recommending management improvements?

(3) What levels of management are responsible for performing quality reviews?

(4) At what stage(s) does the activity conduct quality reviews during the procurement process?

(5) What data does the activity collect as a result of quality reviews?

(6) What process does management use to compile and interpret the data and ensure documentation of findings?

(7) Does the activity's quality system capture the results of legal and CRB reviews and does it provide adequate feedback to procurement staff? (This may be answered in self-assessment questions.)

b. Policy and Procedures

(1) Is there a formal procedure in place for publication, control and updating of local policy and directives and is the activity in compliance?

(2) Does the procedure prevent proliferation of unneeded policy and procedures?

(3) Does the procedure formally implement/document policy generated by the Contract Review Board, Legal Counsel, SADB, etc.?

(4) How does the activity disseminate policy and procedural guidance received from NAVSUP Headquarters? Is there a process to ensure timely distribution?

(5) Does the activity maintain a reference library of policy, regulations and directives?

c. Management Information System

(1) Does the MIS generate accurate, timely and complete information on all phases of the procurement process?

(2) Do procurement personnel understand and use reports generated by the system for analysis, decision-making and feedback? (How do you know they understand?)

d. Customer Support

(1) Does the age of work in process appear to be reasonable? (May be answered in self-assessment checklist.)

(2) What is the activity's average PALT? (See self-assessment checklist.)

(3) Has the activity received comments from customers on the quality of service provided? (See sample interview questions for Customers?)

e. Socioeconomic Programs

(1) Does the activity's management information system accurately capture and report data necessary for management of socioeconomic programs?

f. Procurement Planning

(1) Is there a system in place for periodic meetings between contract management and customer organizations to determine future needs, assess the quality of work in process and to provide training/feedback/review of the contracting process? (May be answered in self-assessment checklist.)

(2) Does advance planning seem to avoid the following undesirable practices?

(a) Noncompetitive awards or contract modifications the activity could have competed

(b) Frequent use of letter contracts

(c) Extremely heavy workload at the end of the

fiscal year

(3) Does the activity accomplish procurement planning with adequate lead-time to permit proper consideration of all aspects of a proposed procurement?

- (a) Review of bidders' list
- (b) Required market research/analysis
- (c) Consideration of socio-economic programs
- (d) Contract type
- (e) Method of procurement
- (f) Procurement milestones for solicitation & award
- (g) Provision for contract administration

g. Competition

(1) Does the contracting activity have written internal procedures in place to ensure compliance with competition requirements? (May be answered in self-assessment checklist.)

(2) Is the contracting activity taking timely action to avoid the necessity to make future noncompetitive awards for the same or similar requirements as those awarded previously on a noncompetitive basis?

(3) Are restrictions to full and open competition being effectively challenged?

(4) When the activity plans acquisitions to be by other than full and open competition, does the activity justify the actions under the appropriate exception?

(5) Is the activity avoiding unnecessary splitting of requirements?

(6) Does the activity review requirements to ensure the activity does not use interagency agreements for purposes of avoiding competition requirements?

h. Procurement Requests

(1) Does the activity support procurement requests with sufficient information to enable the contracting office to adequately plan and execute solicitations and acquisitions in conformance with the following:

(a) Funds certifications

(b) Specifications and statements of work that are complete, conducive to full and open competition and limited to the minimum needs of the requiring activity.

(c) Independent government estimates

(d) Justification and Approval (J&A) when required

(2) Are procurement requests being received in a manner that provides adequate time to effectively and efficiently accomplish the award based on lead times required for processing procurements?

(3) Are funding concerns verified with the comptroller?

(4) Are required determinations and findings being processed?

i. Solicitation

(1) What guidance is available on solicitation preparation?

(2) Are standard solicitation formats being used?

(3) Does the activity use an automated system for preparing solicitations?

(4) How does the activity review a solicitation?

(5) Do solicitations get counsel review? How does the activity receive feedback from counsel?

(6) Are the proper clauses being used in solicitations?

(7) Do solicitations include a description for the bases for award?

