

CONTRACTOR PURCHASING SYSTEM ASSURANCE CRITERIA

DEAR 970.4402-2 Guiding Principle	Responsible Management System	Area of Interest	Rating	Observation
○ = Weakness ⊙ = Acceptable ● = Strength ⊛ = Best Practice				
I. Acquisition of quality products & services at fair & reasonable prices (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Is a system in place to ensure that:				
1. A proper balance is maintained between supporting the requiring activity in a timely manner and obtaining "best value" in the procurement of supplies and services?		Internal Controls		
2. Adequate controls exist to guard against the misuse of delegations of purchase authority?		Internal Controls		
3. Are personnel resources adequate to support current and future needs?		Resources - Staff		
4. Personnel training, experience, knowledge, and structure are adequate to effectively and efficiently comply with company policy, applicable laws, regulations and DOE /NNSA prime contract requirements?		Internal Controls		
5. The position of the purchasing department relative to the rest of the organization and company policy promote the effectiveness of the purchasing and subcontracts functions?		Internal Controls		
6. Is the system structured to capture and achieve the Balanced Scorecard/Objectives Matrix metrics and any other metrics requested by DOE/NNSA?		Internal Controls		
b. Do the purchasing system policies include the requirements of the prime contract and applicable laws and regulations?		Prime K compliance		

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c. Is the contractor's written description of its purchasing systems and methods consistent with current practices and the prime contract?		Prime K compliance		
d. Do solicitations and subcontracts incorporate the required prime contract flow-down clauses to adequately protect the Government's interest?		Prime K compliance		
e. Are standard clauses used to the maximum extent practicable and do they reflect the requirements of the DOE/NNSA prime contract and applicable laws and regulations?		Prime K compliance		
f. Are special terms and conditions used if standard terms and conditions cannot be used, and are they in the best interests of the prime contractor and the Government?		Prime K compliance		
g. Purchase Planning:				
1. Are requiring activities and the purchasing department involved together in an effective and efficient advance purchase planning process?		Planning		
2. How, when and to what extent are internal customers brought into the procurement process?		Planning		
3. Are end-users (customers) involved in preparing statements of work, evaluation criteria and other supporting documentation?		Planning		
4. Are requirements schedules and long lead items identified?		Planning		
h. Identifying Purchase Requirements:				
1. Are requirements defined well enough to permit immediate preparation of solicitation and provide a foundation for successful award?		Planning		

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2. Is the proposed subcontract type appropriate for the risks involved and consistent with applicable guidelines, and were the reasons for selection fully documented?		File documentation		
3. Was consideration given for the utilization of Government property, and was it documented in a subsequent subcontract?		Planning		
i. Is pre-award cost/price analysis performed and documented consistent with current and applicable principles?		File documentation		
j. Is the contractor taking advantage of opportunities to leverage its buying power?		Planning		
k. Are controls in place to assure that rapid purchasing techniques (P-Cards, BPA, rapid purchasing techniques) are used appropriately?		Internal Controls		
l. Does the contractor have mechanisms in place to accommodate emergency buys?		Planning		
m. Do the processes provide for integration of ES&H, security, quality and property, etc. into each procurement action before <i>and</i> after award?		Internal Controls		
n. Are analyses being conducted and documented to determine that the price of an option is reasonable prior to exercising it?		File documentation		
II. Use capable & reliable subcontractors (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Are the following areas, as applicable, addressed and documented during the pre-solicitation phase of acquisitions:				

