

TMA Procedures, Guidance, and Information (PGI)

TMA PGI 254 – OTHER

(October 16, 2012)

PGI 254.2 – Other

PGI 254.200 – Procurement Management Review

- (1) TRICARE Acquisition Directive (TAD) 54-01 establishes the TRICARE Management Activity (TMA) Procurement Management Program (PMP), and lays out several types of TMA Procurement Management Reviews (PMR) as the primary means of assessing and reporting enterprise-wide compliance with contract policy.
- (2) Overview – Effective procurement management and contract policy compliance are the responsibility of all members of the TMA acquisition workforce participating in the procurement of goods and services. Effective oversight requires periodic and ongoing assessment of internal controls. To achieve this, TMA Acquisition Management and Support (AM&S) Directorate established the PMP, which is overseen by the Chief Compliance Officer (CCO). The CCO has overall responsibility for PMRs, but other AM&S personnel are expected to support PMR activities.
- (3) The primary procurement management and compliance assessment method within TMA is the PMR. A PMR is an assessment of a representative sample of contract files, as well as related process and internal controls. PMR scope can vary; it may involve assessment of a specific contracting office or assessment of a specific subject across the TMA enterprise.
- (4) TMA utilizes three different types of PMR, as outlined in Table 1.

PMR Type	Minimum Frequency	Responsible for executing
Internal PMR	Every year	Chief of the Contract Operations Division (Chief-COD)
Biennial PMR	Every other year	PMR team lead
Focused PMR	As required	PMR team lead

Table 1 – TMA PMR types.

- (5) Each year, the CCO will develop an Annual Procurement Review Schedule (APRS) in accordance with [Attachment 1](#). The CCO will coordinate with TMA contracting offices prior to identifying specific execution dates for PMRs.
- (6) Internal and Biennial PMRs are known in advance and easily included in the APRS, but not all Focused PMRs may be known when the APRS is developed. Consequently, additional Focused PMRs may be identified during the year, and contracting offices should be prepared to support them when requested.
- (7) While developing a PMR Plan, the CCO and PMR team lead should establish the focus and scope of the PMR after consideration of: previous review findings; current Federal and Department of Defense focus areas; and other topics important to TMA and AM&S.

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- (8) PMR teams will carry out reviews utilizing tailored compliance checklists and protocols developed for the specific PMR and outlined in the PMR Plan.
- (9) PMR Scheduling
 - a. The PMR team lead will coordinate with the applicable Chief-COD to establish a schedule for conducting the PMR.
 - b. The PMR team lead will send a PMR Scheduling Notice (See [Attachment 2](#)) to the applicable Chief-COD approximately four weeks prior to the scheduled PMR start date, or provide as much notice as possible in the event of an unscheduled PMR.
 - c. The PMR team lead will coordinate with the Chief-COD to identify the specific schedule and remaining members of the PMR team. The size and composition of a PMR team should be commensurate with the type, intended scope, and purpose of the PMR. At a minimum, a Biennial or Focused PMR team should include at least one member from the contracting office under review, at least one member from a different contracting office, and at least one member from the Contract Policy Division. Internal PMR teams will be comprised of staff of the contracting office under review.
- (10) PMR Preparation
 - a. The PMR team lead, in coordination with the CCO, will develop a PMR Plan (see [Attachment 3](#)) and determine the representative sample (see [Attachment 4](#)) of contract files, processes and internal controls, to be assessed. The PMR Plan will describe the PMR's purpose, scope, and methodology.
 - b. The PMR team lead should seek input from the subject contracting office when determining the representative sample and developing the tailored compliance checklists, and should use sampling methods and rates that are appropriate based upon past experience and the availability of resources (see [Attachment 5](#)).
 - c. A draft PMR Plan will be briefed to the Chief-COD under review two weeks prior to the PMR start date, and finalized not later than one week prior to the PMR start.
 - d. Prior to data collection, the PMR team lead will secure access to any reference materials, personnel schedules, facilities (e.g., work area, conference room) and supplies (e.g., laptops, network connections) needed to perform the PMR.
- (11) Data Collection

