



Jun 23 2016

United States  
Department of  
Agriculture

**ACQUISITION OPERATING PROCEDURE (AOP)**

Office of the  
Assistant  
Secretary for  
Administration

**FROM:** Richard R. Jiron  
Head of Contracting Activity Designee  
Departmental Management and Staff Offices

Office of  
Procurement and  
Property  
Management

**SUBJECT:** AOP No. 8: Preaward and Postaward File Review

Procurement  
Operations  
Division

◆ **PURPOSE:** The purpose of this Acquisition Operating Procedure (AOP) is to establish a Preaward and Postaward File Review process of pre-solicitation/award and awarded contract file documents. The Preaward and Postaward File Review process will be conducted for selected proposed contract actions outlined in this procedure to ensure the proposed contract actions, when properly executed, will--

Reporters  
Building  
300 7<sup>th</sup> Street SW  
Suite 353  
Washington, DC  
20024

- Comply with established acquisition statutes, regulations, policies and procedures;
- Reflect sound business judgment; and
- Be in the best interests of the Government.

◆ **EFFECTIVE DATE:** This AOP is effective on June 23, 2016.

◆ **REVISIONS:** On page 2, changed bullet “*Proposed Contract Actions to Review*” to “*Preaward File Review Proposed Contract Actions.*” On page 2, moved the Postaward File Review table to page 5, and added the All Dollar Values exceeding the Micro Purchase Threshold text. On Page 5, added bullet “*Postaward File Review of Contracts and Transactions.*” *Postaward Review Process:* changed text in its entirety. *Attachment:* Added 2 continuation pages.

◆ **POSTAWARD REVIEW PROCESS:**

This AOP replaces AOP No. 8, dated September 9, 2014.

◆ **AUTHORITIES:** AGAR Advisory 87A, USDA Federal Procurement Data Quality Plan, dated November 13, 2009; Departmental Regulation 5000-4, Legal Review of Contractual Actions, dated September 10, 1997; Procurement Advisory 105B, Use of Automated Procurement System, dated Jan 13, 2015; and Office of Inspector IG Audit 50099-0001-12, Improper Expenditure Review by Assistant Secretary for Civil Rights (ASCR), dated September 14, 2015.

◆ **FILE REVIEWERS:**

The File Reviewers may consist of Contracting Branch Chiefs; Contracting Team Leads, Contract Specialists; Head of the Contracting Activity Designee (HCAD); Procurement Analysts; and External offices such as the Offices the Small and Disadvantaged Business Utilization, General Counsel, Procurement and Property Management, Procurement Policy Division, or offices as deemed appropriate by the Branch Chiefs or HCAD.

◆ **PREAWARD FILE REVIEW PROPOSED CONTRACT ACTIONS:**

1. The Preaward File Review applies to solicitations; purchase orders; delivery and task orders; blanket purchase agreements (BPA); contracts; and modifications that extend the base contract/options up to 6 months beyond the initial periods, and contract value increases beyond the initial contract (base/options) threshold. All supporting documentation relating to the appropriate tabs on the *Contract File Index* shall be submitted for review.
2. Documents requiring an external office approval (e.g., *DPA, SB Program- Procurement Request Review, Advisory and Assistance, etc.*) may be submitted through the review process prior to the file review in order to expedite the review process of these documents.

<b>PREAWARD FILE REVIEW THRESHOLDS</b>		
<i><b>Contract Value/Threshold</b></i>	<i><b>Review Cycle</b></i>	<i><b>Required Review</b></i>
\$3,000 up to \$1,000,000	Periodically  (Randomly Selected)	At the Contracting Team Lead's or Contracting Branch Chief's discretion, IAS requisitions will be designated for "Review."
\$1,000,000 and greater	Daily  (100%)	All proposed contract actions reviewed by Contracting Team Lead and Contracting Branch Chief with the discretion to determine additional File Reviewers
\$5,000,000 and greater	Daily  (100%)	All proposed contract actions reviewed by the Contracting Team Lead and Contracting Branch Chief, Senior Procurement Analyst and HCAD
Modifications that <b>extend</b> (up to 6 months) the base contract/option period <b>beyond</b> the initial contract period ( <i>Clause: 52.217-8</i> )	Daily  (100%)	All modifications, prior to release will be reviewed by the Contracting Team Lead, Contracting Branch Chief and HCAD.

