



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

May 31, 2011

MEMORANDUM FOR: CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
SMALL AGENCY COUNCIL MEMBERS

FROM: Daniel I. Gordon
Administrator

SUBJECT: Improving Federal Procurement Data Quality - Guidance for
Annual Verification and Validation

Complete, accurate, and timely federal procurement data are essential for ensuring that the government has the right information when planning and awarding contracts and that the public has reliable data to track how its tax dollars are being spent. The quality of this information depends on agencies having strong internal controls for the input and validation of agency data entered in the Federal Procurement Data System (FPDS) and other acquisition information systems. This memorandum describes the steps agencies are expected to take to ensure that FPDS data and other acquisition-related information are reported correctly.

In accordance with the Federal Acquisition Regulation (FAR) Part 4.604 and related guidance, agency Chief Acquisition Officers must certify annually each January to the Office of Federal Procurement Policy (OFPP) and the General Services Administration (GSA) that their previous fiscal year's FPDS records are complete and accurate. To standardize this process, the attached reporting templates and sampling methodologies, which were developed by an interagency working group, are provided to agencies to use as they work throughout the year to ensure the quality of their procurement data and information. The FPDS data elements that agencies are required to track and instructions on conducting the review, which were originally described in OFPP's guidance of October 2009¹, remain unchanged.

To ensure that agencies are building the capacity to improve the quality of other acquisition-related data and information beyond FPDS, this year agencies are also asked to certify: 1) they have policies, procedures, and internal controls in place to monitor and improve procurement data quality generally, and 2) they have similar controls for ensuring that contractors comply with their reporting requirements. For example, in accordance with OFPP's efforts to improve the reporting of past performance², agencies should be incorporating into their ongoing data quality efforts regular reviews to assess past performance reporting compliance and

¹ *Improving Acquisition Data Quality for Fiscal Years 2009 and 2010* located at http://www.whitehouse.gov/sites/default/files/omb/assets/procurement_memo/data_quality_guidance_100709.pdf

² OFPP Memorandum of January 21, 2011 *Improving Contractor Past Performance Assessments* is available at http://www.whitehouse.gov/sites/default/files/omb/procurement/contract_perf/PastPerformanceMemo-21-Jan-2011.pdf

quality. Similarly, agencies should regularly monitor contractors' compliance with reporting requirements, such as subaward reporting required by the Federal Funding Accountability and Transparency Act.

To reduce the reporting burden on agencies, the annual requirement for a procurement data quality plan is replaced with a request for agencies to submit with their certifications next January any acquisition-related updates to their agency's general data quality plans, which were submitted to the Office of Management and Budget (OMB) on April 14, 2010 in support of OMB's Open Government Directive.³ Agencies are asked to submit their certifications and plan updates through the OMB MAX community website at <https://max.omb.gov/community/x/j460IQ>. These updates should include, at a minimum, the steps agencies are taking to improve past performance reporting, in accordance with OFPP's January 2011 memorandum referenced above, and other efforts to improve the quality of acquisition-related data and information.

As part of our sustained efforts to improve procurement data quality throughout the year, OFPP and GSA will:

- continue the interagency working group on data quality, focusing on emerging issues, challenges, solutions, guidance, and process improvements;
- re-vitalize the community of practice located at <https://max.omb.gov/community/x/j460IQ> to collect tools and agency best practices for improving data quality and host focused discussions on key issues, and;
- collaborate with the Federal Acquisition Institute and the Defense Acquisition University to review and improve related workforce training and development and to develop a better understanding of how procurement data are used through the acquisition process.

The government has a responsibility to continuously improve the quality of acquisition data and information. The steps the agencies are taking to verify and validate this information, combined with our community's efforts described above, are critical to improving the transparency of the acquisition process. Questions related to this guidance may be directed to Karen Pica at kpica@omb.eop.gov or Kathleen Oliver at Kathleen.oliver@gsa.gov.

Thank you for your attention to this important effort.

