

### POLICY FLASH 2006-05

DATE:

October 28, 2005

TO:

**Procurement Directors** 

FROM:

Office of Procurement and Assistance Policy, MA-61

Office of Procurement and Assistance Management

SUBJECT: Post-Katrina Relief and Reconstruction Acquisitions

SUMMARY: Attached is a joint memorandum, issued by the Procurement Executives, which includes and provides guidance on controls for a "Stewardship Plan" applicable to Post-Katrina acquisitions, to be implemented by each Procurement Director.

Questions concerning this policy flash should be directed to Steve Zvolensky at 202-287-1307 or stephen.zvolensky@hq.doe.gov.

Michael P. Fischetti, Director

Office of Procurement

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and Assistance Policy, OMBE

Attachments: Post-Katrina Relief and Reconstruction Memo

Stewardship Plan Policy Flash 2005-52 Policy Flash 2005-56



# **Department of Energy**

Washington, DC 20585

MEMORANDUM FOR DISTRIBUTION

FROM:

RICHARD H. HOPF C

DIRECTOR, OFFICE OF PRÓCUREMENT AND ASSISTANCE MANAGEMENT

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DIRECTOR, OFFICE OF ACQUISITION AND SUPPLY

**MANAGEMENT** 

TO:

PROCUREMENT DIRECTORS

SUBJECT:

POST-KATRINA RELIEF AND RECONSTRUCTION

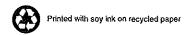
**ACQUISITIONS** 

Over the last several weeks, we have provided you a number of documents relating to emergency authorities available to support post-Katrina (including hurricanes Rita and Wilma) acquisitions. We have also provided direction on associated controls, expectations and requirements including direction regarding the identification of post-Katrina acquisitions in the Federal Procurement Data System – Next Generation. Although DOE acquisitions in support of post-Katrina relief and reconstruction have been minimal and notwithstanding the fact that these have few applications of emergency authorities, we are putting into place a formal control plan to ensure that transactions to date, as well as any to be taken in the future are the subject of risk-based reviews and other controls. Accordingly, please find attached the Stewardship Plan for post-Katrina Acquisitions for your implementation.

Although the plan will have little impact on you, we will nonetheless periodically check in with you over the next few months to confirm the nature and level of post-Katrina transactions under your organization. As noted in this plan, if you expect to be engaged in any such transactions in the future, please contact Mr. Stephen Zvolensky at 202-287-1307 to help us identify and publicize requirements that may offer opportunities for small businesses, particularly those in the affected areas.

Thank you for your attention to this matter.

Attachments



#### STEWARDSHIP PLAN:

### POST-KATRINA ACQUISITIONS

### I. Purpose

DOE's Stewardship Plan for Acquisitions is intended to ensure that federal acquisition funds: are expended only on real/authorized requirements of the government; are obligated through appropriate contract vehicles and in conformance with applicable polices, methods, and procedures; and result in verified performance. Procurements in support of post-Katrina (including hurricanes Katrina, Rita and Wilma) relief and reconstruction efforts will be effected through valid transactions, and the use of emergency authorities will be the subject of risk-based controls. In addition, problems and issues will be identified as early as possible and prevented to the maximum practical extent.

### II. Critical Features

The plan centers on the following critical features:

- (A) Comprehensive identification and communication of those post-Katrina relief and reconstruction efforts that are effected or supported by DOE purchasing activities;
- (B) Identification and communication of, and, as necessary, training on the contracting vehicles, methods, and procedures available to support such activities and the circumstances under which those other methods and procedures are available;
- (C) Assurance that adequate numbers of qualified acquisition officials, including contract specialists, contracting officers, and contracting officer representatives, are available to apply those vehicles, methods, and procedures in an effective and efficient manner;
- (D) Application of the control mechanisms normally associated with purchasing vehicles, methods and procedures as defined by the Federal Acquisition Regulation, Department of Energy Acquisition Regulation, and internal DOE directives, as well as those additional and specialized controls that may be established and applied in conjunction with newly authorized acquisition methods and processes targeted to post-Katrina relief and reconstruction.
- (E) Regular communication of information relative to acquisition support activities to provide early warnings of problems and issue and facilitate prophylactic or corrective measures.

