

***PERT***  
***Contractor Purchasing Systems***  
***Independent Peer Review Program***  
***HANDBOOK***

## Table of Contents

<b>1. INTRODUCTION .....</b>	<b>4</b>
A. Introduction and the Pre-Review Process.....	4
B. Purpose of the Handbook .....	4
C. The Review Process .....	4
D. Site Identification and Schedule.....	5
E. Site Notification.....	5
F. Identification of Team Leads .....	5
G. Site Scope Definition .....	6
H. Identification of Team Members.....	7
I. Major Data Call, Team Membership Announcement .....	8
J. Site Support Expectations .....	10
K. Preliminary Site Logistics.....	10
L. In-Brief Overview Expectations .....	11
M. Data Analysis and Review.....	11
N. Pre-Meeting with Team / Meet – Greet – Organize .....	11
O. Site Orientation and Badging .....	11
P. In Briefing with CPM and CO .....	12
<b>2. REVIEW.....</b>	<b>13</b>
A. Review of Corrective Actions Based on Previous Peer Review Observations.....	13
B. File Review.....	13
C. Interviews .....	13
D. System Demonstrations .....	14
E. Scheduling .....	14
F. Daily Debrief.....	14
G. Draft Report.....	14
H. Exit Briefing with CPM & CO.....	15
I. Identification of Best Practices.....	15
<b>3. POST REVIEW ACTIVITIES .....</b>	<b>16</b>
A. Receive Site Comments.....	16
B. Resolve Comments and Circulate Final Draft.....	17
C. Final Report .....	17
D. Acknowledgement of Appreciation.....	17
E. Survey of Process.....	17
F. Submit Lessons Learned .....	18
G. Trending .....	18
<b>4. APPLYING BEST PRACTICES AFTER THE REVIEW .....</b>	<b>18</b>
<b>5. ATTACHMENTS .....</b>	<b>18</b>
ATTACHMENT A - ACRONYMS.....	20
ATTACHMENT B - TEAM MEMBER DATA SHEET .....	21
ATTACHMENT C - CONFIDENTIALITY AND CONFLICT OF INTEREST CERTIFICATION .....	22
ATTACHMENT D - CHECKLIST WITH ROLES AND RESPONSIBILITIES.....	23
ATTACHMENT E - SAMPLE DATA CALL .....	25
ATTACHMENT F - PERT FILE DOCUMENTATION REVIEW .....	27
ATTACHMENT G - SAMPLE STAKEHOLDER INTERVIEW QUESTIONS.....	28
ATTACHMENT H - DRAFT REPORT TEMPLATE .....	33
ATTACHMENT I - ACKNOWLEDGEMENT AND APPRECIATION LETTER FORMAT .....	37

ATTACHMENT J - CUSTOMER SATISFACTION SURVEY .....	38
ATTACHMENT K - CONTRACTOR PURCHASING SYSTEM ASSURANCE CRITERIA.....	39

## **1. Introduction**

### **A. *Introduction and the Pre-Review Process***

The original Peer Review Program was established in July 1999 as a voluntary program available to Federal procurement and Contractor Procurement Managers in assessing the effectiveness of management control systems and compliance of those systems with published rules, regulations, and prime contract requirements for Management & Operating (M&O) contracts, only. One of its primary objectives was to inject more independence and objectivity into the review process. Although the Peer Review Program more than met its intended objectives, Procurement Executives from both the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA) determined that it was appropriate to revise the program in an effort to further enhance independent validation of contractor purchasing systems and customer communications. The Procurement Evaluation and Reengineering Team (PERT) was chartered with the responsibility for implementing the changes.

In September of 2004, PERT was officially chartered by the Contractor Purchasing Council (CPC) [now known as the Contractor Supply Chain Council (CSCC)] and given the responsibility for revising the Peer Review Program for Contractor Purchasing Systems to move from a voluntary to a mandatory program. The resulting revised program differs from its predecessor in that reviews under the current program are: 1) mandatory; 2) conducted using established criteria consistently; 3) performed by experienced professionals from outside the reviewed organization; and 4) included a balanced representation of federal and contractor personnel.

### **B. *Purpose of the Handbook***

The purpose of this Handbook is to provide a common format, content and process for the conduct of reviews and the resulting documentation. Because of the emphasis on continual improvement of this review process, it is expected that this Handbook will be a “living” document that will be modified as improvements are identified.

### **C. *The Review Process***

While preparing for this review and as the review is being conducted, it is imperative that the team keep in mind that the review be conducted against the Purchasing System Basic Tenets and the policies and procedures of the contractor in accordance with the Prime Contract for the site being reviewed. As such it is important for team members to have a solid understanding of the policies and procedures of the site that is being reviewed.

The review process is divided into three sections:

- **Pre-Review** focuses on identification of the contractor sites to be reviewed, team selection, and preparation for the review.
- **Review** focuses on the actual review process, communication of results to site contractor personnel and contracting officer (CO), development of a draft report, and exit briefing.
- **Post-Review** focuses on ensuring factual accuracy of the draft report, issuance of the final report, identification of any lessons learned, and submittal of customer survey.

#### ***D. Site Identification and Schedule***

The PERT Co-Chairs review the list of completed reviews, noting which sites have not been reviewed within the past five years, and prepare a proposed schedule for review and concurrence by the Senior Procurement Executives (SPE). Extenuating circumstances will be taken into account when determining the sites scheduled for review. Events that might preclude peer reviews include, but are not limited to, sites: 1) that are undergoing a re-compete event, 2) that are in a transition phase from one contractor to another, 3) where a new contractor has just been instated for a period of less than one year, and 4) that have recently completed a Contractor Purchasing System Review conducted by the DOE/NNSA.

#### ***E. Site Notification***

During the second quarter of each fiscal year, the Co-Chairs will publish the list of selected sites for the next fiscal year, and the SPE will provide notification of the scheduled upcoming peer reviews to the affected sites.

#### ***F. Identification of Team Leads***

The PERT Co-Chairs are responsible for designation of team leads (TL). Electronic copies of team member data sheets are maintained in a database. These data sheets may be used to identify individuals qualified to be a TL. Qualification will be based upon type of experience (both professional and as a review team member), company affiliation, and availability. TLs from a company affiliated with the site contractor cannot lead the review unless a written concurrence is provided by the site contracting officer.

The PERT Co-Chairs will identify the TLs, as follows:

1. Develop a list of qualified candidates (see Attachment B for Peer Review Team Member Data Sheet format).

2. From the list of qualified candidates, and in consideration of any conflict of interest, solicit volunteers to lead the scheduled reviews (see Attachment C for Confidentiality and Conflict of Interest Certification).
3. Confirm the selected TL's availability (At this time the TL should self-report any areas of conflict or concerns).
4. Confirm the acceptability of the designated TL to the Contractor Procurement Manager (CPM).

The PERT Co-Chair will review the roles and responsibilities with the identified TL as necessary [see TL Roles & Responsibilities, Independent Peer Review (IPR) Program guide, Sections VI and VII located at: <https://max.omb.gov/maxportal/>]. The TL should review the expected time commitment for the planning, execution, and post review reports required for the peer review of the selected site. The TL should identify to the PERT Co-Chair any potential assistance that the TL might require in preparing for the review. The PERT Co-Chair should identify and discuss with the TL any areas of sensitivity specific to the selected site, and make a final determination as to the appropriateness of the TL selection to the selected site. If necessary, current TL may consider speaking with previous TL on results of most recent previous review.

#### ***G. Site Scope Definition***

Upon request, the Co-Chairs will provide the TL with the names of the CPM and the CO. The TL should contact the CO of the selected site no later than 120 days prior to the scheduled review to identify any special areas of interest the CO wants reviewed. The TL should use a checklist (see Attachment D for Checklist with Roles and Responsibilities) to ensure significant activities are addressed in advance of a review.

The TL and CPM should concur on the following areas:

1. Size of team,
2. Make up of team (generalist vs. specialists),
3. Length of review (e.g. number of days/weeks),
4. Specific sensitive site issues,
5. Unique qualifications of potential team members,
6. Any potential conflict of interests,
7. Special information that may be unique to the review, and
8. Daily schedule for review team and completion of review preparation checklist (see Attachment D - Checklist with Roles and Responsibilities).

