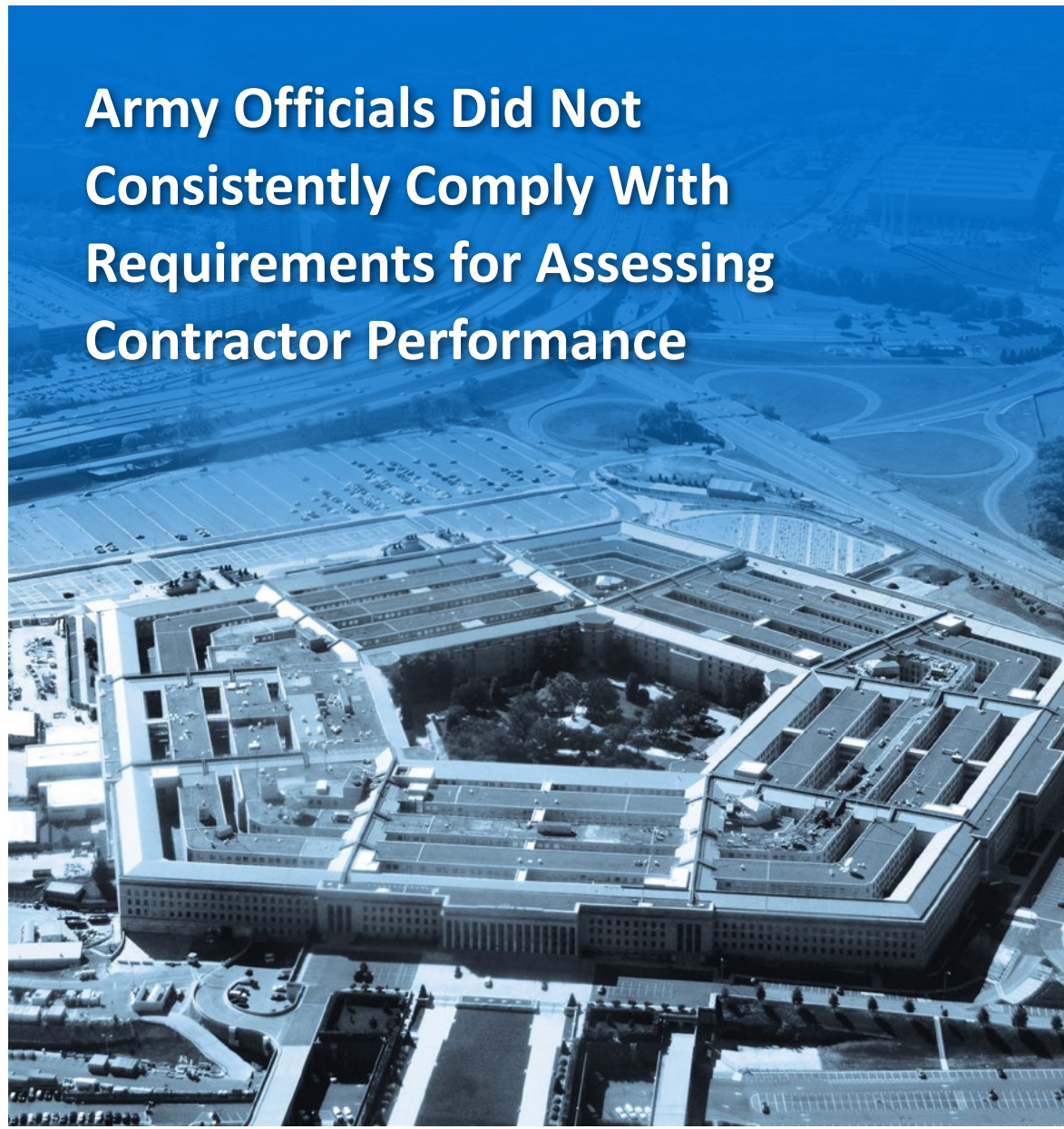




INSPECTOR GENERAL

U.S. Department of Defense

JULY 25, 2016



Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance

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Results in Brief

Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance

July 25, 2016

Objective

We determined whether Army officials completed comprehensive and timely contractor performance assessment reports (PARs) for nonsystems contracts as required by Federal and DoD policies. This is the third in a series of audits on DoD compliance with policies for evaluating contractor performance.

Background

The purpose of a PAR is to provide source selection officials with information on contractor past performance. Officials prepare PARs in the Contractor Performance Assessment Reporting System (CPARS). We selected a nonstatistical sample of five contracting offices that prepared 56 PARs with a contract value of \$1.5 billion. These 56 PARs were for nonsystems contracts that include contracts for operations support, services, information technology, and ship repair and overhaul.

Finding

National Guard Bureau (NGB); U.S. Army Corps of Engineers, Engineering Support Center, Huntsville (CEHNC); Army Contracting Command (ACC)–Aberdeen Proving Ground (APG); ACC–Redstone Arsenal (RSA); and ACC–Warren (WRN) officials did not consistently comply with requirements for evaluating contractor past performance when preparing 56 PARs.

Specifically, officials at all five offices did not prepare 21 of 56 PARs within the 120-day required timeframe. Officials at all five offices also prepared 52 of 56 PARs that did not include sufficient written narratives to justify the ratings given, ratings for all required evaluation factors, or sufficient descriptions of the contract purpose.

Finding (cont'd)

These conditions occurred because:

- Army organization-specific procedures did not consistently ensure timeliness or did not address timeliness;
- assessors did not understand PAR rating or evaluation factor definitions;
- assessors did not take CPARS Quality and Narrative Writing training; or
- Army organization-specific procedures did not require reviews of PARs to ensure compliance with the Federal Acquisition Regulation.

Additionally, NGB, CEHNC, and ACC-RSA officials did not have a valid reason for not registering¹ 7 of 156 contracts in CPARS. This occurred because these offices did not have procedures for registering contracts. Also, NGB, CEHNC, and ACC-RSA officials did not complete PARs for 21 contracts for various reasons that are described in detail in this report.

As a result, Federal source selection officials did not have access to timely, accurate, and complete contractor performance assessment information needed to make informed decisions related to contract awards.

Recommendations

We recommend that Army officials develop, implement, or update procedures for:

- preparing PARs within 120 days;
- requiring that assessors take training for writing PARs;
- evaluating PARs for quality; or
- registering contracts.

We also recommend that Army officials prepare 21 overdue PARs.

Management Comments and Our Response

The Principal Assistant Responsible for Contracting, NGB; and Commander, CEHNC, agreed with the recommendations and we do not require additional comments from them. The Deputy to the Commanding General, ACC, agreed with the recommendations, but his comments did not address all specifics of the recommendations. We request that the Deputy provide comments to this report by August 24, 2016. Please see the Recommendations Table on the next page.

¹ The CPARS project manager stated that registering the contracts enables the assessor to prepare the PAR in CPARS.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Principal Assistant Responsible for Contracting, National Guard Bureau		1, 3.a, 3.b, 4, 7
Commander, U.S. Army Corps of Engineers, Engineering Support Center		2, 3.a, 3.b, 4, 6, 7
Executive Director, Army Contracting Command–Aberdeen Proving Ground	2, 3.a, 3.b, 4	
Executive Director, Army Contracting Command–Redstone Arsenal	2, 3.a, 3.b, 4, 6	7
Executive Director, Army Contracting Command-Warren	2, 3.a, 3.b, 5	

Please provide Management Comments by August 24, 2016.



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

July 25, 2016

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY, AND LOGISTICS
CHIEF, NATIONAL GUARD BUREAU
NAVAL INSPECTOR GENERAL
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
COMMANDER, U.S. ARMY CORPS OF ENGINEERS

SUBJECT: Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance (Report No. DODIG-2016-112)

We are providing this report for review and comment. Army officials did not prepare 21 of 56 performance assessment reports in a timely manner and they did not provide sufficient written narratives to justify the ratings given for 52 of 56 performance assessment reports, as required by the Federal Acquisition Regulation. We conducted this audit in accordance with generally accepted government auditing standards.

We considered comments from the Principal Assistant Responsible for Contracting, National Guard Bureau (NGB); Commander, U.S. Army Corps of Engineers, Engineering Support Center, Huntsville (CEHNC); and Deputy to the Commanding General, Army Contracting Command (ACC), when preparing the final report.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Comments from the NGB Principal Assistant Responsible for Contracting and CEHNC Commander addressed the recommendations. Comments from the ACC Deputy to the Commanding General addressed Recommendation 7, but did not address the specifics of Recommendations 2, 3.a, 3.b, 4, 5, and 6. We request that the Deputy to the Commanding General, ACC, provide additional comments on Recommendations 2, 3.a, 3.b, 4, 5, and 6 by August 24, 2016.

Please send a PDF file containing your comments to audcmp@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9187.

A handwritten signature in blue ink, appearing to read "Michael J. Roark".

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

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Introduction

Objective

We determined whether Army officials completed comprehensive and timely contractor performance assessment reports (PARs) for nonsystems contracts² as required by Federal and DoD policies. This is the third in a series of audits of DoD compliance with policies for evaluating contractor performance. See Appendix A for a discussion of the scope, methodology, and prior coverage. See Appendix B for a discussion of the two previous DoD OIG audit reports in this series.

Background

Contractor Performance Assessment Reporting System and Past Performance Information Retrieval System

PARs are the method for assessing a contractor's performance on a contract. Officials prepare PARs in the Contractor Performance Assessment Reporting System (CPARS). CPARS is the Government-wide reporting tool for past performance on contracts. 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. The Federal Acquisition Regulation (FAR)³ states that agencies must assign responsibility and accountability for the completeness of past performance submissions and that agency procedures must address management controls and appropriate management reviews of past performance evaluations. When officials submit a completed PAR, it automatically transfers to the Past Performance Information Retrieval System (PPIRS). Federal Government source selection officials obtain PARs from PPIRS.

The process begins when the Federal Procurement Data System–Next Generation⁴ feeds contracts into CPARS that exceed the dollar-reporting thresholds. DoD reporting thresholds are established in an Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]) memorandum.⁵ CPARS classifies contracts into different business sectors and each business sector has a different dollar-reporting threshold. Table 1 identifies the CPARS business sectors and DoD's dollar-reporting thresholds.

² Includes contracts, task orders, and delivery orders for operations support, services, information technology, and ship repair and overhaul.

³ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures."

⁴ The Federal Procurement Data System–Next Generation is a web-based tool for agencies to report contract actions.

⁵ USD(AT&L), "Class Deviation–Past Performance Evaluation Thresholds and Reporting Requirements," September 24, 2013.

Table 1. CPARS Business Sectors and DoD Reporting Thresholds

Business Sector	Dollar Threshold
Systems	>\$5,000,000
Non-Systems	
Operations Support	>\$5,000,000
Services	>\$1,000,000
Information Technology	>\$1,000,000
Ship Repair and Overhaul	>\$500,000
Architect-Engineer	≥\$30,000
Construction	≥\$650,000

Note: FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contractor Performance Information,” 42.1502(e) and 42.1502(f) identify the reporting thresholds for architect-engineer and construction contracts. On October 1, 2015, the FAR was updated to raise the reporting thresholds for architect-engineer contracts to \$35,000 and construction contracts to \$700,000.

CPARS focal points⁶ log into CPARS and see a list of the contracts that the Federal Procurement Data System–Next Generation fed into the system. The CPARS officials determine whether they need to register indefinite-delivery indefinite-quantity contracts based on the “Guidance for Contractor Performance Assessment Reporting (CPARS)”⁷ (CPARS Guide). When focal points register contracts in CPARS, they assign personnel to complete the assessment of the contractor, which is done by writing a PAR. Contracts may have one or more PARs prepared over the contract’s period of performance. Because the FAR⁸ requires assessors to prepare PARs at least annually and at the time the contractor completes the work, a contract should have at least one PAR for each year of the contract.

The focal point determines who is responsible for PAR preparation, as directed by the organization’s leadership. According to the FAR,⁹ “if agency procedures do not specify the individuals responsible for past performance evaluation duties, the contracting officer is responsible.” The FAR¹⁰ states, “Contracting officers

⁶ The CPARS focal point provides overall support for an organization’s CPARS process, to include registering contracts, setting up user accounts, and providing user assistance.

⁷ The Guidance for the Contractor Performance Assessment Reporting System (CPARS), July 2014, allows officials to choose how they want to prepare PARs for indefinite-delivery indefinite-quantity contracts and the orders awarded against them. Officials may prepare PARs on the overall indefinite-delivery indefinite-quantity contract or on the individual orders. The CPARS Program Office updated the Guidance for Contractor Performance Assessment Reporting System in July 2015. We determined that the update did not include any significant changes that would affect our findings and conclusions.

⁸ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1502, “Policy,” 42.1502(a), “General.”

⁹ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” 42.1503(a)(2).

¹⁰ FAR Part 1, “Federal Acquisition Regulations System,” subpart 1.6, “Career Development, Contracting Authority, and Responsibilities,” 1.602, “Contracting Officers,” 1.602-2, “Responsibilities.”

are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.” The FAR¹¹ also states that agency procedures must provide for “input to the evaluations from the technical office, contracting office, program management office, and where appropriate, quality assurance and end users of the product or service.” Generally, at the Army contracting offices we visited, officials assigned both program or technical personnel and contracting personnel to prepare PARs. Although program or technical personnel are not within the chain of command of the contracting offices, these personnel are often contracting officers’ representatives. The FAR¹² states that a contracting officer’s representative is designated and authorized in writing by the contracting officer to assist with monitoring or administering a contract. The Army FAR Supplement¹³ states that principal assistants responsible for contracting may specify additional training for contracting officers’ representatives within their contracting activity. Furthermore, the Army FAR Supplement¹⁴ allows contracting officers to return procurement requests to a requiring activity that does not have a properly trained contracting officer’s representative.

Results of FY 2008 DoD OIG Report

DoD OIG issued Report No. D-2008-057¹⁵ on February 29, 2008. The report stated that CPARS did not contain all active system contracts that met the reporting threshold of \$5 million. In addition, the audit team reported that:

- 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.

¹¹ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” 42.1503(a)(1)(i).

¹² FAR Part 1, “Federal Acquisition Regulations System,” subpart 1.6, “Career Development, Contracting Authority, and Responsibilities,” 1.604, “Contracting Officer’s Representative (COR),” and FAR Part 2, “Definitions of Words and Terms,” Subpart 2.1, “Definitions.”

¹³ Army FAR Supplement Part 5101, “Federal Acquisition Regulation System,” subpart 5101.1, “Purpose, Authority, Issuance,” 5101.602-2-91, “Contracting officer’s representative appointments,” 5101.602-2-91(a).

¹⁴ Army FAR Supplement Part 5101, “Federal Acquisition Regulation System,” Subpart 5101.1, “Purpose, Authority, Issuance,” 5101.602-2-91, “Contracting officer’s representative appointments,” 5101.602-2-91(b).

