

OVERSIGHT OF CONTRACTOR PERFORMANCE INFORMATION

HEARING

BEFORE THE

SUBCOMMITTEE ON FINANCIAL AND
CONTRACTING OVERSIGHT

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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OVERSIGHT OF CONTRACTOR PERFORMANCE INFORMATION

TUESDAY, MARCH 6, 2014

U.S. SENATE,
SUBCOMMITTEE ON FINANCIAL AND CONTRACTING OVERSIGHT
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:37 a.m., in room 342, Dirksen Senate Office Building, Hon. Claire McCaskill, Chairman of the Subcommittee, presiding.

Present: Senators McCaskill and Johnson.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. In 2009, I held a hearing in this Subcommittee on the management of government's dizzying array of databases for government contracting. At that hearing, I heard from witnesses representing the government, the contracting community, and transparency advocates that the government's contracting databases were cumbersome, difficult to use, and that the data was incomplete. The witnesses pointed to the past performance database, the database that tracks information about contractor performance on previous Federal contracts, as being particularly problematic.

More than 4 years later, I am here to ask many of the very same questions again. Today, however, I am going to focus specifically on the databases that contain information about contractor performance and integrity. Before the government awards a contract, the contracting officer is required to review the contractor's past performance on other contracts. This review is meant to ensure that the government only awards new contracts to companies that are able to perform the work. The contracting officer must also ensure that the contractor has a satisfactory performance record and a record of integrity and business ethics.

To ensure that these determinations are meaningful, the contracting officer needs to be able to access and review adequate information about the contractor's performance and integrity. Unfortunately, the system we have today is not capable of doing that. Information about past performance and integrity is scanty, and what there is can be scattered across multiple databases. Reports can be difficult to find or just plain wrong.

The government has three main databases that contain information about past performance and integrity: Past Performance Information Retrieval System (PPIRS), which contains past performance

evaluations; Federal Awarding Performance and Integrity Information System (FAPIIS), which contains adverse actions; and the System for Award Management (SAM), which contains suspension and debarment information, among other things. Then there is a fourth database called Contractor Performance Assessment Reporting System (CPARS), which is where contracting officers enter in the past performance evaluations that are displayed in PPIRS, because neither system can be used to both collect and search this information.

In 2014, when most Americans are used to navigating systems designed to be quick and easy to use, PPIRS and FAPIIS, which was built as a module within PPIRS, both look and feel shockingly old and clunky. For example, I learned that the back link in FAPIIS only seems to work if the user is in Internet Explorer. Someone using Chrome is just out of luck.

During today's hearing, I plan to demonstrate just how difficult they can be to use. I also have questions about the current policies we have regarding what information is collected, the way the information is collected, and the way the information is organized. To start, FAPIIS has very little information, and most of the information in there is self-reported by contractors with no quality assurance by the government.

Not surprisingly, there is a great deal of variation in what contractors interpret as to what is their duty to report. In addition, these systems are built around the Data Universal Numbering System (DUNS Number), a numerical tracking system which the government has bought the rights to use at substantial cost from Dun & Bradstreet. DUNS Numbers, however are not unique identifiers. A large contractor can have dozens or more different DUNS Numbers for each subsidiary.

Lockheed Martin, for example, has more than 80 entries. When contracting officers look up the DUNS Number for the contractor in the system, they only see the past performance for that specific DUNS Number. They do not see anything about the contractor's parent company, if they have one, or subsidiaries. They also cannot track a company if it merges or is acquired or simply changes its name.

The system also does not contain information about performance on State or local contracts. Since many contractors who perform work for the Federal Government also perform similar work for States or municipalities, this kind of work can be highly relevant. It also appears that the performance reports in the system may not fully or accurately reflect a contractor's performance. Take for example a company called CGI Federal, the contractor primarily responsible for Healthcare.gov. The most recent past performance record for CGI Federal's work on Healthcare.gov is an assessment dated June 12, 2013, assessing their performance from June 7, 2012 to June 6, 2013, on which they were ranked exceptional for their performance in every category. As we know, it turned out not to be true.

Another example is British Petroleum (BP). You may recall that after the Deepwater Horizon disaster, the Environmental Protection Agency (EPA) suspended BP and its related subsidiaries from obtaining new Federal contracts. Despite the catastrophic disaster which caused billions of dollars in damage and subsequent suspen-

sion, there does not appear to be any record of poor past performance in PPIRS for any of the BP entities suspended.

These issues raise serious technical and procurement policy questions, and because the relevant policies in this area are set by the Office of Management and Budget (OMB), I invited OMB's deputy director for management, or her designee, to provide testimony at this hearing. I sent the invitation in early February. After I learned that no one at OMB could provide testimony during the week that hearing was originally planned, I moved the hearing, and the Subcommittee again asked if OMB could provide a witness. Again, OMB refused.

I am disappointed by OMB's apparent lack of interest in improving government contracting and its willful disregard of legitimate congressional oversight. On the other hand, I am very pleased to welcome Captain Brian Drapp from the U.S. Navy, and Kevin Youel Page from the General Services Administration (GSA). I thank both witnesses for being here today. I would also thank you both for your flexibility with starting a little earlier than we originally planned because of my need to go to the floor for votes and debate on an important matter dealing with the military in fact.

So I am pleased you could come early. And now I will turn it over to Senator Johnson for his statement.

