



DEFENSE HUMAN RESOURCES ACTIVITY  
HEADQUARTERS  
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OCT 30 2015

MEMORANDUM FOR DHRA COMPONENT DIRECTORS

SUBJECT: FY16 Acquisitions

Efforts made in Fiscal Year (FY) 15 led to changes in our acquisition processes for FY 16. In some instances, the change is significant, such as the realignment of some workload previously performed by our Procurement Support Office (PSO). Other changes are more nuanced, such as renewed attention to the Contracting Officer's Representative (COR) Program. The following information discusses those changes, and is provided to assist you with your FY16 acquisitions.

**REALIGNMENT OF WORKLOAD**

**New:**

As previously announced, effective October 1, 2015, all DHRA Components must seek support from a contracting office other than the PSO for requirements which are either (1) no-cost, or (2) include funding sources from outside DHRA (reimbursable and direct funds). This includes requirements which are currently being supported by DHRA Indefinite Delivery, Indefinite Quantity (IDIQ) contracts. This change is in addition to those actions for which outside contracting support may be in the best interest of the government due to statutory direction and/or unique acquisition traits.

Documentation for requirements supported by contracting activities outside the PSO should be submitted to the PSO for approval and processing not less than three weeks before the Military Interdepartmental Purchase Request (MIPR) is required by the servicing agency. However, it should *not* be assumed that all MIPRs will be approved. It is incumbent upon the requesting office to allow sufficient time for any denied MIPR request to be processed in-house by the PSO.

The PSO is committed to a successful transition of workload. They will partner with requiring personnel to ensure a smooth reassignment of work to other contracting offices minimizing disruptions to the mission.

**CUT-OFF DATES**

**Update.**

Attached are the FY16 requirements package (i.e. purchase request) cut-off dates to ensure timely awards prior to 30 September 2016. Note that the deadlines reflected on the cut-off date matrix specify the dates that **complete** and **final** requirements packages must be *received* by the PSO. Prior to receipt by the PSO, requisitions route through multiple other parties. Submission of requirements after the established cut-off dates, or submission of an incomplete

package at any time increases the risk that the requirement(s) will not be awarded prior to the end of the fiscal year. The DHRA Office of the Director will be proactively communicating cut-off date reminders throughout the FY.

## MIPRs

### New:

A Task Force was established in FY 15 to review the MIPR workflow process. As a result of this review, a new Standard Operating Procedure (SOP) is being developed to provide MIPR process guidance. This SOP outlines the process from initial submission to the DHRA CMO to final approval by the PSO (or RM if an exception applies). Additionally, the SharePoint team is working on automation of the MIPR review process. Use of a SharePoint project portal will streamline the review process, enabling all users to track the status and to obtain automated feedback on MIPR packages without the use of email. Both the MIPR SOP and SharePoint portal are anticipated to be available early in FY16.

It is important to note that there are limited exceptions to the MIPR package review by the PSO. Final approval of a MIPR package may be received from DHRA RM (without coordination through the PSO) when both of the following circumstances apply: 1) the MIPR is properly supported in accordance with applicable regulations, policy and guidance; **and** 2) the MIPR funds will not otherwise be obligated under a contractual document. Examples of the exception include Government Printing requirements; payment of tenant services; and payment of employee salaries, awards and travel related to DHRA gaining or losing components due to mission changes. All other MIPR requests must be reviewed and approved by a PSO contracting officer. For additional information and guidance, see <http://www.dhra.mil/ps0/interagency-acquisitions/>. Questions regarding MIPR packages may be directed to Barbara LaFalce at [Barbara.j.lafalce.civ@mail.mil](mailto:Barbara.j.lafalce.civ@mail.mil).

## TEMPLATES

### Update.

The cut-off date matrix, required templates, as well as the list detailing requirements package and Other Agency Support request contents, are located on the PSO website at <http://www.dhra.mil/ps0/>. All resources are regularly reviewed and updated to reflect the most current policy/procedural changes. **To ensure consistency and version control, new and updated templates are only posted on the 15<sup>th</sup> and 30<sup>th</sup> of each month.** Requirements packages which do not reflect the most recent document version(s) will be returned - without action - to the originator for update.

## **CONTRACTING OFFICER'S REPRESENTATIVE PROGRAM**

### **Update.**

CORs are reminded of their important role in the contractual process to include serving as the technical liaison between the contractor and Contracting Officer. COR duties and responsibilities rely heavily on ensuring, through contract monitoring and surveillance methods, the contractor satisfactorily performs and meets agreed-upon deliverables. Compliance with the Contractor Performance Assessment Reporting System (CPARS) is a critical COR function, as is regularly and timely communicating any contractual issues to the Contracting Officer.

