Audit Report

ALLEGATIONS RELATING TO THE
PROCUREMENT OF A REPORT MODULE FOR THE
COMPOSITE HEALTH CARE SYSTEM II

Report No. D-2001-038 January 29, 2001

Office of the Inspector General
Department of Defense

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Acronyms

CHCS	Composite Health Care System
GSA	General Services Administration
VA	Department of Veterans Affairs
IPT	Integrated Product Team
MDPR	Medical Defense Partnership for Reinvention

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

January 29, 2001

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)

SUBJECT: Audit Report on Allegations Relating to the Procurement of a Report Module for the Composite Health Care System II (Report No. D-2001-038)

We are providing this audit report for your information and use. The audit was performed in response to allegations made to the DoD Hotline on potential procurement violations involving a report module for the Composite Health Care System II. No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Michael A. Joseph (mjoseph@dodig.osd.mil) or Mr. Timothy J. Tonkovic at (757) 766-2703 (ttonkovic@dodig.osd.mil). See Appendix D for the report distribution. The audit team members are listed inside the back cover.

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Deputy Assistant Inspector General
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Office of the Inspector General, DoD

Report No D-2001-038 **January 29, 2001**
(Project No. D2000LF-0030)

Allegations Relating to the Procurement of a Report Module for the Composite Health Care System II

Executive Summary

Introduction. This audit was performed in response to allegations made to the DoD Hotline on potential procurement violations involving an ad hoc report module for the Composite Health Care System (CHCS) II. CHCS II is a second-generation clinical information system designed to generate and maintain a comprehensive computer-based patient record for each military health system beneficiary. The ad hoc report module of CHCS II allows the user to create reports of choice by "drilling down" into an individual patient's record or a series of patient records. The total cost of the ad hoc report module and related business licenses is projected to be about $17.2 million through FY 2006.

Objective. The audit objective was to evaluate the DoD Hotline allegations relating to the procurement of an ad hoc report module from a systems integrator. The complainant alleged that:

- the Government elected to procure one vendor's ad hoc report module despite substantial evidence and pricing in support of competing vendors' ad hoc report modules;
- the Government created a contracting arrangement whereby a systems integrator was somehow involved with the contract award; and
- the Government used an alternative Government agency (Department of Veterans Affairs) in some role in the procurement.

Results. Two of the three allegations regarding potential procurement violations involving an ad hoc report module for CHCS II were substantiated; however, there was no adverse effect because the actions were not improper. The allegation that the Government elected to procure one vendor's ad hoc report module, despite substantial documentation supporting another vendor's product, was unsubstantiated. The allegation that the Government created a contracting arrangement using a systems integrator was substantiated; however, that action was in accordance with Government regulations and had no adverse effect on the selection of the ad hoc report module. The CHCS II Program Office used a prime contractor that was one of 1,600 General Services Administration contractors on a federal supply schedule that provide information technology services to the Federal Government. In accordance with the

terms of a delivery order, the prime contractor provided systems integration services that included evaluation and selection of the ad hoc report module. The allegation that the Government used the Department of Veterans Affairs in some role in the procurement was substantiated; however, there was no adverse effect. The contracting office for the Department of Veterans Affairs North Texas Health Care System, Dallas, Texas, was designated by the General Services Administration as the servicing contracting office to process CHCS II delivery orders with the prime contractor. See the Finding section for details.

Management Guidance. On October 26, 2000, the Program Executive Officer for the Office of Information Management, Technology, and Reengineering published additional guidance for CHCS II and other Information Management, Technology, and Reengineering personnel. The overall concept of the guidance is that establishing formal processes and responsibilities for interfacing with contractor personnel, and providing appropriate training, will improve the contracting process. Specifically, the guidance requires the formation of a contracts management function to provide procedural oversight to the contracting process. See the Finding section for a summary of the guidance and Appendix C for the full text of the guidance.

