

CHANGE REQUEST COVER SHEET

Change Request Number: 12-45

Date Received: 3/19/2012

Title: Past Performance Evaluation

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Policy OR Guidance: Guidance

Section/Text Location Affected: T3.2.2

Summary of Change: This revises past performance guidance to state that, at a minimum, quality of contractor's past performance should be a factor assessed during the evaluation

Reason for Change: This change is based on the 2011 Inspector General's audit of the SE 2020 contracts, and recommendation six to establish more comprehensive evaluation of past performance. The FAA partially concurred with this recommendation and agreed to revise AMS to state past performance evaluation should include, at a minimum, an assessment of the quality of past performance.

Development, Review, and/or Concurrence: Acquisition Policy, AGC-500, Tech Center regional counsel

Target Audience: All AMS users

Potential Links within FAST for the Change: none

Briefing Planned: No

ASAG Responsibilities: Approve

Potential Links within FAST for the Change: none

Links for New/Modified Forms (or) Documents (LINK 1)

Links for New/Modified Forms (or) Documents (LINK 2)

Links for New/Modified Forms (or) Documents (LINK 3)

SECTIONS EDITED:

Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance [\[Old Content\]](#) [\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS EDITED:

Section 3 : Past Performance

Old Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance

a. *General.* Past performance can be one indicator of a prospective contractor's future performance. To help ensure that the best performing contractors are providing products and services to the FAA, past performance should be evaluated during source selection whenever appropriate.

b. *Instructions for Using Past Performance in a Screening Information Request (SIR).*

(1) *General Considerations.* Factors chosen for evaluation should be reasonable, logical, coherent, and directly related to requirements in the statement of work (SOW). The key to successful use of past performance in the screening process is a clear relationship between the SOW, instructions to offerors, and evaluation criteria. Past performance information that is not important to the current acquisition should not be included. For instance, there would be no point in considering poor subcontract management if there were no subcontract management needed on the contract. Alternatively, if there were a significant amount of software development, it would be important to know the offeror's record with estimating lines of code, providing software builds on time with few errors, and accomplishing the effort within the estimated cost.

(2) *Responsibility Determination.* When appropriate, the SIR should state past performance will be used to evaluate the responsibility of the contractor and as an evaluation factor. A contractor with a record of unsatisfactory past performance should be screened out of the selection process as part of the responsibility determination. If a contractor's past performance record passes the responsibility determination, then the past record should be compared to the other responsible offerors to determine the offeror that provides the best value to the Government.

(3) *Past Performance as a Separate Non-Cost/Price Factor.* It is best to include past performance as a stand-alone factor, as opposed to integrating it with other non-cost/price factors. Making it distinct and identifiable will reduce the chances of its impact being lost within other factors and should make evaluation easier. The relative importance of past performance compared to price or cost and any other evaluation factors is left to the broad discretion of the procurement team (CO, legal counsel, program official and other

supporting staff) as is the source and type of past performance information to be included in the evaluation.

(4) *How to Weigh Past Performance.* Past performance should be ranked to ensure it is meaningfully considered. To be meaningful in the screening process (and to ensure offerors are aware that actual contract performance will be a significant factor in future awards), past performance may be at least equal in significance to any other non-cost evaluation factor. If a numeric weighting system is used, past performance may be rated at 25 percent or more. For example, if there were five non-cost evaluation factors including past performance, then any of the following examples of weightings or relative importance would suffice:

- Past performance at 25 percent with the other four factors rated at 18.75 percent each ($75/4=18.75$)
- Past performance at 25 percent, technical excellence at 25 percent, management at 20 percent, the other two factors at 15 percent each
- All five factors rated at 20 percent
- Technical approach rated at 30 percent, past performance rated at 30 percent (to equal the highest rated other non-cost factor), management at 20 percent and the other two factors rated at 10 percent each
- Technical capability and past performance are considered equal in importance followed by test and evaluation, logistics management, and subcontract management in descending order of importance

(5) *Non-Relevant Contract Experience/New Contractors.* ***The SIR should state whether new contractors, or contractors with non-relevant contract experience will be considered, or rated negatively.*** For example, if the offeror has a performance history on non-relevant contracts, i.e., prior Government or commercial performance record, but not specifically on the type of work solicited, this information might be used to demonstrate management potential. New contractors may have key management or technical or scientific personnel proposed for the contract that have some relevant experience. An evaluation of the performance of the proposed key personnel on relevant contracts can be used, as appropriate, as part or all of the past performance evaluation. In addition, teaming relationships and subcontractors can enhance the capability of potential offerors to perform, depending on the relationships that exist within the teaming process.