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- a. The PMR team lead will brief PMR team members on the PMR Plan and establish work processes and standards for conducting the PMR before beginning data collection. During the PMR, the PMR team lead will be the primary point of contact for questions, either from PMR team members or the contracting office.
- b. The PMR team lead will brief contracting office staff before beginning data collection. This briefing will cover the PMR's purpose, conduct, timing, and review methodology.
- c. Data collection will be conducted using tailored compliance checklists (see [Attachment 6](#)) to evaluate each contract file included in the representative sample, as well as any related processes or internal controls.
- d. The PMR team will conduct the PMR in such a manner as to minimize interference with daily operation of the contracting office.
- e. Contracting office personnel will provide required files and documentation, and be available to provide input to the PMR team.
- f. PMR team discussions with the contracting office staff should occur as needed after notice to the staff member's supervisor and with no disruption to normal operations.
- g. The PMR team will meet daily to discuss findings, identify weaknesses and deficiencies, and adjust process details.
- h. If initial results indicate the representative sample should be adjusted to achieve PMR Plan objectives, the PMR team lead will discuss a revised sample with the CCO and Chief-COD.
- i. The PMR team lead will review individual PMR team member findings throughout the PMR to ensure consistency and quality across the team.

(12) PMR Out-briefing and Reporting

- a. A draft PMR Report will be prepared by the PMR team lead within 5 business days after completion of data collection. The draft PMR Report will address the following:
 - i. Introduction – Explain the overall scope, purpose, and areas reviewed.
 - ii. Summary of Findings – Provide an overview of the findings categorized by strengths, weaknesses, and deficiencies, and include supporting detail.

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- iii. Conclusion and Recommendations – Provide a consolidated overview of the findings and recommendations for corrective actions.
- b. When the draft PMR Report is complete, the PMR team lead will provide a copy of the draft PMR Report to the Chief-COD, brief the findings to the Chief-COD and other appropriate parties, and invite comments. Comments may be provided during the briefing or within 10 business days after the briefing.
- c. After receipt of all comments, but prior to finalizing the PMR Report, the CCO will brief the PMR findings to the Head of the Contracting Activity (HCA).
- d. The final PMR Report will be prepared within 10 business days after the HCA briefing, and will demonstrate consideration of all input. The final PMR Report will be delivered to the Chief-COD and HCA, with a copy maintained by the CCO in a central repository.

(13) Corrective Action Plan

- a. The Chief-COD will review the final PMR Report and prepare a Corrective Action Plan (CAP) to address deficiency causes, describe corrective actions, establish timeframes to correction, and explain other management efforts to mitigate future deficiencies. In a separate section, the CAP will also discuss strategies for improving identified weaknesses. The PMR team lead will be available to discuss the PMR team's findings, if necessary.
- b. The CAP should address, at a minimum, the following:
 - i. Analysis of identified deficiencies.
 - ii. Specific actions taken or planned to correct identified deficiencies.
 - iii. Actions to prevent identified deficiencies.
 - iv. Specific actions taken or planned to correct identified weaknesses.
 - v. Actions to address identified weaknesses.
 - vi. Recommended actions identified in the final PMR Report.
 - vii. Parties responsible for any corrective and preventative actions identified.
 - viii. A milestone schedule for implementation of the CAP.

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- ix. An estimated completion date for all corrective actions identified in the CAP.
 - c. Appropriate corrective actions may include new or revised procedures or management practices, training, or cross-functional initiatives (e.g., integrated process teams and working groups).
 - d. The CAP will be completed within 20 business days of receipt of the final PMR Report and distributed to the HCA and CCO.
 - e. The Chief-COD will manage the execution of the corrective actions outlined in the CAP.
- (14) The CCO will maintain a repository of final PMR Reports and CAPs that will be used to shape annual training plans and shape periodic re-evaluation of policies and procedures.
- (15) Internal PMRs are conducted by the Chief-COD, who serves as the PMR team lead, so coordination with the CCO on planning, execution, and briefing of the PMR is not required. Where possible, procedures similar to those outlined above should be followed. Internal PMR results must be documented in a PMR Report and a CAP must be developed. The final PMR Report and CAP for Internal PMR are not required to be distributed outside of the subject contracting office, but they are available as inputs to subsequent PMRs.
- (16) The following Attachments are provided to assist in the planning, execution, and reporting of PMR activity.

Att. #	Title
1	Annual Procurement Review Schedule (APRS) Template
2	PMR Scheduling Notice Template
3	PMR Plan Template
4	PMR Sampling Techniques
5	PMR Electronic Contract Data Request
6	PMR Sample Data Collection Checklist

Table 2 – Description of PGI Attachments.