Management Comment. We provided a draft of this report on November 7, 2000. No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

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Background

The audit was performed in response to allegations to the DoD Hotline on potential procurement violations involving an ad hoc report module for the Composite Health Care System (CHCS) II. CHCS II is a follow-on system to CHCS, and is designed to support the military health system in the delivery of high quality and readily accessible health care services. The CHCS II Program Office was established in August 1996 as part of the TRICARE Management Activity.

Program Office. The CHCS II Program Office is tasked with implementing the DoD military health system information management and information technology strategic objectives. The mission of the Program Office is to acquire and maintain a computer-based clinical information system, which will facilitate the provision of quality health services to members of the Armed Forces, their families, and others entitled to DoD health care.

Composite Health Care System II. CHCS II is a second-generation clinical information system that provides patient data management and communications capabilities. Areas supported by CHCS II include appointment scheduling and coordination; patient registration, admission, disposition, and transfer; and quality control and test reporting. CHCS II will generate and maintain a comprehensive, historical patient record for each military health system beneficiary.

CHCS II is being planned and released in phases. CHCS II Increment 1 served as a risk reduction, planning segment to identify required business processes and workflow changes and to capture health care provider feedback and "lessons learned." CHCS II Release 1, which is intended to be a deployable product, successfully completed the laboratory portion of Developmental Test and Evaluation in June of 2000. Developmental Test and Evaluation site testing in an operational environment is underway and is scheduled for completion in the second quarter of FY 2001. Operational Test and Evaluation of CHCS II Release 1 is scheduled for the third quarter of FY 2001, and a decision supporting worldwide deployment of CHCS II Release 1 is anticipated in the fourth quarter of FY 2001.

Ad Hoc Report Module. The DoD Hotline allegation involved the procurement of a CHCS II ad hoc report module. Ad hoc reports allow users to create reports of choice by "drilling down" into an individual patient's record or a series of patient records. Ad hoc reports are generally for users whose report requirements vary from day to day or week to week. They are one-time information requests and enable users to conduct trend analysis, generate management information reports, and select target audiences.

Objective

The audit objective was to evaluate the DoD Hotline allegations relating to the procurement of an ad hoc report module from a systems integrator (a prime contractor). Specifically, the complainant alleged that the Government elected to procure one vendor's ad hoc report module despite substantial evidence and pricing in support of competing vendors' ad hoc report modules. The complainant also alleged that the Government created a contracting arrangement whereby a systems integrator was somehow involved with the contract award and that the Government used an alternative Government agency (Department of Veterans Affairs [VA]) in some role in the procurement. See Appendix A for a discussion of the audit process and prior coverage.

Procurement of the Ad Hoc Report Module

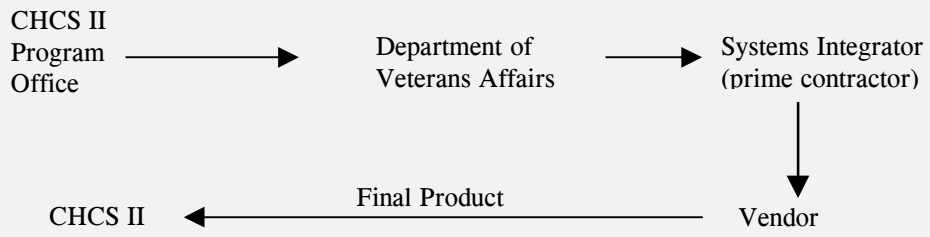
Two of the three allegations regarding potential procurement violations involving the ad hoc report module for CHCS II were substantiated; however, there was no adverse effect because the actions were not improper. The allegation that the Government elected to procure one vendor's ad hoc report module, despite substantial documentation supporting another vendor's product, was unsubstantiated. It appears that the complainant misunderstood the contracting process. A systems integrator (prime contractor), and not the Government, selected the ad hoc report module. In addition, there was no indication that the Program Office exerted any influence on the prime contractor to contract with a particular vendor. The allegation that the Government created a contracting arrangement using a systems integrator was substantiated; however, the action was in accordance with Government regulations. The allegation that the Government used the VA in some role in the procurement was substantiated; however, there was no adverse effect.