(F) Integration with control plans and control activities related to the management and disposition of government property that may be acquired by DOE in support of post-Katrina relief and reconstruction efforts, loaned to other organizations providing such support, or otherwise dispensed to other organizations as part of the relief effort.

## III. Applicability

This plan applies to all DOE organizations, including the National Nuclear Security Administration (NNSA), that support post-Katrina relief or reconstruction efforts through acquisitions that have a direct relationship to those efforts. This plan will remain in effect until cancelled.

### IV. Responsible Parties

(A) Chief Financial Officer

Responsible for DOE's Comprehensive Stewardship Program and control plans, and data collection. (Contact: Mr. Sterling Ross, at sterling.ross@hq.doe.gov; 202-586-8662).

(B) Chief Acquisition Officer

Responsible for the overall development, coordination and communication of the acquisition Stewardship Plan; liaison for procurement matters with Office of Management and Budget, Department of Homeland Security and Federal Emergency Management Agency, and Department of Commerce.

- (C) Senior Procurement Executives for NNSA and DOE Responsible for identifying appropriate vehicles, methods, procedures and ensuring that applicable controls are in place.
- (D) Heads of Contracting Activities; Contracting Officers Responsible for the conduct of procurement operations, application of appropriate procurement vehicles, methods, procedures, and controls. Responsible for identifying post-Katrina procurement actions and providing other information to other DOE Coordinator as may be required.

# V. Emergency Procurement Authorities

(See Attachment)

#### VI. Definition

A post-Katrina acquisition is a procurement or purchase transaction effected to accomplish: a tasking of the Federal Emergency Management Agency (FEMA); a request of another agency pursuant to the Economy Act or the Department of Homeland Security Act (DHS Reimbursable Authorization) or the Atomic Energy Act (Work for Others); or an internal DOE procurement request for property or

services related to post-hurricane Katrina, or Wilma relief or reconstruction efforts.

## VII. Special Control Measures

- (A) The authority identified in paragraph one of the attachment to this order shall only be exercised in exceptional circumstances and only by those individuals specifically authorized in advance by the cognizant Senior Procurement Executive. The Senior Procurement Executive shall coordinate any such authorization with the Office of Management and Budget (OMB).
- (B) All post-Katrina-related acquisitions in excess of \$2,500 in dollar value effected prior to the issuance of this plan and all post-Katrina acquisitions with an estimated value in excess of \$25,000 effected subsequent to the issuance of this plan, whether effected by DOE or by a Management and Operating (M&O)contractor, shall be identified to the cognizant Senior Procurement Executive by the cognizant DOE contracting officer. The identification shall include the name and telephone number of the contracting officer or contractor purchasing official effecting the transaction, the actual or estimated value of the acquisition, and a brief description as to the nature and purpose of the acquisition, including the identification of the internal and/or external party that generated the requirement.
- (C) Mandatory Reviews for post-Katrina acquisition other than Purchase Card Transactions:
  - (i) All Federal and M&O acquisitions in excess of \$2,500 effected prior to the issuance of this plan shall be the subject of a post-award review. Cognizant DOE contracting officers will be responsible for the review of transactions effected by the M&O and the offices of Contract Management (MA-60) or, for NNSA, the NNSA Board of awards, will be responsible for the review of Federal contracts. The review may be conducted in any manner determined by the DOE contracting officer or the cognizant Senior Procurement Executive as appropriate to the nature of the acquisition.
  - (ii) Federal acquisitions in excess of \$2,500 in value utilizing other than competitive procedures or one or more of the authorities contained in the attachment to this plan and other acquisitions with an actual or estimated value in excess of \$100,000 shall be reviewed prior to award by the Office of Contract Management (MA-60) or, for NNSA, the NNSA Board of Awards except that if, in the opinion of the cognizant Contracting Officer, human health or safety would be endangered by the delay inherent in such review, the review shall be accomplished as soon after award as is practical. The review may be conducted in any manner determined by the cognizant Senior Procurement Executive appropriate

