



May 2, 2018

United States  
Department of  
Agriculture

Office of the  
Assistant Secretary  
for Management

Departmental  
Administration

Office of  
Procurement and  
Property  
Management

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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 May 2, 2018.

◆ **AUTHORITIES:** FAR 1.602-2 Contracting Officers – Responsibilities, FAR 4.8 Government Contract Files

◆ **PROCESS:**

1. The POD Procurement Review Program consists of two parts. The first part is a required self-inspection of individual contract files.
  - a. Contract specialists/contracting officers shall complete and document the applicable File Review Checklists, identified at Attachment 1 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 applicable Checklist(s) shall be completed up to the current stage in the acquisition prior to submission for higher level review and approval. The Checklist(s) 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 systemic or recurring procurement issues, including opportunities for improvement as well as best practices.

3. A sampling of the contract actions will be pulled for a comprehensive review. This includes any offices or activities under the Mission Area-Senior Contracting Official's oversight. This review will be conducted on an annual basis, or as determined necessary by the POD Chief or Deputy Chief.
4. The review team will be made up of Procurement Analysts, but may also include management, additional acquisition personnel and/or entry level 1102s acting as observers, as a professional development activity. Review team members will receive Continuous Learning Points, as determined by the designated Bureau Certification Manager or USDA Acquisition Career Manager, as applicable.
5. The team will perform a detailed review of each contract file and complete the applicable Checklists identified at Attachment 1. The review team may request additional information from the contract specialist/contracting officer during the conduct of the review. Review topics 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 strategic sourcing;
  - d. Appropriate use of contract type;
  - e. Market research;
  - f. Socio-economic considerations;
  - g. Level of competition;
  - h. Contract pricing;

- i. Source selection;
  - j. Contract document, structure and format (including clauses);
  - k. Contract change management;
  - 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 complete and submit a summary report to the POD Chief upon conclusion of the annual review. The report will identify any major, recurring or systemic trends and recommendations for mitigation, as well as any best practices observed. The file review checklists will be included with the report.
  7. The POD Chief will review and consider the annual 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 Program reviews, as needed.
  8. Branch Chiefs shall prepare and submit a response as a result of any recurring or systemic patterns of non-compliance. The response should include corrective actions to be taken to resolve findings in a timely manner.

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

## **AOP No. 25: Procurement Review Program – Attachment 1**

### **Contract Action File Review Checklists**

The following checklists should be used in combination for each contract action reviewed, as necessary. For example, the review of a Part 16.5 Indefinite Delivery Contract for commercial IT services that includes option periods should use the checklists for Indefinite Delivery Contract, Service Contract, Information Technology, Option Exercise, etc.

New Award – Federal Supply Schedule Task/Delivery Order – FAR Subpart 8.4  
New Award – Federal Supply Schedule Blanket Purchase Agreement (BPA) – FAR Subpart 8.4  
New Award – Federal Supply Schedule Task/Delivery Order under a BPA – FAR Subpart 8.4  
New Award – Simplified Acquisition Commercial, FAR Parts 12 & 13  
New Award – Sealed Bidding Commercial, FAR Part 14  
New Award – Negotiated Commercial, FAR Parts 12 & 15  
New Award - Indefinite Delivery Contract, FAR Subpart 16.5  
New Award – Task/Delivery Order (Non-FSS), FAR Subpart 16.  
New Award – Construction Contract, FAR Part 36  
New Award – Architect-Engineering Contract, FAR Subpart 36.6 (*to be provided at later date*)  
New Award – Service Contract, FAR Part 37  
New Award – Information Technology, FAR Part 39  
Modification – Administrative, FAR Part 43  
Modification – Change Order & Definitization, REA or Claim, FAR Part 43  
Modification – Supplemental Agreement, Part 43  
Modification – Funding under a Continuing Resolution, FAR Part 43  
Modification – Option Exercise, FAR Subpart 17.2  
Modification – Contract Closeout, FAR Subpart 4.8  
Termination for Default/Cause, FAR Part 49 (*to be provided at later date*)  
Termination for Convenience, FAR Part 49 (*to be provided at later date*)