



PUBLIC
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CPSR Current Trends



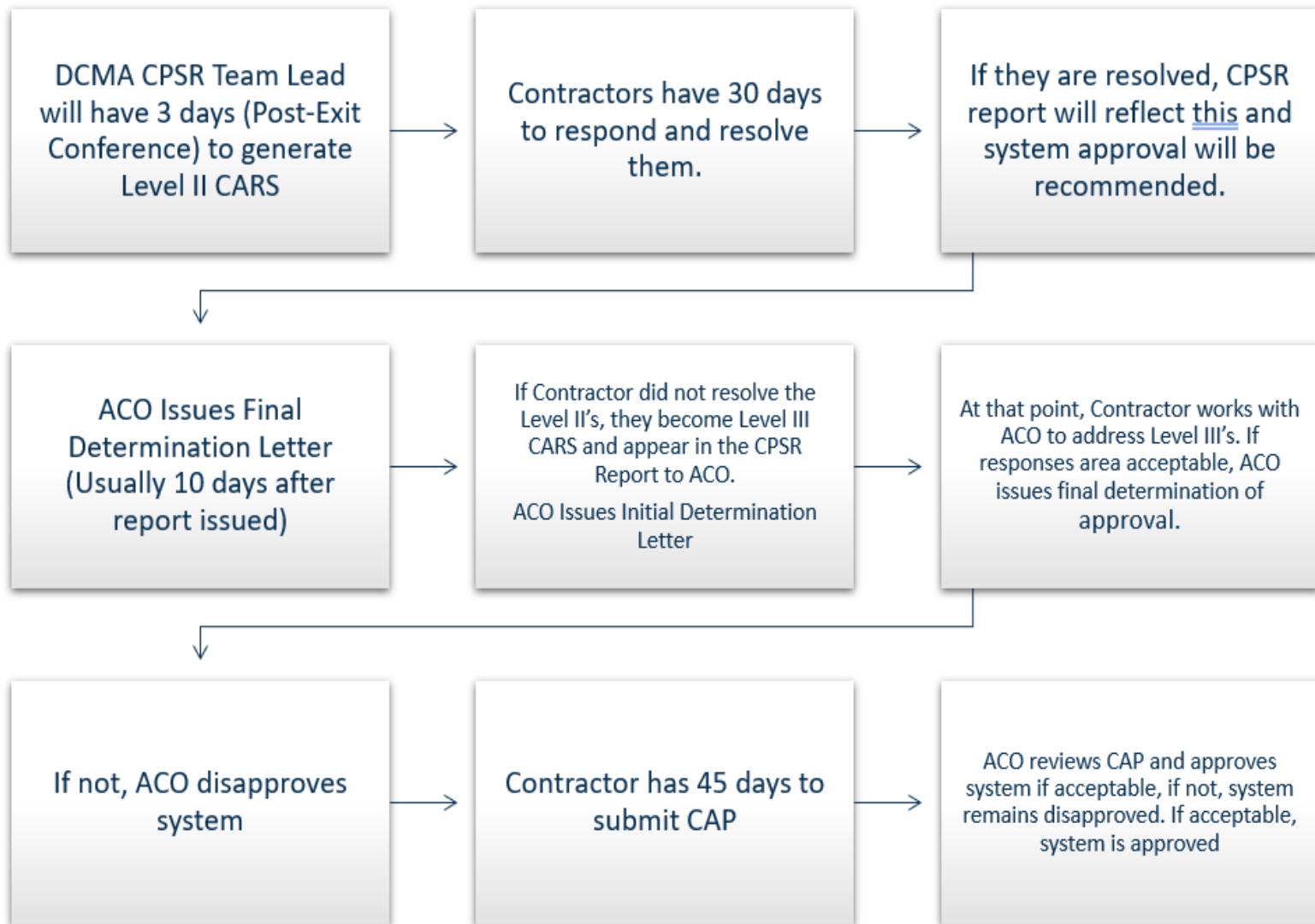
JA White

Jeffery A. White, C.P.M.
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DCMA CPSR Team Update

- **CPSR's are returning to some on-site presence.** However, the analysts will generally only be on-site for 2-3 days instead of the entire time.
- **DCMA CPSR Team Leaders** have the authority issue Level 2 Corrective Action Requests (CAR's) to contractors within 3 days of CPSR exit debrief. Contractor has 30 days to resolve them with the Team Lead.
 - If resolution is reached on Level 2's within that 30-day timeframe, report sent to ACO will not have any recommendations.
 - If resolution is not reached on Level 2's within that 30-day timeframe, they turn in to Level 3's in the report sent to ACO. Contractor will have to work with ACO to resolve Level 3's or risk system disapproval.