CORs are also required to establish and maintain a COR file for each assigned contract, and to make them available to the Contracting Officer, annually.

Training certifications must be maintained, to include the completion of COR Refresher Training every three years as outlined in DoD standards and guidelines.

As a result of the Procurement Management Review conducted in FY15, the COR Program Task Force is establishing procedures implementing a structured audit process for all COR files and has strengthened COR resource documents and training materials. To that end, the PSO will be hosting COR Refresher Training early in FY16; all CORs are strongly encouraged to attend.

The Enterprise-wide Contractor Manpower Reporting Application (ECMRA) is a secure Government website which serves as a repository for contractor direct labor hours and dollars data. The goal of ECMRA is to improve the visibility into and the accountability of contracted services. The implementation of the ECMRA requires contractors to report all contractor labor hours (including subcontractor labor hours) into the system. Such data must be entered for non-DoD contracts – which include those not supported by the PSO. In FY14, the DHRA ECMRA compliance was particularly low, as only 7.12% of DHRA's contracts were reported. The compliance rate for non-DoD DHRA contracts (non-PSO supported) is almost negligible and, coupled with the lack of DoD insight and authority, particularly challenging to monitor. Nevertheless, it is incumbent upon the CORs to use best efforts ensure **all** contractors comply with the ECMRA requirement. Questions regarding Contractor Manpower Reporting should be directed to the DHRA eCommerce Program Manager, Melissa Phillips, ([Melissa.p.Phillips.civ@mail.mil](mailto:Melissa.p.Phillips.civ@mail.mil).)

The PSO website provides an abundance of current COR resources at <http://www.dhra.mil/ps0/contracts>. Rachele Eller ([Rachele.b.eller@mail.mil](mailto:Rachele.b.eller@mail.mil)) is the DHRA COR Program POC and is available to address any COR matters.

## **SMALL BUSINESS UTILIZATION**

### **Update.**

The Department of Defense Office of Small Business Programs has not negotiated with DHRA the Small Business Contracting Goal for FY16 and FY17. However, we achieved

60.37% in FY15, and applaud your efforts and those of the PSO in support of our Small Business Program. Attaining the goal is the responsibility of not just the PSO but every requirements office, and we will continue to provide small business opportunities to the maximum extent practicable. Small Business Utilization is best achieved through the robust Market Research conducted and documented by the requiring office for all procurements.

I am concerned about an overutilization of the Small Business Administration's (SBA) 8a Program for our acquisitions. This program should be used judiciously and considered for our one-time requirements or certain appropriate recurring requirements. Remember, a requirement offered to the SBA 8a Program remains in the Program for subsequent procurement actions.

Questions regarding Small Business utilization and Market Research may be directed to Fernando Guerra ([Fernando.j.guerra3.civ@mail.mil](mailto:Fernando.j.guerra3.civ@mail.mil)).

## **COMPETITION**

### **Update.**

The DHRA FY16 goal for Competition is expected to be slightly higher than the current FY15 goal of 51.2%. While DHRA expects to achieve the FY15 goal (we are awaiting final analysis of the data), our assigned goal is among the lowest of the OSD components. This is reflective of our failure to fully maximize the advantages of acquisition planning tools, such as in-depth Market Research and Requests for Information (RFIs), to fully identify and remove overstated and/or obsolete specifications that create unrealistic barriers to competition.

The acquisition planning process begins when a requirement is identified in the budget, not when funds become available. Use the Milestone Charts, available on the PSO website, to ensure that you and the PSO have the full and necessary time to maximize competitive opportunities. Be aware that you will require additional planning time as a result of recent policy changes including:

- (1) Use of RFIs or Sources Sought (SS) notices for non-competitive acquisitions that will be sought under the authority of FAR 6.302-1 - "Only One Responsible Source."
- (2) J&As for follow-on, sole source acquisitions of the same supply or service must include the prior J&A as part of the approval process. Therefore the current and prior J&A must be included in your requirement package. The current J&A must identify the extent that the planned actions to remove or overcome barriers to competition cited in the prior J&A were not completed. Each subsequent J&A must be approved at one level above the prior J&A (up to, but not exceeding, the Senior Procurement Executive).

Providing maximum practical opportunities for competition must be a primary consideration in your acquisition planning. Questions regarding competition may be directed to our DHRA Competition Advocate, Barbara LaFalce ([Barbara.j.lafalce.civ@mail.mil](mailto:Barbara.j.lafalce.civ@mail.mil)).