#### ***H. Identification of Team Members***

The initial identification of team members (TMs) will be accomplished at the annual PERT Workshop. During the workshop a list of reviews will be publicized and all PERT members in attendance will be encouraged to sign up to participate in a review or to assign qualified members of their staffs to review teams. The PERT members are responsible for notifying designated staff members of their assignment and ensuring that the staff member submits the required biographical data sheet to the Co-Chairs. If all available TM slots are not filled at the workshop, the Co-Chairs will email the list of upcoming reviews to all PERT members asking for participation and will address the issue of participation as necessary during the monthly PERT telephone conferences. As teams are formed, the Co-Chairs will review the team composition with the TL to ensure:

1. Team size is adequate for the review;
2. Biographical data sheets have been received and are on file for all TMs, and all TMs have an appropriate level of expertise and experience;
3. To the extent possible, the team membership includes any unique skills that may be required for the review;
4. Identification of any potential conflicts of interest (see Attachment C); and
5. Appropriate team dynamics.

The TL should consider if a “mentored” TM (an individual with less experience) could be assigned to the team for training purposes. (Note: The “mentored” TM would be in addition to the team size identified to sufficiently/effectively conduct the review.)

The Co-Chairs maintain electronic data sheets of potential peer review TMs. The Co-Chairs will, to the best of their ability, ensure the TMs selected meet the desired criteria and have the requisite skills. Upon request, the Co-Chairs will provide a list of potential volunteer TMs, including their data sheets, to the TL for review and concurrence. The list should include a sufficient number of TMs and alternates to provide for the possibility that some of the original TMs may have to withdraw from participation. The Co-Chairs and TL will strive for a team balance to include:

1. Experience levels (At least five years of DOE/NNSA procurement experience in contractor purchasing or federal contracting is desirable; applicants with lesser experience, or equivalent experience from other Federal or contractor sources may be considered, with the consent of the TL and concurrence of the CPM.),
2. Qualifications (generalist vs. specialist),

3. Team dynamics, and
4. An appropriate mix of federal and contractor personnel.

After the TL has confirmed the TM selection, the Co-Chairs will publish the fully staffed list of reviews that include identification of the TL as well as TMs.

The TL will schedule a conference call with all the TMs (and any Co-Chair if desired), no later than 90 days prior to the peer review to discuss:

1. The TM's roles and responsibilities (in accordance with this handbook, and as summarized in the "Checklist with Roles and Responsibilities," see Attachment D);
2. The TL's expectations;
3. Approximate time the TMs should allow for preparation;
4. Probable assignment areas based on TM expertise/preference;
5. Any sensitivity issues;
6. Any conflict of interest that would prohibit a TM's participation, (The TL will provide the TMs with a site specific Conflict of Interest/Confidentiality Statement for signature and return to the TL); and
7. Any other preliminary issues that need clarification.

***I. Major Data Call, Team Membership Announcement***

During their initial contact with the CO and CPM, TLs will discuss the timing of the review and to go over the details of the planned review. The TL will follow up with written notification to the CO and CPM regarding specifics (see Attachment E, Sample Data Call). The notification should actually be a confirmation of the details discussed in planning telephone calls or emails. The types of information that should be decided upon include:

1. Title of the review;
2. Dates and duration of the review;
3. Names of the TMs, including the name of the TL;
4. Scope of the review;
5. Review criteria, including both standard criteria and any special criteria tailored to the particular site; and
6. Any other matters identified by the parties.

The TL will request the CO and CPM to identify a single contractor point of contact (POC) for purposes of establishing lines of communication for all matters relating to the peer review. The POC would normally be a senior representative of the Contractor's Purchasing Department or a higher level manager. The TL will provide a preliminary in-brief overview to the POC of the



expectations to include the time limit and scope of overview. The TL will advise the POC of the following:

1. Dollar Threshold of transactions to be reviewed,
2. Types of actions for review,
3. Site support expectations,
4. Timing for submittal of a self-evaluation against the Contractor Purchasing System Assurance Criteria (note the Word version of the assurance criteria is located at <https://max.omb.gov/maxportal/> (referenced herein) (see Attachment K, Contractor Purchasing System Assurance Criteria),
5. Preliminary data required (how, when, and where),
6. Identification of the time period from which data should be provided, and
7. Identification of TMs including documentation of those TMs who are not U.S. citizens.

Additionally, the POC will be asked to schedule and/or coordinate the following:

1. Requested interviews with the appropriate site personnel (identified prior to the review),
2. Daily briefings as necessary with appropriate management and staff personnel, and
3. Office space for the review team to work while conducting the review.

The TL will request the POC to provide the appropriate documents and data in a specified time period and format (e.g. electronic) to be utilized by the peer review TMs in preparation for the scope of the review. Such request may include:

1. Contractor policies and procedures;
2. Organization charts the level of detail will depend on the scope of the review;
3. A copy of the prime contract or the website where it has been publicly posted;
4. Prime contract crosswalk;
5. Balanced Scorecard Objectives Matrix or other DOE/NNSA-approved assurance methodology metrics (including the current approved plan, if available);
6. Most recent Balanced Scorecard or Objectives Matrix Report, including the most recent Compliance Review Report and Corrective Action Plan/Report;
7. A copy of the Site's most recent independent peer review final report, and the status of any corrective actions undertaken in response to the report;
8. Annual procurement volume, numbers of actions, and total dollars with some stratification of the data, e.g. greater than \$100K, material orders, services orders, construction orders, etc.;
9. Current self-assessment against the contractor purchasing system assurance criteria;

10. Description of automated procurement systems to include point of contact name, title, and phone number; and
11. A glossary of commonly used, site-specific acronyms.

***J. Site Support Expectations***

The TL will request the appropriate site support from the POC. Site support should be tailored to meet the needs of the individual peer review teams. However, minimum requirements are as follows:

1. Working space for the TMs – this includes both a large conference room for group activities and/or smaller individual or small group working space. Depending on the facilities available at the particular site being reviewed, this could be cubicle space or small offices for individuals and a larger meeting room for groups of varying sizes.
2. Stand-alone desktop computers or laptop computers for use by the team. The request should specify if one computer or laptop is required for each TM or if two or three units for the entire team will be sufficient. The request should also state which software programs will be necessary for use by the Team; e.g. Microsoft Word, Excel, PowerPoint, etc. If files or documentation to be reviewed must be accessed via computer, sufficient work stations should be provided to accommodate all team members.
3. Office supplies – this would include such items as pads of paper, pens and pencils, Post-It notes, tape flags, etc.
4. Office equipment – this would include requirements for printers, access to a fax machine, internet access, email access, or other computer-related hardware and software.

***K. Preliminary Site Logistics***

The TL should request the POC to provide preliminary site logistics such as:

1. Nondisclosure agreements for review by the TMs, if necessary. (NOTE: Nondisclosure agreements are addressed by the TL in the conference call);
2. Office or conference room space;
3. Maps to site, lodging, and nearby restaurants;
4. Site access requirements and restrictions;
5. Personnel clearance requirements;
6. Prohibition of types of articles such as personal electronic devices, including cellular telephones, tablet personal computers, recording devices, cameras, etc.;
7. Any restrictions on the use of private vehicles on site;
8. Availability of parking on or near the site of the review; and
9. Proximity to, and maps to, local restaurants or cafeterias for lunch (if different from item 3).

#### ***L. In-Brief Overview Expectations***

The TL will provide instruction on expectations of any in-brief presented by the Contractor during the first day of the review. Included in the instructions to the POC will be:

1. Any time limits requested (e.g. less than one hour in duration),
2. Scope of the overview (e.g. limited to procurement only or a full presentation of the entire contractor's organization, etc.), and
3. Any limits on the numbers or types of personnel involved in the in-briefing (e.g. limited to procurement personnel only or open to all contractor management personnel).

#### ***M. Data Analysis and Review***

The TL will provide the TMs with access to the information and data provided (electronic, hard copy or CD) as defined in Paragraph 1.i., *Major Data Call, Team Membership Announcement*. Typically, site information and data will be made available to the TMs via a password-protected folder on the PERT website [(which is <https://max.omb.gov/maxportal/> ("max.gov")), which may only be accessed by the TMs, and which will be removed by the TL or contractor upon completion of the review, with authorization of the TL. The TMs should prepare for the review by completing all required reading prior to their arrival at the selected site. In general, the TMs should allow a minimum of 45 days for this preparation as there is typically a significant amount of material to cover. The TL will assign each TM with an area of concentration for the review including any areas of emphasis and identification of best practices. Each TM is expected to prepare adequately. The TMs should contact the TL for any required clarifications, concerns or additional data required.

#### ***N. Pre-Meeting with Team / Meet – Greet – Organize***

On the evening prior to the review the TL should make arrangements for the team to gather at an agreed-upon location away from the review site to discuss final logistics arrangements and go over review assignments. This may be a hotel meeting room or lounge area that affords reasonable space and privacy. The meeting may be the first time many of the team members have met one another, so it is a critical opportunity to establish a good working dynamic for the group. The TL should keep the meeting focused, but informal.

