



# TRICARE MANAGEMENT ACTIVITY FALLS CHURCH, VIRGINIA

CONTRACT OPERATIONS DIVISION –  
FALLS CHURCH (COD-FC)

CONTRACT EXECUTION PLAN

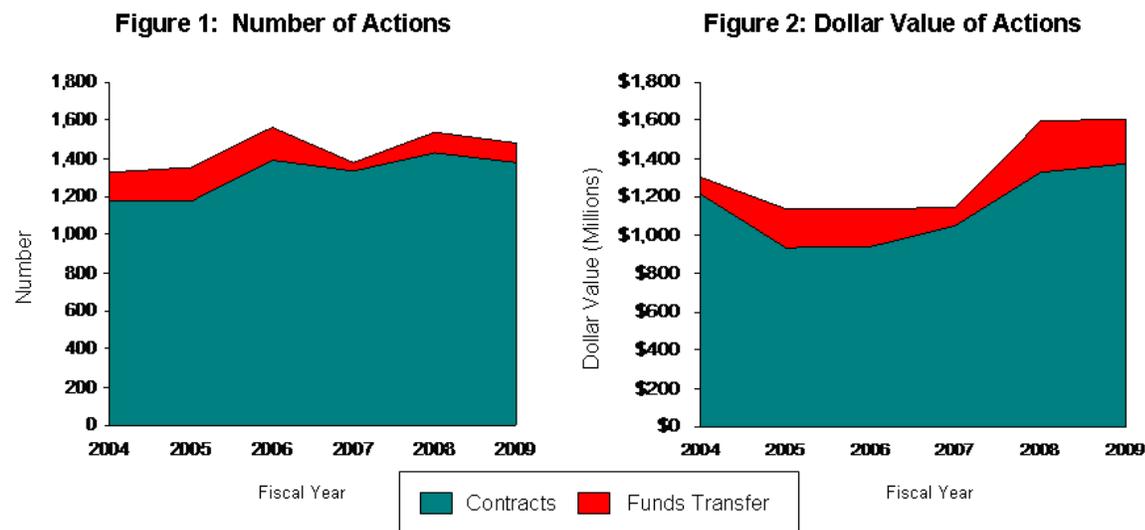
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**TRICARE MANAGEMENT ACTIVITY (TMA)  
CONTRACT OPERATIONS DIVISION – FALLS CHURCH (COD-FC)  
CONTRACT EXECUTION PLAN**

1. **INTRODUCTION.** In fiscal year (FY) 2009, over fifteen hundred contracting actions supporting critical Military Health System (MHS) requirements were executed through the TMA Headquarters, located in Falls Church Virginia. These contract actions had a combined value of approximately \$1.6 billion, using Operations and Maintenance, Other Procurement, and Research, Development, Testing, and Evaluation appropriations. The organization responsible for planning and managing this sizeable volume of acquisition activity is the TMA Contract Operations Division – Fall Church (COD-FC) of the TRICARE Acquisition Management & Support (AM&S) Directorate. COD-FC is responsible for facilitating the timely award, and providing program management and oversight of MHS contracts. Figures 1 and 2 illustrate the growth since FY 2004 in TMA acquisition actions, executed through both contracting actions and funds transfers, for which COD-FC provides support, guidance, and oversight.



Prior to the establishment of COD-FC (formerly the TRICARE Procurement Support Division), TMA's acquisition process was decentralized, lacked appropriate management controls and policies, had largely undefined roles and responsibilities, and provided limited mechanisms for tracking contract actions. COD-FC was established to address these deficiencies by centralizing and strengthening the oversight and management of TMA's acquisitions. To meet this challenge, the COD-FC team has developed a comprehensive and transforming acquisition approach that includes: establishment of agency-specific contract vehicles; adoption of a comprehensive Organizational Conflict of Interest (OCI) policy; development and publication of acquisition policies and processes; establishment of support agreements with other contracting activities; development of in-house acquisition training programs; establishment of a single, comprehensive source of acquisition information for TMA-wide use; and development of a centralized contract action tracking system. This Contract Execution Plan (CEP) formally outlines and integrates COD-FC's acquisition approach for the post-award phase of the contracting life cycle and identifies associated strategic objectives in supporting TMA requirements. This CEP will be revised as

changes to this acquisition approach and/or associated strategic objectives are identified by COD-FC and approved by the Director, AM&S.

**1.1. COD-FC OBJECTIVES.** COD-FC is responsible for facilitating the execution of MHS acquisitions in a timely and cost-effective manner. To accomplish this mission, COD-FC has the following objectives:

- Facilitate the timely documentation of contractor performance.
- Facilitate the appropriate stewardship of Government resources.
- Foster the effective management and timely acceptance of Contractor deliverables.

This CEP describes the approach COD-FC takes to meet these objectives. This plan is structured to address the above objectives as follows:

