NAVAL AVIATION SYSTEMS

TEAM

NAVAIR and the Navy's Contractor Performance Assessment Reporting System (CPARS)

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Collection & Use of Past Performance Information

- **FAR 42.1502 requires <u>collection</u> of past performance information (PPI) on each contract over $100K beginning NLT 1 Jan 98**
- **FAR 15.304 requires <u>use</u> of PPI for acquisitions expected to exceed $1million**
  - **If exceeds $100K NLT 1 Jan 99**

Purpose of CPARS

- **To provide a data base of contractor past performance information which is current and available for use in source selections**
- **To provide feedback to contractors**

Background

29 Jun 94	SECDEF Memo on Specs & Standards - Take advantage of best commercial practices
1 Mar 95	Joint Gov't/Industry JACG IPT chartered -
	- Approx 200 senior gov't & industry members
20 Sep 95	USD(A&T) links JACG IPT to OSD efforts
19 Feb 97	Navy Past Performance IPT Chartered
20 Feb 97	DoD Past Performance IPT Chartered
13 Mar 97	AIR-00 directs use of JACG CPARS
2 Jun 97	Initial implementation of CPARS at NAVAIR
2 Oct 97	ASN(RDA) requires use of DoN CPARS
20 Nov 97	USD(A&T) directs common approach to collecting PPI in DoD
2 Feb 98	ASN (RDA) issues revised DoN CPARS Guide

Background, cont'd

- **Began with SECDEF Perry's Memo of 29 June 94 on Commercial Practices**

- **Increased use of Past Performance emulates commercial practice**

- **Extensive JACG NGS/IPT work in '95 - '97**

  – **About 200 reps from Gov't and industry**

Background, cont'd

- **Increased use of Past Performance Information**

  – **Reduces proposal info, cover w/ Past Performance**

  – **Rewards good performers, not just good proposal writers**

- **Products Available**

  – **JACG IPT products: Joint PRAG Desk Guide**

  – **Navy IPT product: Navy CPARS Guide**

  – **NAVAIR product: NAVAIR implementing instruction**

NAVAIR Results to Date

- **Six "Systems" CPARS PM Training sessions (May 97, Sep 97, Nov 97, Dec 97, Mar 98, May 98) with Industry participation**

  - **Approximately 90% of all PMAs have received CPAR training**

  - **November training was Navy-wide**

- **"Systems" CPARS Metrics**

  - **Approximately 30% of NAVAIR contracts requiring CPARs either have been completed or are in process**

  - **20 CPARs currently in NAVAIR CPAR library**

NAVAIR Results to Date, cont'd

- **First "Non-Systems" CPARS PM Training session (Apr 98) with Industry participation**

