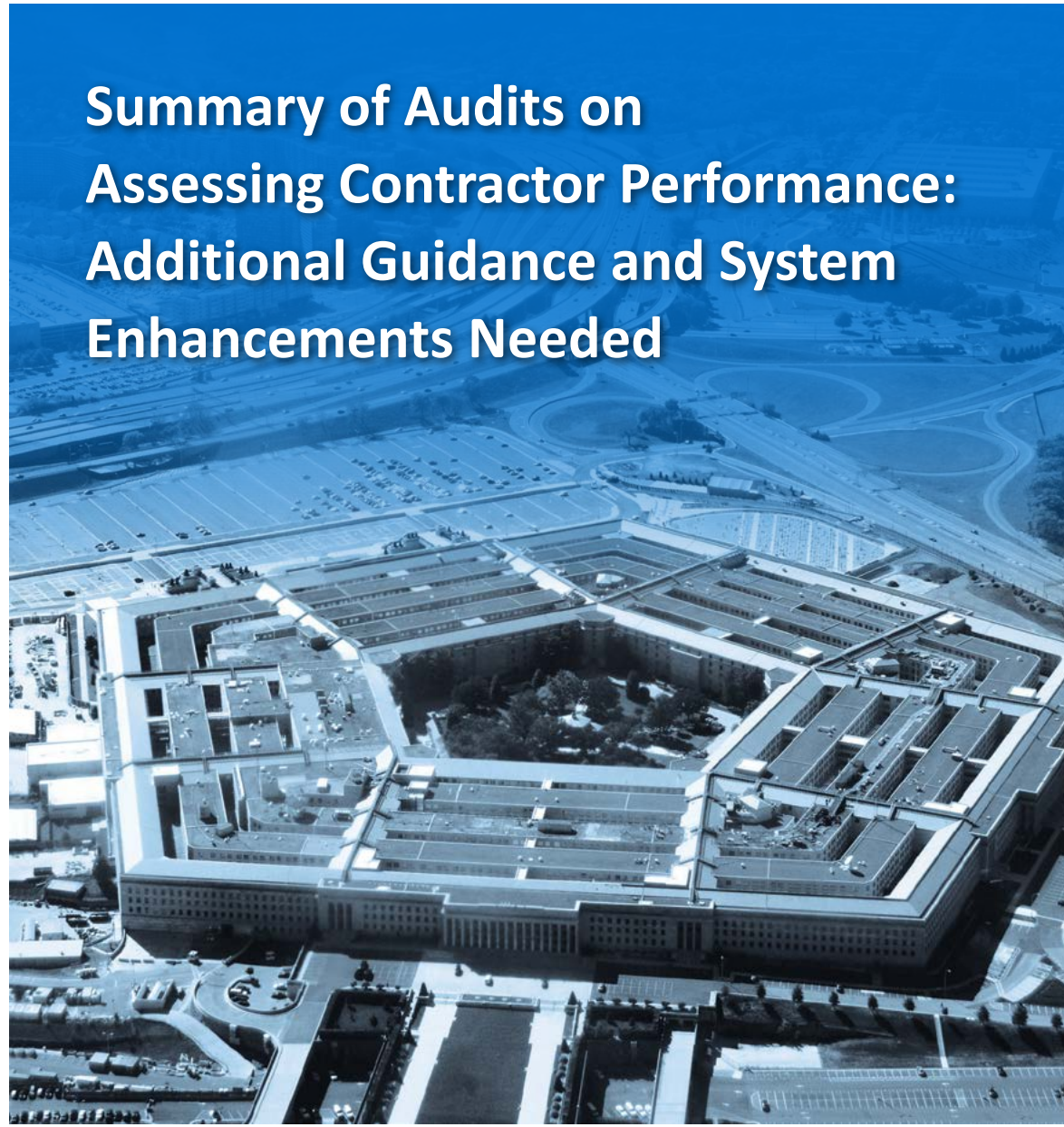




INSPECTOR GENERAL

U.S. Department of Defense

MAY 9, 2017



Summary of Audits on Assessing Contractor Performance: Additional Guidance and System Enhancements Needed

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Results in Brief

Summary of Audits on Assessing Contractor Performance: Additional Guidance and System Enhancements Needed

May 9, 2017

Objective

In this report, we summarize systemic problems with the preparation of contractor performance assessment reports (PARs) and identified potential improvements for the Contractor Performance Assessment Reporting System (CPARS) and its guidance, based on a series of audits we conducted on DoD officials' evaluation of contractor performance.

Background

The purpose of a PAR is to provide source selection officials with information on contractor past performance. Government officials prepare PARs in CPARS.

In FY 2008, the DoD Office of Inspector General (OIG) reported on DoD officials not complying with past performance reporting requirements. In 2010, the Senate Armed Services Committee requested that the DoD OIG perform a followup audit. To address the Committee's request, we performed a series of audits on DoD officials' compliance with past performance requirements. This is the capstone report for our audits.

In total, we audited 18 offices across the DoD—5 in the Navy, 4 in the Air Force, 5 in the Army, and 4 Defense organizations. At the 18 offices, we nonstatistically selected and reviewed 1,264 contracts, valued at \$168.2 billion, and 238 PARs prepared for those contracts, valued at \$18.0 billion.

Finding

Navy, Air Force, Army, and Defense organization officials generally registered, or had a valid reason for not registering, contracts and generally prepared PARs for contracts that required an evaluation. However, DoD officials did not consistently comply with requirements for evaluating contractor performance when preparing PARs from May 2013 through May 2016. Of the 238 PARs we reviewed, DoD officials prepared 83 PARs an average of 73 days late. In addition, DoD officials did not prepare 200 of the 238 PARs in accordance with the Federal Acquisition Regulation and the Guidance for the Contractor Performance Assessment Reporting System (CPARS Guide). Specifically, DoD officials did not:

- prepare written narratives sufficient to justify the ratings given,
- rate required evaluation factors, and
- prepare sufficient contract effort descriptions.

These conditions occurred because:

- assessors were not adequately trained and organizations lacked effective procedures for timeliness and reviews of the PARs; and
- there was a lack of internal controls within CPARS—no system requirement to write a narrative and insufficient explanations for the different ratings—and the CPARS Guide did not contain sufficient information related to the utilization of small business.¹

As a result, Federal source selection officials did not have access to timely, accurate, and complete past performance assessment information needed to make informed decisions related to contract awards. In addition, unreliable data in CPARS may lead to awarding a contract to a poorly performing contractor.

¹ The CPARS system includes a "Small Business Utilization" section where the assessor identifies whether a subcontracting plan is required and a "Utilization of Small Business" evaluation factor where the assessor rates small business use in the contract.



Results in Brief

Summary of Audits on Assessing Contractor Performance: Additional Guidance and System Enhancements Needed

Recommendations

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics:

- issue guidance to emphasize the importance of PARs—specifically, the quality of written narratives;
- issue guidance to remind DoD organizations that they are required to develop procedures to implement CPARS;
- propose system enhancements to CPARS to:
 - require a written narrative for each evaluated factor and
 - improve the information in CPARS on the rating definitions and the requirements for the written narrative; and
- propose an update to the CPARS Guide and the system to improve the clarity of the utilization of small business sections.

Management Actions

During the audit, we informed officials from the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) that DoD officials were not consistently complying with requirements for assessing contractor performance. We identified guidance that the USD(AT&L) could issue to improve compliance. We also identified system enhancements to CPARS and its guidance to improve compliance.

The USD(AT&L) initiated steps to issue guidance. A senior procurement analyst in the Office of the USD(AT&L) stated that he plans to draft a memorandum that the Director, Defense Procurement and Acquisition Policy, USD(AT&L), will issue to implement the recommendations. He anticipates issuing the memorandum within 60 days after we publish this report.

The management actions, once completed, should address all specifics of the recommendations; therefore, these recommendations are resolved but will remain open. We will close these recommendations once we verify that the Director, Defense Procurement and Acquisition Policy, issued the memorandum.

In addition, the USD(AT&L), in coordination with the Government-wide Past Performance Systems program manager proposed the recommended system enhancements. The proposed enhancements were approved on April 27, 2017.

The management actions addressed all specifics of the recommendations; therefore, the recommendations are closed.

USD(AT&L) officials, CPARS Program Office officials, and the Government-wide Past Performance Systems program manager, reviewed a discussion draft of this report, reviewed updated report language throughout the report process, provided unofficial comments, and reviewed the recommendations. The officials agreed to implement the recommendations. The officials agreed to issue a memorandum and provided the audit team with a timeframe for issuance. The officials proposed system enhancements and the system enhancements were approved. As a result, we do not require a written response and we are publishing this report in final form. Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Acquisition, Technology, and Logistics	None	1.a and 1.b	2.a, 2.b, and 3

The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

May 9, 2017

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY,
AND LOGISTICS
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL
MANAGEMENT AND COMPTROLLER)
COMMANDER, U.S. TRANSPORTATION COMMAND
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
NAVAL INSPECTOR GENERAL
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Summary of Audits on Assessing Contractor Performance: Additional Guidance
and System Enhancements Needed (Report No. DODIG-2017-081)

We are providing this final report for information and use. DoD officials did not prepare 83 of 238 performance assessment reports in a timely manner and did not prepare 200 of 238 performance assessment reports in accordance with Federal requirements for assessing contractor performance. We conducted this audit in accordance with generally accepted auditing standards.

During the audit, we advised officials from the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics of the DoD's lack of compliance with guidance for assessing contractor past performance. Management agreed with our recommendations and initiated steps to address our concerns. Management plans to issue a memorandum to emphasize the importance of quality of written narratives when assessing contractor performance and to remind DoD organizations that they are required to develop procedures to implement past performance reporting requirements. Management also proposed system enhancements to the Contractor Performance Assessment Reporting System and an update to the guidance, which were approved. These actions will resolve the recommendations; therefore, we do not require additional comments.

We appreciate the courtesies extended to the staff. Please direct questions to me at 703-604-9187 (DSN 664-9187). If you desire, we will provide a formal briefing on the results.

A handwritten signature in blue ink, appearing to read "MJR", is located below the text of the memorandum.

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

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Acronyms and Abbreviations

Introduction

Objective

We summarized systemic problems with the preparation of contractor performance assessment reports (PARs) and identified potential improvements for the Contractor Performance Assessment Reporting System (CPARS) and its guidance. See Appendix A for a discussion of the scope and methodology. See Appendix B for prior coverage. This is the fifth and final report in a series of audits of DoD officials' compliance with policies for evaluating contractor performance.

Background

Contractor Performance Assessment Reporting System and Past Performance Information Retrieval System

The Federal Acquisition Regulation (FAR) requires Government officials to evaluate contractor performance in CPARS, the Government-wide reporting tool for past performance on contracts.² The primary purpose of CPARS is to ensure that current, complete, and accurate information on contractor performance is available for use in procurement source selections. Officials evaluate contractors in CPARS by preparing a PAR. When officials submit a completed PAR, it automatically transfers to the Past Performance Information Retrieval System, the Government-wide repository for past performance data. Government source selection officials obtain PARs from this system.

The Integrated Award Environment

CPARS and the Past Performance Information Retrieval System are part of the Integrated Award Environment—an initiative to integrate and unify the Federal award process—managed by the General Services Administration. During the audit, we met with the Government-wide Past Performance Systems program manager who is responsible for CPARS and the Past Performance Information Retrieval System for the General Services Administration. The Integrated Award Environment manages 10 online systems responsible for the Federal award process. Officials use a software ticketing program to propose changes to the 10 systems. The proposed changes are discussed and decided by the Integrated Award Environment Change Control Board. The Board consists of voting representatives from each of the 24 Chief Financial Officers Act³ Federal agencies. The DoD is one of the agencies on the Board. Therefore, the system and guidance changes we recommend in this report were submitted to and then approved by the Board.

² FAR Part 42, "Contract Administration and Audit Services," Subpart 42.15, "Contractor Performance Information," 42.1502, "Policy," 42.1502(a), "General."

³ Public Law 101-576, "Chief Financial Officers Act of 1990," November 15, 1990.

Senate Armed Services Committee Request for Audit

In FY 2008, the DoD Office of Inspector General (DoD OIG) reported on DoD officials not complying with past performance reporting requirements, such as preparing PARs with written narratives sufficient to justify the ratings.⁴ The report also stated that CPARS did not contain all required contracts. In a June 4, 2010, Senate Armed Services Committee report, the Committee requested the DoD OIG to perform a followup audit to determine whether DoD officials maintained a more complete and useful database of contractor past performance information and improved compliance with past performance requirements.⁵ To satisfy the Committee's request, we performed a series of four audits on DoD compliance with past performance requirements. This report is a summary of the systemic problems we identified in the series of reports. See Appendix B for a summary of the four previous reports in this series and the FY 2008 report.

