NPS-CM-14-021

ACQUISITION RESEARCH PROGRAM
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Analysis of Trends From DoD-Level Peer-Reviewed Contracts

1 May 2014

CPT Adam G. Blevins, USA

Thesis Advisors: Bryan J. Hudgens, Lecturer
Rene G. Rendon, Associate Professor

Graduate School of Business & Public Policy

Naval Postgraduate School

Prepared for the Naval Postgraduate School, Monterey, CA 93943.

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GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY
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The research presented in this report was supported by the Acquisition Research Program of the Graduate School of Business & Public Policy at the Naval Postgraduate School.

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Abstract

Department of Defense (DoD) spending has been steadily increasing ever since the early 1990s. During that period, the acquisition workforce has steadily declined. This situation resulted in an undermanned and undertrained contracting workforce with an increased workload. With the workforce spread thin, lapses in contracting processes occurred. As a result of these issues, in 2008, the DoD established the requirement for independent management reviews, or peer reviews, of contractual actions.

Since the onset of the peer-review requirement, the Defense Procurement Acquisition Policy (DPAP) has maintained a database of peer-review results. Data analytics were used to analyze the frequency of occurrences of the data elements within the DPAP database of peer-review results in an effort to answer two research questions. First, are there trends within the peer-review results of DoD-level peer-reviewed contracts? Second, are any trends identified related to the competency gaps identified in the 2007 Department of Defense *Contracting Workforce Competency Assessment Final Report*?

Trends within the data elements present in the DPAP database of peer-review results were identified. Certain categories garnered more attention of the peer-review teams. Based on trends identified, recommendations are provided to improve the overall usefulness of the DPAP database of peer-review results.

Keywords: Peer Reviews, DPAP, Contracts, Contractual Actions, Contracting Workforce, Contracting Core Competencies

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Acknowledgments

I would like to thank my spouse, Megan Blevins, and my children, Billy, Gunnar, and Colt, for their never-ending love and support, coupled with unending encouragement in writing this MBA Project. I cannot express enough appreciation and thanks for their understanding and sacrifice throughout this research.

Additionally, I would like to thank the Acquisition Research Program, especially RADM James Greene, USN (Ret.) and Ms. Karey Shaffer for providing funding and resources to ensure the success of this research project.

Last, but certainly not least, I would like to thank my advisors, Professors Bryan J. Hudgens and Rene G. Rendon, for their support, guidance, patience, and encouragement throughout the duration of this project.

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About the Author

CPT Adam G. Blevins was commissioned as an infantry officer from the ROTC program at Indiana University–Purdue University Indianapolis, Indianapolis, IN, where he received a Bachelor of Science in interdisciplinary studies. His assignments include platoon leader, F/52nd Inf, BN assistant operations officer, 1-38th Inf, 4/2 SBCT, company executive officer, HHC & B Co, 1-38th Inf, 4/2 SBCT, rifle company commander, B Co, 1-38th Inf, 4/2 SBCT, headquarters and headquarters company commander, 1-38th Inf, 4/2 SBCT at Joint Base Lewis-McChord, WA, and operations officer, 1-335th Inf, 205th Inf BDE at Camp Atterbury, IN. He has been married to his wife Megan for 10 years, and has three sons, William, Gunnar, and Colton. After graduating from the Naval Postgraduate School in June 2014, he will report to Joint Base Lewis-McChord, WA, to serve as a contingency contracting team leader.

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List of Acronyms and Abbreviations

AAP	Acquisition Advisory Panel
ACC	Army Contracting Command
AFARS	Army Federal Acquisition Regulation Supplement
ASSP	Army Services Strategy Panel
CADB	*Contract Attorney's Deskbook*
CCM	Contracting Competency Model
CMMM	Contract Management Maturity Model
CMROAT	Contract Management Risk and Opportunity Assessments Tool
CRB	Contract Review Board
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DFARS	Defense Federal Acquisition Regulation Supplement
DoD	Department of Defense
DPAP	Defense Procurement Acquisition Policy
FAR	Federal Acquisition Regulation
FFP	firm fixed price
FY	fiscal year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
HCA	head of the contracting activity
HQDA	Headquarters, Department of the Army
IDIQ	indefinite delivery indefinite quantity
IG	Inspector General
IQC	indefinite quantity contract
NDAA	National Defense Authorization Act
OFPP	Office of Federal Procurement Policy
OSD	Office of the Secretary of Defense
PARC	principal assistant responsible for contracting

PCS	permanent change of station
PGI	Procedures, Guidance, and Information
PWS	performance work statement
R&D	research and development
RFP	request for proposal
SOW	scope of work
SRB	solicitation review board
SSA	source selection authority
SSAC	source selection advisory council
SSEB	source selection evaluation board

I. INTRODUCTION

A. BACKGROUND

Department of Defense (DoD) spending has been steadily increasing ever since the early 1990s. During the same time period, the acquisition workforce has steadily declined. The 2007 Gansler Commission report on Army contracting noted that over a 12-year period, contracting actions had risen 350% while the Army contracting workforce had been reduced by 50% (Gansler, 2007). This situation resulted in an undermanned and undertrained contracting workforce, with a vastly increased workload. Within the DoD, workload per GS-1102 (Contract Specialist) staff member rose from an annual average of $6.4 million in contract actions in fiscal year (FY) 1996 to nearly $13 million in FY 2005 (Girovasi, 2007).[1] With the onset of overseas contingency operations in Iraq and Afghanistan, demand for the acquisition workforce spiked. Figure 1 highlights the increase in spending along with the corresponding decrease in the acquisition workforce.

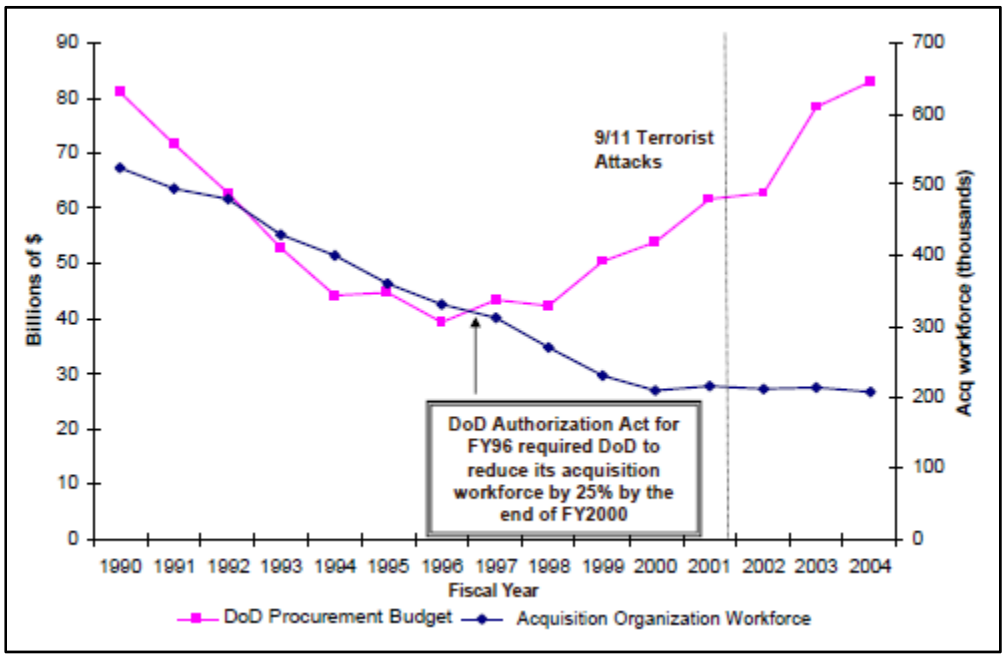

Figure 1. DoD Acquisition Trends
(Gansler, 2007)

[1] As the dollar value of a contract action increases, so does the workload required to process it. For example, Micropurchase procedures apply under $3,000, and Simplified Acquisition Procedures apply from $3,000 up to $150,000 (FAR 13.003(b)(1), 2014). Additional workload is generated when a contractor is required to submit Certified Cost or Pricing Data for purchases above $700,000 when no exceptions apply (FAR 15.403-4(a)(1), 2014).

With the workforce spread thin, lapses in contracting processes began to occur. A Government Accountability Office (GAO) report, GAO-05–274, *Contract Management: Opportunities to Improve Surveillance on DoD Service Contracts*, issued in March 2005, reviewed 90 service contracts. Out of these 90 contracts, the GAO (2005) found insufficient surveillance on 24. From those 24 contracts, 15 had no surveillance whatsoever (GAO, 2005). The Gansler Commission report revealed that, as of 2007, 83 Army criminal investigations relating to contract fraud were ongoing in Iraq, Afghanistan, and Kuwait. At the same time, 23 government employees (both civilian and military) were charged or indicted in federal court. The contracts affected represented over $6 billion in value (Gansler, 2007).

As a result of these and other issues discussed during the literature review chapter, the DoD established the requirement for independent management reviews, or peer reviews, of contractual actions in 2008. The purpose of the peer-review requirement was to help address the shortfalls in manning and experience within the DoD contracting community by ensuring policy and regulations were followed in a consistent manner, and that the available experience was shared across the contracting workforce (Assad, 2008). Identifying and tracking the trends within the data provided by the peer-review process is critical to identifying systemic problems within both the training of the DoD's contracting workforce and how the contracting workforce is operating.

B. PURPOSE

The primary purpose of this project was to examine the Defense Procurement Acquisition Policy (DPAP) database of peer-review results and identify any trends within the data. This project was not intended to be an exhaustive study of the DPAP database of peer-review results. Rather, it was contemplated as a way to identify overarching trends for further analysis in the future. There is one secondary goal associated with this project: examine any relationships between trends observed within the DPAP database of peer-review results and the competency gaps by the Contracting Competency Model (CCM) in the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007).

C. RESEARCH QUESTIONS

In an effort to investigate a previously unexplored topic, I crafted two research questions:

- Are there trends within the peer-review results of DoD-level peer-reviewed contracts?

- Are any trends identified related to the competency gaps identified in the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007)?

D. BENEFITS AND LIMITATIONS OF THIS PROJECT

The results of this project can be used to target and strengthen areas of training that are leading to systemic issues within the contracting process. It can also be used to identify areas of the contracting process that are simply being neglected and would benefit from additional emphasis by contracting officers and their supervisors. Improved understanding of the trends within the DPAP database of peer-review results will enable policy-makers to structure decisions appropriately to increase both the efficiency and effectiveness of the DoD contracting workforce.

The limitation of this project rests with the fact there were only 288 entries within the DPAP database of peer-review results. Thus, it was not possible to obtain a larger population or sample size to analyze.

E. RESEARCH METHODOLOGY

The research began with a literature review. The literature review addresses why DoD conducts peer reviews and addresses corporate procurement review practices, development of the peer-review requirement, and guidance on conducting peer reviews. I approached the research questions by analyzing the DPAP database of peer-review results in terms of frequency of occurrences of various data aspects, including Category, Type of Contract, Review Phase, and Type of Feedback. I examined the narrative comments section from a qualitative standpoint to identify any recurring themes within the comments.

F. ORGANIZATION OF REPORT

The report consists of five chapters. Chapter I contains a brief background, the purpose of the research, research questions examined, relative benefits and limitations of the project, and an overview of the research methodology. Chapter II is the literature review, which is primarily concerned with addressing the questions of why we peer review contractual actions, how the requirement was developed, and how it has been implemented. To that end, the history of the Defense Acquisition Workforce Improvement Act (DAWIA) is examined. I review multiple GAO and commission reports that reveal the decline in the experience and manning of the acquisition workforce, coupled with the rise in spending activities and the resultant issues that caused. Chapter III discusses where the data originated and how it was analyzed. Chapter IV provides the results from the analysis of the data. Chapter V contains the summary of the project, recommendations for improving the DPAP

database of peer-review results, and areas for further research relating to the findings of this project.

G. SUMMARY

Chapter I provided the background information on the peer-review requirement and the purpose of the project, stated the research questions and the benefits and limitations of the project, and briefly addressed the methodology and organization of the written report. The next chapter contains the literature review. The literature review addresses why the DoD conducts peer reviews of contractual actions. It also addresses corporate procurement review practices, development of the peer-review requirement, and guidance on conducting peer reviews.

II. LITERATURE REVIEW

A. INTRODUCTION

The previous chapter discussed the basis of this research. In this chapter, I examine why the DoD conducts peer reviews of contractual actions. I also examine development of the peer-review requirement, and guidance on conducting peer reviews. Elements of this chapter include explanations of the DoD's initiation of required peer reviews, the definition of a peer review, and the execution of peer reviews. Additionally, I review how both public and private procurement agencies evaluate performance.

B. WHY PEER REVIEW?

1. Introduction

To understand the reasoning behind the peer-review requirement, it is necessary to look back to the beginnings of the modern defense acquisition workforce, which can be traced back to the early 1990s, with the passage of the Defense Acquisition Workforce Improvement Act (DAWIA, 1990). The history since 1990 develops a story of the development of a truly professional workforce and how it ran into issues of cutbacks in an era of persistent defense spending cuts. This led to a situation of neglect within the acquisition workforce in a time of persistent conflict when the workforce could have been utilized to its fullest, ultimately causing the workforce to break down under the strain of too many requirements and too few trained personnel.