  - **Taped for field sites**

- **"Non-Systems" CPARS Metrics**

  - **NAVAIR contracts requiring CPARs are in the process of being identified**

  - **4 CPARs currently in NAVAIR CPAR library**

DOD Past Performance IPT

- **DoD Past Performance IPT developed common approach for business sectors**

  - **Identified business sectors**

  - **Developed common assessment elements**

  - **Developed rating definitions**

Key Business Sectors and
$ Thresholds

Systems - >$5M

–   **Aircraft, Shipbuilding, Ordnance, Training Systems, etc.**
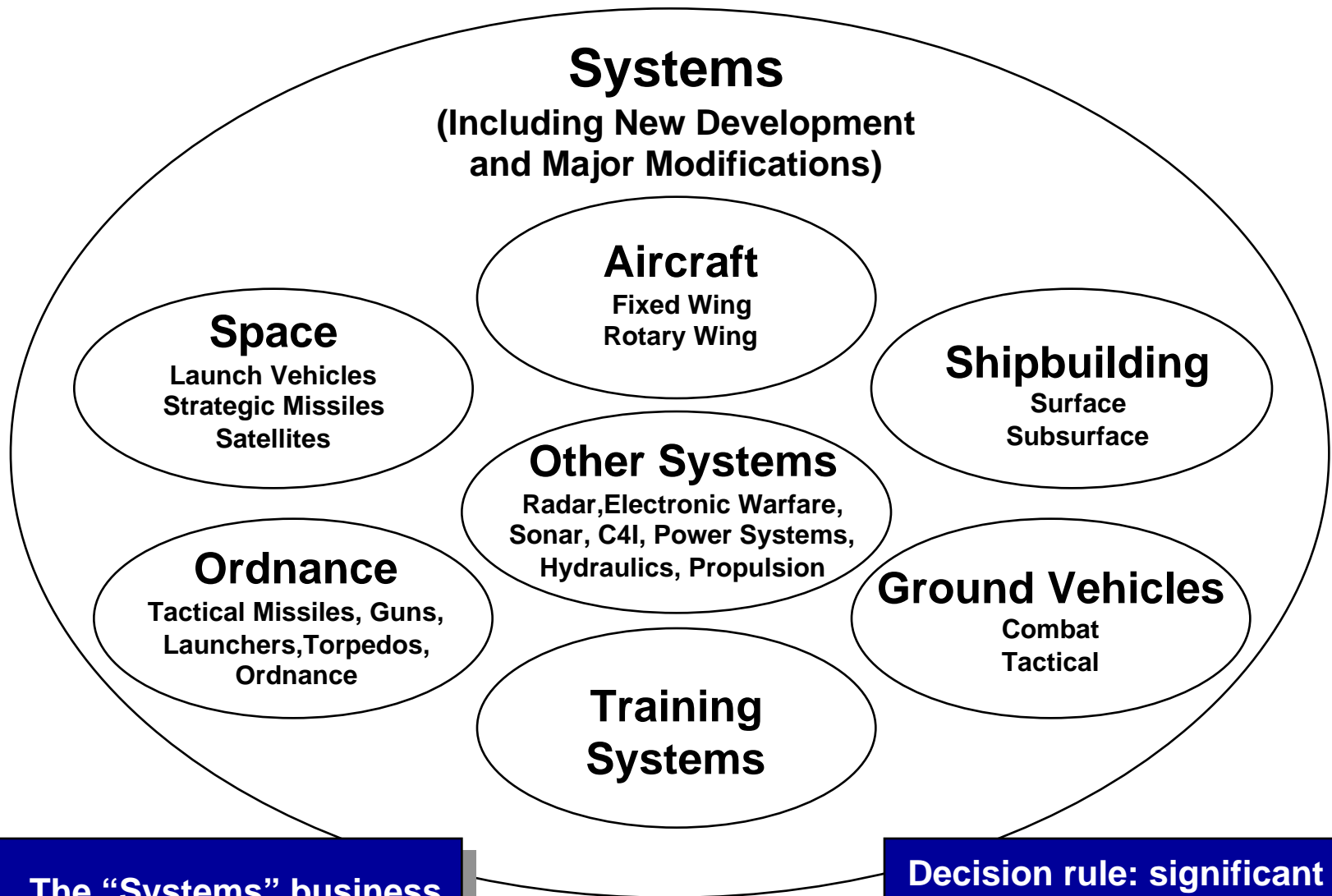
Services - > $1M

–   **Professional/Technical & Mgt Support, Repair & Overhaul, Installation, Transportation**

Operations Support- >$5M

–   **Mechanical, Structural, Electronics, Ammunition, Troop/Base Support, etc.**

Information Technology - $1M

–   **Software, Hardware, Telecommunications equipment or services**

Systems
(Including New Development and Major Modifications)

Aircraft
**Fixed Wing
Rotary Wing**

Space
**Launch Vehicles
Strategic Missiles
Satellites**

Shipbuilding
**Surface
Subsurface**

Other Systems
**Radar, Electronic Warfare,
Sonar, C4I, Power Systems,
Hydraulics, Propulsion**