◆ **FILE DOCUMENTATION:**

1. All supporting and applicable documents (e.g. acquisition plan, milestone schedule, clearances, Determinations & Findings, Justifications and Approvals, waivers, pre/negotiated memoranda, award memorandum) must be placed in the Preaward file at time of submission for review in accordance with AOP Number (No.) 7, Contract File Index.
2. Requirements to Note:
  - a) The Program Official and Contracting Officer (CO) should sign and date the Acquisition Plan and milestone schedule.
  - b) Performance-Based Contracting will be included for eligible services requirements, whenever possible (FAR Subpart 11.101, and FAR Subpart 37.6). The acquisition plan must document the rationale if performance-based acquisition will not be used.
  - c) If a Federal Business Opportunities notice results in contractor or vendor responses, the CO will include the contractor/vendor responses, CO's draft contractor/vendor reply(s), and the written memorandum on whether the proposed contract action should remain, as a non-competitive or limited competition shall be provided to the Contracting Branch Chief.
  - d) Negotiated procurements over \$650,000 (\$1.5M for construction) should contain subcontracting plan requirements as part of the proposal evaluation criteria, if applicable. Procurements issued against General Services Administration Federal Supply Schedules, Government-wide Acquisition Contracts and Set-Aside for a Small Business concerns are excluded from subcontracting requirements.
3. The Contract Specialist shall must use the appropriate Contract File Index (see AOP No.7, Contract File Index)
4. All documents for the Contract File Index shall contain the current notations, filed, and tabbed sequentially per the Contract File Index; otherwise, the file will be returned to the Contract Specialist for correction prior to further review.
5. The Contract Specialist shall place the Preaward file documents in the 6-part file folders for Contracts and the manila standard file folders for Simplified Acquisition Procedures actions.
6. The Contract Specialist shall provide the original File Review Form and Preaward file sequentially to the File Reviewers identified by the Contracting Branch Chief.
7. The File Review Form(s) shall become a permanent part of the official contract file.

◆ **PREAWARD REVIEW PROCESS:**

1. In order to expedite the Preaward File Review, the Contract Specialist must identify, document and resolve contractual problems, including legal concerns during the early stages of procurement planning (prior to Offeror's discussions).
2. Normally, five (5) business days will be allowed to complete the Preaward File Review to enable a thorough and meaningful contract review by a File Reviewers; however, the Contracting Branch Chief will establish, on a case-by-case basis, the due date, for which the Preaward Review is to be completed. The Contract Specialist should plan the milestone schedule accordingly.

3. The Contracting Branch Chief or Contracting Team Lead may assign the Preaward File Review to a Contract Specialist on their team for specific proposed contract actions and/or may request review by other Contract Specialists of Departmental Management and/or external offices personnel.
4. The Contracting Specialist may give the original contract file to the Contracting Team Lead, Contracting Branch Chief, Senior Procurement Analyst and HCAD for review; however, if external office personnel outside POD will review the contract file, the Contract Specialist must make a copy of the complete contract file for the external office personnel.
5. The File Reviewers must use the File Review Form (Attachment) to explain comments, and to provide findings and recommendations.
6. The File Reviewers must return the File Review Form and the Preaward file to the Contract Specialist that requested the Preaward File Review.
7. If the Contracting Branch Chief requests a Preaward File Review by other Contracting Branch Chiefs of Departmental Management, the other Contracting Branch Chief will complete the Preaward File Review or may:
  - a) Assign the Preaward File Review to a Contract Specialist on their team.
  - b) The Contract Specialist will complete the Preaward File Review and provide the comments, findings and/or recommendations to their Contracting Branch Chief.
  - c) The Contracting Branch Chief will review and/or discuss the Contract Specialist's comments, findings or recommendations prior to providing the File Review Form and the Preaward file to the Contracting Branch Chief that requested the Preaward File Review.
8. The Contracting Branch Chief will review the File Reviewer's comments and include any additional comments as appropriate, and then provide the File Review Form and Preaward file to the Contract Specialist for action.
9. The Contracting Branch Chief may request a meeting with the Contract Specialist and/or File Reviewer(s) to discuss the comments, findings and recommendations submitted.
10. File Review Form:
  - a) Initials/Date (*Reviewed/Returned for Action*) - The File Reviewer has completed the review; however, the document is being returned for changes before approval. The Contracting Branch Chief and/or Contracting Team Lead will review revisions made by the Contracting Specialist/Buyer prior to re-submitting the document to the higher-level approval to help ensure consistency with documentation and guidance within the division.
  - b) Signature/Date - The File Reviewer has completed the review with approval to proceed. Minor changes, if applicable, may be required; but do not require re-submitting for approval to proceed.

