



# CPSRs support DCMA mission

Matthew Sablan | Staff Writer

**T**he Defense Contract Management Agency Contractor Purchasing System Review Group ensures contractors spend the government's money wisely when purchasing and subcontracting. The CPSR Group is a team dedicated to conducting system reviews of more than 400 contractors, each with more than \$25 million in qualifying purchases or subcontracting across the globe, including in the Middle East.

"We identify system weaknesses when present, and drive contractors to more efficient practices," said E. Jean Labadini,

DCMA CPSR Group director.

When a prime contractor makes purchases under a government contract, it must satisfy various acquisition regulations and contract specific terms and conditions. Contractors use many different systems, each with varying degrees of sophistication, integration and controls. With any system a contractor uses, there is a risk of increased contract cost when that system does not make the most efficient use of its resources. "We ensure contractors are utilizing sound subcontracting practices and reputable suppliers to minimize that risk," Labadini said.

The CPSR group evaluates a number of system characteristics. "We review purchase orders and subcontract files to determine whether the prime contractor is meeting prime contract and acquisition regulation requirements associated with procurement, long-standing industry standards and good business practice," said Judy Collier, DCMA supervisory procurement analyst.

For each review, one of the 27 procurement analysts currently on-board serves as a team captain, with other analysts supporting; a normal review takes about two weeks of work in the



*Defense Contract Management Agency employees conduct a Contractor Purchasing System Review at Boeing Seattle. From left, Hannah Ressler, team captain; Phil Steelman, supervisory procurement analyst; Andrea Duran and Mark Jones, augmentees from the DCMA Pricing Center; and DCMA Procurement Analysts Donald Payne, Joel Mason and Jeff Mahlmeister work together at a desk to compare findings. CPSR teams like these compile data and review purchasing systems to ensure contractors spend the government's money efficiently. (Photo courtesy of CPSR group)*

field. Because these reviews are performed in a contractor's facility, the CPSR team spends about 50 percent of their time on the road. Prior to leaving for a review, the analysts get input from the cognizant Corporate Administrative Contracting Officer, Divisional ACO and ACO, along with DCMA functional experts familiar with or assigned to the contractor — such as quality assurance representatives, industrial specialists, small business specialists. The group's primary customers are the ACOs, who receive the reports and corrective action plans.

The CPSR group coordinates with the

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Defense Contract Audit Agency to determine whether any other business system weaknesses appear to be rooted in purchasing. DCAA's input contributes to the analysts' understanding of the

contractor's operations, enabling a more comprehensive assessment of the system.

The analysts test a considerable number of procurement transactions against a wide variety of contractual, regulatory and statutory requirements, and industry best practices. “We fill an important niche, but we also cover contracts worldwide,” Collier said.

Once all of this data is collected, analysts draft a report. The CPSR group has instituted Boards of Review to vet and improve reports before delivering them to the ACOs. “The Board of Review is an internal mechanism where we evaluate

CPSR reports to ensure they are quality products,” said Phillip Steelman, DCMA supervisory procurement analyst.

When not in the field, the analysts write reports, prepare for the next review, review corrective action plans and answer questions from ACOs about past reviews and reports.

“As acquisition has changed, CPSRs are our chance to help ACOs and provide them with enough information to make decisions,” Collier said.

“ACOs have so many different responsibilities. As subject matter experts, we can be a great resource to them in navigating the CPSR process,” said Jessica Kidd, a DCMA procurement analyst. The reports Kidd and other CPSR team members produce support the ACOs and provide insightful data that the ACOs have no other means of acquiring.

DCMA uses CPSRs to identify strengths and weaknesses in purchasing systems; unhealthy systems are generally disapproved, while healthy systems can be approved even where opportunities for improvement exist. “We’re not just looking for problems; we’re trying to find the

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underlying causes and describe the entire system,” Kidd said.

To help tackle quality and insight initiatives, DCMA is growing the CPSR group by adding new resources. The CPSR Group is comprised of contract administrators in the 1102 series and, like many organizations within DCMA, a drawdown in staff over time has had its effects. “We learned some hard lessons from that drawdown,” Labadini said. “We now know the tremendous value the 1102s bring to the Department of Defense.”

For Fiscal Year 2012, CPSR has been authorized to grow to 45 positions

within this specialty. In addition, when needed, their teams are augmented with representatives from the Pricing Center.

Labadini is also instituting changes to make the reviews more informative and thorough, such as the implementation of the Board of Review. The CPSR group has also shifted to standardized practices. She also highlighted “back to basics” training to add quality and depth to reviews.

“There have been a lot of changes recently, and ACOs seem surprised with the thorough recommendations we provide,” Kidd continued. “Because we have more resources now than we once did, we are better able to get statistically valid samples and ask the right questions.”

This more detailed analysis allows DCMA to get a more complete picture of the risks involved with a given system. “CPSRs are a 360-degree effort. What we’re looking at is how the contractor manages its procurement processes,” Steelman said. “It’s important we execute our processes to evaluate any risks to the efforts for which we rely on the contractor.”

Acquisition regulations are constantly changing, and the CPSR Group needs to

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be aware of any impact on procurement processes or subcontracting requirements. For example, updates to the Defense Acquisition Regulations System in 2011 significantly altered what an ACO should do if business systems are considered deficient. “The overall health of a procurement system deeply impacts a contractor’s ability to deliver the right product at the right cost to DoD,” Kidd said. “If we don’t look at these things, no one will.”

“Our work is very challenging, and my team truly exemplifies the definition of road warriors; we’re fighting the fight for continuous process improvement,” Labadini said, praising her team. “Buying efficiently gets warfighters good, quality products on-time and saves money that can be used for future government purchases.” The CPSRs ensure contractors continue to buy efficiently and highlight systems that are failing to properly safeguard government dollars.

“These reviews help the warfighter, taxpayer and government. They contribute to controlling and curbing waste, fraud and abuse and make sure that contractors are accountable and held to the same



*Members of the Contractor Purchasing System Review team examine paperwork and confer together at Raytheon IDS in Andover, Mass. The CPSR team is often on the road and on contractor sites to analyze and gather data about purchase systems. This information is taken back to DCMA and filed into reports for administrative contracting officers within DCMA. In the foreground is Carter Ruth, Defense Contract Management Agency procurement analyst. Behind him, from left: Chris Spaeth, DCMA procurement analyst; Judy Collier, DCMA supervisory procurement analyst; Jessica Kidd, DCMA procurement analyst; and Jeff Mahlmeister, DCMA procurement analyst. (Photo courtesy of CPSR team)*

standard as the government,” Collier said. By constantly improving the review process, DCMA furthers its commitment to proper stewardship of those dollars

to best meet its responsibilities to the taxpayer, warfighter and DoD. 



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