



## DOT ACQUISITION POLICY LETTER

This Acquisition Policy Letter is issued under the authority of the Senior Procurement Executive of the Department of Transportation

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**Subject: Federal Procurement Data Verification and Validation  
(D V and V)**

### References:

FAR 4.6, Contract Reporting  
TAM 1204.502, Policy

### When is this Acquisition Policy Letter (APL) Effective?

This APL is effective upon issuance.

### When Does This APL Expire?

This APL remains in effect until the resulting policy is incorporated into the Transportation Acquisition Manual (TAM).

### Who is the Point of Contact?

Contact Denise P. Wright of the Office of the Senior Procurement Executive, Business Policy Division (202) 336-4272 or by email at [denise.p.wright@dot.gov](mailto:denise.p.wright@dot.gov).

Visit our website at <http://www.dot.gov/ost/m60/> for additional information on DOT Acquisition Policy Letters and other policy issues.

### What is the Purpose of this Acquisition Policy Letter?

The purpose of this Acquisition Policy Letter (APL) is to provide process and procedural guidance on improving the validity of acquisition data and clarifying roles and responsibilities through the implementation of continued management control and oversight of data quality.

### What is the Background?

On March 28, 2007, the Procurement Management Council (PMC) agreed in response to Office of Federal Procurement Policy (OFPP) memorandum dated March 9, 2007 signed Paul A. Denett, Administrator subject Federal Procurement Data Verification and Validation (attached) to broaden the implementation of this OFPP initiative through the contract award of an independent service provider. In addition, if that option no longer

became available then each OA would have the final responsibility of validating and verifying data that would be forwarded to GSA (See attached DOT response dated May 17, 2007).

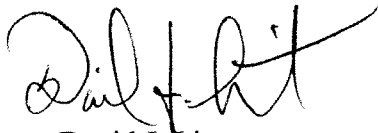
The Senior Procurement Executive and PMC continue to recognize that FPDS-NG is the principal source for obtaining statistical acquisition information; therefore, DOT will continue to benefit from the assurance that data entered into FPDS-NG is accurate and dependable. Since FPDS-NG provides:

- An accounting for agency managers, which may be forwarded to Congress;
- Timely and useful procurement data for Federal agencies and contractors to make strategic business decisions;
- A means for measuring and assessing the impact of Federal contracting on the Nation's economy; and
- Public access of how the Federal Government spends taxpayers' money to ensure transparency.

As a result, the quality and integrity of the data input into FPDS-NG is dependent on our sustained vigilance.

### **What is the Guidance?**

Contracting Officers shall incorporate the attached process and procedure into the existing contract award review process and procedure established with the OA. Once administrative processes have been finalized in the Office of the Senior Procurement Executive, this policy will be institutionalized in the TAM to provide an overarching framework for each Operating Administration (OA) to construct processes and procedures to effectively manage this requirement.



David J. Litman  
Senior Procurement Executive



**U.S. Department  
of Transportation**

Office of the Secretary  
of Transportation

400 Seventh St., S.W.  
Washington, D.C. 20590

May 17, 2007

The Honorable Paul A. Denett  
Administrator  
Office of Federal Procurement Policy  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Denett:

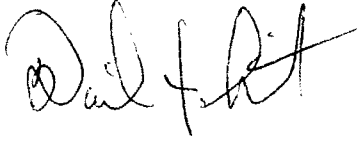
Enclosed for your review is the U.S. Department of Transportation (DOT) responsibility assignments and policy in response to your March 9, 2007, memorandum on Federal Procurement Data Verification and Validation.

The DOT response provides a policy which improves the validity of our data. Our policy is designed to broaden the implementation of the requirements discussed in your memorandum through the contract award to an independent service provider. However, if that option is no longer available then each DOT Operating Administration (OA) would have the final responsibility of validating and verifying data with a final review being performed by the Office of the Senior Procurement Executive prior to transmission to General Services Administration.

Once finalized, this policy will be institutionalized in our Transportation Acquisition Manual (TAM) to provide an overarching framework for our OAs to construct processes and procedures to effectively fulfill this requirement. Elements of the DOT policy call for on-going reviews of Federal Procurement Data System-Next Generation (FPDS-NG) data locally and at Headquarters; thus, allowing DOT to constructively perform accurate and timely data verification and validation. The policy targets verification and validation processes in certain areas where particular attention is directed as a result of on-going internal assessments and the policy leverages the functionality of existing systems, e.g., FPDS-NG and PRISM. By continuing to ensure the accuracy of our data, we believe that it will be less challenging to satisfy statutory and regulatory agency reporting requirements, e.g., Federal Funding Accountability and Transparency Act, Small Business Scorecard, etc., in the near future.

If you have any questions or concerns, please do not hesitate to contact me on (202) 366-4263 or Denise P. Wright on (202) 366-4272 or by email at [denise.p.wright@dot.gov](mailto:denise.p.wright@dot.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Litman". The signature is stylized with a large initial "D" and a long horizontal stroke extending to the right.

David J. Litman  
Senior Procurement Executive

Enclosure

TAM NOTE - XXXX

1204.502 Policy

- (d) The Senior Procurement Executive (SPE) is requiring the routine examination of Federal Procurement Data System-Next Generation (FPDS-NG) information to ensure statistically valid data verification and validation. All Operating Administrations (OA) are required to activate the FPDS-NG award feature in their contract writing system, e.g., PRISM - "Require Valid FPDS-NG for Award Release" and disable the "FPDS-NG Validation Override" or similar functionality if another contract writing system is being used. This action will facilitate the timely submission of data strengthening our ability to make informed business decisions. Each Chief of the Contracting Office (COCO) shall ensure that a monthly discrepancy review is performed or more frequent as complexity or volume dictates in order to mitigate errors or inconsistencies in FPDS-NG data.
- (e) OAs shall employ the quality control reporting features provided by FPDS-NG and their respective contract writing system, e.g., the Individual Data Item Oversight Tracker Report (IDIOT) and Award Summary Report for Release Awards. This will ensure the early identification of discrepancies and trigger prompt resolution of identified inaccuracies. On a quarterly basis, the SPE will identify a statistically valid sample of transactions for independent verification and validation. Each OA may or may not be reviewed during a particular quarter depending on the level of activity. OAs are expected to make files available for all contractor reviews. However, an OA may request the independent verification and validation contractor to perform a review at any time.
- (f) The data verification and validation process should pay particular attention to the review of the following elements:
  - (1) Percent of obligations to small business and other socioeconomic programs
  - (2) Performance Based Service Acquisitions
  - (3) Type of Contract
  - (4) National Interest actions
  - (5) Product Service Code and North American Industry Classification System (NAICS) Coding
  - (6) Use of EPA designated Products and Use of Recovered Materials
  - (7) Place of Manufacture

- (g) COCOs shall certify annually to the SPE that processes and procedures in paragraphs (d), (e) and (f) are in place and have been followed, and the data transmitted to FPDS-NG is accurate and complete to the best of their knowledge to serve as a basis for the Department of Transportation certification to General Services Administration (GSA). The Office of the Senior Procurement Executive will use the independent verification and validation outcomes from the procedures described in the above paragraphs to support the final certification to GSA.