



DEPARTMENT OF VETERANS AFFAIRS
Deputy Assistant Secretary for Acquisition and Logistics
Washington, DC 20420

IL 001AL-09-02
June 19, 2009

OFFICE OF ACQUISITION AND LOGISTICS INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Director, Office of Construction and Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Acquisition and Logistics Center, VA Austin Information Technology Center, Records Management Center, VBA Benefits Delivery Centers, VA Health Administration Center; Executive Director and Chief Operating Officer, VA National Acquisition Center; VA Health Revenue Center; VA Health Eligibility Center and Chief Information Officer

ATTN: Heads of the Contracting Activities (HCAs) and Department of Veterans Affairs (VA) Contracting Officers (COs)

SUBJ: Integrated Oversight Process (IOP)

I. Background

- A. Over the past several months, VA has worked to establish a more fluid, less labor intensive oversight process that replaces the traditional technical reviews with peer reviews, Contract Review Teams (CRTs), and Contract Review Boards (CRBs). The overall goal is to implement an oversight process that is efficient in how time and resources are allocated and effective by holding COs responsible for building quality during the process, rather than after the fact.
- B. By distributing responsibility for reviews, VA will model the best practices being used at other federal agencies. This new oversight system promotes quality throughout the acquisition cycle and an infrastructure that is sustainable over the long-term. It is understood that moving to a distributed oversight process represents a significant change to the culture within VA. Over the next several months, the Office of Acquisition, Logistics, and Construction (OALC) will continue to provide training and guidance for COs and Legal Counsel to reinforce and refine this process, as necessary.

- C. Note that legal reviews are part of the oversight process. See Attachment 1 for the applicable thresholds. While feedback from Legal Counsel is advisory in nature, the CO is urged to adhere to any legal advice to prevent unknown violations of law and/or regulation and to minimize litigation risks associated with protests and contract claims. If the CO decides not to adhere to the Legal Counsel's advice, a justification must be provided in the file. Ultimately, the CO is responsible and accountable for the quality and accuracy of all contracting packages.

II. Policy

- A. Effective immediately, reviews for all acquisitions will be conducted within each Administration and Veterans Integrated Service Network (VISN) operating unit. The role of the Office of Acquisition and Logistics (OAL) will be to strategically monitor this process and provide guidance and feedback to each buying unit as a means to continuously improve the process. In accordance with the IL, each acquisition organization will be responsible for conducting reviews. The OAL Risk Management Team will mentor, as needed, before packages are sent to the Office of General Counsel (OGC), Professional Staff Group (PSG) V or Regional Counsel Office. This process will continue until the end of the fiscal year, at which time the organizations will work directly with OGC, with no OAL Risk Management Team involvement.
- B. The processes described in this Information Letter (IL) and thresholds defined in Attachment 1 supersede any policy that currently exists in the Veterans Affairs Acquisition Regulation (VAAR) or preceding ILs.
- C. It is the responsibility of each HCA to ensure that the appropriate structures and processes are in place to conduct these reviews. See section III of this Information Letter for guidance on the composition of CRTs and CRBs.
- D. Note that some form of independent review must be done for all acquisition actions above the Simplified Acquisition Threshold (SAT). For actions above the SAT, but below the CRT thresholds (see Attachment 1), peer or second-level reviews will suffice. Under no circumstances shall a CO release a solicitation or sign a contract/modification at any value unless a peer or second-level review is conducted. Any review comments must be documented in the file.
- E. Each HCA, or their designees, will meet monthly with the responsible OGC, i.e. PSG V or Regional Counsel to analyze specific review comments to identify any systemic issues associated with adherence to

policies and procedures. This analysis will be shared with COs to help improve performance and to target any remedial training needs.

