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### AFMC PGI 5301.601-91 Air Force Contracting Compliance Inspection Program

Reference MP5301.601-91, Air Force Contracting Compliance Inspection Program

(a) AFMC Contracting Self-Inspection Process - Introduction

This PGI establishes the AFMC standardized process for Contracting Unit Self-Inspections of awarded actions using the [Air Force Contracting Self-Inspection Checklist](https://cs2.eis.af.mil/sites/10059/afcc/knowledge_center/templates/self_inspection_checklist.xlsx). Each Center and Operating Location (OL) contracting unit (referred to in this document as the “Contracting Office”) should conduct unit self-inspections to ensure contracting actions reflect good business judgment, compliance with existing statutes, regulations, and policies (including AFI 90-201, The Air Force Inspection System’s purpose to identify, and report issues); and enable proactive trend and issue identification to improve acquisitions in the long term. The process addresses self-inspection from the identification of awarded actions below prescribed clearance review thresholds chosen for review, through review, trend/Area(s) of Concern (AOC) analysis, Corrective Action Plan (CAP) development, and data entry/final resolution. The Self-Inspection Program Monitor (SIPM) briefs Management Internal Control Toolset (MICT) status to the SCO and actions are considered complete when Contracting Office SCO has been briefed on closure of any corrective action, and closure in the system.

(b) Applicable Publications, Regulations, and Checklists

1. AFI 90-201
2. AFI 90-201 AFMCSUP
3. AFFARS 5301.601-91
4. AFFARS MP5301.601-91
5. Air Force Contracting Self-Inspection Checklist
6. AFMCI 64-116

(c) Roles and Responsibilities

Self-Inspection Program Monitor (SIPM): Responsible for administration of the Contracting Office’s overall Self-Inspection Program, which includes both the assessment of individual contract files and the assessment of contracting management programs. The SIPM (or alternate) is also responsible for entry, review, and monitoring of MICT.

Self-Inspection Program Point of Contact (SIP POC): The SIP POC is the liaison between the reviewed buying office, reviewers, the SIPM and the SCCO/SCO. Responsibilities include oversight of the review process within a respective buying office and collection of all inspection review sheets. The SIP POC flags all Critical, Significant, and Minor deficiencies as well as identifies any trends resulting from the unit inspection. The SIP POC is also responsible for working with the cognizant office(s) to create CAPs, where/when applicable, and monitoring CAPs through closure. Upon closure, the SIP POC should notify the SIPM of CAP completion.

Unit Self-Inspection Program Reviewer (USIP–R): For reviews done by other than a formally assigned Reviewer, such review(s) should be done by a PCO (and may be supported by a buyer). (The intent/role of the buyer is to provide a mentoring experience for junior contracting personnel to facilitate both thorough inspections and a culture of learning and professional growth.) PCOs may only review files within the scope/limit of their individual warrant. The USIP-R (or designee) is responsible for reviewing the contract file IAW [Air Force Contracting Self-Inspection Checklist](https://cs2.eis.af.mil/sites/10059/afcc/knowledge_center/templates/self_inspection_checklist.xlsx). The USIP-R is responsible for verifying discrepancies are corrected/fixed prior to submitting the completed inspection review sheets to the SIP POC. Should an office not have an assigned reviewer, the individual serving as the USIP-R should coordinate efforts with their assigned SIP POC and/or SIPM.

(d) Contracting Management Program IAW the AF Contracting Self-Assessment Communicator

Contracting Offices should inspect contracting management programs IAW [AFI 90-201](http://static.e-publishing.af.mil/production/1/saf_ig/publication/afi90-201/afi90-201.pdf) and AFFARS MP 5301.601-91. SCOs should be regularly briefed on organization MICT status.

Contracting Office(s) may, as MICT date milestones/criteria are fulfilled/changed, enter/update as practicable. Upon closure of a MICT record for a trend/item self-inspection, the individual(s) designated to complete work on a given CAP should notify the SIPM and request closeout in the MICT system.

(e) Unit Awarded Action Self-Inspections

The self-inspection of individual contract files flows through a three phase process: first, Identification/Selection and Review of Awarded Actions; second, Analysis/Trend Identification and Corrective Action Plans; and third, Contracting Office tracking through resolution. Unit contracting self-inspection is considered complete when the SIPM (or delegate) briefs the Contracting Office SCO on successful review of actions, and the closure of any corrective action based on finding from the review(s). The data/findings from informal lower organization reviews of awarded actions may be included in the overall Contracting Office self-inspection.

(e)(1) Phase One - Identification/Selection and Review of Awarded Actions:

Unit PZCs (or their delegate if no PZC is resident at a given location) should identify and review contract actions including contracts, modifications, and orders issued since the last data pull, below the clearance review thresholds identified in the AFMC PGI.

The table below provides the minimum annual self-inspection quantities/percentages against awards with dollar values below those of clearance review thresholds. The two (2) percent standard is based on total awards of the year (not just total action count below review thresholds). The annual data pool/count is based on twelve months’ worth of data since the end of the previous year’s inspection. Self-inspections should be accomplished on a continual basis and ensure compliance, as a minimum, with the most current [Air Force Contracting Self-Inspection Checklist](https://cs2.eis.af.mil/sites/10059/afcc/knowledge_center/templates/self_inspection_checklist.xlsx)identified in AFFARS MP5301.601-91, para 2.