(8) Does the evaluation criteria include all evaluation factors, including cost or price related factors, non-cost or non-price factors and any significant subfactors the activity will use when awarding the contract?

(9) Do solicitations with option provisions indicate how the activity will evaluate option(s)?

(10) Is the relative importance of evaluation criteria being communicated adequately?

(11) Are realistic delivery schedules/performance milestones being established?

(12) Is there a requirement in all solicitations expected to exceed \$500,000 for the apparent successful offeror to submit an acceptable subcontracting plan?

(13) Is an updated Consolidated List of Debarred, Suspended, Ineligible and Voluntarily Excluded Awardees available and being checked prior to issuing the solicitation?

(14) Are solicitations being synopsisized appropriately?

(15) Are prospective offerors being allowed adequate time to respond to solicitations?

(16) Are pre-proposal conferences being documented adequately when held?

(17) Does the activity have established procedures for receipt, recording and safeguarding of proposals and are they being followed?

(18) Are the proper offeror representations and certifications being included in all solicitations?

j. Request for Proposal Quality Assurance Initiatives  
(Turbo Streamliner)

(1) How does the contracting approach relate to the risk management approach?

(2) How does the activity integrate Sections C, L and M?

(3) How does the activity incorporate "Best Value" into Section M?

(4) How does the activity normally structure Section M?

(5) What methods does the activity use to ensure Section C required data and CDRL required data are the same?

(6) What alternatives have the activity introduced to avoid the use of Government Furnished Material (GFM) and Government Furnished Equipment (GFE)?

(7) Does Section J typically include instruction-type information?

(8) To what extent has the activity eliminated MIL SPECS/STDS?

(9) How frequently does the activity use MIL SPECS/STDS "for guidance only"?

(10) How has the activity introduced performance specifications?

k. Evaluation/Source Selection

(1) Does the contracting activity have an effective process for evaluation and source selection?

(2) What guidance is available on preparation of Source Selection Plans?

(3) How does the activity provide feedback to the requiring activity that drafted the Source Selection Plan?

(4) Are technical evaluations of proposals being received in a timely manner?

(5) Are factors such as labor hours, skill mix, types and quantities of material, or services, etc., being addressed adequately in technical evaluations of cost proposals?

(6) Are technical evaluations being documented adequately to support the conclusions reached?

(7) During competitive negotiated procurements, is applicable guidance on evaluation of proposals and selection of offerors being followed?

(8) Is guidance available on the preparation of business clearances?

(9) What type of feedback does the activity provide to negotiators after reviewing business clearances? Is the feedback effective in improving the quality of clearances?

(10) Are the following items being addressed and documented during source selection in competitive negotiated procurements?

(a) Composition of evaluation team

(b) Competitive Range Determination

(c) Documentation of written or oral discussions

(d) Documentation to support the conclusions reached

(e) Selection statement which is sufficient to serve as the basis for debriefing unsuccessful offerors

(f) Notification to unsuccessful offerors

(11) How effective is the Contract Review Board (CRB) in reviewing and improving contract quality?

(12) Is there a system for capturing the results of CRB cases and providing training/feedback?

(13) Does the contracting activity have procedures in place to handle sealed bid adequately?

(14) Is the required documentation for award, including abstracts of bids being placed in the file for sealed bid actions?

(15) Does the activity document determinations of responsiveness and responsibility of contractors in the file?

(16) Is there a process in place for resolving mistakes in bids, late bids and requests for bid withdrawal?

1. Cost and Price Analysis

(1) Does the activity's procurement process provide for cost or price analysis to determine the reasonableness and fairness of prices?

(2) Is there a system in place for reviewing cost/price decisions and supporting documentation?

(3) What kind of feedback/training does the activity provide to contract specialists on the adequacy of cost/price analysis?

(4) Is certified cost and pricing data obtained when required?

(5) Does the activity use DCAA audit services when appropriate to assist in reviewing cost/price proposals?

m. Negotiation and Award

(1) How does the contracting activity ensure negotiations provide fair and equitable treatment to contractors and arrive at equitable terms and conditions?