III. Major Tenets of the IOP

- A. CRTs – For actions whose life cycle costs fall within the thresholds established in Attachment 1, CRTs must be assembled. The CRT will be composed of acquisition and legal professionals assigned by the HCA or designee and OGC Legal Counsel. The primary purpose of the CRT is to ensure that contract files are appropriately documented and the acquisition complies with this IL, the Federal Acquisition Regulation, the Veterans Affairs Acquisition Regulation (subject to paragraph 2 of section II above), and any other VA acquisition policy. To ensure the CRT adds maximum value and integrity to the process, it should be composed, to the maximum extent possible, of acquisition professionals who are not directly involved with the specific acquisition. At least one member of the CRT should have a Federal Acquisition Certificate in Contracting at a level equal to or greater than the value of the specific procurement.

CRT Findings

1. A series of comprehensive guides and checklists have been developed to serve as guidance for reviewers to follow. They can be found at the Acquisition Resource Center which is contained within the Electronic Contract Management System, or eCMS.
(Please see the following website:
<http://arc.aac.va.gov/Acquisition/Pages/ARCHome.aspx>)
 2. The forms in Attachment 3 shall be completed and signed by the CO and submitted with the file to the CRT. Review comments from the CRT will be given to the CO and inserted into the contract file. The CO has the discretion to follow the advice of the CRT and is ultimately responsible and accountable for the quality and accuracy of all contracting packages.
- B. CRBs – The CRB is responsible for reviewing all acquisitions at the solicitation and pre-award phases whose total value is estimated to exceed \$5 million. The key phases are prior to release of solicitation; before commencement of negotiations and prior to award. The CRB should be composed of seasoned professionals.

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1. Role of CRB:

- a. Serve as the principals responsible for review of acquisitions above \$5 million;
- b. Minimize vulnerabilities leading to potential protests, disputes, claims, and litigation against VA;
- c. Ensure compliance with established federal and VA acquisition policies and procedures;
- d. Provide senior level advice on contracting actions and support to the CO;
- e. Provide consistency across VA; and,
- f. Improve the knowledge of VA acquisition personnel as they embrace and implement good business practices.

2. CRB Membership

Membership should include:

- a. A Chairperson who should be the HCA or senior level designee;
- b. An assigned representative from OGC's PSG V or Regional Counsel who are non-voting members;
- c. Technical advisors who may be appointed by the CRB chair to inform on technical matters, as they are non-voting members.

3. Exceptions to CRB

Pre-award CRB reviews are not required for proposed Federal Supply Schedule (FSS) awards at the National Acquisition Center. The standard pre-award review process for proposed FSS awards will apply.

4. Waivers for CRB

The HCA may:

- a. waive any CRB requirement included herein; or,

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- b. require a CRB for any contract action not identified in this policy.

(Note: For any waiver granted under clause “a” above, the HCA must document the file detailing each rationale for the waiver.)

5. CRB Process

- a. The CO will prepare a pre-solicitation or pre-award package and submit it to the designated Chairperson. This package should include all pertinent documents, including, but not limited to, the solicitation or proposed contract, acquisition plan, and price negotiation memorandum.
- b. The Chairperson of each CRB will conduct a “Go/No Go” review to determine if the package contains all the required documents. If the submission does not pass this initial review, the Chairperson will notify the submitting CO of the specific deficiencies before scheduling a full CRB review.
- c. After accepting the documentation, the Chairperson will schedule a meeting of the CRB at the earliest opportunity.
- d. In the event that the CRB identifies the need for mandatory corrective action, the Chairperson will advise the CO not to proceed until the corrective action is taken.
- e. The cognizant CO will annotate the file to explain the disposition of both mandatory and advisory CRB finding. Written responses to the CRB are required for mandatory findings only. The CO may be required to resubmit all or part of the package as directed by the CRB. Awards may not be made until mandatory findings are implemented.

6. CRB Findings (See Attachment 2)

- a. CRB findings are categorized as mandatory or advisory. The CO must address mandatory findings. The CO must advise the CRB in writing, within three business days (or such longer period granted by the Chairperson in writing) after receipt of CRB mandatory findings, of the corrective action taken for each finding.
- b. Each CRB may provide advisory findings. The CO must annotate the file as to the disposition of advisory findings.