Database of Past Performance Information

For the series of audits, we determined whether DoD officials maintained a complete and useful database of contractor past performance information. To determine whether the database was complete, we reviewed a nonstatistical sample of 1,264 contracts to ensure that DoD officials registered the contracts in CPARS. Registering the contract enables an assessor to prepare the PAR in CPARS. We also determined whether DoD officials prepared PARs when required. If officials register required contracts and prepare PARs for those contracts, then the database is complete. Generally, DoD officials registered contracts and completed PARs, as discussed in the Finding. Therefore, the database was generally complete.

To determine whether the database contained useful past performance information, we reviewed a nonstatistical sample of 238 PARs for quality and timeliness.

We determined whether officials prepared the PARs:

- within the 120-day required timeframe;⁶ and
- with ratings, written narratives, and contract descriptions that complied with past performance reporting requirements.

⁴ Report No. D-2008-057, "Contractor Past Performance Information," February 29, 2008. See Appendix B for a summary of the report.

⁵ Senate Report 111-201, "National Defense Authorization Act for Fiscal Year 2011," June 4, 2010.

⁶ Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]) memorandum, "Past Performance Assessment Reporting," January 9, 2009, requires officials to prepare PARs within 120 days of the end of the evaluation period.

DoD officials did not prepare PARs within the required timeframe or in accordance with past performance reporting requirements, as discussed in the Finding. Therefore, the information in the database was not consistently useful.

Improved Compliance With Past Performance Requirements

For the series of audits, we determined whether DoD officials improved compliance with the requirement to prepare PARs within 120 days by preparing more PARs in FY 2016 within the required timeframe than they prepared in FY 2008. Specifically, we identified the number and percent of PARs completed on time from FY 2008 through FY 2016 for the Navy, Army, Air Force, Defense organizations, and overall for the DoD. For example, for the Department overall, DoD officials prepared 9,758 PARs (21 percent) on time in FY 2008 and 28,007 PARs (74 percent) on time in FY 2016. Therefore, DoD officials prepared more PARs within the required timeframe which improved compliance. Appendix C shows the specific improvement for each DoD component from FY 2008 through FY 2016.

Summary Audit Scope and Methodology

We summarized the results of the four audit reports issued in the series.⁷ In total, we audited 18 offices across the DoD. For a complete list of the offices we audited, see Appendix A. At the 18 offices, we nonstatistically selected and reviewed 1,264 contracts, valued at \$168.2 billion, and 238 PARs prepared for those contracts, valued at \$18.0 billion. Table 1 identifies the total contracts and PARs reviewed.

Table 1. Total Contracts and PARs Reviewed

DoD Component	Offices Visited	Contracts Reviewed	Contract Value (in billions)	PARs Reviewed	Value of Contracts with PARs (in billions)
Navy	5	797	\$38.9	81	\$3.4
Air Force	4	161	5.4	48	2.4
Army	5	156	84.4	56	1.5
Defense Organizations	4	150	39.5	53	10.7
Total	18	1,264	\$168.2	238	\$18.0

Source: DoD OIG.

⁷ Report No. DODIG-2015-114, "Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," May 1, 2015; Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016; Report No. DODIG-2016-112, "Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," July 25, 2016; and Report No. DODIG-2017-052, "Defense Organization Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," February 1, 2017.

We summarized the audit results in four main areas—contract registration, preparation of PARs when required, timeliness of PAR preparation, and quality of PAR preparation.

In addition, we identified potential improvements to CPARS and the “Guidance for the Contractor Performance Assessment Reporting System (CPARS)”⁸ (CPARS Guide) based on the four audits in this series and by requesting comments from the organizations we audited. We met with procurement analysts at the USD(AT&L), Defense Procurement and Acquisition Policy office in Arlington, Virginia, to aid in our understanding of how to improve the systemic problems with preparation of PARs. We also met with the Government-wide Past Performance Systems program manager and the CPARS Program Manager at the CPARS Program Office at the Portsmouth Naval Shipyard, Maine, to discuss potential improvements to CPARS and the Guide and determine whether the improvements were useful and feasible. See Appendix A for a complete discussion of our audit scope and methodology.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.⁹ We identified internal control weaknesses across the DoD. Specifically, DoD Components’ policies and procedures did not contain adequate controls to ensure that officials completed PARs within required timeframes or completed PARs with sufficient written narratives. Also, we identified internal control weaknesses with CPARS, such as the ability for assessors to submit a PAR without writing a narrative. However, management initiated corrective actions to resolve the concerns we identified. We will provide a copy of the report to the senior official responsible for internal controls in the DoD.

⁸ The CPARS Guide, July 2014. The CPARS Program Office updated the guide in November 2016. We determined that the update did not include any significant changes that would affect our findings and conclusions.

⁹ DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013.

Finding

DoD Officials' Compliance With Past Performance Reporting Requirements Needs Improvement

Navy, Air Force, Army, and Defense organization officials generally registered, or had a valid reason for not registering, contracts and generally prepared PARs for contracts that required an evaluation. However, DoD officials did not consistently comply with requirements for evaluating contractor performance when preparing PARs from May 2013 through May 2016. Of the 238 PARs we reviewed, DoD officials prepared 83 PARs an average of 73 days late.¹⁰

In addition, DoD officials did not prepare 200 of the 238 PARs in accordance with the FAR and the CPARS Guide. Specifically, DoD officials did not:

- prepare written narratives sufficient to justify the ratings given,
- rate required evaluation factors, and
- prepare sufficient contract effort descriptions.

These conditions occurred because:

- assessors were not adequately trained, organizations lacked effective procedures that identify the specific actions for personnel to take to ensure that a PAR is completed within the required timeframe, and organizations lacked effective procedures for management to review the PARs; and
- there was a lack of internal controls within CPARS, and the CPARS Guide did not contain sufficient information related to the utilization of small business.¹¹

As a result, Federal source selection officials did not have access to timely, accurate, and complete past performance assessment information needed to make informed decisions related to contract awards. In addition, unreliable CPARS data may lead to awarding a contract to a poor performing contractor.

¹⁰ Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]) memorandum, "Past Performance Assessment Reporting," January 9, 2009, requires officials to prepare PARs within 120 days of the end of the evaluation period.

¹¹ The CPARS system includes a "Small Business Utilization" section where the assessor identifies whether a subcontracting plan is required and a "Utilization of Small Business" evaluation factor where the assessor rates small business use in the contract.

DoD Officials Generally Registered Contracts

Navy, Air Force, Army, and Defense organization officials registered, or had a valid reason for not registering, 1,207 of 1,264 contracts. Navy officials did not register, or did not have a valid reason for not registering, 57 contracts.

The CPARS Guide states that the focal point¹² is responsible for registering contracts in CPARS. Registering the contract enables an assessor to prepare the PAR in CPARS. However, not all contracts require registration. For example, a valid reason for not registering a contract involves indefinite-delivery contracts. Officials may choose to register the base indefinite-delivery contract or the orders awarded against the base contract.

Although DoD officials generally complied with the registration requirement, most DoD organizations did not have procedures for registering contracts.

Although DoD officials generally complied with the registration requirement, DoD organizations did not consistently have procedures for registering contracts. Because written procedures are part of an effective internal control system,¹³ we recommended that organizations without registration procedures develop and implement them. We also recommended that Navy officials register the 57 contracts we identified.

DoD officials agreed to develop and implement registration procedures, and Navy officials agreed to register the 57 contracts. For the specific status of each recommendation, see Appendix D.

DoD Officials Generally Prepared PARs on Contracts That Required an Evaluation

Navy, Air Force, Army, and Defense organization officials generally prepared PARs for contracts that required an evaluation. However, Navy and Army officials did not prepare PARs for 35 contracts that required an evaluation.

Navy officials did not prepare PARs for 14 contracts. Specifically, Navy officials did not complete PARs for seven contracts because they were overlooked. For the remaining seven contracts, Navy officials stated that they:

- initially assigned the incorrect assessor to a PAR for one contract,
- had trouble accessing CPARS to complete PARs for four contracts,

¹² The CPARS Focal point provides overall support for the CPARS process for a particular organization, to include registering contracts, set up and maintenance of user accounts, and general user assistance.

¹³ Government Accountability Office Guide GAO-14-704G, "Standards for Internal Control in the Federal Government," September 2014, section OV4.08, states that documentation is a necessary part of an effective internal control system.

- would not prepare a PAR for one contract until the option was exercised, and
- did not provide an explanation for one contract.

Army officials did not prepare PARs for 21 contracts. Specifically, Army officials were unable to agree on the written narratives and ratings for one incomplete PAR and stated that they did not complete a PAR for another contract because the focal point was unable to authorize access to CPARS and had left the agency. For the remaining 19 contracts, Army officials stated that they:

- did not make preparing the PARs a priority,
- lost track of the PARs,
- did not realize they were still assigned to the PAR as an assessor,
- waited for PAR input from the technical officials, or
- had turnover in the assessors for the PAR.

We recommended that Navy and Army officials prepare PARs for the 35 contracts. Navy and Army officials agreed to prepare PARs for the 35 contracts. For the specific status of each recommendation, see Appendix D.

DoD Officials Prepared PARs Late

Of the 238 PARs we reviewed, Navy, Air Force, Army, and Defense organization officials prepared 83 PARs an average of 73 days late. The FAR requires officials to prepare PARs at least annually and at the time the contractor completes the work.¹⁴ A USD(AT&L) memorandum requires officials to complete PARs within 120 days of the end of the evaluation period.¹⁵ In addition, the CPARS Guide states that the contractor has 60 days to comment on the PAR. Table 2 identifies the number of late PARs and the average number of days late at each DoD Component.

Table 2. Number and Average Days of Late PARs

DoD Component	Number of PARs Reviewed	Number of Late PARs	Average Days Late
Navy	81	42	84
Air Force	48	7	65
Army	56	21	59
Defense Organizations	53	13	64
Total	238	83	73*

* The 73 days late is the weighted average of the 83 late PARs rounded to the nearest whole day.
Source: DoD OIG.

¹⁴ FAR 42.1502(a).

¹⁵ USD(AT&L) memorandum, "Past Performance Assessment Reporting," January 9, 2009.

Officials prepared PARs late because their organization-specific procedures either did not address timeliness or did not contain specific instructions about how to prepare PARs within the 120-day timeframe. For example, the Defense Information Systems Agency's CPARS procedures stated, "The evaluation should be completed no later than 120 calendar days after the end of the contract or order performance period."¹⁶ The procedures did not provide any further direction to ensure that assessors process and submit PARs in a timely manner. Also, the procedures did not mention the 60-day contractor comment period, which assessors should consider when preparing PARs.

National Guard Bureau procedures contain the specific details necessary to ensure that assessors prepare PARs within the 120-day timeframe.

National Guard Bureau officials had draft procedures for timeliness, during our audit of the Army. Those draft procedures were implemented by the National Guard Bureau in October 2016 and became the Bureau's CPARS Guide. These procedures contain the specific details necessary to ensure that assessors prepare PARs within the 120-day timeframe. Specifically, the procedures state that, within 45 days after the end of the period of performance, the assessor should finalize the PAR and submit it to the contractor for evaluation. Adherence to the procedures would provide the contractor with 60 days to comment and ensure timely completion of PARs.

The FAR states that agencies must evaluate compliance with reporting requirements frequently so they can readily identify delinquent past performance reports.¹⁷ In addition, the CPARS Guide states that the contracting or requiring office should establish procedures to implement CPARS, including monitoring the timely completion of reports. We recommended that organizations either improve or develop and implement specific timeliness procedures to ensure officials meet the 120-day timeframe and account for the contractor's 60-day comment period. DoD officials agreed to either improve or develop timeliness procedures. For the specific status of each recommendation, see Appendix D.

¹⁶ "DISA [Defense Information Systems Agency] Contractor Performance Assessment Reporting System (CPARS) Procedures," revised October 29, 2015.

¹⁷ FAR 42.1503(e).

DoD Officials Did Not Prepare Sufficient PARs

Navy, Air Force, Army, and Defense organization officials did not prepare 200 of the 238 PARs in accordance with the FAR¹⁸ and CPARS Guide. Specifically assessors did not:

- prepare written narratives sufficient to justify the ratings given on 174 PARs,
- rate 111 required evaluation factors,¹⁹ or
- prepare sufficient descriptions of the contract purpose on 43 PARs.

Table 3 identifies the number of insufficient PARs at each DoD Component.