2. Defense Acquisition Workforce Improvement Act

As a result of an acquisition workforce that was plagued by scandal and inefficiencies, the DAWIA was developed and enacted into law in 1990. Fraud, waste, and abuse have gone hand in hand with military operations throughout history. The U.S. government's response after each conflict has been to enact progressively more restrictive legislation in the name of acquisition reform. Defense historian William Gregory (1989) described in his work *The Defense Procurement Mess* the state of acquisitions in the late 1980s "as one that had been managed and over-reformed into impotence with volumes of oversight regulations." Scandals dragged the issues further into the spotlight. Operation Ill Wind, a Department of Justice probe that uncovered widespread corruption and incidents of fraud and bribery within the defense procurement system, was concluded in 1988. In all, the operation resulted in more than 60 convictions, including that of former Assistant Secretary of the Navy Melvyn Paisley (Layton, 2007).

Voted into law as Public Law 101–510 on November 5, 1990, the DAWIA was codified in Title 10, Chapter 87 of the U.S. Code and amended in 1991, 1993, 2001, 2003, 2008, 2011, and 2013 (DAWIA, 2013). The purpose of the DAWIA was to shift the focus from regulating acquisition procedures to developing a professional acquisition workforce. It established a certification process for contracting as a career field, to include establishing standards for education, training, and progressive levels of experience. DAWIA also prescribed the creation of a center for defense acquisition education. The Defense Acquisition University (DAU) was formed in 1992 to satisfy that requirement. The DAU was initially established from a consortium of existing DoD organizations, bound together by memoranda of agreement to cooperate as the DAU. The DAU has been highly successful in raising professional standards of education for acquisition professionals; however, while quality has increased, quantity has not (Layton, 2007).

3. The Acquisition Workforce in Decline

Much has been written over the past six years about issues facing the acquisition workforce. The Acquisition Advisory Panel (AAP) issued a report in 2006 through the Office of Federal Procurement Policy (OFPP) detailing the challenges facing the acquisition workforce. The acquisition career field was not spared from the larger defense drawdown of the early to mid-1990s. Actual numbers for the time period are difficult to find, for two main reasons. First, each organization in the federal government defines “acquisition professional” differently; and second, prior to 1999, there was no requirement mandating tracking acquisition professionals separately within the federal employment system. What is known is that the acquisition workforce went through substantial reductions throughout the 1990s, and little to no hiring took place. Meanwhile, the workforce continued to gain experience while it edged ever closer to retirement (Office of Federal Procurement Policy [OFPP], 2007). Figure 2 illustrates the issue, with a large number of contracting officers with less than 10 years of experience, with a dip in the mid-level experience range, followed by a large number of employees at the retirement age.

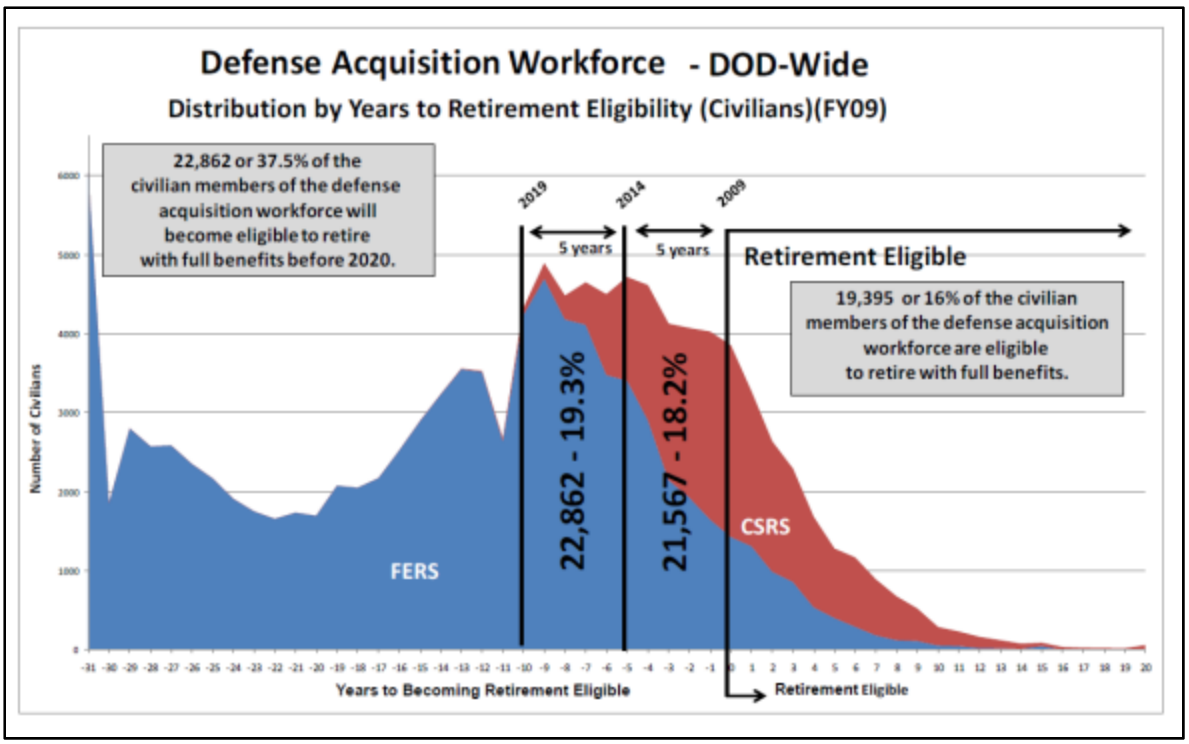

Figure 2. Defense Acquisition Workforce Retirement Eligibility Distribution
(DoD, 2010, p. 2-22)

Since 1999, the differences across the federal government in defining acquisition professionals make it difficult to ascertain precise statistics about growth trends within the workforce, though all numbers point towards decline, ranging anywhere from 3% to 27% (OFPP, 2007). Within the current acquisition workforce, 50% were retirement eligible in 2010 (Girovasi, 2007). Another well-documented fact is the increase in acquisition-related spending since 1990. Paradoxically, as the acquisition workforce was reduced, the reliance on the workforce increased. Consider some examples:

- Federal acquisition expenditures tripled from FY 1991 to FY 2006, reaching a level of $424 billion.
- Federal acquisition spending increased by 65% from FY 2001 to FY 2005, representing an increase from $235 billion to $388 billion.
- Within the DoD, workload per GS-1102 (Contract Specialist) staff member rose from an annual average of $6.4 million in contract actions in FY 1996 to nearly $13 million in FY 2005.
- Contracts for services accounted for 60% of total spending in FY 2005 and 2006 (Girovasi, 2007).

The issue at hand becomes one of more contract actions to process with fewer, less-experienced contracting officers available to process them. The 2007 Gansler Commission report on Army contracting noted that over a 12-year period, contracting actions had risen 350% while the Army contracting workforce had been reduced by 50% (Gansler, 2007).

4. The System Breakdown

Several reports, documents, and commissioned studies have established what happened once the contracting system was placed under stress. GAO-02–737 was issued in July 2002, approximately 10 years after the overhaul of the acquisition system began, but before the United States' involvement in Iraq and Afghanistan and the surge in contracting actions. The GAO (2002) noted that when the DoD had adopted a definition of the acquisition workforce, it was very multidisciplinary in nature, covering various functions of the contracting team. Various government civilian agencies, by contrast, had not taken such a broad approach and only considered the GS-1102 series to make up the contracting team. As a result of the DoD outlook, they had developed broad training and tracking programs to assist in maintaining and accounting for their acquisition professionals. The GAO (2002) found overall that the DoD was executing the DAWIA reforms well; however, the government civilian agencies still had work to do. The report also found, through the interview process, that acquisition leadership felt that funding was currently adequate to maintain training proficiency levels, but that leadership worried about upcoming budget cuts, particularly to the DAU's budget (GAO, 2002).

By 2005, the situation seemed to have worsened. GAO-05–274, *Contract Management: Opportunities to Improve Surveillance on DoD Service Contracts*, issued in March 2005, reviewed 90 service contracts. Out of these 90 contracts, the GAO found insufficient surveillance on 24. From those 24 contracts, 15 of them had no surveillance whatsoever. The DoD readily acknowledged the lapse, and in response to the findings stated they simply did not have enough qualified contracting personnel to fulfil the requirement (GAO, 2005).

Testimony by David M. Walker, Comptroller General of the U.S., before the House of Representatives Subcommittee on Defense and the Committee on Appropriations in September 2006, was captured in GAO-06–800T (Walker, 2006). His testimony was based on six years of research using the generally accepted government auditing standards (GAGAS). The work revealed that dollar values for major weapon system and service contracts were indeed on a sharp rise, and the workforce had remained flat. Issues of insufficient oversight of contractors, weak business practices, and poor incentives for contractors to perform well were also identified (Walker, 2006). Figure 3 illustrates the issue; the line within the figure

demonstrates the acquisition workforce, while the columns represent the increase in obligations.

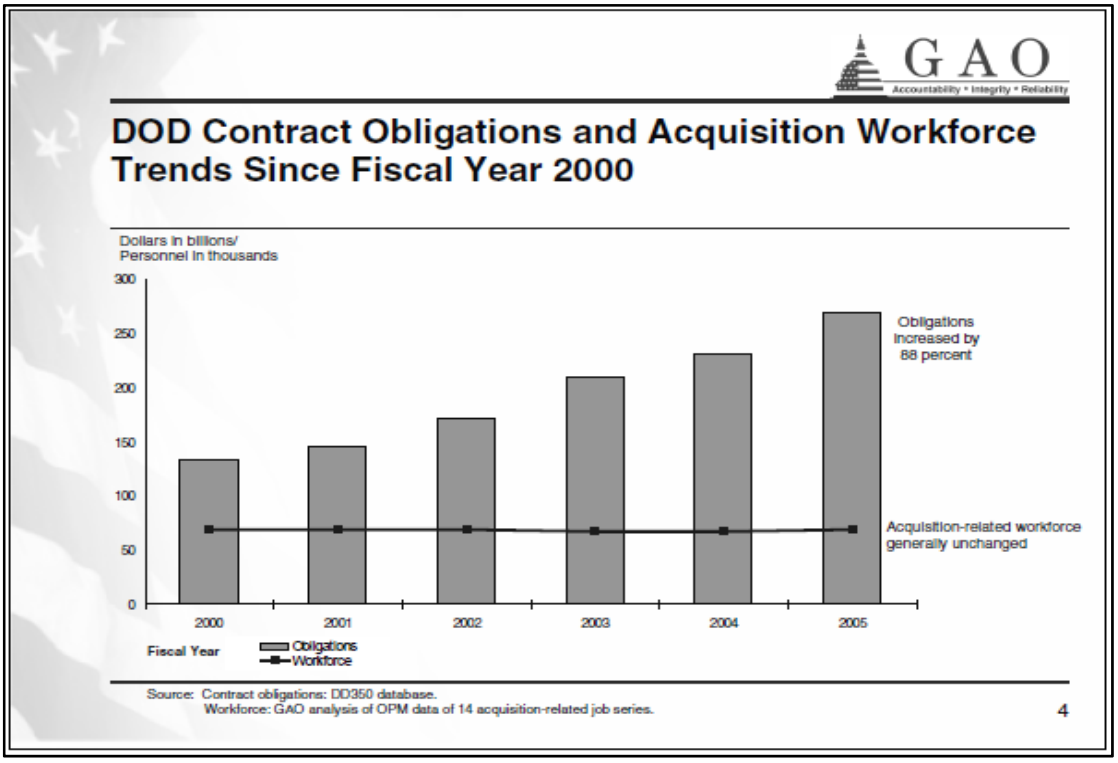

Figure 3. DoD Contract Obligations and Acquisition Workforce Trends
(GAO, 2006, p. 4)

In late 2006, the GAO also convened a forum of experts on acquisition and management from government, academia, and the public sector to discuss overall federal acquisition challenges over the longer term. GAO-07-45SP found that leaders among the various federal agencies were not recognizing the important role the acquisition workforce played in their organizations. It also upheld DoD contract management as a federal government high risk area, a status it had held since 1992 (GAO, 2006).

As stories of fraud, waste, and abuse, coupled with rampant spending in Iraq, Afghanistan, and Kuwait, continued to mount, the secretary of the Army established a commission to examine expeditionary contracting in 2007. The commission was headed by Dr. Jacques S. Gansler, former under secretary of defense for acquisition, technology, & logistics. The Gansler Commission found, as several previous GAO reports show, that the contracting workforce had become short-staffed and undertrained. It also highlighted massive amounts of fraud relating to government contracts, mostly in Iraq. As of October 23, 2007, 83 Army criminal investigations relating to contract fraud were ongoing in Iraq, Afghanistan, and

Kuwait. At the same time, 23 government employees (both civilian and military) were charged or indicted in federal court. The contracts affected represented over $6 billion in value (Gansler, 2007).

Further testimony before Congress by David M. Walker was captured in two additional GAO reports, GAO-07–1098T and GAO-08–621T (Walker, 2007, 2008). These reports continued to highlight issues of shortages in the workforce and insufficiently trained acquisition personnel. Additionally, one report noted the dramatic increase in the role of service contracts within the DoD and a shift away from the utilization of government employees. Concerns were also raised about the line becoming blurred between contractor involvement with inherently governmental functions. The marked increase in the number of service contracts only multiplied the stress on the government contracting workforce (GAO, 2008). A report delivered by John P. Hutton, Director of Acquisition and Sourcing Management, to Congress in 2007 reinforced this by revealing that the DoD had awarded service contracts for security guard services at 57 domestic bases, and that 46 of them were awarded on a sole source basis. The cost of the contracts rose by 25% compared to when the same contracts were previously awarded competitively. The same report identified that, indexed to 2006 dollars, the amount awarded for DoD service contracts rose from $85.1 billion in 1996 to $151 billion in 2006, representing a 78% increase (Hutton, 2007).