Ordnance
**Tactical Missiles, Guns,
Launchers, Torpedos,
Ordnance**

Ground Vehicles
**Combat
Tactical**

Training Systems

The "Systems" business sectors the OIPT defined

Decision rule: significant engineering development effort is required

Operations Support

Electrical   **Structural**

Mechanical

Ammunition   **Troop Support**

Base Supplies   **Electronics**

Information Technology

Services

Repair & Overhaul   **Installation Services**

Professional, Technical & Management Support

Unique Business Sectors and
$ Thresholds

Construction and Architect-Engineering - >$25K

Health Care - > $100K

Fuels - > $100K

Science & Technology - No $ threshold

Assessment Elements for CPAR's

- **Systems**
  - **Tech (Quality of Product)**
    - **Systems Engineering**
    - **Software Engineering**
    - **Logistics Support/ Sustainment**
    - **Product Assurance**
    - **Other Tech Performance**
  - **Schedule**
  - **Cost Control**
  - **Management**
    - **Management Responsiveness**
    - **Subcontract Management**
    - **Program Management/Other Management**

Common Assessment Elements
for Services, Ops Support, and IT CPAR's

- **Services, Ops Support, and IT**
  - **Quality of Product or Service**
  - **Schedule**
  - **Cost Control**
  - **Business Relations**
  - **Key Personnel (Not used by Ops Support)**

CPAR Ratings

- **Exceptional.** Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.

- **Very Good.** Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

- **Satisfactory.** Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.

CPAR Ratings, cont'd

- <u>Marginal</u>.   Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.

- <u>Unsatisfactory</u>. Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Navy CPARS

- **Navy CPARS was developed by the Navy Past Performance IPT**
  - **Evolved from the JACG CPARS**
    - **Industry involved in development, its comments incorporated through AIA**
- **Navy CPARS is consistent with DoD approach**
  - **Use validated by DoD IPT**

Preparation of the CPAR

- **Program manager is responsible for preparing the Contractor Performance Assessment Report (CPAR)**

- **Prepared in coordination with the project team**

- **Assessment is based on input from specialists familiar with the contractor's performance, and other organizations, including the cognizant DCMC office**

- **CPAR's are prepared annually and at contract completion. Interim CPAR's may be prepared when appropriate**