CPSR Process Changes



Negative CPSR Trends

- Inadequate Procurement Lead Time
- Violation of 24 CPSR Compliance Elements (**DFARS 252.244-7001**)
- Lack of Adequate Policies and Procedures
- Inadequate File Documentation
- Lack of Competition when Sourcing
- Usurpation of Procurement Authority
- Technical Personnel Controlling Procurement Process
- Lack of Upper Management Commitment to Compliance with Procurement Regulations



Overall CPSR Update



- **CPSR Guidebook** is being rewritten. Target release date is end of 2023.
- **DAR Council** is considering re-writing **DFARS 252.244-7001**.
- **Commerciality Group** is tagging along on the top 7 largest reviews.
 - Major review of CID's over \$2M.
 - Minor review of CID's under \$2M.

Hot Topics

- **Consent Package review is a “hot topic.”** DCMA is making a concerted effort to review Consent Packages for ACO’s.
- Pro-Actively reviewing contracts with the **Consent** clause and contacting ACO’s, encouraging them to submit the packages to DCMA for review.



CPSR Trends

Most Frequently Identified Deficiencies in 2022 CPSR's:

- Price Analysis
- Attempted Competition is not considered competition under DoD/NASA/Coast Guard Contract
- GSA Schedule
- Use of Market Research
- Historical Comparison



CPSR Trend: Regulatory Hot Topic

Historical Pricing: DFARS 215.403-3

215.403-3 Requiring data other than certified cost or pricing data.

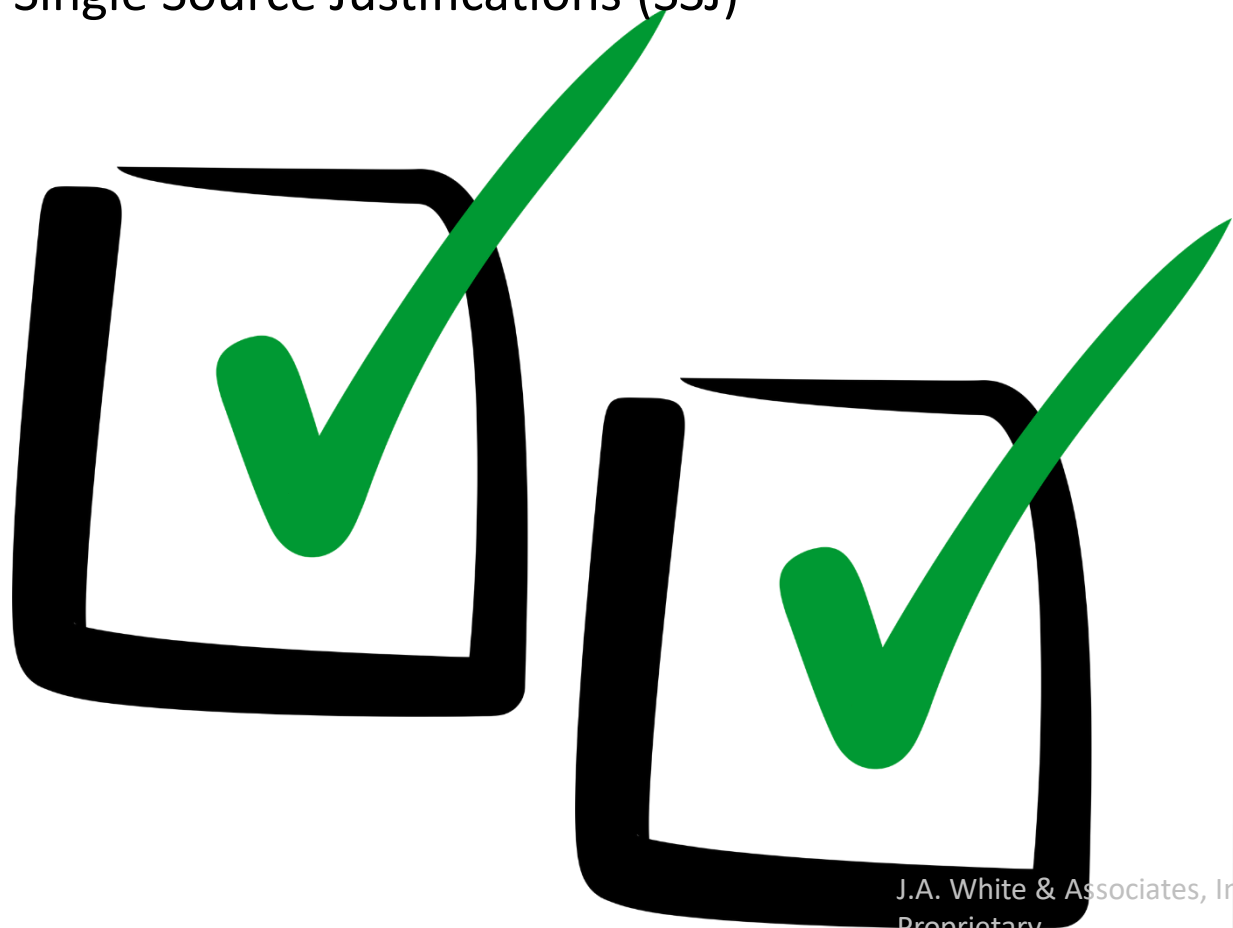
(a) In accordance with [10 U.S.C. 3705](#) —

