

Contractor Purchasing System Reviews (CPSRs)

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Panel members:

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Outline

- Introduction to the CPSR process
- Government determining when to conduct a CPSR
- Contractor preparing for a CPSR
- Government conducting CPSRs
- Contractor actions following a CPSR
- Your questions

INTRODUCTION TO THE CPSR PROCESS

Jim Southerland
President
Contracts Advisory Services

What is a CPSR?

FAR §44.101 — Contractor purchasing system review (CPSR) means the complete evaluation of a contractor's purchasing of material and services, subcontracting, and subcontract management from development of the requirement through completion of subcontract performance.

Why do a CPSR?

- Evaluate efficiency with which contractor spends government funds
- Assure compliance with government policies
- Provide ACO basis for approving (or not approving) purchasing system
- Reduce contractor workload

What are the benefits of a CPSR?

- To the government
 - Confidence in placing material \$
 - Effective management of supply chain

- To the contractor
 - Reduced government oversight
 - Limited notification or consent required before placing POs & subcontracts

What are the Regulatory Requirements?

- FAR Subpart 44.3 on review process
- DCMA guidebook on CPSRs
- DCAA *Internal Control Matrix for CPSR/Purchasing System Audit*
- Company policies and procedures
 - Implement FAR & DFARS requirements
 - Implement other statutory & regulatory requirements (e.g., Sarbanes-Oxley)

What are Subcontracting Risks?

- Process risks
 - Adequacy of contractor's processes
 - Adherence to adequate processes

- Business risks
 - Adequate price competition
 - Cost reasonableness
 - Financial risks in procurement

GOVERNMENT DETERMINING WHEN TO CONDUCT A CPSR

Dan Kearney
Procurement Compliance Rep.
General Atomics Aeronautical Systems, Inc.

Background to Your CPSR

- When to conduct a CPSR
- Risk assessment guidelines & factors
- Review requirements
- Review scope & PO sample period
- The government review “players”
- Contractor data for the CPSR team

Historical Basis for Determination

- Prior to 2000 — CPSRs for qualified contractors performed on an annual basis
 - 3-day CPSRs for first 2 years
 - 2-week review in third year of 3-year cycle
 - Since 2000 — risk assessments used to determine when to perform CPSRs:
 - More effectively uses DCMA resources
 - Provides greater oversight on less experienced or poorly managed contractors
 - Good contractor performance → fewer CPSRs
-

CPSR Threshold >\$25M Trigger

- DCMA initiates a review to determine if a CPSR is needed per FAR §44.302
 - Contractor's sales to Government are expected to > \$25M during next 12 months, excluding:
 - Competitively awarded fixed price contracts
 - Sales of FAR Part 12 commercial items
- A review in this context implies a type of risk assessment

Sources for Potential CPSRs

- Contractors previously qualified & currently in the program
- Requests from contracting officers
- Requests from other DoD activities
- Requests from CPSR Center

DCMA Contract Surveillance

- DCMA ACO contract surveillance ensures contractor effectively manages its purchasing program — specialists assist in plan development as necessary
- Contractor's performance is evaluated based on risk assessment prior to execution of a CPSR

DCAA Contract Audits

- Audit programs
 - Purchasing Controls
 - Material Management and Accounting Systems (MMAS)

- Participation in CPSRs
 - Recent audit results
 - Review team participation

Risk Assessment Guidelines

- ACO questionnaire every 3 years
 - Qualified contractors address risk factors
 - Company completes & returns to ACO
 - ACO comments on & sends to CPSR Center

- ACO calls for CPSR review:
 - If risk rating scored as “moderate” or “high”
 - At anytime based on unforeseen risk to schedule, performance or cost

Risk Assessment Factors

- Company history — prior review status
- CPSR recommendations to contractors
- When previous CPSRs were conducted
- Type(s) of contract(s)
- Total sales to government as percentage of sales
- Contracting officer & team input
- Audit reports from DCAA

Contractor Risk Factors

- Personnel training & experience
- Self assessment & internal audits
- Place or status in its industry
- Reorganizations, mergers, divestitures
- Direct material & material overhead as percentage of sales
- Large increases, decreases & changes in sales