## **PROCUREMENT PACKAGE REVIEW BOARDS**

### **New:**

The purpose of the Review Board is for the acquisition team to meet and review all documents, answer questions, and expound, delete or clarify information pertaining to the requirement. The goal is to facilitate an understanding of the technical requirements as well as the acquisition strategy moving forward. Review Boards are held on Wednesdays for acquisitions that are valued at or above \$1M and/or are complex or highly visible. PSO was commended on this multi-functional Review Board process by the Director, Defense Procurement and Acquisition Policy (DPAP) in the latest Procurement Management Review (PMR).

Starting in FY16, based on recommendations from the Acquisition Task Force that was formed to explore the acquisition process, PSO will electronically document the Review Boards with a summary of participants, explanation of discussion that took place, and assigned action items. Based on the discussion, within fifteen calendar days of the Review Board, Requiring Activities will document the necessary changes and revise the acquisition documents accordingly.

## **SOURCE SELECTION EVALUATION BOARDS (SSEB)**

### **Update.**

Source selection team members play an important role in the procurement process and are charged with several key responsibilities. The primary responsibility of the SSEB is to complete a comprehensive evaluation of each technical proposal submission. To ensure success, team members must be technical subject matter experts and should have had some part in developing the requirement or writing the performance work statement (PWS). The negative impact of unqualified members could result in the need for re-evaluation of the proposals, inability of the Contracting Officer to justify contract award, legally insufficient or unsupportable determination by general counsel and ultimately losing a protest.

Once the solicitation has been released, Component Directors will receive a letter from the PSO Director identifying the team members and their roles and responsibilities. Members must not only be qualified to serve on the board, but be available for the duration of the technical review, usually five days. Prior to the review, they should become familiar with the PWS and evaluation criteria that will be used to rate proposals.

In compliance with the Procurement Integrity Act, it is imperative that the SSEB members uphold the highest possible level of confidentiality and not discuss any aspect of the evaluation process with anyone outside the Board. Prior to review, if any team members suspect there may be a conflict of interest with any potential offerors, they must immediately notify the ethics advisor.

## IT DEFENSE BUSINESS SYSTEMS (DBS) PROBLEM STATEMENTS.

### *New:*

The "Guidance for Review and Certification of Defense Business Systems, Version 3.4, February 2015," for defense business systems requires the DHRA IT Portfolio meet the following requirements:

- (1) All requests for review and certification that include funding for development/modernization must have an approved/ validated problem statement. (Pg. 13)
- (2) A Problem Statement is used as the requirements validation document for DBS to inform future analysis and decision making regarding acquisition and IT capital investments. The Problem Statement may require update as part of the Business Case during an acquisition. A request for certification of funds for DBS modernization must be supported by an approved Problem Statement.

An excerpt of the definition for Development/Modernization (Dev/Mod) activities, as defined in DoD FMR 7000.14-R, Vol 2B Ch18 (18-9) is below:

- Any change or modification to an existing Information System, program, and/or Initiative that results in improved capability or performance of the baseline activity. Improved capability or performance achieved as a by-product of the replacement of broken IT equipment to continue an operation at the current service levels is not categorized as Dev/Mod.

- Dev/ Mod includes - program costs for new applications and infrastructure capabilities that are planned or under development; any change or modification to existing applications and infrastructure capabilities which is intended to result in an improved capability or performance of the activity.

- Changes include - all modifications to existing operational software (other than corrective software maintenance); expansion of existing capabilities to new users; mandatory changes required by Congress or the Office of the Secretary of Defense; personnel cost for project management. (Pgs. 13-14)

All CMO identified DHRA defense business systems must obtain problem statement approval from the P&R Business Council **prior** to receiving final approval from the Office of the Deputy Chief Management Officer (ODCMO). In the event that conditional approval is granted by the ODCMO, the responsible DHRA Component is required to provide documentation to the DHRA CMO that demonstrate the areas of concern are being adjudicated within the prescribed time identified in the conditional approval notice.

## **GOVERNMENT PURCHASE CARD (GPC)**

### **New:**

The Government Purchase Card (GPC) program remains an efficient way for DHRA components to make micro-purchases to support their mission. The GPC micro-purchase limit or single purchase limit will increase from \$3,000 to \$3,500 on October 1, 2015. Micro-purchase thresholds created by the Service Contract Act (\$2,500 for services per year), will remain unchanged. The PSO is committed to assisting Components with their program requirements in order to maintain compliance and circumvent fraud, waste, and abuse. A review of the cardholders' current procurement needs and spending patterns will occur at the beginning of FY16 to ensure cardholder limits are established and maintained to meet organizational needs. Questions regarding the GPC Program should be directed to the DHRA GPC Agency Program Coordinator, Andrea Clark ([Andrea.n.clark16.civ@mail.mil](mailto:Andrea.n.clark16.civ@mail.mil)).