¹⁵ Report No. D-2008-057, “Contractor Past Performance Information,” February 29, 2008.

The report recommended 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.

In response to the report recommendations, USD(AT&L) issued a memorandum¹⁶ that requires DoD officials to register contracts and complete PARs within 120 days. However, the memorandum did not require formal training for CPARS assessors, as recommended by the FY 2008 report.

Senate Armed Services Committee Request for Audit

In a June 4, 2010, Senate Armed Services Committee report,¹⁷ the Committee directed 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.

Complete and Useful Database

To determine whether DoD officials maintained a more complete and useful database of contractor past performance information, we reviewed a nonstatistical sample of PARs for quality and timeliness. Specifically, we determined whether officials:

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

For our scope and methodology for this audit, see Appendix A. See the Finding for detailed results for the Army. For results for the Navy and Air Force, see Appendix B.

¹⁶ USD(AT&L) memorandum, "Past Performance Assessment Reporting," January 9, 2009.

¹⁷ Senate Report 111-201, "National Defense Authorization Act for Fiscal Year 2011," published June 4, 2010.

Improved Compliance With Past Performance Requirements

To determine whether DoD officials improved compliance, we identified the number of PARs completed and the number of days to complete the PARs from FY 2010 through FY 2015 for the contracting offices in our nonstatistical sample. Appendix C shows that Army officials completed more PARs and reduced the timeframes to prepare PARs.

Audit Scope

We selected a nonstatistical sample of five Army contracting offices:

- National Guard Bureau (NGB), Arlington, Virginia;
- U.S. Army Corps of Engineers, Engineering Support Center, Huntsville (CEHNC), Alabama;
- Army Contracting Command (ACC)–Aberdeen Proving Ground (APG), Maryland;
- ACC–Redstone Arsenal (RSA), Alabama; and
- ACC–Warren (WRN), Michigan.

These five contracting offices awarded a total of 156 contracts, valued at \$84.4 billion. We determined that assessors completed PARs for 56 of the 156 contracts as of September 24, 2015. We reviewed the 56 PARs, which had a total contract value of \$1.5 billion. See Appendix A for a complete discussion of our audit scope and methodology.

Review of Internal Controls

DoD Instruction 5010.40¹⁸ 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. We identified internal control weaknesses for the Army. Specifically, NGB, CEHNC, ACC-APG, ACC-RSA, and ACC-WRN policies and procedures did not contain adequate controls to ensure that officials registered all contracts, completed PARs within required timeframes, or completed PARs with sufficient written narratives. We will provide a copy of the report to the senior official responsible for internal controls in the Department of the Army.

¹⁸ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

Army Officials Need to Improve Compliance With Past Performance Reporting Requirements

Army officials¹⁹ at five nonstatistically selected contracting offices—NGB, CEHNC, ACC-APG, ACC-RSA, and ACC-WRN—did not consistently comply with requirements for evaluating contractor past performance when preparing 56 PARs. Specifically, officials at all five offices did not prepare 21 of 56 PARs within the 120-day timeframe required by a USD(AT&L) memorandum.²⁰ Officials at all five offices also did not prepare 52 of 56 PARs with:

- sufficient written narratives to justify the ratings given on 44 PARs;
- ratings for all required evaluation factors on 23 PARs; or
- sufficient descriptions of the contract purpose on 15 PARs, as required by the FAR and CPARS Guide.

These conditions occurred because:

- Army organization-specific procedures did not consistently ensure timeliness or did not address timeliness;
- assessors did not understand PAR rating definitions or evaluation factors;
- assessors did not take CPARS Quality and Narrative Writing training; or
- Army organization-specific procedures did not require reviews of PARs to ensure compliance with the FAR, or the procedures were ineffective.

In addition, NGB, CEHNC, and ACC-RSA officials did not have a valid reason for not registering 7 of 156 contracts²¹ in CPARS. This occurred because these offices did not have organization-wide procedures for registering contracts.²² Also, NGB, CEHNC, and ACC-RSA officials did not complete PARs for 21 contracts for various reasons.

As a result, Federal source selection officials did not have access to timely, accurate, and complete contractor performance assessment information needed to make informed decisions related to contract awards.

¹⁹ These Army officials include both contracting officials and the program or technical personnel assigned to perform PAR preparation for the contracts awarded by these contracting offices.

²⁰ USD(AT&L) memorandum, "Past Performance Assessment Reporting," January 9, 2009. For details on the late PARs and number of days late, see Table 2.

²¹ The five offices awarded a total of 156 contracts valued at \$84.4 billion.

²² NGB had instructions that were draft, but not final, as of May 4, 2016. Therefore, the procedures were not in effect.

Assessors Completed PARs Late

Army officials at all five offices did not prepare 21 of 56 PARs within the 120-day requirement and prepared the PARs an average of 59 days late. See Appendix D for a summary of the PARs reviewed and the number of days late for each of the PARs. Table 2 identifies the number of late PARs and the average number of days they were late at each office.

Table 2. Number and Average Days of Late PARs

Office	Number of PARs Reviewed	Number of Late PARs	Average Days Late
NGB	4	3	128
CEHNC	6	1	146
ACC-APG	25	4	29
ACC-RSA	6	4	26
ACC-WRN	15	9	54
Total	56	21	59*

* The total average days late is the weighted average of the 21 late PARs.

Although officials at all five offices tracked the status of PARs, assessors at each office still prepared PARs late. NGB, CEHNC, ACC-APG, ACC-RSA, and ACC-WRN officials prepared the PARs late because they:

- stated that it was not a priority,
- stated that it took longer than expected to coordinate and complete,
- stated they took over the contract after the PAR was overdue,
- did not allow enough time for the contractor's response, or
- did not understand when the PAR was due.

Also, the offices either did not have procedures to ensure timely completion of PARs, or the procedures were ineffective. The FAR²³ states that agencies must perform frequent evaluation of compliance with reporting requirements so they can readily identify delinquent past performance reports. The FAR²⁴ also requires officials to prepare PARs at least annually and at the time the contractor completes the work. A USD(AT&L)

The offices either did not have procedures to ensure timely completion of PARs, or the procedures were ineffective.

²³ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(e).

²⁴ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contractor Performance Information," 42.1502, "Policy," 42.1502(a), "General."

memorandum²⁵ requires officials to complete PARs within 120 days of the end of the evaluation period. 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. It also states that the contractor has 60 days to comment on the PAR.

Specifically, NGB did not have CPARS procedures to ensure timeliness; however, NGB had draft procedures.²⁶ The draft CPARS NGB Instructions²⁷ contain specific timeframes that identify the responsible official and the specific steps to process the PAR within the 120-day timeframe. For example, the draft instructions 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 draft procedures would ensure timely completion of PARs. The Principal Assistant Responsible for Contracting, NGB, should finalize and implement the draft CPARS procedures.

CEHNC, ACC-APG, ACC-RSA, and ACC-WRN had some CPARS procedures, but those procedures either did not address timeliness or did not contain specifics about how to prepare PARs within the 120-day timeframe. The Commander, CEHNC and Executive Directors, ACC-APG, ACC-RSA, and ACC-WRN, should develop and implement organization-wide procedures that identify specific timeframes and steps for CPARS officials to perform to ensure they prepare PARs that meet the 120-day requirement in the USD(AT&L) memorandum and include the 60-day contractor comment period.

Assessors Prepared Insufficient PARs

Army assessors for the five contracting offices did not complete 52 of 56 PARs in accordance with the FAR²⁸ and CPARS Guide. Specifically, assessors did not:

- prepare written narratives sufficient to justify the ratings given on 44 PARs;
- rate required evaluation factors on 23 PARs; or
- prepare sufficient descriptions of the contract purpose on 15 PARs.

Table 3 identifies the number of insufficient PARs for each of the five contracting offices. See Appendix D for a complete summary of the PARs we reviewed.

²⁵ USD(AT&L) memorandum, "Past Performance Assessment Reporting," January 9, 2009.

²⁶ The draft instructions were not in effect as of May 4, 2016.

²⁷ Contractor Performance Assessment Reporting System (CPARS) NGB Instructions.

²⁸ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(b)(1).

Table 3. Summary of Insufficient PARs

Office	Number of PARs Reviewed	Number of Insufficient PARs
NGB	4	4
CEHNC	6	6*
ACC-APG	25	23
ACC-RSA	6	6
ACC-WRN	15	13
Total	56	52

* For one of these PARs, the only deficiency was with the contract effort description. The written narratives for the evaluation factors were adequate

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

Army assessors for the five contracting offices did not justify the ratings given for 170 of 340 evaluation factors²⁹ on 44 PARs, as required by FAR.³⁰ 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.³¹ According to the CPARS Guide, it is important that the assessor thoroughly describe the rationale for a rating in the written narrative. See Appendix E for a summary of the specific evaluation factors we reviewed. Table 4 identifies the number of evaluation factors that assessors at each contracting office did not justify with sufficient written narratives.

Table 4. Summary of Evaluation Factors With Insufficient Written Narratives

Office	Number of Factors	Factors With Insufficient Written Narratives
NGB	24	11
CEHNC	38	18
ACC-APG	152	83
ACC-RSA	36	31
ACC-WRN	90	27
Total	340	170

²⁹ Each PAR contains six evaluation factors. However, assessors may include up to three additional evaluation factors on the PAR. Assessors added evaluation factors to three of the PARs. Therefore, 53 PARs had six evaluation factors each, 2 PARs had seven evaluation factors each, and 1 PAR had eight evaluation factors, for a total of 340 evaluation factors on 56 PARs.

³⁰ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(b)(1).

³¹ See Appendix F for the rating definitions.

Tables 42-1 and 42-2 in the FAR³² define each rating definition and describe what the assessor needs to include in the written narrative to justify the rating.³³

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
- corrected minor problems effectively.

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 they were a benefit to the Government. Army officials 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 CEHNC assessor rated a contractor as exceptional for the regulatory compliance evaluation factor. The written narrative stated that the contractor “complied with all terms and condition in the contract.” The narrative 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
- corrected minor problems effectively.

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. Army officials

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, an NGB assessor rated a contractor as very good for the quality evaluation factor. The written narrative stated, “Performance met contractor requirements with some minor problems for which corrective actions were taken by the contractor. No issues were identified to the contracting officer representative by the states/territories.” The narrative did not meet the requirements of the FAR to justify the very good rating.

Army officials rated contractors as very good but did not identify in the written narrative a significant event that was a benefit to the Government.

³² FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” Table 42-1, “Evaluation Rating Definitions,” and Table 42-2, “Evaluation Rating Definitions (For the Small Business Subcontracting Evaluation Factor, when 52.219-9 is used).”

³³ Table 42-1 identifies the rating definitions for all evaluation factors except the Utilization of Small Business evaluation factor. Table 42-2 identifies the rating definitions for only the Utilization of Small Business evaluation factor.

Both of these example narratives support a “satisfactory” rating, which means that the contractor met contractual requirements and had only minor problems for which corrective actions taken appeared to be or were satisfactory.

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. ACC-APG 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 ACC-APG assessor rated a contractor as marginal for the schedule evaluation factor on a PAR. 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.

Assessors Did Not Rate Required Evaluation Factors

Army assessors at CEHNC, ACC-APG, ACC-RSA, and ACC-WRN did not rate 30 evaluation factors on 23 PARs, as required by the FAR³⁴ or CPARS Guide. The FAR requires assessors to evaluate the contractor’s performance on the following:

- technical (quality of product or service),
- cost control,
- schedule and timeliness,

³⁴ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” 42.1503(b)(4).

- 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. Furthermore, officials may identify up to three additional evaluation factors on which to rate the contractor. Table 5 identifies the required evaluation factors that assessors at each office did not rate.

Table 5. Summary of Required Evaluation Factors Not Rated

Office	Number of Required Factors	Required Factors Not Rated
NGB	24	0
CEHNC	36	5
ACC-APG	150	15
ACC-RSA	36	2
ACC-WRN	90	8
Total	336*	30

* Four factors, two at CEHNC and two at ACC-APG, were optional evaluation factors added by the assessors. Therefore, those evaluation factors were not required, which is why the total evaluation factors in Table 5 (336) do not match the total evaluation factors in Table 4 (340).

According to the FAR,³⁵ “not applicable” should be used if the ratings are not going to be applied to a particular area for evaluation. The CPARS Guide states that the evaluation factors that the assessor may determine to be not applicable are—cost control and utilization of small business. 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, Army assessors did not rate evaluation factors that were required. For example:

- An assessor at ACC-WRN rated the cost control evaluation factor as not applicable. 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

³⁵ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” Table 42-1, “Evaluation Rating Definitions.”

have evaluated the contractor's cost control because the contract was not fixed price. Furthermore, the assessor's explanation is incorrect. The FAR³⁶ 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.

- An assessor at CEHNC rated the utilization of small business evaluation factor as not applicable. However, the contract contained both clauses 52.219-8 and 52.219-9 and the assessor stated it was not awarded to a small business. The assessor stated that he did not rate the evaluation factor because he was not familiar with it.
- An assessor at ACC-WRN rated the regulatory compliance evaluation factor as not applicable. The assessor stated that he did not rate this evaluation factor because it was still new to him and he was unsure how to rate it.

The assessor stated that he did not rate the evaluation factor because he was not familiar with it.

Assessors Did Not Prepare Sufficient Descriptions of the Contract Purpose

Assessors for the five contracting offices did not adequately describe the contract purpose for 15 PARs, as required by FAR Part 42.³⁷ The FAR states, "the evaluation should include a clear, non-technical description of the principle purpose of the contract or order." Table 6 identifies the PARs at each contracting office with insufficient descriptions of contract purpose.

³⁶ 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."

³⁷ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(b)(1).

Table 6. Summary of PARs With Insufficient Descriptions of the Contract Purpose

Office	Number of PARs Reviewed	PARs With Insufficient Contract Purpose Descriptions
NGB	4	1
CEHNC	6	4
ACC-APG	25	4
ACC-RSA	6	2
ACC-WRN	15	4
Total	56	15

In addition to the written narratives being detailed and sufficient to justify the ratings given, it is important for assessors to prepare clear descriptions of the purpose of the contract for use by source selection officials. Source selection officials can use the description of the contract purpose to determine whether the PAR is relevant to their source selection. However, Army assessors did not always prepare sufficient descriptions. For example, a contract purpose for an ACC-RSA PAR stated, “Delivery order for AVR-2B V2 kits, power modules, QIPR, IMS, Group B/C/D inspections, and hardware travel.” This description did not provide a clear understanding of the principal purpose of the contract and included several acronyms and abbreviations. The CPARS Guide states that assessors should spell out acronyms for clarity. Alternatively, a sufficient contract purpose description for a CEHNC PAR stated:

Contract includes the procurement, installation, and configuration of servers, disk storage, desktop virtualization, disaster recovery (DR) backup on-site and off-site to include all monitoring applications and network operations display monitoring located at the Fort Benning replacement hospital data center.