(6) *Time-frame, Size, Scope, Complexity.* The SIR should ask the contractor for references for ongoing or contracts completed within a specified period of time. A period of three to five years is considered reasonable, depending on the particular circumstances. For small dollar contracts where there are many actions and contractors that provide the products or services, a shorter period may be appropriate. Offerors may attempt to "cherry pick" references to provide selected information on past history. To minimize this, the procurement team should attempt to gather past performance history from sources other than those provided by the offeror. Such sources might include the Past Performance Information Retrieval System (PPIRS) database for on-going efforts, other agency contracting personnel, and listings of contract awards posted on the

FAA Contract Opportunities. All on-going or completed contracts performed during the identified period, or the last "X" contracts performed by the entity within the identified period should be sought. Instructions to offerors should ask only for a list of the previous contracts and contact points and for a description of any quality awards earned by the offeror. It is not necessary to burden the process by asking that the offeror prepare a description of its past performance history in the proposal. The procurement team should request references for contracts that are similar in size, scope and complexity to the statement of work in the SIR. Each of these terms should be defined in the SIR to alert the offeror to the type of data that is required.

(7) *Discriminators/Sub-factors.*

(a) Attention should be paid to what discriminates a "good" performer from a "poor" performer for the type of work that will be performed on the specific acquisition. Past performance sub-factors should be shaped by those discriminators, be limited in number, and should be tailored to the key performance criteria in the SOW. For certain prime contracts, the ability to manage subcontracts, or software development capability may be important discriminators. The following are some other examples of sub-factors that may be used to evaluate past performance: quality, timeliness, cost control, business practices, customer satisfaction, key personnel, and/or quality awards and recognition.

(b) The sub-factors in the SIR should reflect the questions to be used in interviewing references or reviewing any written evaluations provided by the references. For example, sub-factors with corresponding questions under business practices could include:

- *Management Responsiveness* - Is the offeror cooperative, business-like and concerned with the interests of the customer?
- *Contract Change Proposals* - What is the contractor's history on contract change proposals? This includes, changes that lower the overall cost or improve performance - timely and accurate proposals for equitable adjustments - changes that have been withdrawn or dismissed as invalid.

(8) *Relative Importance.* The SIR should state whether all sub-factors are relatively equal, or whether certain sub-factors are more important than others. For example, on a contract where most of the work is done for end users and it is difficult for the contract administration team to observe the contractor's performance in a cost-effective manner, significant weight might be placed on customer (end user) satisfaction ratings from the references.

(9) *Major Subcontractors.* If major subcontractors are likely to perform critical aspects of the contract, the procurement team should evaluate past performance of these

subcontractors to determine the overall likelihood of success of the prime contractor. The SIR should state how such information will be evaluated.

(10) *Affiliates, Divisions, etc.* For large organizations with many divisions, consider the past performance of the affiliate, division, etc., that will perform the actual work. In making such decisions, the procurement team must consider the degree of control that a parent organization will exert over the affiliate. If a parent organization has an excellent or poor performance record and the affiliate is going to be closely controlled and managed by the parent, then the procurement team should consider the parent organization's performance record in making the performance evaluation.

(11) *Number of References.* It is important to ask for at least two references for each contract (program/technical and contracts) to assure that all aspects of the offeror's performance will be discussed. The name of the organization providing the report should be released to the offeror; however, the names of individuals should generally not be released without the individual's consent.

(12) *Use of Other Sources.* The instruction to the offerors should include a statement that the Government may use past performance information obtained from other than the sources identified by the offeror, and that the information obtained may be used for both the responsibility determination and the best value decision. For each non-Federal reference, the SIR should include an authorization to release information.

(13) *Inclusion of Survey Form.* The survey form need not be included as an attachment in the SIR. However, if the procurement team elects to release the questionnaire, the SIR should note that the questions to be asked would not be limited to those on the questionnaire.

(14) *Sample SIR Provisions.* Appendix 2 to this Guidance contains examples of SIR provisions and an example client authorization letter. The example is not the only way to include past performance in the SIR. Each SIR must contain instructions and evaluation information that best reflects the individual acquisition.

c. Evaluating Past Performance.

(1) *Applicability.* Past performance is one measurement of an offeror's ability to perform.

(2) *Relation to SIR.* Instances of performance, both good and poor, should be noted and related to the SIR requirements. If problems were identified on a prior contract, the role the sponsor may have played in that result should be taken into account. Evaluations should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

(3) *Disclosure of Negative Information.* If the procurement team receives negative information that will have a significant impact on the likelihood of award to an offeror,

then the procurement team should disclose the information and provide an opportunity to respond. This is true even if the SIR states that award may be made on initial offers. The SIR should include the appropriate provisions notifying the offerors that FAA retains this option.