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| --- | --- |
| **Number of Actions** | **Number/Percent of awards annually reviewed for Self-Inspection** |
| 1-100 | Five actions (or all, if less than five total awards) |
| 101 - 500 | Five (5) actions, or no less than two (2) percent minimum - whichever is greater |
| Over 500 | No less than two (2) percent |

In addition to the actions inspected to meet the requirements of this process, contracting self-inspections may include additional actions above the review threshold as a secondary quality check (and final verification that final contract clearance issues were adequately addressed). All reviews in the self-inspection should be conducted on a representative sampling of actions (e.g., purchase orders, contracts, supplemental agreements, undefinitized contract actions, funding modifications, orders, option exercises, assistance instruments, etc.). Additionally, specific actions may be selected (outside of random sample) due to the high visibility, or uniqueness of a given acquisition.

While buying organizations should also conduct reviews for their own internal quality control/proactive improvement, those reviews are separate from the self-inspection addressed by this process. However, organizations are encouraged to provide such results to the Contracting Office for sharing of lessons learned/trend analysis/correct. PZC may allow for buying office augmentation of reviews. Augmentation may also be used for those organizations who do not have a resident PZC, and virtual inspection is not practicable.

Larger samples may be pulled as necessary by utilizing a percentage greater than the 2% minimum (e.g., to ensure sufficient quantities have been reviewed, to verify past corrective actions, or to support training decisions). Samples may also include actions valued above the clearance review threshold for which no review was conducted (e.g., funding modifications or option exercise).

(e)(2) Phase Two: Analysis/Trend Identification, Areas of Concern and Corrective Action Plans

Upon completion of the [Air Force Contracting Self-Inspection Checklist](https://cs2.eis.af.mil/sites/10059/afcc/knowledge_center/templates/self_inspection_checklist.xlsx), the data should be consolidated and the SIP POC should analyze and identify any trends (using the table below for trend analysis) or actions requiring further effort as CAPs or Area(s) of Concern (AOC)–reporting to Contracting Office SCO (or COCO as appropriate or two-letter local Contracting lead for those locations who do not have a SCO physically located – this distinction applies to SCO references through remainder of this document) for approval. PZC should brief or facilitate briefing to report trends and/or results of the self-assessment. The SIPM should generate or facilitate creation of CAPs with input and buy-in from affected buying offices.

CAPs should be developed and should be tracked to closure by the applicable PZC office with support from the office(s) in which the observations occurred. Systemic trends are distinguished by the reportable Contracting Office.

The following table identifies the frequency for which finding a specific checklist item may be used to identify a trend for that item. Immediate offices/locations have the discretion to initiate a CAP/below threshold, given severity or direction by higher authority at said site to proactively address for future efforts. The table provides a consistent aid for consideration of a trend for final determination/approval of trend by SCO.

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| **Data Pull Sample Size** | **Volume/percent within a given award assessment pull to consider as a trend for analysis for SCO)** |
| 1-10 | Three (3) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist item (whichever is greater) |
| 11-25 | Four (4) or more findings of a given checklist item or twenty (20) to thirty (30) (or more) of actions with given checklist item (whichever is greater) |
| 26-50 | Ten (10) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist (whichever is greater) |
| 51-75 | Eighteen (18) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist item (whichever is greater) |
| 76-100 | Twenty-four (24) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist item(whichever is greater) |
| 101-200 | Thirty-six (36) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist item (whichever is greater) |
| >201 | Fifty (50) or more findings of a given checklist item or twenty (20) to thirty (30) percent (or more) of actions with given checklist item (whichever is greater) |

The SIPM coordinates proposed AOCs, CAPs and trends with the SCO for approval. A summary identifying all CAPs and trends are finalized and the SCO should implement and monitor corrective measures, including CAPs, if applicable. Assigned individuals working a specific CAP should report monthly on CAP status to the SIPM. The SIPM should continue to monitor any open CAPS through to completion, providing quarterly updates to the SCO. The SIPM should ensure inspections are completed using the applicable Contracting Self-Assessment Communicator or [Air Force Contracting Self-Inspection Checklist](https://cs2.eis.af.mil/sites/10059/afcc/knowledge_center/templates/self_inspection_checklist.xlsx).

(e)(3) Phase Three: Local Tracking Through Resolution:

Each Checklist inspection result is consolidated by each reportable Contracting Office and should include reportable identified Critical, Significant, and Minor trends (as established by the criteria in this process).

Unit self-inspection for a record is considered complete upon final corrective resolution out-briefed to the cognizant SCO.

(f) Deficiency Severities

Deficiency severity definitions are found in [AFI 90-201, Attachment 1](http://static.e-publishing.af.mil/production/1/saf_ig/publication/afi90-201/afi90-201.pdf). There are three deficiency severities: critical, significant, and minor.

(g) Areas of Concern (AOC)

AOC merit additional attention by management, but are not of the severity that they merit a CAP. Contracting Offices can designate an item as an AOC for local focus (e.g., based on observations from recent inspection, based on new regulations being issued for that area, based on a new checklist question being added, reading other IG reports for insight, etc.). Contracting Office AOCs should be managed and closed at the level they were initiated. Creation of each AOC item should include the exit criteria for action closure.