(2) Does the activity gather and evaluate inputs from technical personnel and auditors, when required, before arriving at pre-negotiation positions?

(3) Does the activity write and include pre- and post-negotiation memoranda in the contract file?

(4) Do contracting officers approve pre-negotiation plans prior to negotiations and post-negotiation summaries prior to award?

(5) Does the activity conduct negotiations with all offerors in the competitive range, and if not, is the contract file documented appropriately?

(6) Who reviews small and small/disadvantaged business subcontracting plans? Does the activity negotiate the plans into the contracts when applicable?

(7) Does the contracting activity have a system in place to ensure that all awards comply with applicable regulations and policies and that it maintains accurate and complete files?

(8) Do actions receive the appropriate reviews and approvals prior to award and are the files being documented to indicate the results of the reviews?

n. Protests

(1) Does the activity have a process to ensure it responds to protests in a timely manner?

(2) Does the activity follow the procedures set forth in FAR and DFAR for handling protests?

(3) How many protests occurred in the past two years?

(4) How many protests did the activity sustain or dismiss for reasons other than timeliness in the past two years?

(5) Are there trends in either the quantity or type or protests that would indicate problems with procedures of the activity?

o. Contract Administration

(1) Does the activity have procedures to ensure it assigns contract administration responsibilities in advance of award?

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(2) Does the contracting office maintain periodic liaison with technical personnel and other appropriate offices to monitor contractor performance?

(3) Does the activity periodically evaluate and document contractor performance? Does the activity take remedial action when appropriate?

(4) If the activity is performing its own contracts administration, does it have adequate resources and management attention assigned to the function?

(5) Does the activity process claims and disputes in a timely manner?

p. Close-out

(1) Is there a system or procedure established to identify physically completed contracts?

(2) Is there a systematic means to ensure the timely close out of completed contracts?

**PPMAP/QA PLAN REVIEW TEMPLATE**

AREA(S) OF REVIEW: Requests for Proposal (RFP)

POLICY/PROCEDURES ABOUT THIS AREA: Acquisition reform policy/procedures an ASN Turbo Streamliner website.

TRAINING: Activity determined acquisition reform initiatives/requirements.

MEASURE OF SUCCESS: Measurement of trend analysis improvements to the RFP preparation process with goal of meeting mission to "assess the effectiveness of our policies of writing performance specifications, reducing MIL-SPECS/STDS and implementing acquisition reform."

BASELINE MEASURE (In terms of measure of success): All RFPs issued for the two previous fiscal years and the first quarter of the current fiscal year.

METHOD OF MEASUREMENT

a. Percentage of total number of competitive RFPs developed that require oral presentations.

b. Percentage of total number of competitive RFPs developed that incorporate use of FAR Part 12

SAMPLE SIZE: To be determined

TYPE OF DATA: Numeric (Specific data/period reported with goals and trends)

DATA FORMAT: Line Graph

FREQUENCY OF MEASUREMENT: Determined by number of RFPs issued

TYPE OF ANALYSIS: Subjective/Objective

RESPONSIBLE PARTIES: Determined by Contracting Office

TYPE OF CORRECTIVE ACTION: Determined by data

VALIDATION OF CORRECTIVE ACTION: Streamlined, acquisition reform-compliant RFPs based on subjective/objective review of trends/indicators

END OF TEMPLATE



**EMPLOYEE SURVEY**

Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable	Very Important	Important	Not Important
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QUALITY WORK ENVIRONMENT

1. My organization provides flexibility in my work schedule

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

2. I am provided training to get my job done

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

3. Team contributions are rewarded

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

4. Individual contributions are rewarded

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

5. Working conditions (e.g. noise level, temperature, ventilation, cleanliness, space, lighting) are acceptable

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

6. My management emphasizes quality in our work products

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

7. A spirit of cooperation and teamwork exists in my organization.

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

8. I am provided adequate tools to get my job done (e.g. computers, reference material, etc.)

<input type="checkbox"/>							
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------