Determining Review Scope

CPSR team captain decision based on:

- ❑ ACO recommendation
- ❑ Results of related audits and reviews conducted in the past twelve months
- ❑ Other information unique to that specific contractor's operations
- ❑ Complexity of contractor's procurement
- ❑ Locality and availability of DCMA team specialists

Determining Review Team

- DCMA's CPSR team captain determines scope of review & disciplines [analysts] to include in team
- Potential participants are:
 - DCMA transportation & packaging, quality, engineering, property, small business specialists
 - DCAA auditor

CPSR Date & Sample Period

- Team captain contacts contractor to schedule in-plant review dates
 - Negotiated date flexible
 - Time period for review 3–10 days
- Sample period usually twelve months of purchasing data
 - Noncommercial items apply
 - Commercial & overhead purchases excluded

In-plant Data for the CPSR Team

- List of all active prime and subcontracts
- Sales data for sample review period
 - Total government sales under all contracts (if multiple contracts held)
 - Total commercial sales
- Purchasing data for sample review
 - Number of POs, total value (including options)
 - List of letter subcontracts for sample period
 - PO sample questionnaire signed by purchasing management

CPSR Team Data (Con't)

- Description of the following processes:
 - Make-or-buy, best value, self audit program
 - Specialty metals compliance
 - Low \$\$ buys
 - Closeouts & terminations
 - Vendor rating
- Purchasing policies & procedures
- Subcontractor kickback questionnaire
- Corrective action on prior reviews, if any

CONTRACTOR PREPARING FOR A CPSR

Lil Smith
Compliance Manager
ViaSat, Inc.

Preparation Topics

- Introduction
- Compliance processes
- Notification & response
- Identifying internal team
 - Confirming updated procedures & forms
- Sample determination & submittal
- Selected sample preparation
- Team preparation

Introduction – ViaSat \$600M+

50% Government
Products & Services

50% Commercial
Parts, Products & Services



Low Volume
High Mix

Core Competencies

OEM - Leading Edge Product Design
New Product Introduction (NPI)
Demand Driven Outsourced Manufacturing

High Volume
Low Mix

**Mixed Model
Complexity**
Common Processes

Requires Common ISO, SOA/SOX & FAR Compliant Processes

Compliance Processes

- ISO – documented processes & forms
 - Internal audits & supplier controls
- SOA & SOX – controls
 - Internal & external audits
- FAR – Public Law compliance
 - CPSR, small business, government property
 - Internal & external (DCMA) audits
 - DCMA CPSR reviews (sales '02 = \$195M; '08 = \$628M)
- Ethics program

Notification & Response

- Received DCMA request & form
 - Task: complete forms with attachments
e.g., contracts & sub-K listings, conflict of interest form
- Form supplements: key exhibits
 - Binder #1
 - ISO processes & forms (manual) & updates
 - PO, sub-K T&Cs & certifications
 - Public Law compliance (flowcharts)
 - Methods: cost/price analysis & supplier evaluation
 - Binder #2
 - Company & other Information

Identifying Internal CPSR Team

- Executive sponsors
 - VP Ops & Director Supply Chain
- Team lead
 - Compliance Manager
- Supply chain staff
 - Procurement leads
 - IT applications support (for listings)
 - Procurement admin staff (for support)

Sample Determination & Submittal

- PO listing (over \$25K threshold)
 - Contracts: government (FAR Parts 12 & 15) vs. commercial (non-government) contracts
 - Types: FFP vs. flexibly priced contracts
 - Sort: competitive vs. non-competitive
- Submit to DCMA
 - Sample selection

Selected Sample Preparation

- DCMA selects sample POs
- Procurement leads
 - Assign “peer audits” of PO packages
 - Identify gaps — improve process & remedy discrepancies (if any)
- Prepare notebooks (by PO)
 - Includes full PO package (per checklist)

Team Preparation

- Ensure ethics training is current
 - Corporate financial ethics
 - Procurement ethics (supplemental)
- Recurring pre-audit status meetings
 - Utilize action item list
 - Follow up relentlessly
 - Be prepared
- Auditor welcome: (make as easy as possible)
 - Office space, data access & staff support
 - Welcome briefing (focus on process controls)

GOVERNMENT CONDUCTING CPSRs

Dan Kearney
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General Atomics Aeronautical Systems, Inc.