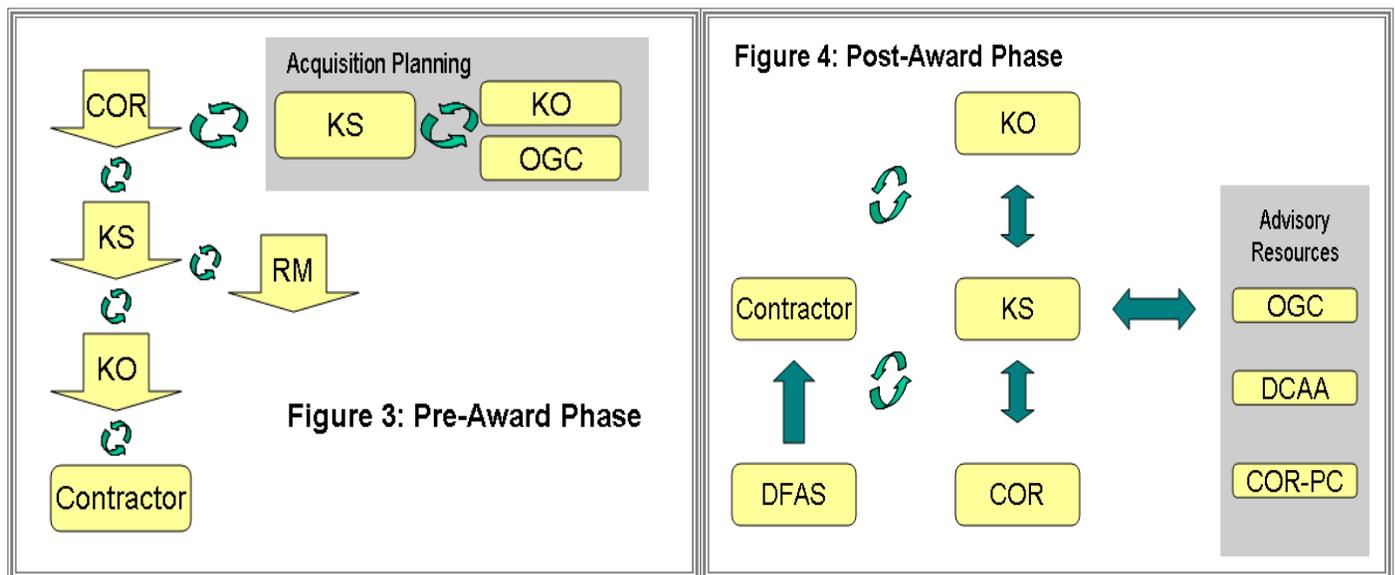
**Table 1: Correlation to COD-FC Objectives**

SECTION	TITLE	CORRELATION TO COD-FC OBJECTIVES
1	Introduction	
2	Contract Execution Participants	Identifies participants in contract execution process and the general roles they play that support the COD-FC objectives.
3	Contract Execution Responsibilities <ul style="list-style-type: none"> <li>• Contract Surveillance</li> <li>• Cost/Price Reporting Requirements</li> <li>• Earned Value Management</li> <li>• Receiving Report Procedures</li> <li>• Contractor Past Performance Data</li> <li>• Handling of Issues and Disputes</li> </ul>	Supports all objectives. -Identifies responsibilities and procedures for documenting contract performance -Identifies contract surveillance responsibilities, procedures, and focus areas including Cost/Price reporting requirements. -Identifies Receiving Report responsibilities and procedures, to include TMA use of the Department of Defense’s (DoD’s) Wide Area Work Flow – Receipt and Acceptance (WAWF-RA) application.
4	Source Documents	Supports all objectives. Identifies and links to source documentation for the contract execution roles and responsibilities outlined in Sections 2 and 3 of this document.

**1.2. BACKGROUND.** This CEP describes the processes, procedures, roles, and responsibilities applied by TMA during the post-award phase of the contracting life cycle. As depicted in Figure 3 and Figure 4, COD-FC coordinates both pre-award and post-award activities for MHS requirements. In the pre-award phase (Figure 3), the Contract Specialist (KS), the Contracting Officer’s Representative (COR) Designee, Contracting Officer (KO), and, as necessary, the Office of General Counsel (OGC) collaborate to identify the most appropriate acquisition strategy, and develop an acquisition package. Once the planning is complete, the COR Designee initiates formal processing and review of the acquisition package, submitting it to the KS. The acquisition package includes all necessary procurement documents including the Acquisition Plan, Performance Work Statement (PWS), the Independent Government

Cost Estimate (IGCE), and the Quality Assurance Surveillance Plan (QASP). The KS coordinates the package review with TMA Resource Management (RM) and the KO in turn, facilitating the ultimate award of a contract, contract task order, or contract delivery order (contract/order).

Once awarded, acquisition management activities transition from the “pre-award” to the “post-award” phase (Figure 4). The purpose of this CEP is to facilitate the effective management of TMA contracts/orders during the post-award phase to ensure that the Government receives the required products or services in an efficient and effective manner.



**2. CONTRACT EXECUTION PARTICIPANTS.** The post-award phase for TMA contracts/orders involves collaboration among a number of participants. Most commonly, post-award activities include the KO, the KS, the COR, the Contractor, and the Defense Finance and Accounting Service (DFAS). Should issues within their areas of responsibility arise, the OGC and (for multiple-award contracts) the Contracting Officer’s Representative for the Prime Contract (COR-PC) may become involved. Other defense agencies that may also become involved in the post-award execution of TMA’s contracts/orders include the Defense Contract Audit Agency (DCAA) and, if they are delegated authority as an Administrative Contracting Office, the Defense Contract Management Agency (DCMA).

**2.1. KO.** The KO is responsible for the award, administration, and management of contracts/orders. ***The KO is the only Government representative authorized to issue contractual changes or to direct the Contractor.*** The KO has the authority to delegate, in writing, certain roles and responsibilities to the COR-PC and COR. COD-FC KOs supporting TMA requirements are appointed by the Director, AM&S, who serves as the TMA Head of Contracting Activity (HCA). To supplement its organic contracting capabilities, TMA has also established relationships and agreements with external contracting organizations, which include:

- U.S. Army Medical Research Acquisition Activity (USAMRAA)
- Information Technology, E-Commerce, and Commercial Contracting Center (ITEC4)
- Contracting Center of Excellence (CCE)
- Naval Sea Systems Command (NAVSEA)
- Department of Veterans Affairs (VA) Austin Automation Center (AAC)
- General Services Administration (GSA) Regions 3 & 7
- Department of the Interior GovWorks
- Department of Health and Human Services (HHS) Agency for Healthcare Research and Quality (AHRQ)

**2.2. COR.** A COR is a Government official appointed in writing by the KO who provides technical direction, clarification, and guidance with respect to the contract specifications and the PWS. The COR is the technical liaison between the Contractor and the KO and is responsible for ensuring satisfactory performance and timely delivery as set forth in the contract/order. The COR is appointed by a COR Appointment letter which sets out roles, responsibilities, limitations, and duties from the KO. Within TMA there are two levels of COR with distinctly different roles and responsibilities.

**2.2.1. COR-PC.** COD-FC will nominate an individual to act as the COR-PC and oversee each TMA multiple-award contract vehicle (as opposed to an individual task/delivery order (order)), which is the responsibility of the COR as provided in Section 2.2.2 below).