LEADERSHIP/MANAGEMENT

9. I view my procurement office as a professional acquisition organization

--	--	--	--	--	--	--	--

10. I consider my supervisor/team leader to be an acquisition professional

--	--	--	--	--	--	--	--

11. My management properly balances the needs of the program office with the need to spend the taxpayers' money wisely

--	--	--	--	--	--	--	--

12. I am given the authority to make appropriate decisions

--	--	--	--	--	--	--	--

13. Procurement operations are conducted in an ethical manner

--	--	--	--	--	--	--	--

14. My procurement office is respected by its customers

--	--	--	--	--	--	--	--

15. My supervisor/team leader solicits my opinions and ideas on important matters

--	--	--	--	--	--	--	--

16. Procurement policy issues affecting my work are communicated to me

--	--	--	--	--	--	--	--

17. I respect the leadership abilities of my immediate supervisor

--	--	--	--	--	--	--	--

18. Workload is distributed fairly

--	--	--	--	--	--	--	--

19. Management steps forward to establish/sustain creative ways to build office morale

--	--	--	--	--	--	--	--

SERVICE/PARTNERSHIP

20. The program offices involve me in budget and strategic planning

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21. The program offices involve me in acquisition planning and requirements development

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22. The program offices provide an adequate description of their needs

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23. The program offices provide an acceptable requisition package

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24. The program offices work effectively with me during the procurement process

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25. The program offices work proactively to prevent problems once award is made

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MISSION GOALS

26. My management continuously seeks to improve our organization

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27. I understand the mission of my procurement office

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28. I understand the mission(s) of the program office(s) I work with

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29. My procurement office adds value to the accomplishment of the agency mission

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30. My management measures procurement office performance against goals and objectives

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31. I work with my customers to ensure that as a team, we meet mission goals

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32. My procurement office fosters and uses innovative procurement practices


33. My procurement office rewards innovation

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34. Overall how would you rate the quality of work life in your procurement office: (check the ONE most appropriate answer)

- A. EXCELLENT
- B. ABOVE AVERAGE
- C. AVERAGE
- D. BELOW AVERAGE
- E. UNSATISFACTORY




**Management Self-Assessment Survey**

Thank you for taking the time to complete this self-assessment. The purpose of this assessment is to collect information about the procurement practices in your organization. The results will be used, along with other performance measures, in assessing the performance of the procurement office and ultimately provide data for self-improvement. This assessment will assist us in determining best practices.

Procurement Office Codes

*(circle that category which best describes your organization)*

Category            Type of Organization

1. Centralized small purchase organization.
2. Small purchase function residing in Program Office.
3. Procurement office with limited authority above small purchase level. Primary procurement method is sealed bidding. Some small purchase activity.
4. Procurement office with unlimited authority. Majority of procurements accomplished using sealed bidding. Some negotiated procurement.
5. Procurement office with unlimited authority. Approximately equal mix of sealed bidding and negotiated procurements.
6. Procurement office with unlimited authority. Majority of procurements accomplished using negotiated procurements.
7. Procurement office with unlimited authority. Majority of procurements accomplished using negotiated procurement. Office involved with "major systems" acquisitions (as defined by agency regulations).

Indicate the number of procurement personnel currently assigned to your organization:

1101S \_\_\_\_\_ 1102S \_\_\_\_\_ 1105S \_\_\_\_\_ OTHER (DEFINE) \_\_\_\_\_

On the following pages you are requested to score each category by rating the level at which your procurement practices currently meet the descriptors. If you believe your organization falls somewhere between descriptors you may assign partial credit. For example, if your organization meets all of Level IV requirements and half of Level V requirements for "Quality Assurance Systems" you may assign a score of 4.5.



9 Jul 03

**GOAL: ACQUISITION EXCELLENCE**

**CATEGORY: QUALITY ASSURANCE SYSTEMS**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. Organization has no quality assurance system. Conformance with law and regulation is dependent solely upon individual employee initiative. There is no reliable system for distribution of federal, departmental and internal guidance.