#### ***O. Site Orientation and Badging***

On the first morning of the review, all TMs should report to the site promptly. If possible, the team should arrive as a group, using as few transport vehicles as is practical. This will simplify in-processing for the Site POC. At most sites, the team should expect to spend approximately ½ to

1 hour on in-processing, including badging, safety/security briefing, training, etc. At sites with special security requirements, the time required for in-processing may be appreciably longer. All TMs should bring their organization security badges and at least one additional form of government-issued photo identification, such as a driver's license or passport. If the POC has previously provided the TM with forms for in-processing, these should be filled out prior to arrival at the site.

***P. In Briefing with CPM and CO***

After in-processing is completed, the POC should host an in-brief session attended by all TMs, the CPM (if different from the POC), appropriate contractor management and the CO. This is the minimum desired attendance. The topics to be covered at the meeting include:

1. Logistics – Considerations include location and access to team work space, including offices and common areas; office equipment and supplies, including access to computers, site computer systems, the Internet, copiers and facsimile machines; and dining and restroom facilities.
2. Schedule – Considerations include a review of the team's planned work hours with consideration of working past the normal work day, if required; schedule to ensure uninterrupted site access; and a discussion of the team's desired interview schedules to ensure the availability of site personnel.
3. Orientation – Provide an overview of the site and its operations, including its procurement system (normally the overview of site operations covers the history of the site and provides a summary of the current operating environment, the site organization structure from the Chief Executive Officer to the procurement office operating level, and the nature of the performing contractor). If the CO desires, she or he may present a separate briefing on the structure and operation of the DOE/NNSA office responsible for monitoring site contract performance. This site briefing should aim to serve as an introduction, not an exhaustive description on the material. In length it should not exceed 60 minutes, including time for questions. If the CO provides a separate briefing, it should not exceed 30 minutes, including time for questions and answers.
4. Entrance TL Briefing – The TL will provide briefing on the review process.
5. Facilities Tour – The in-briefing should conclude with a brief facilities orientation tour, emphasizing the areas where the team will conduct its business.

Once the in-briefing is completed, the team should immediately commence its review activities. The POC should conduct a plenary session with all team members to describe the Site's file organization structure, and explain the Site's procedures for preparation and maintenance of both hard copy and electronic files, and the methodology for electronic file access.

## **2. Review**

### **A. *Review of Corrective Actions Based on Previous Peer Review Observations***

Through discussion with the POC and CPM, the team should gain a clear understanding of any steps the Contractor has taken in response to observations made in the most recent previous review final report. The team should look for evidence of successful implementation as part of its file review and interview activities.

### **B. *File Review***

Team members should complete a PERT File Documentation Review sheet (Attachment F, PERT File Documentation Review) for each file they examine. The completed sheets will help ensure that all files in the review sample are looked at, and will provide a standardized reference to document observations for daily debrief discussions and draft report preparation.

Inevitably, reviewers will have questions concerning the content of individual files that will require discussions with the responsible procurement professional. The timing and structure of these discussions should be decided by the TL, with due consideration being given to expediting team workflow and minimizing disruptions to site procurement personnel. In some instances where the reviewer's questions are not complex or of a sensitive nature, the responsible procurement professional is located in close proximity to the review site, and the POC has approved such contacts, it may be appropriate to engage in quick, informal one-on-one discussions. In other cases, it may be appropriate for reviewers to aggregate questions for a scheduled, daily fact-finding session arranged by the POC. In other cases, questions that may involve issues of concern about potential waste, fraud or abuse should be discussed by the TL and CPM before they are brought to the attention of the responsible procurement professional.

### **C. *Interviews***

Interviews should take place as early as possible during the review process. If there are key personnel the team wishes to interview as a result of its pre-review activities, the names of these people should be given to the POC before the team arrives, so that potential schedule conflicts are minimized. Ad hoc interviews should always be coordinated through the TL/POC. Interview team should be limited to two or three people.

When interviewing site personnel, TMs must conduct themselves in a courteous professional manner. The interviewers should attempt to put the interviewee at ease by informing them that the purpose of the discussion is discovery and fact-finding, not accusatory. Interviewers must

also refrain from becoming argumentative, keeping in mind the adage that there may be many different but effective paths to a successful result.

A suggested list of interview questions are provided to the PERT review team TM's (see list of "Sample Stakeholder Interview Questions," Attachment G). This list of questions are a suggested list, and reviewers are not limited to the questions contained therein but can use these as a guide when conducting interviews with a site's personnel.

#### ***D. System Demonstrations***

When the team determines that system demonstrations are required to facilitate the team's understanding of the site procurement processes, the TL should meet with the POC to identify the nature of the demonstrations, the time required and the earliest possible schedule on which they can be conducted.

#### ***E. Scheduling***

Throughout the review, the TL should ensure TMs coordinate their activities at least once each day, sharing observations and building consensus. Such early sharing will greatly expedite the drafting of the team report.

#### ***F. Daily Debrief***

The TL should also conduct a daily debrief with the POC and/or CPM. This is an opportunity to advise the responsible managers of issues the team is currently noting, in keeping with the philosophy of "no surprises" during the review process. In these debriefs, it is important that the TL be direct and firm, and that he/she address the issues clearly. A frank and open approach to communication of the issues identified by the TL and all the TMs will help the CPM and personnel accept the team's assessments as constructive criticism, and to implement needed change without wasting undue effort on refuting the team's assessments.

#### ***G. Draft Report***

The most critical on-site team activity is the preparation of the draft report. Since this is the vehicle that will document the team's observations for posterity and serve as a catalyst for change, it must be the product of care and great deliberation.

TMs should begin their coordinated effort in preparing the draft report with the end in mind. The TL may wish to consider assigning specific sections of the report to individual TMs, and ask that they begin preparing support documentation as they proceed with their reviews.

The TL should ensure that all TMs prepare their assignments using the standard report template (see Attachment H, Draft Report Template), and that all TMs have read and are familiar with the sample reports. The TL should also ensure that all TMs share a common understanding of how the adjectival ratings used in the report are being applied.

TLs need to ensure that TMs roll up their scoring of the individual assurance criteria tenets in a manner that reflects the consensus of the team. Particular attention should be paid to the weight given to individual observations, patterns and trends. The TL is responsible to ensure a draft report is provided to the CPM and the POC at the conclusion of the review.

#### ***H. Exit Briefing with CPM & CO***

The CO and CPM are mandatory invitees for the exit briefing. The attendance of TMs at the exit briefing is at the discretion of the TL; however, unless they are advised not to do so by the TL, all TMs should plan to attend the exit briefing, and should arrange their travel plans accordingly.

While a guiding principle of the process is that no surprises should occur in the exit briefing, the TL must be prepared for the possibility that, given the short amount of time available and the masses of data that must be collected, absorbed and analyzed by the team, the draft report may contain observations based on patterns or trends that only became visible in the final hours of preparation. Should such a situation arise, the TL should attempt to alert the POC to this as soon as possible, and should work with the POC, CPM and CO to ensure that the overriding function of the debriefing – to clearly state the review results – is not lost or minimized in an unnecessarily adversarial confrontation.

The exit briefing should cover the final report (see Attachment H – Draft Report Template) only. The exit briefing is not a review of the detail in the Criteria Matrix and the TL should not review every item in the Criteria Matrix during the exit briefing.

In addition to identifying concerns resulting from the review, the TL should make sure the team identifies and emphasizes any best practices that were observed. The TL should ensure that CPM provides clearance for posting of an appropriate description of the practice, including point of contact information, on the PERT website (max.gov).

#### ***I. Identification of Best Practices***

A “best practice” is commonly defined as a method or technique that consistently shows results superior to those achieved with other means, and that may be used as a benchmark.

In attempting to determine whether or not a particular practice is a best practice the review team should consider the following criteria:

- What are the tangible and intangible benefits derived from the practice?
- How does the practice improve the organization's business performance?
- Does the practice maximize performance in one or more of the following areas?
  - Cost savings/avoidance
  - Customer focus
  - Operational efficiency
  - Quality
  - Response time
  - Waste reduction
- Is the practice reasonably adaptable (i.e., not a product of the site's unique business environment, and capable of introduction to other procurement systems with a reasonable amount of resource investment?)

If a practice meets the criteria set forth above it may be identified as a best practice if it was not identified as a best practice on the previous PERT review. If the practice remains substantively unchanged from the practice that was reported as a best practice during the previous PERT review for that subcontractor, it should be identified as a "good operational practice" and an ongoing operational strength, and its status as a prior best practice noted in the team's report. However, if the subcontractor makes substantive changes to the previous practice and this practice meets the criteria set forth above, it may be identified as a best practice on current PERT review as well.