During the post-award phase, the COR-PC serves a number of different types of roles and functions, as outlined below:

- a. Contract Level Administration.** Oversees administrative issues related to the base contract. For example, if a new DoD policy or regulation is invoked, the COR-PC might initiate a modification to the base contract for the KO's signature to add a clause or contract change, thereby covering all orders at once. The COR-PC is responsible for notifying the KO of any disputes, performance issues, or contractual issues that cannot be resolved at the COR/COR-PC level.
- b. Resource for CORs.** Serves as a first level resource to CORs who are administering orders issued under a TMA contract vehicle. The COR-PC acts as a subject matter expert on behalf of the KO, resolving problems, answering questions about the base contract, and acting as a liaison to the KO for other issues that arise. It is possible that for a given contract action, the KS and COR-PC roles may be filled by two separate individuals.
- c. Surveillance Validation.** Oversees the execution of Surveillance Plans under their base contract. The COR-PC will periodically conduct "spot checks" of applicable orders to validate that appropriate surveillance activities are being accomplished and properly documented in the COR

files. Surveillance validation activities are coordinated with the KS for the order(s) being reviewed.

**2.2.2. COR.** The requiring activity will nominate an individual to act as the COR and oversee each TMA task order or delivery order issued under a multiple-award contract vehicle as well as for single-award (“C” type) contracts. (Task Order CORs, Delivery Order CORs, and CORs for single-award contracts are referred to simply as CORs for the remainder of this document as all share the responsibilities outlined below.) COR appointment is contingent upon KO approval and is documented in the COR appointment letter. The COR serves the primary point of contact regarding the procurement’s technical requirements and oversees surveillance of the contract/order. The COR will interface with the Contractor, KS, KO, and (if applicable) COR-PC on contract matters. During the post-award phase, the COR serves a number of different roles and functions as outlined below:



- a. Contract Oversight. Oversees contract surveillance activities to ensure compliance with the contract/order and identify risks or issues early. Where issues arise, the COR will notify the KS, and (if applicable) COR-PC immediately. (See Section 3.7)
- b. Deliverables Receipt and Approval. Receives, reviews, and accepts products and deliverables called for under the contract/order.
- c. Receiving Report Processing. Reviews, approves (or disapproves), and processes all Contractor receiving reports using the WAWF-RA application. (See Section 3.3)
- d. Government Property Oversight. Monitors delivery, acceptance, use and return of Government Property (equipment, information, and facility usage).
- e. Technical Assistance. Assists the Contractor in understanding the technical requirements and related technical terms and conditions associated with the contract/order.
- f. Past Performance Documentation. Documents the Contractor Performance Assessment Reporting System (CPARS) past performance assessment throughout the process. (See Section 3.4)
- g. Managing Contractor Access To Sensitive Information. Takes precautions to ensure that the Contractor’s personnel are not inadvertently granted access to inappropriate or sensitive information. This includes, but is not limited to, proprietary, “For Official Use Only” (FOUO), classified, source selection data, “Protected Health Information” (PHI), and “Personally Identifiable Information” (PII).
- h. Identifying Contract Modifications. Coordinates with the Contractor to identify contract modifications that may be required. Some examples of

common reasons for contract modifications include: increased level of effort, additional requirements, and period of performance extension. ***(Contract modifications may be identified by the COR, but must be signed by the KO as the only Government representative authorized to issue contractual changes or to otherwise direct the Contractor.)***

- i. Tracking Contract Options. Tracks contract progress and alerts the KO and Contractor to the need to exercise existing contract option items. Provides timely notification to the KO (no later than 90 days in advance) of the need to exercise option years.
- j. Records Maintenance. Maintains a binder of all contract actions, correspondence and other relevant documentation as identified in the COR Appointment letter. At a minimum, CORs must maintain a copy of the following documents:
  - Solicitation and amendments
  - Proposal on which the contract/order is based
  - Contract and modifications
  - Correspondence with Contractor, KO, or others
  - Reports submitted by the Contractor
  - Reports of inspections and site visits
  - Signed COR Appointment letter

**2.2.3. KS.** The KS is assigned by COD-FC and serves as the principle advisor to the requiring activities during all contracting phases. The KS coordinates with the requiring activities and KOs to make key decisions to formulate the acquisition strategy for a procurement. The KS is responsible for the following:

- a. Resource for the Requiring Activities and CORs. Acts as a resource to the TMA requiring activity and the COR during the life of the contract/order and assists in resolving any Contractor performance issues which may arise.
- b. Assist with Modification Processing. Coordinates with the requiring activity, COR, and KO to formulate acquisition strategies, as required, for contract/order modifications.
- c. Surveillance Validation. Periodically conducts “spot checks” of contracts/orders under their purview to validate that appropriate surveillance activities are being accomplished and properly documented in the COR files. Surveillance validation activities for orders under multiple-award contract vehicles should be accomplished in coordination with the appropriate COR-PC.

**2.3. TMA OGC.** The TMA OGC is responsible for providing legal opinions and guidance to TMA personnel. TMA OGC should be apprised of any problem or issue that arises during the post-award period that cannot be resolved at the COR, COR-PC, or KS

level. Typically, the KS or (if applicable) the COR-PC will assist the COR with involving TMA OGC.

**2.4. DCAA.** DCAA is the responsible Government audit agency for TMA contracting actions and provides contract audit services to TMA in accordance with Subpart 42.1 of the Federal Acquisition Regulation (FAR). (Procedures on contract audit services are outlined in greater detail in Section 3.1.4.1 of this document.)

**2.5. CONTRACTOR.** Contractors are responsible for performance of work and delivery of products in accordance with issued contract/order. As part of their responsibility, every contract/order requiring deliverables will also require the Contractor to prepare and submit a receiving report. (Procedures for processing receiving reports are outlined in greater detail in Sections 3.4 and 3.5 of this document.)

**2.6. DFAS.** DFAS is the agency responsible for paying Contractors that have been awarded DoD contracts. Upon award, the contract and authorization to expend the associated funds are passed to DFAS. Upon receipt of each receiving report, the COR reviews and, if acceptable, signs the receiving report and forwards the signed receiving report to DFAS for payment. DFAS certifies that the receiving report meets contract specifications prior to approving payment to the Contractor. (Procedures for processing receiving reports are outlined in greater detail in Sections 3.4 and 3.5 of this document.)

