STATEMENT OF

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BEFORE THE

FINANCIAL AND CONTRACTING OVERSIGHT SUBCOMMITTEE

OF THE

SENATE HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE

ON

OVERSIGHT OF CONTRACTOR PERFORMANCE INFORMATION

6 MARCH 2014

Madam Chairman McCaskill and Ranking Member Johnson, and members of the

Subcommittee on Financial and Contracting Oversight, thank you for holding this hearing and

affording me the opportunity to testify about the data base systems that my command operates and

maintains related to contractor past performance. I am Captain Brian Drapp, Commanding Officer

of the Naval Sea Logistics Center (NAVSEALOGCEN), in Mechanicsburg, PA. My command,

NAVSEALOGCEN, is a Navy working capital funded shore activity that administratively reports to

the Naval Sea Undersea Warfare Division, Keyport, and a field activity of the Naval Undersea

Warfare Center headquarters, which in turn, reports to Naval Sea Systems Command (NAVSEA).

One element of my command's mission is to serve as the NAVSEA Technical Agent for

maintaining life cycle logistics data systems. This includes the management, oversight, proper data

base management, system sustainment, configuration management, customer support, and training

for the Contractor Performance Assessment Reporting System (CPARS), the Past Performance

Information Retrieval System (PPIRS), and the Federal Awardee Performance Integrity Information

System (FAPIIS). We perform these functions at the direction of our program sponsors, Office of

the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD (AT&L)), and

the General Services Administration's (GSA) Integrated Acquisition Environment (IAE).

Background

In 1998, Naval Sea Logistics Center developed a contractor performance system for the U.S.

Navy to track contractor performance in accordance with new Federal Acquisition Regulation Parts

15, 36, and 42 requirements to evaluate contractor performance. The resulting system, CPARS, was

embraced by the Department of the Navy and the Department of the Air Force. CPARS was then

adopted by the Department of Defense (DoD) and other federal agencies. CPARS retired a number

of diverse programs and systems across all federal agencies as a part of federal efforts to consolidate past contract performance reporting and collection. In 2010, CPARS became an official part of the IAE and the single system for reporting contractor performance evaluations. In February 2012, work began on merging the Architect-Engineer Contract Administration Support System (ACASS) and Construction Contract Appraisal Support System (CCASS) evaluations with CPARS evaluations. Resultant changes to be implemented on June 30, 2014, will standardize reporting processes for all Federal agencies.

As a result of the successful launch of CPARS, our command was tasked by OUSD AT&L in 2000, to create a 'retrieval system' and repository for all past performance report card systems across DoD to be used by the acquisition community. The Past Performance Information Retrieval System (PPIRS) was created to take diverse past contract performance information from legacy systems across the federal government, consolidate it, and make the information more easily accessible for agencies when making source selection and future buy decisions. In 2002, the General Services Administration (GSA) sponsored the IAE and endorsed PPIRS Report Card (RC) reporting as the single authorized system to retrieve contractor performance information for all federal agencies.

During this same time period, DoD requested NSLC to develop a program to reduce contractor quality and delivery issues. The PPIRS Statistical Reporting (SR) system was created. The PPIRS (SR) process uses quality and delivery data to provide objective support of CPARS evaluations, and quality and delivery scores for use by source selection officials to purchase material or goods below the FAR/DFAR thresholds. This system is used only by DoD and is funded by Defense Logistics Agency (DLA) and directed by OUSD AT&L.

Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (P. L. 110-417) required the development and maintenance of an information system that contains

specific information on the integrity and performance of covered federal agency contractors and grantees. In 2010, OUSD AT&L made the decision to leverage both CPARS and PPIRS to include the reporting of integrity information. GSA funded NAVSEALOGCEN to develop the Federal Awardee Performance and Integrity Information System (FAPIIS) to address these requirements. FAPIIS leverages the reporting ability, hardware and support of the CPARS and PPIRS systems.

Systems Detail Information

Contractor Performance Assessment Reporting System (CPARS)

CPARS is a web-enabled system that collects, and manages the library of automated Contractor Performance Assessment Reports (CPARS). A Contractor Performance Assessment Report assesses a contractor's performance and provides a record, both positive and negative, on a given contract during a specific period of time. Each assessment is based on objective facts and supported by program and contract management data.

CPARS employs an electronic workflow allowing Government Officials such as Contracting Officers, Program Managers, Contracting Officer's Representatives, Engineers, Integrated Product Teams, and others to evaluate and rate a contractor's performance on a given contract for a specified period of time (typically one year). CPARS also allows contractors to electronically submit comments regarding the Government's assessment and to indicate concurrence or non-concurrence with the overall evaluation. The CPARS process includes an electronic "check-and-balance" whereby a senior official reviews each Government-Contractor disagreement to ensure that the report reflects a fair evaluation.

CPARS provides insight and oversight to the performance of the government's commercial contractor base, including a current record of contractor performance. It is a valuable tool of communication between government and industry. It promotes consistency of assessments by

providing a common rating system and is the recognized single system for reporting. All completed evaluations are electronically sent to PPIRS for use in future source selection and value award decisions.

Past Performance Information Retrieval System (PPIRS)

The mission of PPIRS is to provide a single source of contractor performance information to meet Federal Acquisition Regulation Parts 15 and 36 requirements to consider offeror performance information when making best value award decisions. It is comprised of two modules, which enables it to provide a view into contractor performance under both large and small dollar value contracts.

The PPIRS Report Card module (PPIRS-RC) compiles data from the CPARS that were described above and provides government source selection officials with a consolidated, comprehensive view of a contractor's negative or positive performance on large dollar value contracts to be considered when making 'Best Value' award decisions. The report cards in PPIRS-RC contain both Government and contractor comments in order to provide a balanced view of contractor performance allowing source selection officials to look beyond contractor references.

The PPIRS Statistical Reporting module (PPIRS-SR) collects delivery and quality information from legacy logistics and delivery systems across the Services and DLA. The information from these systems is consolidated and processed through algorithms to provide a single quality and a single delivery score per contractor for each Federal Supply Class (FSC) under which they deliver commodities to DoD's inventory control points. Contractors may view their own ratings and challenge a rating.

PPIRS-SR aggregates a vast amount of verifiable information from disparate sources into scores that can be used to quickly distinguish among offerors for quality and delivery to support best value decisions.

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Federal Awardee Performance and Integrity Information System (FAPIIS)

FAPIIS is a distinct application that is accessed through PPIRS and is available to federal acquisition professionals for their use in award and responsibility determinations. Additionally, pursuant to statutory requirements, certain information in FAPIIS, excluding past performance evaluations, is publicly accessible. FAPIIS provides users access to integrity and performance information from the FAPIIS reporting module in the Contractor Performance Assessment Reporting System (CPARS), proceedings information and suspension/debarment information from the System for Award Management (SAM).

NAVSEALOGCEN will continue to provide customer service, systems operation and maintenance, user training, and system enhancements based on policy and requirement changes provided by GSA and OUSD AT&L to each of these programs.

Madam Chairman McCaskill, Ranking Member Johnson and distinguished members of the committee, I appreciate the opportunity to discuss the data bases that NAVSEALOGCEN operates and maintains related to contractor performance and I will be happy to answer any questions you may have. Thank you.