Of specific mention, the GAO issued the report titled *Status of DoD's Implementation of Independent Management Reviews for Service Acquisitions* in January 2010. Overall, the report found that there are still issues with the implementation, but the DoD is making progress. The report noted two major issues. First, at the time of the report, the military departments stated that they had undertaken hundreds of reviews; however, they could not deliver precise numbers because of a lack of a defined reporting process. Second, and perhaps equally grievous, the DoD had not yet developed a methodology or mechanism to report review results and lessons learned back to the force (GAO, 2010). The following section addresses the development of the peer review–requirement.

C. DEVELOPMENT OF PEER REVIEW REQUIREMENT

The development of the peer-review requirement began in 2008 with a DoD memorandum informing the service branches that contractual actions over a certain dollar threshold would be subject to a DoD-level peer-review process, both pre- and post-award of the contract. It also instructed the respective services to establish internal peer-review processes based on lower dollar thresholds. The Defense Federal Acquisition Regulation Supplement (DFARS) and Army Federal Acquisition Regulation Supplement (AFARS; 2014) provided specific guidance about the implementation of the new policy, and contracting-specific guides such as the

Contract Attorney's Deskbook (Contract and Fiscal Law Department, Judge Advocate General's School, 2013) and the *Army Contracting Command Desk Book* (Army Contracting Command [ACC], 2012) provided references to the new regulations.

1. DoD Peer-Review Implementation Memorandum

The DPAP organization is the policy arm of DoD for defense procurement and acquisitions. This organization is responsible for "all Contracting and Procurement policy matters including e-Business in the DoD. DPAP executes that policy through the timely update of the DFARS, PGI, and 5000.1&2" (DPAP, 2014). The DoD established the requirement for contract peer reviews by issuing a policy memorandum dated September 29, 2008, and titled "Peer Reviews of Contracts for Supplies and Services" (Assad, 2008). The memorandum stated three primary objectives: (1) to ensure that contracting officers across the Department are implementing policy and regulations in a consistent and appropriate manner; (2) to continue to improve the quality of contracting processes across the Department; (3) to facilitate cross-sharing of best practices and lessons learned across the Department (Assad, 2008).

The peer-review requirement grew from two sources. First, the DoD had implemented a pilot program to evaluate proposed contract awards, focusing on the pre-contract award process. Second, Congress enacted Section 808 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008, Public Law 110–181. This law required the DoD to establish requirements for post-award independent management reviews of contracts for services, and for sharing lessons learned from those reviews (NDAA, 2007). The existing peer-review pilot program expanded to satisfy the requirement brought about by the NDAA of 2008.

Rather than being regulatory in nature, the peer reviews were envisioned as a quality control and an advisory tool for contracting officers. It is important to note that the agency managing the procurement still has the final decision on how the procurement is executed, though the memorandum did establish a requirement that all peer-review recommendations and their dispositions be documented in the contract file.

The DPAP office has responsibility for organizing review teams and facilitating pre-award peer reviews for all contracts valued at or above $1 billion, and post-award reviews of service contracts valued at or above $1 billion. The contract value should also include the estimated value of any options associated with the contract. The DPAP-level peer-review teams consist of senior-level DoD contracting officials, both civilian and military, and members of the Office of General Counsel.

Further, the initial memorandum directed that each military department, defense agency, and DoD field activity would publish its own policies for the conduct of pre- and post-award peer reviews for contracts valued at less than $1 billion.

2. Defense Federal Acquisition Regulation Supplement Peer-Review Requirements

The DoD codified the requirement into the Defense supplement to the Federal Acquisition Regulation (FAR). The FAR is a detailed federal regulation that prescribes how the federal government will procure supplies, services, and equipment. The DoD has its own supplement to the FAR, as does each service component (Army, Navy, and Air Force). DFARS Part 201.170 explains the requirement for peer reviews:

201.170 Peer Reviews.

(a) DoD peer reviews.

(1) The Office of the Director, Defense Procurement and Acquisition Policy, will organize teams of reviewers and facilitate peer reviews for solicitations and contracts, as follows using the procedures at PGI 201.170—

(i) Pre-award peer reviews for competitive procurements will be conducted in three phases for all solicitations valued at $1 billion or more;

(ii) Pre-award peer reviews for noncompetitive procurements will be conducted in two phases for new contract actions valued at $500 million or more; and

(iii) Post-award peer reviews will be conducted for all contracts for services valued at $1 billion or more.

(2) To facilitate planning for peer reviews, the military departments and defense agencies shall provide a rolling annual forecast of acquisitions that will be subject to DoD peer reviews at the end of each quarter (i.e., March 31; June 30; September 30; December 31), to the Deputy Director, Defense Procurement and Acquisition Policy (Contract Policy and International Contracting) via e-mail to osd.pentagon.ousd-atl.mbx.peer-reviews@mail.

(b) *Component peer reviews*. The military departments and defense agencies shall establish procedures for—

(1) Pre-award peer reviews of solicitations for competitive procurements valued at less than $1 billion;

(2) Pre-award peer reviews for noncompetitive procurements valued at less than $500 million; and

(3) Post-award peer reviews of all contracts for services valued at less than $1 billion. (DFARS 201.170)

The DFARS mentions peer reviews in Subpart 215.270, Solicitation and Receipt of Proposals and Information; Subpart 207.104, General Procedures of Acquisition Planning; and Subpart 237.102, Policy of Service Contracts, but only to the extent of referring back to Subpart 201.170. The FAR, in and of itself, makes no reference to peer reviews. Since peer reviews are a DoD requirement, there is no regulatory requirement for the policy on peer reviews to appear in the FAR.

3. Overview of Contract Attorney's Deskbook Peer-Review Requirements

The 2013 *Contract Attorney's Deskbook* (*CADB*), published by the Contract and Fiscal Law Department of the DoD's Judge Advocate General's School, highlights the need for peer reviews. Chapter 8, Negotiated Procurements and Source Selection, mentions fairly early that peer reviews are a planning consideration to be considered in the acquisition planning phase, and reiterates the requirements stated in DFARS 201.170. The *CADB* does not provide any more details than what is included in the DFARS—only that it is a statutory requirement (Contract and Fiscal Law Department, Judge Advocate General's School, 2013). The next section examines the procedures, guidance, and information (PGI) relating to the peer-review requirement.

D. PROCEDURES, GUIDANCE, AND INFORMATION 201.170 CONDUCTING PEER REVIEWS

The DFARS (2014) contains implementation and DoD-specific supplementation information to the FAR (2014). The DFARS sets forth requirements established by law, policies that are implemented across the DoD, delegation authority, DoD-specific FAR deviations, and other policies deemed to have a significant impact on the public. The PGI series offers supplementation to the DFARS. The PGI contains techniques, procedures, and guidance of a non-regulatory nature that are not included in the DFARS (DFARS 201.170).

PGI 201.170, *Conducting Peer Reviews*, provides guidance on how to conduct peer reviews in accordance with DFARS 201.170. Since the PGI 201.170 is issued as guidance, rather than strict regulation, it provides a view into what the DPAP considers most important within the peer-review process. Consider the longest paragraph in the section:

> The results and recommendations that are products of peer reviews are intended to be advisory in nature; however, in the event the peer review report includes a recommendation that is identified as "significant" and the contracting officer does not intend to follow that

> recommendation, the senior procurement official of the contracting activity for the reviewed organization must be made aware of this fact before action is taken (or inaction, as applicable) that is contrary to the recommendation. Reviews will be conducted in a manner that preserves the authority, judgment, and discretion of the contracting officer and the senior officials of the acquiring activity. (DFARS 201.170)

This section would seem to indicate the importance placed on the peer-review results. It also highlights an interesting dichotomy between the sanctity of the contracting officer and the recommendations of the peer-review board. It is explicit in this statement that the contracting officer can stand by his or her decision, though it will be under the spotlight.

PGI 201.170 begins by stating the review criteria that are the tenets of DoD-wide contractual actions, and includes a document highlighting these areas. This is the core of the peer-review process and the benchmark against which peer reviews are conducted. Figures 4 and 5 describe what participants in the peer-review process are examining for pre- and post-award acquisition of services.

DoD Criteria for the Acquisition of Services (Preaward)

	Tenet	Review Criteria:	Primarily Assessed at:
1	**Acquisition Strategy:** Service acquisitions should have a comprehensive acquisition strategy that reflects program objectives, leverages spend data to arrive at strategic sourcing solutions for the enterprise being supported, incorporates strategic contracting tools, is developed prior to the issuance of a solicitation (amended as applicable), and is adhered to throughout performance.	Detailed written and approved acquisition strategy	Review/Approval of Acquisition Strategy
2	**Clearly Defined Requirements:** Service acquisitions should use a performance work statement or statement of objectives that clearly defines the services the program seeks to receive.	Requirements clearly stated	Peer Review
3	**Period of Performance:** Contract period of performance should reflect a length that is consistent with technological dependence, industry standards, and sufficient time to reclaim program ownership (in cases with an acquisition history of a single provider) such that fair competition can occur. Typically this is 3-5 years with certain exceptions (e.g. performance-based logistics and energy-savings performance contracts). Single-award contracts for knowledge based services should be limited to three years (including options) unless, by exception, fully justified for longer periods.	Length of contract appropriate	Review/Approval of Acquisition Strategy
4	**Appropriate Contract Type:** Services acquisitions should be predisposed toward CPFF or CPIF arrangements when robust competition or recent competitive pricing history does not exist to build sufficient cost knowledge of those services within that market segment. When robust competition exists, or there is recent competitive pricing history, FFP should typically be used. Award fee contracts should be limited as they provide limited motivation for cost discipline. T&M is the least preferable contract type and must be justified when used and limited (e.g. < 10% of contract value).	Contract type appropriate	Review/Approval of Acquisition Strategy
5	**Socio-Economic Considerations:** The Department highly values small business contributions and expects maximum opportunities for small business participation.	Small business opportunities	Review/Approval of Acquisition Strategy
6	**Participation Decision Points:** Acquisitions with longer periods of performance, particularly multiple award contracts, should include decision points (on and off ramps) to ensure a qualified pool of contractors that will provide continuous service throughout the life of the contract.	Decision points (on and off-ramps) for longer term contracts	Review/Approval of Acquisition Strategy
7	**Competition:** Service acquisition requirements should be articulated in such a way to provide for maximum competition and, for multiple award contracts, throughout the life of the contract with meaningful competition for orders. Evaluation factors are tied to key program requirements.	Approach provides for robust competition	Review/Approval of Acquisition Strategy
8	**Objective Incentives:** Objective criteria will be utilized, whenever possible, to measure contract performance. Service contracts valued at $1 billion or more shall include provisions to achieve productivity improvements and cost efficiencies throughout the contract period.	Award/Incentive Fee set up to reward effective outcomes	Review/Approval of Acquisition Strategy
9	**Inherently Governmental Functions:** Acquisitions for services must address the extent of the agency's reliance on contractors to perform functions closely associated with inherently governmental functions as required by FAR Subpart 7.5, and DFARS Subpart 207.5.	Required determinations appropriately executed	Peer Review
10	**Conflict of Interests:** When one contractor will provide oversight for another contractor or direct work to another contractor, the acquisition documentation should address measures to reduce/eliminate potential conflict of interest.	Evaluate financial interest of support contractors, as required	Peer Review
11	**Performance Management:** Service acquisitions should utilize performance based characteristics to the maximum extent practicable to include measures that are directly tied to program objectives. These measures should include consideration of program cost.	Meaningful performance measures	Peer Review
12	**Contract Surveillance:** Service acquisitions must have assigned contracting officer representatives (CORs) that use tailored quality assurance surveillance plans to monitor contractor performance.	Appropriate program oversight	Peer Review

Figure 4. DoD Peer-Review Criteria for Services Acquisitions During the Pre-Award Phase
(DFARS)

DoD Criteria for the Acquisition of Services (Postaward)