This description provides source selection officials with a clear understanding of the purpose of the contract.

The CPARS Guide states that the value of a PAR to a future source selection team is directly linked to the care taken to prepare a quality and detailed narrative.

Lack of Training and 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 contract. These conditions occurred because:

- assessors did not understand PAR rating or evaluation factor definitions;
- assessors did not take CPARS Quality and Narrative Writing training; or
- Army organization-specific procedures did not require reviews of PARs to ensure compliance with the FAR or the procedures were ineffective.

The contracting or requiring office should establish procedures to implement CPARS across the organization.

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 web-based training to include the Quality and Narrative Writing web-based training.”

The FAR³⁸ requires organizations to assign responsibility and management accountability for the completeness of past performance submissions. It also states that agency procedures must, “address management controls and appropriate management reviews of past performance evaluations.” Furthermore, the FAR³⁹ states that organizations must require frequent evaluation of agency compliance with past performance reporting requirements so they can monitor PARs for quality control.

Assessors Did Not Understand PAR Rating or Evaluation Factor Definitions

Assessors did not prepare sufficient written narratives to justify the ratings given, rate required evaluation factors, or prepare sufficient descriptions of the contract purpose because they did not understand the rating or evaluation factor definitions. The FAR⁴⁰ provides the rating definitions and the CPARS Guide provides the evaluation factor definitions. Specifically, assessors did not prepare sufficient written narratives to support the ratings given for 170 of 340 evaluation factors.

³⁸ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” 42.1503(a)(1).

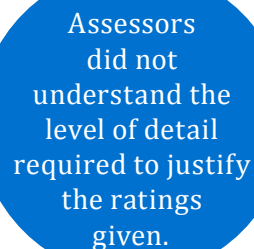
³⁹ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” 42.1503(e).

⁴⁰ FAR Part 42, “Contract Administration and Audit Services,” subpart 42.15, “Contract Performance Information,” 42.1503, “Procedures,” Table 42-1, “Evaluation Rating Definitions.”

For evaluation factors with insufficient written narratives, we asked assessors whether they could provide additional examples or explanations to support the ratings given. Assessors could not provide additional examples or explanations to support the ratings for 129 of the 170 evaluation factors. Assessors could not provide additional examples or explanations, which resulted in ratings lower than they could support, higher than they could support, or that they could not support at all. Furthermore, assessors also did not understand the definitions of each evaluation factor. For example, an ACC-APG assessor gave an exceptional rating for the quality evaluation factor but limited the written narrative 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 ACC-APG assessor’s written narrative for the quality evaluation factor did not support the exceptional rating and was not prepared in accordance with the definition of the quality evaluation factor. The assessor stated that he could not provide additional support for the exceptional rating. Therefore, the assessor rated the contractor higher than he could support and did not understand the evaluation factor definition.

During the audit, assessors provided additional examples or explanations to support the ratings for the other 41 of 170 evaluation factors. If the assessors had written those examples or explanations in the PAR, the narratives would have been sufficient to justify the ratings given.

Therefore, when assessors prepared the written narratives for 41 evaluation factors, they did not understand the level of detail required to justify the ratings given. For example, the schedule evaluation factor for an ACC-WRN PAR, stated 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 how it was a benefit to the Government. After we reviewed the PAR, we interviewed the assessor to determine whether he could provide additional examples or explanations to support the 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 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



Assessors did not understand the level of detail required to justify the ratings given.

rating. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG, ACC-RSA, and ACC-WRN, should develop and implement procedures that require assessors and contracting officers' representatives responsible for PAR preparation to take training on the PAR rating and evaluation factor definitions outlined in the FAR and CPARS Guide.

Most Assessors Did Not Take CPARS Quality and Narrative Writing Training

Army assessors did not take CPARS Quality and Narrative Writing training, which the CPARS Guide identifies as a best practice. Specifically, for the 52 insufficient PARs:

- assessors for 45 of the 52 PARs did not take CPARS Quality and Narrative writing training;
- assessors for 3 of the 52 PARs took CPARS Quality and Narrative Writing training, but still did not prepare sufficient written narratives; and
- assessors for 4 of the 52 PARs left the agency or retired; therefore, we could not determine whether they took CPARS Quality and Narrative Writing training.

For example, one assessor at ACC-APG stated that after reviewing the training materials for the CPARS Quality and Narrative Writing training,⁴¹ he realized he should have rated the contractor lower than he did for two of the evaluation factors. He rated the contractor "very good" in management and "exceptional" in regulatory compliance. The ACC-APG assessor stated that those ratings should have been "satisfactory."

The FAR⁴² generally requires source selection officials to evaluate past performance in making award decisions. According to the CPARS Guide, it is imperative that

PARs include detailed, well-written information. The Army FAR Supplement⁴³ does not require CPARS officials to take CPARS training. 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. NGB, CEHNC, ACC-APG, ACC-RSA, and ACC-WRN did not require assessors to take CPARS Quality and Narrative Writing training. Some assessors took training, but did not properly implement it. The Principal Assistant Responsible for

It is imperative that PARs include detailed, well-written information.

⁴¹ The assessor took the training after he prepared the PAR.

⁴² FAR Part 15, "Contracting By Negotiation," subpart 15.3, "Source Selection," 15.304, "Evaluation Factors and Significant Subfactors," 15.304(c)(3).

⁴³ Army FAR Supplement Parts 5101, 5142, 5152, and 5153.

Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG, ACC-RSA, and ACC-WRN, should develop and implement procedures that require assessors and contracting officers' representatives responsible for PAR preparation to take initial and periodic refresher CPARS Quality and Narrative Writing training.

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

All five Army offices either did not have procedures or had insufficient procedures for reviewing the written narratives to ensure the written narratives contained sufficient information to justify the ratings given, in accordance with the FAR.⁴⁴ Specifically, NGB, ACC-APG, and ACC-RSA did not have procedures that required officials to review PARs prior to submitting the PARs for contractor comment. One division at CEHNC had some procedures, but those procedures were not organization-wide. The CEHNC division procedures stated that, on a weekly basis, the focal point will work with the assessors to complete the evaluation and confirm that the evaluation complies with the FAR. They also stated that the assessing official will determine whether the PAR is sufficient to justify the rating. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG and ACC-RSA, should develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR.

ACC-WRN had procedures that required the focal point to review the PARs, but the procedures did not state how frequently the focal point should perform the reviews. Furthermore, the reviews were not effective at identifying 27 evaluation factors with insufficient written narratives, eight required evaluation factors that were not rated, or four contract purpose descriptions that were insufficient. The Executive Director, ACC-WRN, should update and improve the office's procedures for performing reviews of PARs to ensure compliance with the FAR and identify when focal points should perform the reviews.

Contracts Were Generally Registered in CPARS

Although Army officials registered or had a valid reason for not registering 149 of 156 contracts, officials from NGB, CEHNC, and ACC-RSA did not register 7 contracts, as required by a USD(AT&L) memorandum.⁴⁵ The seven unregistered contracts were required to have a PAR prepared by July 29, 2015. A CPARS

⁴⁴ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(b)(1).

⁴⁵ USD(AT&L) memorandum, "Past Performance Assessment Reporting," January 9, 2009.

quality assurance specialist stated Army officials registered all seven contracts, as of March 18, 2016. NGB, CEHNC, and ACC-RSA officials stated that they did not previously register the contracts because they:

- did not assign enough personnel to register contracts; or
- overlooked the contracts.

For example, the NGB officials stated that the delay in registering five contracts was due to the inability to get CPARS access for the focal point between April 2015 and October 2015.⁴⁶ In addition, NGB officials stated that they had one person as the only CPARS focal point and agency point of contact for 145 contracting offices. As of March 2016, NGB increased its CPARS focal points from 1 to more than 50.

The CPARS Guide states that it is the responsibility of the focal point to register contracts in CPARS. The CPARS project manager stated that registering the contracts enables the assessor to prepare the PAR in CPARS. Furthermore, the Army FAR Supplement⁴⁷ states that contracting officers are required to provide the focal point with a form⁴⁸ that identifies the contract to be registered and the officials responsible for preparing the PAR for the contract. Officials at the five Army offices stated that they did not use the Army FAR Supplement form. However, ACC-APG and ACC-WRN used an alternative form that contained the same information. Both ACC-APG and ACC-WRN also had procedures for registering contracts. NGB had draft procedures to register contracts.⁴⁹ CEHNC did not have overall registration procedures, but a division had registration procedures. ACC-RSA did not have registration procedures. The Principal Assistant Responsible for Contracting, NGB should finalize and implement the draft CPARS procedures. The Commander, CEHNC; and Executive Director, ACC-RSA should develop and implement organization-wide procedures for registering contracts in CPARS.

Army Officials Did Not Complete 32 PARs

Officials at the five contracting offices did not complete PARs for 32 contracts that were required to have them. During our audit, officials at CEHNC, ACC-APG, ACC-RSA, and ACC-WRN completed PARs for 11 of the 32 contracts. NGB, CEHNC, and ACC-RSA officials did not complete PARs for the remaining 21 of 32 contracts, as of April 20, 2016.

⁴⁶ During the April to October 2015 timeframe, the CPARS program office reorganized NGB's structure in CPARS. Due to the reorganization, there was a delay in obtaining access to CPARS and registering the contracts.

⁴⁷ Army FAR Supplement Part 5142, "Contract administration and audit services," subpart 5142.15, "Contractor Performance Information," 5142.1503, "Procedures," 5142.1503(h)(2).

⁴⁸ Army FAR Supplement Part 5153, "Forms," subpart 5153.3, "Illustration of forms," 5153.303, "Agency forms," 5153.303-9, "Contractor Performance Assessment Report System initial registration consolidated format."

⁴⁹ NGB had instructions that were draft, but not final, as of May 4, 2016. Therefore, the procedures were not in effect.

NGB officials were unable to agree on the written narratives and ratings for one incomplete PAR, and CEHNC officials stated that they did not complete one PAR because the focal point was unable to authorize access and has since left the agency.

ACC-RSA officials stated that they did not complete 19 PARs because 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 technical officials; or
- had turnover in the assessors for the PAR.

As of April 20, 2016, the PARs that officials did not complete for the 21 contracts were an average of 312 days late. See Appendix G for a list of the 21 contracts that do not have completed PARs. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Director, ACC-RSA, should complete the PARs for the 21 contracts.

Army Officials Did Not Adequately Justify Past Performance With Readily Available Information

As a result of Army officials not complying with requirements for completing PARs, Federal source selection officials did not have access to timely, accurate, and complete contractor performance assessment information needed to make informed decisions related to contract awards or other acquisition matters. The FAR⁵⁰ states that a satisfactory performance record is an indication of a responsible contractor. In addition, the FAR⁵¹ 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 performance is not an appropriate evaluation factor for the acquisition. Because source selection officials are required to evaluate past performance in making award decisions, it is imperative for PARs to include detailed, quality-written

Federal source selection officials did not have access to timely, accurate, and complete contractor performance assessment information.

⁵⁰ FAR Part 9, "Contractor Qualifications," subpart 9.1, "Responsible Prospective Contractors," 9.104-1, "General Standards."

⁵¹ FAR Part 15, "Contracting by Negotiation," subpart 15.3, "Source Selection," 15.304, "Evaluation Factors and Significant Subfactors."

information. Each PAR should effectively communicate contractor strengths and weaknesses to source selection officials. Also, the contract effort description is of critical importance because it assists source selection officials in determining the relevance of the program or project to their source selection.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau, finalize and implement the draft Contractor Performance Assessment Reporting System procedures.

National Guard Bureau Comments

The Principal Assistant Responsible for Contracting (PARC), NGB, agreed. The PARC stated that the CPARS Guide will be finalized for use across the National Guard's 145 contracting offices. The PARC stated that the guide will be available no later than October 31, 2016.

Our Response

Comments from the PARC, NGB, addressed all specifics of the recommendation and no further comments are required.

Recommendation 2

We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Directors, Army Contracting Command–Aberdeen Proving Ground, Army Contracting Command–Redstone Arsenal, and Army Contracting Command–Warren, develop and implement organization-wide procedures that identify specific timeframes and steps for Contractor Performance Assessment Reporting System officials to perform to ensure they prepare performance assessment reports within the 120-day requirement in the Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum and include the 60-day contractor comment period.

United States Army Corps of Engineers, Engineering Support Center Comments

The Commander, CEHNC, agreed. The Commander stated CEHNC officials are developing standard operating procedures for CPARS to reinforce required timeframes and estimates that the procedures will be completed in the first quarter of FY 2017.

Our Response

Comments from the Commander, CEHNC, addressed all specifics of the recommendation and no further comments are required.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Directors of ACC-APG, ACC-RSA, and ACC-WRN, agreed. However, the Deputy stated that the recommendation should be addressed to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA[ALT]). In addition, he stated that the specific timeframes for CPARS officials to prepare PARs is addressed in the CPARS Guide. He also stated that creating multiple, duplicative local procedures is inefficient and often counterproductive to improving performance.

Our Response

Comments from the Deputy to the Commanding General, ACC, did not address the specifics of the recommendation. The recommendation is addressed to the appropriate officials. Although we identified timeliness issues at the five Army contracting offices in our scope, both NGB and CEHNC officials developed or are developing organization-specific procedures for preparing timely PARs. Also, organizations assigned assessors from the contracting, program, or technical office; however, not all Army organizations assigned assessors in the same way. Therefore, ASA(ALT) procedures may not be appropriate for all Army organizations.

Furthermore, the CPARS Guide specifically states that the contracting or requiring offices should establish procedures to implement CPARS, including monitoring the timely completion of reports. The CPARS Guide does not identify specific procedures to perform within the overall 120-day timeframe to ensure assessors move the PAR through the process and provide it to the contractor in a timely manner.

We disagree that local procedures are inefficient and counterproductive. In Report No. DODIG-2016-043,⁵² we identified best practices at the Air Force Life Cycle Management Center. Two divisions at the Center had written procedures to ensure timeliness. We reviewed 10 PARs at the Center and all of the PARs were on time. Therefore, the organization-specific procedures at the Center were effective. We request that the Deputy to the Commanding General, ACC, provide additional comments to the final report describing the organization's plan to develop and implement ACC-specific timeliness procedures.

⁵² Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016.

Recommendation 3

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Directors, Army Contracting Command–Aberdeen Proving Ground, Army Contracting Command–Redstone Arsenal, and Army Contracting Command–Warren, develop and implement procedures that require assessors and contracting officers’ representatives responsible for preparing performance assessment reports to take:

- a. training on the rating and evaluation factor definitions, as outlined in the Federal Acquisition Regulation and Contractor Performance Assessment Reporting System Guide; and**
- b. initial and periodic refresher Contractor Performance Assessment Reporting System Quality and Narrative Writing Training.⁵³**

National Guard Bureau Comments

The PARC, NGB, agreed. The PARC stated that the requirement to take training will be added to the organization’s CPARS guide. The PARC stated that the guide will be available no later than October 31, 2016.