Contracting History

In 1997, the General Services Administration (GSA) awarded a contract to a prime contractor to perform information technology services for components of the Federal Government. The VA North Texas Health Care System contracting office in Dallas, Texas, was designated by GSA as the servicing contracting office to process delivery orders with the prime contractor. On March 23, 1999, the CHCS II Program Office determined that the prime contractor provided highly specialized systems integration services at the level of quality desired for CHCS II. On April 1, 1999, the VA issued a delivery order that required the prime contractor to identify, evaluate, and recommend an optimal combination of software programs for integration into CHCS II. The delivery order required the contractor to compare integration candidates with respect to functionality, performance, and interoperability, and to prioritize the integration candidates using the results of those comparisons. The prime contractor's efforts included evaluation and selection of the ad hoc report module.

The Government approved the prime contractor's proposal in September 1999. Approval of the proposal connoted Program Office agreement with the software solutions in the proposal. On September 30, 1999, the VA issued a separate delivery order that required the prime contractor to furnish the recommended software licenses for use with the ad hoc report module.

The following figure illustrates the established funding and ordering relationship of the Program Office, the VA contracting office, the prime contractor, and vendors.



CHCS II Ordering Process

The Program Office expects to fund delivery orders for third party software with the prime contractor totaling about $65.6 million through FY 2006. On September 30, 1999, the VA contracting office placed a $3.5 million delivery order with the prime contractor, obligating FY 1999 funds that were transferred from the Program Office. About $284,000 of the $3.5 million order was applicable to the ad hoc report module. From October through December 1999, the Program Office processed three modifications to the delivery order through the VA contracting office for continuing systems integration requirements that, combined, totaled $9.9 million of FY 2000 funds. The ad hoc report module portion totaled $2.8 million. The total cost of the ad hoc report module and related business licenses is projected to be about $17.2 million through FY 2006.

Evaluation of the Allegations

Allegation 1. The complainant alleged that the Government (the CHCS II Program Office) elected to procure one vendor's ad hoc report module despite substantial evidence and pricing in support of competing vendors' ad hoc report modules. The allegation was unsubstantiated.

The Program Office did not have vendor selection authority; the prime contractor did. There was no indication that the Program Office exerted any influence on the prime contractor to contract with a particular vendor. The prime contractor independently evaluated three ad hoc report modules and included the top-ranked product as part of its software solution proposal for systems integration. The vendor selection was based on a technical evaluation that met CHCS II requirements and was determined to be in the Government's best interests.

A low price was not a determining factor and the selection was not subject to price comparison. All three vendors were on the GSA federal supply schedule and GSA had already determined that prices of items under schedule contracts were fair and reasonable.

Additionally, price reasonableness was further ensured because subsequent negotiations resulted in prices lower than those shown on the federal supply schedule for the selected vendor's ad hoc report module.

By placing an order, the Program Office acknowledged that the prime contractor's selection represented the Government's best interests. However, Program Office personnel continued communications with a non-selected vendor after the Program Office had concurred with the prime contractor's proposal. The communications might have created an appearance that the vendor selection for the ad hoc report module was ongoing.

Allegation 2. The complainant alleged that the Government had created a contracting arrangement whereby a prime contractor was somehow involved with the award. The allegation was substantiated; however, the action was not improper and there was no adverse effect on the selection of the ad hoc report module. The use of a prime contractor to provide information and technology systems integration services is a common business practice in the Federal Government. The GSA Federal Systems Integration and Management Center provided information technology support to the Program Office and coordinated the selection of the prime contractor for systems integration services. The prime contractor was one of 1,600 GSA contractors on a federal supply schedule that provide information technology services to the Federal Government.