Table 3. Insufficient PARs

DoD Component	Number of PARs Reviewed	Number of Insufficient PARs
Navy	81	62
Air Force	48	37
Army	56	52
Defense Organizations	53	49
Total	238	200

Source: DoD OIG.

Assessors Did Not Prepare Written Narratives Sufficient to Justify the Ratings Given

Navy, Air Force, Army, and Defense organization officials did not justify the ratings given on 174 PARs, as required by the FAR.²⁰ The FAR states that the evaluation should include clear, relevant information that accurately depicts the contractor's performance and that the written narrative should be consistent with the rating definitions.²¹ According to the CPARS Guide, it is important that the assessor thoroughly describe the rationale for a rating in the written narrative. Table 4 identifies the number of PARs that Navy, Air Force, Army, and Defense organization assessors did not justify with sufficient written narratives.

¹⁸ FAR 42.1503(b).

¹⁹ We did not determine whether assessors for Navy PARs did or did not rate required evaluation factors. On July 1, 2014, CPARS evaluation factors were changed to a standard set of evaluation factors. The Navy PARs we reviewed did not all contain the same evaluation factors because some were completed before July 1, 2014, and some were completed after. The Navy PARs we reviewed had three different sets of evaluation factors.

²⁰ FAR 42.1503(b).

²¹ FAR Table 42-1, "Evaluation Rating Definitions," identifies the rating definitions for all evaluation factors except the utilization of small business evaluation factor. Table 42-2, "Evaluation Ratings Definitions (For the Small Business Subcontracting Evaluation Factor, when 52.219-9 is used)," identifies the rating definitions for only the utilization of small business evaluation factor.

Table 4. PARs With Insufficient Written Narratives

DoD Component	Number of PARs Reviewed	Number of PARs With Insufficient Written Narratives
Navy	81	61
Air Force	48	37
Army	56	44
Defense Organizations	53	32
Total	238	174

Source: DoD OIG.

Tables 42-1 and 42-2 in the FAR define each rating definition and describe what the assessor needs to include in the written narrative to justify the rating. According to the FAR, an “exceptional” rating means that the contractor:

- met the contract requirements,
- exceeded many of the contract requirements to the Government’s benefit, and
- performed with few minor problems for which corrective actions were highly effective.

The FAR states that, to justify an exceptional rating, the assessor should identify multiple significant events or a singular event of sufficient magnitude and state how the contractor’s performance was a benefit to the Government. Assessors rated contractors as exceptional but did not identify in the written narrative multiple significant events or a singular event of sufficient magnitude that were a benefit to the Government. For example, a 338th Specialized Contracting Squadron assessor rated a contractor exceptional for four evaluation factors—quality, schedule, management, and regulatory compliance—but the assessor only wrote one sentence for each evaluation factor that stated that the contractor complied with requirements or performed exceptionally. The narratives did not meet the requirements of the FAR to justify the exceptional rating.

According to the FAR, a “very good” rating means that the contractor:

- met the contract requirements,
- exceeded some of the contract requirements to the Government’s benefit, and
- performed with some minor problems for which corrective actions were effective.

The FAR states that, to justify a very good rating, the assessor should identify a significant event and state how it was a benefit to the Government. Assessors rated contractors as very good but did not identify in the written narrative a significant event that was a benefit to the Government. For example, a Space and Naval Warfare Systems Center Pacific assessor rated a contractor as very good for the cost control evaluation factor. The written narrative stated that the contractor was within cost for the contract and the contractor provided the cost information on time. The narrative did not meet the requirements of the FAR to justify the very good rating.

According to the FAR, a “marginal” rating means:

- performance does not meet some contractual requirements; and
- there was a serious problem for which the:
 - contractor has not identified corrective actions,
 - proposed actions appear only marginally effective, or
 - proposed actions were not fully implemented.

The FAR states that, to justify a marginal rating, the assessor must identify a significant event that the contractor had trouble overcoming and state how it impacted the Government. Assessors rated contractors as marginal but did not identify in the written narrative both a significant event that the contractor had trouble overcoming and how it negatively impacted the Government. For example, an Army Contracting Command–Aberdeen Proving Ground assessor rated a contractor as marginal for the schedule evaluation factor. The written narrative stated:

The contractor experienced several hardware delivery delays during the POP [period of performance] of this delivery order. Thirty one (31) out of eleven hundred twenty seven (1127) hardware items were delivered late. Late hardware deliveries ranged from 21 to 74 days late. There was no impact to the fielding schedule since the first unit equipped fielding date was January 2015 and the contractor delivered adequate quantities of hardware to support fielding.

The narrative did not meet the requirements of the FAR because it stated that the event did not negatively impact the Government; therefore, the narrative did not justify the marginal rating.

Some assessors did not provide written narratives for evaluation factors they rated.

In addition, the FAR requires officials to provide a written narrative for each evaluation factor they rate.²² Some assessors did not provide written narratives for evaluation factors they rated. For example, a Defense Logistics Agency Troop Support assessor rated a contractor as exceptional for the schedule and regulatory compliance evaluation factors, but did not include any supporting narratives to justify the exceptional ratings.

Assessors Did Not Rate Required Evaluation Factors

Air Force, Army, and Defense organization officials did not rate 111 evaluation factors, as required by the FAR or CPARS Guide.²³ The FAR requires assessors to evaluate the contractor’s performance, at a minimum, on:

- technical (quality of product or service),
- cost control,
- schedule and timeliness,
- management or business relations, and
- small business subcontracting.

In addition, the CPARS Guide states that assessors will assess compliance with all terms and conditions in the contract relating to applicable regulations and codes under the regulatory compliance evaluation factor. Table 5 identifies the number of required evaluation factors that Air Force, Army, and Defense organization assessors did not rate.

Table 5. Required Evaluation Factors Not Rated

DoD Component	Number of Required Evaluation Factors Not Rated
Air Force	27
Army	30
Defense Organizations	54
Total	111

Source: DoD OIG.

²² FAR 42.1503(b)(4).
²³ We did not determine whether assessors for Navy PARs did or did not rate required evaluation factors. On July 1, 2014, CPARS evaluation factors were changed to a standard set of evaluation factors. The Navy PARs we reviewed did not all contain the same evaluation factors because some were completed before July 1, 2014, and some were completed after. The Navy PARs we reviewed had three different sets of evaluation factors.

According to the FAR, “not applicable” should be used if the ratings are not going to be applied to a particular area for evaluation.²⁴ The CPARS Guide states that the evaluation factors of cost control and utilization of small business may not be applicable.²⁵ The cost control evaluation factor is not applicable if the contract is fixed price. The utilization of small business evaluation factor is not applicable if the contract does not contain contract clause 52.219-8 or 52.219-9, or if the contractor is a small business. However, as shown by the following examples, assessors did not rate evaluation factors that were required.

- An assessor at Headquarters Space and Missile Systems Center stated that he did not complete the regulatory compliance evaluation factor because the contract did not contain clauses related to regulatory compliance.²⁶ However, the contract contained clauses including anti-kickback procedures, security requirements, drug-free workplace, and prompt payment; therefore, the assessor should have rated the regulatory compliance evaluation factor.
- An assessor at Army Contracting Command–Warren rated the cost control evaluation factor as not applicable.²⁷ However, the contract type was time and materials. The assessor wrote, “The contract is time and materials. There is no defined cost control requirement within the contract.” The assessor should have evaluated the contractor’s cost control because the contract was not fixed price. Furthermore, the assessor’s explanation is not correct. The FAR states:

A time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.²⁸

²⁴ FAR Table 42-1, “Evaluation Rating Definitions,” Note 2.

²⁵ CPARS Guide, Attachment 3, “Instructions on Completing a CPAR [Contractor Performance Assessment Report],” section A3.28, “Cost Control” and section A3.30, “Utilization of Small Business.”

²⁶ The CPARS Guide, Attachment 3, “Instructions on Completing a CPAR,” section A3.31, “Regulatory Compliance,” states, “Assess compliance with all terms and conditions in the contract/order relating to applicable regulations and codes. Consider aspects of performance such as compliance with financial, environmental . . . safety, and labor regulations as well as any other reporting requirements in the contract.”

²⁷ The CPARS Guide, Attachment 3, “Instructions on Completing a CPAR,” section A3.28, “Cost Control,” states, “Assess the contractor’s effectiveness in forecasting, managing, and controlling contract/order cost. If the contractor is experiencing cost growth or underrun, discuss the causes and contractor-proposed solutions for the cost overruns or underruns.”

²⁸ FAR Part 16, “Types of Contract,” Subpart 16.6, “Time-and-Materials, Labor-Hour, and Letter Contracts,” 16.601, “Time and-materials contracts,” 16.601(c)(1), “Government surveillance.”

- An assessor at the Defense Information Technology Contracting Organization rated the utilization of small business evaluation factor as not applicable.²⁹ However, the contract contained both clauses 52.219-8 and 52.219-9. The assessor stated that the contractor used small businesses on the contract, so he was not sure why he rated the evaluation factor as not applicable.

Assessors Did Not Prepare Sufficient Descriptions of the Contract Purpose

Navy, Air Force, Army, and Defense organization officials did not adequately describe the contract purpose for 43 PARs, as required by the FAR.³⁰ The FAR states, “The evaluation should include a clear, non-technical description of the principal purpose of the contract or order.” Table 6 identifies the number of PARs with insufficient descriptions of the contract purpose at each DoD Component.

Table 6. PARs With Insufficient Descriptions of the Contract Purpose

DoD Component	Number of PARs Reviewed	Number of PARs With Insufficient Contract Purpose Descriptions
Navy	81	11
Air Force	48	6
Army	56	15
Defense Organizations	53	11
Total	238	43

Source: DoD OIG.

Source selection officials use the description of the contract purpose to determine whether the PAR is relevant to their source selection. However, assessors did not always prepare sufficient descriptions. For example, a contract purpose for a PAR at 338th Specialized Contracting Squadron stated, “Support AFSAT [Air Force Security Assistance Training Squadron] training program managers.” This description did not provide a clear understanding of the principal purpose of the contract. In the comments to the report, the Commander, 338th Specialized Contracting Squadron, disagreed with our determination that this description

²⁹ The CPARS Guide, Attachment 3, “Instructions on Completing a CPAR,” section A3.30, “Utilization of Small Business,” states, “Assess compliance with all terms and conditions in the contract/order relating to Small Business participation (including FAR 52.219-8, Utilization of Small Business and FAR 52.219-9, Small Business Subcontracting Plan [when required]). Assess any small business participation goals which are stated separately in the contract/order.” The CPARS Guide also states how to evaluate comprehensive subcontracting plans, commercial subcontract plans, small business use for indefinite-delivery contracts, and small business use for other types of contracts.

³⁰ FAR 42.1503(b)(1).

was not sufficient.³¹ The Commander stated that the contract was for “advisory and assistance services.” However, the contract purpose description states only “support” and not “advisory and assistance services.” Furthermore, the contract purpose description is unclear as to whether the contractor is supporting or training program managers. In addition, the CPARS Quality and Narrative Writing training presentation uses a similar example as a contract purpose description that is not sufficient.³² The example used in the training is, “The contractor provided maintenance and support of VFED³³ for the General Services Administration.” The training specifically states that this description is not sufficient because it is missing:

- detail of scope,
- complexity of contract,
- key technologies, and
- definitions of acronyms and technical terms.

The 338th Specialized Contracting Squadron contract purpose lacked similar items, such as scope detail and contract complexity.

In another example, a contract purpose for a PAR at Defense Logistics Agency Troop Support stated, “Facilities Maintenance.” This stated purpose was vague and did not provide a detailed description that identified specifics of facilities maintenance, which could include janitorial, landscaping, repair, or other key requirements.

Alternatively, a sufficient contract purpose description for a Naval Sea Systems Command PAR stated:

The two projects that the contractor shall focus on for gas turbine efficiency improvements shall be the optimized variable stator vane (VSV) scheduling project and the high pressure turbine (HPT) cooling flow modulation project . . . The contractor shall optimize the VSV schedule through a series of tests on a Government-furnished LM2500 engine (gas generator and power turbine) to identify the compressor stall line at designated part power points and developing a Navy fuel schedule which will be implemented within the requisite engine controller.

The Naval Sea Systems Command contract purpose description provides source selection officials with a clear understanding of the purpose of the contract and contains appropriate detail.

³¹ Report No. DODIG-2016-043, “Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance,” January 29, 2016.

³² Training can be found by clicking on the training link at the CPARS website, www.cpars.gov.

³³ This is an acronym made up for training purposes to demonstrate that acronyms should be defined in the contract effort description.