2. Organization utilizes some quality assurance techniques but they are not implemented in a systematic or comprehensive manner. Organization relies on external review activities (e.g. GAO, OIG and departmental oversight organizations) to identify failures to comply with law and regulation. Employees are not fully informed of regulation changes.

3. Organization has a quality assurance system that has been communicated to all employees. Process identifies strengths and weaknesses with lessons learned communicated to staff. Regulations and internal procedures are distributed to those who need them. Performance in key areas is measured over time.

4. Organization has an effective quality assurance process in place. The process has been communicated to all employees and they are actively engaged in the process. The effectiveness of the system is assessed and improved. Guiding principles are developed in many areas to encourage best practices and improvement. Failures to comply with law and regulations almost never occur and external review activities have not reported any systemic problems. Performance in key areas is measured over time and goals for improvement are established.

5. All criteria listed in rating 4 have been met or exceeded. Organization has an efficient and effective quality assurance system. Performance in key areas is measured over time, goals for improvement are established and goals are frequently met. The organization is recognized by those outside the agency for the quality of its work products. Employees are engaged in the quality assurance process and are continually improving work products. Employees are informed of changes to law and regulation in a timely manner and implement those changes in their work products. The highest quality standards are maintained with a minimum of oversight or review. Internal procedures provide employees the necessary guidance to effectively do their job and encourage creative alternatives to improve performance.



**CATEGORY: CONTRACTOR SELECTION**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization \_\_\_\_\_

1. Organization has no effective system for selecting the appropriate competitive procedure (e.g., sealed bids versus competitive proposals) for individual acquisitions. The process of contractor selection is dependent solely upon individual employee initiative. Typically, contractors are selected on price alone. Contractor performance problems are a frequent occurrence.

2. The organization has initiated some efforts to focus attention on the selection of quality contractors. Staff is aware of the nuances between small purchase, sealed bidding and competitive proposal procedures. Contractors are selected on price and delivery factors. There are often disagreements between the customer and contracting officer over selection decisions. Contractor performance problems remain a concern.

3. The organization has implemented a system designed to promote the selection of quality contractors. Contractors are selected on price, delivery and quality factors. Past performance information is collected, analyzed and used in selection decisions. Affirmative responsibility determinations are a prerequisite of selection decisions. Contract performance is generally satisfactory.

4. The organization has an effective contractor selection system. Contractor selection is tailored to the requirement. The organization properly selects the competitive procedure best suited under the circumstances of the procurement. Selection decisions are designed to ensure that the Government receives best value, price and other factors considered. In most instances the customer is an active participant in the evaluation/selection process. In nearly all cases, contractor performance meets or exceeds customer expectations.

5. All criteria listed in 4. above have been met or exceeded. The organization has implemented an effective contractor strategy designed to promote and foster the acquisition of high quality products or services and eliminate chronic poor performers. The organization maintains a strong partnership with the business community. Key objectives include more long-term relationships with contractors who demonstrate a commitment to quality, and less confrontational and more cooperative approaches to problem solving.



**CATEGORY: CONTRACTOR PERFORMANCE DATA**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. Responsibility determinations are based on current knowledge without verification of an offeror's satisfactory performance record. Performance feedback is neither collected nor communicated to contractors.
2. Relevant past performance information is considered in making responsibility determinations. Data on the type and amount of work previously performed by a contractor is used in source selection decisions. Negative performance feedback (e.g., show cause or cure notice) is communicated to contractors based on results of inspection.
3. The quality of an offeror's performance record is ascertained by checking references from previously performed contracts. The information is used in purchasing decisions. Collecting and communicating performance feedback is routine.
4. An effective and well-established system is in place whereby performance data is collected, communicated to vendors and used in purchasing decisions. The system is tailored to the complexity of the contract and small purchase. Performance evaluations conducted under an on-going contract or at the time of completion are retained in the contract files and shared with the contractor. The contractor is given the opportunity to provide comments and rebuttals back to the agency. Past performance information is shared with other agencies on an ad hoc basis.
5. All criteria listed in 4. above have been met or exceeded. Alliances have been formed with vendors to facilitate resource/information sharing and partnering. An automated database has been built for past performance information and is used effectively for contractor selection.