Allegation 3. The complainant alleged that the Government had also used an alternative Government agency in some role in the procurement. Although the allegation was substantiated, the use of a third party servicing contracting office was not improper and there was no adverse effect. The VA North Texas Health Care System contracting office is the liaison office to the prime contractor, as designated by GSA.

Discussion

Prime Contractor Technical Evaluation. On June 23, 1999, the prime contractor completed a technical evaluation of the ad hoc report modules. The evaluation was based on the following criteria.

- Ad Hoc Reporting – The ease with which the software can create ad hoc reports.
- Visual Basic Interface – The flexibility and ease that the report module can interface with Visual Basic.
- Ease of Use – The ease of using the ad hoc report capability for administration and reporting requirements.
- Security – The ability to secure database information and prevent unauthorized use of the CHCS II system.
- Architecture – General architecture of the system and its ability to integrate into the military health system.

Each of the technical evaluation criterion was given a numerical weight that was applied to three competing vendors' ad hoc report module products for CHCS II. The total weighted scores are shown in the following table.

Evaluation Results for CHCS II Ad Hoc Report Modules

Vendor	Evaluation Score	Total Possible Score
A	880	1,000
B	835	1,000
C	525	1,000

The results of the prime contractor's technical evaluation were conveyed to Program Office acquisition personnel in June 1999. The prime contractor submitted its licensing and software integration proposal to the Program Office on September 15, 1999, proposing selection of Vendor A's ad hoc report module and business licenses.

Independent Laboratory User Evaluation. On August 24, 1999, the Program Office's Architectural Integrated Product Team (IPT) approved a user evaluation of ad hoc report modules from the three competing vendors. The user evaluation was performed by the Medical Defense Partnership for Reinvention (MDPR), an independent laboratory at Scott Air Force Base, Illinois. The MDPR was established under the National Partnership for Reinventing Government and is tasked to assist in the deployment of available commercial technology. The MDPR used two of the five criteria that were used by the prime contractor in its technical evaluation (Ad Hoc Reporting and Ease of Use). On September 21, 1999, the MDPR published its evaluation, "Ad Hoc Report Module Evaluation for CHCS II," and conveyed its recommendation to the IPT that the Program Office pursue negotiations for Vendor B's ad hoc report module. The report did not dispute the capability of any of the three vendors' products to meet established CHCS II requirements. The MDPR evaluation for the IPT provided additional information for Program Office managers to use in evaluating and deciding on the prime contractor's proposal. Results of the user evaluation, showing that users preferred Vendor B, were considered and evaluated by Program Office personnel.

Program Office Decision Process. On September 27, 1999, the CHCS II Project Officer issued his "White Paper on CHCS II Report Ad Hoc Writer Selection." The Project Officer recommended concurrence with the prime contractor's proposed procurement of Vendor A's ad hoc report module product. His recommendation was based on evaluation of the prime contractor's technical review, the MDPR user evaluation, and the best value for the Government. The CHCS II Program Manager subsequently concurred with that recommendation. Concurrence with the prime contractor's recommendation resulted in the issuance of a delivery order accepting the prime contractor's proposal of Vendor A's product. A chronology of events related to the ad hoc report module procurement is in Appendix B.

Continued Program Office Communications. After the VA issued the initial delivery order for Vendor A's ad hoc report module, Program Office personnel continued communications with a non-selected vendor (Vendor B). That might have created an appearance that the ad hoc report module selection was ongoing.

