



# **TMA Procurement Management Program Policy Briefing**

**(TAD 54-01, Rev 001)**

**October 2012**



# Agenda

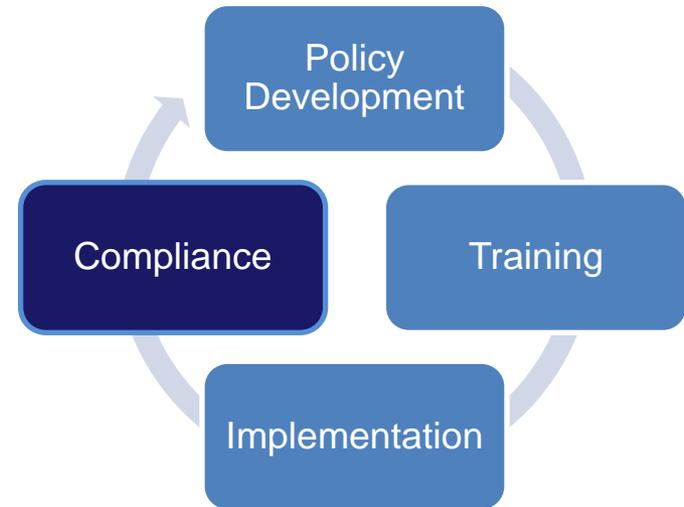
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- Compliance Background
- Procurement Management Program
- Key Elements of TAD 54-01, Rev 001
- Procurement Management Review (PMR) types
- PMR Process
  - PMR Scheduling and Planning
  - PMR Execution
  - PMR Reporting and Follow-up
- Leveraging Lessons Learned
- Summary
- References
- Questions



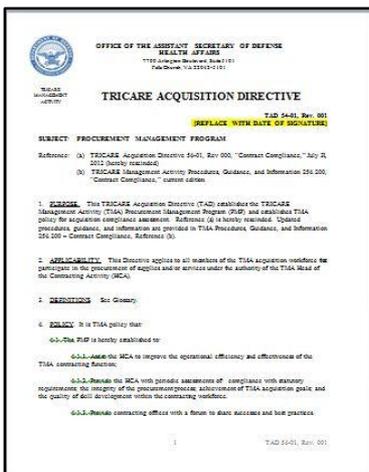
# Compliance Background

- Compliance is a key phase of the broader policy lifecycle
- A robust compliance program is a critical internal control mechanism
- A compliance program is:
  - Vital to ensuring TMA Contracting Offices are performing effectively in accordance with higher-level guidance such as the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), and other DoD and TMA policy.
  - Necessary to assess whether TMA AM&S policies and training are achieving intended results.

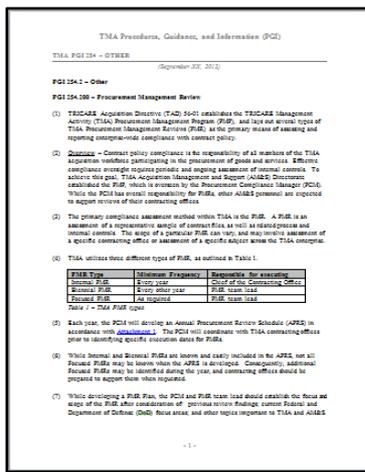


# Procurement Management Program

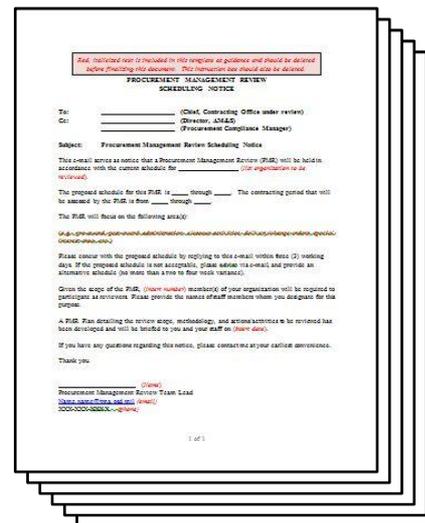
- To facilitate compliance oversight within TMA, AM&S is establishing the Procurement Management Program by revising TAD 54-01 (Rev 001) and updating TMA PGI 254.200



