THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

NOV 18 2011

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%	996	532	53%	9445	6261	66%
ARMY	6238	3752	60%	10584	4871	46%	2326	800	34%	19148	9423	49%
AIR FORCE	2459	2132	87%	3170	2495	79%	589	448	76%	6218	5075	82%
DHRA	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%	66	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%
USTRANSCOM	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%	326	206	63%	95	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%
DODEA	17	1	6%	55	4	7%	18	0	0%	90	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%
	13890	**9156**	**66%**	**21489**	**11346**	**53%**	**4684**	**1940**	**41%**	**40060**	**22440**	**56%**

As of 3 October 2011

* Contract Count = Contracts meeting the CPARS Thresholds

** Completed Count = Assessments Reports Completed