	Tenet	Review Criteria:	Primarily Assessed at:
1	**Contractor Performance Assessment:** Service acquisitions undergo periodic reviews to ensure the program is on course with respect to cost, schedule and performance requirements, and any necessary adjustments are made.	Program meets or exceeds established cost, schedule and performance criteria	Peer Review
2	**Maintaining Competition:** Multiple award service acquisitions use contracting mechanisms, including the use of competition, the contract structure and type, the definition of contract requirements, cost or pricing methods, the award and negotiation of task orders, and management and oversight mechanisms. In competitive procurements (to include multiple award IDIQ competition for task orders), offerors must be given a reasonable amount of time to submit a proposal (typically 30 days or more). If sufficient time is provided for offerors to respond and yet only one offer is received in a competitive procurement, contracting officers should not depend on the standard at FAR 15.403-1(c)(iii) in determining the price to be fair and reasonable.	Robust competition for orders, appropriate contract type, well-defined requirements, appropriate cost/pricing methods	Peer Review
3	**Contractor's Subcontract Management:** Service acquisitions undergo periodic reviews to monitor the contractor's use, management, and oversight of subcontractors.	Contractor's subcontract management evaluated	Peer Review
4	**Contract Surveillance:** Service acquisitions undergo periodic reviews to ensure the appropriate staffing of Government contract management and oversight functions to include CORs.	Appropriate Government oversight personnel in place	Peer Review
5	**Assessment of Excessive Pass-Through Charges:** Service acquisitions undergo periodic review to evaluate the extent of any pass-throughs, and excessive pass-through charges (as defined in DFARS 252.215-7003/4), by the contractor.	Contractor's pass-through charges evaluated	Peer Review
6	**Inherently Governmental Functions:** For service acquisitions under which one contractor provides oversight for services performed by other contractors, periodic reviews evaluate the extent of the agency's reliance on the contractor to perform acquisition functions closely associated with inherently governmental functions as defined in section 2383(b)(3) of title 10, United States Code.	Evaluate appropriate performance of contractor functions (as required)	Peer Review
7	**Conflicts of Interest (Financial):** For service acquisitions under which one contractor provides oversight for services performed by other contractors, periodic reviews evaluate the financial interest of any prime contractor performing acquisition functions described in paragraph six in any contract or subcontract with regard to which the contractor provided advice or recommendations to the agency.	Evaluate financial interest of support contractors (as required)	Peer Review
8	**Objective Incentives:** For contracts with award and/or incentive fee, objective criteria will be utilized, whenever possible, to measure contract performance. Where objective criteria exist, and it is appropriate to also incentivize subjective elements of performance, the most appropriate contract type would be a multiple incentive type contract containing both incentive and award fee criteria.	Award/incentive fees are paid in a manner consistent with DoD policy, or with a corrective action plan in place to address past inconsistencies	Peer Review

Figure 5. DoD Peer-Review Criteria for Services Acquisitions During the Post-Award Phase
(DFARS 237.102.76)

The objectives of the peer-review process are simple: to ensure that DoD contracting officers are implementing policy and regulations appropriately, to improve contracting as a process throughout the DoD, and to facilitate the sharing of ideas and best practices throughout the DoD. Additionally, the DPAP maintains a database of peer-review results for contracts reviewed at the DoD level, located at www.acq.osd.mil/dpap/cpic/cp/peer_reviews.html, which is the subject of further analysis in this thesis (DPAP, 2013).

According to PGI 201.170, pre-award peer-review requirements are separated into two categories: competitive and noncompetitive acquisitions. Pre-award peer reviews for competitive acquisitions are required at three different points: issuing the solicitation, requesting the final proposal revisions, and issuing the contract award. For noncompetitive acquisitions, the requirement is for peer reviews at negotiation and contract award. For both competitive and non-competitive, post-award peer reviews concentrate on adequacy of competition, an assessment of contractor performance, and how adequate the government surveillance plan of contractor performance has proven to be (DFARS 201.170).

PGI 201.170 also defines the peer-review team:

> A senior official designated by the OSD [Office of the Secretary of Defense] Office of Small Business Programs will participate as a team member on peer reviews of services acquisitions. Teams will include civilian employees or military personnel external to the department, agency, or component that is the subject of the peer review. (DFARS 201.170)

This PGI highlights the documents that peer-review teams must be able to access. Interestingly, there are also sections in the PGI that read like best practices for both the pre- and post-award phases:

Pre-Award Elements to be Addressed

- The process was well understood by both government and Industry;
- Source Selection was carried out in accordance with the Source Selection Plan and RFP;
- The Source Selection Evaluation Board (SSEB) evaluation was clearly documented;
- The Source Selection Advisory Council (SSAC) advisory panel recommendation was clearly documented;
- The Source Selection Authority (SSA) decision was clearly derived from the conduct of the source selection process;

- All source selection documentation is consistent with the Section M evaluation criteria; and
- The business arrangement.

Post-Award Elements to be Addressed

- Contract performance in terms of cost, schedule, and requirements;
- Use of contracting mechanisms, including the use of competition, the contract structure and type, the definition of contract requirements, cost or pricing methods, the award and negotiation of task orders, and management and oversight mechanisms;
- Contractor's use, management, and oversight of subcontractors;
- Staffing of contract management and oversight functions;
- Extent of any pass-throughs, and excessive pass-through charges by the contractor (as defined in section 852 of the National Defense Authorization Act for Fiscal Year 2007, Public Law 109–364); and
- Steps taken to mitigate the risk that, as implemented and administered, non-personal services contracts may become de facto personal services contracts. (PGI 201.170)

The following section discusses how corporations review procurement actions versus how the DoD examines its procurement actions in the form of the peer-review process for contractual actions.

E. CORPORATE PROCUREMENT MANAGEMENT, FEDERAL GOVERNMENT CONTRACTING, AND DOD CONTRACTING: A BRIEF COMPARISON

Initially, a quick comparison of procurement in the corporate world against contracting within the federal government might lead the uninitiated to think they were similar. After all, both follow the same six-step process: procurement planning, solicitation planning, solicitation, source selection, contract administration, and contract closeout or termination (Garrett, 2007, p. 21). Under more detailed inspection, vast differences within the motivation of the parties involved and the forces that shape the process are exposed. Kovacs (2004) noted in his work *Enhancing Procurement Practices*,

> The basic procurement principles and techniques are equally applicable in both the public and private sectors ... which means: with the right quality, functionality and performance; under the right terms and conditions, among which costs and timely implementation usually

> are of essence; and, with the right long-term operation and/or maintenance support. (p. 175)

The divergence begins with money in the form of funding and the method by which the government sector and private sector come by the funding.

Corporations gain funding by financing debt or by spending their own profit that they have retained in the corporation. In either instance, they are motivated by the need and desire to utilize those funds as efficiently as possible to earn the maximum profit possible from each dollar spent. Thus, there is no need for a regulatory requirement within the overarching corporate world for a formal peer-review process of contracts. As long as free market forces are in play, each corporation is driven by competition to be as efficient as possible (Kovacs, 2004).

The chasm widens when considering business relationships and how they integrate with procurement in the corporate arena versus contracting in the government sector. Procurement actions outside of the government are typically more focused on the business relationship and building and maintaining a partnership for future ventures. These are the incentives, intangible and tangible, such as more favorable credit terms on purchases, that drive corporations to follow through on the whole procurement process. Hence, they are less apt to neglect the contract administration and contract closeout/ termination phases of the procurement process over federal contracting activities.

Corporations do have methods for evaluating, or perhaps more accurately, examining how they are performing. Consulting services are often hired from sources outside of the corporation (or in cases of extremely large corporations, they may be contained in-house under a cloistered division). Consultants execute functions similar to what a peer review accomplishes, in that someone with an equal or greater amount of knowledge on the topic examines a subject (Garrett, 2007). The difference lies in the fact that, with the exception of extremely large contracts, consultant actions typically focus on a process, with an expected end state of further optimizing that process. Peer reviews of DoD contracts are conducted once Pre Award and once Post Award; as such, the peer-review process is evaluating an end product rather than the process that delivered the product.

There is a tool that is designed to help both buyers and sellers evaluate risk and reward associated with procurements. “The Contract Management Risk and Opportunity Assessments Tool (CMROAT) is designed to help organizations, both buyers and sellers, assess the risk and opportunities associated with a pending/potential or actual contract” (Garrett, 2007, p. 234). The CMROAT has developed into a tool utilized by both government and private entities; however, it focuses on the risks and opportunities associated with the business dealings of the contract and has less to do with the structure and content of the contract itself.

Overall, the federal contracting process is process-driven; if the process is followed correctly, then the end product is typically in the acceptable range. Alternatively, as noted, the corporate procurement system is fueled by incentives. As a result, corporate review mechanisms tend to focus on optimizing a process for a greater return on investment, and the peer-review process as it applies to DoD contractual actions focuses on fixing an output of a process to bring it in line with what is deemed acceptable.

F. SUMMARY

In the literature review, I mentioned several aspects of the acquisition system and how they contributed to the peer-review requirement. With the implementation of the DAWIA, the DoD made significant strides in developing a professional acquisition workforce. Negligence of the workforce throughout the late 1990s and into the 2000s led to a shortage within the acquisition workforce, followed by a surge in acquisition activity accompanying the rapid increase in overseas contingency operations. With the contracting system thoroughly stressed, numerous examples of inefficiencies, fraud, waste, and abuse were uncovered. This led to an official peer-review requirement from Congress. The actual peer-review process was developed based on an existing pilot review program and expanded to meet the congressional requirement. The following chapter discusses the research methodology.

III. METHODOLOGY

A. INTRODUCTION

This chapter addresses how I collected the data and used the analytics. It also includes a summary of the DPAP database of peer-review results to provide context for the data analysis chapter of my research. The various aspects of the DPAP database of peer-review results are also described. The purpose of my research was not to provide an exhaustive answer to an in-depth research question; rather, the purpose was to explore a previously uncharted research area to examine whether it merited further study. The DPAP database of peer-review results was broken down categorically by the various data elements of data present and analyzed quantitatively based on frequency of occurrences of a particular data element.

B. DPAP DATABASE OF PEER REVIEW RESULTS OVERVIEW

The DPAP database of peer-review results resides in the contract policy section of the DPAP website, in both PDF and Excel versions. The purpose of the DPAP database of peer-review results is to collect the results from peer reviews of contracts that met the threshold ($1 billion and above) for DoD-level peer review. According to the Peer Review section of the DPAP website,

> The Peer Review program improves the quality of the Department's contracting processes by sharing lessons learned and best practices and ensuring that contracting officers implement policy and regulations in a consistent manner. The program is implemented in accordance with DODI 5000.02 and DFARS Part 201. (DPAP, 2014)

1. Summary of the Parts of the DPAP Database of Peer-Review Results

The DPAP database of peer-review results itself is organized in a simple format. Figure 6 shows an example page from the DPAP database of peer-review results as of December 20, 2013.

OSD Level Peer Reviews

Best Practices, Lessons Learned, and Recommendations (as of December 20, 2013)

Category	Type of Contract	Feedback	Review Phase	Type of Feedback
Incentive and Award Fee	Logistical Services (Competitive)	Solicitation contained provision for an award-term. Peer Review Team (PRT) recommended adding language to indicate that an award of "Excellent" does not guarantee exercise of an award term option by the Government.	Phase 1	Recommendation
Incentive and Award Fee	Competitive Services Contract	The planned contract structure provides for a Cost-Plus-Incentive-Fee (CPIF) arrangement with incentives only relating to cost. The Peer Review Team (PRT) recommends incentivizing schedule and/or technical performance as well as cost. The negotiated incentive arrangement could take into account the contractor's projected cash flow.	Phase 2	Recommendation
Incentive and Award Fee	Non-Competitive Services Contract	Compared to other types of contractors, Federally Funded Research & Development Centers (FFRDCs) have unique fee arrangements, which are discussed in DFARS 215.404.75, Fee Requirements, typically referred to as "fee-for-need." DFARS states that FFRDCs may be provided no fee and that the decision to pay fee rest solely with the contracting offer.	Phase 1	Recommendation
Incentive and Award Fee	Competitive Multiple Award (Combination of firm-fixed price and cost type line items)	Award Fee Plan (AFP) does not reflect the best business arrangement for the government in the following areas: a) Roll-Over of award fee amounts; b) Provisional fees. Therefore, the acquisition team was encouraged to consider developing cost and performance incentives in lieu of award fees in accordance with DoD policy.	Phase 1	Recommendation
Incentive and Award Fee	Competitive Multiple Award Services Contract	As drafted, offerors will propose a fee pool percentage and the evaluation team/Procuring Contracting Officer (PCO) must determine whether or not the offer is 'balanced.' The Peer Review Team (PRT) suggested defining the fee pool percentage and not allowing the offerors to propose a percentage. This ensures there is an adequate pool and simplifies the evaluation of proposals by eliminating the need to evaluate 'balance.'	Phase 1	Recommendation
Incentive and Award Fee	Non-Competitive Weapon System	The Peer Review Team (PRT) recommended the contracting officer ensure that cost is not considered in both incentive fee and award fee, that maximum use of objective criteria be used to develop award fee criteria whenever possible, and that performance incentives are duplicated in the award fee criteria. Although the draft award fee plan incorporates some objective measure, there is still much vagueness in the wording and more measures of processes than outcomes.	Phase 2	Recommendation
Incentive and Award Fee	Non-Competitive Weapon System	The amount or percent allocated for each performance incentive event should be gradual in nature, so the fees are not front-loaded and ample fee is left through contract completion. In addition, clear definition of success for all events must be communicated to the contractor. For example, the definition for exit and entrance criteria and what comprises an IPR (In Process Review) was not noted in the attachment referred to in the solicitation. Likewise, we recommend the Contracting Officer consider whether performing an IBR with 180 days, which is required by DFARS clause 252.234-7002(e), should be part of any performance incentive. If it is, the resulting fee percent allocated to it, should be minimal and the criteria for successful completion clearly spelled out in the resulting contract (as currently, the information relating to the IBR is scant).	Phase 2	Recommendation

Figure 6. Excerpt From DPAP Database for OSD-Level Peer Reviews
(DPAP, 2013)

Each row consists of an entry for a particular data element of a contract, and the columns contain the appropriate type of data related to that contract entry. The

DPAP database of peer-review results has been anonymized, so there is no way to discern how many entries apply to the same contract. The Category column lists the category the peer-review comment falls within. There are eight categories: Incentive and Award Fee, Market Research, Peer Review, Post-Award Administration, Pricing, Requirements/Performance Work Statement/Scope of Work, Source Selection, and Terms and Conditions. The Types of Contracts column spans a staggering 31 different types, consisting of competitive and non-competitive, services, goods, and construction contracts.