United States Army Corps of Engineers, Engineering Support Center Comments

The Commander, CEHNC, agreed. The Commander stated that CEHNC officials are developing standard operating procedures that will

- define the training requirements for each official involved in PAR preparation,
- identify the frequency of required refresher training, and
- establish a system to ensure compliance with all training requirements.

The Commander stated that the target completion date for the procedures is the first quarter of FY 2017.

Our Response

Comments from the PARC, NGB, and Commander, CEHNC, addressed all specifics of the recommendation and no further comments are required.

⁵³ Quality and Narrative Writing Training is available for free through the CPARS website.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Directors of ACC-APG, ACC-RSA, and ACC-WRN, agreed. However, the Deputy stated that the recommendation should be addressed to ASA(ALT). The Deputy stated that, if training needs to be a requirement, then it should be:

- included in DoD or Department of the Army instructions,
- required for obtaining CPARS access, and
- included as a requirement in the DoD Contracting Officer's Representative Tracking tool appointment letter template.

Furthermore, the Deputy stated that creating multiple, duplicative local procedures or supplements is inefficient and often counterproductive to improving performance.

Our Response

Comments from the Deputy to the Commanding General, ACC, did not address the specifics of the recommendation. The recommendation is addressed to the appropriate officials. The Army FAR supplement⁵⁴ states that principal assistants responsible for contracting may specify additional training for contracting officers' representatives within their contracting activity. Furthermore, the Army FAR Supplement⁵⁵ allows contracting officers to return procurement requests to a requiring activity that does not have a properly trained contracting officer's representative. Therefore, the ability to add appropriate training to the contracting officers' representatives' letters is already in Army guidance; it needs to be implemented by ACC officials.

We plan to issue a summary report on the DoD-wide CPARS quality and timeliness issues we identified for the Navy,⁵⁶ Air Force,⁵⁷ and Army. We are currently auditing the Defense organizations. In the summary report, we plan to address DoD-wide issues and make recommendations to USD(AT&L).

⁵⁴ Army FAR Supplement Part 5101, "Federal Acquisition Regulation System," subpart 5101.1, "Purpose, Authority, Issuance," 5101.602-2-91, "Contracting officer's representative appointments," 5101.602-2-91(a).

⁵⁵ Army FAR Supplement Part 5101, "Federal Acquisition Regulation System," Subpart 5101.1, "Purpose, Authority, Issuance," 5101.602-2-91, "Contracting officer's representative appointments," 5101.602-2-91(b).

⁵⁶ Report No. DODIG-2015-114, "Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," May 1, 2015.

⁵⁷ Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016.

We disagree that local procedures are inefficient and counterproductive.

In Report No. DODIG-2016-043, we identified best practices at the Air Force Life Cycle Management Center. Of the 10 PARs we reviewed at the Center, assessors for 9 of the 10 PARs took CPARS Quality and Narrative Writing Training. Assessors prepared:

- all 10 PARs on time,
- all 10 PARs with a sufficient contract effort description,
- 5 of the 10 PARs with sufficient written narratives for all of the evaluation factors, and
- sufficient written narratives to support the ratings given for 20 of 29 evaluation factors on the remaining 5 of the 10 PARs.

Therefore, the training was effective at the Center. We request that the Deputy to the Commanding General, ACC, provide additional comments to the final report describing the organization's plan to develop and implement ACC-specific training procedures.

Recommendation 4

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center-Huntsville; and Executive Directors, Army Contracting Command–Aberdeen Proving Ground and Army Contracting Command–Redstone Arsenal, develop and implement organization-wide procedures for performing reviews of performance assessment reports and monitor reviews of the performance assessment reports to verify compliance with the Federal Acquisition Regulation.

National Guard Bureau Comments

The PARC, NGB, agreed. The PARC stated that the procedures to verify CPARS compliance with the FAR will be incorporated in the CPARS guide no later than October 31, 2016.

United States Army Corps of Engineers, Engineering Support Center Comments

The Commander, CEHNC, agreed. The Commander stated that CEHNC created a CPARS manager position. The manager will:

- ensure compliance with all CEHNC CPARS related standard operating procedures and training requirements;

- perform periodic sampling of PARs for accuracy, quality, and timeliness; and
- provide lessons learned and best practices to all levels of the organization.

Our Response

Comments from the PARC, NGB, and Commander, CEHNC, addressed all specifics of the recommendation and no further comments are required.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Directors of ACC-APG and ACC-RSA, agreed. However, the Deputy stated that the recommendation should not be addressed to ACC. He stated that the Army and ACC already have procedures for performing reviews. He stated that CPARS metrics are reviewed in meetings with the Deputy Assistant Secretary of the Army for Procurement and during ACC procurement management reviews. The Deputy to the Commanding General suggested that we recommend that ASA(ALT) develop reviews for the program executive offices and major requiring activities because most assessors are not part of the contracting offices.

Our Response

Comments from the Deputy to the Commanding General, ACC, did not address the specifics of the recommendation. We reviewed 46 PARs at ACC. Of those 46 PARs, assessors for 42 PARs did not prepare written narratives sufficient to justify the ratings given, rate required evaluation factors, or prepare sufficient descriptions of the contract purpose. The 46 PARs at ACC had 278 evaluation factors. Assessors did not prepare sufficient written narratives to justify the ratings given for 141 evaluation factors and did not rate 25 required evaluation factors. Therefore, the procedures that ACC has for performing reviews of PARs were not effective. In addition, those procedures for performing reviews of PARs should be revised to ensure that the procedures identify PARs that do not comply with the FAR before the PAR is finalized. Furthermore, the FAR⁵⁸ states that the contracting officer is responsible for preparing PARs if the agency procedures do not specify who is responsible. The FAR⁵⁹ also states that the contracting officer is responsible for ensuring performance of all necessary actions for effective contracting. We request that the Deputy to the Commanding General, ACC, provide additional comments to the final report describing the organization's plan to develop and implement ACC-specific procedures for reviewing PARs to ensure compliance with the FAR.

⁵⁸ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," 42.1503(a)(2).

⁵⁹ FAR Part 1, "Federal Acquisition Regulations System," subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," 1.602, "Contracting Officers," 1.602-2, "Responsibilities."

Recommendation 5

We recommend that the Executive Director, Army Contracting Command–Warren, update and improve procedures for performing reviews of performance assessment reports to ensure compliance with the Federal Acquisition Regulation and identify when focal points should perform the reviews.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Director, ACC-WRN, agreed. However, the Deputy stated that the recommendation should be addressed to ASA(ALT) and USD(AT&L). He stated that the CPARS Guide does not state that the focal point should perform reviews of PARs. He also stated that, if DoD and Department of the Army publications adequately addressed review procedures, then ACC-WRN procedures would not require updating.

Our Response

Comments from the Deputy to the Commanding General, ACC, did not address the specifics of the recommendation. The recommendation is addressed to the appropriate officials. We plan to issue a summary report on the DoD-wide CPARS quality and timeliness issues we identified for the Navy,⁶⁰ Air Force,⁶¹ and Army. We are currently auditing the Defense organizations. In the summary report, we plan to address DoD-wide issues and make recommendations to USD(AT&L).

We agree that the CPARS Guide does not state that the focal point is responsible for performing reviews of PARs. However, the CPARS Guide states that:

- it is a best practice for the focal point to establish processes to monitor the quality of PARs; and
- contracting or requiring offices should establish procedures to implement CPARS, including developing training requirements and monitoring the quality of PARs.

Furthermore, ACC-WRN officials have procedures that require focal points to perform reviews of PARs. Because these procedures are already in place at ACC-WRN, they should be updated to improve their effectiveness. We request that the Deputy to the Commanding General, ACC, provide additional comments to the final report describing ACC-WRN's plan to improve its procedures for reviewing PARs to ensure compliance with the FAR.

⁶⁰ Report No. DODIG-2015-114, "Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," May 1, 2015.

⁶¹ Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016.

Recommendation 6

We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Director, Army Contracting Command–Redstone Arsenal, develop and implement organization-wide procedures for registering contracts in the Contractor Performance Assessment Reporting System.

United States Army Corps of Engineers, Engineering Support Center Comments

The Commander, CEHNC, agreed. The Commander stated officials currently produce weekly reports that identify contracts that have not been registered in CPARS or were incorrectly removed from CPARS. The Commander stated that CEHNC officials are developing standard operating procedures for CPARS registration.

Our Response

Comments from the Commander, CEHNG, addressed all specifics of the recommendation and no further comments are required.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Director, ACC-RSA, agreed. However, the Deputy stated that the recommendation should be addressed to ASA(ALT) and USD(AT&L). He stated that the CPARS Guide has procedures for focal points to register contracts. He also stated that changes should be included in a revision to the DoD CPARS Guide.

Our Response

Comments from the Deputy to the Commanding General, ACC, did not address the specifics of the recommendation. In the upcoming summary report, we plan to address DoD-wide issues and make recommendations to USD(AT&L).

The CPARS Guide does not contain specific procedures for registering contracts. For example, the CPARS Guide does not state which officials will track modifications to contracts to ensure that contracts that exceed the reporting threshold (once modified) are registered in CPARS. Therefore, the CPARS Guide does not contain specific procedures to ensure contracts are registered. The CPARS Guide also states that contracting or requiring offices should establish procedures to implement CPARS. Furthermore, the CPARS Guide is not a DoD guide, but a Government-wide guide. Therefore, we request that the Deputy to the Commanding General, ACC, provide additional comments to the final report describing ACC-RSA's plan to develop specific CPARS registration procedures.

Recommendation 7

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Director, Army Contracting Command–Redstone Arsenal, ensure assessors complete the performance assessment reports for the 21 contracts.

National Guard Bureau Comments

The PARC, NGB, agreed. The PARC stated that the NGB-Acquisition contracting officer forwarded the PAR to the contractor for the mandatory 60-day review period. The PARC stated that the PAR will be finalized after the 61st day, but no later than August 15, 2016.

United States Army Corps of Engineers, Engineering Support Center Comments

The Commander, CEHNC, agreed. The Commander stated that the PAR for contract W91RUS-11-A-0006-ZW01 is with the contractor for review. The Commander stated that the evaluation will be completed when it is received from the contractor.

Our Response

Comments from the PARC, NGB, and Commander, CEHNC, addressed all specifics of the recommendation and no further comments are required.

Army Contracting Command Comments

The Deputy to the Commanding General, ACC, responding for the Executive Director, ACC-RSA, agreed. He stated that ACC-RSA officials will complete the PARs for the 19 contracts by January 31, 2017.

Our Response

Comments from the Deputy to the Commanding General, ACC, addressed all specifics of the recommendation and no further comments are required.

Appendix A

Scope and Methodology

We conducted this performance audit from November 2015 through June 2016 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.

Universe and Sample

The CPARS program office, Naval Sea Logistics Center Portsmouth, Portsmouth Naval Shipyard, Maine, provided us with our audit universe. Naval Sea Logistics Center Portsmouth personnel queried the CPARS database for Army contracts with effective dates from January 1, 2014, through March 31, 2014, with a total value greater than \$1 million⁶² that were classified as nonsystems contracts.⁶³ The universe consisted of 671 contracts, valued at \$94.5 billion. We identified the top 15 contracting offices based on the total number and dollar value of contracts awarded. We then summarized the data based on the location of each contracting office. We selected a nonstatistical sample of five Army contracting offices that awarded a total of 156 contracts, valued at \$84.4 billion. The five Army contracting offices were:

1. NGB, Arlington, Virginia;
2. CEHNC, Huntsville, Alabama;
3. ACC-APG, Aberdeen Proving Ground, Maryland;
4. ACC-RSA, Redstone Arsenal, Alabama; and
5. ACC-WRN, Warren, Michigan.

We determined that Army officials completed PARs for 56 of the 156 contracts, as of September 24, 2015. We reviewed all 56 PARs, which had a contract value of \$1.5 billion.

⁶² The reporting threshold for nonsystems services contracts is greater than \$1 million.

⁶³ The query determined whether a contract was a nonsystems contract by comparing the product or service code to a crosswalk that categorizes each product or service code into one of the CPARS business sectors. Nonsystems is a CPARS business sector.

Documentation and Interviews

We obtained and reviewed PARs by querying PPIRS; contracts by querying the Electronic Document Access System; organization policies and procedures by requesting them from Army personnel; and small business records by querying the System for Award Management or requesting the information from Army personnel. We interviewed Army officials with CPARS roles at each of the five contracting offices. 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.

Specifically, we reviewed the following procedures:

- NGB—Contractor Performance Assessment Reporting System (CPARS), NGB Instructions.⁶⁴
- CEHNC
 - USACE [U.S. Army Corps of Engineers] Acquisition Instruction (UAI), Revision 3, November 1, 2014, and
 - ITS [Information Technology Systems] Strategic CPARS Plan.
- ACC Mapping the Acquisition and Procurement Process Application.
- ACC-APG—Acquisition Instruction 12-17, Procedure Change–PARC [Principal Assistant Responsible for Contracting] Memo, “Contractor Performance Assessment Reporting System (CPARS) Importance and Requirements,” April 12, 2012.
- ACC-RSA Acquisition Instruction, December 4, 2015.
- ACC-WRN
 - Contractor Performance Assessment Reporting System (CPARS) TPP [Total Procurement Procedures], September 15, 2015, and
 - Contractor Performance Assessment Reporting System (CPARS) Focal Point Handbook, August 2015.

In addition, the audit team received a demonstration of CPARS and PPIRS and took the Quality and Narrative Writing training for CPARS.

⁶⁴ These instructions were draft, but not final, as of May 4, 2016.

Criteria Reviewed

We compared documentation and interview responses to the requirements identified in the FAR, AFARS, a USD(AT&L) memorandum, and the CPARS Guide. Specifically, we determined whether CPARS officials complied with:

- FAR Subpart 42.15, “Contractor Performance Information,” which requires Federal Government officials to prepare and submit contractor performance information into CPARS;
- Army FAR Supplement Part 5142, “Contract Administration and Audit Services,” which identifies the responsibilities for preparing PARs;
- Army FAR Supplement Part 5153, “Forms,” which requires Army contracting officers to provide the focal point with the CPARS initial registration consolidated format and the CPARS access request form upon award of eligible contracts;
- 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 Contractor Performance Assessment Reporting System (CPARS), July 2014, which provides guidance on procedures, responsibilities, and training for completing PARs.⁶⁵

We reviewed documentation dated from January 1994 through March 2016.

Use of Computer-Processed Data

We relied on computer-processed data from CPARS provided by CPARS program officials. We used the CPARS data to:

- identify our audit universe and to choose our nonstatistical sample;
- determine whether officials registered contracts;
- determine which contracts had complete or incomplete PARs; and
- determine whether officials prepared PARs late and, if so, the number of days late.