TAD 54-01, Rev 001,  
Procurement  
Management Program



TMA PGI 254.200 –  
Procurement  
Management Review  
(revised)



PGI 254.200 attachments:

- Attach. 1 – Annual Procurement Review Schedule template
- Attach. 2 – PMR Scheduling Notice template
- Attach. 3 – PMR Plan template
- Attach. 4 – Explanation of Sampling Techniques
- Attach. 5 – PMR Data Report Request template
- Attach. 6 – PMR Sample Data Collection Checklist



# Key elements of TAD 54-01, Rev 001

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- Establishes the **Procurement Management Program**.
- Rescinds TRICARE Acquisition Directive 54-01, Rev 000, “Contract Compliance,” July 31, 2012.
- Establishes the **PMR** as the primary means of assessing and reporting compliance within AM&S.
- Establishes the **Chief Compliance Officer (CCO)** as the AM&S official responsible for PMR oversight.
- Defines various roles and responsibilities, as well as PMR scheduling and reporting requirements.



# TAD 54-01, Rev 001 – Key Definitions

## Annual Procurement Review Schedule (APRS)

A plan developed by the CCO identifying PMRs planned for a given year.

## Procurement Management Review (PMR)

A review carried out by the PMR team that employs customized compliance checklists and review criteria to evaluate contract files, related processes, and internal controls to: assess compliance with applicable law, regulations, and guidance; assesses the effectiveness of the organization and management responsible for contract activities; or perform other ad hoc review functions as required.

## Chief Compliance Officer (CCO)

A TMA staff member with overall responsibility for management and oversight of the PMP.

## PMR Plan

A plan developed in advance of a PMR to guide the PMR team. The PMR Plan will describe the background, purpose, methodology, scope, protocols, and reporting related to a specific PMR

## PMR Report

A report developed by the PMR Team Lead, in coordination with the CCO, outlining PMR findings and recommendations.



# TAD 54-01, Rev 001 – Responsibilities

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- **CCO** – Responsible for developing the APRS, coordinating with contracting offices to support PMR execution, supporting PMR execution, developing the PMR Report, reporting PMR progress and results to the HCA, and coordinating with the Contract Policy and Pricing Branch to ensure PMR lessons- learned inform are considered during future policy development.
- **PMR Team Lead** – Responsible for executing a specific PMR, collaborating with the CCO to develop the PMR Plan, determining PMR team members, managing the PMR team, serving as the primary PMR point of contact, and reporting PMR results.
- **Chief of the Contract Operations Division (Chief-COD)** – Responsible for supporting PMRs of their offices, executing Internal PMRs, and developing and executing Corrective Action Plans (CAP).
- **Contracting Officer** – Responsible for making files available to the PMR team, supporting PMR execution, and for correcting weaknesses and deficiencies related to contracts for which they are responsible.



# AM&S will utilize three different PMR types

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- **Internal PMR**

Annual internal reviews conducted by the Chief-COD. Internal PMRs are intended to supplement Biennial and other PMRs. Completion of an Internal PMR does not exempt a contracting office from additional PMRs.

- **Biennial PMR**

A review performed at each contracting office every other year, on a rotating basis, that employs customized compliance checklists and review criteria to evaluate contract files, processes, and internal controls to: assess compliance with applicable law, regulations, and guidance; and assesses effectiveness of the organization and management responsible for contract activities. The Biennial PMR will thoroughly evaluate compliance, focusing on all stages of the acquisition lifecycle, from acquisition planning and solicitation to award and post-award activities.

- **Focused PMR**

Performed as required, either at a specific contracting office or across multiple contracting offices, it assesses specific contracting processes or subject areas to evaluate performance of an initiative or program. The scope and depth of a Focused PMR will be determined by the CCO in consultation with the HCA, and will be outlined in a PMR Plan.



# This does *not* mean three reviews will be required every year

- Each contracting office can expect one or two PMRs per year, at a minimum, as demonstrated below:

| Office | FY13     | FY14     | FY15     | FY16     |
|--------|----------|----------|----------|----------|
| COD 1  | Internal | Internal | Internal | Internal |
|        | Biennial |          | Biennial |          |
| COD 2  | Internal | Internal | Internal | Internal |
|        |          | Biennial |          | Biennial |
| COD 3  | Internal | Internal | Internal | Internal |
|        | Biennial |          | Biennial |          |
| COD 4  | Internal | Internal | Internal | Internal |
|        |          | Biennial |          | Biennial |

Table 1 – Sample conceptual PMR schedule.