The Feedback column provides a simple narrative comment regarding the opinion of the peer-review team. The column entitled Review Phase illustrates the phase of the contracting process. There are currently six phases: Phase 1, Phase 2, Phase 2&3, Phase 3, Phase 4, and Post Award 1. The final column relates to the Type of Feedback provided, and consists of three categories: Recommendation, Best Practice, and Lessons Learned. Figure 6 summarizes the different database fields.

2. Phases of the Contracting Process Versus DPAP Peer-Review Phases

The DPAP database of peer-review results provides no explanation about the timing of the Review Phases used, nor do the Frequently Asked Questions or Standard Operating Procedures for peer reviews on DPAP's website. Further research uncovered an explanation of four phases in the GAO (2010) report *Status of DoD's Implementation of Independent Management Reviews for Services Acquisitions*. Phase 1 is prior to the issuance of the solicitation. The documents reviewed consist of the performance work statement, quality assurance surveillance plan, request for proposal, and source selection plan. Phase 2 is prior to the request for final proposal revisions. The documents reviewed are instructions for proposals and proposal evaluation criteria, source selection evaluation guide, source selection plan, and evaluations of contractor proposals. Phase 3 is prior to contract award. The documents reviewed consist of the proposal-analysis report and selection-decision document. Phase 4 is the post-award review. The documents reviewed consist of any documentation related to the program, such as task orders, award-fee plan, and performance assessments (GAO, 2010, p. 6). Figure 7 highlights the comparison between the DPAP Peer Review Phases and phases of the contracting process.

DPAP Peer Review Phases	1) Prior to issuance of the solicitation		(No comparable step)	2) Prior to request for final proposal revisions & 3) Prior to contract award	4) Post-award review	
Contracting Process Phases	1) Procurement Planning	2) Solicitation Planning	3) Solicitation	4) Source Selection	5) Contract Administration	6) Contract Closeout

Figure 7. DPAP Peer-Review Phases Compared to the Contracting Process Phases

The DPAP database of peer-reviews Review Phases actually contain Phases 1 through 4, and an additional Post-Award 1 phase. Analyzing the narrative feedback seems to indicate that in practice, the Phase 4 review described in the aforementioned GAO (2010) report occurs shortly after contract award and the Post-Award 1 review occurs well after contractor performance is underway.

C. TYPES OF DATA ANALYSIS

1. DPAP Database of Peer-Review Results Data Element Fields

Within the DPAP database of peer-review results, there are 288 records. Each data element was subdivided within the spreadsheet to allow for the identification of the frequency of occurrence for each data element. These data were then used to identify trends within the DPAP database of peer-review results. Descriptive analysis of the frequency of observations for each category of feedback was conducted.

The eight Categories, 31 Types of Contracts, six Review Phases, and three Types of Feedback were individually extracted from the DPAP database of peer-review results. The results of each data element were tallied and recorded and then analyzed by frequency of occurrence against the other data elements, with the goal of identifying overarching trends in the data elements.

Since the preponderance of the data elements were contained in Recommendation Type of Feedback, the Category, Type of Contract, and Review Phase data elements were further analyzed with an eye towards identifying how much Recommendation Type of Feedback appeared in each of those data elements. To provide additional granularity, occurrences of Recommendations were expressed as percentage of the total occurrences for both Categories and Contract Type data elements.

Competency gaps identified in the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007) were cross-referenced against the DPAP database of peer-review results to identify any areas of overlap between the two. Once areas of overlap had been identified, occurrences of Recommendation Type of Feedback for the overlap areas was reviewed to see if the identified competency gaps had increased occurrences of Recommendations.

2. Narrative Feedback Themes

The Feedback section for each entry was also examined to identify any common themes within the feedback provided. The primary goal for examining the content of the Feedback section was to identify apparent incongruities between listed categories, such as feedback type, and the actual narrative posted within the Feedback column. My examination is concerned with identifying irregularities with policy and regulations.

D. SUMMARY

The Methodology chapter provided a brief overview of the DPAP database of peer-review results and how it was subdivided for analysis. The Review Phases were compared to the phases of the contracting process. How the narrative Feedback themes were reviewed was also addressed. The next chapter, Chapter IV, presents the results of the data analysis.

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IV. DATA ANALYSIS

A. INTRODUCTION

The previous chapter discussed how the data were analyzed. This section focuses on trends within the DPAP database of peer-review results by various data elements of the data. Frequencies of occurrences by Category, Type of Contract, Review Phase, and Type of Feedback are examined. The Recommendation Type of Feedback receives additional review because of its predominance of occurrences within the DPAP database of peer-review results. Relationships between the DoD Contracting Competency Model (CCM) and trends within the DPAP database of peer-review results are compared. Finally, themes within the narrative feedback section are also investigated.

B. DESCRIPTIVE STATISTICS

The various data elements within the DPAP database of peer-review results noted in the methodology chapter were analyzed for frequency of occurrence. The importance of breaking down the DPAP database of peer-review results in this manner lies in the fact that it allows contracting officers and policy-makers to identify areas where systemic issues within the contracting process persist. The data on frequencies of occurrences and the underlying trends can then be used to target the development of educational and training programs to address problem areas. A process as complex as developing high dollar defense contracts may well never be without faults, but previous deficiencies need to be addressed to avoid future duplication of effort.

1. Category

Working across the DPAP database of peer-review results, the first data element encountered is the Category column. The largest category was the source selection category at 115 of 288 observations, which should not be surprising given two facts: (1) the emphasis that is placed on the source selection process within DoD contracting; and (2) the number of protests that originate in the source selection process, stemming from allegations of issues such as unequal application of evaluation criteria, unfair negotiation and discussion practices, and poor use of Best Value trade-offs and Lowest Price Technically Acceptable criteria for contract award (White, 2012). Figure 8 represents the occurrences of all the category types represented in the DPAP database of peer-review results.

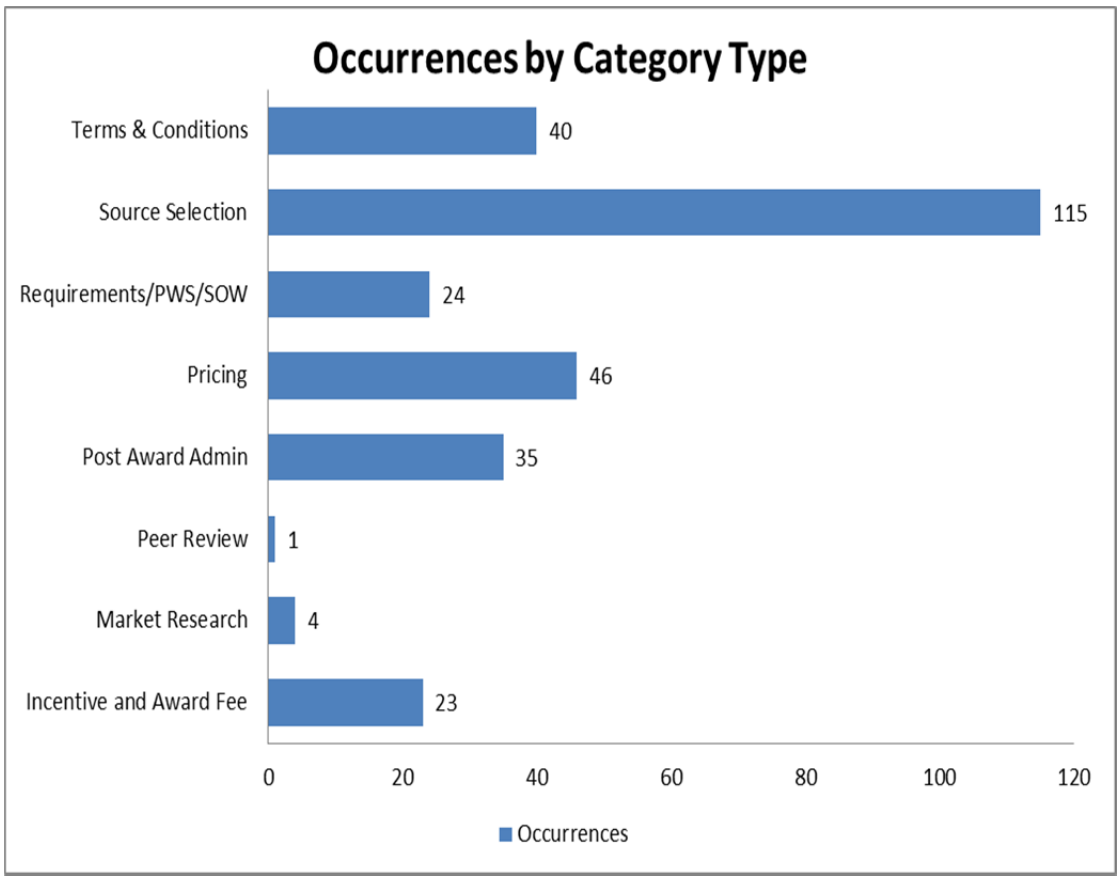

Figure 8. Frequency Distribution of Category Type
(Adapted from DPAP, 2013)

The second cluster of occurrences centered on Terms and Conditions, Pricing, and Post Award Administration. It is notable that pricing, while the second largest category, is still a distant second with 46 occurrences. Given issues that seem to pervade the pricing realm within contracting, it would seem that this area would receive more attention. Bringing the point into sharper focus is the consideration that this data represents high dollar contracts valued at $1 billion and above, and that high value defense procurements often have significant cost overruns exceeding 20% of the original cost estimate (GAO, 2014).

2. Type of Contract

The next data element of the DPAP database of peer-review results is the Type of Contract column. The contract types listed comprise a staggering 31 types of contracts. The most frequently occurring type is the Competitive Multiple Award Services Contract at 59 occurrences, followed by the Competitive Services Contracts and Competitive Multiple Award indefinite delivery indefinite quantity (IDIQ) at 39 and 20 occurrences, respectively. Figure 9 shows the various types of contracts listed and the number of times the occurrence was observed.

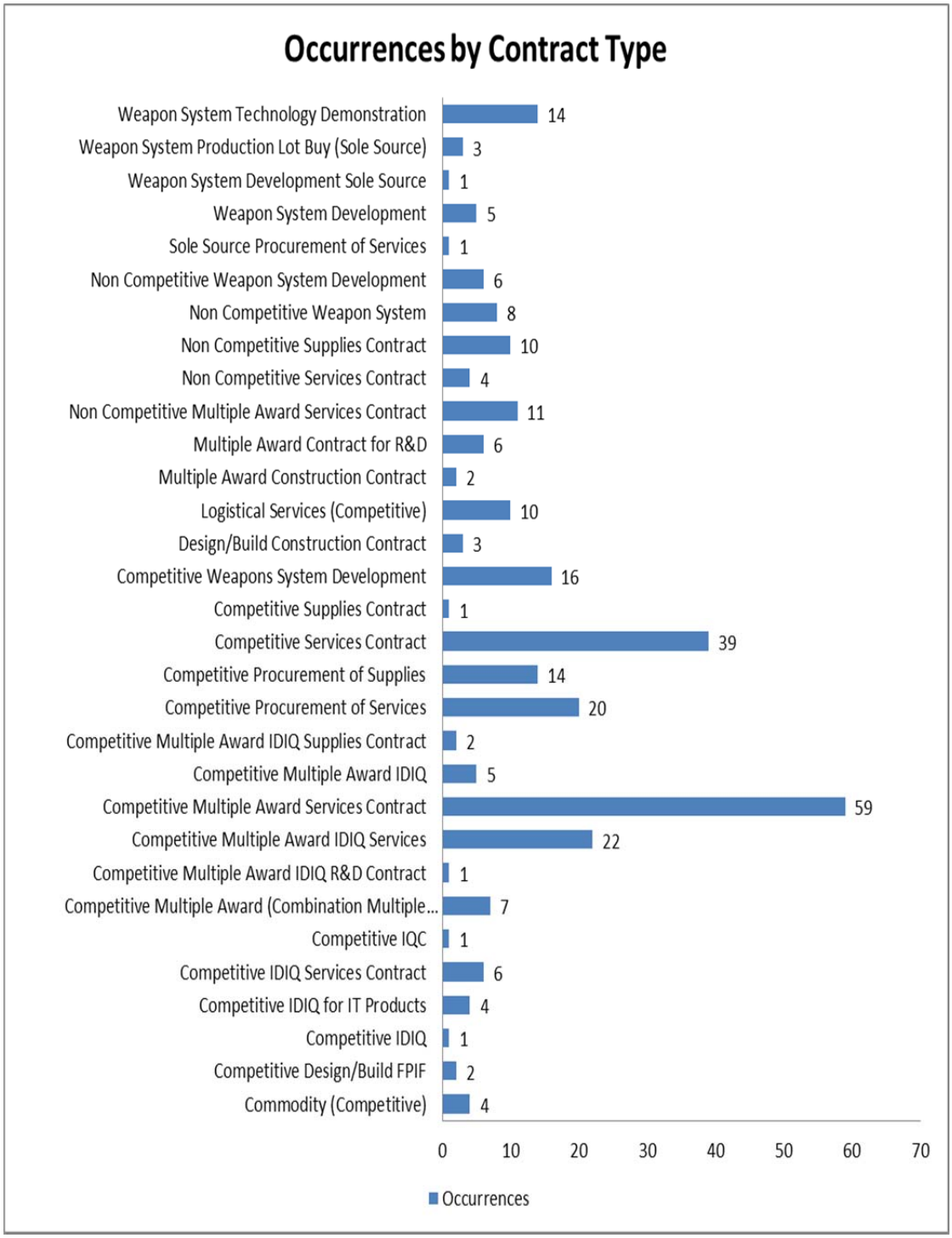

Figure 9. Frequency Distribution of Contract Type
(Adapted from DPAP, 2013)

Admittedly, the terminology of some of the listed contract types could be combined, such as Competitive Supplies Contract and Competitive Procurement of Supplies. The issues associated with having such a broad scope of contract types

listed is addressed in a subsequent section of this analysis because this particular part of the DPAP database of peer-review results is one of two that could benefit the most from refinement. The key takeaway from this section of data appears to be that overall, the DoD is peer reviewing more contracts for services than anything else. Service contracts comprise over 65%, or 189 occurrences, of the Contract Type entries. This is not surprising, considering the amount of services contracted for within the DoD, but what is worth considering is that those 189 occurrences represent a dollar value of at least $1 billion each (GAO, 2008).