(4) *Current Versus Older Performance.* The age of the performance being evaluated may be weighted so that performance on older contracts receives less weight than performance on more recent contracts. More weight may be given to those evaluations on prior FAA or Federal contracts as opposed to contracts with state/local governments or private parties or to prior contracts of a similar nature to the SIR.

(5) *Method of Scoring.* The final past performance rating may be reflected by a color, a number, adjectival, or a combination of these methods, depending upon what system is being used overall to indicate the relative ranking of the offerors. A past performance rating is not a precise mechanical or scientific process and must include sound business judgment. Therefore, the documentation of the final rating should include a logical description of the underlying reasons for the conclusions reached.

(6) *Evaluating Disputed/Negative Information.* When the procurement team receives negative information, or information that is disputed, they should carefully consider the offeror's response and determine what weight to apply, based on the facts obtained from the questionnaire, interview, or other sources. The file must be documented to explain why the procurement team assigned a particular rating. This is especially important in situations involving unresolved disputes.

d. *Obtaining Information on an Offeror's Past Performance.*

(1) *Applicability.* There are various methods of obtaining information on a contractor's past performance.

(2) *Reference Checks.* The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) *Other Sources.* Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) *Timetable.* The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers

must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) *Questionnaire or Survey Form.* The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. An example of a questionnaire is found in Appendix 2.4 Sample 3B.

(6) *Information Collection.* Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or some combination of these.

(7) *Number of References.* At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

(8) *Setting Up Interviews.* Being well organized and efficient is important when conducting the interview so as not to waste the interviewee's time. It is helpful to call the reference to make an appointment to conduct an interview, rather than telephoning the references unannounced, thereby catching them unprepared or with little time to respond. If possible, the questionnaire should be mailed or faxed to the reference in advance of the appointment. Interviewers should take copious notes on the questionnaire to ensure that all information is captured. Tape recording is a good means for capturing all of the conversation, however, tape recording the conversation may cause the interviewee discomfort and reduce the amount of information provided. If tape recording is used during the interview, ensure the interviewee is aware of and agrees to the use of recording devices.

(9) *Conducting Interviews.* Evaluators should look for patterns of either favorable or unfavorable overall performance, rather than focusing on individual successes or failures. It is important to look for actions that demonstrate high performance and not

just unfavorable performance. This will help to get away from the old responsibility determination mode of just looking at performance problems. There appears to be a tendency for references to give an upward bias to ratings. The interviewer should ask enough questions to discriminate between "good" and "excellent." Evaluators should request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) *Concluding Telephone and Face-to-Face Interviews.* Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

(11) *Mailing Questionnaires.* If mailing questionnaires is the chosen method for collecting past performance information, mail the questionnaires to the references, provide a time-frame for return of responses, and wait for the responses. If mailed questionnaires are not received in a timely manner, follow-up telephone interviews are suggested (following guidance above if telephone interview occurs).

e. *Past Performance Database.*

(1) *Past Performance Information Retrieval System (PPIRS).* The Past Performance Information Retrieval System (PPIRS) is the single, Government-wide repository for contractor performance information, and contains performance information on current and previous Federal contractors. The procurement team may use PPIRS evaluations to screen offerors and assess the probability of success based on an offeror's past record as a contractor. Upon request, FAA may also supply past performance evaluation information to personnel of other Government agencies evaluating offerors who have performed on FAA contracts (see "Release of Information" subsection below). Headquarters Procurement Information and Services Team (AJA-A12) is FAA's liaison to PPIRS.

(2) The procurement team is strongly encouraged to use PPIRS to record performance data on FAA contracts. Examples of FAA acquisitions for which PPIRS may be appropriate are the following (individually or in combination):

- (a) Technically complex,
- (b) High dollar value, and/or
- (c) More than one year in duration.

PPIRS evaluations may also be done on Federal Supply Schedule Orders and orders placed under any other contract awarded by another Government agency. Excluded from PPIRS evaluations is any procurement awarded under the Javits-Wagner-O'Day Act (JWOD).