We verified whether officials registered contracts during interviews with Army personnel. We verified whether Army officials completed PARs by querying PPIRS and comparing the results to the CPARS data. We contacted officials to determine why they did not complete PARs. We interviewed officials to verify whether they

⁶⁵ The CPARS Program Office updated the Guidance for Contractor Performance Assessment Reporting System in July 2015. We determined that the update did not include any significant changes that would affect our findings and conclusions.

prepared PARs late. The actual date the assessor or reviewer submitted the PAR is not documented on the PAR itself; therefore, we had to rely on the date provided in the CPARS data. We did not find significant irregularities with the CPARS data; therefore, we determined that the data was sufficiently reliable to support our findings and conclusions.

Use of Technical Assistance

The Quantitative Methods Division provided technical assistance during the audit.

Prior Coverage

During the last 8 years, the Government Accountability Office (GAO), the DoD OIG, and the Air Force Audit Agency (AFAA) issued seven 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 AFAA report is restricted.

GAO

GAO Report GAO-14-707, "Contractor Performance: Actions Taken to Improve Reporting of Past Performance Information," August 7, 2014

GAO Report GAO-13-589, "Contractor Performance: DoD Actions to Improve the Reporting of Past Performance Information," June 27, 2013

GAO Report GAO-09-374, "Federal Contractors: Better Performance Information Needed to Support Agency Contract Award Decisions," April 23, 2009

DoD OIG

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

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

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

AFAA

AFAA F2011-0007-FC1000, "Contractor Performance Assessment Reporting Program," August 13, 2011

Appendix B

Prior DoD OIG Audit Reports in Series

We previously issued two reports addressing DoD officials' preparation and use of contractor past performance information. The first report was on the Navy and the second report was on the Air Force.

FY 2015 Report on Navy Past Performance Information

The DoD OIG issued Report No. DODIG-2015-114⁶⁶ on May 1, 2015. We reported that Navy officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, the audit team reported that 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.

The audit team also reported that 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.

FY 2016 Report on Air Force Past Performance Information

The DoD OIG issued Report No. DODIG-2016-043⁶⁷ on January 29, 2016. We reported that Air Force officials did not consistently comply with requirements for evaluating contractor past performance when they registered contracts and prepared PARs. Specifically, the audit team reported that 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, require initial and periodic refresher training for writing PARs, and evaluate PARs for quality.

⁶⁶ Report No. DODIG-2015-114, "Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," May 1, 2015.

⁶⁷ Report No. DODIG-2016-043, "Air Force Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance," January 29, 2016.

Appendix C

Improvement in PAR Completion Statistics

The Senate Armed Services Committee directed us to determine whether DoD officials improved compliance with past performance requirements. These charts show that NGB, CEHNC, ACC-APG, ACC-RSA, and ACC-WRN officials prepared more PARs and in a more timely manner from FY 2010⁶⁸ through FY 2015. Therefore, Army officials' compliance improved.

Figure 1. NGB PAR Completion Statistics

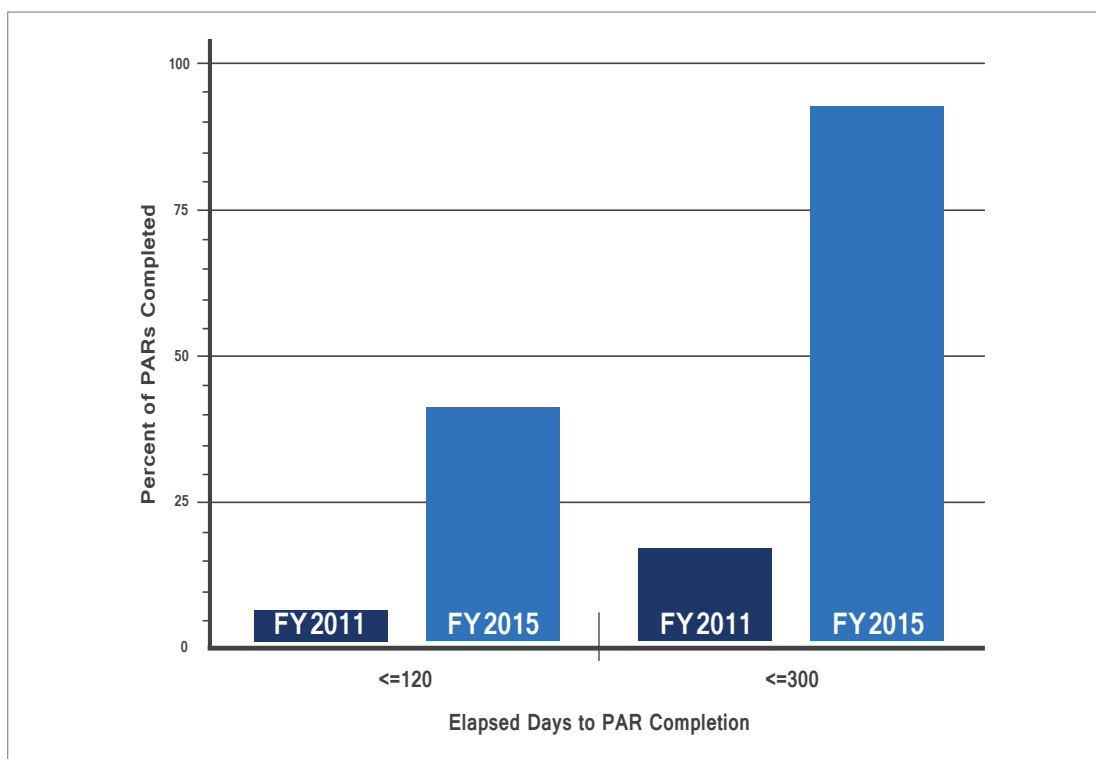


Table 7. NGB PAR Completion Statistics

Elapsed Days	FY 2011		FY 2015	
	Number of PARs Completed*	Percentage of PARs Completed	Number of PARs Completed*	Percentage of PARs Completed
<=120 Days	1	5.9%	20	40.8%
<=300 Days	3	17.7%	46	93.9%
Cumulative Total	17		49	

* These PARs had periods of performance that ended during the fiscal year identified in the column heading.

⁶⁸ NGB data for FY 2010 did not contain a sufficient number of PARs (2); therefore, we used data for FY 2011 which contained a larger number of PARs (17).

Figure 2. CEHNC PAR Completion Statistics

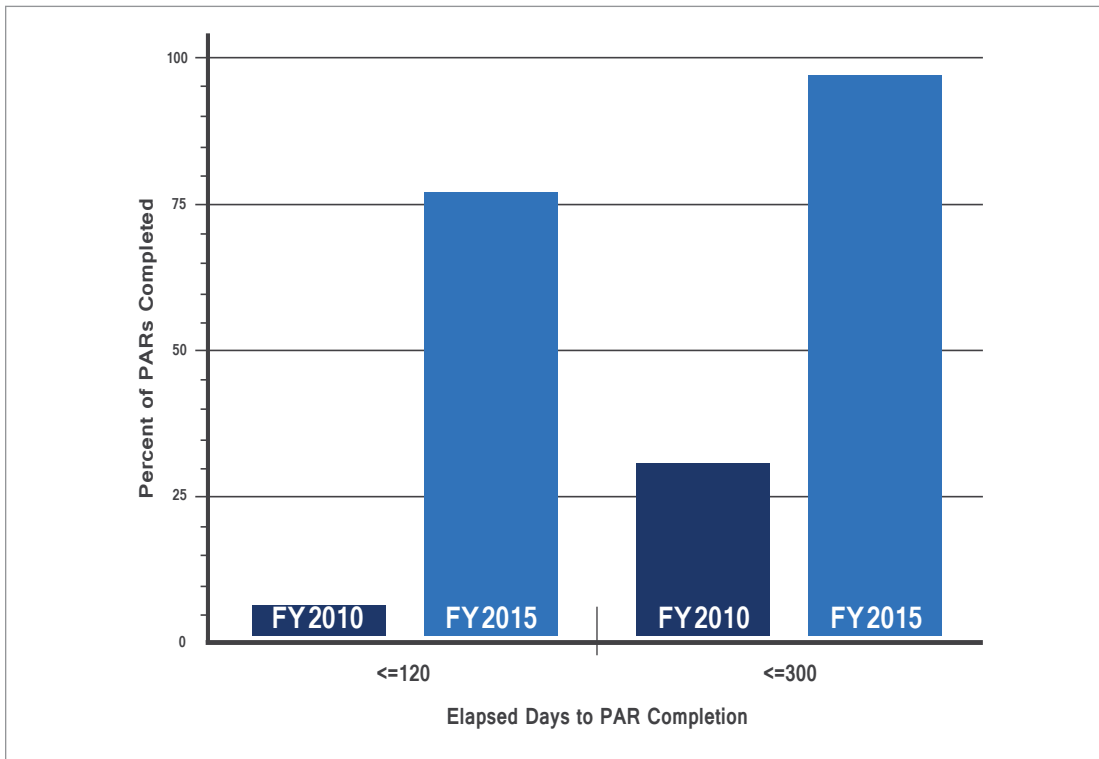


Table 8. CEHNC PAR Completion Statistics

Elapsed Days	FY 2010		FY 2015	
	Number of PARs Completed*	Percentage of PARs Completed	Number of PARs Completed*	Percentage of PARs Completed
<=120 Days	5	5.6%	629	77.5%
<=300 Days	28	31.1%	795	97.9%
Cumulative Total	90		812	

* These PARs had periods of performance that ended during the fiscal year identified in the column heading.

Figure 3. ACC-APG PAR Completion Statistics

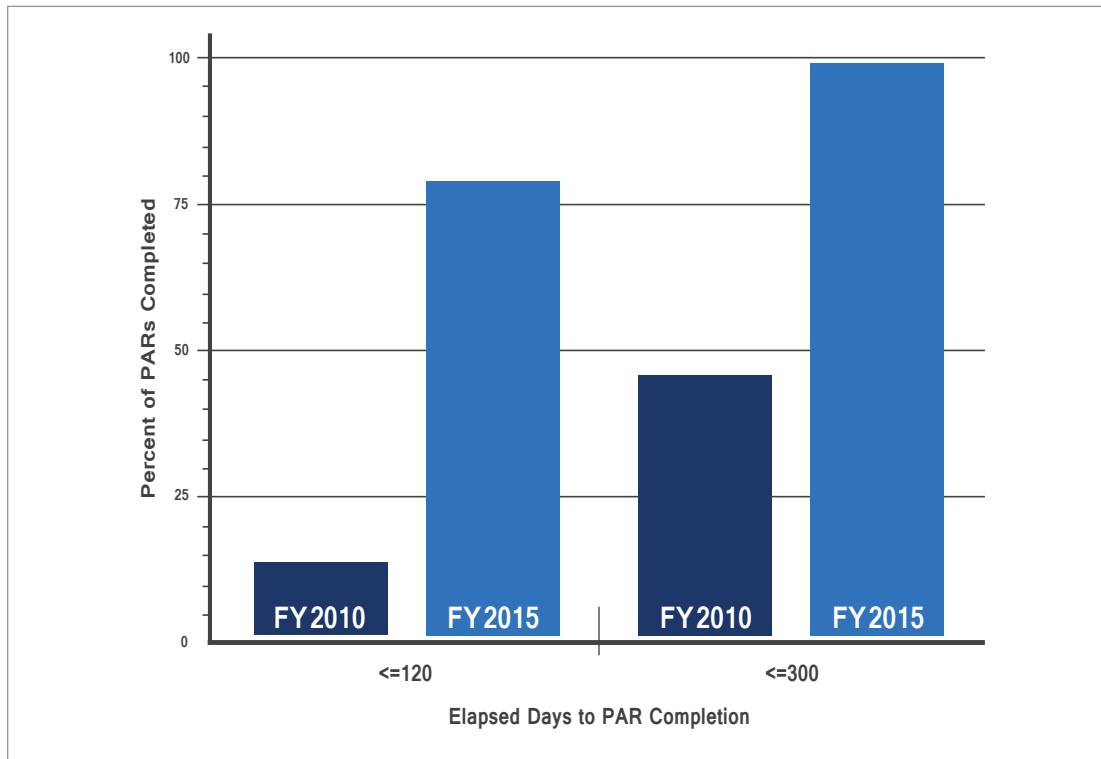


Table 9. ACC-APG PAR Completion Statistics

Elapsed Days	FY 2010		FY 2015	
	Number of PARs Completed*	Percentage of PARs Completed	Number of PARs Completed*	Percentage of PARs Completed
<=120 Days	13	14.3%	430	79.8%
<=300 Days	42	46.2%	535	99.3%
Cumulative Total	91		539	

* These PARs had periods of performance that ended during the fiscal year identified in the column heading.

Figure 4. ACC-RSA PAR Completion Statistics

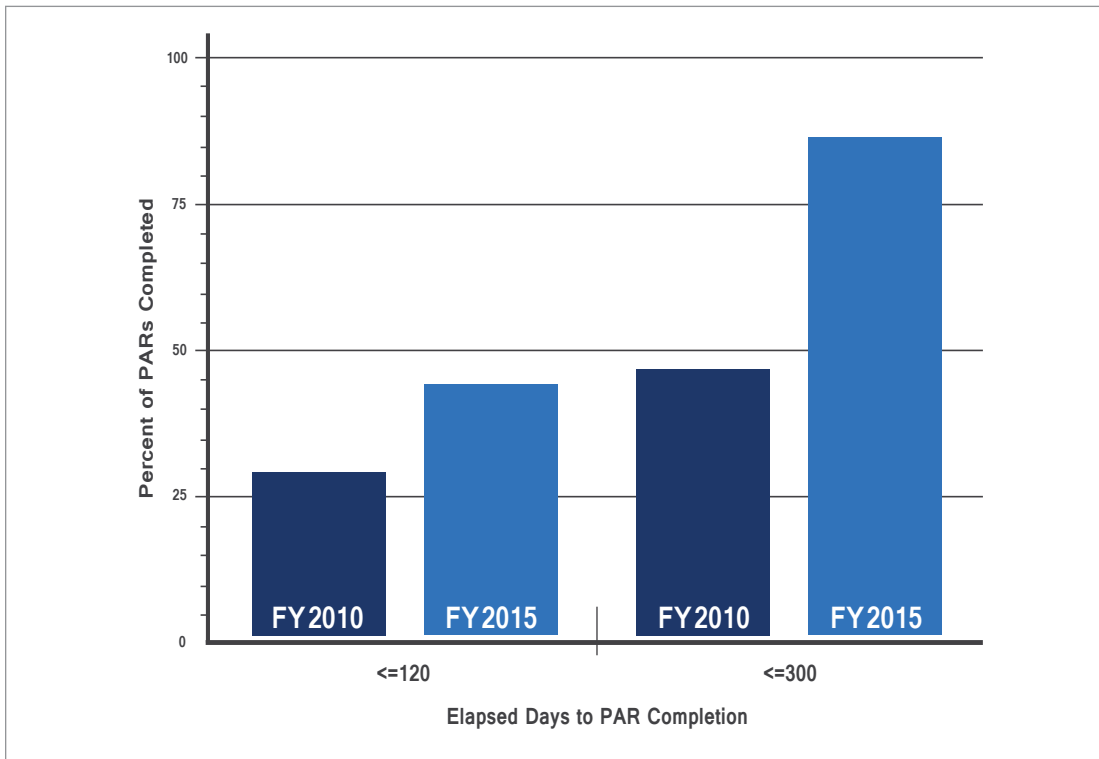


Table 10. ACC-RSA PAR Completion Statistics

Elapsed Days	FY 2010		FY 2015	
	Number of PARs Completed*	Percentage of PARs Completed	Number of PARs Completed*	Percentage of PARs Completed
<=120 Days	48	29.8%	113	44.5%
<=300 Days	77	47.8%	221	87.0%
Cumulative Total	161		254	

* These PARs had periods of performance that ended during the fiscal year identified in the column heading.