Actions Prior to the CPSR

Day	Event
-120	DCMA initiate risk assessment; or ACO call for CPSR
- 90	DCMA requests contractor risk information
- 75	Contractor responds to information request
- 65	DCMA assembles CPSR team
- 55	DCMA notifies contractor of CPSR
- 45	Team captain requests CPSR review data
- 30	DCMA CPSR pre-review meeting
- 14	Notify contractor of selected PO sample
0	Entrance conference with contractor — commence in-plant CPSR work

Actions During the CPSR

- Entrance conference kicks off in-plant review; contractor provides review data
- Review policies & procedures
- Review sample POs & subcontracts
- Interview contractor personnel
- DCMA develop preliminary observations & findings
- Hold informal exit conference — complete CPSR in-plant work

Actions After the CPSR

Day	Event
0	Complete CPSR in-plant work
+ 3	Discuss observations & findings with ACO
+ 7	ACO issue formal letter & recommendations
+ 7	Formal exit conference
+ 22	Contractor respond to ACO's letter with CAP
+ 30	Evaluate corrective action plan (CAP)
+ 35	Team write report
+ 40	ACO issue CPSR approval status & report
+ 55	Contractor respond to ACO letter

Pre-review Meeting

- Team captain meets with DCMA team:
 - States plan of review
 - Assigns team member responsibilities
 - Discusses previous audits within past 12 months to eliminate possible duplication
 - ACO informs team of any areas of concern

- Establish entrance conference attendees, spokesperson & agenda

Entrance Conference

- CPSR team captain topics:
 - Introduce team members
 - Explain review agenda
 - Discuss expectations for compliance
 - Provide timeline for review through final report
- Contractor topics:
 - Introduce key players & purchasing staff
 - Explain company organization, government sales & contracting
 - Describe purchasing initiatives

Policies & Procedures Review

- Ownership responsibility
- Appropriate guidelines & implementation
- Key purchasing areas:
 - Public Law compliance
 - Subcontracting & subcontract administration
 - Pricing, negotiations
 - Ethics
- Monitoring effectiveness

PO Sample Review

- Public Law requirements
- Price analysis & negotiations
- Extent of competition
- Source justifications
- Representations & certifications
- Complete file documentation
- Adherence to company procedures

Compile & Analyze Statistics

- Software program sort details of sample
- Look for trends & areas of concern:
 - Public Law compliance
 - CAS
 - TINA
 - ACO advance notification
 - Letter subcontracts
- Compare statistics with contractor internal audit results, if applicable

Interview Contractor Personnel

- Focus on statistical results and areas not covered in sample
- Questions typically are answered by cognizant buyers or managers
- Other areas to be addressed are:
 - Standardization
 - Make-or-buy
 - Value analysis
 - Ethics
 - Closeouts

Team Captain's Final Review

- Team input gathered from all members
 - Prior to conclusion of on-site review
 - Decide if any areas need further research
- Final input includes:
 - All specialist team members' reports
 - Results of PO statistics
 - Summary of interviews with contractor personnel
 - Any contractor voluntary disclosure of areas requiring improvement

Preliminary Observations & Findings

- Written by team captain
 - Provides basis for exit conference discussion and formal CPSR report
 - Often consists mainly of sample PO statistical results
 - Includes conclusions of all members' inputs
- Observations & findings
 - Will be summarized in the CPSR report
 - Serious problems & trend weaknesses result in written recommendations

Informal Exit Conference

- Team captain meets with purchasing staff
 - Provides advance warning of any issues for discussion at exit conference
 - Summarizes review statistics, observations & findings
 - Purchasing staff can provide additional data that could effect team's findings, *e.g.*:
 - Internal self audits documented results had conclusions materially different from CPSR findings
 - Recent procedural change not noticed by the team
- Often held on last day of in-plant review

