

Raising the Stakes of Contractor Past Performance Information

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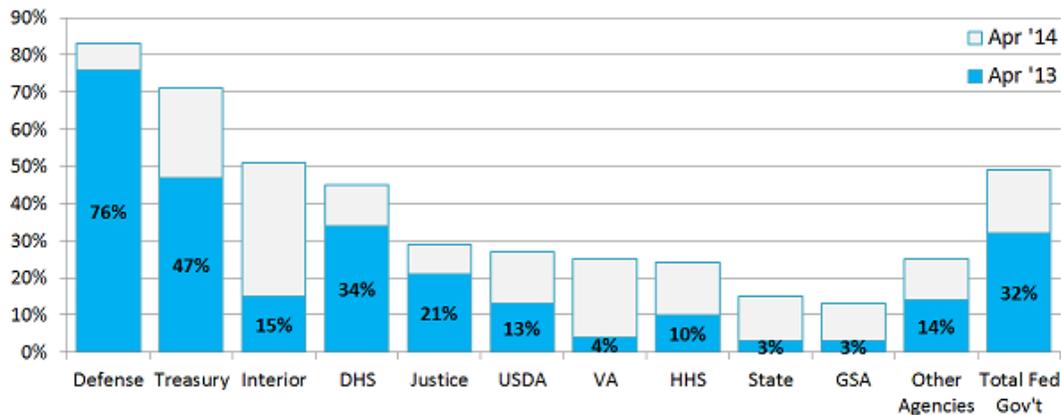
Contractor past performance information is one tool federal agencies are being pressed to use more effectively to guard against acquisition risk and recent White House acquisition policy and a Government Accountability Office (GAO) assessment signals that the pressure in this area will only continue to grow. Some efforts are fairly standard government approaches, but others expand into new areas and have implications for both agencies and their contracting companies.

The Office of Federal Procurement Policy (OFPP) has issued numerous reporting compliance guidelines and recommendations over the last half-decade or more to move agencies to improve their reporting of contractor past performance. Further, Congress has included past performance reporting mandates in the last several National Defense Authorization Acts (NDAA). In typical fashion, GAO is looking for continued signs that these efforts are materializing so that agencies have this information available to make informed acquisition decisions.

Most Agencies Fall Short of Contractor Past Performance Reporting Compliance Targets

In August, the [GAO released an assessment](#) of how federal agencies were doing with regard to improving their reporting of contractor past performance information. According to OFPP's annual reporting performance targets, agencies should have been at least 65 percent compliant by the end of fiscal year 2013. GAO found that agencies generally have improved their level of compliance with past performance reporting requirements issued by OFPP. However, the rate of compliance varies widely by agency and most have not met OFPP targets. As of April 2014, for the top 10 agencies, based on the number of contracts requiring an evaluation, the compliance rate ranged from 13 to 83 percent and only two of the top 10 agencies were above 65 percent compliance. (See chart below.)

Rate of Compliance with Past Performance Reporting Requirement for Top 10 Agencies



Source: Past Performance Information Retrieval System, GAO

OFPP Expanding Scope of Contractor Past Performance Information

In July, the [OFPP directed agencies](#) to research past performance more deeply before awarding complex IT development, systems and services contracts greater than \$500 thousand in value. Further, OFPP directed agencies to expand the scope of the research processes used to collect contractors' past performance information during source selection.

In order to have the most relevant, recent, and meaningful information about potential contracting partners considered in the pre-award phase of the acquisition process agencies were instructed to have their acquisition officials perform the following steps:

- Recent Contracts - Contact contracting officers (COs) and/or Program Managers (PMs) on at least 2 of contractors' largest, most recent contracts to review work history.
- News Searches - Review articles and publications (include GAO and IG reports) on contractor performance and business integrity.
- Commercial Sources - Review public sources and databases for business reviews, customer evaluations, contractor management reports, etc.
- References - Request 3-5 references from public and commercial customers, partners, subcontractors, etc. for work done in past 3-5 years.
- Teaming Partners - Request past performance information on subcontractors and team arrangements.

Implications

The impacts on agencies and contractors alike include greater time and effort (i.e. expense) in collecting and providing this performance information. This will stretch an already-overly-tasked federal acquisitions workforce even further and will require that contractors pay broader attention to their performance reputations and those of their teaming partners.

The new OFPP directives and others like them will also likely extend the time it takes to complete the source selection process on applicable acquisitions, at least until all sides of the acquisition process build some repeatable processes and efficiencies into their systems.

What we can hope for in the end is more transparency, better managed acquisitions with fewer protests, and overall better performing contracts that meet the government's goals with economy and efficiency and provide business growth opportunities along the way.

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