Figure 5. ACC-WRN PAR Completion Statistics

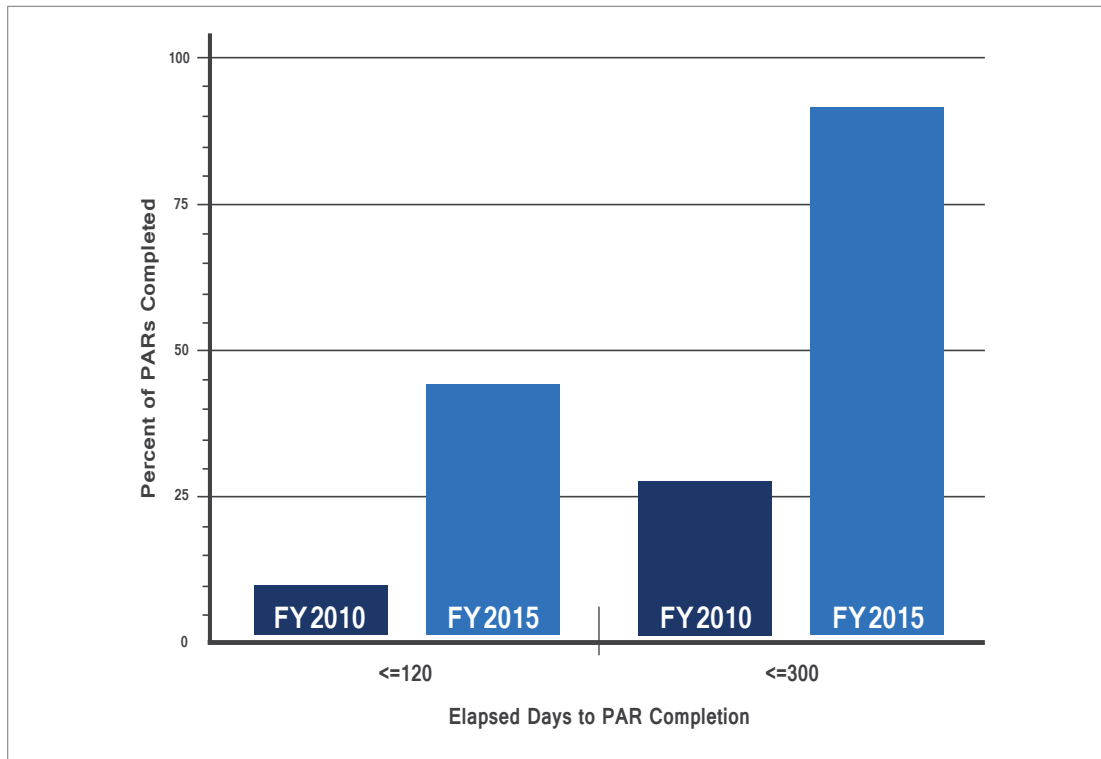


Table 11. ACC-WRN PAR Completion Statistics

Elapsed Days	FY 2010		FY 2015	
	Number of PARs Completed*	Percentage of PARs Completed	Number of PARs Completed*	Percentage of PARs Completed
<=120 Days	10	10.6%	139	44.3%
<=300 Days	27	28.7%	290	92.4%
Cumulative Total	94		314	

* These PARs had periods of performance that ended during the fiscal year identified in the column heading.

Appendix D

Summary of PARs Reviewed

This table summarizes the 56 PARs we reviewed.

Table 12. PARs Reviewed

Contract Office	Contract Number	Order Number	Late	Number of Days Late	Sufficient Contract Effort Description	All Factors Complied With Requirements	Assessor Took CPARS Quality and Narrative Writing Training
NGB	W9133L-12-D-0005	0003	No		Yes	No	No
NGB	W9133L-14-C-0013		Yes	109	Yes	No	No
NGB	W9133L-14-C-0014		Yes	81	No	No	Yes
NGB	W9133L-14-C-0021		Yes	194	Yes	No	Yes
CEHNC	W912DY-10-D-0016	0011	No		Yes	No	No
CEHNC	W912DY-10-D-0051	0017	No		No	No	N/A*
CEHNC	W912DY-11-D-0017	0008	No		No	No	N/A*
CEHNC	W912DY-13-D-0006	0013	No		No	Yes	N/A*
CEHNC	W912DY-13-D-0006	0014	No		No	No	No
CEHNC	W91QUZ-07-D-0011	ZW40	Yes	146	Yes	No	No
ACC-APG	W15P7T-06-D-E401	0058	No		Yes	No	No
ACC-APG	W15P7T-06-D-E402	0151	No		Yes	No	N/A*
ACC-APG	W15P7T-06-D-E404	0030	No		Yes	No	No
ACC-APG	W15P7T-07-D-P214	0039	Yes	6	No	No	No
ACC-APG	W15P7T-09-D-N009	0002	Yes	11	Yes	Yes	No
ACC-APG	W15P7T-10-D-D413	0019	No		Yes	No	No

Footnotes used throughout this Appendix are defined on the final page.

Table 12. PARs Reviewed (cont'd)

Contract Office	Contract Number	Order Number	Late	Number of Days Late	Sufficient Contract Effort Description	All Factors Complied With Requirements	Assessor Took CPARS Quality and Narrative Writing Training
ACC-APG	W15P7T-10-D-D413	0020	No		No	No	No
ACC-APG	W15P7T-10-D-D421	0007	Yes	64	Yes	No	No
ACC-APG	W15P7T-10-D-D421	0008	No		Yes	No	No
ACC-APG	W15P7T-10-D-D423	0005	No		No	No	No
ACC-APG	W15P7T-12-D-0019	0017	No		Yes	No	No
ACC-APG	W15P7T-12-D-A010	0013	No		Yes	No	No
ACC-APG	W15P7T-12-D-E010	0001	Yes	36	No	No	Yes
ACC-APG	W15P7T-13-D-0054	0006	No		Yes	No	No
ACC-APG	W15P7T-13-D-E022	0001	No		Yes	No	No
ACC-APG	W15P7T-14-C-C011		No		Yes	No	No
ACC-APG	W15P7T-14-C-C012		No		Yes	Yes	No
ACC-APG	W15P7T-14-C-D002		No		Yes	No	No
ACC-APG	W15P7T-14-C-E603		No		Yes	No	No
ACC-APG	W911QY-10-D-0006	0008	No		Yes	No	No
ACC-APG	W91CRB-14-C-0011		No		Yes	No	No
ACC-APG	W91CRB-14-C-0017		No		Yes	No	No
ACC-APG	W91CRB-14-D-0005		No		Yes	No	No
ACC-APG	W91CRB-14-D-0006		No		Yes	No	No
ACC-APG	W91CRB-14-D-0008		No		Yes	No	No
ACC-RSA	W31P4Q-05-A-0031	0037	Yes	23	Yes	No	No

Footnotes used throughout this Appendix are defined on the final page.

Table 12. PARs Reviewed (cont'd)

Contract Office	Contract Number	Order Number	Late	Number of Days Late	Sufficient Contract Effort Description	All Factors Complied With Requirements	Assessor Took CPARS Quality and Narrative Writing Training
ACC-RSA	W31P4Q-10-D-0009	0005	Yes	34	Yes	No	No
ACC-RSA	W31P4Q-10-D-0072	0028	Yes	18	No	No	No
ACC-RSA	W31P4Q-14-A-0006	0001	No		Yes	No	No
ACC-RSA	W31P4Q-14-D-0017	0002	No		Yes	No	No
ACC-RSA	W58RGZ-13-D-0147	0005	Yes	27	No	No	No
ACC-WRN	W56HZV-09-A-A904	0040	No		Yes	No	No
ACC-WRN	W56HZV-09-A-A909	0012	Yes	117	Yes	No	No
ACC-WRN	W56HZV-09-D-0027	0026	Yes	40	Yes	No	No
ACC-WRN	W56HZV-09-D-0027	0027	Yes	57	Yes	No	No
ACC-WRN	W56HZV-11-D-L501	0050	Yes	92	Yes	No	No
ACC-WRN	W56HZV-14-A-0004	0001	Yes	84	Yes	Yes	No
ACC-WRN	W56HZV-14-C-0085		No	7	Yes	No	No
ACC-WRN	W56HZV-14-C-L712		No		Yes	Yes	No
ACC-WRN	W56HZV-14-D-0016		Yes	11	Yes	No	No
ACC-WRN	W56HZV-14-D-0042		No		No	No	No
ACC-WRN	W56HZV-14-D-0056		No		No	No	No
ACC-WRN	W56HZV-14-D-L001		Yes	51	Yes	No	No
ACC-WRN	W58P05-11-D-0001	BR52	No		No	No	No
ACC-WRN	W58P05-11-D-0001	BR53	No		No	No	No
ACC-WRN	W911SE-07-D-0017	BR02	Yes	30	Yes	No	No

* The assessor retired or left the organization; therefore, we were unable to determine whether the assessor took CPARS Quality and Narrative Writing Training.

Appendix E

Summary of Evaluation Factors Reviewed

This table summarizes the evaluation factors for the 56 PARs that we reviewed.

Table 13. Evaluation Factors Reviewed

Contract Office	Contract Number	Order Number	Completed in Accordance With Requirements						
			Quality	Schedule	Cost Control	Management	Utilization of Small Business	Regulatory Compliance	Other
NGB	W9133L-14-C-0013		Yes	Yes	Yes	Yes	Yes	No	
NGB	W9133L-14-C-0014		Yes	Yes	Yes	Yes	Yes	No	
NGB	W9133L-14-C-0021		No	No	Yes	No	No	No	
NGB	W9133L-12-D-0005	0003	No	No	Yes	No	Yes	No	
CEHNC	W912DY-10-D-0016	0011	No	No	No	No	No	No	No*
CEHNC	W912DY-10-D-0051	0017	No	No	No	No	No	No	
CEHNC	W912DY-11-D-0017	0008	No	No	No	No	Yes	No	
CEHNC	W912DY-13-D-0006	0013	Yes	Yes	Yes	Yes	Yes	Yes	
CEHNC	W912DY-13-D-0006	0014	Yes	Yes	Yes	Yes	No	Yes	
CEHNC	W91QUZ-07-D-0011	ZW40	Yes	Yes	Yes	No	No	No	
ACC-APG	W15P7T-06-D-E401	0058	Yes	No	No	Yes	No	No	
ACC-APG	W15P7T-06-D-E402	0151	No	No	No	No	Yes	No	
ACC-APG	W15P7T-06-D-E404	0030	No	No	Yes	No	No	Yes	Yes
ACC-APG	W15P7T-07-D-P214	0039	No	No	No	No	No	No	
ACC-APG	W15P7T-09-D-N009	0002	Yes	Yes	Yes	Yes	Yes	Yes	
ACC-APG	W15P7T-10-D-D413	0019	No	No	No	No	No	No	

Footnotes used throughout this Appendix are defined on the final page.

Table 13. PARs Reviewed (cont'd)

Contract Office	Contract Number	Order Number	Completed in Accordance With Requirements						
			Quality	Schedule	Cost Control	Management	Utilization of Small Business	Regulatory Compliance	Other
ACC-APG	W15P7T-10-D-D413	0020	No	Yes	No	Yes	Yes	No	
ACC-APG	W15P7T-10-D-D421	0007	No	Yes	Yes	No	Yes	No	
ACC-APG	W15P7T-10-D-D421	0008	Yes	Yes	Yes	No	No	No	
ACC-APG	W15P7T-10-D-D423	0005	No	No	No	No	No	No	
ACC-APG	W15P7T-12-D-0019	0017	No	No	No	No	No	No	
ACC-APG	W15P7T-12-D-A010	0013	No	No	Yes	No	No	No	
ACC-APG	W15P7T-12-D-E010	0001	Yes	Yes	No	Yes	No	No	
ACC-APG	W15P7T-13-D-0054	0006	Yes	No	Yes	No	Yes	Yes	
ACC-APG	W15P7T-13-D-E022	0001	No	No	No	No	Yes	No	No
ACC-APG	W15P7T-14-C-C011		No	No	No	No	No	No	
ACC-APG	W15P7T-14-C-C012		Yes	Yes	Yes	Yes	Yes	Yes	
ACC-APG	W15P7T-14-C-D002		No	No	Yes	No	No	No	
ACC-APG	W15P7T-14-C-E603		No	No	Yes	No	Yes	Yes	
ACC-APG	W911QY-10-D-0006	0008	Yes	Yes	No	No	No	No	
ACC-APG	W91CRB-14-C-0011		No	No	No	No	Yes	No	
ACC-APG	W91CRB-14-C-0017		No	No	No	No	No	No	
ACC-APG	W91CRB-14-D-0005		No	Yes	Yes	No	Yes	No	
ACC-APG	W91CRB-14-D-0006		Yes	Yes	Yes	No	No	No	
ACC-APG	W91CRB-14-D-0008		Yes	Yes	Yes	Yes	No	Yes	
ACC-RSA	W31P4Q-05-A-0031	0037	No	Yes	No	No	Yes	No	

Footnotes used throughout this Appendix are defined on the final page.