**3. CONTRACT EXECUTION RESPONSIBILITIES.** TMA is responsible for certain contract administration functions that must be performed during the contract execution phase. The main components of these responsibilities are described in this section. Table 3 presents a high level summary of the roles of each participant in each of these key functions:

**Table 3: Contract Execution Responsibilities**

FUNCTION	CONTRACT EXECUTION RESPONSIBILITIES					
	KS	KO	COR-PC	COR	OGC	CONTRACTOR
CONTRACT SURVEILLANCE	On-site Visits	Advice	Advice / Oversight	Primary Responsibility		
COST/PRICE REPORTING REQUIREMENTS				Review Deliverables		Prepare/ Submit Deliverables
RECEIVING REPORT	WAWF-RA Training		Advice	Review/ Approve/ Coordinate		Submit
PAST PERFORMANCE ASSESSMENT	Initiate Data Entry / CPARS Training			Prepare Assessments		Comment
HANDLING ISSUES OR DISPUTES	Advice / Oversight	Advice and Final Authority	Advice / Oversight	Identify and notify other Gov't participants	Advice, Lead in Litigation	Identify and notify COR / KO

**3.1. CONTRACT SURVEILLANCE.** The Government always has the responsibility to conduct surveillance over the expenditure of public funds. Contract surveillance is used to determine if Contractor-provided goods or services meet the Government's quantity and quality standards. Contract types often dictate how and when the Contractor can

charge for their services. Contract surveillance strategies should be tailored by contract type so that key factors contributing to Government costs are monitored closely. Some points to consider and common problem areas to look out for when developing a surveillance plan are displayed in Table 4 below.

**Table 4: Contract Surveillance Activities**

<b>Contract Type</b>	<b>Surveillance Points to Emphasize</b>	<b>Common Problems</b>
Time and Materials	<ul style="list-style-type: none"> <li>- Time card review</li> <li>- # of hours charged to project</li> <li>- # of staff charged to project</li> <li>- Work progress</li> </ul>	<ul style="list-style-type: none"> <li>- Running out of money</li> </ul>
Cost Reimbursable	<ul style="list-style-type: none"> <li>- Time card review</li> <li>- # of hours charged to project</li> <li>- # of staff charged to project</li> <li>- individual's hours charged to project versus other activities</li> <li>- Work progress</li> </ul>	<ul style="list-style-type: none"> <li>- Time spent on other activities not accounted for</li> </ul>
Firm Fixed Price	<ul style="list-style-type: none"> <li>- Quality of product(s) at delivery point(s)</li> </ul>	<ul style="list-style-type: none"> <li>- Products don't meet Government standards</li> </ul>

A contract surveillance strategy should be developed systematically, with surveillance activities planned at a level indicated by a realistic project risk assessment. The COR and (if applicable) COR-PC should continuously monitor the project risk, and recommend realignment of the levels of surveillance as circumstances dictate.

**3.1.1. CONTRACT QUALITY ASSURANCE.** Contract quality assurance is a primary goal of contract surveillance. Contract quality assurance is a joint effort by the Contractor and the Government to ensure that the Contractor fulfills the contract requirements in terms of the quality of the contracted product or service. TMA requiring activities are responsible for prescribing contract quality requirements to be included in a QASP for service contracts. QASPs are especially important as TMA moves toward greater use of a performance-based service contracting approach. Contract quality control roles are performed both by the Contractor and the Government.



- A Quality Control Plan (QCP) is a plan developed by the Contractor and documents how the Contractor will meet and comply with the quality standards defined within the PWS for a contract/order. The QCP is usually developed, submitted and evaluated as part of a Contractor's proposal.
- The QASP is prepared by the Government during the Acquisition Planning phase of the contracting life cycle in conjunction with the PWS. It specifies how Government quality assurance surveillance of the contract will occur. The QASP is intended to ensure that the Government receives the products or services for which it contracted and pays only for the products or services it receives. The QASP identifies the contractual standards used in determining if the Contractor meets the performance requirements

of the contract. It also provides guidelines for how and when surveillance will be performed. The objective of the QASP is to evaluate the Contractor's rate of progress, the quality of the Contractor's performance and compliance with standard commercial practices. The QASP focuses on the quality, quantity, timeliness, etc. of the performance outputs to be delivered by the Contractor and not on the steps required or procedures used to provide the contracted product or services.

**3.1.2. SURVEILLANCE RESPONSIBILITIES.** The KO has overall responsibility for all actions in support of effective contract administration and compliance with contract terms. Contract surveillance is typically conducted by CORs. The COR is responsible for the technical contract administration on behalf of the KO. The COD-FC KS and (if applicable) the COR-PC will regularly check a sample of active contracts/orders to ensure that the TMA requiring activity is performing effective contract surveillance. As provided in the Office of the Assistant Secretary of Defense (Health Affairs) (OASD(HA)) policy memo, dated 9 February 2006, Subject: *Contract Surveillance for Non-Purchased Care Service Contracts*, the COD-FC office is responsible for conducting site visits on a continuing basis with CORs to review the adequacy of their contract surveillance efforts as well as to provide training and assistance where appropriate.

**3.1.3. MANAGEMENT OF CONTRACT DELIVERABLES.** Deliverable management is necessary to ensure that TMA only accepts deliverables that meet contract requirements and Contractors are only paid for acceptable deliverables. Typically, it is the responsibility of the COR to oversee the status of contract deliverables. The COR may seek the assistance of functional managers/specialists to ensure the assigned deliverable is reviewed from a technical perspective, compiling responses from other reviewers, as necessary. If necessary, the COR may arrange a comment review meeting with the reviewers to consolidate the comments and determine whether the deliverable meets the terms of the contract and should be accepted

The COR should establish procedures to facilitate the timely review of Contractor deliverables in order to 1) ensure deliverables are tracked and all events are recorded; and 2) ensure documentation associated with each deliverable and all corresponding supporting materials are filed. These procedures should address the approach to deliverable review and approval, and depending on complexity and the terms of the contract, may include methods of documenting the quality of the deliverable or tools used to track the progress of the deliverable. If authorized under the contract/order, the deliverable should be produced through various working sessions with TMA staff, users, and stakeholders to ensure their needs will be met. Reviews of early drafts are encouraged to ensure a smooth and timely final review.