## Internal PMR

- Conducted by the Chief-COD (as PMR Team Lead)
- Flexible scope and methodology
- PMR Team comprised of staff from the contracting office under review
- Limited distribution of both PMR Report and CAP

## Biennial PMR (if scheduled)

- Scheduling coordinated with Chief-COD
- Conducted by the assigned PMR Team Lead
- PMR Team comprised of staff from other offices within AM&S
- PMR Report and CAP are distributed to CCO and HCA

- Additional Focused PMRs will be conducted as needed.



# PMR Process Overview

- Conducting a Biennial or Focused PMR follows a three-phase process:



- PGI 254.200 lays out the activities related to each phase of the PMR process
- Internal PMRs are a bit different, however
  - Since the Chief-COD serves as the PMR Team Lead, very little of the outside coordination required for Biennial and Focused PMRs is required



# PMR Planning and Scheduling

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- The CCO will develop the APRS each fiscal year identifying PMRs anticipated during the year.\*
- A Scheduling Notification will be sent to the contracting office four weeks in advance of a PMR.
- The PMR Team Lead will coordinate with the Chief-COD to finalize the schedule and timing, as well as coordinate access to required support and resources.
- The PMR Team Lead will brief the Chief-COD prior to beginning data collection.

\* *Unplanned Focused PMRs may be necessary during the course of a year, but as much notice as possible will be provided to the subject contracting office in these cases.*



# PMR Execution

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- A specific PMR Plan will guide execution of each PMR.
- The PMR Team Lead will:
  - Brief PMR team members on the elements of the PMR Plan, including procedures and protocols.
  - Coordinate review activities with the Chief COD.
- The PMR team will meet daily during the PMR to discuss findings and ensure consistency and quality.
- The PMR Plan may require real-time adjustment based upon PMR team findings.



# PMR Reporting and Follow-up

- The PMR Team Lead will:
  - Develop a draft report with recommended corrective actions within 5 days of the end of data collection.
  - Brief the draft report to the Chief-COD, inviting comments.
  - Brief PMR findings to the HCA within 5 days of the Chief-COD's out-briefing.
  - Develop a final PMR report based on all available input within 10 days of the HCA briefing.
  - Distribute copies of the final PMR report to the contracting office under review and the CCO.
- The Chief-COD will develop a CAP within 20 days of receipt of the final PMR report.
- Performance against a CAP will be evaluated in subsequent PMRs.



# Leveraging Lessons Learned

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- The CCO will track lessons learned during PMRs and identify trends within, and across, TMA contracting offices.
- The CCO will maintain a repository of PMR materials, including PMR Plans, PMR reports, CAPs, etc.
- The CCO will provide updates and briefings on the state of compliance to the HCA.
- The CCO will provide input to other AM&S divisions to aid in evaluating and developing acquisition policy and training.



# Summary

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- AM&S has established the Procurement Management Program to facilitate compliance oversight.
- TAD 54-01, Rev 001 and a revised TMA PGI 254.200 will be published to outline the PMP and providing additional guidance and templates.
- PMRs will be scheduled at the beginning of each year, and PMR execution will be coordinated with the Chief-COD.
- CAPs will be required to address deficiencies, and lessons learned will shape future compliance improvement efforts.



# References

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The following references provide additional detail on acquisition regulations as well as TMA contract compliance:

- Federal Acquisition Regulation (FAR)  
(<http://farsite.hill.af.mil/vffara.htm>)
- Defense FAR Supplement (DFARS)  
(<http://farsite.hill.af.mil/vfdfara.htm>)
- TRICARE Acquisition Directive 54-01, Rev 001, “Procurement Management Program”  
(<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)
- TMA PGI 254.200, “Procurement Management Review”  
(<http://tricare.mil/tma/ams/acqpolicyproc.aspx>)



# Questions

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For questions related to the Procurement Management Program or compliance policy please contact the AM&S Contract Compliance Division at: (703) 735-4923.