### **3. Post Review Activities**

The Post Review Activities include all actions after the completion of the on-site review including the timely submission of the final report and the submission of the necessary input data; such as, lessons learned and shared best practices. Through these inputs, trend analysis can be conducted annually for process improvement. The seven main post review activities are as follows:

#### ***A. Receive Site Comments***

The contractor has seven working days to submit comments to the team leader after the exit briefing. The TL should immediately distribute comments to all TMs for their review and input. The team has 30 calendar days to issue the final report after the exit briefing. If the contractor used the entire seven working days, the team would have approximately 20 calendar days to review, discuss, change, and issue the final report.



### ***B. Resolve Comments and Circulate Final Draft***

Full team participation is vital and receipt of input from each TM will help in reconciling comments. However, the TL will have final authority if there are opinion differences among members. The TL may obtain advice, with due consideration for confidentiality and conflict of interest, from the Co-Chairs, other PERT members outside of the team, or other technical experts.

Once comments are resolved, the TL would make the necessary changes to the draft final report and share with the team. All members should review the edited draft report for content accuracy and logical flow. Once agreed, the draft final report will be provided back to the POC, CPM, CO, and Co-Chairs for review. At this stage, the TL should emphasize to the contractor that the team is not inviting any further comment. Changes at this stage should be minor.

### ***C. Final Report***

Upon completion of the final report it will be distributed. This report should be released within 30 calendar days of the exit briefing. The TL is responsible for distributing the report to the POC, CPM, and Co-Chairs. The Co-Chairs are responsible to distribute the final report to the respective DOE or NNSA Senior Procurement Executive and CO. The TL should remind the responsible CO that any corrective action or follow-up with the CPM is their responsibility. A reminder should also be sent to the CPM at this time to provide narratives for best practices which the team and the contractor have agreed to share. Upon receiving the best practice narrative, the TL will review, concur, and forward it to the Co-Chairs. The Co-Chairs may invite the CPM or designee to present an overview of the best practice at the annual PERT membership meeting.

### ***D. Acknowledgement of Appreciation***

TLs should express appreciation, in writing, to all TMs, and the CM upon completion of the final report (see Attachment I, Acknowledgement and Appreciation Letter Format). Co-Chairs should express appreciation, in writing, to all TLs and TMs upon completion of the review.

### ***E. Survey of Process***

The TL sends Survey requests to the CPM to assess the team process, conduct and results (see Attachment J, Independent Peer Review “Customer Satisfaction Survey”).

The TL should remind the CPM to keep comments at an objective and professional level. Survey results are to be sent to the contractor Co-Chair for the reviewed site’s agency (NNSA or DOE)

to evaluate and trend. Results of the surveys should be generalized and shared accordingly to allow for process improvements.

***F. Submit Lessons Learned***

The TL may request lessons learned input from the TMs and if appropriate, the CPM, POC, and CO. The TL will consolidate these suggestions logically and in turn, submit them to the Co-Chairs. The Co-Chairs will share appropriately and collect the information for trending purposes.

***G. Trending***

On an annual basis, the Co-Chairs will conduct the following trending analysis:

1. Lessons learned,
2. Recurring issues/weaknesses from final reports,
3. Survey of process.

Trending results will be shared with the PERT membership.

**4. Applying Best Practices After the Review**

A key element of applying best practices to organizations is the ability to balance the unique qualities of an organization with the practices it shares in common with others. When an organization has been commended for a best practice, it should endeavor to share that practice with other institutions in a manner that makes the practice as accessible as possible to others. Typically, this would include providing a written description of the practice and subject matter expert contact information for posting on the PERT web (max.gov) page within 60 days after completion of the review and making a presentation on the best practice at the next annual PERT meeting. To the extent the resources permit, the organization may also consider hosting benchmarking visits from other organizations that want to observe the practice in action.

**5. Attachments**

**ATTACHMENT A – ACRONYMS**

**ATTACHMENT B – TEAM MEMBER DATA SHEET**

**ATTACHMENT C – CONFIDENTIALITY AND CONFLICT OF INTEREST CERTIFICATION**

**ATTACHMENT D – CHECKLIST WITH ROLES AND RESPONSIBILITIES**

- ATTACHMENT E – SAMPLE DATA CALL**
- ATTACHMENT F – PERT FILE DOCUMENTATION REVIEW**
- ATTACHMENT G – SAMPLE STAKEHOLDER INTERVIEW QUESTIONS**
- ATTACHMENT H – DRAFT REPORT TEMPLATE**
- ATTACHMENT I – ACKNOWLEDGEMENT AND APPRECIATION LETTER FORMAT**
- ATTACHMENT J – CUSTOMER SATISFACTION SURVEY**
- ATTACHMENT K - CONTRACTOR PURCHASING SYSTEM ASSURANCE CRITERIA**

## **ATTACHMENT A - ACRONYMS**

CO	Contracting Officer
CPC	Contractor Purchasing Council (see CSCC)
CPM	Contractor Procurement Manager
CPSR	Contractor Purchasing System Review
CSCC	Contractor Supply Chain Council (formerly the CPC)
DOE	Department of Energy
FAR	Federal Acquisition Regulation
IPR	Independent Peer Review
M&O	Management & Operating
NNSA	National Nuclear Security Administration
PERT	Procurement Evaluation and Reengineering Team
POC	Point of Contact
SPE	Senior Procurement Executive
TL	Team Lead
TM	Team Member

## ATTACHMENT B - TEAM MEMBER DATA SHEET

### PERSONAL INFORMATION

Name:	Citizenship: US
Work Address:	Security Clearance Level:
City, State, Zip Code:	Work Phone & Fax #'s:
DOE/NNSA Site:	Work E mail:
Federal Civilian Grade:	Title:

### EDUCATION:

- ☐ Masters or greater – Identify Major: \_\_\_\_\_
- ☐ 4 Year Degree - Identify Major: \_\_\_\_\_
- ☐ Other – Identify area of study and explain applicability to PERT: \_\_\_\_\_
- ☐ Training applicable to PERT – Identify Training: \_\_\_\_\_

### PROFESSIONAL EXPERIENCE:

- ☐ Contracting experience – Specify number of years: \_\_\_\_\_
- ☐ Compliance experience – Specify number of years: \_\_\_\_\_
- ☐ Procurement Management experience – Specify number of years: \_\_\_\_\_
- ☐ Other – Identify job experience and explain applicability to PERT: \_\_\_\_\_
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Best Value Source Selection | <input type="checkbox"/> Construction      | <input type="checkbox"/> Contract Law                |
| <input type="checkbox"/> Cost/Price Analysis         | <input type="checkbox"/> Contract Closeout | <input type="checkbox"/> IT Systems                  |
| <input type="checkbox"/> International Contracting   | <input type="checkbox"/> Negotiations      | <input type="checkbox"/> PCard System Administration |
| <input type="checkbox"/> Property/Traffic Management | <input type="checkbox"/> Service Contract  | <input type="checkbox"/> Small Bus. Liaison Officer  |
| <input type="checkbox"/> Other (specify)             |  |  |

### PEER REVIEW EXPERIENCE:

- ☐ Previous experience as a Team Member – Number of reviews completed: \_\_\_\_\_
- ☐ Previous experience as a Team Leader – Number of teams led: \_\_\_\_\_

### OTHER QUALIFICATIONS (e.g., PERT membership, peer review POC at Site, etc.):

- ☐ Explain: \_\_\_\_\_

## ATTACHMENT C - CONFIDENTIALITY AND CONFLICT OF INTEREST CERTIFICATION

Site: \_\_\_\_\_

To: \_\_\_\_\_, Contractor Procurement Manager

From: \_\_\_\_\_, Member Independent Peer Review Team

Subject: Regarding my involvement in the Independent Peer Review to be conducted at your site:

### Certification Regarding Confidentiality

I certify that I will not disclose any confidential information regarding the subject activity either during the activity or at any subsequent time, to anyone who does not have access to the information or has not been authorized access by you or an authorized representative of your organization.

I shall have no obligation to preserve the confidentiality of any information, which is obtained without restriction either from your organization or from another source.

### Certification Regarding Conflicts of Interest

I also certify that there are no personal or professional interests, influences, or issues that will affect my ability to render impartial, unbiased, and fair services in support of this assignment.

I recognize the obligations contained in this agreement and shall be bound by such obligations for a period of three (3) years after execution of this agreement.

Signature: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Organization: \_\_\_\_\_

Date: \_\_\_\_\_

(Federal employees may delete the certification regarding confidentiality.)