## **BUDGET AND ACQUISITION REVIEWS**

### **New:**

As is our practice, the RM and PSO will resume scheduling Budget and Acquisition Reviews to discuss and assess Components' planned acquisitions and executions. I will be participating in these reviews, and expect that the Component Directors will participate, as well. Specific guidance will be provided under separate cover.

## **FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER (FFRDC) STUDY OF DHRA ACQUISITION PROCESSES**

### **New:**

We will use a FFRDC to conduct a study that includes an in-depth documentation and analysis of the current organizational structure and acquisition processes, from requirements and budget generation to post-award surveillance and contract closeout. The results of this study will be used to improve communication and understanding of the stakeholder roles in the acquisition lifecycle; identify and meet training/ knowledge gaps; develop effective acquisition guidance and tools to enhance and improve the DHRA acquisition program; and identify how to best utilize dwindling resources to accomplish these deliverables. This "top down" study will require coordination and time with all stakeholders in the acquisition process. The study started this month.

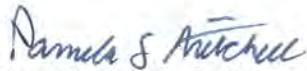
## **PSO BRIEFINGS**

### **New:**

*During FY 16, the PSO will offer a series of briefings to all Components in DHRA to provide further insight and guidance concerning the Federal Government Acquisition processes and procedures. The purpose of these briefings is to expand Component outreach and partnership emphasizing on how contracting laws, regulations, and processes support and enable the DHRA mission, while adhering to the integrity of the acquisition processes and*

*procedures. The point of contact for Component Briefings is Mr. Larry J. Helton*  
[\(\[larry.j.helton.civ@mail.mil\]\(mailto:larry.j.helton.civ@mail.mil\)\)](mailto:larry.j.helton.civ@mail.mil).

Fiscal Year 16 is certain to bring new challenges, changes, and opportunities. Through a continual review and assessment of the organization's resources, needs, and performance, we will face those challenges and adapt accordingly.

  
Pamela S. Mitchell  
Director

Attachment:  
As stated

FY-16 Cut-Off Dates

| <b>AWARD TYPE</b>  | <b>MUST BE RECEIVED BY THE PSO BY NOON ON:</b>   |
|--|--|
| <b>Contracts &amp; Task/Delivery Orders or Calls against non PSO contracts (total including options)</b> |  |
| Over \$5,000,000   | 11 March 2016  |
| Over \$1,000,000 to \$5,000,000  | 15 April 2016  |
| Over \$150,000 to \$1,000,000  | 13 May 2016  |
| <b>Simplified Acquisitions</b>   |  |
| \$25,000 to \$150,000  | 01 July 2016   |
| Under \$25,000   | 26 August 2016   |
| <b>8(a) Set Aside Contracts (Noncompetitive)</b>   |  |
|  | 27 Jun 2016  |
| <b>Delivery/Task Orders /Blanket Purchase Agreements Against DHRA PSO IDIQ Contracts</b>                 |  |
| Delivery/Task Orders   | 1 August 2016  |
| BPA Calls  | 26 August 2016   |
| <b>Modifications</b>   |  |
| Exercise of Options  | <b>Memo of Intent</b> - 90 days prior to expiration<br><b>PR</b> - 60 days prior to expiration |
| All Others   | 60 days prior to execution   |
| <b>Requests for Other Agency Support/MIPR Review</b>   |  |
|  | Allow 21 days processing time within the PSO   |
| <b>Actions which must be awarded in FY15 obligating FY16 Funds</b>                                       |  |
|  | See Milestone Charts   |
| <b>Requests to Increase Monthly Purchase Card Thresholds</b>   |  |
|  | 26 July 2016   |
| <b>Grants/Cooperative Agreements (Current FY Expiring Funds)</b>   |  |
| Competitive  | 01 April 2016  |
| Single Source  | 01 July 2016   |
| Incremental Funding of Existing Awards   | 26 August 2016   |
| <b>Misc.</b>   |  |
| Only One Responsible Source (sole source)  | 30 days prior to dates shown above   |
| GPC Purchases – 8 Sep 16 - last day to make GPC purchases  |  |