3. Review Phase

The next data element to address is the Review Phase column. Again, one area contains the majority of the occurrences; this time they fall into Phase 1, with a total of 157. Phase 2 follows with 64, and Phase 3 and Post-Award 1 are nearly tied at 28 and 27 occurrences. Figure 10 shows the occurrences by review phase.

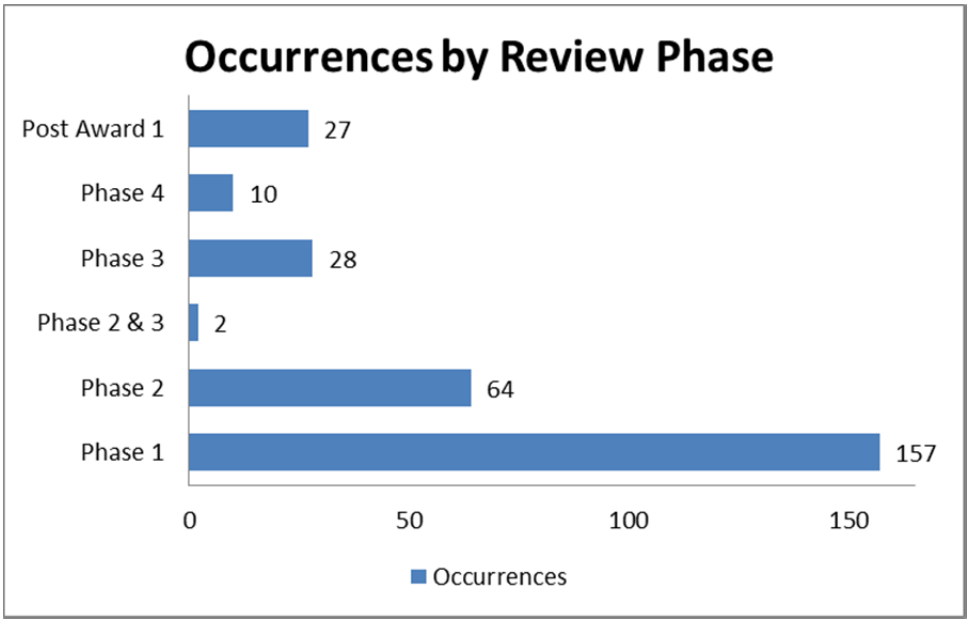

Figure 10. Frequency Distribution of Review Phase
(Adapted from DPAP, 2013)

The trends demonstrated within the occurrences by review phase would seem to indicate that learning is taking place as the contract process moves along. It also seems to break itself naturally between Phase 4 and Post-Award 1, when the contract would have been awarded at the conclusion of the source selection process and contract performance had begun. This action would move the contract into the contract administration portion of the contracting process. Since contract administration represents a very different phase of the contracting process from

procurement planning, solicitation planning, solicitation, and source selection, it follows that additional learning would begin to occur in the Post-Award 1 phase.

4. Type of Feedback

The final quantifiable data element of the DPAP database of peer-review results is the Type of Feedback column. This column seeks to assign a type to the narrative feedback column. Consistent with the other DPAP database of peer-review results categories, one category heavily outweighed the others with occurrences. Recommendation contained 190 occurrences, with Best Practice containing 68 and Lessons Learned amassing 30 occurrences. Figure 11 demonstrates the occurrences by Type of Feedback.

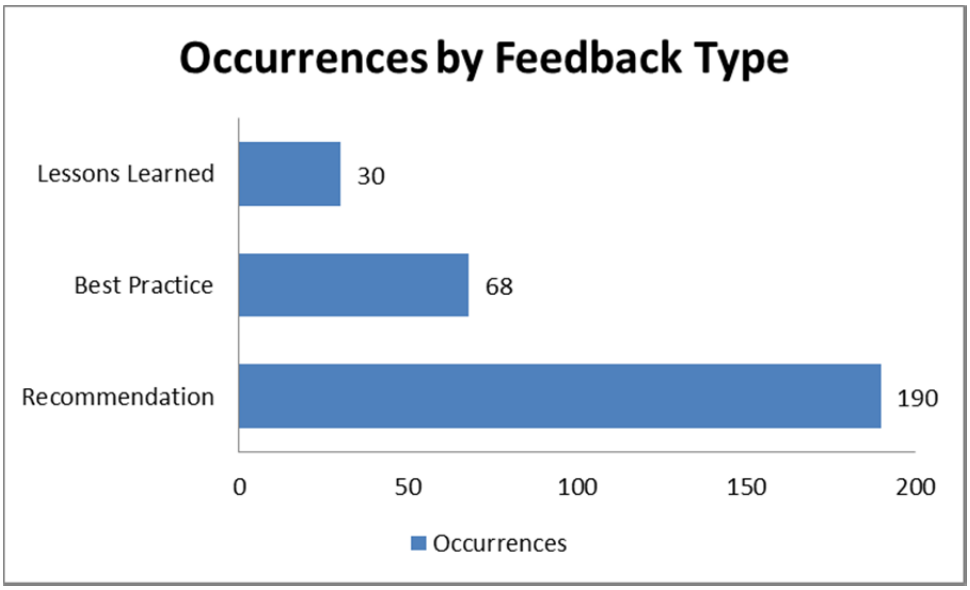

Figure 11. Frequency Distribution of Type of Feedback
(Adapted from DPAP, 2013)

The type of feedback aspect is the other data element of the DPAP database of peer-review results that could benefit from additional refinement. The Lessons Learned Type of Feedback ostensibly provides a way to communicate an item of information the peer-review team was not aware of to the readership of the DPAP database of peer-review results. In reading the narrative, it often becomes difficult to distinguish between a Lesson Learned and a Recommendation. Best Practices are just that—a best practice that the peer-review team observed from the organization or contract that the team was reviewing; it exists as a way to propagate those practices back out to the contracting workforce. With only three types of feedback categories, and since most of the occurrences are in a single category, it is difficult to ascertain anything quantitatively unless the recommendation category is delved into further, which occurs in the next section.

5. Recommendation Category

The Recommendation category contained 190 out of 288 occurrences regarding feedback type. That comprises 65.97% of the total feedback types. It is also the single largest density of occurrences anywhere in the DPAP database of peer-review results. As such, further analysis was conducted.

Examining the phases revealed that most Recommendations were concentrated in Phase 1 reviews. Phase 1 contained 130 Recommendation occurrences. Phase 2 was a distant second at 38 occurrences, with 12 occurrences in Phase 3, none in Phase 4, and 11 in Post-Award 1. Figure 12 elucidates the recommendation occurrences by phase.

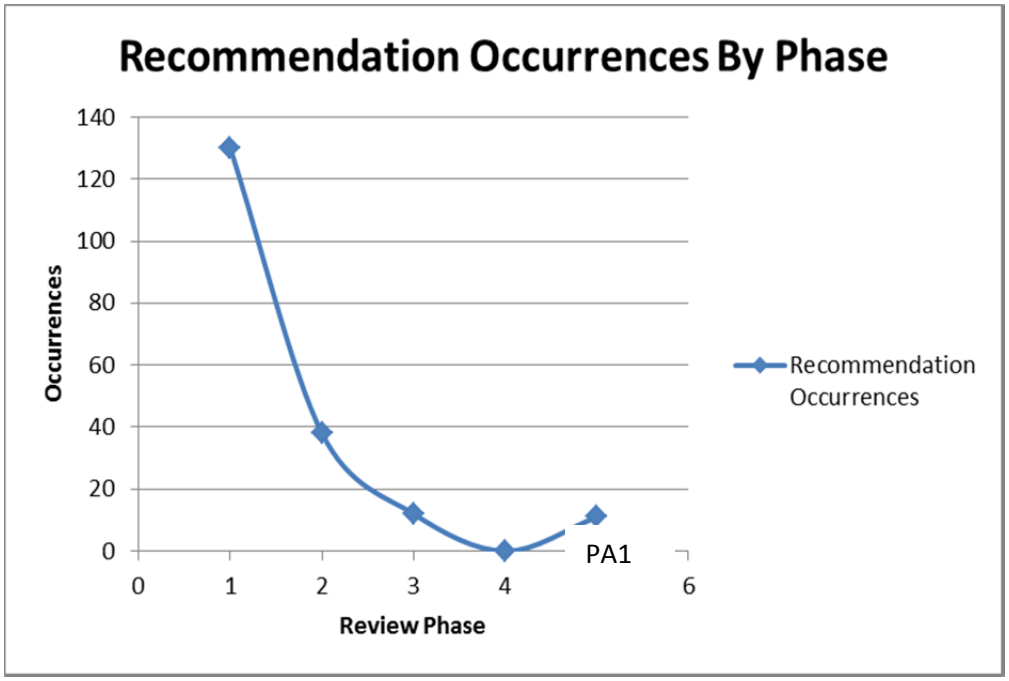

Figure 12. Frequency Distribution of Recommendations by Phase
(Adapted from DPAP, 2013)

The findings are consistent with the idea that learning is taking place throughout the contracting process, and organizations that are subject to formal review by a peer-review team are applying the observations of the peer-review team. It again demonstrates the break between contract award and contract performance, illustrated by the uptick in Recommendations between the Phase 4 Review Phase and the Post-Award 1 Review Phase.

Next, the number of occurrences of recommendations within each Category was examined. The categories were Terms & Conditions, Source Selection, Requirements/PWS/SOW, Pricing, Post Award Admin, and Incentive and Award

Fee. Figure 13 exhibits the number of occurrences of Recommendations within each Category.

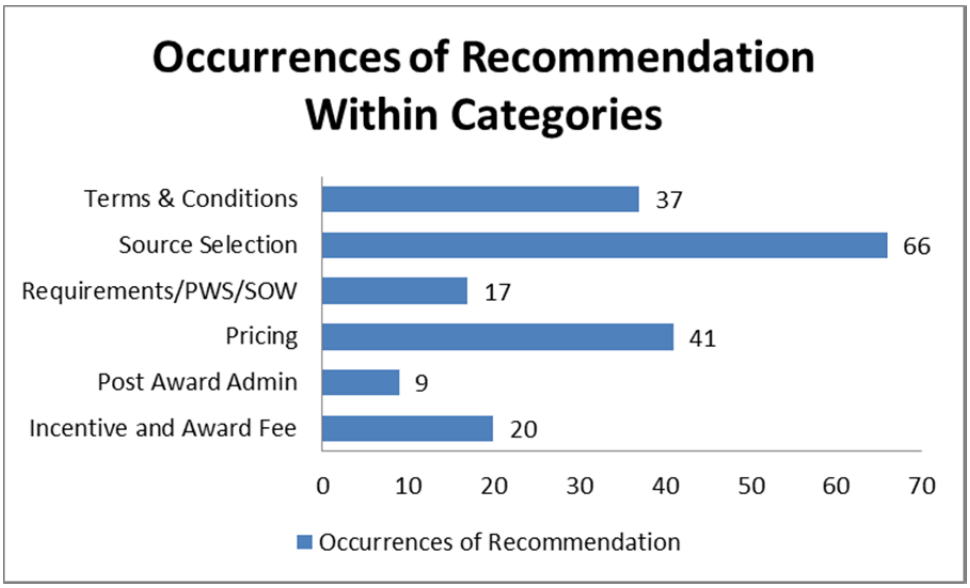

Figure 13. Frequency Distribution of Recommendations Within Categories
(Adapted from DPAP, 2013)

Another important way to view this data is by percentage of Recommendations within each Category.