If any deliverables are unacceptable, the COR should immediately notify the Contractor in writing indicating the required corrections and next steps. Depending on the seriousness and corrective action required, a copy of this notice should be provided to the KO, KS and (if applicable) COR-PC. The

COR should track and maintain the status of any unacceptable deliverables and keep the KO, KS and (if applicable) COR-PC informed as appropriate.

**3.1.4. CONTRACT PERFORMANCE MONITORING.** Monitoring Contractor performance is essential in order to ensure:

- Delivery or performance of the specified products or services;
- The level of quality specified is provided; and
- Adherence to the terms and conditions of the contract.

To effectively perform contract performance monitoring, the COR should perform all actions in the checklist below:

**Table 5: Performance Monitoring Checklist**

PERFORMANCE MONITORING CHECKLIST	
✓	Review all deliverable products.
✓	Visit Contractor work sites (Contractor or Government facilities).
✓	Maintain routine communications with the Contractor concerning the progress of the contract.
✓	Attend and actively participate in progress reviews, asking for clarifications when required, and identifying areas that need further investigation.
✓	Thoroughly review progress and status reports, asking for clarifications promptly if questions or issues arise.
✓	Make a schedule of inspections using a contract administration checklist in compliance with the QASP. This should include a sampling plan. The plan should be commensurate with the criticality, size, and complexity of the service or task and the resources available to accomplish the monitoring.
✓	For <u>all</u> cost type, time and material, labor hour, and other contracts which are procuring a level of effort, CORs should monitor the burn rate which takes into account the Level of Effort.

Where CORs are unsure of how to conduct these reviews, or when they are unsure about data they find, the KS and (if applicable) COR-PC should be consulted for assistance.

**3.1.5. USE OF DCAA MONITORING SUPPORT.** DCAA is the responsible Government audit agency for TMA contracting actions and provides contract audit services to TMA in accordance with Subpart 42.1 of the FAR. DCAA provides assistance to TMA in the execution of TMA’s contract responsibilities and serves as a resource for TMA staff for contract auditing issues. If so requested, DCAA can assist the COD-FC team in planning and executing contract actions to help ensure compliance with the FAR and Defense Federal Acquisition Regulation Supplement (DFARS).

- a. DCAA AUDITING OF CONTRACTS.** In order to clearly provide the authority for DCAA to audit all contracts, COD-FC ensures that FAR Clause

52.215-2 is included in all cost type, time and materials type, labor hour type, and incentive type contracts funded with DoD funds. This clause provides the authority for DCAA audit of contracts/orders.

**b. REQUESTING AUDIT OF A CONTRACT.** Representatives from requiring activities (or other TMA organizations) who feel an audit of a TMA contract/order is warranted should discuss the need with the appropriate KO. KOs may request audit services directly from the DCAA in accordance with the procedures provided in Subpart 42.1 of the FAR. As formal audit requests to DCAA should include a suspense date and should identify any information needed by the requestor (reference Subpart 42.1 of the FAR), this information should be included in the initial audit request forwarded to the KO by the originating TMA activity.

**3.1.6. RESTRICTIONS ON PERFORMANCE MONITORING.** Over zealous surveillance could be construed as Government direction, and could potentially release the Contractor from accountability. Performance monitoring does not include controlling the **way** the Contractor performs, except when imminent environmental, safety, or health hazards dictate. This is especially true for performance-based contracts, since the Contractor is held accountable for the performance outputs to be delivered under the contract/order, and not for the steps required or procedures used to provide contracted products or services.

**3.2. COST/PRICE REPORTING REQUIREMENTS.** COD-FC has developed a standardized format which can be used in situations where Contractor cost reporting and contract “burn rate” monitoring are necessary. COD-FC developed the Cost Report Collection template for TMA’s three (3) contract vehicles (TRICARE Acquisition, Automation, and Resource Management Support (T/AARMS), TRICARE Evaluation, Analysis, and Management Support (TEAMS), and Defense Medical Information Management/Systems Integration, Design, Development, Operations, and Maintenance Services (D/SIDDOMS)) as part of the Monthly Progress Report requirement. For contracts outside of T/AARMS, TEAMS, and D/SIDDOMS, a generic version of the cost report may be used. The report templates for each contract vehicle can be obtained through the COD-FC website using the “Index of Templates and Worksheets” link (<http://www.tricare.mil/tps/IndexOfTemplatesAndWorksheets.htm>). COD-FC has created a “Vendor Cost Collection” (VCC) database that captures reported vendor cost data and provides TMA with the ability to track budget status, produce comprehensive reports, and improve post-award contract oversight.

**3.3. EARNED VALUE MANAGEMENT (EVM).** In addition to the Cost Report Collection, TMA requiring activities will also use EVM when appropriate to monitor and track Contractor performance.

*“Earned value is a management technique that relates resource planning to schedules and to technical cost and schedule requirements. All work is planned, budgeted, and scheduled in time-phased “planned value” increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system: to encourage Contractors to use*

*effective internal cost and schedule management control systems; and to permit the customer to be able to rely on timely data produced by those systems for determining product-oriented contract status.” (<http://www.acq.osd.mil/pm/evbasics.htm>)*

As prescribed in DoD Instruction 5000.02, *Operation of the Defense Acquisition System*, EVM is required for DoD cost or incentive contracts and agreements valued at or greater than \$20M. Compliance with applicable EVM standards (ANSI/EIA-748) and an EVM System (EVMS) validation are required for DoD cost or incentive contracts and agreements valued at or greater than \$50M. If the contract value is less than \$50M, then formal validation of the Contractor’s EVMS is not required; however, the Contractor needs to maintain compliance with the standard. Contract reporting includes the Contract Performance Report (CPR) and the Integrated Master Schedule (IMS). The application of EVM is not required on cost or incentive contracts or agreements valued at less than \$20M. The decision to implement EVM on these contracts and agreements is a risk-based decision, at the discretion of the Program Manager (PM), based on a cost-benefit analysis that compares the program risks vs. the cost of EVM implementation. The purpose of the cost-benefit is to substantiate that the benefits to the Government outweigh the associated costs. (Reference the *DoD Earned Value Management Implementation Guide* available at: <http://guidebook.dcms.mil/79/EVMIG.doc>.)