Information provided in CPAR

- **Program manager provides a <u>narrative</u> and a <u>rating</u> on a number of subjects**
- **The narrative is considered crucial to providing insight into the contract performance and allowing the relevancy of the situations to be determined for the particular source selection**
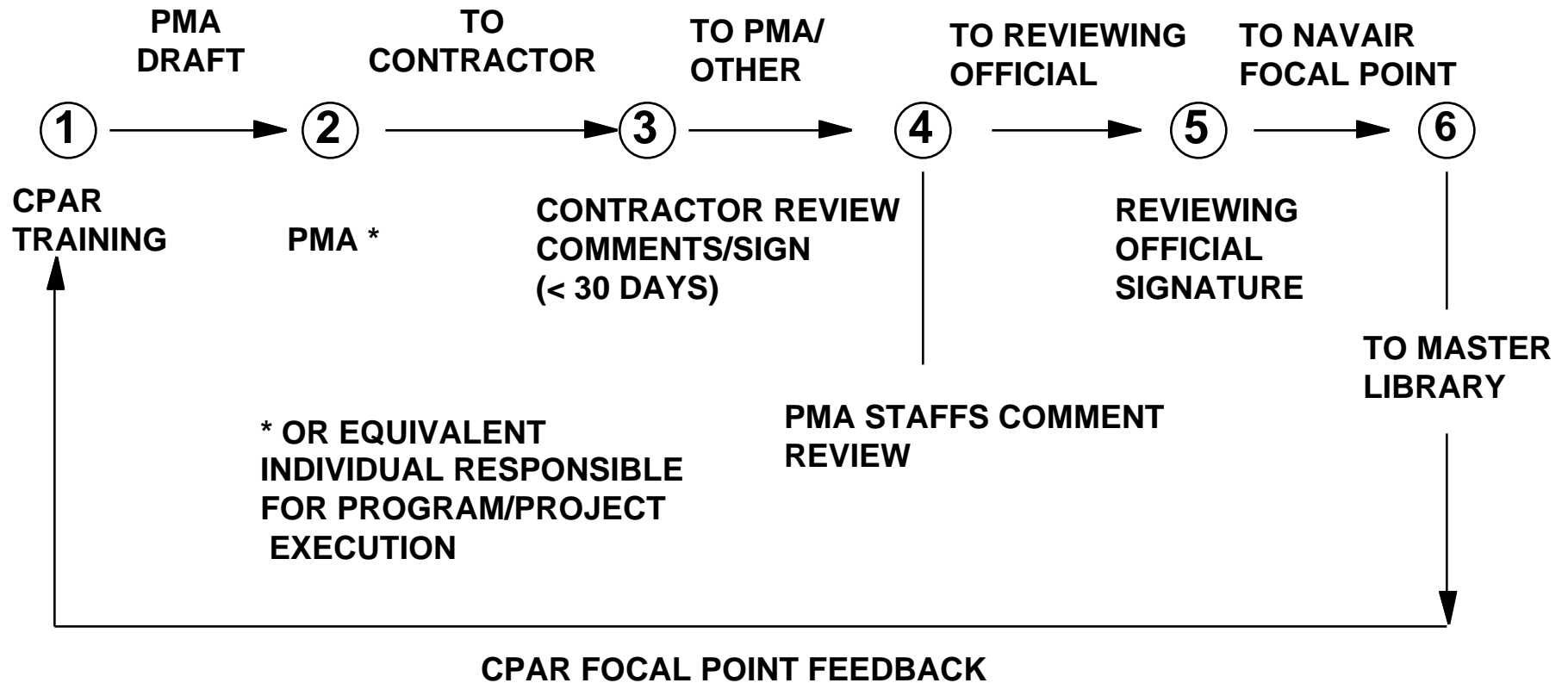
Review of CPAR

- Contractors can comment on the program manager's assessment
- After reviewing the contractor's comments, the PM may revise the assessment
- The CPAR is sent to the reviewing official
  - At least one level above the program manager
  - Reviewing official will comment on both the program manager's assessment and the contractor's comments.
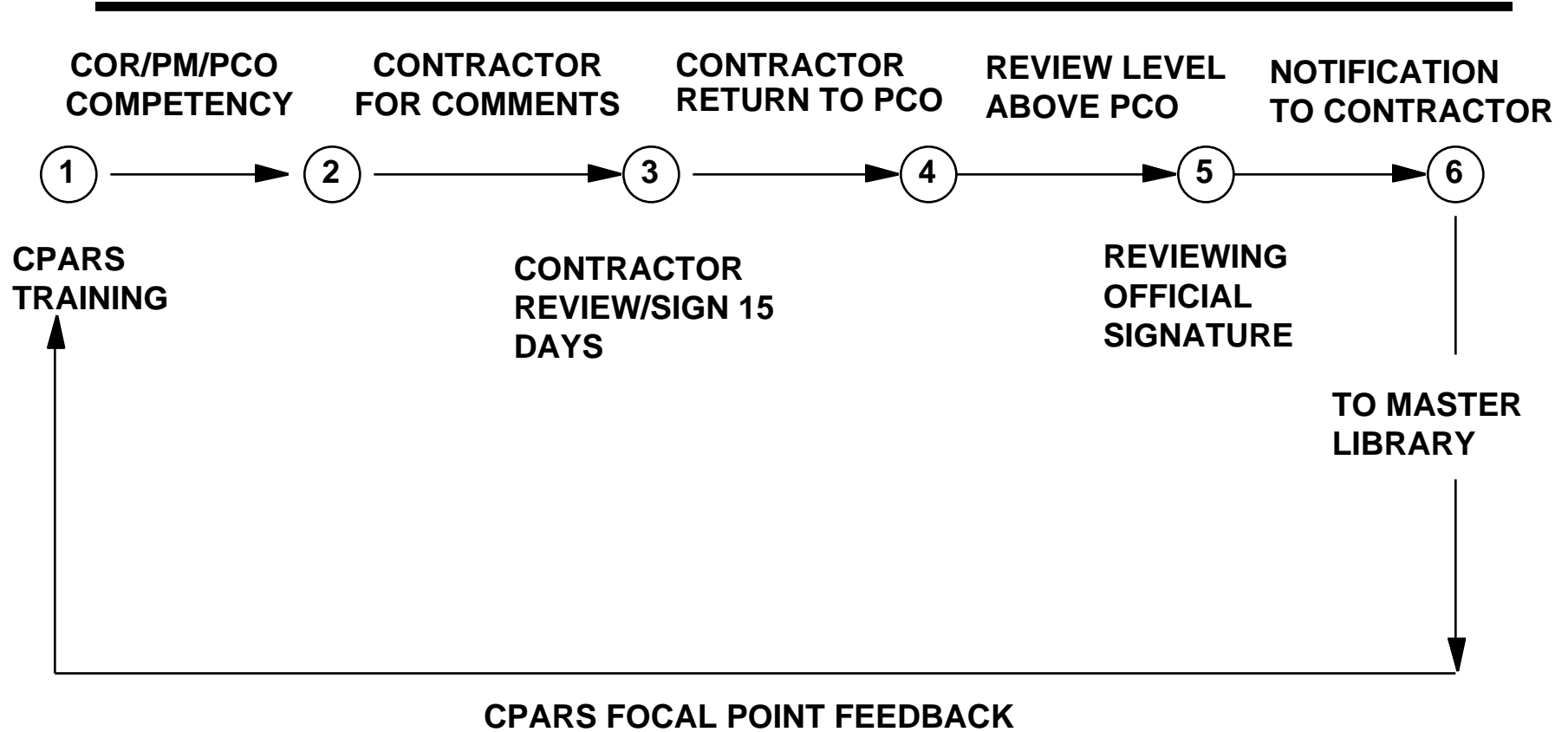- A copy of the completed CPAR is provided to the contractor and the CPAR library

