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**UNITED STATES DEPARTMENT OF COMMERCE**
**Chief Financial Officer**
**Assistant Secretary for Administration**
Washington, D.C. 20230

**PROCUREMENT MEMORANDUM 2016-02**

**ACTION**

**MEMORANDUM FOR:** **BUREAU PROCUREMENT OFFICIALS**

**FROM:** Barry E. Berkowitz
Senior Procurement Executive
and Director for Acquisition Management

**SUBJECT:** Contract File Maintenance and Documentation

**Background**
Federal Acquisition Regulation (FAR) Subpart 4.8 requires contract files to be established for all contractual actions. Each contract file should provide a standalone record of the background and history of the contract action and provide adequate documentation to support the decisions made regarding the contractual action. The documentation must be sufficient to constitute a complete history of the transaction for the purpose of:

- Providing a complete background as a basis for informed decisions at each step in the acquisition process;
- Supporting actions taken, to include payments, invoice adjustments, modifications, and de-obligations;
- Providing information for reviews and investigations; and
- Furnishing essential facts in the event of litigation or congressional inquiries.

Recent Office of Inspector General reports and Departmental reviews have identified missing contract files and supporting documentation and recommended stronger controls in order to properly maintain and safeguard contract files and file documentation. Missing files and documentation may be an indication of inadequate internal controls and could provide the perception of mismanagement or impropriety. As a result, additional efforts to improve contract file maintenance and documentation are required.

**Purpose**
The purpose of this Procurement Memorandum is to re-emphasize the importance of establishing and maintaining contract files and supporting documentation.

**Required Actions**
Bureau Procurement Officials shall implement targeted efforts to improve controls over contract file maintenance and documentation. Each Bureau Procurement Official shall submit an action plan that outlines the efforts that will be taken to improve controls to properly maintain and safeguard contract files and supporting documentation. A copy of the action plan shall be submitted to me via OAM_Mailbox@doc.gov no later than December 31, 2015.

**Effective Date**
This Procurement Memorandum is effective immediately and remains in effect until it is otherwise rescinded.

The point of contact for this matter is Ebony Jackson who may be reached at 202-482-1720 or ejackson@doc.gov.