



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JAN 09 2009

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Past Performance Assessment Reporting

Past performance information is critical in source selection evaluations to aid in the determination of obtaining the best value goods and services for the Department. Within the Department, past performance information is recorded in the Contractor Performance Assessment Reporting System (CPARS). The Department of Defense Inspector General (DoDIG) Report No. D-2008-057, "Contractor Past Performance Information", dated February 29, 2008, found that eligible contracts are not being registered and performance assessment reports are not being entered into CPARS in a timely manner. Incomplete, non-existent, or untimely performance reports may negatively impact the source selection process. Active and timely participation in implementing the recommendations of the DoDIG report is essential.

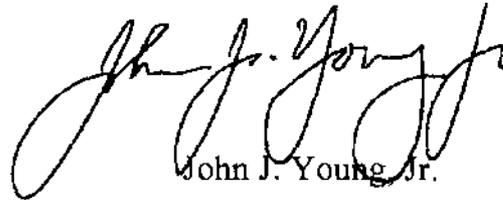
Past performance assessment reporting is the shared responsibility of program / requirements offices and contracting personnel. Eligible contracts (see Attachment A to DPAP memorandum of November 27, 2007, attached) must be registered in CPARS within 30 days of award. Program managers and other requirements office personnel must ensure that annual assessments are completed on registered contracts within 120 days of the end of the performance period. All assessment reports must be supported by narratives of sufficient detail to demonstrate that the assigned ratings are credible and justified. Assessment reporting is essential in providing feedback to the contractor. It is highly recommended that prior to exercising an option on an existing contract, the contractor performance assessment be performed and documented.

The CPARS Quality Checklist is available at the CPARS website (<http://www.cpars.csd.disa.mil/cparsfiles/pdfs/qualcheck08.pdf>) to assist with the development/completion of quality reports. The checklist also includes sample narratives. Training on writing past performance assessment reporting, including narrative writing, is available through the CPARS program office. Information on onsite and web-based training may be obtained online at <http://www.cpars.csd.disa.mil>.

Once completed contractor performance assessment reports are captured in CPARS, the reports are available in the Past Performance Information Retrieval System (PPIRS, www.ppirs.gov) and may be used to assist in source selection.

To comply with the DoDIG recommendations, contracting offices or activity CPARS Focal Points are required to register eligible FY2008 and first quarter FY2009 contracts into CPARS by February 28, 2009. Program and requirements offices are required to complete assessments on registered contracts within 120 days of the end of the evaluation period and to reconcile the CPARS database to ensure excess and outdated information is deleted. Assessments must be completed on all registered contracts. Each Military Department and Defense Agency must submit the attached report to confirm compliance with above recommendations by March 31, 2009.

My point of contact for this memorandum is Ms Sandra K. Ross. She can be reached at 703-695-9774 or email sandra.ross@osd.mil.



John J. Young Jr.

Attachments:
As stated

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

NOV 27 2007

MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT), ASA (ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND LOGISTICS MANAGEMENT), ASN
(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY DIRECTOR, ARMY CONTRACTING AGENCY

SUBJECT: Past Performance Information

Reference Department of Defense Inspectors General (DoDIG) audit reports (<http://www.dodig.osd.mil/Audit/reports/06Report.htm>): (a) "Acquisition: Source Selection Procedures for the Navy Construction Capabilities Contract (D-2006-061)" dated March 3, 2006 and (b) "Defense Infrastructure: DoD Reporting System for the Competitive Sourcing Program (D-2006-028)" dated November 22, 2005.

Past performance information is a tool used to provide feedback to contractors on actual contract performance and the information is utilized in the source selection process. It is important that the acquisition workforce input contractor past performance information into DoD's data capture system, the Contractor Performance Assessment Reporting System (CPARS), whenever a procurement action meets the DoD dollar threshold. All contracts that meet the thresholds stated in Attachment A should be included in CPARS. There is an expectation of noticeable performance improvements and greater efficiency and effectiveness of operations when past performance information is used effectively.

The Office of the Under Secretary of Defense for Acquisition, Technology & Logistics (Defense Procurement and Acquisition Policy) issued "A Guide to Collection and Use of Past Performance Information (Version 3)" dated May 2003 which is available at <http://www.acq.osd.mil/dpap/paic/attachments/guides/ppiguide-2003.pdf>.