Table 1. Percentage of Recommendations by Category
(Adapted from DPAP, 2013)

Categories	Total Occurrences	Occurrences of Recommendation	Percentage of Recommendation
Incentive and Award Fee	23	20	86.96%
Market Research	4	0	0%
Peer Review	1	0	0%
Post-Award Admin	35	9	25.71%
Pricing	46	41	89.13%
Requirements/PWS/ SOW	24	17	70.83%
Source Selection	115	66	57.39%
Terms & Conditions	40	37	92.5%
Total	288	190	65.97%

Table 1 lists each of the Category types in the DPAP database of peer-review results. Total occurrences is the number of times that Category appears within the database. Assuming that the priority of the DPAP database of peer-review results is to capture issues with solicitations and contracts to assist in informing the DoD

contracting workforce, then the third column of the above chart is the most important cross section of the data to consider. It details the number of Recommendations per Category within the DPAP database of peer-review results. Consider the first row of Table 1; it expounds on the Incentive and Award Fee Category. That Category appeared 23 times in the DPAP database of peer-review results; of its 23 appearances, 20 of those constituted Recommendation Feedback Type, with 86.96% of the occurrences being Recommendations. The percentage column is included simply to help visualize the Recommendation occurrences by category. This provides a more precise picture within the DPAP database of peer-review results as to where peer-review teams are uncovering issues. If one examined only the occurrences of Recommendations, the conclusion might be that 20 Recommendations might not be significant, but once the dimension is added that 20 is out of 23, and 86.96% of the Feedback Type for that Category is a Recommendation, then there may be an issue within Incentive and Award Fees that needs to be addressed. By scrutinizing the data in that manner, it would seem the areas of concern that should merit additional attention are Incentive and Award Fee, Pricing, Requirements/PWS/SOW, and Terms & Conditions. Curiously enough, while Source Selection as a Category is the most frequently occurring Category within the DPAP database of peer-review results, only 57.39% of its appearances consist of Recommendations, with the rest comprised of Best Practices and Lessons Learned.

The final portion of the DPAP database of peer-review results to be examined in relation to Recommendations is by Contract Type. Figure 14 lists the number of occurrences of Recommendations within each listed Contract Type.

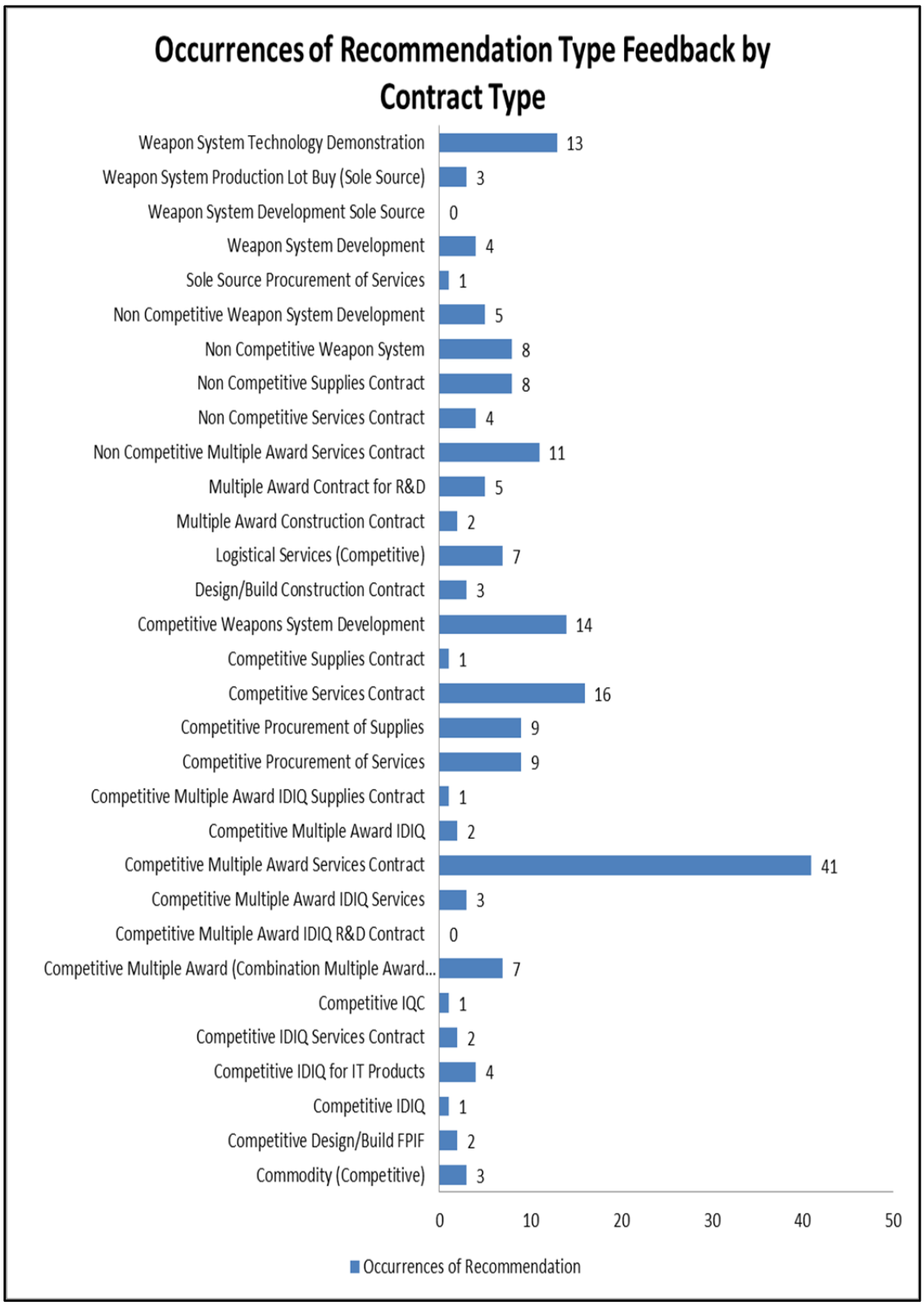

Figure 14. Frequency Distribution of Recommendations by Contract Type
(Adapted from DPAP, 2013)

Similarly to the way the data for recommendations within each category was dissected, Table 2 provides a breakdown of percentage of each contract type that returned a recommendation.

Table 2. Percentage of Recommendations by Contract Type
(Adapted from DPAP, 2013)

Contract Type	Total	Occurrences of Recommendation	Percentage of Recommendation
Commodity (Competitive)	4	3	75%
Competitive Design/Build FPIF	2	2	100%
Competitive IDIQ	1	1	100%
Competitive IDIQ for IT Products	4	4	100%
Competitive IDIQ Services Contract	6	2	33.33%
Competitive IQC	1	1	100%
Competitive Multiple Award (Combination Multiple Award FFP and Cost type line items)	7	7	100%
Competitive Multiple Award IDIQ R&D Contract	1	0	0%
Competitive Multiple Award IDIQ Services	22	3	13.64%
Competitive Multiple Award Services Contract	59	41	69.49%
Competitive Multiple Award IDIQ	5	2	40%
Competitive Multiple Award IDIQ Supplies Contract	2	1	50%
Competitive Procurement of Services	20	9	45%
Competitive Procurement of Supplies	14	9	64.29%
Competitive Services Contract	39	16	41.03%
Competitive Supplies Contract	1	1	100%
Competitive Weapons System Development	16	14	87.5%
Design/Build Construction Contract	3	3	100%
Logistical Services (Competitive)	10	7	70%
Multiple Award Construction Contract	2	2	100%
Multiple Award Contract for R&D	6	5	83.33%
Non-Competitive Multiple Award Services Contract	11	11	100%
Non-Competitive Services Contract	4	4	100%
Non-Competitive Supplies Contract	10	8	80%
Non-Competitive Weapon System	8	8	100%
Non-Competitive Weapon System Development	6	5	83.33%
Sole-Source Procurement of Services	1	1	100%
Weapon System Development	5	4	80%
Weapon System Development Sole Source	1	0	0%
Weapon System Production Lot Buy (Sole Source)	3	3	100%
Weapon System Technology Demonstration	14	13	92.86%
Total	288	190	65.97%

The variety of contract types listed makes it difficult to pinpoint precise issues within the Contract Type data element. If we aggregate the Service type contracts, then the rate of Recommendations is 49.47%. This does not represent an overwhelming rate given the concentration of Recommendation Type Feedback that some data elements in the DPAP database of peer-review results have experienced. Scanning Table 2 would seem to indicate that the Contract Type data element is garnering more than its fair share of Recommendations, indeed, rates upwards of

70% seem prevalent. Two Contract Type data elements are drastically pulling the average down. Competitive Multiple Award IDIQ Services with three Recommendations in 22 occurrences, and Competitive Procurement of Services with nine Recommendations in 20 occurrences. With the wide range of Contract Types employed in this data element, it will take more entries in the DPAP database of peer-review results to draw meaningful conclusions about where issues with Contract Type exist. The next section will address comparisons between the Contracting Core Competencies and the DPAP database of peer-review results.

C. CONTRACTING CORE COMPETENCIES COMPARISONS

The DoD CCM was developed in 2007 after an exhaustive survey was conducted across multiple DoD contracting organizations. The survey asked both employees and supervisors to assess critical areas within the contracting process they worked on and also asked them to rate themselves from a proficiency standpoint. Subject matter experts from the contracting career field took a list of 27 business and professional competencies and were asked to rank them as to how effective they were in relation to job performance. Ten competencies were identified as the most important for work performance. From that, the CCM was developed, consisting of 12 units of competence, 28 technical competencies, and 10 professional competencies (DPAP, 2007). Table 3 represents the CCM.

Table 3. DoD Contracting Competency Model
(DPAP, 2007)

DoD Contracting Competency Model established March 2007	
Pre-Award and Award	Determination of How Best To Satisfy Requirements
	Considers Socio-economic Requirements
	Promote Competition
	Source Selection Planning
	Solicitation of Offers
	Responsibility Determination
	Bid Evaluation (Sealed Bidding)
	Proposal Evaluation (Contracting by Negotiation)
	Source Selection
	Contract Award
	Process Protests
Develop and/or Negotiate Positions	Justification of Other than Full and Open Competition
	Terms and Conditions
	Preparation and Negotiation
Advanced Cost and/or Price Analysis	Advanced Cost and/or Price Analysis
Contract Administration	Initiation of work
	Contract Performance Management
	Issue Changes and Modifications
	Approve Payment Requests
	Close-out Contracts
Small Business/Socio-Economic Programs	Addressing Small Business Concerns
Negotiate Forward Pricing Rate Agreements and Administer Cost Accounting Standards	Negotiate Forward Pricing Rate Agreements and Administer Cost Accounting Standards
Contract Termination	Contract Termination
Procurement Policy	Procurement Analysis
Other Competencies	E-Business and Automated Tools
	Activity Program Coordinator for Purchase Card
	Construction/Architect and Engineering
Contracting in a Contingent and/or Combat Environment	Contracting in a Contingent and/or Combat Environment
Professional Competency	Problem Solving
	Customer Service
	Oral Communication
	Written Communication
	Interpersonal Skills
	Decisiveness
	Technical Credibility
	Flexibility
	Resilience
	Accountability

The final report detailing the survey results and providing the model was entitled *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007). Included in the report were high risk areas within the contracting workforce that had been identified through the survey process. These high risk areas were described as "Competency Gaps." The following is a list of the areas established as Competency Gaps:

- fundamental contracting skills across entry and journey levels of the contracting workforce and currency, breadth, and depth of knowledge across journey and senior levels;
- the source selection process
- cost and price analysis
- contract performance management
- integrated acquisition skills (DPAP, 2007).

From these competency gaps, a few areas from the DPAP database of peer-review results can be cross-referenced. Within the DoD CCM, the source selection process is broken down into the following subparts: source selection planning, source selection, proposal evaluation, and contract award. Referencing the previous section on the Recommendation Feedback Type breakdown by phase, the greatest frequency of Recommendations by phase was in Phase 1. Phase 1 would correlate with source-selection planning within the CCM, but since the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007) did not break out any of the sub-areas within the source selection process as being any more at risk than any other area, it is difficult to ascertain whether there is a specific relationship between the report results and the observations from the DPAP database of peer-review results. The obvious spike in Recommendations in Phase 1 can be generalized as an issue with the overall source-selection process, which helps to corroborate the survey results on which the CCM was based.

Two areas from the DPAP database of peer-review results that can be more directly related to the CCM are the Pricing and Incentive & Award Fee categories. Recall that of the three Types of Feedback, Recommendations comprised 89.13% of the feedback for the Pricing category and 86.96% of the feedback for the Incentive & Award Fee category. These two categories garnered the highest densities of Recommendations within the DPAP database of peer-review results, providing an indication that these areas are presenting difficulties to the contracting workforce. This also shows a relationship to the Competency Gaps of cost and price analysis. Unfortunately, without having dates associated with the DPAP database of peer-review entries, it is difficult to ascertain whether the training initiatives that were driven by the *Department of Defense Contracting Workforce Competency*

Assessment Final Report (DPAP, 2007) are having a noticeable impact on the number of Recommendations that these two categories are attracting from the peer-review teams.

The final area identified as a Competency Gap that has a cross-reference with the DPAP database of peer-review results is the number of Recommendations within the Post-Award 1 Review Phase, albeit tentatively so. Contract performance management was identified as Competency Gap, which would align with the Post-Award 1 Review Phase of the DPAP process. The number of Recommendations showed an uptick between Phase 4, with no recommendations, to 11 Recommendations in the Post-Award 1 Phase. The link remains tenuous, however, and more contracts will need to be reviewed in the Post-Award 1 Phase to strengthen the tie between the peer-review results and the Competency Gap. The following section addresses themes within the narrative feedback data element of the DPAP database of peer-review results.

D. NARRATIVE FEEDBACK THEMES

The narrative feedback data element of the DPAP database of peer-review results provides an opportunity for the peer-review team to enter its comments on the occurrence documented. Although difficult to summarize or quantify the narratives, some themes did occur within the comments.

