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7 JUN 1988

MEMORANDUM FOR: Chief, Contracts Branch, OC

VIA: Chief, Agency Contracts Group, OL

FROM: [redacted] Procurement Executive, OL

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SUBJECT: Findings and Recommendations of PMR Team [redacted]

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1. The Procurement Management Review (PMR) Team has completed its review of the Office of Communications Contracts Branch (OC-CB). Attachment A is the full report, and Attachment B is an abbreviated version which was sent to the Director of Communications. [redacted] reviewed the full PMR report in draft with you and, more recently, he discussed with you those recommendations and findings which specifically applied to your branch. [redacted]

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2. Please review the attachments and indicate what you have done and plan to do regarding the report's recommendations and suggestions. Please forward your written response by close of business 30 June 1988 to the Chief, Procurement Management Staff (PMS/OL). A followup review within the next six months will be scheduled by the Chief, PMS/OL. [redacted]

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[redacted]

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Attachments (2)
As stated

[redacted]

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SUBJECT: Findings and Recommendations of PMR Team

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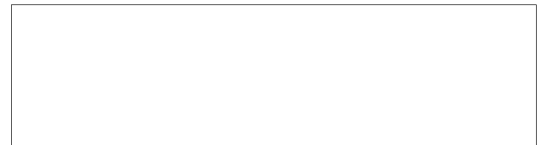
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OL/PMS, (31 May 88)

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C O N F I D E N T I A L

PROCUREMENT MANAGEMENT REVIEW
OF
DIRECTORATE OF ADMINISTRATION
OFFICE OF COMMUNICATIONS
CONTRACTS BRANCH



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C O N F I D E N T I A L

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C O N F I D E N T I A L

EXECUTIVE SUMMARY

A Procurement Management Review (PMR) of the Office of Communications Contracts Branch (OC-CB) was performed during February and March 1988. The review was conducted in accordance with a PMR Plan approved by the Director of Logistics (D/L) and the Procurement Executive (OL/PE).

The PMR focused mainly on those contract actions processed by OC-CB during fiscal year (FY) 1987. The contract activity during this period was performed by four contracting officers (CO) and a contract support assistant (CSA) who also performed all clerical functions.

The recommendations contained in this PMR report are intended to assist OC-CB in complying with Agency policies and procedures issued by the D/L. None of the recommendations should impact on OC-CB's ability to be responsive to the requirements of OC. Rather, adoption of these recommendations should strengthen and improve the quality of OC-CB's contracting procedures and ultimately enable OC to better perform its mission.

The major findings included in this PMR report are:

- ° OC-CB has a broad delegation of contracting authority which, if exercised, would enable the branch to process almost any type of procurement action if directed by the Director of Communications (D/CO) (see Exhibit A).
- ° Because of the large number of procurement requests issued by OC, OC-CB, for the most part, has restricted itself to handling only those requests pertaining to development and engineering services.

C O N F I D E N T I A L

- ° OC's three major systems procurements were awarded competitively in fiscal years prior to 1987 and are still ongoing. Four new competitive awards were made in FY 1987, two of which were major procurements. The four new competitive awards made by OC-CB contributed to OC's shortfall in meeting its competitive goal for FY 1987.
- ° OC-CB is awarding work order contracts for purposes and in amounts for which the work order mechanism was not intended.
- 25X1 ° Fifty-six funded actions of OC-CB's total contract actions in FY 1987 (based on date effective) were processed during the last quarter of the fiscal year. Twenty-five actions valued at \$32.2 million were processed by OC-CB during the month of September
- ° Contract administration functions are being properly divided between OC-CB's negotiators and the CSA.
- ° Only one final audit report from the Commercial Systems and Audit Division, Office of Finance (OF/CSAD), has been issued to OC-CB since the branch was established in FY 1984.
- ° OC management and technical personnel are pleased with the support provided by OC-CB. They would like OC-CB to exercise its broad delegation of authority; however, they realize that the branch, until recently, was not staffed to do so.

The above findings among others, are discussed more fully in the body of this PMR.

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