## POSTAWARD FILE REVIEW

<i>Threshold</i>	<i>Review Cycle</i>	<i>Number</i>	<i>Required Review</i>
All Dollar Values	December – January <i>(Annually, calendar year)</i>	15 to 20 <i>(contracts)</i>	Randomly selected proposed contract actions reported in the Federal Procurement data System - Next Generation (FPDS-NG) will be reviewed by the Contracting Branch Chiefs, Contracting Team Leads, Procurement Analysts and/or Chief POD.
All Dollar Values exceeding the Micro Purchase Threshold *	December – January <i>(Annually, calendar year)</i>	15 to 20 <i>(direct entry obligations)</i>	Randomly selected commercially non-IAS obligation transactions in the financial system will be reviewed by the Contracting Branch Chiefs, Contracting Team Leads, Procurement Analysts and/or Chief POD.

*\*Note: Reference Procurement Advisory 105B, Use of Automated Procurement System, dated Jan. 13, 2015; and Office of Inspector General Audit 50099-0001-12, Improper Expenditure Review by ASCR, dated September 14, 2015.*

### ◆ POSTAWARD REVIEW PROCESS:

The Postaward File Review of the FPDS Verification and Validation Review and commercially non-IAS Transactions Review will be conducted simultaneously.

1. The Postaward File Review will consist of the three (3) steps listed below:

- a) ***STEP 1:*** The Procurement Policy Division of OPPM (*See Procurement Advisory 87C, USDA Federal Procurement Data Quality Plan*) heads the FPDS Verification and Validation (FPDS V&V) review. Reviewers must validate and verify specified data fields of FPDS-NG with the contract data as required in the data call.
- b) ***STEP 2:*** Reviewers will conduct a thorough review of data in the contract file, Integrated Acquisition System (IAS) and FPDS using the selected FPDS V&V contracts as follows:
- c) ***STEP 3:*** Reviewers will conduct a review of commercially non-IAS transactions vendors resulting from direct entry in the financial system (e.g. Financial Management Modernization Initiative). The Procurement Analyst will provide a report containing non-IAS direct entry transactions obligating funds for services, supplies or equipment with commercial vendors to the Reviewers. The Reviewers will ensure an action is not subjected to contracting procedures. Transactions found subjected to contracting procedures will require additional review through the unauthorized commitment process and will be assigned to the appropriate Contracting Branch for further review in accordance with AOP 4, Ratification of an Unauthorized Commitment.

## 2. Documenting the File Review Form

- a) Complete the “File Review Form” (*see AOP No. 8*) for each contract to list findings of the review. Indicate “*No Comments*” or similar if there are no resulting findings.
- b) All supporting documentation relating to the appropriate tabs on the Contract File Index will be reviewed. Indicate any findings from review of the FPDS V&V, Integrated Acquisition System-PRISM (IAS) and contract file, e.g. incorrect funding office, miscoded FPDS fields, missing contract documents, missing COR Delegation letter, etc.
- c) Provide a copy of the “File Review Form” for each contract to the Procurement Analyst managing the FPDS V&V data call and to the appropriate Contracting Officer or Administrative CO to take corrective action.