Discuss Observations & Findings with ACO

Team captain apprises ACO of review:

- ❑ Discuss review results
- ❑ Finalize recommendations based on findings
- ❑ Set ground rules for exit conference
- ❑ Draft formal letter of recommendation
 - May be delivered at formal exit conference
 - ACO recommendation letter does not address approval or disapproval of system

Formal Exit Conference

ACO, team captain & review team meet with the contractor

- ❑ Contractor attendees
 - Senior management
 - Contract administrator
 - Purchasing management
 - Purchasing staff
- ❑ Agenda
 - Team captain briefs CPSR results
 - Presents signed ACO recommendation letter
- ❑ Contractor submits CAP within 15 days

Evaluate Corrective Action Plan

- CAP submitted to ACO, copy team captain
- ACO & team captain review CAP
 - If CAP unacceptable, final report delayed until approved
 - If CAP acceptable, CPSR team writes report to incorporate specifics
- Purchasing system monitored to ensure CAP actions accomplished
- Team captain writes CPSR final report & recommendations

Final Report & Recommendations

- Concise report reflects conditions found
 - Identifies processes reviewed & written recommendations
 - Provides recommendation to ACO to approve or withhold approval of purchasing system
- ACO does not issue approval or withhold approval prior to receiving final report
- Team captain provides final report to ACO and, if requested, DCAA & PCO

ACO Purchasing Status Letter

- When purchasing system approved
 - Covered plant or plants
 - Effective date of approval
 - Required continuing surveillance or consent
 - Recommendations for improvement

- When approval withheld or withdrawn
 - Covered plant or plants
 - Deficiencies requiring correction

CONTRACTOR ACTIONS FOLLOWING A CPSR

Carl DeWoody
Business Unit Procurement Director
Logistics and Engineering Solutions
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SAIC

System Approved – What next?

- It probably did not come without conditions (*e.g.*, corrective action plan)
 - Respond to ACO within 15 days
 - Making those fixes now and providing updates to ACO or CACO as soon as feasible provides him/her assurance
- Keep your policies and procedures current with the changing times
- Keep an eye on FAR changes

What next? Maintain processes

- Procurement process
- Documentation requirements
- Commercial items
- Subcontract types
- Terms and conditions
- Source qualification — solicitation — selection
- Cost analysis
- Price analysis

Process Examples Continued

- Government notifications
- Supplier certifications: Business Partner Network ORCA — Online Representations and Certifications Application
- Self assessment program
- Small business program
- Procurement authority
- Corporate credit card
- Goods receipt process

Buyer Training to Pass CPSRs

- Standardize the look and feel of every file created—create an index checklist that is followed consistently:
 - ❑ Purchase requirements
 - ❑ RFPs & responses
 - ❑ Prime contract flow-down requirements
 - ❑ Purchase award documentation
 - ❑ Government notifications
 - ❑ Award documents and responses
 - ❑ Miscellaneous correspondence
 - ❑ Closeout

Buyer Training (Con't)

- Create an “audit compliance” program
- Teach audit reviewers how to audit in accordance with company’s procedure
- Establish an audit threshold
- Create audit metrics that support the response to CPSR risk assessment form
- If files are created in an ERP system, develop status coding that supports a CPSR (*i.e.*, so system can run reports)

Key Compliance Areas

- TINA, P.L. 87-653
- CAS, P.L. 100-679
- Advance notification or prior consent
- Price and cost analyses
- Flow-down clauses
- Anti-Lobbying, P.L. 100-121
- EEO, Pre-Award Clearance

Key Compliance Areas (Con't)

- Debarred or suspended contractors (listed on Excluded Parties List System)
- Small business/small disadvantaged business subcontracting plan
- Non-competitive source justification
- Negotiation memorandum
- Competition
- Finally, expect risk assessment every two years

Your Questions



This presentation will be available on the NCMA San Diego Chapter web site in the near future!