Table 13. Evaluation Factors Reviewed (cont'd)

Contract Office	Contract Number	Order Number	Completed in Accordance With Requirements						
			Quality	Schedule	Cost Control	Management	Utilization of Small Business	Regulatory Compliance	Other
ACC-RSA	W31P4Q-10-D-0009	0005	No	No	No	No	Yes	No	
ACC-RSA	W31P4Q-10-D-0072	0028	No	No	No	No	No	No	
ACC-RSA	W31P4Q-14-A-0006	0001	No	No	No	No	No	No	
ACC-RSA	W31P4Q-14-D-0017	0002	No	No	No	No	No	No	
ACC-RSA	W58RGZ-13-D-0147	0005	No	No	No	No	No	No	
ACC-WRN	W56HZV-09-A-A904	0040	Yes	Yes	Yes	Yes	Yes	No	
ACC-WRN	W56HZV-09-A-A909	0012	Yes	Yes	Yes	Yes	Yes	No	
ACC-WRN	W56HZV-09-D-0027	0026	No	No	Yes	No	Yes	Yes	
ACC-WRN	W56HZV-09-D-0027	0027	No	No	Yes	No	Yes	Yes	
ACC-WRN	W56HZV-11-D-L501	0050	Yes	Yes	Yes	No	Yes	Yes	
ACC-WRN	W56HZV-14-A-0004	0001	Yes	Yes	Yes	Yes	Yes	Yes	
ACC-WRN	W56HZV-14-C-0085		Yes	No	Yes	No	Yes	Yes	
ACC-WRN	W56HZV-14-C-L712		Yes	Yes	Yes	Yes	Yes	Yes	
ACC-WRN	W56HZV-14-D-0016		No	No	Yes	No	No	No	
ACC-WRN	W56HZV-14-D-0042		Yes	Yes	Yes	Yes	Yes	No	
ACC-WRN	W56HZV-14-D-0056		No	Yes	Yes	Yes	Yes	No	
ACC-WRN	W56HZV-14-D-L001		No	No	Yes	No	No	No	
ACC-WRN	W58P05-11-D-0001	BR52	No	No	Yes	No	No	No	
ACC-WRN	W58P05-11-D-0001	BR53	No	No	Yes	No	No	No	
ACC-WRN	W911SE-07-D-0017	BR02	Yes	Yes	No	Yes	Yes	Yes	

* This includes two evaluation factors.

Appendix F

PAR Rating Definitions

Table 42-1 in the FAR⁶⁹ provides each rating, the definition of the ratings, and what the assessor needs to include in the written narrative to justify the rating given. CPARS has six evaluation factors. The definitions in Table 14 apply to the quality, schedule, cost control, and regulatory compliance evaluation factors. Table 42-1 was added to the FAR on September 3, 2013.

Table 14. FAR Table 42-1 – Rating Definitions

Rating	Definition	Note
(a) Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being evaluated was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.	To justify an Exceptional rating, identify multiple significant events and state how they were of benefit to the Government. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceptional rating. Also, there should have been no significant weaknesses identified.
(b) Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being evaluated was accomplished with some minor problems for which corrective actions taken by the contractor were effective.	To justify a Very Good rating, identify a significant event and state how it was a benefit to the Government. There should have been no significant weaknesses identified.
(c) Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor recovered from without impact to the contract/order. There should have been no significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be evaluated with a rating lower than Satisfactory solely for not performing beyond the requirements of the contract/order.

⁶⁹ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," Table 42-1, "Evaluation Rating Definitions."

Table 14. FAR Table 42-1 – Rating Definitions (cont'd)

Rating	Definition	Note
(d) Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being evaluated reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.	To justify Marginal performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the Government. A Marginal rating should be supported by referencing the management tool that notified the contractor of the contractual deficiency (for example, management, quality, safety, or environmental deficiency report or letter).
(e) Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.	To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the management tools used to notify the contractor of the contractual deficiencies (for example, management, quality, safety, or environmental deficiency reports, or letters).

Table 42-2 in the FAR⁷⁰ provides each rating, the definition of the ratings, and what the assessor needs to include in the written narrative to justify the rating given for the utilization of small business evaluation factor. Table 42-2 was added to the FAR on September 3, 2013.

Table 15. FAR Table 42-2 – Rating Definitions for Utilization of Small Business

Rating	Definition	Note
(a) Exceptional	Exceeded all statutory goals or goals as negotiated. Had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service disabled veteran owned small business (SDVOSB). Complied with FAR 52.219-8, Utilization of Small Business Concerns. Exceeded any other small business participation requirements incorporated in the contract/order, including the use of small businesses in mission critical aspects of the program. Went above and beyond the required elements of the subcontracting plan and other small business requirements of the contract/ order. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify an Exceptional rating, identify multiple significant events and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes an Exceptional rating. Small businesses should be given meaningful and innovative work directly related to the contract, and opportunities should not be limited to indirect work such as cleaning offices, supplies, landscaping, etc. Also, there should have been no significant weaknesses identified.
(b) Very Good	Met all of the statutory goals or goals as negotiated. Had significant success with initiatives to assist, promote, and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met or exceeded any other small business participation requirements incorporated in the contract/order, including the use of small businesses in mission critical aspects of the program. Endeavored to go above and beyond the required elements of the subcontracting plan. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify a Very Good rating, identify a significant event and state how it was a benefit to small business utilization. Small businesses should be given meaningful and innovative opportunities to participate as subcontractors for work directly related to the contract, and opportunities should not be limited to indirect work such as cleaning offices, supplies, landscaping, etc. There should be no significant weaknesses identified.

⁷⁰ FAR Part 42, "Contract Administration and Audit Services," subpart 42.15, "Contract Performance Information," 42.1503, "Procedures," Table 42-2, "Evaluation Ratings Definitions (for the Small Business Subcontracting Evaluation Factor, when 52.219-9 is used.)"

Table 15. FAR Table 42-2 – Rating Definitions for Utilization of Small Business (cont'd)

Rating	Definition	Note
(c) Satisfactory	Demonstrated a good faith effort to meet all of the negotiated subcontracting goals in the various socio-economic categories for the current period. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met any other small business participation requirements included in the contract/order. Fulfilled the requirements of the subcontracting plan included in the contract/order. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor has addressed or taken corrective action. There should have been no significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be assessed a rating lower than Satisfactory solely for not performing beyond the requirements of the contract/order.
(d) Marginal	Deficient in meeting key subcontracting plan elements. Deficient in complying with FAR 52.219-8, Utilization of Small Business Concerns, and any other small business participation requirements in the contract/order. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Failed to satisfy one or more requirements of a corrective action plan currently in place; however, does show an interest in bringing performance to a satisfactory level and has demonstrated a commitment to apply the necessary resources to do so. Required a corrective action plan.	To justify Marginal performance, identify a significant event that the contractor had trouble overcoming and how it impacted small business utilization. A Marginal rating should be supported by referencing the actions taken by the government that notified the contractor of the contractual deficiency.
(e) Unsatisfactory	Noncompliant with FAR 52.219-8 and 52.219-9, and any other small business participation requirements in the contract/order. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Showed little interest in bringing performance to a satisfactory level or is generally uncooperative. Required a corrective action plan.	To justify an Unsatisfactory rating, identify multiple significant events that the contractor had trouble overcoming and state how it impacted small business utilization. A singular problem, however, could be of such serious magnitude that it alone constitutes an Unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the actions taken by the government to notify the contractor of the deficiencies. When an Unsatisfactory rating is justified, the contracting officer must consider whether the contractor made a good faith effort to comply with the requirements of the subcontracting plan required by FAR 52.219-9 and follow the procedures outlined in FAR 52.219-16, Liquidated Damages Subcontracting Plan.

Appendix G

PARs Not Completed

This table summarizes the 21 contracts with overdue PARs and the number of days late as of April 20, 2016.

Table 16. PARs Not Completed

Contracting Office	Contract Number	Order Number	Number of Days Late
NGB	GS-35F0-670S	W9133L-14-F0015	499
CEHNC	W91RUS-11-A-0006	ZW01	344
ACC-RSA	W31P4Q-05-A-0025	0014	305
ACC-RSA	W31P4Q-05-A-0025	0015	290
ACC-RSA	W31P4Q-09-A-0021	0005	298
ACC-RSA	W31P4Q-09-A-0021	0007	286
ACC-RSA	W31P4Q-14-A-0003	0001	279
ACC-RSA	W31P4Q-14-A-0008	0001	279
ACC-RSA	W58RGZ-09-D-0001	0067	280
ACC-RSA	W58RGZ-11-D-0153	0004	292
ACC-RSA	W58RGZ-12-D-0015	0009	356
ACC-RSA	W58RGZ-12-D-0015	0011	356
ACC-RSA	W58RGZ-12-D-0089	0259	311
ACC-RSA	W58RGZ-12-D-0089	0260	333
ACC-RSA	W58RGZ-12-D-0089	0261	279
ACC-RSA	W58RGZ-12-D-0089	0265	321
ACC-RSA	W58RGZ-12-D-0089	0266	284
ACC-RSA	W58RGZ-12-D-0089	0277	321
ACC-RSA	W58RGZ-12-D-0089	0278	301
ACC-RSA	W58RGZ-12-D-0089	0285	273
ACC-RSA	W58RGZ-12-D-0089	0287	273

Management Comments

National Guard Bureau



NATIONAL GUARD BUREAU
111 SOUTH GEORGE MASON DRIVE
ARLINGTON VA 22204-1373

NGB-PARC

28 June 2016

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE, OFFICE OF INSPECTOR
GENERAL

SUBJECT: Response to DODIG Draft Report Project No. D2016-D000CF-00045 000, 7 June
2016

Reference: DODIG Draft Report Project No. D2016-D000CF-00045 000, 7 June 2016

1. I concur with the recommendations in the referenced DODIG Draft Report. The National Guard Bureau responses to each of the DODIG recommendations are enclosed.
2. The point of contact is [REDACTED]; NGB-OPARC-E, [REDACTED].

Handwritten signature of Cynthia S. Tolle in black ink.

CYNTHIA S. TOLLE
SES, DoD
Principal Assistant Responsible for
Contracting

Attachment:
As stated

cc:
VCNGB
DARNG
DANG
NGB-IR
USPFOs

National Guard Bureau (cont'd)

Enclosure 1

DODIG Recommendations for the Principal Assistant Responsible for Contracting, National Guard Bureau

Recommendation 1: Army Officials Need to Improve Compliance with Past Performance Reporting Requirements. NGB did not have CPARS procedures to ensure timeliness; however, NGB had draft procedures. The draft CPARS NGB Instructions contain specific timeframes that identify the responsible official and the specific steps to process the PAR within the 120-day timeframe. For example, the draft instructions 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 draft procedures would ensure timely completion of PARs. The Principal Assistant Responsible for Contracting, NGB should finalize and implement the draft CPARS procedures. (Recommendation 1)

NGB Comments to Recommendation 1

Concur. NGB-OPARC CPARS Guide draft will be finalized for use across the National Guard's 145 Contracting Offices to include (ARNG, ARNG, and NGB-AQ). The Guide will be available NLT 31 October 2016.

Recommendation 3.a: Assessors Did Not Prepare Sufficient Descriptions of the Contract Purpose. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG, ACC-RSA, and ACC-WRN should develop and implement procedures that require assessors and contracting officers' representatives responsible for PAR preparation to take training on the PAR rating and evaluation factor definitions outlined in the FAR and CPARS Guide. (Recommendation 3.a)

NGB Comments to Recommendation 3.a

Concur. Due to the infrequent availability of these classes, DODIG agreed alternate training methods are acceptable to the Navy sponsored CPARS Overview web-based training course. The requirement to take training on the PAR Rating and evaluation factor definitions outlined in the FAR and CPARS Guide training will be added to the NGB-OPARC CPARS Guide to include options for NGB-OPARC prepared training, local office prepared training, or self-certification by assessors and assessing official representatives (contracting officers' representatives, facility engineers, etc.) responsible for PAR preparation. The Guide will be available NLT 31 October 2016.

Recommendation 3.b: Most Assessors Did Not Take CPARS Quality and Narrative Writing Training. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG, ACC-RSA, and ACC-WRN, should develop and implement procedures that require assessors and contracting officers' representatives responsible for PAR preparation to take initial and periodic refresher CPARS Quality and Narrative Writing training. (Recommendation 3.b)

NGB Comments to Recommendation 3.b

National Guard Bureau (cont'd)

Concur. Due to the infrequent availability of these classes, DODIG agreed alternate training methods are acceptable to the Navy sponsored CPARS Quality and Narrative Writing web-based training course. The requirement for training will be added to the NGB-OPARC CPARS Guide to include options for NGB-PARC prepared training, local office prepared training, or self-certification. The Guide will be available NLT 31 October 2016.

Recommendation 4: Lack of Procedures to Ensure That Written Narratives Complied with the FAR. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Directors, ACC-APG and ACC-RSA should develop and implement organization-wide procedures for performing reviews of PARs and monitor reviews of the PARs to verify compliance with the FAR. (Recommendation 4)

NGB Comments to Recommendation 4

Concur. Procedures for review of CPARS to verify compliance with the FAR will be incorporated in the NGB-OPARC CPARS Guide NLT 31 October 2016.

Recommendation 7: Army Officials Did Not Complete 32 PARs. The Principal Assistant Responsible for Contracting, NGB; Commander, CEHNC; and Executive Director, ACC-RSA should complete the PARs for the 21 contracts. (Recommendation 7)

NGB Comments to Recommendation 7

Concur. The NGB-AQ contracting officer has forwarded the report to the contractor for the mandatory 60-day review period. The CPAR will be finalized after the 61st day but NLT 15 August 2016.

U.S. Army Corps of Engineers, Engineering Support Center



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEERING & SUPPORT CENTER, HUNTSVILLE
P.O. BOX 1600
HUNTSVILLE, ALABAMA 35807-4301

CEHNC-Z

27 June 2016

MEMORANDUM FOR Program Director, Contract Management and Payments, Office of the Inspector General, Department of Defense, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Response to Department of Defense Office of Inspector General Draft Report, Army Officials Did Not Consistently Comply with Requirements for Assessing Contractor Performance (Project No. d2016-D000CF-0045.000) dated 7 June 2016

This Memorandum responds to the subject report issued on 7 June 2016. The responses in this memorandum are in response to the recommendations addressed to Commander, United States Army Corps of Engineers, Engineering and Support Center-Huntsville:

Department of Defense Office of Inspector General (DoDIG) Draft Report, recommendations 2, 3.a, 3.b, 4, 6, 7, pages 21-22.

1. DoDIG Draft Report, recommendation 1-Not applicable to CEHNC.
2. DoDIG Draft Report, recommendation 2, page 21.
 - a. DoDIG Draft Report Recommendation: We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center Huntsville (CEHNC), and Executive Directors, Army Contracting Command-Aberdeen Proving Ground, Army Contracting Command-Redstone Arsenal, and Army Contracting Command-Warren, develop and implement organization-wide procedures that identify specific timeframes and steps for Contractor Performance Assessment Reporting System officials to perform to ensure they prepare performance assessment reports within the 120-day requirement in the Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum and include the 60-day contractor comment period.
 - b. US Army Corps of Engineers, Engineering and Support Center – Huntsville's Response to Draft Report Recommendation: CONCUR AND IMPLEMENTED. CEHNC has developed and implemented CPARS status weekly reporting of all overdue CPARS as of February 2016. The report is distributed to all stakeholders to include Command Staff; all Directors and Division Chiefs; all Division Contracting Officers and all CEHNC Program Managers; as well as several Project Managers, and Branch Chiefs. The report clearly identifies the

U.S. Army Corps of Engineers, Engineering Support Center (cont'd)

CEHNC-Z

SUBJECT: Response to Department of Defense Office of Inspector General Draft Report, Army Officials Did Not Consistently Comply with Requirements for Assessing Contractor Performance (Project No. d2016-D000CF-0045.000) dated 7 June 2016

requirement for completing Contractor evaluations, starting at the first day after the Period of Performance (POP) to be evaluated. Tracking of the progress of the report establishes a CEHNC internal metric that any evaluation that is within a 60-day cutoff, shows the progression of the evaluation through the process. There is also a report identifying CPARS evaluations that are 75 days or greater past the 120-day requirement to allow additional focus/action by management and stakeholders at all levels. The development of these reporting matrices ensures increased controls within the overall framework for execution. Finally, CEHNC is currently developing specific written Standard Operating Procedures (SOP) for CPARS evaluations to reiterate and reinforce required timeframes for completion of evaluation. Targeted SOP completion is 1st Quarter of FY17.