Assessors Were Not Adequately Trained and Organizations Lacked Effective Procedures

Generally, assessors did not provide sufficient written narratives to justify the ratings given, did not rate required evaluation factors, and did not prepare clear descriptions of the purpose of the contracts. These conditions occurred because:

- assessors did not understand PAR rating or evaluation factor definitions,
- assessors did not take current training or properly implement training, and
- organization-specific procedures did not require reviews of PARs to ensure compliance with the FAR.

The CPARS Guide states that the contracting or requiring office should establish procedures to implement CPARS across the organization including developing training requirements and monitoring the quality of PARs. The CPARS Guide also states that a best practice is for assessors to take CPARS training to include Quality and Narrative Writing training. The FAR requires organizations to assign responsibility and management accountability for the completeness of past performance submissions.³⁴ It also states that agency procedures must “address management controls and appropriate management reviews of past performance evaluations.” Furthermore, the FAR states that organizations must require frequent evaluation of agency compliance with past performance reporting requirements so they can monitor PARs for quality control.³⁵

The USD(AT&L) issues quarterly memorandums regarding the DoD’s compliance with CPARS reporting requirements. However, the memorandums include compliance metrics related only to the timeliness and completion of PARs, not the quality. In a January 21, 2011, Office of Federal Procurement Policy memorandum, the Administrator states, “While the fact of compliance with reporting requirements is important, the quality of reports submitted is what really matters, in terms of providing source selection officials with useful and meaningful information.”³⁶ The USD(AT&L) should issue guidance to emphasize the importance of past performance evaluations, specifically, the quality of written narratives to ensure that the ratings given are fully supported, as described in the FAR; and remind DoD organizations that the FAR and CPARS Guide require organizations to develop procedures to implement CPARS.

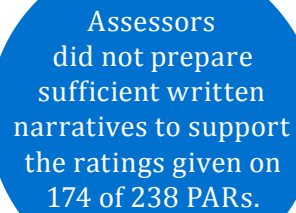
³⁴ FAR 42.1503(a)(1).

³⁵ FAR 42.1503(e).

³⁶ Office of Federal Procurement Policy memorandum, “Improving Contractor Past Performance Assessments: Summary of the Office of Federal Procurement Policy’s Review, and Strategies for Improvement,” January 21, 2011.

Assessors Did Not Understand PAR Rating or Evaluation Factor Definitions

DoD assessors did not prepare sufficient written narratives or rate required evaluation factors because they did not understand the rating or evaluation factor definitions. Specifically, assessors did not prepare sufficient written narratives to support the ratings given on 174 of 238 PARs. For evaluation factors with insufficient written narratives, we asked assessors whether they could provide additional examples or explanations to support the ratings given.



Assessors did not prepare sufficient written narratives to support the ratings given on 174 of 238 PARs.

When assessors could not provide additional examples to support the ratings given, it meant that the assessors rated the evaluation factors higher or lower than they could support and did not understand the rating definitions. For example, a Defense Logistics Agency Troop Support assessor gave a very good rating for the regulatory compliance evaluation factor and stated in the written narrative that the contractor “meets all regulatory requirements for doing business with the government” and that “reports were received in a timely manner.” The Defense Logistics Agency Troop Support assessor’s written narrative for the regulatory compliance evaluation factor did not support the very good rating. The assessor did not provide additional support for the very good rating. Therefore, the assessor rated the contractor higher than she could support and did not understand the PAR rating definitions.

When assessors could provide additional examples to support the ratings given, it meant that the assessor did not understand the level of detail required to justify the ratings given. For example, an Army Contracting Command–Warren assessor stated in the narrative for the schedule evaluation factor that the contractor delivered “on or ahead of schedule.” The assessor gave the contractor a rating of very good for this evaluation factor. However, the assessor did not identify a significant event and state how it was a benefit to the Government.³⁷ When asked to explain this rating, the assessor stated that the contractor was willing to help meet the schedule by arranging for dealers outside of the area specified by the contract to service the vehicles at no additional cost. This was not required by the contract. Furthermore, the contractor’s actions saved the Government time and helped the Government meet its schedule. Had the assessor included this

³⁷ The FAR states that a very good rating must identify a significant event that exceeded contract requirements and state how it was a benefit to the Government.

information in his original written narrative, it would have been sufficient to support the very good rating; therefore, at the time he prepared the PAR, he did not understand the level of detail necessary to support a very good rating.

Some assessors also did not understand the evaluation factor definitions. For example, an Army Contracting Command–Aberdeen Proving Ground assessor limited the written narrative for the quality evaluation factor to describing the contract purpose, and then stated that the contractor provided “highly qualified” personnel and that the personnel performed “extremely well.” The CPARS Guide states that assessors should use the quality evaluation factor to “assess the contractor’s conformance to contract/order requirements, specifics and standards of good workmanship ([for example], commonly accepted technical, professional, environmental, or safety and health standards).” The Army Contracting Command–Aberdeen Proving Ground assessor did not prepare the written narrative for the quality evaluation factor in accordance with the CPARS Guide definition. Therefore, the assessor did not understand the quality evaluation factor definition.

Because assessors did not understand the rating or evaluation factor definitions, we recommended that organizations develop and implement procedures that require assessors to take training on the rating and evaluation factor definitions that are outlined in the FAR and CPARS Guide. DoD officials agreed to develop and implement rating and evaluation factor definition training. For the specific status of each recommendation, see Appendix D.

Most Assessors Did Not Take CPARS Quality and Narrative Writing Training

DoD assessors either did not take CPARS Quality and Narrative Writing training, which the CPARS Guide identifies as a best practice, or did not properly apply the training. Some assessors took the training but still did not prepare sufficient PARs. Assessors need training to fully understand the role of PARs in source selection decisions and how to write detailed narratives. The FAR generally requires source selection officials to evaluate past performance in making award decisions.³⁸ The CPARS Quality and Narrative Writing training addresses the purpose of a PAR and the level of detail necessary to justify and describe the contractor’s performance. Because assessors who took the training still prepared insufficient PARs, periodic refresher training is needed.

³⁸ FAR 15.304(c)(3).

Space and Naval Warfare Systems Center and Defense Information Systems Agency required assessors to take CPARS Quality and Narrative Writing training. Although both organizations required assessors to take the training, assessors either did not take the training, or did not properly apply the training. Furthermore, neither Space and Naval Warfare Systems Center nor Defense Information Systems Agency required periodic refresher CPARS Quality and Narrative Writing training.

In addition, Air Force memoranda required officials with roles in CPARS to take CPARS training within 30 days of role appointment.³⁹ However, the memoranda did not specifically require officials to take CPARS Quality and Narrative Writing training or refresher training.

Therefore, we recommended that organizations develop and implement procedures that require assessors to take initial and periodic refresher CPARS Quality and Narrative Writing training. DoD officials agreed to develop and implement CPARS Quality and Narrative Writing training requirements. For the specific status of each recommendation, see Appendix D.

During our audit of Air Force compliance with past performance requirements,⁴⁰ officials updated the Air Force FAR supplement. The Air Force FAR supplement states, “individuals appointed to CPARS roles must complete online instructor-led, automated online, or onsite CPARS program office instructor-led training specific to their CPARS role(s).”⁴¹ However, the revised Air Force FAR supplement does not require periodic refresher training. We will not make an additional recommendation to update the Air Force FAR supplement, because we previously recommended that Air Force officials require assessors to take periodic refresher training and Air Force officials agreed.

Lack of Procedures to Ensure That Written Narratives Complied With the FAR

DoD organizations either did not have procedures or had insufficient procedures for management to review the PARs to ensure the written narratives contained information necessary to justify the ratings given, in accordance with the FAR.⁴² The CPARS Guide states that the value of a PAR to future source selection officials is directly linked to the care taken to prepare a quality and detailed narrative.

³⁹ Office of the Assistant Secretary of the Air Force for Acquisition memoranda, “Past Performance Assessment Reporting (supersedes SAF/AQ Memorandum, Past Performance Assessment Reporting, dated 1 July 2009),” March 4, 2012, and superseding memoranda dated September 3, 2014, and September 15, 2015.

⁴⁰ Report No. DODIG-2016-043, “Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance,” January 29, 2016.

⁴¹ Air Force FAR Supplement, Part 5342, “Contract Administration and Audit Services,” Subpart 5342.15, “Contractor Performance Information, 5342.1503, “Procedures,” 5342.1503(a)(1).

⁴² FAR 42.1503(a)(1).



We identified best practices to ensure written narratives complied with the FAR rating definitions at the Air Force Life Cycle Management Center. The CPARS focal point at the Air Force Life Cycle Management Center, Command and Control, Intelligence, Surveillance, and Reconnaissance division, ensured assessors coordinated the PAR with personnel from the program office, contracting office, and other functional areas, and documented their review using a PAR coordination sheet. In addition, Air Force Life Cycle Management Center officials in the Medium Altitude Unmanned Aircraft Surveillance division used a quality rating matrix to support each evaluation factor in the PAR narrative.

We recommended that organizations develop and implement procedures for performing reviews of PARs and monitor reviews of PARs to verify compliance with the FAR. DoD officials agreed to develop and implement procedures for performing and monitoring reviews of PARs. For the specific status of each recommendation, see Appendix D.

Lack of Internal Controls Within CPARS

We identified improvements that needed to be made to CPARS and the CPARS Guide based on the four audits in this series. We also visited the CPARS Program Office at the Naval Sea Logistics Center, Portsmouth Naval Shipyard, Maine, in December 2016 to receive a demonstration of CPARS and observe the internal controls. The following contributed to DoD officials' lack of compliance with the FAR and CPARS Guide. Specifically, CPARS:

- allows assessors to submit PARs without a written narrative,
- does not provide sufficient information on the rating definitions, and
- guidance is not clear about the utilization of small business.

CPARS Allows Assessors to Submit PARs Without a Written Narrative

DoD assessors were able to submit PARs without supporting narratives because the system does not require assessors to write a narrative for rated evaluation factors, as required by the FAR.⁴³ The FAR states that each factor and subfactor must be evaluated and a supporting narrative provided. In addition, the FAR states that the narratives for each evaluation factor must reflect the FAR rating definitions. The CPARS Guide states that the value of a PAR to future source selection officials is directly linked to the care taken to prepare a quality and detailed narrative.

⁴³ FAR 42.1503(b)(4).

Figure 1 shows the quality evaluation factor section of CPARS. The “Assessing Official Comments” section is where the assessor writes the narrative to support the rating. As of December 13, 2016, the comments field may be left blank after an assessor chooses a rating.

CPARS
Evaluation Data Entry

Contract/Schedule Number: INPROCESSADDENDUM ? Order Number:
(Click on a tab below to view/enter the related information; fields identified with * are required)

Contractor Name/Address Contract Information Misc Information Small Business Utilization **Ratings** Assessor

* Evaluate the following Areas: ? (rate or select N/A for all major areas)

Quality Schedule Cost Control Management Small Business Regulatory Other Areas

Quality ?
Past Rating: N/A Rating: (Select) ▼

Assessing Official Comments (24000 character limit)

Save Data
Return to the Assessing Official Representative
Validate and Send to the Contractor (☒ Receive a copy of the Contractor transmittal letter email)
View/Print the Evaluation
Return to the Main Menu

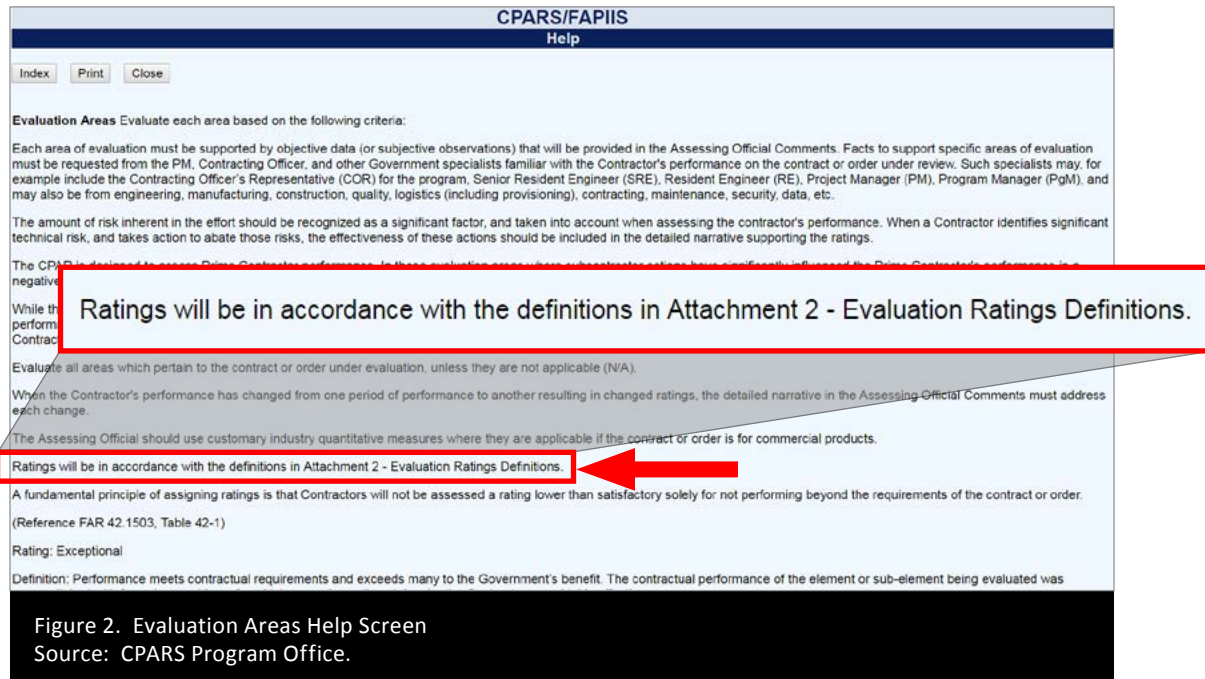
Figure 1. Screenshot from CPARS of the Quality Evaluation Factor
Source: CPARS Program Office.