(1) Contracting officers shall not determine the price of a contract or subcontract to be fair and reasonable based solely on historical prices paid by the Government.



CPSR Trends

- **Most Frequently Identified Deficiencies in 2022 CPSR's:**
 - Sole and Single Source Justifications (SSJ)



CPSCR Trends Regarding Non-Competitive Sourcing

All Single Source Justification's MUST:

- Be supported with detail and show documented Market Research.
- A Requestor's experience and personal knowledge of industry capabilities is not acceptable as a single rationale for non-competitive sourcing.
- Requestor must quantify in dollars and time, the injury the Government will endure if competition was sought.
- All SSJ's must have management approval.

CPSR Trends

Most Frequently Identified Deficiencies in 2022 CPSR's:

❑ FFATA

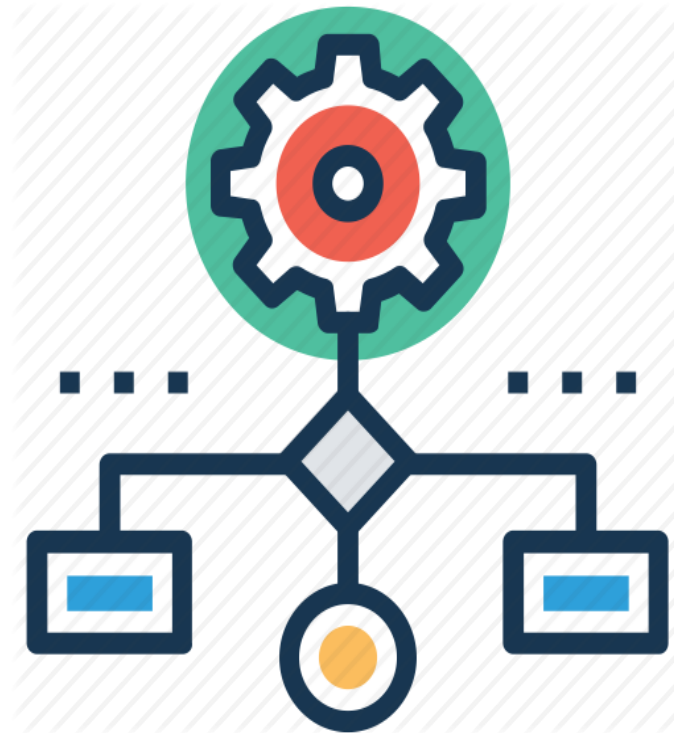
- Unique Identifier
- Print Report Screen
- Report Transaction

