



April 22, 2020

United States
Department of
Agriculture

Office of the
Assistant Secretary
for Management

Departmental
Administration

Office of
Contracting and
Procurement

Procurement
Operations Division

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ACQUISITION OPERATING PROCEDURE (AOP)

From: Richard R. Jiron
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Subject: AOP No. 25: Procurement Review Program

- ◆ **PURPOSE:** The Procurement Operations Division (POD) Procurement Review Program is established to ensure compliance with federal laws, regulatory policies, and USDA regulations in the solicitation, award and administration of contracts.
- ◆ **EFFECTIVE DATE:** The effective date of the AOP is April 22, 2020.
- ◆ **REVISIONS:** *Process:* revised paragraphs 1, 2, 3, 4, 5 and 6; added new paragraphs 7 and 10; renumbered and revised paragraphs 8 and 9; and revised attachments.
- ◆ **AUTHORITIES:** FAR 1.602-2 Contracting Officers – Responsibilities, FAR 4.8 Government Contract Files
- ◆ **PROCESS:**

The POD Procurement Review Program consists of two parts.

1. The **first part** is a required self-inspection of individual contract files.
 - a. Contract specialists/contracting officers shall complete and document the File Review Checklist, identified at Attachment 1A as a part of the contract file for each new contract action, including modifications and closeout.
 - b. For contract actions subject to higher level reviews and approval, the File Review Checklist shall be completed up to the current stage in the acquisition prior to submission for higher level review and approval. The Checklist shall contain indication of both contract specialist/contracting officer use and review prior to submission to the next level.
2. The **second part** of the program consists of an ongoing process to ensure effectiveness of the contracting operations and to evaluate how well the contracting staff:

- a. Comply with laws, regulatory policies, and USDA regulations in all procurement actions and related activities;
- b. Comply with contract terms, and ensure compliance by contractor(s);
- c. Maintain an appropriate and effective level of oversight of contractor activities;
- d. Ensure data and information reported to internal and external activities and systems are current, complete and accurate; and
- e. Conduct activities in a manner reflective of the highest level of ethics, integrity and fairness.

The Program will promote continuous process improvement by identifying any recurring statutory or regulatory deficiencies, opportunities for improvement, and best practices. The program will encompass the reviews outlined in the table below.

Description	Review/Team	Review Size	Frequency
Awards (including modifications)	Procurement Analyst(s) lead and at least 4 Contracting Officers identified by the Branch Chiefs Deputy Chief (see paragraph 4)	Sample size is no more than 50 actions comprising of all the contracting branches for the preceeding fiscal year	Every 3 years, or as directed by the POD Chief/ Deputy
As required by POD Chief/Deputy	As directed	As directed	As directed

3. A sampling of the contract actions will be pulled by a Procurement Analyst from the reporting or contracting system. This includes any offices or activities or action criteria determined under the Mission Area-Senior Contracting Official’s oversight. The sampling may target high risk contracts/actions, such as Limited Sources/Brand Name or Time and Material/Labor Hour type contracts.
4. The review team will be made up of Procurement Analysts, but may also include branch chiefs, additional contracting officers and/or entry level 1102s acting as observers, as a professional development activity. Review team members will receive an email notification of participation from the Procurement Analyst that may be used for Continuous Learning Points, as determined by the designated Bureau Certification Manager or USDA Acquisition Career Manager, as applicable.
5. The review team will perform a detailed review of each contract file and review and validate the existing Checklist at Attachment 1A, or complete a new Checklist at

Attachment 1A, if needed. The review team may request additional information from the contract specialist/contracting officer during the conduct of the review. Review elements include, but are not limited to:

- a. Acquisition planning;
 - b. Proper use of appropriate procedures (FAR 8.4, 12, 13, 14, 15, 16.5, or 17.5) for new acquisitions;
 - c. Use of category management/strategic sourcing;
 - d. Appropriate use of contract type;
 - e. Market research;
 - f. Socio-economic considerations;
 - g. Level of competition;
 - h. Contract pricing;-
 - i. Evaluation and selection of sources;
 - j. Contract document, structure and format (including clauses);
 - k. Contract change management (e.g. change order as in construction);
 - l. Contract modifications, option exercises, extensions, and terminations;
 - m. Contract file documentation and organization;
 - n. Quality assurance;
 - o. Management of contractor reports and correspondence;
 - p. Subcontract consent/approval and oversight;
 - q. Administration of contractor invoices and contract funding amounts;
 - r. Contractor performance assessment; and
 - s. Contract closeout
6. The review team will discuss and document overall findings and identify trends using the consolidated Checklist at Attachment 1B. The Procurement Analyst or review team lead will draft a review summary report at Attachment 2 and submit to the POD Deputy Chief upon conclusion of the review. The report will identify any best practices and commendable items, review findings, observations and recommendations. The individual file review checklists (Attachment 1A) and consolidated checklist (Attachment 1B) with comments and findings (Attachment 3) will be included with the report.
 7. The POD Deputy Chief may discuss findings with the Procurement Analyst(s). The Procurement Analyst(s) may make changes as a result of the discussion and submit the review summary report to the Branch Chiefs for corrective actions, as needed.

8. Within 30 days of receipt, as applicable, the Branch Chief(s) shall prepare and submit a response to the Deputy Chief and Procurement Analyst(s) as a result of any findings/trends. The response shall include corrective actions to be taken to resolve findings/trends.
9. The Procurement Analyst(s) and Deputy Chief will consider the Branch Chief(s) responses and may discuss changes, if necessary. When all changes are agreed to, the Procurement Analyst will submit the report memo (Attachment 4), review summary report, checklists and consolidated Branch Chief response to the POD Chief.
10. The POD Chief will review and consider the review report in developing and implementing changes to the Division's AOPs, including changes to guidance, tools, and the Program itself. The POD Chief, as a result of a periodic review, may recommend adjustment of warrant authorities, pre-solicitation and pre-award review thresholds, and require specific training or mentoring, and/or additional periodic reviews, as needed.

◆ **EXPIRATION DATE:** This AOP shall remain in effect until canceled.

AOP No. 25: Procurement Review Program – Attachments

Attachment 1A – Individual File Review Checklist

Attachment 1B – Consolidated File Review Checklist

Attachment 2 – Review Summary Report

Attachment 3 – File Review Comments

Attachment 4 – Report Memo