



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

NOV 30 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Contractor Performance Assessment Reporting

The Federal Acquisition Regulation requires that contracts shall be awarded to only responsible contractors. The Department of Defense (DoD) relies on performance data from the Past Performance Information Reporting System (PPIRS), reported via the Contractor Performance Assessment Reporting System (CPARS). PPIRS data includes contractor integrity data from the Federal Awardee Performance and Integrity Information System (FAPIIS), which is also reported through CPARS.

It is critical that DoD have access to accurate, supported, and up-to-date contractor performance data. The attached Under Secretary of Defense for Acquisition, Technology and Logistics (Acting) memorandum underscores the importance of contractor performance data in determining contractor responsibility and examines the Department's performance in assuring this data is current and complete. The results of the review indicate that performance assessments are being completed on 56% of eligible contracts.

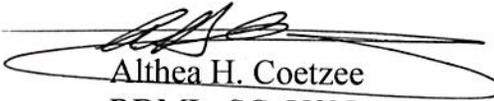
CPARS reporting is the shared responsibility of program/requirements offices and contracting offices. Contracting personnel are required to record applicable contracts, to include assessing and reviewing officials, into CPARS at contract award and to report on contractor business integrity through the life of a contract. Procurement requests for contract actions meeting the DoD thresholds shall identify both assessing and reviewing officials. Program/requirements personnel are required to complete performance assessments within 120 days of the end of the evaluation period. The memorandum emphasizes that assessments must be supported by objective data or subjective observations on the contractor's conformance to contract requirements, specifications and standards of good workmanship. All assessments must address the contractor's efforts to control cost.

Within the Department of the Navy, assessments must be completed for 100 percent of contracts meeting or exceeding the DoD thresholds (attached). Performance appraisals of personnel responsible for preparing contractor performance assessments should note compliance with timely input of assessments with meaningful content. In cases of personnel turnover, assessing and/or reviewing officials must notify the contracting officer and identify a replacement. Training for personnel responsible for preparation and review of performance assessments is available on-line at <http://www.cpars.csd.disa.mil/allapps/cpcbtdlf.htm>. Another good resource is the DoD

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Guide to Collection and Use of Past Performance Information available at:
http://www.acq.osd.mil/dpap/Docs/PPI_Guide_2003_final.pdf.

Please remind your workforce of the importance contractor performance in the acquisition process and encourage them to increase efforts to ensure that 100% of contractor performance assessments are completed on eligible contracts. My point of contact is Molli Thacker at marlene.thacker@navy.mil or 703-693-2939.


Althea H. Coetzee
RDML, SC, USN
Executive Director
DASN(AP)

Attachments: As stated

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SECRETARY ALMIR

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Past Performance Assessment Reporting

Recent hearings conducted by congressional committees and the Commission on Wartime Contracting, audits by the Government Accountability Office, and reviews by the Department of Defense Inspector General's office have identified the importance of past performance information.

The Federal Acquisition Regulation (FAR) states that contracts shall be awarded to responsible prospective contractors only; past performance information is critical to that determination. The Department of Defense (DoD) relies on past performance assessment data in the Past Performance Information Retrieval System (PPIRS), reported via the Contractor Performance Assessment Reporting System (CPARS), when determining if contractors are responsible. It is critical that the Department have accurate and up-to-date assessment information about contractors.

CPARS reporting is the shared responsibility of program/requirements offices and contracting personnel. Program or requirements offices are required to complete performance assessments within 120 days of the end of an evaluation period. Not only is it important to complete assessments, they should be done in a timely manner and with quality narratives for each rated element, to include schedule and cost considerations. Each rating must include supporting narrative in sufficient detail to assist future source selection officials in determining relevance to the new procurement action. It is important to address the complexity of the contract effort and the overall technical risk as these are significant factors and must be considered by source selection officials. Assessments must be supported by objective data or subjective observations on the contractor's conformance to contract requirements, specifications, and standards of good workmanship, and must always include an assessment of the contractor's efforts in controlling cost.

A recent Office of Federal Procurement Policy review of all Federal agencies identified the Department as having completed performance assessments for only 50 percent of the contracts meeting the reporting thresholds in FY 2009. We can do better. Due to the volume of DoD contracts, the Department issued class deviation 2011-O0014 and established thresholds (see Table 1 in the CPARS guide) for input of contractor performance assessments that are higher than the simplified acquisition threshold identified in the FAR. Assessments must be completed for 100 percent of those contracts meeting or exceeding the DoD threshold.

A review of the compliance metrics in PPIRS as of October 3, 2011, is attached. It identifies the Department's statistics in percentage of completed performance assessments for CPARS, to include data from the two CPARS modules: the Construction Contractor Appraisal

Support System and the Architect-Engineer Contract Administration Support System. The overall average for 2008-2010 in the Department is 56 percent.