❑ DEBARMENT

- Day of Award Cert

❑ DPAS RATING

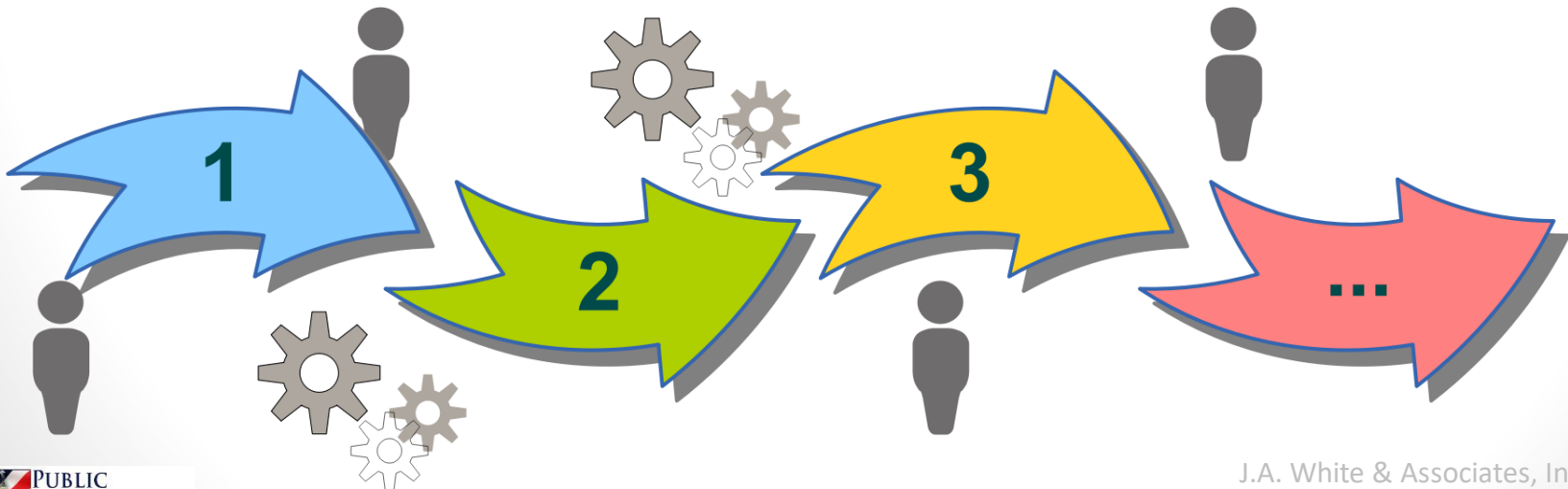
- Flowdown Clause
- Identify Rating Symbol
- Obtain Written Acceptance
 - DX = 10 Days
 - DO = 15 Days



CPSR Trends

Most Frequently Identified Deficiencies in 2022 CPSR's:

- Limitation of Use of Appropriate Funds
 - Day of Award Cert
- Commercial Determinations:
 - Use of Correct Definition
 - Market Research
 - “Of a Type” = Technical Evaluations



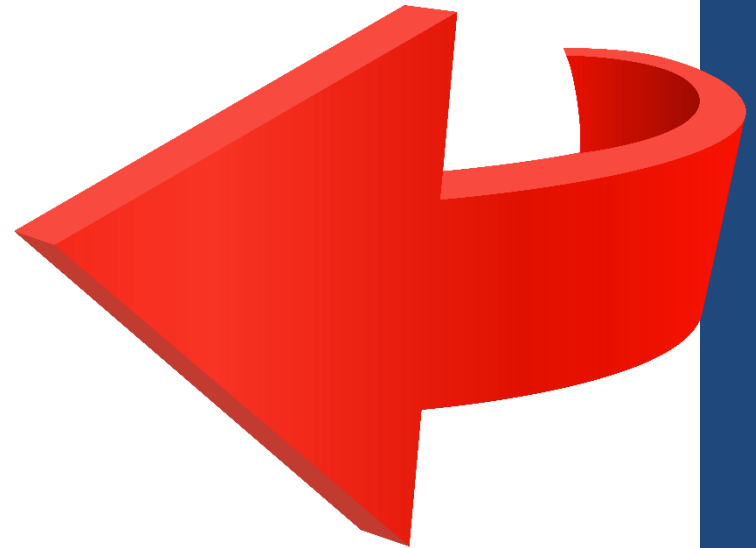
CPSR Trends

Most Frequently Identified Deficiencies in 2022 CPSR's:

- ❑ Negotiations
 - Document price and price related negotiations

- ❑ Truthful Cost or Pricing Data
 - Obtain Cost or Pricing Data
 - Cost Analysis
 - Certificate of Current Cost or Pricing Data
 - Flowdown Clauses

- ❑ Policies and Procedures Manual
 - Current FAR references
 - Current Thresholds



Regulatory Update: FAC 2023-01 Effective 12/30/22

Update:

- DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to update statutory references to Title 10 of the United States Code as required by NDAA FY 21 and FY 22.

Impact:

- Acquisition-related public laws under Title 10 were renumbered.