**CATEGORY: CONTRACT ADMINISTRATION**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. Organization has no effective system for managing and administering contracts to assure that the Government receives a quality product or service. Contractor compliance with established requirements (e.g., cost, delivery, technical, quality requirements and other contract terms and conditions) is generally dependent on voluntary contractor compliance and/or informal activities of procurement staff or the requirements originator.

2. Contract administration responsibilities are assigned at the time of contract award. Contractor performance is monitored sporadically. Problems with quality of timeliness of products or services persist.

3. The organization has an established system designed to ensure that products and services provided by vendors conform to established requirements. The program encompasses planning, inspection, testing and acceptance. Contract performance is monitored and action taken to ensure contract performance. Modifications/delivery/task/change orders are managed effectively. Contractor performance is documented prior to payment. Payment is made timely.

4. The organization has an efficient and effective quality system to ensure that all products and services meet customer expectations. The organization is actively involved in quality planning (e.g., review of pre-award surveys and post-award conferences, etc.). The organization has a well-established track record in managing and processing timely and effective modifications/delivery/task/change orders. 90 percent of the contracts are closed-out per FAR. The organization has initiated efforts to enhance the working relationship and instill a spirit of cooperation with its contractors (e.g., partnering, alternative dispute resolution, etc.).

5. All criteria listed in 4. above have been met or exceeded. The organization has implemented a strategic alliance with its customers (including contractors). A spirit of common mission and vision exists. The organization is viewed as a leader in the formation and implementation of cooperative efforts designed to deliver high quality goods and services, on time and at a fair price.

**CATEGORY: SOCIO-ECONOMIC GOALS**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. More than half of the socio-economic goals have been met or exceed in each of the last two years.

2. More than 75 percent of the socio-economic goals were met or exceeded in each of the last two years. Procurement and program personnel are generally aware of these programs.

3. Socio-economic goals were communicated to all program and procurement personnel and nearly all category goals were met or exceeded in each of the last two years.

4. All socio-economic goals were met or exceeded at least once in the last two years. Subcontracting plans were generally monitored for compliance.

5. Socio-economic goals were met or exceeded in all categories during the last two years. Organization has an effective plan to identify and expand opportunities for small business. Subcontracting plans were closely monitored and appropriate liquidated damages assessed.

**CATEGORY: ORGANIZATIONAL PLACEMENT**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. The procurement office is placed at a significantly low organizational level where on a routine basis programmatic desires improperly influence good business decisions.

2. The procurement office is placed at a low organizational level where on a frequent basis programmatic desires improperly influence good business decisions.

3. The procurement organization is placed at a level where occasionally, programmatic desires improperly influence good business decisions.

4. The procurement office is placed at a sufficiently high level to provide comparative equality with program office customers.

5. The procurement office is placed at a sufficiently high level to support the checks and balances that result in accomplishment of agency mission without sacrificing good business practices.

**GOAL: WORKFORCE EDUCATION AND EXPERIENCE**

**CATEGORY: EDUCATION**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. Less than 25 percent of 1102s graduated from a college or university with a bachelors or higher degree.

2. At least 25 percent of 1102s graduated from a college or university with a bachelors or higher degree.

3. At least 50 percent of 1102s graduated from a college or university with a bachelors or higher degree.

4. At least 75 percent of 1102s graduated from a college or university with a bachelors or higher degree. Half of the graduates majored in procurement, business, law or public administration.

5. At least 75 percent of 1102s graduated from a college or university with a bachelors or higher degree. At least 75 percent of the graduates majored in procurement, business, law or public administration.

**CATEGORY: EXPERIENCE**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. At least 25 percent of 1102s have more than 3 years experience in the procurement field.

2. At least 25 percent of 1102s have more than 7 years experience in the procurement field.

3. At least 50 percent of 1102s have more than 7 years experience in the procurement field.

4. At least 75 percent of 1102s have more than 7 years experience in the procurement field.

5. At least 75 percent of 1102s have more than 10 years experience in the procurement field.

**CATEGORY: TRAINING**

(On-the-job training or classroom training)

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. The organization has no system for timely and pertinent training.