Contractors working under contracts/orders that include an EVM reporting requirement shall submit the CPR and updated IMS with their Monthly Progress Report, unless otherwise directed.

- 3.4. RECEIVING REPORT PROCEDURES.** The Contractor’s receiving reports are key components of the contract administration and Contractor payment process. A receiving report documents the receipt, inspection, and acceptance of materials and services by an authorized Government representative. Under most circumstances, DFAS cannot make payment to a Contractor without a receiving report confirming the vendor has met contract specifications. Approval authorities for contractor receiving reports vary based on the type of contract/order involved. As provided in OASD(HA) policy memo, dated 28 September 2009, Subject: *Oversight of Receiving Reports Using Wide Area Workflow*, TMA CORs are not authorized to approve receiving reports submitted for cost-reimbursement, time and materials, and labor hour contracts. DCAA has sole authority to verify and approve interim receiving reports for these types of contracts and the Administrative Contracting Officer (ACO) has sole authority to approve final receiving reports. Within WAWF, TMA CORs can view these documents for information purposes only. For processing receiving reports under fixed-price contracts, TMA CORs perform interim approval for using the WAWF Acceptor role, while final approval is provided by the ACO.
- 3.5. PAPERLESS RECEIVING REPORTS.** On December 13, 2007 TMA adopted WAWF-RA as its standard means of processing receiving reports. WAWF-RA is a DoD-wide paperless contracting application designed to eliminate paper from the receipts and acceptance process of the DoD contracting life cycle. The goals for requiring WAWF-RA are to eliminate delays, reduce DFAS processing fees, strengthen contract

administration internal controls and facilitate coordination, both with DoD contracting offices and supporting Contractors.



Using WAWF-RA, electronic documents are shared, eliminating paper and redundant data entry. Data accuracy is increased and the risk of losing a document is greatly reduced. The contract is available through an interface with an application called Electronic Document Access (EDA). Contractors can electronically submit receiving documents on the Web or through other approved means. Authorized DoD personnel receive notification electronically of pending actions and have a virtual folder of documents accessible. For security purposes, the online data transmissions are protected with encryption, and user identities within WAWF-RA are assured through the use of digital signatures and certificates or User Identifications and passwords over a secure connection developed for transmitting private documents via the Internet. Use of WAWF-RA allows for the submission of an invoice and receiving report as a combined 2-in-1 form. COD-FC has developed a WAWF-RA On-Ramp Guide for new WAWF-RA users which is located at <http://www.tricare.mil/tps/On-RampGuide.doc>. Summarized in this document are the procedures provided within WAWF-RA for accomplishing COR review and approval actions using the WAWF-RA “Acceptor Role” functions. To further support the effective use of the WAWF-RA application and facilitate the timely acceptance of Contractor deliverables, COD-FC provides WAWF-RA training to TMA personnel twice each year.

**3.6. CONTRACTOR PAST PERFORMANCE DATA.** Past performance information consists of relevant data regarding a Contractor's actions under previously awarded DoD contracts. It is a mandatory non-cost evaluation factor, which could justify award to other than the apparent low cost/price offeror. The *Federal Acquisition Streamlining Act of 1994* specifies that past performance is a relevant factor to consider in Contractor selection.

**3.6.1. EVALUATION REQUIREMENT.** A separate evaluation must be performed for each contract/order. The evaluation must address only actual performance during the period of performance of the contract/order and may only address work performed or products delivered for the specific contract/order. In accordance with FAR subpart 42.1502, the Government cannot close out information technology or service contracts exceeding \$1,000,000 until the Contractor performance evaluation is completed. CORs play the primary role in assembling and providing Contractor performance evaluations and are encouraged to provide positive as well as negative feedback. All feedback must be substantiated with a narrative that completely describes the issues and impact on the program.

**3.6.2. CPARS.** CPARS has been adopted by TMA to electronically capture assessment data and manage the evaluation process. In addition to satisfying the mandatory collection and reporting of past performance data, the use of CPARS directly benefits each contract action and results in better Government-Contractor relations and more responsive contract support. Policy and procedures for use of CPARS are provided in the DoD CPARS Policy Guide available at: <http://www.cpars.csd.disa.mil/cparsfiles/pdfs/DoD-CPARS-Guide.pdf>

- 3.6.2.1. CPARS ACCESS.** The TMA CPARS Coordinator, assigned by AM&S, will grant system access for a specific contract/order to the COR (CPARS Assessing Official) and the PM/Division Chief (CPARS Government Reviewing Official). To begin entering performance information, the COR must access the database established for their contract/order through the CPARS website at <http://www.cpars.navy.mil>. If the COR has not received CPARS system access for their contract/order within thirty (30) days of issuance, they should contact their supporting KS or (if applicable) COR-PC for guidance.
- 3.6.2.2. BASIS FOR ASSESSMENT.** Each CPARS assessment must be based on objective data (or measurable subjective data when objective data is not available) supportable by program and contract management data, such as cost performance reports, customer comments, quality reviews, technical interchange meetings, financial solvency assessments, construction/production management reviews, Contractor operations reviews, functional performance evaluations, and/or earned contract incentives. Substantiating narratives are required for assigned ratings. The reports should include descriptions of problems or successes; assessment of the cause of the problem (Contractor/Government); how well the Contractor worked with the Government to resolve problems (including problems with subcontractors).
- 3.6.2.3. CPARS PREPARATION.** The value of a CPAR to a future source selection team is inextricably linked to the care the COR, serving as the CPARS Assessing Official, takes in preparing a quality narrative to accompany the CPAR ratings. This documentation process is continuous, beginning as soon as possible after the start of the period of performance. It is of the utmost importance that the COR makes a dedicated effort to thoroughly describe the circumstances surrounding a rating. Assessments may be supported by multifunctional input from Government specialists familiar with the Contractor's performance.
- 3.6.2.4. CPARS PROCESS.** The CPARS process is designed with a series of checks and balances to facilitate the objective and consistent evaluation of Contractor performance. Both Government and Contractor program management perspectives are captured on the CPAR form and together make a complete CPAR. Intermediate CPARS assessments (Intermediate Reports) are required every twelve months after contract award, and a final CPARS assessment (Final Report) is required upon completion of contract period of performance. Once the COR completes the proposed assessment, the CPARS is released to the appropriate Contractor Representative for their review and comments. The Contractor has thirty (30) days after the Government's evaluation is completed to comment on the