(3) *Evaluation System.* The Department of Defense's (DoD) Contractor Performance Assessment Reporting System (CPARS) is the sole "feeder" system for transmitting evaluations to PPIRS. Because the CPARS is the "feeder" system for PPIRS, the evaluation processes indicated on the CPARS web site at <http://www.cpars.csd.disa.mil> must be used for all PPIRS evaluations. The three modules of CPARS are as follows:

- (a) Construction Contractor Appraisal Support System (CCASS) module - assesses performance on construction contracts;
- (b) Architect-Engineer Contract Administration Support System (ACASS) module - assesses performance on architect-engineer contracts; and
- (c) CPARS module - assesses performance for all other types of contracts.

(4) *Creation and Disposition of Records.* FAA CPARS Focal Points are responsible for the registration of all newly awarded contracts for which CPARS will be used. For such contracts, PPIRS evaluations must be prepared in CPARS at the completion of contract performance and annually by the anniversary date of contract award, and, if appropriate, after a significant event on a contract or a change in program management or CO. An initial report is required if the period of performance is less than one year. The evaluation report process, various roles of the FAA and the contractor, and rating areas are detailed in Appendix 3 to this Guidance, AMS Clause 3.10.1-26 "Contractor Performance Assessment Reporting System, and under the CPARS web site. Copies of the evaluation, the contractor's response, and review comments, if any, must be marked and treated as "source selection information" and retained in the contract file. As use of the PPIRS becomes common throughout FAA, SIRs will need only ask offerors to provide, in the proposal, a list of past contracts they have performed that were similar to the potential contract. The need for a section in the proposal on the offeror's past performance may not be necessary. Evaluation files from PPIRS Government references will provide much, if not all, of the information necessary to evaluate the offeror on past performance. The need for procurement team to conduct extensive interviews with the contract administrators, or conduct other investigations to verify a offeror's past performance should be greatly reduced. Because the contractor will have been offered

the opportunity to comment on the ratings as they were prepared, further comment in the proposal or during discussions, if held, will usually not be necessary.

(5) In addition to automatic transmittal to PPIRS, the completed evaluations must also be filed in the contract file. The evaluations will be retained in the PPIRS for not more than three years after completion of contract performance. Evaluations for construction and architect-engineer contracts will be retained in the PPIRS not more than 6 years past the date of the evaluation.

(6) When another agency asks for a reference, the responsible CO should provide all evaluations, extracted from PPIRS, for the period desired by the requesting organization. If the applicable contract is not in PPIRS, an evaluation should be done for the file as requested.

(7) *Effective Date.* The effective date for this CPARS requirement is October 1, 2011. Prior to then, performance data may be entered into CPARS for new contracts if the CO determines that there is a basis for using CPARS, and Clause 3.10.1-26 is in the contract. CPARS may similarly be used on existing contracts if the contract is bilaterally modified to add Clause 3.10.1-26.

f. *Release of Information.* The FAA and other agencies should use contractor evaluations to support future award decisions. Solicitations for requirements expected to result in an FAA past performance evaluation should require the contractor to identify the FAA resultant contract on any Government contract solicitation that requests past performance information, that is issued during performance or up to three years after performance, and is for similar items/services. The completed evaluation must be released to other FAA evaluators, other Government personnel authorized to receive such reports, and the contractor whose performance is being evaluated only. Improper disclosure of such information could harm both the commercial interest of FAA and the competitive position of the contractor being evaluated, as well as impede the efficiency of FAA operations.

New Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance

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(2) Reference Checks. The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) Other Sources. Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) Timetable. The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) Questionnaire or Survey Form. The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. An example of a questionnaire is found in Appendix 2.4 Sample 3B.

(6) Information Collection. Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or some combination of these.

(7) Number of References. At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

(8) Setting Up Interviews. Being well organized and efficient is important when conducting the interview so as not to waste the interviewee's time. It is helpful to call the reference to make an appointment to conduct an interview, rather than telephoning the references unannounced, thereby catching them unprepared or with little time to respond. If possible, the questionnaire should be mailed or faxed to the reference in advance of the appointment. Interviewers should take copious notes on the questionnaire to ensure that all information is captured. Tape recording is a good means for capturing all of the conversation, however, tape recording the conversation may cause the interviewee discomfort and reduce the amount of information provided. If tape recording is used during the interview, ensure the interviewee is aware of and agrees to the use of recording devices.

(9) Conducting Interviews. Evaluators should look for patterns of either favorable or unfavorable overall performance, rather than focusing on individual successes or failures. It is important to look for actions that demonstrate high performance and not just unfavorable performance. This will help to get away from the old responsibility determination mode of just looking at performance problems. There appears to be a tendency for references to give an upward bias to ratings. The interviewer should ask enough questions to discriminate between "good" and "excellent." Evaluators should request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) Concluding Telephone and Face-to-Face Interviews. Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

(11) Mailing Questionnaires. If mailing questionnaires is the chosen method for collecting past performance information, mail the questionnaires to the references, provide a time-frame for return of responses, and wait for the responses. If mailed questionnaires are not received in a timely manner, follow-up telephone interviews are suggested (following guidance above if telephone interview occurs).

e. Past Performance Database.