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NAVAIR *Systems* CPAR Process
(Target 120 Days)

PMA DRAFT → TO CONTRACTOR → TO PMA/ OTHER → TO REVIEWING OFFICIAL → TO NAVAIR FOCAL POINT

① → ② → ③ → ④ → ⑤ → ⑥

CPAR TRAINING

PMA *

CONTRACTOR REVIEW COMMENTS/SIGN (< 30 DAYS)

REVIEWING OFFICIAL SIGNATURE

TO MASTER LIBRARY

***OR EQUIVALENT INDIVIDUAL RESPONSIBLE FOR PROGRAM/PROJECT EXECUTION**

PMA STAFFS COMMENT REVIEW

CPAR FOCAL POINT FEEDBACK

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NAVAIR *Non Systems* CPAR Process
(Target 60-90 Days)

COR/PM/PCO COMPETENCY	CONTRACTOR FOR COMMENTS	CONTRACTOR RETURN TO PCO	REVIEW LEVEL ABOVE PCO	NOTIFICATION TO CONTRACTOR

(1) → **(2)** → **(3)** → **(4)** → **(5)** → **(6)**

CPARS TRAINING

CONTRACTOR REVIEW/SIGN 15 DAYS

REVIEWING OFFICIAL SIGNATURE

TO MASTER LIBRARY

CPARS FOCAL POINT FEEDBACK

Treatment of CPARS Information

- **All CPARS information is treated as Source Selection Information in accordance with FAR 3.104**
- **CPAR's have the unique characteristic of always being source selection information because they will be in constant use to support ongoing source selections**

The PRAG

- **The Performance Risk Assessment Group (PRAG) is a group of experienced personnel appointed by the SSAC or CAP Chair to assess <u>performance risk</u> to predict the offerors' likelihood of performing the proposed effort**

- **The PRAG may be a stand-alone group, or it may be individuals from the SSEB or CAP.**

  - **The PRAG will be part of the SSEB or CAP at NAVAIR**

Performance risk

- Assessment of the probability of an offeror executing the contract, given their demonstrated past performance.