Despite accepting the prime contractor's proposal that included an ad hoc report module and initiating action that culminated in ordering report modules for test sites, Program Office personnel continued to meet with Vendor B personnel about ad hoc report module requirements. At Vendor B's request, on September 30, 1999, the CHCS II Program Manager met with Vendor B personnel. On October 5, 1999, Vendor B sent a letter to the Program Executive Officer, Office of Information Management, Technology, and Engineering, detailing its concerns regarding the award of the delivery order for the ad hoc report module. At that time, Vendor B may have believed that the decision on future purchases of the ad hoc report module could be changed. On October 8, 1999, Vendor B representatives met with the Program Executive Officer and, according to available correspondence, the Program Executive Officer agreed to review the decision. No action was taken to reverse the Program Office decision as a result of those meetings, but continued communications with Vendor B after selection of Vendor A were unnecessary and might have contributed to the allegations being made.

Conclusion

The Program Office followed appropriate procurement procedures before approving the ad hoc report module recommendation from its prime contractor. However, after the Program Office initiated action for the delivery order that included Vendor A's ad hoc report module, Program Office personnel continued communications with Vendor B. Continued communications with Vendor B might have given the appearance that the ad hoc report module selection was an ongoing competition. Continued communications occurred because not all Program Office personnel were fully informed of the CHCS II systems integration process or fully trained in system acquisition procedures.

Management Guidance

Program Office personnel recognized that they could improve the procurement management process. In early 2000, the CHCS II Program Manager implemented mandatory training requirements for all DoD personnel and support contractors assigned to the Program Office. Specifically, the Program Manager required that all personnel receive computer-based acquisition training and that Project Officers receive contracting officer technical representative training.

As a result of the audit, on October 26, 2000, the Program Executive Officer published additional guidance for CHCS II and other Information Management, Technology, and Reengineering personnel. The overall concept of the guidance

is that establishing formal processes and responsibilities for interfacing with contractor personnel, and providing appropriate training, will improve the contracting process.

The Program Executive Officer's guidance should preclude discussions with prospective contractors without the advance knowledge and approval of the contracting officer. The guidance requires the formation of a contracts management function to provide procedural oversight to the contracting process. In addition, the guidance established contract management training requirements for personnel with decisionmaking authority. The guidance also established procedures and responsibilities for employees who interact with vendor and contractor personnel. For example, Program Office procedures now require calls from vendors to be processed by designated personnel for followup or forwarding to appropriate acquisition personnel. See Appendix C for the full text of that guidance.

Because of the actions taken by management, we are not making any recommendations.

Appendix A. Audit Process

Scope and Methodology

Our review focused on Program Office actions for procurement of the ad hoc report module. We examined contractual statements of work, source selection decisions, monthly progress reports, technical and user evaluation results, and miscellaneous correspondence. We did not evaluate the adequacy of the technical and user evaluations. The procurement actions reviewed covered June through December 1999.

We reviewed documentation and interviewed personnel at the Program Office, GSA, the MDPR, the VA North Texas Health Care System, the prime contractor, and subcontractors who were in competition for the ad hoc report module contract.

We did not review the management control program because the scope of the audit was limited to a procurement selection that was based on a recommendation from a non-DoD systems integrator (the prime contractor).

DoD-Wide Corporate Level Coverage. In response to the Government Performance and Results Act, the Secretary of Defense annually establishes DoD-wide corporate level goals, subordinate performance goals, and performance measures. This report pertains to achievement of the following subordinate performance goal.

> **FY 2001 Subordinate Performance Goal 2.3:** Streamline the DoD infrastructure by redesigning the Department's support structure and pursuing business practice reforms. **(01-DoD-2.3)**

DoD Functional Area Reform Goals. Most major DoD functional areas have established performance improvement reform objectives and goals. This report pertains to achievement of the following Health Care Functional Area objective and goal.

> **Objective:** Technology integration. **Goal:** Plan for, assess, obtain, install, and maintain technologies to provide cost-beneficial, interoperable solutions to meet military health system requirements.

High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Information Management and Technology high-risk area.

Use of Computer-Processed Data. We did not rely on computer-processed data to perform this audit.

Audit Type, Dates, and Standards. We performed this program audit from May 2000 through October 2000 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD and other Federal agencies, including DoD contractors. Further details are available on request.