Attachments

³Open Government Directive – Framework for the Quality of Federal Spending Information, available at http://www.whitehouse.gov/sites/default/files/omb/assets/financial_pdf/Open_Government_Directive_02082010.pdf

Agency Procurement Data Quality Report

Agency Name: _____

Fiscal Year of Reported Data: _____

Agency Data

Total Procurement Obligations for the fiscal year reported: \$ _____

Number of Actions Entered into FPDS: _____

Part I - Data Quality Certification Statement

I certify that:

- a) _____% of reportable contract actions awarded during FY _____ for my agency have been entered into FPDS within appropriate time frames and in accordance with applicable guidelines⁴;
- b) The results reported in the Exhibit 2 were derived using the agency’s data quality assurance procedures and appropriate sampling techniques;
- c) Agency policies, procedures, and internal controls include regular reviews of qualitative data, such as performance and integrity data, to assess the quality⁵ of the information provided;
- d) Agency policies, procedures, and internal controls include regular reviews of contractor provided data, such as public information on Transparency requirements, to assess compliance with reporting requirements and the completeness of the data.

Explanation of Data Missing from Certification - *[Use additional pages as necessary to discuss any procurement data not included in this certification for example:, data not yet entered into FPDS either manually or from the agency contract writing system (CWS); “draft” FPDS records that have not passed the FPDS data validation routines; past performance reports that are incomplete or not useful. For each category of missing records, indicate the number, dollar value, and age of the missing records and completion plans, including milestone dates.]*

Part II - Assuring Data Input Accuracy

Controls over Data Input

1. Provide the percent of the agency’s FPDS contract action reports (CARs) entered through the following means:

- a. Contract Writing System(s) (automated) _____ %
- b. Web Portal (On-line login) _____ %
- c. Other (please provide description) _____ %
- Total 100 %

⁴ Agencies unable to certify entry of 100% of their reportable contract actions must discuss the reasons for this and their plans to remedy this situation under the Explanation of Data Missing from Certification section.

⁵ Quality is defined by OMB Memorandum of February 8, 2010 *Open Government Directive – Framework for the Quality of Federal Spending Information*

http://www.whitehouse.gov/sites/default/files/omb/assets/financial_pdf/Open_Government_Directive_02082010.pdf

Please describe any “Other” method(s) used:

Data Quality Assurance Procedures – Updates to Agency Data Quality Plans

In brief, please discuss the agency internal control procedures for data quality, referencing any information, updates, or changes to the agency data quality plan submitted to OMB on April 14, 2010 per OMB Memo of February 8, 2010 *Open Government Directive – Framework for the Quality of Federal Spending Information*. Please include:

- a) Any changes to the data quality plans submitted to OMB, for example incorporation of how past performance information will be assessed;
- b) Examples of successful practices contributing to consistently high data quality;
- c) Examples of agency success with improving elements of procurement data quality;
- d) Barriers or challenges identified through the agency review process for which OMB or GSA could offer support or solutions.

Required Signature

SENIOR PROCUREMENT EXECUTIVE NAME (Printed)

SENIOR PROCUREMENT EXECUTIVE SIGNATURE

DATE

Agency Name: _____ **Fiscal Year of FPDS Data:** _____ **Accuracy Rate of Sample:** _____%

Percent of Total Procurement Spend Covered by Sample: _____%

Accuracy Computation for Key Data Elements

Systemic Causes of Invalid Data

<u>Data Element Name</u>	(Column A)	(Column B)	(Column B/ Column A as %)	(Check all that apply)		
	<u>No. of CARs Reviewed⁶</u>	<u>No. of Correct CARs</u>	<u>Accuracy Rate</u>	<u>User</u>	<u>FPDS</u>	<u>Other</u>
2A Date Signed	_____	_____	_____	_____	_____	_____
2C Completion Date	_____	_____	_____	_____	_____	_____
2D Est. Ultimate Completion Date	_____	_____	_____	_____	_____	_____
2E Last Date to Order	_____	_____	_____	_____	_____	_____
3A Base and All Options Value	_____	_____	_____	_____	_____	_____
3B Base and Exercised Options Value	_____	_____	_____	_____	_____	_____
3C Action Obligation	_____	_____	_____	_____	_____	_____
4C Funding Agency ID	_____	_____	_____	_____	_____	_____
6A Type of Contract	_____	_____	_____	_____	_____	_____
6F Performance Based Service Acquisition	_____	_____	_____	_____	_____	_____
6M Description of Requirement	_____	_____	_____	_____	_____	_____
8A Product/Service Code	_____	_____	_____	_____	_____	_____
8G Principal NAICS Code	_____	_____	_____	_____	_____	_____
9A DUNS No	_____	_____	_____	_____	_____	_____
9H Place of Manufacture	_____	_____	_____	_____	_____	_____
9K Place of Performance ZIP Code (+4)	_____	_____	_____	_____	_____	_____
10A Extent Competed	_____	_____	_____	_____	_____	_____
10C Other than Full & Open Competition	_____	_____	_____	_____	_____	_____
10D Number of Offers Received	_____	_____	_____	_____	_____	_____
10N Type of Set Aside	_____	_____	_____	_____	_____	_____
10R Fair Opportunity/Limited Sources	_____	_____	_____	_____	_____	_____
11A CO's Determination of Business	_____	_____	_____	_____	_____	_____

⁶ Total number of contract action reports reviewed for which this data element was required.