evaluation. The Contractor Representative must either concur or non-concur to each CPAR. If the Contractor does not concur with the proposed assessment, it can only be closed out after the designated the PM/Division Chief, acting as the CPARS Government Reviewing Official, reviews it and enters comments. The COR cannot unilaterally close out an assessment if disputed by the Contractor. The CPARS Government Reviewing Official may, at their option, direct the COR to forward every CPAR to them for review. No further formal Contractor review is required. The entire CPARS assessment process, as outlined above, must be completed not later than 120 days after completion of the applicable assessment period (intermediate or final). To facilitate the CPAR review process, the COR should meet with the CPARS Government Reviewing Official to establish a working relationship (how and when they wish to be informed of any Contractor performance issues) and receive their guidance on whether or not they desire to review any CPAR that is not disputed by the Contractor.

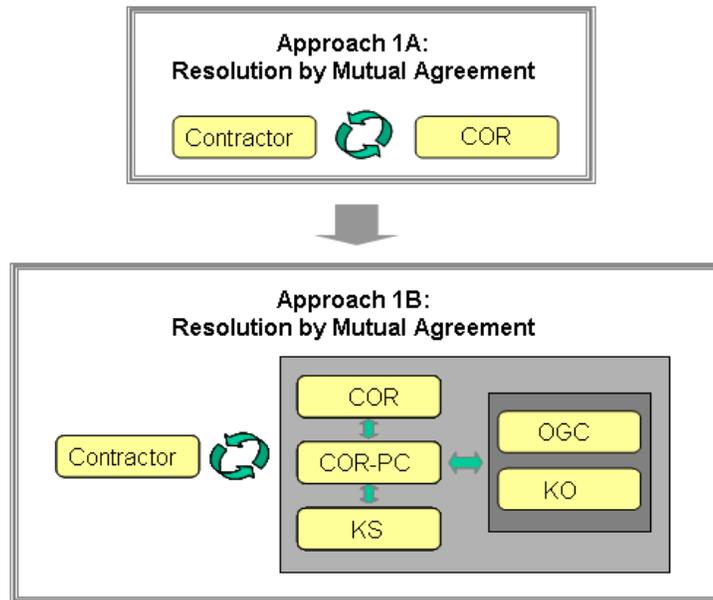
**3.6.2.5. CPARS COORDINATION.** CPARS must have an accurate e-mail address to notify the Contractor of any proposed assessment, which is ready for their review. The COR must verify the name and e-mail address of the Contractor Representative within thirty (30) days after contract award and provide that information to the TMA CPARS Coordinator. The COR must also keep the TMA CPARS Coordinator informed of any changes to the Contractor Representative's e-mail address.

**3.7. HANDLING ISSUES OR DISPUTES.** The Government's policy is to try to resolve all contractual issues by mutual agreement at, or below, the KO's level. Reasonable efforts should be made to resolve controversies prior to the submission of a claim. As depicted in Figure 5 below, the Government recommends a number of different approaches before resorting to formal litigation. The FAR defines an "issue in controversy" as a material disagreement between the Government and the Contractor, which may result in a claim; or is all or part of an existing claim. Procedures for addressing contract issues or disputes are covered within Subpart 33.2 of the FAR.



**3.7.1. RESOLUTION BY MUTUAL AGREEMENT.** When a dispute arises, the COR should immediately involve the KS or (if applicable) COR-PC, who will provide assistance and determine if KO and/or OGC involvement is necessary. Before resorting to any formal forms of dispute resolution, the COR should pursue all available forms of resolution by mutual agreement. The KS, COR-PC, COR, and any other TMA staff should meet to discuss the situation, develop an understanding of both the TMA and Contractor positions, and develop a strategy for resolution. Only after this meeting, should the COR, COR-PC, and KS coordinate a meeting to attempt further resolution with the Contractor. Should this approach fail, the KO and OGC will determine the next course of action. This may include continued attempts at resolution by mutual agreement or may take the form of more formal dispute resolution, such as legal action.

**Figure 5: Resolution by Mutual Agreement**



**3.7.2. ALTERNATE DISPUTE RESOLUTION (ADR).** TMA officials are encouraged to use ADR procedures to the maximum extent practicable. The objective of using ADR procedures is to increase the opportunity for relatively inexpensive and expeditious resolution of issues in controversy. Prerequisites to an ADR settlement include:

- Existence of an issue in controversy;
- A voluntary election by both parties to participate in the ADR process;
- An agreement on alternative procedures and terms to be used in lieu of formal litigation; and
- Participation in the process by officials of both parties who have the authority to resolve the issue in controversy.

ADR consists of a variety of streamlined resolution techniques designed to resolve issues in controversy more efficiently when the normal negotiation process fails. ADR techniques often involve a neutral third party. The Office of ADR within the Defense Office of Hearings and Appeals administers the DoD Roster of Neutrals which provides neutrals for ADR proceedings for DoD organizations. The Office of ADR acts as a clearinghouse for ADR information, is involved in ADR education and awareness training, and supports the TMA OGC in implementing the DoD ADR Program.

**3.7.3. ADR PROCEDURES.** ADR procedures may include, but are not limited to, fact-finding, mediation, mini-trials, and arbitration. It is important to note that ADR is not the first step to litigation. Rather, it is an extremely effective business tool available to resolve contract issues and disputes long before litigation is contemplated.