### ◆ PREAWARD FILE REVIEW - WAIVER REQUEST:

1. In special situations, the Contracting Branch Chief or HCAD may waive the Preaward File Review process for a specific proposed contract action, when it is determined to be in the best interest of the agency.
2. The Contract Specialist will:
  - Complete the File Review Form.
  - Check the “Waiver” box on the File Review form.
  - In the “File Reviewer’s Comments/Findings” box on the File Review form, explain the rationale and impacts if the waiver is not granted for the proposed contract action. Attached any other supporting documentation, which may be pertinent.
  - Submit the File Review Form to the Team Lead and then Contracting Branch Chief and/or HCAD for review.
3. The Contract Specialist will allow adequate time for a deliberate assessment of all facts by the Contracting Branch Chief and/or HCAD prior to the procurement action being released or awarded.

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

<p><b>CONTRACT SPECIALIST/CONTRACTING OFFICER</b></p> <p>Print Name: _____</p> <p>Date Submitted: _____  <i>(Allow up to 5 work days for review; No ASAP requests)</i></p> <p>Est. Contract Award Date: _____</p> <p>Corrective Actions Completed: _____</p>	<p><b>SOLICITATION/CONTRACT NO:</b> _____</p> <p><b>PROCUREMENT INFORMATION</b></p> <p><input type="checkbox"/> Pre-Solicitation      <input type="checkbox"/> Preaward</p> <p><input type="checkbox"/> Pre-Modification      <input type="checkbox"/> Other:   <input type="radio"/> J&amp;A- Limited/JOFOC</p> <p><input type="checkbox"/> Post Award                      <input type="radio"/> DPA</p> <p style="text-align: right;"><input type="radio"/> SB Request-AD1205</p> <p><b>WAIVER REQUEST</b></p> <p><input type="checkbox"/> In the Reviewer's Comments/Findings, list or attach facts</p>
<b>FILE REVIEWER'S COMMENTS/FINDINGS:</b>	<b>CORRECTIVE ACTIONS TAKEN:</b>
<b>FILE REVIEWERS</b>	
<p><b>Senior Contracting Officer/Contracting Team Lead</b></p> <p>Print Name: _____</p> <p>*Initials/Date (Reviewed/ Returned for Action): _____ /___/___</p> <p>Signature/Date: _____ /___/___</p>	<p><b>Chief, Contracting Branch</b> [ ] Review N/A</p> <p>Print Name: _____</p> <p>*Initials/Date (Reviewed/ Returned for Action) _____ /___/___</p> <p>Signature/Date: _____ /___/___</p>
<p><b>Senior Procurement Analyst, POD</b> [ ] Review N/A</p> <p>Print Name: _____</p> <p>*Initials/Date (Reviewed/ Returned for Action): _____ /___/___</p> <p>Signature/Date: _____ /___/___</p>	<p><b>Chief, POD</b> [ ] Review N/A</p> <p>Print Name: _____</p> <p>*Initials/Date( Reviewed/ Returned for Action): _____ /___/___</p> <p>Signature/Date: _____ /___/___</p>



**FILE REVIEW FORM**  
(Continuation)

<b>CONTRACT SPECIALIST/CONTRACTING OFFICER</b> Print Name: _____	<b>SOLICITATION/CONTRACT NO:</b> _____
<b>FILE REVIEWER'S COMMENTS/FINDINGS:</b>	<b>CORRECTIVE ACTIONS TAKEN:</b>

**FILE REVIEW FORM**  
(Continuation)

<b>CONTRACT SPECIALIST/CONTRACTING OFFICER</b> Print Name: _____	<b>SOLICITATION/CONTRACT NO:</b> _____
<b>FILE REVIEWER'S COMMENTS/FINDINGS:</b>	<b>CORRECTIVE ACTIONS TAKEN:</b>