- HIGH (H) - Significant doubt exists, based on the offeror's performance record, that the offeror can perform the proposed effort;

- MODERATE (M) - Some doubt exists, based on the offeror's performance record, that the offeror can perform the proposed effort;

- LOW (L) - Little doubt exists, based on the offeror's performance record, that the offeror can perform the proposed effort; and

- NOT APPLICABLE (N/A) - No significant performance record is identifiable. This is neither positive nor negative.

Information used by the PRAG

- **Proposal**
- **Outside information**
  - **CPARS**
  - **ad hoc information including**
    - **questionnaires and interviews with PM's, PCO's, DCMC personnel**

Content of PRAG Guide

- **Includes**
  - **Sources of past performance data**
  - **Assessing past performance & performance risk**
  - **Data relevancy**
  - **Sample source selection criteria & proposal instructions**

Observations So Far

- **Major contractors consider CPARS:**
  - **An important benchmark for comparing Managers and Divisions to the Company average and the Company to the Industry Average.**
  - **A tool requiring them to focus on the customer, emphasizing a mutual understanding of objective criteria/metrics for evaluation areas early in the contract.**
  - **A replacement for internal Company management metrics and reviews.**
 - **Potentially the PM's most powerful tool.**

Results from Using CPARS

- **Source selections using CPARS info have been protested. USAF has not experienced any problems with properly using CPARS.**

- **Experience indicates that when past performance is documented with CPAR, its use strengthens the Government's case.**

  - **Contractor has already seen info prior to use in source selection and any disagreements have been reviewed**

  - **Narrative provides SSA with the ability to fully consider all relevant facts**

Automation Approach
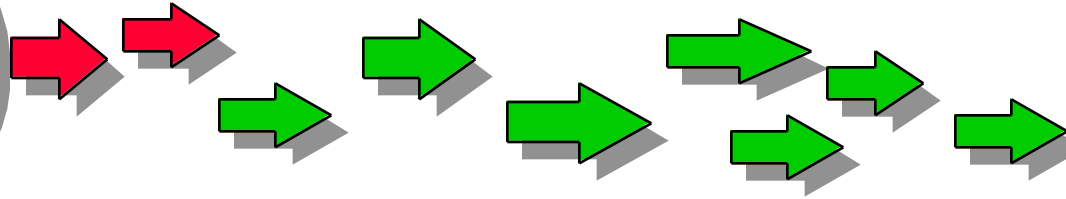
Ⱡ **Use of a DoD Data Warehouse Which Can: Facilitate Access to Existing Systems:**

- **CPARS**
- PPIMS
- PDREP (red/yellow/ green)

- HCAPs (Health)
- ABVM
- DEIS II

Ⱡ **Be Used as a Common Access Mechanism for All DOD Buying Activities Regardless of Size**

Ⱡ **NAVAIR is using a system developed by NAVSEA's NSLC Detachment Portsmouth**

Helpful Websites

- **NAVAIR CPARS Website http://www.nalda.navy.mil/ cpar**
- **Navy CPARS Guide**
  - **http://www.abm.rda.hq.navy.mil/cpars2_2.pdf**
- **Navy Automated CPARS System**
  - **http://www.nslcptsmh.navsea.navy.mil/cpars.htm**
- **ASN(RDA) Past Performance Best Practices Website**
  - **http://www.abm.rda.hq.navy.mil/bpgpp.html**
- **OFPP Past Performance Best Practices Guide**
  - **http://www.arnet.gov/BestP/BestPract.html**

Summary

- **Navy CPARS Guide resulted from significant coordinated work over about 2 years**

- **Navy CPARS is linked to the overall DoD PPI approach**

- **Important to both Government & Industry**
  - **Careful handling is vital**

- **Good CPARs are key to helping us pick the right contractors for the right reasons**
  - **We need to invest the time to produce good quality CPARs**