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- c. Submitted documentation must include all previous CRB comments including the corrective action the CO took to address all findings.
- d. Awards may not be made until the CO addresses all pre-award findings.

IV. Legal Reviews

For acquisition actions whose total value (including options) falls within the dollar ranges established in Attachment 1, a legal review is required. The primary purpose of this review is to ensure that the action fully complies with applicable laws and regulations. While feedback from Legal Counsel is advisory in nature, the CO is urged to adhere to any legal advice to prevent unknown violations of law and/or regulation and to minimize litigation risks associated with protests and contract claims.

If the CO decides not to adhere to the Legal Counsel's advice, a justification must be documented in the file. Ultimately, the CO is responsible and accountable for the quality and accuracy of all contracting packages.

V. Pont of Contact

Please direct questions regarding the new oversight process to Division of Risk Management and Compliance (001AL-P3) at (414) 902-5405.

Maurice C. Stewart
Associate Deputy Assistant Secretary for
Acquisition & Logistics Programs and Policy

Attachments (3)

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Attachment 1-

Integrated Oversight Process

Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(a) Supply or service solicitations or request for quotations (except as listed below or provided in VAAR 801.602-72 through VAAR 801.602-75) (includes indefinite delivery, option year, and multi-year solicitations or RFQs)	\$1 million - \$5 million	\$500,000-\$5 million	> \$5 million
(b) If Supply or service procured is a consolidated acquisition activity performing acquisitions for three or more physically separated VA medical centers (excluding outpatient clinics)	\$500,000-\$5 million	\$500,000-\$5 million	> \$5 million
(c) Fixed price, sealed bid construction solicitations, construction solicitations other than 8(a) construction solicitations	\$2 million – \$5 million	\$2 million – \$5 million	> \$5 million
(d) 8(a) construction solicitations and task orders	\$2 million – \$5 million	\$2 million – \$5 million	> \$5 million
(e) Request for Proposal (negotiated) construction solicitations and task orders	\$1.5 million – \$5 million	\$1.5 million – \$5 million	> \$5 million
(f) Solicitations or RFQs for proposed task/delivery orders against basic contracts, GWACs or blanket purchase agreements (includes orders under Federal Supply Schedule contracts*) (1) Where price is the only factor (2) Which include non-price evaluation factors (3) Which include services * Exceptions include High Tech Medical Equipment	(f)(1) CRT is not required (f)(2) \$1 million – \$5 million (f)(3) \$1 million – \$5 million	(f)(1) Legal Review not required (f)(2) \$1 million – \$5 million (f)(3) \$1 million – \$5 million	> \$5 million > \$5 million > \$5 million
(g) Solicitations for cost-reimbursement, incentive, time-and-materials, and labor-hour contracts (see VAAR 816.102(b))	\$100,000 – \$5 million	\$100,000 – \$5 million	> \$5 million
(h) Utility service agreements	\$100,000 – \$5 million	\$100,000 – \$5 million	> \$5 million
(i) Solicitations for advisory and assistance services (see VAAR 837.2)	\$100,000 – \$5 million	\$100,000 – \$5 million	> \$5 million
(j) Proposed letter contracts and ensuing formal Contracts	\$100,000 – \$5 million	\$100,000 – \$5 million	> \$5 million

