



DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC

AUG 23 2001

Office Of The Assistant Secretary

MEMORANDUM FOR ALMAJCOM-FOA-DRU/CC

FROM: SAF/AQ  
1060 Air Force Pentagon  
Washington, DC 20330-1060

SUBJECT: Importance of Contractor Performance Evaluations in Source Selections

Contractor performance evaluations provide a record of both positive and negative aspects of a contractor's performance on a given contract during a specific timeframe. Program managers or the equivalent individuals responsible for project execution of your Command's contracts accomplish these evaluations. The evaluations play a significant role in the acquisition of the supplies and services needed to carry out the Air Force mission. Source selection evaluation teams use these "past performance" records in determining whether contractors should receive future contract awards.

In addition to accurate and timely past performance evaluations, source selection teams across all Commands must be provided sufficient resources to complete its job. They must be staffed with dedicated and experienced personnel so that our source selections result in awards to contractors providing the best value to the Air Force.

The Air Force must continually strive to improve its performance in both of these areas. We solicit your support to complete all required contractor performance evaluations. We also ask your support to staff source selection teams within your Commands with the optimal mix of experienced and knowledgeable personnel. The attached information paper provides further details for consideration within your Commands.

A handwritten signature in cursive script, reading "Darleen A. Druyun".

DARLEEN A. DRUYUN  
Principal Deputy Assistant Secretary  
(Acquisition & Management)

Attachment:  
Contractor Performance Evaluations Information Paper

## **Contractor Performance Evaluations**

### **Information Paper**

The Air Force awards contracts to offerors who present the greatest potential to meet our requirements at affordable prices. One of the most significant indicators of a contractor's ability to successfully perform a proposed contract is how well they have performed on other contracts. Their "past performance" is a significant criterion in determining the best value during an Air Force source selection for a new contract award. In fact, the Air Force Federal Acquisition Regulation Supplement states "Past performance may be established as the most important evaluation factor and shall be at least as important as the most important non-cost factor."

The Air Force uses the Navy's contractor performance assessment reporting system (CPARS) to collect contractor performance data. These assessments are required periodically and provide a record of both positive and negative comments on a contract for a specific timeframe. The assessing officials must thoroughly describe the circumstances surrounding the performance ratings and prepare these assessments in a timely manner. Members of MAJCOMs (program managers or equivalent individuals responsible for project execution) prepare CPARS assessments on each Command's contracts. The CPARS assessment is a primary tool used by source selection teams across the Air Force and DoD to evaluate a prospective contractors "past performance" information and help determine if a contractor should receive future contract awards.

Some program managers may not be putting the proper emphasis on these performance assessments. The program manager or equivalent (assessing official) is responsible for obtaining input from all parties affected by a contractor's performance prior to completing the assessment. This means all involved in the program, for example, members of the integrated product team, the using community, contracting officer, and if applicable, the Administrative Contracting Officer and the Defense Contract Management Agency. These inputs must be considered when preparing the evaluation ratings and narratives. The narrative is the most important part of the assessment as it establishes why the ratings are credible and justifiable. The ratings must match the narrative and be consistent. For example, if a several month schedule slip for a contractor results in a Satisfactory (Green) rating, and the same schedule slip for another contractor is rated Marginal (Yellow) or Unsatisfactory (Red), then we are not consistent in our ratings.

Additionally, source selection teams must be provided with sufficient resources to complete its job. It must be staffed with dedicated and experienced personnel to ensure source selections result in award of the contracts representing the best value for the Air Force. Key factors for the success of the team are early identification of team members, timely and effective training, early involvement of the team in developing evaluation criteria and contractor questionnaires, and leadership commitment to assign team members for the duration of the source selection.

The Air Force action officer for these issues is Mr. David Powell, SAF/AQCP, (703) 588-7062, DSN 425-7062, e-mail [david.powell@pentagon.af.mil](mailto:david.powell@pentagon.af.mil).