The system lacked an internal control to ensure assessors provided a written narrative for rated evaluation factors. The USD(AT&L) should propose a system enhancement to CPARS to require a written narrative for each evaluated factor before an assessor can submit the assessment for contractor comment, as required by the FAR.

CPARS Does Not Provide Sufficient Information to Assessors on the Rating Definitions

DoD assessors did not prepare sufficient written narratives for ratings they gave because the CPARS system does not provide sufficient information to assessors on the rating definitions and the requirements for the written narrative to justify each rating, as outlined in the FAR. The FAR states that the ratings and narratives for each evaluation factor must reflect the rating definitions. DoD officials indicated that they did not understand the rating definitions.

Throughout CPARS, the assessor can click on a “?” next to a field or title and a help screen will pop up with useful information. In Figure 1, there are three “?” on the screen. However, there is no “?” next to the “Rating.” If an assessor clicks the “?” next to “Evaluate the following Areas,” a help screen will pop up with general information about evaluating the contractor. The help screen also provides information on the rating factor definitions, but that information is not provided until several paragraphs down, as indicated in Figure 2 by the red arrow.



Improving accessibility to the rating information available to assessors within the system could help assessors understand the definitions and the requirements for the written narratives to justify the ratings. The USD(AT&L) should propose a system enhancement to CPARS to improve accessibility to the information available to assessors on the specific FAR definitions of each rating and the requirements for the written narrative to justify each rating.

CPARS and Guide Unclear About Utilization of Small Business

Based on our observation that DoD assessors inconsistently completed the utilization of small business evaluation factor, there is opportunity for improvement in both CPARS and the Guide. The system includes a “Small Business

Utilization” section where the assessor identifies whether a subcontracting plan is required (Figure 3) and a “Utilization of Small Business” evaluation factor where the assessor rates small business use in the contract (Figure 4). The two sections address different elements; therefore, the similar titles may be confusing to assessors.

CPARS
Evaluation Data Entry

Contract/Schedule Number: INPROCESSADDENDUM ? Order Number:
(Click on a tab below to view/enter the related information; fields identified with * are required)

Contractor Name/Address Contract Information Misc Information **Small Business Utilization** Ratings Assessor

Small Business Utilization ?

* Does this contract include a subcontracting plan? (Select) ▼

Date of last Individual Subcontracting Report (ISR) / Summary Subcontracting Report (SSR): N/A ▼

Save Data
Return to the Assessing Official Representative
Validate and Send to the Contractor (☑ Receive a copy of the Contractor transmittal letter email)
View/Print the Evaluation
Return to the Main Menu

Figure 3. Small Business Utilization Section of CPARS
Source: CPARS Program Office.

The small business utilization section in Figure 3 relates to clause 52.219-9, “Small Business Subcontracting Plan,” which states that the offeror, upon request by the contracting officer, shall submit and negotiate a subcontracting plan that separately addresses subcontracting with small business including:

- veteran-owned,
- service-disabled veteran-owned,
- HUBZone [Historically Underutilized Business Zones],
- small disadvantaged, and
- women-owned.

Therefore, assessors might believe that they do not have to complete the utilization of small business evaluation factor, shown in Figure 4, if they choose “no” in response to the question shown in Figure 3, “Does the contract include a subcontracting plan?”

CPARS
Evaluation Data Entry

Contract/Schedule Number: INPROCESSADDENDUM ? Order Number:
(Click on a tab below to view/enter the related information; fields identified with * are required)

Contractor Name/Address Contract Information Misc Information Small Business Utilization Ratings Assessor

* Evaluate the following Areas: ? (rate or select N/A for all major areas)

Quality Schedule Cost Control Management Small Business Regulatory Other Areas

Utilization of Small Business ?

Past Rating: N/A Rating: (Select)

Assessing Official Comments (24000 character limit)

Save Data
Return to the Assessing Official Representative
Validate and Send to the Contractor (✓ Receive a copy of the Contractor transmittal letter email)
View/Print the Evaluation
Return to the Main Menu

Figure 4. Small Business Evaluation Factor Section of CPARS
Source: CPARS Program Office.

However, the CPARS Guide states that assessors should complete the utilization of small business evaluation factor if the contract contains either clause 52.219-8, “Utilization of Small Business Concerns,” or 52.219-9. The FAR states that assessors must complete the utilization of small business evaluation factor if the contract contains clause 52.219-9. Therefore, an assessor may state in one section of the CPARS that a subcontracting plan is not required, but still need to evaluate the utilization of small business because the contract contains clause 52.219-8, in accordance with the CPARS Guide. Specifically, the:

- FAR requires assessors to complete the utilization of small business evaluation factor when the contract includes clause 52.219-9, and the rating definitions in FAR Table 42-2 state that the assessor should rate the contractor based, in part, on compliance with FAR 52.219-8.⁴⁴
- CPARS Guide states that assessors should assess compliance with all terms and conditions in the contract relating to small business use, including clauses 52.219-8 and 52.219-9 (when required).

⁴⁴ FAR Table 42-2, “Evaluation Ratings Definitions (For the Small Business Subcontracting Evaluation Factor, when 52.219-9 is used).”

Also, the CPARS Guide does not state the options for assessors to evaluate small business use on indefinite-delivery contracts and orders. In CPARS, assessors have the option to prepare PARs for indefinite-delivery contracts on the base contract or on the individual orders awarded against the base contract. Some assessors stated that they did not rate the utilization of small business evaluation factor on the PAR for an order because the subcontracting plan was for the base contract, and compliance with the subcontracting plan was in the report in the Electronic Subcontracting Reporting System.⁴⁵ However, that system is not the Government-wide reporting tool for past performance on contracts. Because CPARS is the reporting tool for past performance, the utilization of small business must be evaluated in CPARS.

If the assessor evaluates contractor performance on the orders for an indefinite-delivery contract, the assessor can:

- prepare a PAR for the base contract that evaluates only the utilization of small business and note that in the PARs for the orders, or
- assess the utilization of small business on the PAR for each order and note that the written narrative and rating apply to the entire base contract and not just the individual order.

The CPARS Guide does not clearly identify these options for indefinite-delivery contracts. The USD(AT&L) should propose a system enhancement to CPARS and an update to the CPARS Guide to improve the clarity of the utilization of small business sections of CPARS, including describing the options for evaluating individual subcontracting plans for indefinite-delivery contracts.

Officials Did Not Adequately Justify Past Performance With Readily Available Information

As a result of contracting officials not complying with requirements for completing PARs, Federal source selection officials did not have access to timely, accurate, and complete contractor performance information needed to make informed decisions related to contract awards or other acquisition matters. The FAR states that a satisfactory performance record is an indication of a responsible contractor.⁴⁶ In addition, the FAR states that officials must evaluate past performance in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold unless the contracting officer documents the reason past

⁴⁵ The Electronic Subcontracting Reporting System is the Government-wide, electronic, web-based system for reporting on subcontracting with small business.

⁴⁶ FAR Part 9, "Contractor Qualifications," Subpart 9.1, "Responsible Prospective Contractors," 9.104-1, "General Standards."

performance is not an appropriate evaluation factor for the acquisition.⁴⁷ Because source selection officials are required to evaluate past performance in making award decisions, it is imperative for PARs to include detailed, quality-written information. Each PAR should effectively communicate contractor strengths and weaknesses to source selection officials. Furthermore, unreliable CPARS data may lead to awarding a contract to a poor performing contractor. However, implementing our recommendations should improve compliance with past performance reporting requirements.

Recommendations

USD(AT&L) officials, CPARS Program Office officials, and the Government-wide Past Performance Systems program manager reviewed a discussion draft of this report, reviewed updated report language throughout the report process, provided unofficial comments, and reviewed the recommendations. USD(AT&L) officials, CPARS Program Office officials, and the Government-wide Past Performance Systems program manager agreed to implement or have already implemented the recommendations. As a result, we do not require a written response and we are publishing this report in final form.

Recommendation 1

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics issue guidance to:

- a. Emphasize the importance of contractor past performance evaluations, specifically, the quality of written narratives to ensure that the ratings given are fully supported, as described in the Federal Acquisition Regulation.**
- b. Remind DoD organizations that the Federal Acquisition Regulation and the Guidance for the Contractor Performance Assessment Reporting System require organizations to develop procedures to implement the Contractor Performance Assessment Reporting System requirements.**

⁴⁷ FAR 15.304.

Planned Management Actions

During the audit, we informed officials from the Office of the USD(AT&L) that DoD officials were not consistently complying with requirements for assessing contractor performance. We identified guidance that the USD(AT&L) could issue to improve compliance.

The USD(AT&L) initiated steps to issue guidance. A senior procurement analyst in the Office of the USD(AT&L) stated that he plans to draft a memorandum that the Director, Defense Procurement and Acquisition Policy, USD(AT&L), will issue to implement these recommendations. The senior procurement analyst anticipates the issuance of the memorandum to be 60 days after this report is published.

The management actions, once completed, will address all specifics of Recommendations 1.a and 1.b; therefore, the recommendations are resolved but will remain open. Recommendations 1.a and 1.b will be considered closed once we verify that the Director, Defense Procurement and Acquisition Policy, issued the memorandum and that the content addresses the specifics of the recommendations.

Recommendation 2

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics propose a system enhancement to the Contractor Performance Assessment Reporting System to:

- a. Require a written narrative for each evaluated factor before an assessor can submit the assessment for contractor comment, as required by the Federal Acquisition Regulation, which states that each factor and subfactor must be evaluated and a supporting narrative provided.**
- b. Improve accessibility to the information available to assessors on the specific Federal Acquisition Regulation definitions of each rating and the requirements for the written narrative to justify each rating.**

Recommendation 3

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics propose a system enhancement to the Contractor Performance Assessment Reporting System and propose an update to the Guidance for the Contractor Performance Assessment Reporting System to improve the clarity of the utilization of small business sections of the system, including describing the options for evaluating individual subcontracting plans for indefinite-delivery contracts.

Management Actions Taken

During the audit, we informed officials from the Office of the USD(AT&L) that DoD officials were not consistently complying with requirements for assessing contractor performance. We identified enhancements to CPARS and its guidance to improve compliance.

The USD(AT&L), in coordination with the Government-wide Past Performance Systems program manager (part of the Integrated Award Environment that we discuss in the Background of this report), proposed the recommended system enhancements and the CPARS Guide update. The Change Control Board approved the enhancements and the update on April 27, 2017.

The management actions addressed all specifics of Recommendations 2.a, 2.b, and 3; therefore, the recommendations are closed.

Appendix A

Scope and Methodology

We conducted this performance audit from November 2016 through April 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary of Organizations Visited

This report summarizes the results of the four previously issued DoD OIG audit reports. We reported that Navy, Air Force, Army, and Defense organization officials did not comply with CPARS reporting requirements. In total, we audited the following 18 offices across the DoD.