CC: Peer Review Team Lead

## ATTACHMENT D - CHECKLIST WITH ROLES AND RESPONSIBILITIES

- Team Member
- ❖ Team Lead

Time Frame	Task	Section
Upon Request	<ul style="list-style-type: none"> <li>● Team Member Data Sheet – complete and return to TL as requested</li> </ul>	1. H.
120 Days Prior	<ul style="list-style-type: none"> <li>❖ Contact Procurement Director and team members to coordinate a review Date</li> <li>❖ Provide Contractor Purchasing System Assurance Criteria to the Procurement Director for self-assessment</li> <li>❖ Ask team members to read handbook</li> <li>❖ Contact the Contracting Officer to identify any special interest areas</li> <li>❖ Contact previous TL on results of most recent previous review, if applicable</li> </ul>	1. G.
90 Days Prior	<ul style="list-style-type: none"> <li>● Conference call with TL and Co-Chair. Discuss: roles and responsibilities, expectations, preparation time, sensitivities, Conflict of Interest/Confidentiality Statement, preliminary issues that need clarification</li> <li>❖ Conference call with team members to determine frequency of future calls</li> <li>❖ Notify Procurement Director of the members on the team</li> <li>❖ Request Data Call (i.e. contractor policies and procedures, organizational charts, prime contract, balanced scorecard or objective matrix information, annual procurement volume, self-assessment, description of automated procurement systems, etc.).</li> <li>❖ Confirm site support expectations (computer, overhead, breakout rooms, etc.)</li> <li>❖ Request the site Point of Contact provide preliminary site logistics (i.e. nondisclosure agreements, office or conference room spaces, maps, lodging and restaurants, site access requirements, prohibition of articles, restrictions, parking, etc.).</li> </ul>	1. H.  1. H.  1. H. 1. I.  1. J.  1. K.
60 Days Prior	<ul style="list-style-type: none"> <li>❖ Determine team members assignments</li> </ul>	1. H.
45 days	<ul style="list-style-type: none"> <li>❖ Receive completed data from Procurement Director and distribute to the team members</li> <li>● Data Analysis and Review (electronic, loaded on MAX.GOV, and/or hard copy or CD). Complete required reading. Focus on area of concentration as assigned by TL (if applicable).</li> </ul>	1. M.
30 Days	<ul style="list-style-type: none"> <li>❖ Request list of individuals to be interviewed</li> </ul>	2. C.
14 Days	<ul style="list-style-type: none"> <li>❖ Identify and notify the Procurement Director of the files to be reviewed</li> </ul>	1. I. and J.
Evening prior to review	<ul style="list-style-type: none"> <li>● Pre-Meeting with Team: Meet-Greet-Organize. Discuss final logistics and review assignments</li> </ul>	1. N.





## ATTACHMENT E - SAMPLE DATA CALL

Dear (Insert POC or CPM name):

Please consider this message your official data call for the upcoming PERT Independent Peer Review of (Insert Prime Contractor Name) scheduled for (Insert Date of Review). If you can respond as soon as possible (even partially), it would be greatly appreciated. In order for the team to be prepared we do ask that you provide the data no later than (Insert Date when Data Call Information is Due).

1. Suggestions for convenient place for those traveling to stay.
2. Identification of the location where the PERT team will be based including site hours.
3. Provide any security issues for access for the team members if applicable.
4. Please confirm that you provide a conference room, with at least one PC/Laptop connected to a projector and a printer, and sufficient additional workstations to provide the team with access to your electronic files and documentation.
5. Please confirm whether there is internet access, wireless, etc., at the work location.
6. The (Insert Prime Contractor Name) data required for the review: either by e-mail, or access to the documents on-line (preferred); CD would also be acceptable with least preferred hard copy.

Prime Contract

Prime Contract/Subcontract Terms & Conditions Crosswalk

Procurement Manual/Procedures/Desk Instructions

Balanced Scorecard FY20\_\_ Results, FY20\_\_ Plan

Small Business Subcontracting Plan

P-Card Manual/Guide

Completed Criteria Matrix (attached)

Completed Site Info (first page of final report- attached)

Copy of most recent previous Peer Review Report and Matrix

Copy of most recent previous Peer Review Corrective Action Status Report (if applicable)

Any other information you believe would be helpful to the team

Notes on (Insert Prime Contractor Name) Completed Matrix

Please note that you should insert comments in the “observation” section of the attached Contractor Purchasing System Assurance Criteria, when self-rating your processes as a “best practice”, “strength”, or “weakness”. Comments are not required when you have rated yourself “acceptable”. Observation comments should be succinct and explain the basis for the best practice, strength or weakness self-rating. Observations should not repeat documented procedures/practices or offer inordinate amounts of detail to support a particular rating or explain how the source documents meet the requirements.

7. Stakeholders the team would like to interview (interviews to be scheduled – I have attached a draft schedule for the week), please provide the names if possible:

DOE Contracting Officer

Procurement Manager

Business Manager (person to whom Procurement Manager reports)

Small Business Liaison

P-Card Program Administrator

Automated Procurement "power" user

Accounts Payable Representative  
Property Representative  
Legal Counsel  
Internal Audit  
Project Management Representative  
At least two customers from heavy usage groups, (Construction, IT, operations etc.)

Two weeks prior to the PERT review, I will request a data call of a listing of all subcontracts including modifications awarded in the previous Fiscal Year. The team will review and identify which Subcontracts/Modifications will be part of the review with the understanding that we can request additional items during the week of the review.

Notes on (Insert Prime Contractor Name) presentation indicated on draft schedule.  
With regards to the “Company/Procurement overview” section on the agenda, we respectfully request that this presentation be time constrained to 30 minutes. We have been on a number of different reviews where the time has gone much longer than planned and detrimentally impacted the PERT team’s ability to get underway on the review process.

You can also obtain other information about PERT on the PERT Home Page at <https://max.omb.gov/maxportal/>

If you have any questions, please call (Insert Team Lead’s Phone Number) or email me at (Insert Team Lead’s email address).

Thank you for your cooperation. We look forward to reviewing the (Insert Prime Contractor Name) procurement system.

Sincerely,

(Insert Team Lead Name, Title)

## ATTACHMENT F - PERT FILE DOCUMENTATION REVIEW

**Date:**

**Buyer/Contract Administrator:**

**Contract/PO No.:**

**Company:**

**Reviewer:**

**Comments:**

[illegible]

## **ATTACHMENT G - SAMPLE STAKEHOLDER INTERVIEW QUESTIONS**

### DOE Contracting Officer

- How is your relationship with the Contractor's Contracts/Procurement Manager? How often do you meet/interact/interface?
- What do you do for procurement oversight?
- How often do you meet/interact/interface with Contracts/Procurement representatives? What topics? Agenda?
- How does the Contractor request changes to their CO-approved processes/ thresholds?
- How do you provide feedback on performance? Balanced scorecard/self targets?
- How do you feel about balanced score card results?

### Contracts/Procurement Manager

- How is your department organized to support the Laboratory/Plant?
- How is your relationship w/CO, w/senior management, w/customers, w/suppliers, w/employees?
- What is the organization's practice for resolving problems when they reach the upper management?
- What do you view as the highest risk or challenging areas that you face? How do you appropriately manage those risks/challenges?
- How well is your Staff integrated w/organization or w/programs regarding procurement planning?
- How do you expect this peer review to help your organization?
- How do you train your staff? How many hours of training/year do you provide? Do you have a method of tracking staff training hours?
- Are you staffed appropriately?
- Do you believe you have enough support from higher management?
- Are your IT systems adequate?

### Individual who the Contracts/ Procurement Manager reports to

- What are the risks/challenges of your procurement department?
- What do you view as the Contracts/Procurement Department's Strengths? Weaknesses?
- How did you work through a recent problem at higher management level?
- Do you view your IT systems as adequate?
- Do you feel your organization is structured appropriately?
- What are your expectations of the Contracts/Procurement Manager?

- How do you measure the Contracts/Procurement Department's performance?

#### Small Business Program Manager

- Who do you report to and where do you sit within the organization?
- What type of outreach do you do? Internal/external?
- What type of support or guidance do you provide to your Contracts/Procurement organization?
- What challenges do you have to reach your goals?
- Are your small business goals appropriate? Too high? Too low?
- Do you think you have best practices? What are they?
- Is there sufficient small business training provided to Contracts/Procurement staff?
- How does the organization select Mentor Protégés? What support is provided to mentors?
- How are the required documents are completed, e.g., Small Business Plans, If Not Why Not, etc. and what is your involvement?
- Are you involved with negotiating/revising the goals reported on the Small Business Plans, how is this process completed?