(1) Past Performance Information Retrieval System (PPIRS). The Past Performance Information Retrieval System (PPIRS) is the single, Government-wide repository for contractor performance information, and contains performance information on current and previous Federal contractors. The procurement team may use PPIRS evaluations to screen offerors and assess the probability of success based on an offeror's past record as a contractor. Upon request, FAA may also supply past performance evaluation information to personnel of other Government agencies evaluating offerors who have performed on FAA contracts (see "Release of Information" subsection below). Headquarters Procurement Information and Services Team (AAP-130) is FAA's liaison to PPIRS.

(2) The procurement team is strongly encouraged to use PPIRS to record performance data on FAA contracts. Examples of FAA acquisitions for which PPIRS may be appropriate are the following (individually or in combination):

- (a) Technically complex;
- (b) High dollar value; and/or
- (c) More than one year in duration.

PPIRS evaluations may also be done on Federal Supply Schedule orders, and orders placed under any other contract awarded by another Government agency. Excluded from PPIRS evaluations is any procurement awarded under the Javits-Wagner-O'Day Act (JWOD).

(3) Evaluation System. The Department of Defense's (DoD) Contractor Performance Assessment Reporting System (CPARS) is the sole "feeder" system for transmitting evaluations to PPIRS. Because the CPARS is the "feeder" system for PPIRS, the evaluation processes described on the CPARS website at <http://www.cpars.csd.disa.mil> must be used for all PPIRS evaluations. The three modules of CPARS are as follows:

- (a) Construction Contractor Appraisal Support System (CCASS) module - assesses performance on construction contracts;
- (b) Architect-Engineer Contract Administration Support System (ACASS) module - assesses performance on architect-engineer contracts; and

(c) CPARS module - assesses performance for all other types of contracts.

(4) Creation and Disposition of Records. FAA CPARS Focal Points are responsible for the registration of all newly awarded contracts for which CPARS will be used. For such contracts, PPIRS evaluations must be prepared in CPARS at the completion of contract performance and annually by the anniversary date of contract award, and, if appropriate, after a significant event on a contract or a change in program management or CO. An initial report is required if the period of performance is less than one year. The evaluation report process, various roles of the FAA and the contractor, and rating areas are detailed in Appendix 3 to this Guidance, AMS Clause 3.10.1-26 "Contractor Performance Assessment Reporting System, and under the CPARS web site. Copies of the evaluation, the contractor's response, and review comments, if any, must be marked and treated as "source selection information" and retained in the contract file. As use of the PPIRS becomes common throughout FAA, SIRs will need only ask offerors to provide, in the proposal, a list of past contracts they have performed that were similar to the potential contract. The need for a section in the proposal on the offeror's past performance may not be necessary. Evaluation files from PPIRS Government references will provide much, if not all, of the information necessary to evaluate the offeror on past performance. The need for procurement team to conduct extensive interviews with the contract administrators, or conduct other investigations to verify a offeror's past performance should be greatly reduced. Because the contractor will have been offered the opportunity to comment on the ratings as they were prepared, further comment in the proposal or during discussions, if held, will usually not be necessary.

(5) In addition to automatic transmittal to PPIRS, the completed evaluations must also be filed in the contract file. The evaluations will be retained in the PPIRS for not more than three years after completion of contract performance. Evaluations for construction and architect-engineer contracts will be retained in the PPIRS not more than six years past the date of the evaluation.

(6) When another agency asks for a reference, the responsible CO should provide all evaluations, extracted from PPIRS, for the period desired by the requesting organization. If the applicable contract is not in PPIRS, an evaluation should be done for the file as requested.

(7) Effective Date. The effective date for this CPARS requirement is October 1, 2011. Prior to then, performance data may be entered into CPARS for new contracts if the CO determines that there is a basis for using CPARS, and Clause 3.10.1-26 is in the contract. CPARS may similarly be used on existing contracts if the contract is bilaterally modified to add Clause 3.10.1-26.

f. Release of Information. The FAA and other agencies should use contractor evaluations to support future award decisions. Solicitations for requirements expected to result in an FAA past performance evaluation should require the contractor to identify the FAA resultant contract on any Government contract solicitation that requests past performance information, that is issued during performance or up to three years after performance, and is for similar items/services. The

completed evaluation must be released to other FAA evaluators, other Government personnel authorized to receive such reports, and the contractor whose performance is being evaluated only. Improper disclosure of such information could harm both the commercial interest of FAA and the competitive position of the contractor being evaluated, as well as impede the efficiency of FAA operations.