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Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(k) Any Proposed agreement that is unique, novel or unusual	All	All	> \$5 million
(l) Documents relating to Bonds FAR 28.102-1 FAR 28.203	All	All	
(m) Solicitations or proposed contracts containing an economic price adjustment clause (other than a pre-approved VA clause) based on a cost index of material or labor or where one of the economic price adjustment clauses specified in FAR 16.203-4 is used	All	All	> \$5 million
(n) Proposed multi-year contracts where the cancellation ceiling exceeds 20% of the contract amount, regardless of the dollar value of the proposed contract (VAAR 817.105-1(b))	All	All	> \$5 million
(o) Proposed solicitations where the contract term total of the basic and option periods may exceed 5 years, regardless of the dollar value of the proposed acquisition (VAAR 817.204).	All	All	> \$5 million
(p) Membership agreements in a group purchasing organization	\$25,000	\$25,000	
(q) Request a legal review if a proposed termination settlement or determination of amounts due the contractor under a terminated contract involves the expenditure of \$100,000 or more	--	\$100,000	
(r) Consignment agreements with an anticipated expenditure of \$250,000 or more per year (except under an FSS contract)	\$250,000	\$250,000	> \$5 million
(s) Proposed contract with hotels or similar facilities for conferences or similar functions where VA's commitment, expenditure and liability (combined) exceed \$25,000	\$25,000	\$25,000	> \$5 million
(t) Requirements for scarce medical specialist contracts and contracts for health-care resources under 38 U.S.C. 7409 or 38 U.S.C. 8153: Competitive solicitation, quotation, proposed contract or agreement with an anticipated value of >\$1.5M including options.	\$1,500,000	\$1,500,000	> \$5 million
Each non-competitive solicitation, quotation, proposed contract, or agreement with an anticipated value of or > \$500,000.	\$500,000	\$500,000	> \$5 million

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Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(u) Mistakes in Bids	All	All	
(v) Modifications (except for priced options)	All	All	> \$5 million
1) When modification is \$100,000 or more (i) Construction (ii) Supplies and/or Services	\$100,000	\$100,000	
2) When the modification is for a time extension of 60 days or more.	All	All	
3) When the contractor takes exception to VA's accord and satisfaction language.	All	All	
4) Novation	All	All	
5) Change-of-name agreement	All	All	
(w) Assignment of Claims	All	All	
(x) Interagency Acquisitions (IAs)			
1) Each proposed VA Central Office IA with another Federal agency to be awarded under authority of the Economy Act, regardless of dollar value.	All	All	> \$5 million
2) Each proposed VA field facility IA with another Federal agency awarded under authority of the Economy Act involving an anticipated expenditure of VA funds of \$250,000 or more.	\$250,000	\$250,000	>\$5 million

CONTRACT REVIEW BOARD (CRB) SUMMARY SHEET- ACTIONS ABOVE \$5 MILLION

[] SOLICITATION

[] PRE-NEGOTIATIONS

[] PRE-AWARD

DESCRIPTION OF SUPPLY OR SERVICE				Solicitation No: Estimated Amount: Issuance Date: Closing Date:	Award Date:
CUSTOMER	Administration: [] VHA: VISN _____ MC _____ [] VBA [] VACO [] NCA	Office:	Program Manager:	Contracting Officer:	Contract Specialist:
OTHER	[] Supply [] Service* [] A&A	*If Service, is this a Performance-Based Acquisition (PBA)? [] Yes [] No If no, why not?			POP:
COMPETITION (FAR Part 6)	[] Full & Open	[] Set-Aside: Type:	[] Other than F&O Type:	[] GSA FSS: Schedule:	[] Commercial Item
	App. FAR Part:	App. FAR Part:	App. FAR Part:	App. FAR Part:	App. FAR Part:
CONTRACT TYPE (FAR Part 16)	Fixed-Price: [] Firm Fixed-Price [] FP/EPA [] FPI [] FP/LOE	Cost Reimbursement: [] CPIF [] CPAF [] CPFF [] Cost Sharing	Incentive: [] Cost [] Delivery [] Price (Award Fee) [] Performance	Indefinite Delivery: [] ID/IQ [] Requirements	Other: [] T&M [] LH [] Letter [] BOA
SPECIAL PROVISIONS				Min Qty: Est. Qty: Max Qty:	Ceiling:
SOLICITATION	Number of Firms Solicited (if other than F&O):	Date Published in FedBizOpps:	Date of Pre-proposal Conf. (if applicable):	Date Due Diligence Held (if applicable):	Date Offers Received:
PRE-NEGOTIATIONS	Number of Offers Received:	Date Tech Eval Received:	Number in Competitive Range (if applicable):		
PRE-AWARD	Date Negotiations Completed:	Final Proposal Revisions Received:	Proposed Awardee or Awardees:	Proposed Award Amount(s):	Proposed Award Date:
APPROVE SIGNATURES/DATES		CRB CHAIR	SUPERVISORY CONTRACT SPECIALIST	GENERAL COUNSEL	PROCUREMENT ANALYST
	SOLICITATION				
	PRE-AWARD				