3. DoDIG Draft Report, Recommendation 3.a and 3.b, page 21.
 - a. DoDIG Draft Report Recommendation: We recommend that the Principal Assistant Responsible for Contracting, Engineering Support Center-Huntsville; and Executive Directors, Army Contracting Command-Aberdeen Proving Ground, Army Contracting Command-Redstone Arsenal, and Army Contracting Command-Warren, develop and implement procedures that require assessors and contracting officers' representatives responsible for preparing performance assessment reports to take:
 - 3.a Training on the rating and evaluation factor definitions, as outlined in the Federal Acquisition Regulation and Contractor Performance Assessment Reporting System Guide; and
 - 3.b Initial and periodic refresher Contractor Performance Assessment Reporting System Quality and Narrative Writing Training.
 - b. US Army Corps of Engineers, Engineering and Support Center – Huntsville's Response to Draft Report Recommendation: CONCUR. CEHNC is developing written SOPs clearly defining the training requirements for each member of a CPARS evaluation. The SOPs will define which of the CPARS training modules will be required based on evaluation role, and will clearly identify the frequency that refresher training will be necessary. The SOPs will also establish a system for ensuring compliance with all training requirements, and potential corrective actions for non-compliance. Targeted SOP completion is 1st Quarter of FY17.

U.S. Army Corps of Engineers, Engineering Support Center (cont'd)

CEHNC-Z

SUBJECT: Response to Department of Defense Office of Inspector General Draft Report, Army Officials Did Not Consistently Comply with Requirements for Assessing Contractor Performance (Project No. d2016-D000CF-0045.000) dated 7 June 2016

4. DoDIG Draft Report, Recommendation 4, page 21.
 - a. We recommend that the principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center-Huntsville; and Executive Directors, Army Contracting Command-Aberdeen Proving Ground and Army Contracting Command-Redstone Arsenal, develop and implement organization-wide procedures for performing reviews of performance assessment reports and monitor reviews of the performance assessment reports to verify compliance with the Federal Acquisition Regulation.
 - b. US Army Corps of Engineers, Engineering and Support Center – Huntsville's Response to Draft Report Recommendation: CONCUR. CEHNC has created a position to perform the role of Center CPARS Manager. This position will be part of the Control Management Branch and will be specifically tasked with producing all CEHNC CPARS weekly reporting; advising management of CPARS status; acting as the CEHNC Agency POC for CPARS (in addition to the CEHNC Center Closeout Manager); acting as a Focal Point for CEHNC, and ensuring compliance with all CEHNC CPARS related SOPs and training requirements. In addition, the Center CPARS Manager will perform a periodic sampling of CPARS evaluations for accuracy, quality, and timeliness. Feedback will be provided to all levels of the organization. The feedback will include lessons learned and best practices
5. DoDIG Draft Report, Recommendation 5 – Not applicable for CEHNC.
6. DoDIG Draft Report, Recommendation 6, page 22.
 - a. We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center-Huntsville and Executive Director, Army Contracting Command-Redstone Arsenal, develop and implement organization-wide procedures for registering contracts in the Contractor Performance Assessment Reporting System.
 - b. US Army Corps of Engineers, Engineering and Support Center – Huntsville's Response to Draft Report Recommendation: CONCUR AND IMPLEMENTED. CEHNC is currently producing weekly reports identifying contract that have yet to be registered or have been erroneously removed from the CPARS system. The

U.S. Army Corps of Engineers, Engineering Support Center (cont'd)

CEHNC-Z


SUBJECT: Response to Department of Defense Office of Inspector General Draft Report, Army Officials Did Not Consistently Comply with Requirements for Assessing Contractor Performance (Project No. d2016-D000CF-0045.000) dated 7 June 2016

report is distributed to CEHNC Command Staff; all Directorate and Division Chiefs; all Division Contracting Officers and all CEHNC Program Managers; as

well as Project Managers, Branch Chiefs and other stakeholders. The report documents the status of unregistered or removed contracts, the Business Sector, as well as the Contract amount. It also identifies the Focal Point responsible for registering or re-registering the contract in CPARS. Any contract past the 30-day requirement is highlighted in red and considered late. Finally CEHNC is codifying this process in written SOPs for CPARS registration to reiterate and reinforce required timeframes for the registration of contract.

7. DoDIG Draft Report, Recommendation 7, page 22.

- a. We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center-Huntsville; and Executive Director, Army Contracting Command-Redstone Arsenal, ensure assessors complete the performance assessment reports for the 21 contracts.
- b. US Army Corps of Engineers, Engineering and Support Center – Huntsville's Response to Draft Report Recommendation: CONCUR and Partially Implemented. Of the 21 identified overdue CPARS evaluations, CEHNC only has one identified on that list. The contract, W91RUS-11-A-0006-ZW01, is currently in Rated status, awaiting review by the Contractor. The Contractor has 60 days to review, comment and/or sign. Upon receipt from the Contractor, this evaluation will be completed promptly.


BURLIN L. EMERY
LTC, EN
Commanding

Army Contracting Command



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMCIR

11 JUL 2016

MEMORANDUM FOR Department of Defense Inspector General (DoDIG),
[REDACTED] Program Director, Contract Management and Payments
Directorate, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments on DoDIG Draft Report: Army Officials Did Not
Consistently Comply With Requirements for Assessing Contractor Performance, Project
D2016-D000CF-0045.

1. The U.S. Army Materiel Command (AMC) has reviewed the subject draft report and
the response from the U.S. Army Contracting Command (ACC). AMC endorses the
enclosed ACC response.

2. The AMC point of contact is [REDACTED]
or email: [REDACTED].

Encl
as

Handwritten signature of Lisha H. Adams in cursive.
LISHA H. ADAMS
Executive Deputy to the
Commanding General

Army Contracting Command (cont'd)



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
U.S. ARMY CONTRACTING COMMAND
4605 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5008

AMSCC-IR

30 JUN 2016

P. J. G. [Signature]

MEMORANDUM FOR Mr. Rapy Flisak, Director, Internal Review and Audit Compliance Office, Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898

SUBJECT: DODIG Report, Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance (Project No. D2016-D000CF-0045.000) (D1608) (3635)

1. DODIG Report, DoD Inspector General, 7 June 2016, subject: same as above.
2. The Army Contracting Command (ACC) provides the enclosed comments in response to the referenced document.
3. The ACC POC is [REDACTED] Auditor, Internal Review and Audit Compliance Office, [REDACTED]

Encl

[Signature]
JOHN M. LYLE

Deputy to the Commanding General

Army Contracting Command (cont'd)

COMMAND COMMENTS

In Response to June 7, 2016 Request for Comments
On OIG Draft Audit Report,
"Army Officials Did Not Consistently Comply With
Requirements for Assessing Contractor Performance"
28 June 2016 (Project No. D2016-D000CF-0045.000)

Summary:

ACC generally agrees with the findings. However, we disagree with the recommendations being directed at our Contracting Centers because we believe they are directed at the wrong level of organization. The Inspector General identifies some systemic findings involving multiple agencies, which is indicative that existing DoD and DA publications, policies, and regulations need revision to address issues found. We suggest recommendations be directed to the office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(AL&T)) for Army level organizations and that updates/revisions to the DoD CPARS guide and DoD level policies be made by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD(AT&L)). Department level improvements are more efficient than individual office actions.

Recommendation 2:

We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville, and Executive Directors, Army Contracting Command–Aberdeen Proving Ground, Army Contracting Command–Redstone Arsenal, and Army Contracting Command–Warren, develop and implement organization-wide procedures that identify specific timeframes and steps for Contractor Performance Assessment Reporting System officials to perform to ensure they prepare performance assessment reports within the 120-day requirement in the Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum and include the 60-day contractor comment period.

ACC Concurs with the intent of recommendation 2. However, ACC does not believe that the recommendation is addressed at the correct level of organization. The DoDIG recommendation for identifying specific timeframes and steps for CPARS officials to perform the assessment reviews is already addressed in the DoD CPARS guide. Since this was a finding and recommendation involving multiple agencies, it is indicative that existing DoD and DA publications need revision to address issues found. Therefore, we suggest that recommendations to refine the overall past performance processes be directed at the ASA(AL&T) level. Changes should also be included in a revision to the DoD CPARS guide. Creating multiple, duplicative local procedures or supplements is inefficient and often counterproductive to improving performance.

Recommendation 3:

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Directors, Army Contracting Command–Aberdeen Proving Ground, Army Contracting Command–Redstone Arsenal, and Army

Army Contracting Command (cont'd)

COMMAND COMMENTS

In Response to June 7, 2016 Request for Comments
On OIG Draft Audit Report,
"Army Officials Did Not Consistently Comply With
Requirements for Assessing Contractor Performance"
28 June 2016 (Project No. D2016-D000CF-0045.000)

Contracting Command–Warren, develop and implement procedures that require assessors and contracting officers' representatives responsible for preparing performance assessment reports to take:

- a. training on the rating and evaluation factor definitions, as outlined in the Federal Acquisition Regulation and Contractor Performance Assessment Reporting System Guide; and
- b. initial and periodic refresher Contractor Performance Assessment Reporting System Quality and Narrative Writing Training.

ACC Concurrs with the intent of recommendation 3. However, ACC does not believe that the recommendation is addressed at the correct level of organization. Since this was a finding and recommendation involving multiple agencies, it is indicative that existing DoD and DA regulations and instructions need revision to address issues found. Therefore, we suggest that recommendations be directed to ASA(AL&T). Training is available on the CPARS web site and available through the Defense Acquisition University Continuous Learning Modules. If training and refresher training needs to become a requirement, then it should be included in applicable DoD Instructions (e.g. DoDI 5000.72 'DoD Standard for Contracting Officer's Representative (COR) and/or the CPARS Guide), required prior to obtaining an account in the system, and included as a requirement in the DoD Contracting Officer's Representative Tracking (CORT) tool COR appointment letter template. Furthermore, if procedures are updated as a result of this audit report, then existing training should also be updated. Creating multiple, duplicative local procedures is inefficient and often counterproductive to improving performance.

Recommendation 4:

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center-Huntsville; and Executive Directors, Army Contracting Command–Aberdeen Proving Ground and Army Contracting Command–Redstone Arsenal, develop and implement organization-wide procedures for performing reviews of performance assessment reports and monitor reviews of the performance assessment reports to verify compliance with the Federal Acquisition Regulation.

ACC Concurrs with the intent of recommendation 4. However, ACC does not believe that the recommendation is addressed at the correct level of organization. ACC and the Army already have review procedures. CPARS metrics are reviewed in the Deputy Assistant Secretary of the Army – Procurement (DASA-P) Contracting Enterprise Review (CER) meetings. CPARS are also reviewed during ACC Procurement Management Reviews (PMRs). However, since most assessing officials are not part of

Army Contracting Command (cont'd)

COMMAND COMMENTS
In Response to June 7, 2016 Request for Comments
On OIG Draft Audit Report,
"Army Officials Did Not Consistently Comply With
Requirements for Assessing Contractor Performance"
28 June 2016 (Project No. D2016-D000CF-0045.000)

the contracting offices, we suggest recommending ASA(AL&T) develop reviews for Program Executive Offices (PEOs) and major requiring activities. These organizations are also responsible, but were not included in the inspection.

Recommendation 5:

We recommend that the Executive Director, Army Contracting Command–Warren, update and improve procedures for performing reviews of performance assessment reports to ensure compliance with the Federal Acquisition Regulation and identify when focal points should perform the reviews.

ACC Concurrs with the intent of recommendation 5. However, ACC does not believe that the recommendation is addressed at the correct level of organization. The CPARS guide that describes the role of the Focal Point does not include the task of performing reviews. Therefore, we recommend that any refinements to the overall Focal Point roles and responsibilities be developed by ASA(AL&T) for the Army and the OUSD(AT&L) for DoD. Any changes or additions made should also be included in a revision to the DoD CPARS guide. If procedures are adequately addressed in DoD and DA level publications, ACC Warren procedures would not require updating.

Recommendation 6:

We recommend that the Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville and Executive Director, Army Contracting Command–Redstone Arsenal, develop and implement organization-wide procedures for registering contracts in the Contractor Performance Assessment Reporting System.

ACC Concurrs with the intent of recommendation 6. However, ACC does not believe that the recommendation is addressed at the correct level of organization. The DoDIG recommendation to develop and implement organization-wide procedures for CPARS Focal Points to register contracts is already addressed in the CPARS guide. Since this was a finding at multiple agencies across DA, we recommend that any refinements to the overall contract registration process be developed by the ASA(AL&T) for the Army and the OUSD(AT&L) for DoD. Any changes or additions made should also be included in a revision to the DoD CPARS guide.

Recommendation 7:

We recommend that the Principal Assistant Responsible for Contracting, National Guard Bureau; Commander, United States Army Corps of Engineers, Engineering Support Center–Huntsville; and Executive Director, Army Contracting Command–Redstone Arsenal, ensure assessors complete the performance assessment reports for the 21 contracts.

Army Contracting Command (cont'd)

COMMAND COMMENTS
In Response to June 7, 2016 Request for Comments
On OIG Draft Audit Report,
"Army Officials Did Not Consistently Comply With
Requirements for Assessing Contractor Performance"
28 June 2016 (Project No. D2016-D000CF-0045.000)

ACC concurs with DoDIG recommendation 7. ACC-RSA is responsible for 19 of the 21 contracts. ACC-RSA will coordinate with assessing officials and request they complete the performance assessment reports for these 19 contracts by 31JAN17.

Acronyms and Abbreviations

ACC	Army Contracting Command
APG	Aberdeen Proving Ground
ASA(ALT)	Assistant Secretary of the Army for Acquisition, Logistics, and Technology
CEHNC	U.S. Army Corps of Engineers, Engineering Support Center–Huntsville
CPARS	Contractor Performance Assessment Reporting System
FAR	Federal Acquisition Regulation
NGB	National Guard Bureau
PAR	Performance Assessment Report
PARC	Principal Assistant Responsible for Contracting
PPIRS	Past Performance Information Retrieval System
RSA	Redstone Arsenal
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics
WRN	Warren

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