2. The organization schedules training for employees on an ad hoc basis. Identification of training needs is generally dependent upon employee initiative.

3. The organization has implemented a process to identify, track and monitor employee training. Opportunities for training are available to all employees.

4. The organization has an effective system to ensure that all employees receive timely and pertinent training. Upon completion of training the employee and management evaluate the effectiveness of the training provided.

5. All of the criteria listed in 4. above have been met or exceeded. The organization reinforces classroom training with

pertinent on the job or rotational assignments. The organization is proactive in identifying and assessing new methods and providers of pertinent training.

**CATEGORY: INDIVIDUAL DEVELOPMENT PLANS**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. The organization has no individual development plans.
2. Individual development plans are discussed with some, but not all employees.
3. Individual development plans are prepared for all employees but provide few details.
4. Individual development plans are established for all employees that as a minimum include rotational assignments, appropriate responsibility and accountability for assignments.
5. All of the criteria listed in 4. above have been met or exceeded. Individual development plans are established, successfully implemented and monitored for all employees work assignments provided continuous challenge for employees to develop and utilize knowledge, skills and abilities.

**CATEGORY: CONTRACTING OFFICERS WARRANT SYSTEM**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. A contracting officer's warrant system does not exist or employees are not measured against existing certification criteria for contracting officer warrants.
2. Contracting officer's warrant system exists. More than 50 percent of the contracting officers meet the established criteria.
3. More than 75 percent of the contracting officers meet the established criteria for contracting officer's warrants.
4. More than 90 percent of the contracting officers meet the established criteria for contracting officer's warrants.
5. Training for all contracting officers meet or exceed the established criteria for contracting officer's warrants.

**CATEGORY: CONTRACTING OFFICER'S REPRESENTATIVES (COR) TRAINING PROGRAM**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. A COR certification or training program does not exist or employees are not measured against existing certification criteria for COR delegations of authority.
2. A COR certification or training program exists. More than 50 percent of the CORs meet the established criteria and have been trained within the last three years.
3. More than 75 percent of the CORs meet the established criteria and have been trained within the last three years.
4. More than 90 percent of the CORs meet the established criteria and have been trained within the last three years. Certification and/training requirements include continued training after basic requirements are met.
5. All of the criteria listed in 4. above have been met or exceeded. At least 90 percent of the CORs meet the established criteria and have been trained within the last three years. The procurement office has formal COR certification program that includes records of CORs meeting or exceeding the established criteria for delegation of COR authority.

**GOAL: ACCURATE, TIMELY AND EFFICIENT DATA COLLECTION**

**CATEGORY: INFORMATION TECHNOLOGY (IT)**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. The organization rarely uses IT in an appropriate and effective manner in its procurement process.
2. The organization occasionally takes advantage of appropriate and effective IT opportunities to improve the procurement process. Existing automated procurement systems have not been designed to interface with other administrative systems.
3. The organization's use of IT is generally effective and appropriate for the size and function of the procurement office. Existing procurement automation allows for potential interface with other functional areas (e.g., finance, property). Systems require a minimum of duplicate data entry. Specific plans for EDI have been generated.
4. Organization's use of IT is effective and appropriate for the size and function of the procurement office. Existing procurement automated systems have appropriate and effective interfaces with other administrative systems resulting in increased efficiency. Pilot EDI initiatives are underway where considered cost-effective and practicable. Existing automated

systems have appropriate and effective interfaces with other administrative systems which result in more efficient operations within the organization. Pilot EDI initiatives are underway in those organizations where the use of EDI has been determined to be cost-effective.

5. All of the criteria listed in 4. above have been met or exceeded. Organization measures and takes maximum advantage of full range of cost-effective IT opportunities to reengineer the procurement process. Existing automated systems are fully integrated with other administrative systems, resulting in high operational efficiency including meeting customer needs. EDI has been implemented successfully and is used for the majority of business transactions where cost-effective and practical.