**3.7.4. LITIGATION.** Should all other forms of resolution fail, the final alternative for resolving issues is formal litigation. Should it be necessary to resort to litigation, the OGC will take a leadership role in determining strategy and approach for the dispute.

**3.8. CONTRACT CLOSEOUTS.** Close out occurs when the Government and Contractor have fulfilled their obligations, all outstanding contract administration issues have been resolved, and all records have been correctly disposed of. One of two events makes a contract physically complete and closed. One is delivery, performance, inspection, and acceptance of all required products or services, finality of all administrative tasks, and expiration of all option periods. The other event is the issuance of notice to the Contractor stating contract termination has been completed.

The closeout process requires coordination between the KO, the COR, and the Contractor. The main COR functions are certifying that all services have been rendered in a satisfactory manner and all deliverables are complete and acceptable. Examples of tasks include, but are not limited to, identifying any outstanding claims or disputes; identifying and recommending deobligation of excess funds; and verifying the return or disposition of Government property. In conjunction with contract closeout, the COR provides detailed performance information to the KO and provides all associated COR files to the KO.

Contract audit requirements are likely to affect contract closeout on cost-reimbursement contracts. Contract audits are required to determine the reasonableness, allowability, and allocability of costs incurred under cost reimbursement contracts.

**4. SOURCE DOCUMENTS.** The following documents were used as guidance and resources in preparation of this plan and are routinely used as references by COD-FC in its collaborative activities with requiring activities and contracting offices:

- TMA – “TMA Non-Purchased Care Desktop Reference Guide”  
<http://www.tricare.mil/tps/DeskTopReference.htm>
- TMA – “TRICARE Acquisition, Automation, and Resource Management Support (T/AARMS) User Guide” <http://www.tricare.mil/tps/TAARMSUsersGuide.htm>
- TMA – “TRICARE Evaluation, Analysis, and Management Support (TEAMS) Users Guide” <http://www.tricare.mil/tps/teamsUsersGuide.htm>
- TMA – “Defense Medical Information Management/Systems Integration, Design, Development, Operations, and Maintenance Services (D/SIDDOMS) Users Guide”  
<http://www.tricare.mil/tps/DSIDDOMS3UsersGuide.htm>
- TMA – “COD-FC On Ramp Guide for Wide Area Workflow – Receipt and Acceptance (WAWF-RA)” <http://www.tricare.mil/tps/On-RampGuide.doc>
- TMA – “TMA Roles and Responsibilities for Non-Purchased Care Acquisitions” (November 2006) <http://www.tricare.mil/tps/RolesResponsibilities.doc>
- OASD(HA) Policy Memorandum, Subject: Policy for the Acquisition of Non-Purchased Care Support, dated 01 October 2009  
<http://www.tricare.mil/TPS/TMA%20Acquisition%20Policy%20Non-Purchased%20Care%20Services.pdf>
- OASD(HA) Policy Memorandum, Subject: Approving Payments under Cost-Reimbursement, Time & Material, and Labor Hour Contracts, dated 28 September 2009  
[http://www.tricare.mil/TPS/InvoicePolicyRevision\(Sep09\).pdf](http://www.tricare.mil/TPS/InvoicePolicyRevision(Sep09).pdf)
- OASD(HA) Policy Memorandum, Subject: Wide Area Workflow Receipt and Acceptance (WAWF-RA), dated 13 December 2007 <http://www.tricare.mil/tps/PolicyWAWF-RA.pdf>
- OASD(HA) Policy Memorandum, Subject: Contract Surveillance For TMA Non-Purchased Care Service Contracts, dated 09 February 2006  
<http://www.tricare.mil/tps/OversightofContracts.pdf>
- OASD(HA) Policy Memorandum, Subject: Oversight of Receiving Reports, dated 18 May 2005 <http://www.tricare.mil/tps/ReceivingReportOversight18May05.pdf>
- Federal Acquisition Regulation (FAR) <http://farsite.hill.af.mil/vffara.htm>
- Defense Federal Acquisition Regulation Supplement (DFARS)  
<http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>
- DoD Instruction 5000.02, Subject: Operation of the Defense Acquisition System, dated 08 December 2008 <http://www.dtic.mil/whs/directives/corres/pdf/500002p.pdf>
- DoD Directive 5145.5, Subject: Alternative Dispute Resolution (ADR), dated April 22, 1996, <http://www.adr.af.mil/shared/media/document/AFD-070924-110.pdf>
- Air Force Alternative Dispute Resolution Reference Book  
<http://www.adr.af.mil/factsheets/factsheet.asp?id=7398>
- Federal Acquisition Streamlining Act 1994 (FASA)  
<http://thomas.loc.gov/cgi-bin/query/z?c103:S1587.ENR:>
- DoD Earned Value Management Implementation Guide  
<http://guidebook.dcmamail.com/79/EVMIG.doc>
- DoD Contractor Performance Assessment Reporting System (CPARS) Policy Guide, dated February 2009, <http://www.cpars.csd.disa.mil/cparsfiles/pdfs/DoD-CPARS-Guide.pdf>
- USAMRAA “Acquisition Desk Reference for Project Officers, Contracting Officer’s Representatives, and Grants Officer’s Representatives”  
[http://www.afirms.org/docs/ADR\\_Electronic\\_commanders.pdf](http://www.afirms.org/docs/ADR_Electronic_commanders.pdf)

- 5. Conclusion.** Provided in this CEP are the processes, procedures, roles, and responsibilities applied by TMA during the post-award phase of the contracting life cycle. Its purpose is to serve as a resource to facilitate the effective management of TMA contracts/orders during the contracting post-award phase to ensure that TMA receives required products or services in an efficient and effective manner. Additional information regarding each of the topics contained within this CEP can be obtained by referencing the source documents identified and linked to in Section 4. The CEP will be reviewed at least annually to ensure changes in contract execution processes, procedures, roles, and responsibilities are incorporated in a timely manner. Questions regarding the CEP should be forwarded to Mr. Aaron Street, Director, COD-FC, at Aaron.Street@tma.osd.mil.

Approved:

\\Signed\\ \_\_\_\_\_  
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TRICARE Management Activity