#### P-Card Program Administrator

- How many P-Card users do you have?
- Do you have P-card user training? How often? What is covered?
- Who can get a P-card?
- What are your standard per-transaction and monthly spend limits? Can these limits be adjusted, and if so, on what basis?
- How do you verify controls? Are controls working? How are issues resolved?
- How is your relationship with your financial institution/bank?
- How do you determine if you need to remove a P-card?
- Is there sufficient support from management to control the program, regarding compliance, training, etc.?
- Do you have a process for exceptions? Please describe.

#### Procurement Power User (questions dependent on roles and responsibilities of Power User)

- Who do you report to and where do you sit in the organization?
- Are the system tools you use to initiate procurements adequate?
- Do you view the system tools as functional?

- Do you receive adequate support from the Contracts/Procurement Department while inputting requisitions?
- Do you believe proper training is provided?
- Do you believe proper controls are in place?

#### Accounts Payable Representative

- How is your relationship with the Contracts/Procurement Department?
- How are your interactions with the Contracts/Procurement Department?
- What is the percentage of bills paid on time?
- What is your process to handle accelerated payments to Small Businesses?
- Can you explain how invoices and payments are processed?

#### Property Representative

- How is your relationship with the Contracts/Procurement Department?
- How often do you interact with them?
- How is property received/tracked/transferred?
- How is property entered into the inventory system?
- How is inspection/acceptance of property done?
- Who does Property Management report to in the organization? What is your function/role?
- Are you ever included in the invoice review and approval process?
- How do you know what/when property is arriving from procurements?
- Do you have a method for tagging and tracking property purchased by your Procurement group and drop-shipped to other organizations? How are you alerted to such procurements?
- Do you prepare any reports for the Contracts/Procurement Department? What is the purpose of these reports and do they add value?
- Are you involved with procurement planning for big property purchases?
- What challenges do you face, and are they resolved appropriately w/procurement?
- What feedback have you received from the Contracts/Procurement Department?
- How is lost/damaged/unaccounted-for property handled with the Contracts/Procurement Department?

#### Legal Counsel

- What is your relationship with the Contracts/Procurement Department?
- How often do you interact with them? Do you only interact with management, or also with Buyers, others?

- What common legal issues do you review?
- When do you get involved with the procurement?
- What is the process for handling exceptions to T&Cs or other legal memos (risk abatement, OCI, etc)?
- How are you involved with drafting/updating/reviewing T&Cs?
- Are you given adequate time to review packages?
- Is your advice taken?
- Do you interact with DOE legal counsel on procurement matters? Is this interaction between counsels, or jointly with Procurement and the Contracting Officer?
- Do you believe Buyers/Contract Specialists try to resolve procurement issues on their own before going to Legal for advice?

#### Internal Audit

- Who do you report to and where are you in the organization?
- What is your relationship with the Contracts/Procurement Department? Who initiates reviews?
- Do you feel that you are independent?
- How do you select topic/focus areas?
- How do you prepare your annual risk assessment?
- What is your audit process? Is there a routine cycle?
- Are findings properly closed?
- Are there any open/repeat findings?
- How are audits/results tracked?
- Do you provide subcontract audit support to your Contracts/Procurement Department?
- If your office does not provide subcontract audit support, how is this support provided, and by whom?
- Do you believe that the Contracts/Procurement Department has adequate support for subcontract audits/reviews in all phases of the acquisition cycle (subcontractor accounting system assessment, pre-award audit, interim audit and closeout audit)?
- Do you track trends or repeat findings?

#### Project Management Representative

- What is your relationship with the Contracts/Procurement Department? How do you interact with them?
- What authorities are you given by the Contracts/Procurement Department?
- How are change orders processed?
- How are budgets/deliverables/deadlines/EVMS tracked?

- How many projects do you oversee/manage at once?
- When are you brought into the procurement? When do you bring in procurement?
- How do you view the effectiveness/efficiency with the Contracts/Procurement Department?
- How are you trained to handle your procurement responsibilities?
- How/when do you notify procurement of performance issues?
- What are your challenges related to procurement, and how are they handled?

#### Customers

- What are the main commodities that you buy?
- What is your relationship with the Contracts/Procurement Department? How often do you interact with them?
- How do you view the efficiency/effectiveness of the Contracts/Procurement Department?
- What are your expectations of the procurement department?
- What kind of training do you receive from the Procurement Department? In your view, is the training adequate?
- How are you or your department involved with source selection/proposal evaluation, inspection/acceptance?
- What kind of contracts do you use (service/supply/construction, FFP/ Cost/T&M, sole source/competitive)?
- In your view, does your Contracts/Procurement department add value?
- What do you see as the strengths/weaknesses of the Contracts/Procurement Department?
- Do you have any improvement suggestions?



## ATTACHMENT H - DRAFT REPORT TEMPLATE

To: Procurement Executive, Site Contracting Officer, Contractor Procurement Manager

### I. EXECUTIVE SUMMARY

DOE/NNSA Contractor Site: \_\_\_\_\_  
 Type of Site: \_\_\_\_\_  
 Site Contracting Officer: \_\_\_\_\_  
 Contractor Procurement Manager: \_\_\_\_\_  
 Date of Review: \_\_\_\_\_  
 Date Range of Review Sample From: \_\_\_\_\_ To: \_\_\_\_\_  
 Last PERT/or External Review: \_\_\_\_\_  
 PERT Team Lead: \_\_\_\_\_ Co-Chair: \_\_\_\_\_

### BACKGROUND—PRIOR FY STATISTICS

KEY METHODS OF ACQUISITION	DOLLARS	ACTIONS	
P-CARD	\$	#	
USER-PLACED TRANSACTIONS	\$	#	
ALL OTHERS	\$	#	
TOTAL SPEND	\$	#	
(*e.g., b2b, eCommerce, managed catalogs, etc.)			
PROCUREMENT DEPARTMENT STAFFING (FTE)			
BUYERS			
MGMT.			
OTHERS Functions			
TOTAL			
FINANCIAL PERSPECTIVE			
SITE FUNDING	PURCHASING SPEND (\$ AND %)	PROC BUDGET AS A % OF SITE FUNDING	COST TO SPEND

## ASSESSMENT OVERVIEW:

This assessment was conducted in accordance with the PERT PEER REVIEW PROGRAM FOR FEDERAL PROCUREMENT AND CONTRACTOR PURCHASING SYSTEMS, dated February 2006. The Program is an adaptable tool that includes transactional reviews, results-examination, overall process evaluation, review of quality assurance of procurement processes or data collection methodologies all intended to provide an independent assessment of the purchasing system.

The report provides the Procurement Executive, Site Contracting Officer, and Contractor Procurement Manager an advisory tool to help assess the overall condition of the contractor's purchasing system.

Based on our review, no observations of a significant nature ---OR---

Based on our review, we found the following observations that require corrective action by the Site Contracting Officer and Contractor Procurement Manager.

## II. SIGNIFICANT OBSERVATION GUIDANCE:

1. These Observations are of a nature that they require immediate review and/or corrective actions (i.e. the observation is so egregious that it must be addressed immediately to maintain an approved purchasing system.
2. All Observations normally have a specific prime contract clause or an approved system requirement that is being violated on a repeated basis, or the one time violation is so egregious that it warrants immediate consideration.
3. The PERT Lead is solely responsible for determining if an Observation exists.
4. The PERT Lead may contact the PERT Co-Chairs for additional input in determining if an observation is significant in nature.

The format for Significant Observation and all other Observations should generally be as follows.

**Observation:** State the Observation as a fact, e.g. "...The Contractor Purchasing Official granted indemnification on a recurring basis without the approval of the DOE contracting officer."

**Reference:** Prime Contract clause 1-121 requires approval of the DOE contracting officer prior to granting indemnification to any vendor.

**Impact:** Costs resulting from granting the indemnification may be deemed unallowable under the M & O's contract.

Attachment 1 contains the detailed documentation that supports the overall PERT assessment of the contractors purchasing system.

By \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_ PERT Team Lead

Date: \_\_\_\_\_

Names of Team Members:

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## Attachment 1: Purchasing System Basic Tenets

The matrix below summarizes the observations of the PERT as related to the nine basic tenets and one additional tenet for an effective purchasing system. It contains an overall summary assessment of the Contractor Procurement Assurance Criteria used by the PERT during this assessment.