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Acronyms

ACO — administrative contracting officer

CACO — corporate administrative contracting officer

CAP — corrective action plan

CAS — Cost Accounting Standards (P.L. 100-679)

CPSR — contractor purchasing system review

DCAA — Defense Contract Audit Agency

DCMA — Defense Contract Management Agency

DoD — Department of Defense

EEO — Equal Employment Opportunity

ERP — enterprise resource planning

FAR — Federal Acquisition Regulation

Acronyms (con't)

ISO — International Organization for Standardization

OEM — original equipment manufacturer

ORCA — Online Representations and Certification
Application

P.L.— Public Law

PO — purchase order

PSA — purchasing systems analyst

SOA — Sarbanes-Oxley Act of 2002 (P.L. 107-204)

SOX — measures to comply with the SOA

sub-K — subcontractor

T&Cs — terms and conditions

TINA — Truth in Negotiations Act (P.L. 87-653)

Background Material



READ

Federal References & Web Sites

- Excluded Parties List System: <http://epls.arnet.gov>
- FAR: <http://farsite.hill.af.mil/VFFARA.HTM>
- FAR changes: <http://farsite.hill.af.mil/>
- DFARS: <http://farsite.hill.af.mil/VFDFARA.HTM>
- ORCA: <http://orca.bpn.gov/>
On BPN home page, click “Vendor” button under ORCA

DoD References & Web Sites

- DCMA Guidebook: Consent to Subcontract/ Contractor Purchasing System Review (CPSR)

http://guidebook.dcma.mil/26/guidebook_process.htm

- DCMA Contract Audit Follow-up (CAFU)

<http://guidebook.dcma.mil/13/index.cfm>

- Defense Priority Accountability System (DPAS):

<https://www.dpas.dod.mil/>

DoD References — DCAA

- Purchasing system internal controls
 - Audit Program for Purchasing Controls
 - Internal Control Matrix for CPSR/Purchasing System Audit

<http://www.dcaa.mil>; click on Audit Guidance: Standard Audit Programs; go to Activity Code 12030

- MMAS controls
 - Audit Program for Material Management and Accounting Systems (MMAS) Controls
 - Internal Control Matrix for Material Management and Accounting System (MMAS)

<http://www.dcaa.mil>; click on Audit Guidance: Standard Audit Programs; go to Activity Code 12500

DCMA Risk Assessment

- Form completed prior to in-plant review
- Part 1 completed by contractor
- Part 2 completed by CPSR team

DEFENSE CONTRACT MANAGEMENT AGENCY
 CONTRACTOR PURCHASING SYSTEM REVIEW (CPSR)
 RISK ASSESSMENT FORM
 Reference FAR 44.3

For Official Use Only

Part 1 – to be completed by contractor

Date: _____

Contractor Name: _____
 Address: _____

Contractor POC: _____ Phone: _____
 Email Address: _____
 ACO Name: _____ Phone: _____
 Email Address: _____
 Cage Code: _____

1. Date of Last CPSR and Approval Status _____

2. Prior CPSR Recommendations _____

3. Sales Data broken down as below. Fiscal year (FY) is the contractor's most recently ended 12 month accounting period; specify beginning and ending date. Do not report non-Government commercial sales.

	<u>Most Recent FY</u>	<u>Project Next FY</u>
Total Govt Sales - Prime Contract Awards	\$ _____	\$ _____
LESS:		
Gov't Sales (Commercial Part 12)	\$ _____	\$ _____
Gov't Sales (FFP Competitive)	\$ _____	\$ _____
Gov't Sales (FP w/ economic price adjustment)	\$ _____	\$ _____
Adjusted Sales -Prime Contracts	\$ _____	\$ _____
Total Govt Sales – Subcontract Awards	\$ _____	\$ _____
LESS:		
Gov't Sales (Commercial Part 12)	\$ _____	\$ _____
Gov't Sales (FFP Competitive)	\$ _____	\$ _____
Gov't Sales (FP w/ economic price adjustment)	\$ _____	\$ _____
Adjusted Sales - Subcontracts	\$ _____	\$ _____
Total Adjusted Gov't Sales–Prime & Subcontracts	\$ _____	\$ _____