- Navy
 1. Naval Air Systems Command, Patuxent River Air Station, Maryland;
 2. Naval Sea Systems Command, Washington, D.C.;
 3. Naval Supply Systems Command, Fleet Logistics Center Norfolk, Naval Station Norfolk, Virginia;
 4. Space and Naval Warfare Systems Center Atlantic, Joint Base Charleston, South Carolina; and
 5. Space and Naval Warfare Systems Center Pacific, San Diego, California.
- Air Force
 6. Air Force Life Cycle Management Center, Robins Air Force Base, Georgia;
 7. Headquarters Space and Missile Systems Center, Los Angeles Air Force Base, California;
 8. Air Combat Command, Acquisition Management and Integration Center, Newport News, Virginia; and
 9. 338th Specialized Contracting Squadron, Joint Base San Antonio-Randolph, Texas.
- Army
 10. National Guard Bureau, Arlington, Virginia;
 11. U.S. Army Corps of Engineers, Engineering Support Center, Huntsville, Alabama;

12. Army Contracting Command–Aberdeen Proving Ground, Maryland;
 13. Army Contracting Command–Redstone Arsenal, Alabama; and
 14. Army Contracting Command–Warren, Michigan.
- Defense Organizations
 15. U.S. Transportation Command, Scott Air Force Base, Illinois;
 16. Defense Information Technology Contracting Organization, Scott Air Force Base, Illinois;
 17. Defense Logistics Agency Energy, Fort Belvoir, Virginia; and
 18. Defense Logistics Agency Troop Support, Philadelphia, Pennsylvania.

At the 18 offices, we nonstatistically selected and reviewed 1,264 contracts, valued at \$168.2 billion, and 238 PARs prepared for those contracts valued at \$18.0 billion. Table 7 identifies the total contracts and PARs reviewed at each DoD Component during the four audits.

Table 7. Total Contracts and PARs Reviewed

DoD Component	Offices Visited	Contracts Reviewed	Contract Value (in billions)	PARs Reviewed	Value of Contracts with PARs (in billions)
Navy	5	797	\$38.9	81	\$3.4
Air Force	4	161	5.4	48	2.4
Army	5	156	84.4	56	1.5
Defense Organizations	4	150	39.5	53	10.7
Total	18	1,264	\$168.2	238	\$18.0

Source: DoD OIG.

We summarized the audit results in four main areas—contract registration, preparation of PARs when required, timeliness of PAR preparation, and quality of PAR preparation.

In addition, we identified potential improvements to CPARS and its guidance, based on the four previous audits in this series and by requesting comments from the organizations we audited. We met with procurement analysts at the USD(AT&L), Defense Procurement and Acquisition Policy office in Arlington, Virginia, to aid in our understanding of how to improve the systemic problems with preparation of PARs. We also met with the Government-wide Past Performance Systems

program manager and the CPARS program manager at the CPARS Program Office at the Portsmouth Naval Shipyard, Maine, to discuss potential improvements to CPARS and the Guide and determine whether the improvements were useful and feasible. In addition, the CPARS program manager gave us a live demonstration of the system.

Previous Audits in the Series

Scope, Methodology, and Criteria

For the four previous audits in the series, we reviewed 1,264 contracts, valued at \$168.2 billion, and 238 PARs, valued at \$18.0 billion, to determine whether officials:

- registered contracts when required,
- prepared PARs when required,
- prepared PARs in a timely manner, and
- prepared PARs with quality written narratives sufficient to justify the ratings given.

We compared documentation to the following criteria.

- FAR Subpart 42.15, “Contractor Performance Information,” which requires Federal Government officials to prepare and submit contractor performance information into CPARS;
- USD(AT&L) memorandum, “Past Performance Assessment Reporting,” January 9, 2009, which requires officials to register contracts that meet reporting thresholds and prepare PARs within 120 days of the end of the evaluation period; and
- Guidance for the Contractor Performance Assessment Reporting System (CPARS), July 2014, which provides guidance on procedures, responsibilities, and training for completing PARs.⁴⁸

⁴⁸ The CPARS Program Office updated the Guidance for the Contractor Performance Assessment Reporting System in November 2016. We determined that the update did not include any significant changes that would affect our findings and conclusions. For the Navy, we used the November 2012 Guidance for the Contractor Performance Assessment Reporting System.

Documents and Interviews

We obtained and reviewed PARs by querying the Past Performance Information Retrieval System; contracts by querying the Electronic Document Access System; organization policies and procedures by requesting them from DoD personnel; and small business records by querying the System for Award Management or requesting the information from DoD personnel. We interviewed DoD officials with CPARS roles at each of the 18 offices we audited. Specifically, we obtained:

- PARs,
- contracts,
- CPARS training records,
- CPARS training slides,
- System for Award Management records for small business, and
- office policies and procedures for CPARS.

Use of Computer-Processed Data

We relied on computer-processed data from CPARS provided by the CPARS Program Manager to determine whether DoD agencies prepared more PARs in a timely manner from FY 2008 through FY 2016. We did not find significant irregularities with the CPARS data; therefore, we determined that the data were sufficiently reliable to support our findings and conclusions.

Appendix B

Prior Coverage

During the last 9 years, the Government Accountability Office (GAO), the DoD Office of Inspector General (DoD OIG), and the Air Force Audit Agency issued nine reports discussing contractor past performance assessments. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Access to the Air Force Audit Agency report is restricted.

GAO

Report No. GAO-14-707, “Contractor Performance: Actions Taken to Improve Reporting of Past Performance Information,” August 7, 2014

Section 853 of the National Defense Authorization Act for Fiscal Year 2013 required the development of a strategy to ensure that timely, accurate, and complete information on contractor performance is included in past performance databases. The GAO identified that agencies generally improved their compliance with past performance requirements from April 2013 to April 2014. Specifically, DoD compliance increased from 76 to 83 percent.

Report No. GAO-13-589, “Contractor Performance: DoD Actions to Improve the Reporting of Past Performance Information,” June 27, 2013

Section 806 of the National Defense Authorization Act for Fiscal Year 2012 required the GAO to report on the effectiveness of DoD strategies to ensure complete, timely, and accurate contractor performance assessments. The GAO identified that the number of personnel trained more than doubled from 2010 and that the number of submitted assessments increased from 56 to 74 percent from October 2011 to April 2013.

Report No. GAO-09-374, “Federal Contractors: Better Performance Information Needed to Support Agency Contract Award Decisions,” April 23, 2009

The GAO determined that agencies considered past performance in making award decisions, but past performance was not the primary factor considered. Officials told the GAO that they were reluctant to rely more on past performance because, in part, they were skeptical about the reliability of the information and whether the information was relevant.

DoD OIG

Report No. DODIG-2017-052, “Defense Organization Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance,” February 1, 2017

Defense organization officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, Defense organization officials prepared:

- 13 of 53 PARs an average of 64 days late; and
- 49 of 53 PARs without:
 - sufficient written narratives to justify the ratings given,
 - ratings for required evaluation factors, or
 - sufficient descriptions of the contract purpose.

The report recommended that Defense organization officials develop and implement procedures to register contracts, prepare PARs within the required timeframe, require initial and periodic refresher training for writing PARs, and evaluate PARs for quality.

Report No. DODIG-2016-112, “Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance,” July 25, 2016

Army officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, Army officials prepared:

- 21 of 56 PARs an average of 59 days late, and
- 52 of 56 PARs without sufficient written narratives to justify the ratings given.

The report recommended that Army officials develop, implement, or update procedures for preparing PARs within the required timeframe, require initial and periodic refresher training for writing PARs, and evaluate PARs for quality.

Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016

Air Force officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, Air Force officials prepared:

- 7 of 48 PARs an average of 65 days late, and
- 37 of 48 PARs without sufficient written narratives to justify the ratings given.

The report recommended that Air Force officials develop or improve procedures for preparing PARs within the required timeframe, ensuring assessors take initial and periodic refresher training for writing PARs, evaluating PARs for quality, or registering contracts.

Report No. DODIG-2015-114, "Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," May 1, 2015

Navy officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, Navy officials prepared:

- 42 of 81 PARs an average of 84 days late, and
- 61 of 81 PARs without sufficient written narratives to justify the ratings given.

Also, Navy officials did not register 88 of 797 contracts. The report recommended that Navy officials develop or improve procedures for preparing PARs within the required timeframe, require initial and periodic refresher training for writing PARs, evaluate PARs for quality, and register contracts.

Report No. D-2008-057, "Contractor Past Performance Information," February 29, 2008

CPARS did not contain all active system contracts that met the reporting threshold of \$5 million. In addition:

- 39 percent of system contracts were registered more than a year late;
- 68 percent of system contracts had PARs that were overdue; and
- 82 percent of PARs reviewed did not contain detailed, sufficient narratives to establish that ratings were credible and justifiable.

The report recommended that the USD(AT&L) establish a requirement to:

- register contracts in CPARS within 30 days from contract award,
- complete the annual PARs in CPARS within 120 days from the end of the evaluation period, and
- require formal training on writing PAR narratives and the corresponding ratings for the assessors who prepare and review PARs.

Air Force

Report No. F2011-0007-FC1000, "Contractor Performance Assessment Reporting Program," August 13, 2011

Air Force personnel did not timely register contracts, timely prepare supportable and consistent contractor performance evaluations, or maintain a current and accurate CPARS database.

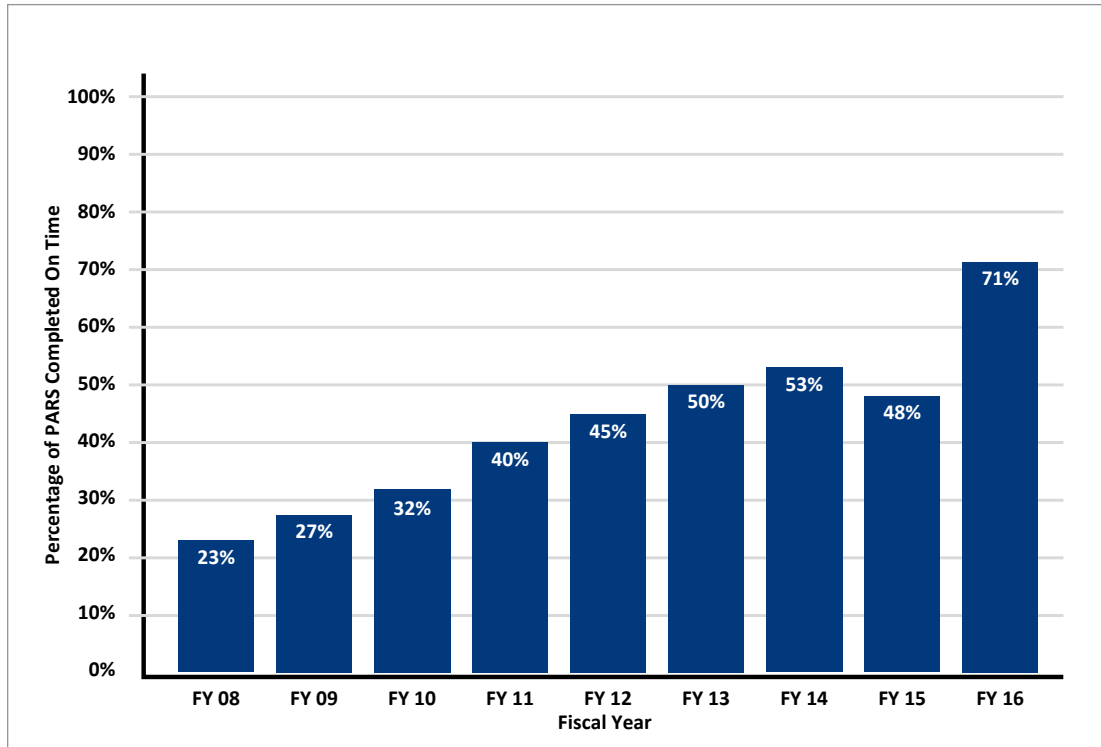
Appendix C

DoD Improvement in PAR Completion Metrics

The Senate Armed Services Committee directed us to determine whether DoD officials improved compliance with past performance requirements. These charts show that DoD officials generally prepared more PARs within the 120-day required timeframe from FY 2008 through FY 2016. Therefore, DoD officials' compliance improved. The charts and tables for each DoD component and for the Department overall are located on the following pages.

Navy officials improved their timely PAR preparation from 23 percent in FY 2008 to 71 percent in FY 2016, as shown in Figure 5 and Table 8.

Figure 5. Navy PAR Completion Metrics



Source: The CPARS Program Office and DoD OIG.