The most startling, if not alarming, issue is the episodes that reveal direct violations of the FAR or DFARS. Concerns existed about improperly proposed award fees, award fees that were not necessary, and allowing offerors to propose their own fee pool percentage. In another instance, a contracting officer attempted to provide a performance incentive for a project in progress review that was already mandated by a DFARS clause. Proposals with vague requirements were also a recurring theme.

Questions over training adequacies persisted as well. Some comments revolved around concerns over the use of contracting officer representatives and whether they had received proper training to execute their intended function. One training comment stood out above the others: “Minimal source selection experience within the government evaluation team has resulted in heavy reliance on contractor expertise. Recommend obtaining assistance from the DAU in developing the source selection framework” (DPAP, 2013).

The narrative comments read like a summary of GAO and Inspector General (IG) reports that have detailed the deficiencies with contracting over the last several years. The disturbing aspect is that these entries represent contracts valued at $1 billion and above. Presumably, with such a high dollar value, DoD agencies and departments would have experienced contracting officers and dedicated contracting

teams developing these contracts. Yet mistakes that would be associated with an inexperienced contracting team are appearing in the feedback. The next section contains recommendations for improvements to the DPAP database of peer-review results.

E. RECOMMENDATIONS FOR IMPROVEMENTS TO THE DPAP DATABASE OF PEER-REVIEW RESULTS

1. Introduction

This section addresses recommendations for improvements to the DPAP database of peer-review results based on the data analysis conducted. The following recommendations would improve the functionality and usefulness of the DPAP database of peer-review results. An additional category should be added to the DPAP database of peer-review results to provide what basic contract type is being utilized in the entry. The existing Contract Type data element should be repurposed as a Requirement Type data element. The Type of Feedback data element needs to add another category to address regulatory requirements. The Source Selection Category should be further subdivided to address the phases that make up the source selection process. Lastly, labeling conventions across DPAP produced products should be consistent.

2. Addition of a Data Element

The first recommendation is to add another data element to the DPAP database of peer-review results. Currently, there is a Contract Type data element, but it does not simply list the commonly used types of cost and fixed-type contracts. The current Contract Type field should be relabeled as Contract Requirement Type to retain descriptive value and context for the entry being examined. The Contract Type field should be repurposed, containing one of the basic contract types. As the DPAP database of peer-review results stands, the state of the Contract Type field negatively impacts data analysis. This is due to the difficulty, if not down-right impossibility, of identifying which basic contract type is being employed in regards to the data entry. If basic contract types were listed, then basic analytics could be conducted to identify which, if any, contract types are garnering more negative feedback than others.

3. Regulatory Requirements

The second recommendation addresses the Recommendation feedback type. The Recommendations make up the majority of the DPAP database of peer-review results entries and address a myriad of issues, some small, some large. The issue that needs to be addressed is Recommendations that are regulatory in nature. For example, consider this entry “An Award Fee plan needs to conform with the FAR

Rule 16.401(e)" (DPAP, 2013). This Recommendation targets a violation of a regulation, in this case FAR 16.401(e); thus, this particular Recommendation carries far more weight than might normally be associated with a recommendation. To call attention to regulatory violations, the DPAP database of peer-review results needs to contain a "regulatory" Feedback Type that can be used to pinpoint such violations. It would provide another method for policy-makers to determine over time which areas of the FAR are habitually misunderstood or underutilized so training can be tailored to address those shortcomings.

4. Subdivide the Source Selection Category

The Source Selection Category would benefit from additional refinement, adding to the overall usefulness of the DPAP database of peer-review results. The Source Selection Category contained 115 entries out of the 288 total entries in the database. By comparison, Pricing came in a distant second at 46 entries. Source Selection as it is being used currently within the DPAP database of peer-review results covers four distinct phases of the contracting process. Those phases are procurement planning, solicitation planning, solicitation, and source selection. The Source Selection category should be further subdivided into categories that mirror the aforementioned phases, again for the purposes of providing an accurate assessment of where problems are occurring within the contracting process and enabling policy-makers to address deficiencies.

5. Ensure Labeling Conventions Are Consistent

The final recommendation addresses labeling conventions. Phases, titles, contract types, and so forth within the DPAP database of peer-review results do not consistently match up well with other contracting-related products, some of which were created by the DPAP organization itself. For example, it is difficult to cross reference any area of the DPAP peer-review database with the CCM. The CCM was developed by DPAP shortly before the peer-review requirement was established in 2008. Assuming the DoD is serious about improving the performance of its contracting workforce, then should not labels on the DPAP database of peer-review results allow a user to cross-reference competencies that have been identified as critical for accomplishing contracting functions? The subsequent section encompasses the summary of the data analysis chapter.

F. SUMMARY

This chapter discusses the results of the analysis of the DPAP peer reviews. Trends within the DPAP database of peer-review results were examined. Frequencies of occurrences by Category, Type of Contract, Review Phase and Type of Feedback were inspected. The Recommendation Type of Feedback received

additional attention. The data showed the majority of feedback within the DPAP database of peer-review results occurred in the Recommendation Feedback Type, and in the initial Review Phases. Further examination reveals that the majority of the occurrences of the Pricing, Incentive and Award Fee, & Requirements/PWS/SOW Categories consist of Recommendation Feedback Type. Applicability of relationships within the data to previously identified Competency Gaps within the DoD contracting workforce was examined. Themes were identified within the narrative feedback comments that showed issues requiring corrective action within high dollar DoD contracts. The next chapter summarizes and concludes the research and provides areas for further research.

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V. SUMMARY, CONCLUSIONS, AND AREAS FOR FURTHER RESEARCH

A. SUMMARY

Since the early 1990s, the number of personnel within the acquisition workforce has steadily declined. Since the onset of the overseas contingency operations in 2002, DoD contracting actions have risen astronomically. Additionally, since the reliance on contracts has increased, DoD shows no signs of decreasing that reliance for accomplishing its mission. With the reduction in the workforce and the rapid increase in the number of contract actions and the amount of dollars expended, issues within the contracting workforce have also risen dramatically, mostly as a result of a workforce that is either too inexperienced or spread too thin for its assigned task. DPAP implemented the independent management review (or peer review) requirement in 2008 as a means of attempting to compensate for the lack of experienced contracting personnel within its ranks. The next section examines the conclusions of this thesis.

B. CONCLUSIONS

Research Question 1: Are there trends within the peer-review results of DoD-level peer-reviewed contracts?

Trends were identified in the DPAP database of peer-review results. Not surprisingly, most of the entries consisted of Recommendation Type Feedback, at 65% of the entries; however, Best Practice Feedback Type was represented at 24% and Lessons Learned at 11%. This demonstrates the DPAP database of peer-review results potential as a tool to spread effective contracting practices throughout DoD. The analysis also showed that the entries were largely Source Selection focused, 110 out of 288 entries pertained to Source Selection. The next most prevalent occurrence within Category Type was Pricing with 46 entries. Potential issues were also indicated with the following Categories: Terms & Conditions, Requirements/PWS/SOW, and Incentive & Award Fee. Those categories amassed 70% or greater Recommendation Type Feedback.

Research Question 2: Are any trends identified related to the competency gaps identified in the *Department of Defense Contracting Workforce Competency Assessment Final Report*?

In regards to trends between the DPAP database of peer-review results and competency gaps from the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007), the strongest link was between issues with Cost and Pricing Analysis identified in the *Final Report* and the

DPAP database of peer-review results Pricing and Incentive & Award Fee Categories. Pricing consisted of 89% Recommendation Feedback Type, and Incentive & Award Fee consisted of 87%.

This research identified trends within the results provided by the peer-review teams and recorded within the DPAP database of peer-review results. The results of the study can be used for further research into areas such as identifying recurring problem areas, identifying training gaps, and answering other "why" type questions associated with the results of this study. This study was by no means intended to be exhaustive in nature, but rather to investigate an area that had previously received little, if any, attention.

The DPAP database of peer-review results is a good tool for the DoD contracting workforce; it does require some refinement to reach its full potential, as well as the implementation of a dedicated feedback mechanism to disseminate the peer-review results back to the contracting workforce. An important consideration that comes into focus is the fact that the trends show the same issues facing lower dollar threshold contracting actions are impacting high dollar contracting actions as well. However, since the DPAP database of peer-review results threshold level is above $1 billion, the effects of mistakes in contracting are magnified.

C. AREAS FOR FURTHER RESEARCH

As entries in the DPAP database of peer-review results accumulate over time, the statistical population for analysis will increase. The current number of entries within the DPAP database of peer-review results allows for trend and frequency analysis within the database itself. However, once the various fields are broken down into their constituent parts, more entries would allow for more meaningful comparisons.

Specifically, there are two areas to consider. First, as Best Practice feedback types continue to accumulate, is there a relationship with the Contract Management Maturity Model (CMMM)? CMMM assessments contain assessments of process strength, process results, and management support. Do the narrative comments in the DPAP database of peer-review results best practice entries support any of those? Additionally, if service-level peer-review results could be obtained, a more direct comparison could be made with respective CMMM assessments from that service. Second, since the DPAP database of peer-review results is a relatively new construct, as more contracts enter the Post Award 1 review phase, will we continue to see an uptick in recommendations (see Figure 11)? Could this indicate a continuation of poor contractor surveillance practices previously noted by the GAO?

The Source Selection category received the most attention overall by the peer-review teams with 115 out of 288 entries. The source selection process

receives a good deal of emphasis in training and in practice by the contracting community, while the contract administration phase is sometimes considered to be neglected. An interview-based study with members of peer-review teams could potentially identify whether the Source Selection category receives so much attention in the DPAP database of peer-review results because it is simply better understood than the other categories.

The peer-review process will continue to evolve at the DoD level and the service component level. As the process evolves, the lessons provided by the peer-review process should be disseminated back out to the contracting workforce. As this occurs, will sustained protest rates decrease?

The service components are mandated by the peer-review policy to execute peer reviews at the service level for lower dollar threshold contract actions. Are the services complying with this requirement? Are they compiling a database similar to the DPAP database of peer-review results? Can the peer-review results be obtained for further analysis? The Army FAR supplement, the AFARS, provides more detail on the peer-review requirement. The AFARS assigns responsibility for peer reviews of solicitations and contracts valued at greater than $50 million to a Solicitation Review Board (SRB) and Contract Review Board (CRB). The Principal Assistant Responsible for Contracting (PARC) has responsibility for establishing peer-review procedures for contracts valued at less than $50 million.

The AFARS 5101.170(1)(c) also mandates that

> The SRB/CRB will be an independent, multi-functional team comprised of senior level experts, which will at a minimum include representatives from the acquisition center, small business office, office of counsel, requirements community, and in the case of non-competitive actions, the competition advocate. (AFARS, 2014)

From that definition, it would seem evident that the Army is attempting to garner insights from all angles of the acquisition process into the peer-review process. The AFARS also stipulates that the same members will take part in both the SRB and CRB; although a good idea, procurement lead-times might often prevent this from happening, given typical military permanent change of station (PCS) cycles. There is also strict language on who will chair the boards, and there is no ability to delegate the authority. The PARC is required to chair SRB/CRB for actions valued between $50 million and $250 million, while the Head of the Contracting Activity (HCA) has responsibility for the $250 million to $1 billion range. Interestingly, per AFARS 5101.170(1)(e), PARCs and the HCA may waive the requirement for a formal review board. The waiver is required to be in writing and included in the contract file. Data on the number of peer reviews conducted, along with any issues or trends, best practices, or relevant feedback on the process itself,

is required to be submitted quarterly (along with information on waivers of the review process) to the Procurement Policy and Support Directorate (AFARS, 2014).

AFARS 5101.170(2) continues with further direction on the handling of post-award peer reviews. Post-award peer reviews for contracts valued at between $500 million and $1 billion will be conducted for services contracts that were approved by a Headquarters, Department of the Army (HQDA)-level Army Services Strategy Panel (ASSP). The post-award review minimum review requirements are as follows:

- Contract performance in terms of cost, schedule, and requirements.
- Use of contracting mechanisms, including the use of competition, the contract structure and type the definition of contract requirements, cost or pricing methods, the award and negotiation of task orders, and management and oversight mechanisms.
- Contractor's use, management, and oversight of subcontractors.
- Staffing of contract management and oversight functions
- Extent of any pass-through and excessive pass-through charges by the contractor (as defined in Section 852 of the National Defense Authorization Act for Fiscal Year 2007, Public Law 109–364).

ASSP panel members are to address whether or not the services review structure is effective, evaluate the current acquisition as to adequacy of competition, provide an assessment of contract performance, assess the conduct of the government surveillance plan, and pass on any lessons learned or best practices for use on other ongoing acquisitions (AFARS, 2014). Additionally, the *Army Contracting Command Desk Book* (May 2012 edition), the handbook for Army contracting officers, provides the requirements for peer reviews listed from the AFARS. The only additional guidance it provides are two toolkits for pre-award and post-award peer reviews. The toolkits list documents required by the OSD-level peer-review team and elements required to be confirmed by the OSD peer-review team (ACC, 2012).

Finally, interviews could be conducted with DPAP personnel to obtain time-phased data about entries in the DPAP database of peer-review results. The data could then be analyzed to determine if the competency gaps identified in the *Department of Defense Contracting Workforce Competency Assessment Final Report* (DPAP, 2007) are closing.

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