DCMA Risk Assessment (Con't)

4. Government Contracts Mix: (Cost type, FFP, etc.)

_____ % FFP (RFP) Negotiated, _____ % FFP (Sealed Bid) Competitive,
 _____ % CPFF/CPAF, _____ % T&M/Labor Hour, _____ % Commercial FAR Part 12

5. Sales to the Government as a percent of the contractor's total sales:

- a. Total Sales _____
- b. Total Government Sales _____
- c. Percent (b div by a) _____ %

6. Number of purchase orders/subcontracts in following categories for current FY year in support of Total Adjusted Government Sales listed in 3. Do not include indirect or overhead purchase orders/subcontracts.

	Over \$500,000	\$100,000 to \$500,000	\$25,000 to \$100,000	Under \$25,000
a. Number	_____	_____	_____	_____
b. Dollar	_____	_____	_____	_____

7. Were any of the purchase orders/subcontracts listed above subject to the requirements of:

	# of Pos	\$ Value of POs
Certified Cost and Pricing Data/TINA (FAR 52.215-12-13)	_____	_____
Cost Accounting Standards (FAR 52.230-6)	_____	_____
Small Business Subcontracting Plan (FAR 52.219-9)	_____	_____
EEO Preaward Certification (FAR 52.222-24)	_____	_____
Advanced Notification and Consent (FAR 52.244-2)	_____	_____

8. Do you have a Procurement Policy and Procedure Manual that is compliant with FAR/DFARs? Is the Manual dated and approved by management?

9. Internal Audits of the Purchasing Department. (Please provide dates, description, and statistical results if available.)

10. Brief Description of Formal/Informal Training Provided to Procurement Personnel in last 12 months.

11. Type of Business

Manufacturing _____, Software _____, Engineering _____, Services _____, Other _____
 Large Business _____, Small Business _____, SDB _____, Women-Owned SB _____

12. Reorganization, Mergers and Divestitures since the prior CPSR or within the last 3 years.

13. Have you procured from any vendors subject to the Berry Amendment, Specialty Metals non compliance clause at DFARS 252.225-7014, Atl 1. If so, please list those vendors below:

14. Have you been debarred or suspended from doing business with the Government within the past 3 years? If yes, please provide additional comments.

15. Does your company support any high dollar major military programs/projects that require special surveillance or are high visibility? If so, please list below.

Part 2 - CPSR Risk Assessment Form

PART 2 – must be completed by Government Contracting Officer ACO/DACO/CACO/PCO
 (Include comments from DCAA and other Government specialists, as applicable)

Please answer the following questions:

1. Is the contractor a strategic or critical supplier?
2. If yes, describe the critical aspects and/or the product line or program. Are there quality, production or engineering issues that are related to a certain vendor/subcontractor?
3. Identify the major programs supported by the contractor using PLAS ACAT program names.
4. Please provide narrative comments outlining your concerns with this contractor and its management of its suppliers. Describe any known issues and focus areas the CPSR team should address during this review.

Is a CPSR to be requested/scheduled for this FY? _____

Signature and Date of Requesting Official _____

FOR OFFICIAL USE ONLY

CPSR Risk Assessment Form dated November 2009

CPSR PO Data Sheet

Used to track information about each PO in CPSR sample review

Contractor Purchasing System Review

ATTRIBUTES					Totals
Requisition Date					
Requisition received in purchasing					
No. of days between req. receipt & required date					
Required Delivery date					
Vendor Promise date					
Actual delivery date					
PO/Subcontract No.					
PO Date					
Type of Purchase Order (FFP, CPFF, etc)					
Description of Material and/or Services					
Supplier Name					
Original PO/subcontract value \$					
PO changes \$					
Total amount \$					
Total amount for sheet \$					
DPAS Rating on Purchase Order (DX/DO) (N/A Oconus)					
DPAS applies on POs >\$50,000					
Government contract no.					
Overhead, G&A or capital equipment (identify category)?					
Purchased item(s) FAR Part 12 Commercial item (Y/N)?					
No. of requests for proposal or quotes sent					
No. of responsive bids received					
Competitive Award (Y/N)?					
Single/Sole Source Justification: (insert PO \$ amount for reason provided)					
Engineering directed					
Customer directed					
Only Qual Source-DWG					
Economically justified; tooling, delivery					
Long term agreement negotiated price					
Other					
No reason for selection documented					
Source selection reason acceptable (Y/N)?					
Was vendor rating system used for source selection (Y/N)?					
Negotiations					
Negotiations applicable (Y/N)?					
Negotiations effectively conducted (Y/N/NA)?					