Prior Coverage

Inspector General, DoD, Report No. 99-068, "Acquisition Management of the Composite Health Care System II Automated Information System," January 21, 1999

Appendix B. Chronology of Events

A partial chronology of events related to the procurement of the ad hoc report module follows.

June 23, 1999. The prime contractor completed a report on a technical evaluation of ad hoc report modules for CHCS II. Two products met system requirements and were closely ranked. The third product did not provide ad hoc report capabilities and was ranked significantly lower.

August 24, 1999. The Architectural IPT approved a user evaluation of the ad hoc report module products. Ad hoc report modules from three vendors were scheduled for evaluation by MDPR, based on user input from military treatment facilities. The MDPR evaluation team consisted of 12 personnel from the 375th Medical Group at Scott Air Force Base and one MDPR staff member who works with the 375th Medical Group. The evaluation team included military treatment facility administrators, installers, and users. Two of the five criteria used in the prime contractor's technical evaluation were evaluated by the MDPR.

September 15, 1999. The prime contractor submitted a proposal for integrating commercial, off-the-shelf software products in CHCS II. The proposal recommended Vendor A's ad hoc report module, which was identified in the June 23, 1999, report as the top-ranked product.

September 21, 1999. The MDPR provided the Architectural IPT the user evaluation report, "Ad Hoc Report Module Evaluation for CHCS II." The MDPR recommended Vendor B's ad hoc report module.

September 27, 1999. The CHCS II Project Officer issued his "White Paper on CHCS II Report Ad Hoc Writer Selection" and stated his agreement with the prime contractor's proposed procurement of Vendor A's ad hoc report module. He recommended concurrence with the proposal, based on his evaluation of the prime contractor's technical review, the MDPR user evaluation, and the best value for the Government. The CHCS II Program Manager concurred with the Project Officer's recommendation, completing the last step in the review of the prime contractor's licensing and software integration proposal.

September 30, 1999. The VA contracting office in Dallas, Texas, placed a $3.5 million delivery order with the prime contractor, obligating FY 1999 funds transferred from the Program Office. About $284,000 of the $3.5 million order was applicable to the report module. The delivery order was placed using the blanket purchase agreement developed by the VA that had established ordering and delivery order processing procedures with the prime contractor.

Appendix C. Management Guidance

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

OCT 26 2000

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDIT

SUBJECT: Audit of Allegations Related to the Procurement of a Report Module for the Composite Health Care System II

Reference: Meeting with DOD/IG and ASD/HA (CIO) of August 30, 2000

Thank you for the opportunity to meet with you and discuss the results of the subject audit. As we discussed during the meeting, I would like to submit the following corrective actions the Composite Health Care System II (CHCS II) Program Office has taken over the last eight months regarding the Hotline allegations:

Improvement of communications between critical decision-making elements of the Program Management Office.

Following our meeting on 30 August, 2000, the CHCS II Program Manager (CAPT Dave Snyder) debriefed the findings of the audit to the Clinical Information Technology Program Office (CITPO) staff and discussed lessons learned at a previously scheduled program office "All Hands" meeting. CAPT Snyder has held regular "All Hands" meetings to keep everyone abreast of business decisions and other developments within the program office since beginning his tenure as Program Manager.

In addition to the specific corrective actions addressed by the CITPO, there are major changes being made within the Military Health System (MHS) to facilitate management, control and communication across the entire MHS Family of Systems. Specifically, with the appointment of the Program Executive Officer (PEO), additional central assistance, expertise and procedural oversight to the contracting process, as well as to other critical areas, has and is being provided. For contracts management, the PEO is currently completing personnel actions to form a contracts management function. Formal lines of communication will be established and an education program will be initiated to facilitate the change. The overall concept is that with formal processes, designated responsibilities, and appropriate training, the specific information will be in place to avoid future duplicative and contrary efforts.