Dollar Thresholds

1.109 Statutory acquisition–related dollar thresholds-adjustment for inflation.

(a) 41 U.S.C. 1908 requires that the FAR Council periodically adjust all statutory acquisition-related dollar thresholds in the FAR for inflation, except as provided in paragraph (c) of this section. This adjustment is calculated every 5 years, starting in October 2005, using the Consumer Price Index for All Urban Consumers (CPI-U), and supersedes the applicability of any other provision of law that provides for the adjustment of such acquisition-related dollar thresholds.

(b) The statute defines an acquisition-related dollar threshold as a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the procurement of supplies or services by an executive agency, as determined by the FAR Council.

(c) The statute does not permit escalation of acquisition-related dollar thresholds established by:

(1) 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction);

(2) 41 U.S.C. chapter 67, Service Contract Labor Standards; or

(3) The United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.



Dollar Thresholds

(d) The statute, as amended by section 821 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91), requires the adjustment described in paragraph (a) of this section be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract. Therefore, if a threshold is adjusted for inflation as set forth in paragraph (a) of this section, then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.

(e) A matrix showing calculation of the most recent escalation adjustments of statutory acquisition-related dollar thresholds is available via the Internet at <http://www.regulations.gov> (search FAR Case 2019-013, open the docket folder, and go to the supporting documents file).



Dollar Thresholds

Impact on Provisions and Clauses:

- ❑ FAR Council is removing specific dollar values from provisions and clauses and replacing them with terms that appear in the FAR prescriptions:
 - “\$250,000” has been changed to “*Simplified Acquisition Threshold*”

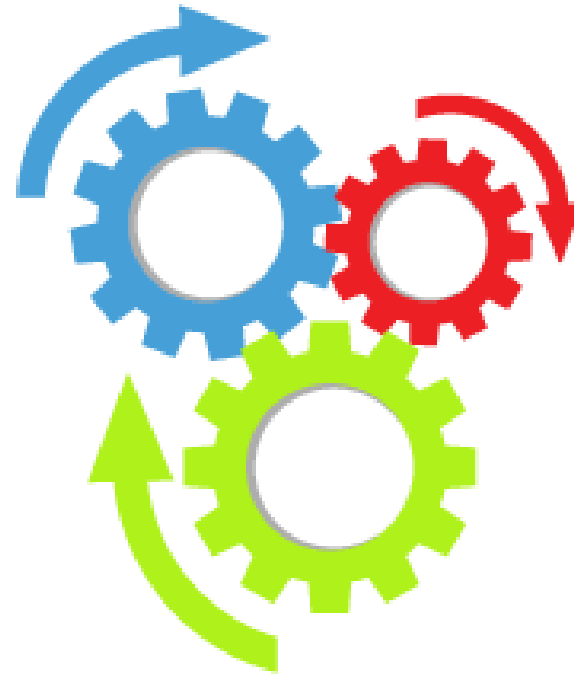
- ❑ FAR Prescriptions then provide guidance as to what the value of the term is based on specific dates and/or public laws.



Subcontract Compliance Tip

Stay Current with Regulatory Changes

- Update Policies, Procedures, Forms, Practices, Processes, Training Materials, Reps and Certs, Terms and Conditions, Standard Flowdowns, etc.
- Review Policies and Procedures at least annually.



Compliance Tips



COMPLIANCE

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Documentation, Documentation, Documentation!

- Follow Established Policies and Procedures
- Use Correct Forms (Signed and Dated)
- Supporting Documentation are Critical Components of Compliance
- Early Involvement of Procurement Personnel

Questions



About JA White

Jeffery White is Founder and CEO of J.A. White & Associates Inc. A leading industry firm in Federal Contracting and Compliance consulting offering a tailored line of advisory services to clients. With over 38 years of experience in both the private and public sectors, White's expertise has led his firm to have an unprecedented 100% approval rate of Contractor Purchasing System Reviews (CPSR) and other Business System assessments.

The design of Procurement Automation, CPSR ProDocs, was spearheaded by visionary, Jeffery White. Used by small and large government contractors, the software streamlines the Procurement workflow process by leveraging a company's existing enterprise platform and automates compliance-related Procurement file documentation. A company's benefits may include cost savings, 100% accuracy, increased CPSR success, error reduction and lead time reduction. White's clients currently include government agencies, prime contractors, and subcontractors across the United States, Europe, and the Middle East.



Schedule Your CPSR ProDocs Demo Today!

Jeffery A. White, C.P.M.

President & C.E.O.

J.A. White & Associates, Inc.

1341 Garner Lane, Suite 104

Columbia, SC 29210

jawhite@jawhite.com

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Powered by JA White



Visit us at:
www.jawhite.com



For inquiries:
info@jawhite.com