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1. Is the contractor authorized to buy against the GSA Schedules? If so, is the contractor appropriately buying against the Schedules and is the scope of work within the scope of the Schedule?		Sourcing/ Supplier Performance		
2. Is the General Services Administration Consolidated List of Debarred, Suspended, and Ineligible Bidders being checked? (If such offeror is on the list, is the contractor obtaining the DOE Contracting Officer's approval prior to award?)		File documentation		
b. Does the contractor have a system in place to use capable and reliable subcontractors who either have track records of successful past performance or can demonstrate a current ability to perform?		Sourcing/ Supplier		
c. Does the contractor maintain copies of subcontractor insurance certificates and ensure they are in compliance with subcontract provisions?		File documentation		
III. Minimization of acquisition lead-time & administrative costs of purchasing (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Are the following areas, as applicable, addressed and documented during the pre-solicitation phase of acquisitions?				
1. Establishment of Schedules/Purchasing Lead Times: Are schedules generated by working back from requirements and factoring in the effect of processing times and probable risks?		Planning		
2. Are purchases made commensurate with established procurement lead times?		Planning		

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b. Does the contractor make use of automation to the extent feasible? Is the use of IT resources cost effective?		Resources - Technology		
c. Enterprise thought and buying (to the extent applicable) [<u>not</u> compliance criteria]:				
1. Does the contractor participate on the ICPT/NNSA SCMC and use ICPT/NNSA SCMC agreements?		Sourcing/Supplier Performance		
2. Does the contractor make efficient use of DOE/NNSA prime contracts (e.g., DOE-wide NEPA contracts)?		Sourcing/Supplier Performance		
d. Electronic contract writing systems:				
1. Can this system be modified for individual requirements?		Resources		
2. Does the system require prior approval to changes in boilerplate language?		Internal Controls		
e. Are acquisition lead times tracked and trended?		Resources		
f. Are internal customers educated early in the process regarding required input to the procurement staff (e.g., statements of work, specifications, special terms and conditions, pre-solicitation conferences, etc.)?		Planning – Customer Interface		
IV. Use of effective competitive techniques (Is the procuring staff complying with the written purchasing policies and procedures in the following areas?)				
a. Are adequate forecasts for appropriate procurement actions communicated to industry well in advance in order to maximize competition?		Planning		
b. Are sole source justifications adequately documented and approved at the required levels?		File documentation		
c. Is the contractor planning well in advance to minimize sole source awards?		Planning		

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d. Are contract requirements and evaluation criteria scrutinized to ensure competition is not being overly restricted?		Sourcing/Supplier Performance		
V. Reduction of subcontract performance risks & facilitation of quality relationships (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Are allowable costs for cost reimbursable subcontracts determined in accordance with the cost principles?		Contract Administration		
b. Does the contractor provide for periodic audit of cost reimbursement subcontractors at all tiers and other audits, where necessary, to provide a valid basis for pre-award or cost or price analysis?		Contract Administration		
c. Are all cost/price issues appropriately documented?		File Documentation		
d. Does the contractor provide timely disposition instructions for Government property and ensure compliance with those instructions?		Contract Administration		
e. For construction contracts:				
1. When appropriate, does the contractor have a system in place to prevent the award of a construction subcontract to the A&E company or affiliate who prepared the design?		Construction		
2. If the contractor awards a turnkey subcontract, does the subcontractor assume all liability for defects in design and construction and consequential damages?		Construction		
3. Has the contractor awarded both a cost reimbursement and a fixed- price subcontract for construction, architect-engineer services, or any combination thereof to the same firm when those subcontracts will be performed at the same site?		Construction		

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4. Has the contractor employed the construction subcontractor or an affiliate to inspect the firm's work?		Construction		
5. Does the contractor ensure that the working relationships of the construction subcontractor and the subcontractor inspecting its work and the authority of the inspector are clearly defined?		Construction		
f. Is the possibility of an Organizational Conflict of Interest (OCI) considered? Are appropriate OCI provisions included in the solicitation and resultant contract?		File Documentation		
g. Specialized Purchasing Methods (including purchase cards, electronic commerce, and other rapid purchasing techniques):				
1. Are controls in place to ensure that these purchasing methods are used appropriately?		Internal Controls		
2. Do the methods used conform with applicable requirements and good business practices?		Internal Controls		
3. Is there adequate protection to preclude fraud, waste and abuse?		Internal Controls		
4. Are policies and procedures established for the use of these methods, and is appropriate training provided to the purchasing staff/authorized users?		Internal Controls		
VI. Use of self-assessment & benchmarking techniques to support continuous improvement				
a. Are lessons learned and findings from peer reviews, IG or GAO audits, previous PERT reviews, and other third party reviews trended, considered, and preventive or corrective actions taken? Are these findings, lessons learned and corrective actions conveyed to the procurement staff?		Self-assessment		