To prevent lapses in CPARS reporting due to personnel turnover, the Government official responsible for input of contractor performance assessments must initiate a report in CPARS prior to leaving the position. Information can be left in a draft status for the person that will be subsequently responsible for the action. Performance appraisals of persons responsible for preparing contractor performance assessments in CPARS should note compliance with timely input of the assessments with meaningful information.

Training for all persons responsible for the preparation and review of performance assessments is available online (www.cpars.csd.disa.mil). Students may register for online or onsite training. Information on past performance is also available in Defense Acquisition University course CLC 028.

Component Focal Points must apprise their respective senior acquisition command officials on the organization's performance in complying with the requirement for timely and quality contractor performance assessments. Program management review teams and the procurement performance management assessment program must include verification that contractor performance assessments are being completed. The Director, Defense Procurement and Acquisition Policy (DPAP), will monitor and communicate compliance information to the senior procurement executives on a quarterly basis. My point of contact is Ms. Sandra Ross, DPAP, at 703-695-9774.



Frank Kendall
Acting

Attachment:
As stated

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DEPARTMENT OF DEFENSE CPARS COMPLIANCE METRICS: 2008-2010

AGENCY NAME	CONTRACT COUNT 2008*	COMPLETED COUNT 2008**	2008 Percentage	CONTRACT COUNT 2009*	COMPLETED COUNT 2009**	2009 Percentage	CONTRACT COUNT 2010*	COMPLETED COUNT 2010**	2010 Percentage	TOTAL CONTRACT COUNT*	TOTAL COMPLETED COUNT**	AVERAGE PERCENTAGE
NAVY	3604	2571	71%	4845	3158	65%	898	532	59%	9445	6261	66%
ARMY	8238	3752	46%	10584	4871	46%	2326	800	34%	19148	9423	49%
AIR FORCE	2459	2132	87%	3170	2495	79%	589	448	76%	8218	5075	62%
DMHA	NR	NR	NR	NR	NR	NR	3	2	67%	3	2	67%
TMA	12	9	75%	16	11	69%	2	1	50%	30	21	70%
DTRA	26	24	92%	32	23	72%	8	6	75%	68	53	80%
DCMA	107	75	70%	92	70	76%	10	7	70%	209	152	73%
DMEA	4	0	0%	7	0	0%	2	0	0%	13	0	0%
USTRANSKOM	60	58	97%	83	70	84%	10	4	40%	153	132	86%
BTA	1	0	0%	9	1	11%	4	3	75%	14	4	29%
DARPA	3	2	67%	10	10	100%	7	3	43%	20	15	75%
DISA	229	169	74%	328	206	63%	85	43	45%	650	418	64%
DLA	625	248	40%	1231	282	23%	315	43	14%	2171	573	26%
DSCA	58	0	0%	16	1	6%	3	1	33%	77	2	3%
DSS	1	0	0%	23	9	39%	2	0	0%	26	9	35%
DECA	210	15	7%	735	27	4%	209	7	3%	1154	49	4%
DFAS	41	40	98%	41	35	85%	17	13	76%	99	88	89%
DMA	3	0	0%	10	1	10%	4	0	0%	17	1	6%
DODDEA	17	1	6%	55	4	7%	18	0	0%	80	5	6%
WHS	119	26	22%	91	20	22%	26	8	31%	236	54	23%
USUHS	3	0	0%	5	0	0%	NR	NR	NR	8	0	0%
MDA	16	10	63%	17	8	47%	5	1	20%	38	19	50%
USSOCOM	54	24	44%	91	44	48%	33	18	55%	178	86	48%
	13980	9156	66%	21489	11345	53%	4684	1940	41%	40050	22440	56%

As of 3 October 2011

* Contract Count = Contracts meeting the CPARS Thresholds

** Completed Count = Assessments Reports Completed

DoD		
Contractor Performance Assessment Reporting Thresholds		
Business Sector	Dollar Threshold*	Reviewing Official**
Systems (includes new development and major modification)	> \$5,000,000	One level above the PM***
Non-Systems		
Operations Development	> \$5,000,000****	One level above the Assessing Official
Services	> \$1,000,000	One level above the Assessing Official
Information Technology	> \$1,000,000	One level above the Assessing Official
Ship Repair and Overhaul	> \$500,000	One level above the Assessing Official
Health Care	> \$150,000	One level above the Assessing Official
Fuels	> \$150,000	One level above the Assessing Official
Construction	> \$550,000	One level above the Assessing Official
Architect-Engineer	> \$30,000	One level above the Assessing Official

* The contract threshold for CPAR collection (see FAR 42.1502) apply to the aggregate value of the contract. That is, 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 assessments are required to be completed, 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 ID/IQ contracts, the total estimated value of unexercised options and orders) is expected to exceed the collection threshold, initiate the collection process at the start of the contract. Buying activities may elect to collect performance assessments for awards below these thresholds.

** Participation of the reviewing official is only required when the contractor indicates non-concurrence with the CPAR or is otherwise requested by the contractor during the 30-day comment period.

*** (Or equivalent individual) responsible for the program, project, or task/job order execution.

**** For contracts under the \$5,000,000 threshold, 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.