The \$1 million threshold for services is applicable to all contracts where the contract is valued at or over \$1 million including unexercised orders and options, and past performance information should be collected. Past performance information should be collected beginning at contract award and for all performance periods, not just the performance periods where the \$1 million threshold was reached or exceeded. If past



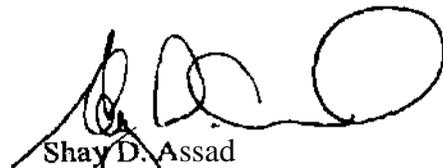
performance information is not captured before a contract reaches the reporting threshold, the information must be captured when it does. Acquisition personnel must amend performance evaluations if significant information about a contractor's performance under a specific order surfaces prior to overall contract closeout. For example, if a contractor doesn't honor extended warranty provisions after a contract ends, that should be noted. Attachment A identifies the thresholds when past performance information must be collected.

DoD Components must also collect past performance information on previously exempt contracts. The DoDIG found seven contracts considered exempt by the respective agencies when awarded under FAR Subpart 8.7 and FAR Subpart 13.5. When thresholds are exceeded under FAR Subparts 8.7 and 13.5, past performance information must be collected.

The Past Performance Information Retrieval System (PPIRS) collects and retains past performance information on contractors for the entire Federal Government. DoD Components are required to load past performance information into CPARS which automatically feeds completed performance assessments to the PPIRS. The CPARS guide is located at <http://cpars.navy.mil/cparsfiles/pdfs/DoD%20CPARS%20Guide%20June%202007.pdf>. Source selection officials access PPIRS when making competitive award decisions. Federal agencies are also collecting contractor past performance information through the use of their own systems which also automatically feed data to the PPIRS.

When documenting past performance, you are encouraged to recognize contractors for their extraordinary efforts and also to indicate when contractors are uncooperative or not responsive during performance for that particular contract or order. This information would be placed in the "Management Responsiveness" or "Business relations" portion of the applicable CPARS assessment.

My point of contact for this memorandum is Ms Sandra K. Ross. She can be reached at 703-695-9774 or email sandra.ross@osd.mil.



Shay D. Assad
Director, Defense Procurement and
Acquisition Policy

Attachment:
As stated

ATTACHMENT A CONSOLIDATED DOD REPORT THRESHOLDS

<u>Business Sector</u>	<u>Dollar Threshold</u> ¹	<u>Reviewing Official</u> ²
Systems (includes new development and major modifications)	>\$5,000,000	One level above the Program Manager ³
Operations Support	>\$5,000,000 ⁴	One level above the assessing/evaluating official
Fuels	>\$100,000	
Healthcare	>\$100,000	
Services	>\$1,000,000	One level above the assessing/evaluating official
Information Technology	>\$1,000,000	One level above the assessing/evaluating official
Construction	>\$550,000	One level above the assessing/evaluating official
Architect-Engineering	>\$30,000	One level above the assessing/evaluating official
Science and Technology	As required	One level above the assessing/evaluating official

¹The DoD contract thresholds for contractor performance assessment information (see FAR 42.1502) are based on a DoD class deviation to the FAR and apply to the "aggregate" value of contracts. This means if a contract's original award value was less than the applicable threshold but subsequently the contract was modified and the new value is greater than the threshold, then a performance assessment (or assessments) must be made, starting with the first anniversary that the contract's face value exceeded the threshold. If the total contract value including unexercised options and orders (for IDIQ contracts, the total estimated value of unexercised options and orders) is expected to exceed the collection threshold, initiate the data collection process at the start of the contract. Buying activities may choose to collect performance assessments for awards below these thresholds.

²Only required when the contractor indicates non-concurrence with the CPARS, when the contractor is non-responsive, or if otherwise requested by the contractor during the 30-day comment period.

³Or equivalent individual responsible for program, project or task/job order execution.

⁴For contracts under the \$5M threshold, buying activities should continue to accumulate contractor performance data from existing management information systems, which already capture data on timeliness of delivery and quality of product or service (examples of such performance information collection systems include the Automated Best Value Method, Red/Yellow/Green, and Past Performance Information Retrieval System - Statistical Reporting Module).

PAST PERFORMANCE ASSESSMENT REPORT

The following information must be provided to DPAP/CPIC, ATTN: Sandra Ross, at FAX 703-614-1254 or via email to Sandra.Ross@osd.mil. SUSPENSE: 31 March 2009

Reporting Activity/Address: _____

Point of Contact: _____
Phone Number: _____
Email Address: _____

Eligible 2008 Contracts Registered by February 28, 2009: YES or NO

If NO, percent completed _____

Target Date remainder to be registered: _____

Eligible 1st Qtr FY2009 Contracts Registered by February 28, 2009: YES or NO

If NO, percent completed _____

Target Date remainder to be registered: _____

Assessments completed within 120 days of end of Performance Period: YES or NO

If NO, percent completed _____

Target Date remainder to be completed _____

CPARS Database reconciled: YES or NO
(Excess and outdated information deleted)

If NO, Target Date for completion: _____

SUBMISSION DATE: _____