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b. Are processes in place to facilitate the procurement process and reduce lead-time?		Planning		
c. Does the contractor have a system for problem identification, data collection and analysis, and a plan for improvement?		Self-assessment		
d. Is the contractor utilizing the BSC program or Objectives Matrix as a tool to manage performance improvement?		Self-assessment		
e. Does the contractor have an internal assessment/audit program that ensures that management systems and internal controls employed are adequate to provide reasonable assurance that the objectives of the purchasing system are being accomplished? And, that these systems and controls are working effectively?		Self-assessment		
VII. Maintenance of the highest professional and ethical standards (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Is there an ethics program in place?		Internal Controls		
b. Is appropriate training provided to all individuals who will be responsible for monitoring subcontractor performance (including ES&H, security, property, etc)?		Ethics/Training		
c. Are the roles, responsibilities, and expectations clearly communicated for proper administration of subcontracts?		Ethics/Training		
d. Is the frequency and timing of all procurement related training appropriate?		Ethics/Training		
e. Is there adequate protection to preclude fraud, waste and abuse?		Internal Controls		

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VIII. File documentation appropriate to value of purchase & adequate to establish propriety of transaction & price (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Does the requisition indicate that funds are available, or will be made available, within existing or planned budgets?		File Documentation		
b. Are technical evaluations adequate and do they support source selection decisions?		File Documentation		
c. Are compliance checks for EEO obtained and evaluated when appropriate?		File Documentation		
d. Does the contractor maintain file documentation that is appropriate for the value of the purchase and that is adequate to establish the propriety of the transaction and the price paid?		File Documentation		
e. Are certified cost or pricing data and a Certificate of Current Cost or Pricing Data obtained and documented when required?		File Documentation		
f. Are the Service Contract Act or Davis Bacon Act applicable? If so, does the contractor include wage determinations received from the Department of Labor and insert the appropriate clauses in the solicitation and subcontract?		File Documentation		
g. Are the records adequate in documenting that essential post award administrative functions have been performed and that the system has protected both the contractor and the Government?		File Documentation		
h. Does the contractor make a determination of responsibility prior to award?		Sourcing/Supplier Performance		

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IX. Maximization of opportunities for small business (Is the procurement staff complying with the written purchasing policies and procedures in the following areas?)				
a. Are subcontracting plans obtained when required? If so, is the contractor monitoring these plans to ensure performance against the plan?		Prime K Compliance		
b. Does the Contractor engage in outreach activities to identify and use Small Business sources?		Prime K Compliance		
X. Best Practices (not compliance criteria):				
a. Does the contractor use a supplier quality and recognition program?		Sourcing/Supplier Performance		
b. Are complaints, questions, or issues presented to the ombudsmen, or through alternative disputes procedures tracked and trended to identify systemic problems or areas for improvement?		Sourcing/Supplier Performance		
c. Are relationships maintained with suppliers? Is their feedback sought and considered?		Sourcing/Supplier Performance		
d. Do contracts include language that identifies remedies for poor performance?		Sourcing/Supplier Performance		
e. Is procurement staff aware of indications that a contractor may be in financial jeopardy?		Sourcing/Supplier Performance		
f. Are contractors monitored to periodically assess financial stability?		Sourcing/Supplier Performance		
g. Does the contractor consider succession planning?		Resources - Staff		