Red Line Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 3 : Past Performance

a. General. - Past performance can be one indicator of a prospective contractor's future performance. - To help ensure that the best performing contractors are providing products and services to the FAA, past performance should be evaluated during source-selection whenever appropriate.-

b. Instructions for Using Past Performance in a Screening Information Request (SIR).

(1)- General Considerations. - Factors chosen for evaluation should be reasonable, logical, coherent, and directly related to requirements in the statement of work (SOW). - The key to successful use of past performance in the screening process is a clear relationship between the SOW, instructions to offerors, and evaluation criteria. Past performance information that is not important to the current acquisition should not be included. For instance, there would be no point in considering poor subcontract management if there were no subcontract management needed on the contract. Alternatively, if there were a significant amount of software development, it would be important to know the offeror's record with estimating lines of code, providing software builds on time with few errors, and accomplishing the effort within the estimated cost. *At a minimum, the quality of contractor's past performance should be assessed during the evaluation.*

(2) Responsibility Determination. When appropriate, the SIR should state past performance will be used to evaluate the responsibility of the contractor and as an evaluation factor. A contractor with a record of unsatisfactory past performance should be screened out of the selection process as part of the responsibility determination. If a contractor's past performance record passes the responsibility determination, then the past record should be compared to the other responsible offerors to determine the offeror that provides the best value to the Government.

(3) Past Performance as a Separate Non-Cost/Price Factor. - It is best to include past performance as a stand-alone factor, as opposed to integrating it with other non-cost/price factors. Making it distinct and identifiable will reduce the chances of its impact being lost within other factors and should make evaluation easier. The relative importance of past performance compared to price or cost and any other evaluation factors is left to the broad discretion of the procurement team (CO, legal counsel, program official and other supporting staff) as is the source and type of past performance information to be included in the evaluation.

(4) How to Weigh Past Performance. Past performance should be ranked to ensure it is meaningfully considered. To be meaningful in the screening process (and to ensure offerors are aware that actual contract performance will be a significant factor in future awards), past performance may be at least equal in significance to any other non-cost evaluation factor. If a numeric weighting system is used, past performance may be rated at 25 percent or more. For example, if there were five non-cost evaluation factors including past performance, then any of the following examples of weightings or relative importance would suffice:

- Past performance at 25 percent with the other four factors rated at 18.75 percent each ($75/4=18.75$)
- Past performance at 25 percent, technical excellence at 25 percent, management at 20 percent, the other two factors at 15 percent each
- All five factors rated at 20 percent
- Technical approach rated at 30 percent, past performance rated at 30 percent (to equal the highest rated other non-cost factor), management at 20 percent and the other two factors rated at 10 percent each
- Technical capability and past performance are considered equal in importance followed by test and evaluation, logistics management, and subcontract management in descending order of importance

(5) Non-Relevant Contract Experience/New Contractors. The SIR should state whether new contractors, or contractors with non-relevant contract experience will be considered, or rated negatively. For example, if the offeror has a performance history on non-relevant contracts, i.e., prior Government or commercial performance record, but not specifically on the type of work solicited, this information might be used to demonstrate management potential. New contractors may have key management or technical or scientific personnel proposed for the contract that have some relevant experience. An evaluation of the performance of the proposed key personnel on relevant contracts can be used, as appropriate, as part or all of the past performance evaluation. In addition, teaming relationships and subcontractors can enhance the capability of potential offerors to perform, depending on the relationships that exist within the teaming process.

(6) Time-frame, Size, Scope, Complexity. The SIR should ask the contractor for references for ongoing or contracts completed within a specified period of time. A period of three to five years is considered reasonable, depending on the particular circumstances. For small dollar contracts where there are many actions and contractors that provide the products or services, a shorter period may be appropriate. Offerors may attempt to "cherry pick" references to provide selected information on past history. To minimize this, the procurement team should attempt to gather past performance history from sources other than those provided by the offeror. Such sources might include the Past Performance Information Retrieval System (PPIRS) database for on-going efforts, other agency contracting personnel, and listings of contract awards posted on the FAA Contract Opportunities. All on-going or completed contracts performed during the identified period, or the last "X" contracts performed by the entity within the identified period should be sought. Instructions to offerors should ask only for a list of the previous

contracts and contact points and for a description of any quality awards earned by the offeror. It is not necessary to burden the process by asking that the offeror prepare a description of its past performance history in the proposal. The procurement team should request references for contracts that are similar in size, scope and complexity to the statement of work in the SIR. Each of these terms should be defined in the SIR to alert the offeror to the type of data that is required.