- to the nature and urgency of the acquisition, including a telephonic or electronic review of appropriate information.
- (iii) M&O contractor acquisitions in excess of \$2,500 in value utilizing noncompetitive procedures and other acquisitions with actual or estimated value in excess of \$100,000 in support of Katrina relief or reconstruction efforts shall be reviewed by the cognizant DOE contracting officer prior to award, except that, if in the opinion of the DOE contracting officer, human health or safety would be endangered by the delay inherent in such review, the review shall be accomplished as soon after award as is practical. The review may be conducted in any manner determined by DOE contracting office appropriate to the nature and urgency of the acquisition, including a telephonic or electronic review of appropriate information.
- (iv) Records related to each acquisition and review shall be retained and maintained in accordance with DOE policies and procedures.
- (D) The recording and accounting for acquisition obligations and expenditures for all Katrina-related acquisitions shall be in accordance with regular DOE/contractor policies, procedures, and local practices. Where the nature of the transaction requires that DOE be reimbursed from another agency or organization such reimbursement shall be required and obtained in accordance with regular DOE/contractor policies, procedures, and local practices and documentation of that reimbursement shall be maintained in appropriate financial and contract files.
- (E) Interagency transactions. Where a DOE component organization has been tasked to provide goods or services by acquisition to another agency, the requirements of the Economy Act, FAR 17.500, and, as appropriate, DOE Orders and other directives shall be complied with. The DOE contracting officer, in coordination with the cognizant field or headquarters Chief Finanial Officer, shall also ensure that the appropriate financial requirements are met by the requiring agency including the certification of availability of funds. See Acquisition Letter 2005-05, 4/22/05, for additional information on the appropriate content administration of such transactions.
- (F) The cognizant contracting officer shall ensure that sufficient personnel resources are available to support the award and administration of post-Katrina relief and reconstruction contracts, including as necessary technical support in the form of contracting officer representatives or technical monitors necessary for the surveillance and verification of contract performance. If the contracting officer determines that such resources are inadequate he/she shall immediately notify the cognizant Head of Contracting Activity through the applicable chain of command. If resource issues can not resolved by the HCA, they shall be referred to the cognizant Senior Procurement Executive.

- (G) The Contracting Officer shall include in the contract file a statement that reflects the government's verification that supplies and services acquired by the contract have been received consistent with contract requirements.
- (H) Purchase Card Transactions
  - (i) The DOE wide Program Coordinator will:
    - (a) require all DOE local coordinators to review a random sampling of purchase card transactions effected in support of post-Katrina relief efforts and shall maintain a file documenting the results of these reviews
    - (b) utilize data mining to identify Katrina-related purchases, by using an automated test for changes in single purchase limits
    - (c) work closely with Bank of America's account manager to monitor all changes in cardholder single purchase limits (all requests for changes to single purchase limit requires manual input by the Bank's account manager)
    - (d) communicate with local Program Coordinators and closely monitor activities for 60 days after rescinding emergency authority
    - (ii) Local Program Coordinators will:
      - (a) report all Katrina-related purchase card transactions to the DOEwide Program Coordinator
      - (b) assist in conducting 60-day follow-up reviews for all Katrina purchase card transactions
- (I) Contracting Officers shall coordinate with the cognizant Organizational Property Management Officer those contract actions that may result in government owned personal property being loaned, given, or otherwise disposed of to another agency or other recipients. Contracting officers with cognizance over M&O and other major site/facility management contracts shall ensure that contractor purchasing officials similarly coordinate these property-related transactions with contractor property managers.

### VIII. Additional Responsibilities

- (A) Post-Katrina acquisitions should be identified as such in the FPDS-NG in accordance with instructions separately provided.
- (B) Contracting personnel are reminded to ensure that prices associated with Katrina related acquisitions are reasonable under the circumstances of the transaction and the unique circumstances of recovery operations.
- (C) To the maximum extent practicable, consistent with applicable regulations, contracting personnel should facilitate contracting opportunities for local businesses particularly small businesses in or near the areas of post-Katrina relief and reconstruction. Note that section 307 of the Stafford Act (Pub.L.93-288) establishes a preference for contracting with local organizations for

emergency assistance activities. The Department of Commerce has established a small business clearinghouse to facilitate small business participation in post-Katrina related procurements. Contracting officers should alert Stephen Zvolensky, DOE's point of contact with the Department of Commerce, at <a href="mailto:stephen.zvolensky@hq.doe.gov">stephen.zvolensky@hq.doe.gov</a> or 202-287-1307, to identify any anticipated requests for post-Katrina purchasing.

Attachment: Emergency Authorities