CONTRACT REVIEW BOARD (CRB) SUMMARY SHEET, PAGE 2 OF 2	
MANDATORY FINDINGS	ADVISORY FINDINGS

CONTRACT REVIEW TEAM (CRT) SUMMARY SHEET- ACTIONS BELOW \$5 MILLION

☐ SOLICITATION☐ PRE-NEGOTIATIONS☐ PRE-AWARD

DESCRIPTION OF SUPPLY OR SERVICE				Solicitation No: Estimated Amount: Issuance Date: Closing Date:	Award Date:
CUSTOMER	Administration: <input type="checkbox"/> VHA: VISN _____ MC _____ <input type="checkbox"/> VBA <input type="checkbox"/> VACO <input type="checkbox"/> NCA	Office:	Program Manager:	Contracting Officer:	Contract Specialist:
OTHER	<input type="checkbox"/> Supply <input type="checkbox"/> Service* * <input type="checkbox"/> A&A	*If Service, is this a Performance-Based Acquisition (PBA)? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, why not?			POP:
COMPETITION (FAR Part 6)	<input type="checkbox"/> Full & Open App. FAR Part:	<input type="checkbox"/> Set-Aside: Type: App. FAR Part:	<input type="checkbox"/> Other than F&O Type: App. FAR Part:	<input type="checkbox"/> GSA FSS: Schedule: App. FAR Part:	<input type="checkbox"/> Commercial Item App. FAR Part:
CONTRACT TYPE (FAR Part 16)	Fixed-Price: <input type="checkbox"/> Firm Fixed-Price <input type="checkbox"/> FP/EPA <input type="checkbox"/> FPI <input type="checkbox"/> FP/LOE	Cost Reimbursement: <input type="checkbox"/> CPIF <input type="checkbox"/> CPAF <input type="checkbox"/> CPFF <input type="checkbox"/> Cost Sharing	Incentive: <input type="checkbox"/> Cost <input type="checkbox"/> Delivery <input type="checkbox"/> Price (Award Fee) <input type="checkbox"/> Performance	Indefinite Delivery: <input type="checkbox"/> ID/IQ <input type="checkbox"/> Requirements	Other: <input type="checkbox"/> T&M <input type="checkbox"/> LH <input type="checkbox"/> Letter <input type="checkbox"/> BOA
SPECIAL PROVISIONS				Min Qty: Est. Qty: Max Qty:	Ceiling:
SOLICITATION	Number of Firms Solicited (if other than F&O):	Date Published in FedBizOpps:	Date of Pre-proposal Conf. (if applicable):	Date Due Diligence Held (if applicable):	Date Offers Received:
PRE-NEGOTIATIONS	Number of Offers Received:	Date Tech Eval Received:	Number in Competitive Range (if applicable):		
PRE-AWARD	Date Negotiations Completed:	Final Proposal Revisions Received:	Proposed Awardee or Awardees:	Proposed Award Amount(s):	Proposed Award Date:
APPROVE SIGNATURES/DATES		CRB CHAIR	SUPERVISORY CONTRACT SPECIALIST	GENERAL COUNSEL	PROCUREMENT ANALYST
	SOLICITATION				
	PRE-AWARD				

CONTRACT REVIEW TEAM (CRT) SUMMARY SHEET, PAGE 2 OF 2	
MANDATORY FINDINGS	ADVISORY FINDINGS