(7) ~~-~~ Discriminators/Sub-factors.

(a) ~~-~~ Attention should be paid to what discriminates a "good" performer from a "poor" performer for the type of work that will be performed on the specific acquisition. Past performance sub-factors should be shaped by those discriminators, be limited in number, and should be tailored to the key performance criteria in the SOW. For certain prime contracts, the ability to manage subcontracts, or software development capability may be important discriminators. The following are some other examples of sub-factors that may be used to evaluate past performance: ~~-~~ quality, timeliness, cost control, business practices, customer satisfaction, key personnel, and/or quality awards and recognition.

(b) The sub-factors in the SIR should reflect the questions to be used in interviewing references or reviewing any written evaluations provided by the references. For example, sub-factors with corresponding questions under business practices could include:

- Management Responsiveness - Is the offeror cooperative, business-like and concerned with the interests of the customer?
- Contract Change Proposals - What is the contractor's history on contract change proposals? This includes, changes that lower the overall cost or improve performance - timely and accurate proposals for equitable adjustments - changes that have been withdrawn or dismissed as invalid.

(8) Relative Importance. The SIR should state whether all sub-factors are relatively equal, or whether certain sub-factors are more important than others. For example, on a contract where most of the work is done for end users and it is difficult for the contract administration team to observe the contractor's performance in a cost-effective manner, significant weight might be placed on customer (end user) satisfaction ratings from the references.

(9) Major Subcontractors. ~~-~~ If major subcontractors are likely to perform critical aspects of the contract, the ~~-~~ procurement team should evaluate past performance of these subcontractors to determine the overall likelihood of success of the prime contractor. The SIR should state how such information will be evaluated.

(10) Affiliates, Divisions, etc. For large organizations with many divisions, consider the past performance of the affiliate, division, etc., that will perform the actual work. In

making such decisions.- the procurement team must consider the degree of control that a parent organization will exert over the affiliate. If a parent organization has an excellent or poor performance record and the affiliate is going to be closely controlled and managed by the parent, then the procurement team should consider the parent organization's performance record in making the performance evaluation.

(11) Number of References.- It is important to ask for at least two references for each contract (program/technical and contracts) to assure that all aspects of the offeror's performance will be discussed. - The name of the organization providing the report should be released to the offeror; however, the names of individuals should generally not be released without the individual's consent.

(12) Use of Other Sources. The instruction to the offerors should include a statement that the Government may use past performance information obtained from other than the sources identified by the offeror, and that the information obtained may be used for both the responsibility determination and the best value decision. For each non-Federal reference, the SIR should include an authorization to release information.

(13) Inclusion of Survey Form.- The survey form need not be included as an attachment in the SIR. However, if the procurement team elects to release the questionnaire, the SIR should note that the questions to be asked would not be limited to those on the questionnaire.

(14) Sample SIR Provisions. Appendix-2 to this Guidance contains examples of SIR provisions and an example client authorization letter. The example is not the only way to include past performance in the SIR.- Each SIR must contain instructions and evaluation information that best reflects the individual acquisition.

c. Evaluating Past Performance.

(1) Applicability. Past performance is one measurement of an offeror's ability to perform.

(2)-Relation to SIR.- Instances of performance, both good and poor, should be noted and related to the SIR requirements. If problems were identified on a prior contract, the role the sponsor may have played in that result should be taken into account. Evaluations should consider the number and severity of problems, the demonstrated effectiveness of corrective actions taken (not just planned or promised), and the overall work record.

(3)-Disclosure of Negative Information.- If the procurement team receives negative information that will have a significant impact on the likelihood of award to an offeror, then the procurement team should disclose the information and provide an opportunity to respond. This is true even if the SIR states that award may be made on initial offers. The SIR should include the appropriate provisions notifying the offerors that FAA retains this option.

(4) ~~-~~ Current Versus Older Performance. ~~-~~ The age of the performance being evaluated may be weighted so that performance on older contracts receives less weight than performance on more recent contracts. More weight may be given to those evaluations on prior FAA or Federal contracts as opposed to contracts with state/local governments or private parties or to prior contracts of a similar nature to the SIR.

(5) Method of Scoring. The final past performance rating may be reflected by a color, a number, adjectival, or a combination of these methods, depending upon what system is being used overall to indicate the relative ranking of the offerors. A past performance rating is not a precise mechanical or scientific process and must include sound business judgment. Therefore, the documentation of the final rating should include a logical description of the underlying reasons for the conclusions reached.