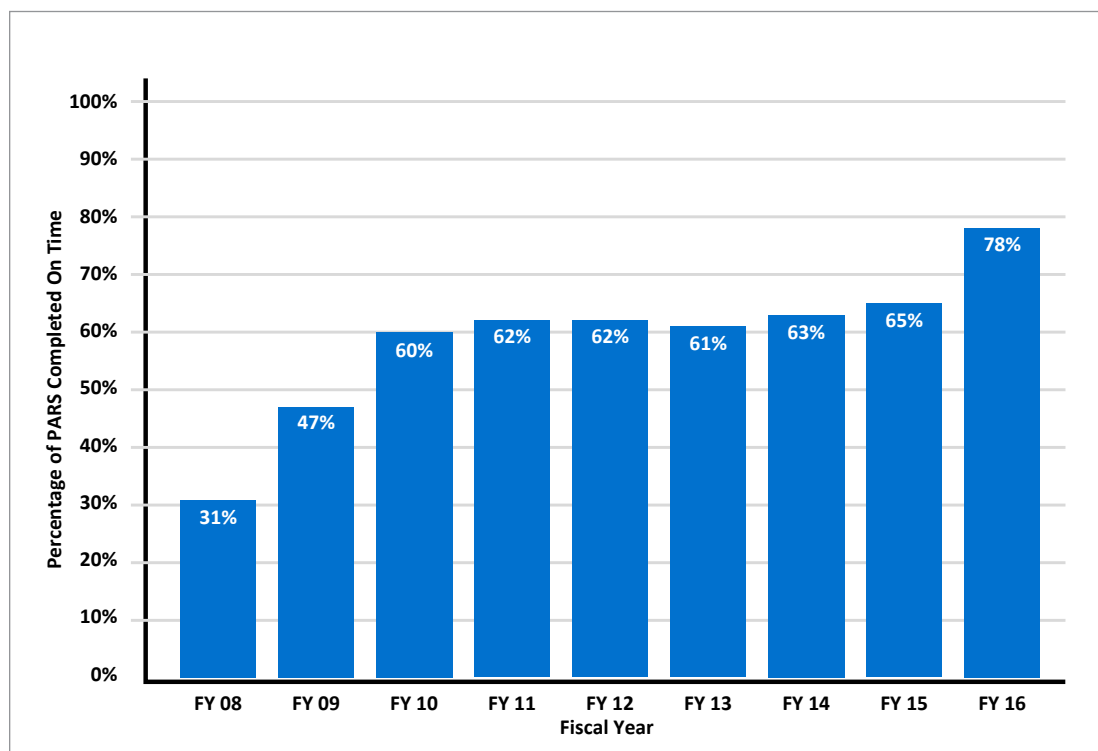
Table 8. Navy PAR Completion Metrics

Fiscal Years	Number of PARs Completed	Number of PARs Completed <=120 Days	Percentage of PARs Completed <=120 Days
2008	2,564	599	23%
2009	3,767	1,015	27%
2010	5,391	1,725	32%
2011	6,924	2,803	40%
2012	8,195	3,705	45%
2013	9,345	4,637	50%
2014	9,669	5,091	53%
2015	9,714	4,709	48%
2016	7,357	5,197	71%

Source: The CPARS Program Office and DoD OIG.

Air Force officials improved their timely PAR preparation from 31 percent in FY 2008 to 78 percent in FY 2016, as shown in Figure 6 and Table 9.

Figure 6. Air Force PAR Completion Metrics



Source: The CPARS Program Office and DoD OIG.

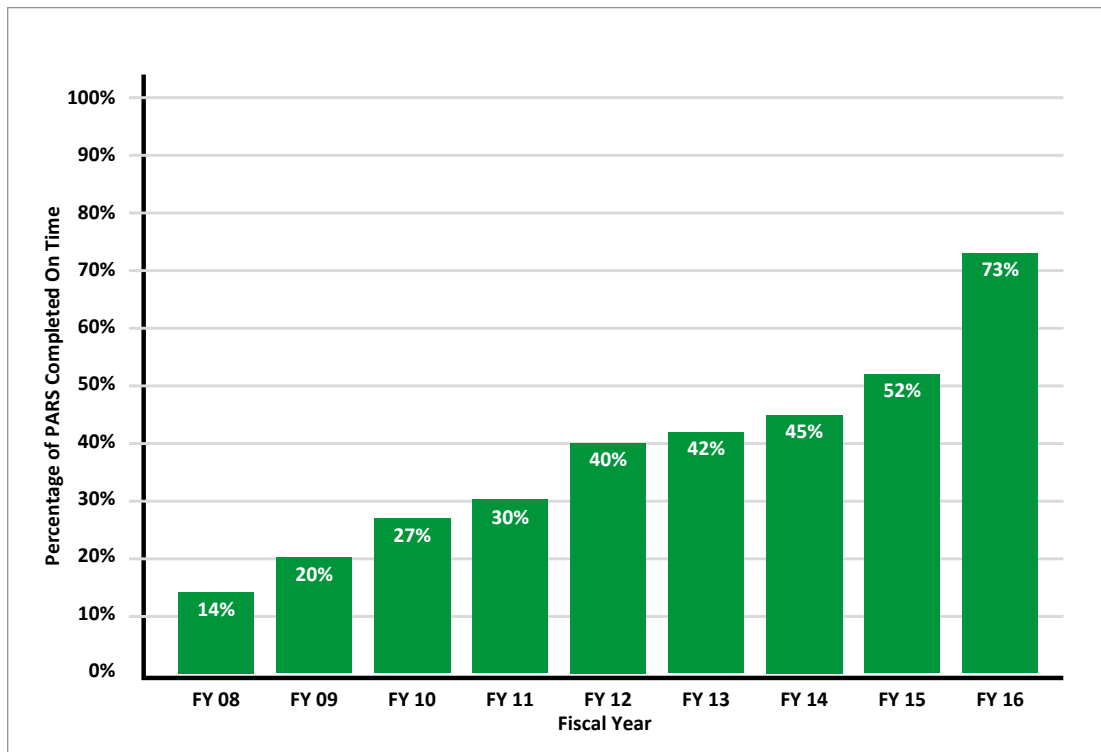
Table 9. Air Force PAR Completion Metrics

Fiscal Years	Number of PARs Completed	Number of PARs Completed <=120 Days	Percentage of PARs Completed <=120 Days
2008	2,242	696	31%
2009	2,892	1,348	47%
2010	4,103	2,474	60%
2011	4,648	2,881	62%
2012	5,088	3,136	62%
2013	5,237	3,205	61%
2014	5,257	3,335	63%
2015	5,898	3,820	65%
2016	5,268	4,123	78%

Source: The CPARS Program Office and DoD OIG.

Army officials improved their timely PAR preparation from 14 percent in FY 2008 to 73 percent in FY 2016, as shown in Figure 7 and Table 10.

Figure 7. Army PAR Completion Metrics



Source: The CPARS Program Office and DoD OIG.

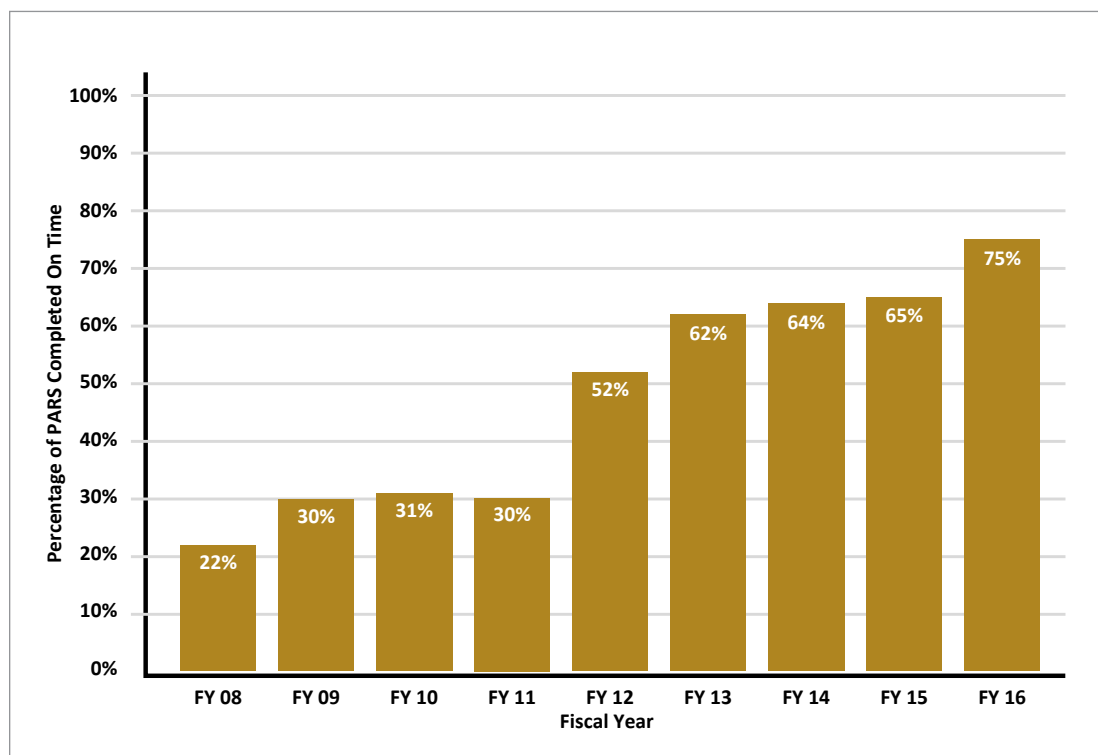
Table 10. Army PAR Completion Metrics

Fiscal Years	Number of PARs Completed	Number of PARs Completed <=120 Days	Percentage of PARs Completed <=120 Days
2008	4,618	664	14%
2009	5,870	1,199	20%
2010	8,873	2,410	27%
2011	10,359	3,118	30%
2012	11,977	4,774	40%
2013	12,893	5,399	42%
2014	12,905	5,781	45%
2015	13,881	7,196	52%
2016	10,738	7,803	73%

Source: The CPARS Program Office and DoD OIG.

Defense organization officials improved their timely PAR preparation from 22 percent in FY 2008 to 75 percent in FY 2016, as shown in Figure 8 and Table 11.

Figure 8. Defense Organizations PAR Completion Metrics



Source: The CPARS Program Office and DoD OIG.

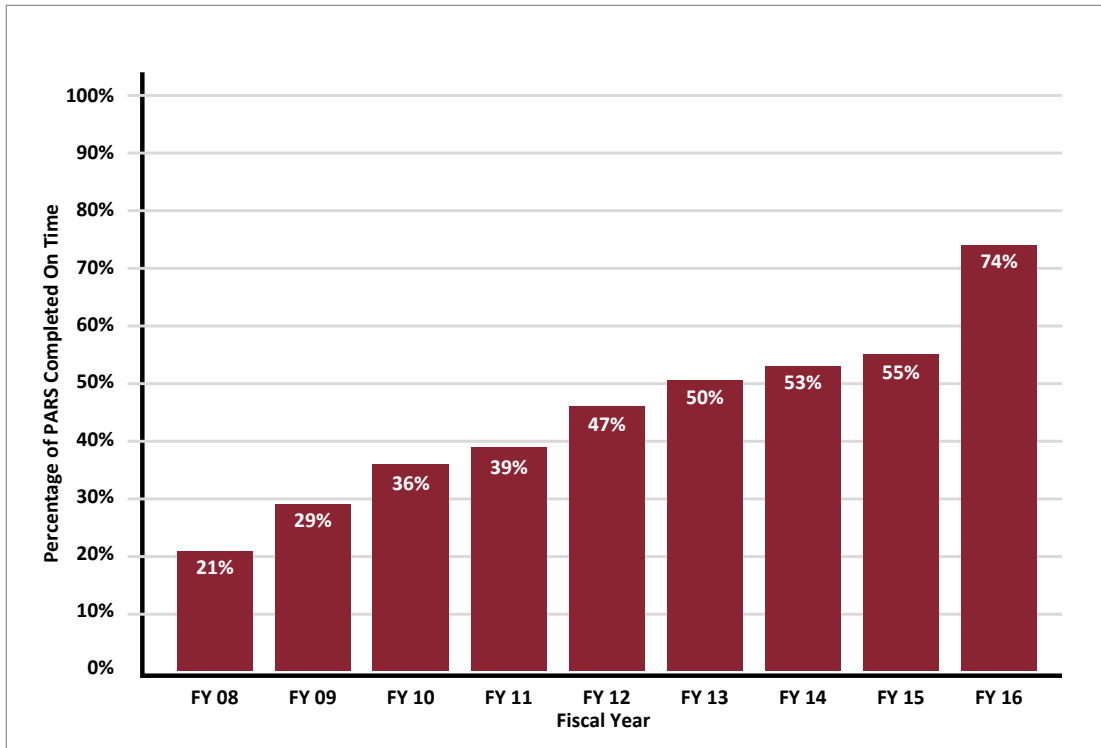
Table 11. Defense Organizations PAR Completion Metrics

Fiscal Years	Number of PARs Completed	Number of PARs Completed <=120 Days	Percentage of PARs Completed <=120 Days
2008	334	73	22%
2009	872	260	30%
2010	1,524	473	31%
2011	2,683	799	30%
2012	4,150	2,157	52%
2013	4,974	3,067	62%
2014	5,490	3,505	64%
2015	5,718	3,690	65%
2016	4,644	3,486	75%

Source: The CPARS Program Office and DoD OIG.