Ensuring all personnel with decision-making responsibility have received adequate acquisition/contract management training.

Key program office government staff have completed or are scheduled for Acquisition 101 and Contracting Officer Representative (COR) Contracting Officer Technical

Representative (COTR) training, to fulfill minimum CITPO professional training requirements. Many have completed additional, advanced acquisition training.

Acquisition sensitive positions have been identified in all ACAT 1A and other programs within the MHS Family of Systems. There is an ongoing manpower study and resultant realignment of Service personnel to properly staff each program with sufficient well-trained leadership having the appropriate skill mix. This is being accomplished in concert with the Service's Medical Chief Information Officers to ensure proper staffing levels and staff composition within the programs. Activities such as Contracts Management, Human Resources and Manpower Administration, Financial Management, Operational Effectiveness, Architecture & Standards Implementation, and Tri-Service Infrastructure Management are being consolidated and staffed to provide coordinated, consistent, and professional service to all Program Offices. All personnel in place and those incoming to the identified key positions will receive appropriate levels of training. Level III training for ACAT 1A program managers and deputy program managers has been mandated by OSD and is monitored closely by the PEO Human Resources staff. Coordination is made with each of the Services' Defense Acquisition Management Offices to schedule these key individuals for completion of both the Advanced Program Management Course and the Executive Program Management Course consistent with mission requirements and current staffing levels in each program. Since the establishment of the PEO, four people have completed PMT 302 and one more is being scheduled; five people have completed PMT 303 with three more being scheduled. (Specifically in CITPO: LTC Arroyo completed PMT 302 and 303; Col Reyburn completed PMT 302 and will be scheduled to complete PMT 303 through the AF ACM; CAPT Foster completed PMT 302 and will be scheduled to complete PMT 303 through the Navy DACM.)

<u>Issuance of guidance outlining employee roles and responsibilities when interfacing with contractor personnel.</u>

This guidance is provided in COR/COTR training. Additionally, the CHCS II Program Manager addressed this during the "All Hands" on August 30, 2000. The CITPO will include training to reinforce these roles and responsibilities in the annual CITPO in-service training. The CITPO now uses a business process that directs all vendor "cold calls" to only designated qualified CITPO personnel for appropriate follow-up and disposition. This includes directing contractual questions and other contractual issues to qualified acquisition focal point personnel.

Under the guidance of the PEO and the previously mentioned manpower study, definitive roles and responsibilities are being developed on each key individual. Perhaps the most significant action taken to date is the publication of the "PEO Best Practices and Processes" in August 2000. Section 2, Contracting Best Practices and Processes, will be finalized and included in the publication during October 2000. This section will provide definitive guidance applicable to all program offices and will be the keystone for future training. In addition, a series of "chartered" committees and integrated product teams are revising, consolidating, and streamlining business and technical

processes. The most notable of these are the Executive Steering Committee consisting of the PEO and Program Managers, the Joint Engineering Team consisting of program lead technical representatives, and the Operational Effectiveness Integrated Product Team consisting of key program representatives. The added advantage of the committees and teams is both the formal and informal communications network established and the distribution and institutionalizing of processes and policies. This is accomplished through stakeholder buy-in garnered through active participation in the change process.

If you have any further questions, please do not hesitate to contact me at (703) 931-5942 x 276, Carl.Hendricks@tma.osd.mil or CAPT David Snyder, the CITPO Program Manager, at (703) 681-7121, David.Snyder@tma.osd.mil.

Carl E. Hendricks
COL, MSC, USA
Program Executive Officer
Military Health Systems
Information Technology Organization

Attachments:
1. Copies of Acquisition 101 training documents
2. Copies of contract training documents
3. Copies of other acquisition training documents

Attachments omitted

Appendix D. Report Distribution

Office of the Secretary of Defense

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Audit Team Members

The Readiness and Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report. Personnel of the Office of the Inspector General, DoD, who contributed to the report are listed below.

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