Size Selection
11B Subcontract Plan
12A IDV Type
12B Award Type
Total Records Sampled

NOTE: This exhibit provides a standard format for agencies to use in reporting the overall accuracy rate for the data elements being validated as well as the accuracy rate for each data element. (Note that the data element names are as they appear on the FPDS screens.) Please summarize the data accuracy results collected from all subordinate offices that validated and certified their own data into this Attachment. Please also discuss any systemic causes of invalid data in as much detail as you can, with particular attention to errors caused by FPDS or any other components of the Integrated Acquisition Environment. Use additional pages as needed.

Making Statistically Valid Comparisons of FPDS Data and Contract Files

This exhibit provides guidance on how agencies are expected to conduct statistically valid comparisons of their FPDS data and the underlying contract files. This guidance includes the procedures required to conduct statistically valid, independent reviews of FPDS data, as well as definitions of key terms, e.g., accuracy rate.

Procedures:

Although departments and agencies are expected to follow their own internal procedures for sampling and validating their FPDS data, at a minimum, these procedures must allow for the following results:

1. The sample design and sample size must be sufficient to produce statistically valid conclusions for the overall department or agency at the 95% confidence level, with a margin of error of no more than ± 5 percentage points. For example, an overall accuracy rate of 92 percent for the sample would translate to an overall confidence level of 87% to 97% for agency-wide data.
2. In designing their samples, agencies shall ensure that the contract action reports sampled are selected randomly from a population of FPDS records (excluding “draft” records) that includes all of the FPDS use cases (i.e., transaction types) employed by the agency. Agencies are encouraged to stratify their samples and/or also target known problem areas for special attention, provided that the sample size meets the statistical validity requirements in #1 above.

More specifically, agencies should select a sufficient number of contract action reports (CARs) to review so that they can report accuracy rates separately for each of the required data elements with acceptable precision. Agencies should also consider the amount of spending associated with the CAR in their sampling of CARs. This could be done by stratifying the CARs into different categories based on their level of spending or by sampling with probabilities proportional to the amount of spending.

3. Each sampled CAR must be validated against the associated contract file (not the agency contract writing system record) by an individual other than the contracting officer who awarded the contract or the person entering the contract data for that contract action record. The reviewer must obtain sufficient information to validate any CAR data elements not contained in the contract file or contract writing system (CWS). Data elements that cannot be validated must be considered incorrect and this includes CAR data elements that while they match the contract file, are determined to be inaccurate.

Definitions

Data Element Accuracy Rate – The percentage of unique data elements in the sampled contract action records that were determined to be correct, i.e., the entry matched the corresponding data in the contract file and the data in the contract file was correct. Only data elements appropriate for the type of record (or “use case”) being validated should be counted in computing the data element accuracy rate. There are data elements in Exhibit 2 that are not applicable to certain types of records. Such “not applicable” data elements should not appear in those records and therefore would not be validated. Data elements that are required for the type of record being reviewed must not be blank and must be supported by information present in the contract file or contract writing system to be determined accurate. If there is a value for an optional data element, that data element must be treated as though it were required. If there is no value for an optional data element, the element should be reviewed to confirm that no information was required based on that CAR.

Accuracy Rate of Sample– The percent of all the FPDS data elements sampled that were determined to be correct, i.e., they matched the corresponding data in the contract files and the data in the contract files were correct. For purposes of this report, only compute the overall data accuracy for the data elements reported in Exhibit 2.

Percent of Total Procurement Spend Covered by Sample – This is the percent of agency procurement spend included for sampling. This is computed by dividing the total obligations associated with the sampled contract action records by the total obligations associated with all contract actions for the same fiscal year sampled.

Total Sample Size – This is the total number of FPDS contract action records selected by the Department (and all subordinate entities) for verification against contract files.