**CATEGORY: DATA COLLECTION**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. Organization does not utilize Corporate Information System (CIS) as a Management Information System (MIS) or maintain a separate MIS.

2. MIS data is provided upon request from automated or manual systems. Organization reports data manually to FPDS. Error rates are identified by external sources.

3. MIS generates periodic reports to internal customers (e.g., upper management) and external customer (e.g., program offices, IRM office) on work in progress (e.g., request for contract/requisitions, RFP/IFBs). Organization reports data manually to FPDS. Error rates are measured.

4. MIS generates timely, accurate, complete and useful reports to internal and external customers; and, customers can directly access selected pre-award and contract administration data. Organization reports data to FPDS via tape or diskette. Error rates are measured. System in place corrects errors.

5. All of the criteria listed in 4. above have been met or exceeded. Standard and ad hoc MIS reporting capabilities are of the highest quality. Customers can directly access all pertinent pre-award and post-award management information on a real-time basis. Data is used to improve contract operations. Organization reports data to FPDS electronically. Data is on time and above 95 percent accurate and complete.

**GOAL: MISSION GOALS**

**CATEGORY: CONTINUOUS IMPROVEMENT**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. Organization has no effective system for implementing and integrating quality activities. Quality improvement is typically dependent upon employee initiative alone.
2. The organization is in the early stages of creating awareness and change in attitudes toward the importance of quality and customer focus. Key aspects of a strategy for continuous improvement are under development.
3. The organization has implemented a system conducive to quality improvement. Senior management's commitment to total quality has been communicated throughout the organization. All members of the organization share responsibility for quality, continuous improvement and customer satisfaction.
4. An effective quality culture is firmly entrenched throughout the organization. The organization has a number of quality improvement initiatives under way. Customer satisfaction is measured and assessed through the use of periodic focus groups. Means for measuring success have also been implemented.
5. All of the criteria listed in 4. above have been met or exceeded. The organization has successfully developed and implemented a written plan to promote continuous improvement throughout the organization.

**CATEGORY: BEST PRACTICES**

RATING: \_\_\_\_\_ (from 1-5)

Rating \_\_\_\_\_ Type of Organization

1. The organization has no effective system to identify or share innovations or best practices. Any innovation is generally the result of some action by staff acting independently.
2. The organization encourages staff to be innovative and to seek alternatives. Participation in professional organizations is also encouraged.
3. The organization has initiated efforts to explore the feasibility of benchmarking techniques for process improvement. The organization supports innovative Governmentwide initiatives such as promotion of bankcards and other National Performance Review Activities.

4. Some benchmarking activities are now underway. The organization has an effective system for identifying new technologies and innovations and publicizing and sharing its own accomplishments.

5. All of the criteria listed in 4. above have been met or exceeded. Organization continually benchmarks processes with Government and industry. The organization has instituted a fundamental rethinking of its business processes to achieve dramatic improvements in critical areas of performance.

**CATEGORY: PLANNING**

RATING: \_\_\_\_\_ (from 1-5)  
Rating \_\_\_\_\_ Type of Organization

1. The organization has no established short term or strategic planning process consistent with its' overall goals and objectives. Customer focus is typically reactive, not proactive.

2. The organization has initiated some efforts to implement strategic and tactical planning in the organization. The procurement organization supports these efforts. Planning activity is directed to the short term (1-2 years).

3. The organization has an established strategic focus. Planning activities for the short and long term (+3 years) are established. A focus toward achieving improved performance over time is set out in the long-range plan. The procurement organization assists in the development of strategic focus.

4. The organization has an effective strategic plan that has been fully communicated to all employees. Goals and objectives for the major functions and operations of the organization are established and evaluated. The procurement organization is actively engaged in the development of the OA strategic plan.

5. All of the criteria listed in 4. above have been met or exceeded. The procurement organization is actively engaged in developing and implementing the OA strategic plan. The procurement organizations contribution to the attainment of the overall OA goals and objectives are directly linked to customer focus, cutting red tape, empowering employees to get results and cutting back to basics.