PO Data Sheet – 2

CPSR PO Data Sheet 2

Price Analysis Method: (insert \$ amount)				
Long term agreement price-competitive				
Long term agreement price-single source				
Catalog price				
GSA price				
Price History comparison same or similar part				
Market price/study				
Price Analysis Adequate (Y/N)?				
If single source >\$650,000				
Truth in Negotiations:				
Cost analysis required				
Cost analysis conducted				
Date of certificate of current cost/price data				
In compliance with public law (Y/N)?				
Timely definitization of Negotiations (Y/N)?				
FAR 52.230-6, Administration of Cost Accounting Standards				
Applicable or Exempt?				
If applicable: \$500K+ Large Bus. (\$650k after 6/14/07)				
ACO Notification (Y/N)?				
CAS covered statement included in body or face of purchase order or subcontract (Y/N)?				
In compliance with public law (Y/N)?				
PL95-07 Small Business Subcontracting Plan				
If Applicable: \$550K + Large Bus				
Obtain Small Business Subcontracting Plan and document the file.				
Other Certs Y/N/NA: (enter PO \$ amt)				
FAR 52.203-11, Anti Lobbying >\$100,000				
FAR 52.209-6(b), Debarred, 1st tier, >\$30,000				
Flow down Non-segregated facilities clause				
Documentation Adequate (Y/N)?				
NOTES:				

CPSR Follow-up Tracking

“Health report” to track purchasing system internal audit and ACO findings

Purchasing System Health Report (All files are \$100K and greater)

Element	Major Recommendation	Minor Recommendation	Goal	>\$100K	Compl	Major	Minor
1. Compliance w/PL 87-653 (TINA) w/Mitigation	1 Non-Compliance	1 Non-Compliance	100%				
2. Compliance w/PL 100-679 (CAS)	1 Non-Compliance	1 Non-Compliance	100%				
3. Advance Notification	> 1 Non-Compliance	1 Non-Compliance	100%				
4. Prior Consent	> 1 Non-Compliance	1 Non-Compliance	100%				
5. Price Analysis	< 80%	< 90%	> 90%				
6. Cost Analysis	< 80%	< 90%	> 90%				
7. Flowdown Clauses	< 80%	< 95%	> 95%				
8. Compliance w/PL 100-121 (Anti-Lobbying)	< 80%	< 90%	> 90%				
9. EEO Preaward Clearance	> 1 Non-Compliance	1 Non-Compliance	100%				
10. Debarred/suspended Certification	< 80%	< 90%	> 90%				
11. SB/SDB Swubcontracting Plan	> 3 Non-Compliance	> 1 Non-Compliance	100%				
12. Non-Competitive Source Justification	< 80%	< 90%	> 90%				
13. Non-Competitive Negotiation Documentation	< 80%	< 90%	> 90%				
14. Competition							

Relevant FAR & DFARS Clauses



Federal Acquisition Regulation

- FAR Part 44, Subcontracting Policies and Procedures
 - §44.101, Definitions
 - Subpart 44.3, Contractors' Purchasing Systems Reviews
 - §44.302, Requirements
- FAR Part 52, Solicitation Provisions and Contract Clauses
 - 52.244-2, Subcontracts

Defense FAR Supplement

- DFARS Part 244, Subcontracting Policies and Procedures
 - Subpart 244.3, Contractors' Purchasing Systems Reviews
 - §244.303, Extent of review
 - §244.304, Surveillance
 - §244.305, Granting, withholding, or withdrawing approval