Across the DoD, officials improved their timely PAR preparation from 21 percent in FY 2008 to 74 percent in FY 2016, as shown in Figure 9 and Table 12.

Figure 9. Total DoD PAR Completion Metrics



Source: The CPARS Program Office and DoD OIG.

Table 12. Total DoD PAR Completion Metrics

Fiscal Years	Number of PARs Completed	Number of PARs Completed <=120 Days	Percentage of PARs Completed <=120 Days
2008	9,758	2,032	21%
2009	13,401	3,822	29%
2010	19,891	7,082	36%
2011	24,614	9,601	39%
2012	29,410	13,772	47%
2013	32,449	16,308	50%
2014	33,321	17,712	53%
2015	35,211	19,415	55%
2016	28,007	20,609	74%

Source: The CPARS Program Office and DoD OIG.

Appendix D

Status of Recommendations in Previous Reports

We made 81 recommendations in the previous reports, and management agreed with all 81. As of February 2017, we closed 44 recommendations (management took action that addressed the recommendation) and resolved 37 recommendations (management agreed to take action to address the recommendation, but the action is not yet complete). Table 13 identifies the 44 closed recommendations, which report the recommendation was in, the recommendation number in the report, and the organization that provided comments.

Table 13. Closed Recommendations from Previous Audit Reports

	Number in Report	Organization	Recommendation Text
DODIG-2015-114 – Navy			
1	2	Fleet Logistics Center Norfolk	Improve and re-emphasize procedures for contract registration, including procedures to validate that personnel properly register contracts, and register the remaining 57 contracts.
2	2	Space and Naval Warfare Systems Center Atlantic	
3	3.a	Space and Naval Warfare Systems Center Atlantic and Pacific	Improve and re-emphasize procedures that require assessors to prepare PARs that meet the 120-day requirement in the USD(AT&L) policy.
4	3.b	Space and Naval Warfare Systems Center Atlantic and Pacific	Improve and re-emphasize quality control procedures for evaluating PAR narratives and descriptions of the contract purpose.
5	3.c	Space and Naval Warfare Systems Center Atlantic and Pacific	Develop and implement procedures that require assessors to take periodic refresher quality and narrative writing training for the CPARS.
6	4.a	Naval Air Systems Command	Develop and implement procedures that require assessors to prepare PARs that meet the 120-day requirement in the USD(AT&L) policy.
7	4.a	Fleet Logistics Center Norfolk	
8	4.b	Naval Air Systems Command	Develop and implement quality control procedures for evaluating PAR narratives and descriptions of the contract purpose.
9	4.b	Fleet Logistics Center Norfolk	
10	4.c	Naval Air Systems Command	Develop and implement procedures that require assessors to take initial and periodic refresher quality and narrative writing training for the CPARS.
11	4.c	Fleet Logistics Center Norfolk	
12	5	Naval Air Systems Command	Train or re-emphasize to assessors the definitions of the ratings and what is required to justify each rating, as outlined in the FAR.
13	5	Space and Naval Warfare Systems Center Atlantic and Pacific	
14	5	Fleet Logistics Center Norfolk	

Table 13. Closed Recommendations from Previous Audit Reports (cont'd)

	Number in Report	Organization	Recommendation Text
15	6	Fleet Logistics Center Norfolk	Develop procedures that provide assessors with the information and support necessary to adequately prepare PARs.
16	7	Naval Air Systems Command	Require assessors to complete the PARs for the 14 contracts that were required to have them.
17	7	Naval Sea Systems Command	
18	7	Space and Naval Warfare Systems Center Atlantic	
DODIG-2016-043 – Air Force			
19	1.a	Air Combat Command, Acquisition Management and Integration Center	Monitor compliance with the Director’s October 15, 2015, memorandum that described timeframes to ensure assessors prepare PARs that meet the 120 day requirement in the USD(AT&L) memorandum.
20	1.b	Air Combat Command, Acquisition Management and Integration Center	Monitor compliance with the Director’s October 15, 2015, memorandum that requires assessors take initial and periodic refresher Quality and Narrative Writing training.
21	1.c	Air Combat Command, Acquisition Management and Integration Center	Improve procedures for performing reviews of the written narratives and then monitor compliance with those procedures.
22	2.a	Air Force Life Cycle Management Center C2ISR	Develop and implement command-wide written procedures that require assessors to prepare PARs that meet the 120-day requirement in the USD(AT&L) memorandum and build in the 60 days for the contractor’s response.
23	2.a	Air Force Life Cycle Management Center MA-UAS	
24	2.a	Headquarters Space and Missile Systems Center	
25	2.b	Air Force Life Cycle Management Center C2ISR	Ensure assessors take initial and periodic refresher CPARS Quality and Narrative Writing Training.
26	2.b	Air Force Life Cycle Management Center MA-UAS	
27	2.b	Headquarters Space and Missile Systems Center	
28	2.b	338th Specialized Contracting Squadron	
29	2.c	Air Force Life Cycle Management Center MA-UAS	Establish command-wide written procedures for performing reviews of PARs and monitor reviews of the written narratives to verify compliance.
30	2.c	Headquarters Space and Missile Systems Center	
31	2.d	Air Force Life Cycle Management Center C2ISR	Develop and implement written procedures to register contracts.
32	2.d	Air Force Life Cycle Management Center MA-UAS	
33	2.d	Headquarters Space and Missile Systems Center	

Table 13. Closed Recommendations from Previous Audit Reports (cont'd)

	Number in Report	Organization	Recommendation Text
34	3	Air Force Life Cycle Management Center MA-UAS	Train assessors on the PAR evaluation factors and PAR rating definitions, as outlined in the FAR and CPARS guidance.
35	3	Headquarters Space and Missile Systems Center	
36	3	Air Combat Command, Acquisition Management and Integration Center	
DODIG-2016-112 – Army			
37	1	National Guard Bureau	Finalize and implement the draft CPARS procedures.
38	3	National Guard Bureau	Develop and implement procedures that require assessors and contracting officers’ representatives responsible for preparing PARs to take: a. training on the rating and evaluation factor definitions, as outlined in the FAR and CPARS Guide; and b. initial and periodic refresher CPARS Quality and Narrative Writing Training.
39	4	National Guard Bureau	Develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR.
40	7	National Guard Bureau	Ensure assessors complete the PARs for the 21 contracts.
DODIG-2017-052 – Defense Organizations			
41	2.a	Defense Information Systems Agency	Develop and implement organization-wide procedures that identify specific timeframes and steps for CPARS officials to perform to ensure future compliance with the 120-day requirement in the USD(AT&L) memorandum and ensure the 120 days include the 60-day contractor comment period.
42	2.b	Defense Information Systems Agency	Develop and implement organization-wide procedures that require assessors to take training on the rating and evaluation factor definitions, as outlined in the FAR and CPARS Guide.
43	2.c	Defense Information Systems Agency	Develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR.
44	4	Defense Information Systems Agency	Modify and implement procedures to monitor whether officials take CPARS Quality and Narrative Writing training and to require assessors to take periodic refresher CPARS Quality and Narrative Writing training.

C2ISR Command and Control, Intelligence, Surveillance, and Reconnaissance

MA-UAS Medium Altitude Unmanned Aircraft Surveillance

Table 14 identifies the 37 resolved recommendations, which report it was in, the recommendation number in the report, and the organization that provided comments.

Table 14. Resolved Recommendations from Previous Audit Reports

	Number in Report	Organization	Recommendation Text
DODIG-2015-114 – Navy			
1	1	Naval Sea Systems Command	Develop and implement procedures for contract registration, including procedures to validate that personnel properly register contracts.
2	4.a	Naval Sea Systems Command	Develop and implement procedures that require assessors to prepare PARs that meet the 120-day requirement in the USD(AT&L) policy.
3	4.b	Naval Sea Systems Command	Develop and implement quality control procedures for evaluating PAR narratives and descriptions of the contract purpose.
4	4.c	Naval Sea Systems Command	Develop and implement procedures that require assessors to take initial and periodic refresher quality and narrative writing training for the CPARS.
5	5	Naval Sea Systems Command	Train or re-emphasize to assessors the definitions of the ratings and what is required to justify each rating, as outlined in the FAR.
6	7	Fleet Logistics Center Norfolk	Require assessors to complete the PARs for the 14 contracts that were required to have them.
DODIG-2016-043 – Air Force			
7	2.a	338th Specialized Contracting Squadron	Develop and implement command-wide written procedures that require assessors to prepare PARs that meet the 120-day requirement in the USD(AT&L) memorandum and build in the 60 days for the contractor's response.
8	2.c	Air Force Life Cycle Management Center C2ISR	Establish command-wide written procedures for performing reviews of PARs and monitor reviews of the written narratives to verify compliance.
9	2.c	338th Specialized Contracting Squadron	
10	2.d	338th Specialized Contracting Squadron	Develop and implement written procedures to register contracts.
11	3	Air Force Life Cycle Management Center C2ISR	Train assessors on the PAR evaluation factors and PAR rating definitions, as outlined in the FAR and CPARS guidance.
12	3	338th Specialized Contracting Squadron	

Table 14. Resolved Recommendations from Previous Audit Reports (cont'd)

	Number in Report	Organization	Recommendation Text
DODIG-2016-112 – Army			
13	2	U.S. Army Corps of Engineers, Engineering Support Center, Huntsville	Develop and implement organization-wide procedures that identify specific timeframes and steps for CPARS officials to perform to ensure they prepare PARs within the 120-day requirement in the USD(AT&L) memorandum and include the 60-day contractor comment period.
14	2	Army Contracting Command–Aberdeen Proving Ground	
15	2	Army Contracting Command–Redstone Arsenal	
16	2	Army Contracting Command–Warren	
17	3	U.S. Army Corps of Engineers, Engineering Support Center, Huntsville	Develop and implement procedures that require assessors and contracting officers' representatives responsible for preparing PARs to take: a. training on the rating and evaluation factor definitions, as outlined in the FAR and CPARS Guide; and b. initial and periodic refresher CPARS Quality and Narrative Writing Training.
18	3	Army Contracting Command–Aberdeen Proving Ground	
19	3	Army Contracting Command–Redstone Arsenal	
20	3	Army Contracting Command–Warren	
21	4	U.S. Army Corps of Engineers, Engineering Support Center, Huntsville	Develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR.
22	4	Army Contracting Command–Aberdeen Proving Ground	
23	4	Army Contracting Command–Redstone Arsenal	
24	5	Army Contracting Command–Warren	Update and improve procedures for performing reviews of PARs to ensure compliance with the FAR and identify when focal points should perform the reviews.
25	6	U.S. Army Corps of Engineers, Engineering Support Center, Huntsville	Develop and implement organization-wide procedures for registering contracts in the CPARS.
26	6	Army Contracting Command–Redstone Arsenal	

Table 14. Resolved Recommendations from Previous Audit Reports (cont'd)

	Number in Report	Organization	Recommendation Text
27	7	U.S. Army Corps of Engineers, Engineering Support Center, Huntsville	Ensure assessors complete the PARs for the 21 contracts.
28	7	Army Contracting Command–Redstone Arsenal	
DODIG-2017-052 – Defense Organizations			
29	1	U.S. Transportation Command	Develop and implement written procedures for registering contracts in the CPARS.
30	2.a	U.S. Transportation Command	Develop and implement organization-wide procedures that identify specific timeframes and steps for CPARS officials to perform to ensure future compliance with the 120-day requirement in the USD(AT&L) memorandum and ensure the 120 days include the 60-day contractor comment period.
31	2.a	Defense Logistics Agency	
32	2.b	U.S. Transportation Command	Develop and implement organization-wide procedures that require assessors to take training on the rating and evaluation factor definitions, as outlined in the FAR and CPARS Guide.
33	2.b	Defense Logistics Agency	
34	2.c	U.S. Transportation Command	Develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR.
35	2.c	Defense Logistics Agency	
36	3	U.S. Transportation Command	Develop and implement procedures that require assessors to take initial and periodic refresher CPARS Quality and Narrative Writing training.

C2ISR Command and Control, Intelligence, Surveillance, and Reconnaissance

MA-UAS Medium Altitude Unmanned Aircraft Surveillance

Acronyms and Abbreviations

CPARS	Contractor Performance Assessment Reporting System
FAR	Federal Acquisition Regulation
PAR	Performance Assessment Report
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics



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