(6) ~~-~~ Evaluating Disputed/Negative Information. ~~-~~ When the procurement team receives negative information, or information that is disputed, they should carefully consider the offeror's response and determine what weight to apply, based on the facts obtained from the questionnaire, interview, or other sources. The file ~~-~~ must be documented to explain why the procurement team assigned a particular rating. This is especially important in situations involving unresolved disputes.

d. Obtaining Information on an Offeror's Past Performance.

(1) ~~-~~ Applicability. ~~-~~ There are various methods of obtaining information on a contractor's past performance.

(2) ~~-~~ Reference Checks. ~~-~~ The most commonly used method of obtaining past performance is to conduct reference checks from a variety of sources, including previous FAA program and contracting personnel, other Federal agencies, state and local governments, and commercial contractors.

(3) ~~-~~ Other Sources. ~~-~~ Dun & Bradstreet can obtain information on past performance on specific contractors for the FAA (Dun & Bradstreet charges for this information). In lieu of FAA paying for the report, the SIR may require offerors to provide a copy of a recent past performance report prepared by Dun & Bradstreet. In this case, the offerors would see the report and have an opportunity to resolve any disputed data before the report is submitted to FAA. Using this process could save time and money, but should not be relied on as the only source of data. Quality certifications and awards can also serve as a useful source of past performance information.

(4) ~~-~~ Timetable. ~~-~~ The process of collecting information should begin as soon as the proposal evaluation begins. Collecting information can be time consuming. Researchers must locate and question sources of information, either in person, by telephone or in writing. Obtaining this information as early as possible in the evaluation process gives the procurement team invaluable information in determining the viability of the individual offerors. If the information shows a history of poor performance, the procurement team can eliminate the proposal from the competition as non-responsible. It

may be best to establish a team devoted entirely to this task during the screening, especially if FAA anticipates receiving a large number of proposals.

(5) - Questionnaire or Survey Form. - The first step in obtaining information from sources is to develop a questionnaire, or survey form, that reflects the evaluation rating system that will be used to assess the offerors strengths and weaknesses for the contract being considered. Questions should be worded so that interviewees understand precisely what they are being asked to describe. To maintain accurate records and facilitate verification, the questionnaire (survey) record form should include: - Interviewer's name, company name, reference's name (to be held in confidence), full mailing address and telephone number, date and time of the call, and description of the contract effort discussed. An example of a questionnaire is - found in Appendix 2.4 Sample 3B.

(6) Information Collection. - Once the questionnaire is prepared, the procurement team should contact references. For all interviews, the questions should be stated to the interviewees exactly as on the questionnaire. There are various ways to collect the information: Face-to-face interviews, mailing the questionnaires, telephone interviews, electronic mail (ensuring security measures are taken), or - some combination of these.

(7) - Number of References. - At least two references should be contacted on each previous contract effort. This should be specified in the instruction to offerors. Additional references may often be identified during the interviews. It is also important to survey reasonably large numbers of references in order to look for patterns in their description of performance - individual ratings may be personal and biased. Numerous ratings can show patterns and are therefore much more likely to be a valid indicator.

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request any existing documentation in support of excellent or negative findings (i.e., correspondence, modifications, determinations, etc.). Investigating negative findings in-depth prior to presenting them to offerors, in discussions if held, will alleviate unnecessary delays. Prior to concluding the interview, the evaluator should ask the reference for a summary opinion, e.g., how would the interviewee rate the contractor's overall performance and would the interviewee like to do business with the contractor again?

(10) ~~-~~ Concluding Telephone and Face-to-Face Interviews. ~~-~~ Immediately following a telephone or face-to-face interview, the interviewer should prepare a narrative summary of the conversation (this can be the questionnaire as filled in by the interviewer) and send it to the reference for verification, preferably by certified mail return-receipt requested, fax, or electronic mail. The narrative should state explicitly that if the reference does not object to its content within the time specified, it would be accepted as correct. If the reference indicates that the narrative is incorrect, then a corrected narrative should be sent for verification. If a reference will not agree to the record and satisfactory corrections cannot be agreed upon, the record cannot be relied upon and should not be included in the offeror's rating. Another source may provide the same information, however.

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PPIRS evaluations may also be done on Federal Supply Schedule ~~Orders~~orders, and orders placed under any other contract awarded by another Government agency. Excluded from PPIRS evaluations is ~~any~~ procurement awarded under ~~the~~ Javits-Wagner-O'Day Act (JWOD).

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