### General Observation Guidance

1. “Best Practice” observations are those areas of the contractors system that the PERT considers a Best Business Practice, opinions, or observations that may warrant consideration for use by others in the complex.
2. “Strength” observations are those areas identified by the PERT as being thorough in terms of policy, deployment, and execution that routinely produce exceptional results.
3. “Acceptable” observations are those identified by the PERT as meeting standards.
4. “Weakness” observations are those areas identified by the PERT as not meeting standards. They tend to be administrative in nature, may not be in full compliance with the prime contract or approved purchasing system requirements, and may or may not be so serious as to jeopardize System Approval. All weakness observations are repetitive or recurring in nature and should have a specific regulatory, prime contract, or approved purchasing system reference.

	Purchasing System Basic Tenets	Observation
1	Planning of timely delivery of products and services necessary to accomplish the purposes of the Government’s contract	
2	A purchasing system that is well-defined, consistently applied and follows purchasing practices appropriate for the requirement and dollar value of the purchase	
3	Acquisition of quality products & services at fair & reasonable prices	
4	Use capable & reliable subcontractors	
5	Minimization of acquisition lead-time & administrative costs of purchasing	
6	Use of effective competitive techniques	
7	Reduction of subcontract performance risks & facilitation of quality relationships	
8	Use of self-assessment & benchmarking techniques to support continuous improvement	
9	Maintenance of the highest professional and ethical standards	
10	File documentation appropriate to value of purchase & adequate to establish propriety of transaction & price	
11	Maximization of Opportunities for small Business	
12	Purchasing system and methods comply with the requirements of its prime contract	

Observation Key: ★--Best Practice ●--Strength ⊕--Acceptable ○--Weaknesses

## ATTACHMENT I - ACKNOWLEDGEMENT AND APPRECIATION LETTER FORMAT

DATE

*Insert Name & Address*

Dear \_\_\_\_\_:

**Subject:**        **PEER Review – \_\_\_\_\_ Purchasing System – DATE \_\_\_\_\_**

During the week of \_\_\_\_\_, I had the pleasure of leading a peer review of the \_\_\_\_\_ purchasing system.

DOE requires the purchasing system of a DOE major facility contractor be approved every three years by the cognizant DOE Contracting Officer in order to retain certification; therefore, a purchasing system compliance review must be conducted during a five year approval period (unless the CO requests an earlier review). In lieu of a DOE Contractor Purchasing System Review (CPSR), the DOE Procurement Executive, \_\_\_\_\_, has endorsed an outside peer review program (DOE Guide, Chapters 1.2 and 70.7) to be conducted by and under the auspices of the DOE Contractor Procurement Evaluation and Reengineering Team (PERT). To accomplish this task a team of procurement professionals was assembled, which included a broad base of experienced personnel from

\_\_\_\_\_.

We are pleased to report that the team found no observations of a significant nature. It is our opinion that the \_\_\_\_\_ procurement organization is well managed, and its path forward is in the right direction.

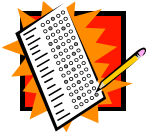
We would like to thank \_\_\_\_\_ management, particularly \_\_\_\_\_, along with their staff for the outstanding preparation, cooperation, and hospitality extended to the PERT team. Additionally, the cooperation and flexibility of other \_\_\_\_\_ employees and DOE Contracting Officer, \_\_\_\_\_, greatly aided in the accomplishment of this review. Enclosed is an executive summary of the review, which was presented to the \_\_\_\_\_ purchasing organization, \_\_\_\_\_, and representatives of DOE at the conclusion of our stay.

Sincerely,

(PERT Team Leader)

Enclosure

## ATTACHMENT J - CUSTOMER SATISFACTION SURVEY



### INDEPENDENT PEER REVIEW CUSTOMER SATISFACTION SURVEY

<b>Instructions:</b> As a customer of the Independent Peer Review Program, it is important to know if you were satisfied with the review conducted and the members of the review team. You are asked to complete the survey below, by assigning a rating to each of the questions. In addition, you are asked to provide any lessons learned you would like to share with us to enhance the Independent Peer Review Program.				<b>Directions:</b> Rate each question as "A", "B", "C", or "D", with "A" being the most satisfied and "D" being the least satisfied.  Comments are welcomed. Please provide specific feedback in the Comments section.			
<b>Site:</b>				<b>Purchasing Manager:</b>			
<b>Pre-review Preparation:</b> The team members communicated their needs in advance, and were well prepared when the review began.				<b>Communication:</b> Team's communication with the site's staff (including daily and final out briefs) was professional, courteous and effective.			
<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied	<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied
<b>Effectiveness:</b> The team conducted the review in an effective manner.				<b>Quality:</b> The quality of the final report and matrix is useful.			
<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied	<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied
<b>Provided Valuable Feedback:</b> The team provided some good suggestions on areas for improvement and feedback on areas of strength.				<b>Overall:</b> Overall, I find the Independent Peer Review Process valuable.			
<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied	<input type="checkbox"/> <b>A</b> most satisfied	<input type="checkbox"/> <b>B</b>	<input type="checkbox"/> <b>C</b>	<input type="checkbox"/> <b>D</b> less satisfied
<b>Comments:</b>				<b>Lessons Learned:</b> Please provide any specific Lessons Learned that you would be willing to share. Your feedback will be used to enhance the Independent Peer Review Program.			

**INFORMATION CONTACT:** Contact the Team Lead that conducted the PERT review for you site.

## ATTACHMENT K - CONTRACTOR PURCHASING SYSTEM ASSURANCE CRITERIA

DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
<b>1. Contractor's purchasing system delivers to its customers on a timely basis those products and services necessary to accomplish the purposes of the Government's contract.</b>				
1.1 Internal customers are brought into the procurement planning process at the appropriate stage.		P		
1.2 Requirements schedules and long lead items are identified by end-users at the appropriate stage of the procurement process.		P		
1.3 Procurement organization works with their end-users to develop well defined requirements, appropriate solicitation methodology and contract type in a timely fashion.		P		
1.4 Contractor has mechanisms in place to accommodate emergency buys.		P		
<b>2. Contractor's purchasing system is well-defined, consistently applied and follows purchasing practices appropriate for the requirement and dollar value of the purchase.</b>				
2.1 Adequate controls exist to guard against the misuse of delegated purchasing authority.		IC		
2.2 Special terms and conditions are used when necessary after appropriate internal review.		IC		
2.3 Government property is properly documented and accounted for, when provided.		FD		
2.4 Contract types selected were appropriate for the cost and performance risks associated with the scopes of work and consistent with applicable guidelines.		IC		
<b>3. Contractor's purchasing system provides appropriate measures to ensure the acquisition of quality products and services at fair and reasonable prices</b>				
3.1 Proper balance is maintained between supporting the requiring activity in a timely manner and obtaining "best value" in procuring supplies and services.		IC		

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•Planning (P) •Prime Contract Compliance (PCC) •Resources (R) •Self-assessment (SA) •Sourcing / Supplier Performance (SSP)

DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
3.2 Contractor is taking advantage of opportunities to leverage its buying power.		P		
3.3 Pre-award cost/price analysis was performed consistent with purchasing system requirements.		FD		
3.4 Certified cost or pricing data and a Certificate of Current Cost or Pricing Data are obtained, when required.		PCC		
<b>4. Contractor's purchasing system provides appropriate measures to ensure the use capable and reliable subcontractors</b>				
4.1 Contractor is authorized to buy from government sources of supply and uses those sources appropriately.		SSP		
4.2 Contractor does not enter into any subcontract in excess of \$30,000 with a contractor that is debarred, suspended, or proposed for debarment unless there is a compelling reason to do so. Furthermore, Contractor notifies its Contracting Officer in writing before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment.		SSP		
4.3 Contractor has a system in place to select capable and reliable subcontractors who have a record of successful past performance or can demonstrate a current ability to perform.		SSP		
4.4 Contractor personnel make a determination of subcontractor responsibility prior to award.		PCC		
<b>5. Contractor's purchasing system provides appropriate measures to ensure the minimization of acquisition lead-time and administrative costs of purchasing</b>				
5.1 The procurement organization engages in acquisition planning with end users to ensure timely acquisitions.		P		
5.2 Contractor makes use of automation to the maximum extent feasible.		R		
5.3 Contractor uses standard subcontract templates to the maximum extent practicable.		R		
5.4 Contractor has a process in place for revision of contract templates and clauses, when required.		IC		
5.5 Acquisition cycle/lead times are tracked and trended.		R		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
5.6 Personnel resources are adequate to support current procurement needs.		R		
5.7 Requirements schedules and long lead items are identified by end-users at the appropriate stage of the procurement process.		P		
5.8 Contractor uses Rapid Purchasing Techniques (e.g., purchase cards, electronic commerce) when appropriate.		IC		
5.9 Contractor has optimized its use of Rapid Purchasing Techniques.		IC		
<b>6. Contractor's purchasing system provides appropriate measures to ensure the use of effective competitive techniques</b>				
6.1 Forecasts for future procurement actions are communicated to industry well in advance to maximize competition.		P		
6.2 Contractor makes reasonable attempts to minimize non-competitive procurements and optimize competition.		P		
6.3 Contract requirements and evaluation criteria are reviewed to eliminate overly-restrictive specifications/criteria and maximize competition.		SSP		
<b>7. Contractor's purchasing system provides appropriate measures to ensure the reduction of subcontract performance risks and facilitation of quality relationships</b>				
7.1 Allowable costs for cost reimbursable subcontracts are determined in accordance with the cost principles.		CA		
7.2 Contractor performs audits of cost reimbursement subcontractors, and other audits when necessary, to provide a valid basis for pre-award cost or price analysis, and post-award allowable costs.		CA		
7.3 Post award cost/price issues are identified and appropriately resolved.		CA		
7.4 Contractor provides timely disposition instructions for Government property and ensures compliance with those instructions.		CA		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
7.5 Contractor has a process in place to prevent award of a construction subcontract to the A&E company or affiliate who prepared the design.		C		
7.6 When Contractor awards a turnkey (i.e., design-build) subcontract, subcontractor assumes all liability for defects in design and construction, including consequential damages.		C		
7.7 Contractor has a process in place to prevent the award of a cost reimbursement and a fixed-price subcontract for construction, architect-engineer services, or a combination thereof to the same firm, when those subcontracts will be performed at the same site.		C		
7.8 Contractor has a process in place that prevents the work of a construction subcontractor from being inspected by the same subcontractor or its affiliates.		C		
7.9 Bond requirements and other performance guarantee requirements are adequately stated in construction subcontracts and Contractor ensures that those requirements are met prior to commencement of work.		C		
7.10 Contractor has a system in place to ensure that a construction subcontractor: • pays required wages and fringe benefits • submits certified payrolls on a weekly basis.		C		
7.11 Contractor includes appropriate Organizational Conflict of Interest (OCI) language in its solicitations and subcontracts.		FD		
7.12 Contractor has adequate controls in place to preclude fraud, waste and abuse when using Rapid Purchasing Techniques.		IC		
7.13 Contractor's policies/procedures are followed when using Rapid Purchasing Techniques.		IC		
7.14 Authorized users of Rapid Purchasing Techniques are provided appropriate and timely training on the applicable policies/procedures.		IC		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
<b>8. Contractor's purchasing system provides appropriate measures to ensure the use of self-assessment and benchmarking techniques to support continuous improvement</b>				
8.1 Contractor has a system for problem identification, data collection and analysis, and takes appropriate steps for improvement based on its findings.		SA		
8.2 Contractor uses the Balanced Scorecard (BSC) Program, Objectives Matrix, Contractor Assurance System (CAS) or other methodology to establish outcome oriented performance objectives.		SA		
8.3 Contractor has an internal audit/assessment program which reviews management systems and internal controls to determine whether they are adequate to accomplish the objectives of the purchasing system.		SA		
8.4 Lessons learned and findings from internal and external audits/reviews are trended and considered in deciding corrective actions to be taken; such information is adequately conveyed to the procurement staff.		SA		
8.5 Contractor uses performance indicators to monitor both its current performance and its efforts to improve processes, motivate and educate employees, and enhance information systems.		SA		
8.6 Contractor uses benchmarking techniques to support continuous process improvement.		SA		
<b>9. Contractor's purchasing system provides appropriate measures to ensure the maintenance of the highest professional and ethical standards</b>				
9.1 Contractor has an ethics program and its procurement personnel receive training on ethics.		ET		
9.2 Appropriate training is provided to all individuals who will be responsible for monitoring subcontractor performance.		ET		
9.3 Roles, responsibilities and expectations are clearly communicated for proper administration of subcontracts.		ET		
9.4 Frequency and timing of all procurement related training is appropriate.		ET		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
9.5 There is adequate protection to preclude fraud, waste and abuse.		IC		
9.6 Personnel training, experience, knowledge and structure are adequate to assure compliance with applicable laws, prime contract requirements, and company policy.		IC		
<b>10. Contractor's purchasing system provides appropriate measures to ensure the maintenance of file documentation appropriate to the value of the purchase and adequate to establish propriety of transaction and price</b>				
10.1 Contractor's files adequately document that funds are available prior to award.		FD		
10.2 Source selection decisions are consistent with stated evaluation criteria and technical evaluations performed, and are adequately documented.		FD		
10.3 When required, Representations and Certifications are obtained, verified and documented in the file.		FD		
10.4 Contractor has a file documentation process that is appropriate to the value of the purchase and adequate to establish the propriety of the transaction and price paid.		FD		
10.5 Appropriate analysis is being performed and documented prior to modifying a subcontract.		FD		
10.6 Certified cost or pricing data and a Certificate of Current Cost or Pricing Data are adequately documented in the file, when required.		FD		
10.7 File documentation is adequate to evidence that appropriate post-award administrative functions are being performed.		FD		
10.8 File documentation adequately justified contract types selected.		FD		
10.9 Pre-award cost/price analysis was documented consistent with purchasing system requirements.		FD		
10.10 When required, a search is conducted in the System for Award Management (SAM) to determine if any exclusions apply to the proposed awardee.		FD		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
10.11 When applicable, files contain evidence of compliance with the Buy American Act, Davis-Bacon Act and other prime contract requirements.		FD		
10.12 Non-competitive justifications are adequately documented and approved at required levels.		FD		
10.13 Negotiations as required and the resultant savings, if any, are appropriately documented in the file.		FD		
<b>11. Contractor's purchasing system provides appropriate measures to ensure the maximization of opportunities for small business to participate in subcontract performance</b>				
11.1 Small Business Subcontracting Plans are obtained when required.		PCC		
11.2 Contractor complies with its Small Business Subcontracting Plan, enforces compliance of its subcontractor's plans, and submits reports required by its Small Business Subcontracting Plan in a timely manner.		PCC		
11.3 Contractor participates in the DOE Mentor/Protégé Program, when required.		PCC		
11.4 Contractor engages in outreach activities to identify and use small business concerns.		PCC		
11.5 Records on each solicitation resulting in an award exceeding the Simplified Acquisition Threshold adequately document whether small business concerns were solicited and if not, why not.		PCC		
11.6 If Contractor has not met or exceeded all of its small business subcontracting goals, it is taking or has taken appropriate corrective action, as approved by the Contracting Officer, to improve performance toward those goals.		PCC		
<b>12. Contractor's purchasing system and methods comply with the requirements of its prime contract.</b>				
12.1 Contractor maintains formal policies, practices and procedures used in the award of subcontracts that are consistent with DEAR 970.5244-1 Contractor Purchasing System.		PCC		
12.2 Contractor's purchasing system policies include the requirements of its prime contract and applicable laws.		PCC		

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DEAR 970.4402-2 Guiding Principle	Evidence of Compliance	AOI	R	Observations
12.3 Solicitations and subcontracts incorporate required prime contract flow-down clauses.		PCC		
12.4 Contractor's procurement process adequately ensures that ES&H, security, quality, property and other appropriate requirements are included in each procurement action and adequately monitored after award.		IC		
12.5 When the Service Contract Act or the Davis-Bacon Act is applicable, Contractor includes appropriate flowdowns and wage determinations in solicitations and subcontracts.		PCC		
12.6 When required by its Prime Contract, Contractor uses contracting mechanisms such as enterprise purchases and strategic sourcing.		SSP		
12.7 When required by its Prime Contract, Contractor evaluates GSA Federal Strategic Sourcing Initiative contracts for use as part of acquisition planning.		P		
12.8 When required by its Prime Contract, Contractor has a strategy in place to consistently maintain the DOE strategic savings goal.		P		
12.9 When required by its Prime Contract, Contractor correctly calculates the strategic sourcing savings and uses valid data for the savings rate.		SSP		
<b>13. Miscellaneous data points, not related to contract compliance.</b>				
13.1 Contractor participates on ICPT/SCMC teams and uses ICPT/SCMC agreements.		SSP		
13.2 Contractor makes efficient use of DOE/NNSA prime contracts as appropriate (e.g., DOE-wide NEPA contracts).		SSP		

Construction (C)	6
Contract Administration (CA)	4
Ethics / Training (ET)	4
File Documentation (FD)	16
Internal Controls (IC)	13

Planning (P)	11
Prime Contract Compliance (PCC)	12
Resources (R)	4
Self-assessment (SA)	6
Sourcing /Supplier Performance (SSP)	8

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