OPENING STATEMENT OF SENATOR JOHNSON

Senator JOHNSON. Thank you, Madam Chairman. I would also like to welcome the witnesses and thank them for their flexibility. I also share your frustration that OMB is not showing up to give us their insight and their testimony. Obviously, performance tracking in procurement makes all the sense in the world. But it is also a very difficult task. I know in private business we do it all the time, and we are talking about companies with millions of dollars worth of sales and millions of dollars worth of contracts, and now we are talking about a performance tracking system in a Federal Government entity that spends \$3.5 trillion. So this is an enormously difficult task.

From my standpoint, the most important thing is to get the current system operating as effectively and efficiently as possible and as accurately as possible. Unless the information is accurate, unless it is transparent, you will not be fair to the supplier base and it will not be usable to the government. It is just simply not going to work.

I appreciate the testimony. My suggestion is before we try and add any more requirements—which is generally government's tendency if something is not working, let's add more layers of additional information that we are going to request—I would really suggest we concentrate on getting the systems that are up in place right now operating correctly, providing accurate information, transparent information, before we start biting off even more than we can chew.

So again, I think this is a very good hearing. Appreciate your dedication to getting to the bottom of this. Just understand, it is a pretty enormous task for working with small businesses. It is even a more enormous task for a large Federal Government trying

to get their arms around these types of procurement tracking information systems.

Thank you.

Senator McCASKILL. Thank you. Let me introduce the witnesses. Captain Brian Drapp is the commanding officer of the United States Navy Supply Corp, Naval Sea Logistics Center. He received his Navy commission from Officer Candidate School in 1987, following graduation from the University of South Florida. He is also a designated Joint Service Officer.

And Kevin Youel Page is an assistant commissioner of the General Service Administration, Integrated Award Environment (IAE). In this role, he leads the ongoing maintenance, operation, development, and governance of mandatory Federal wide shared services in the IAE. Mr. Youel Page previously served at the Department of the Treasury as deputy director of Office of Procurement Executive.

I would like you both to know how much I appreciate you for being here and your service and for appearing today, especially with your flexibility. It is the custom of this Subcommittee to swear in all witnesses, so if you would not mind standing and taking the following oath.

Do you swear that the testimony that you will give before this Subcommittee will be the truth and the whole truth so help you, God?

Mr. YUEL PAGE. I do.

Captain DRAPP. I do.

Senator McCASKILL. We will use the timing system today. We would ask you if you could hold your oral testimony to around 5 minutes. We are not picky about that, but about 5 minutes. And then obviously, we will take all of your written testimony for the record. Captain Drapp.

**TESTIMONY OF CAPTAIN BRIAN T. DRAPP,¹ SUPPLY CORPS,
UNITED STATES NAVY, COMMANDING OFFICER, NAVAL SEA
LOGISTICS CENTER**

Captain DRAPP. Thank you. Senator McCaskill, Ranking Member Johnson, and distinguished Members of the Committee, good morning, and thank you for holding this hearing and affording me the opportunity to testify about the contractor past performance database systems that my command operates. I am honored to be here.

I am Captain Brian T. Drapp, Supply Corps, United States Navy, Commanding Officer of the Naval Sea Logistics Center, in Mechanicsburg, Pennsylvania. My command is a shore-based activity that administratively reports to Naval Undersea Warfare Center, Division Keyport, a field activity of Naval Undersea Warfare Center headquarters that reports to Naval Sea Systems Command.

I understand the Navy's Legislative Affairs Office has provided a copy of my written statement to the Committee and respectfully request that it be entered into the record.

Senator McCASKILL. It will. Thank you.

Captain DRAPP. Yes, ma'am. One element of my command's mission is to serve as the Naval Sea Systems Command technical

¹The prepared statement of Mr. Drapp appears in the Appendix on page 23.

agent for maintaining life cycle logistics data systems. This includes the oversight, management of database operations, sustainment, configuration, customer support, and training for three systems, as the chairman previously talked about, first, Contractor Performance Assessment Reporting System, Past Performance Information Retrieval System, and finally, third, the Federal Awarding Performance and Integrity Information System.

Although Naval Sea Logistics Center is a Navy command, our functions in operating and maintaining contractor past performance databases are at the direction of our two program resources sponsors, the Office of the Undersecretary of Defense for Acquisition, Technology and Logistics, and the General Services Administration, Integrated Award Environment.

In our role as operator and maintainer of these systems, my prepared witness statement for the record addresses one, how the Federal Government collects, manages, and uses information about contractor performance and integrity; two, how the performance systems and FAPIIS have been implemented and used; and finally, third, how the past performance systems work together along with upcoming improvements that will be implemented.

A key responsibility of the Naval Sea Logistics Center's team sustaining these systems is to properly maintain the hardware and software and to upgrade them based on requirements provided by the Integrated Award Environment and the Configuration Change Board chaired by the General Services Administration represented by over 25 Federal agencies. Additionally, Naval Sea Logistics Center provides training on the use of these performance and integrity information systems to military and Federal acquisition officials, their support staffs, and Federal contractors.

We also provide helpdesk support to customers daily via phone calls and e-mails, the majority of which are answered the same day. In terms of database systems reliability, CPARS, PPIRS and FAPIIS, are accessible to customers 99 percent of the time, with announced outages related to routine and required maintenance accounting for the remaining 1 percent.

Please be assured the Naval Sea Logistics Center is committed to the readiness of our systems, the needs of our thousands of customers, and moreover, to provide a means to strengthen communications and processes between contractors and acquisition officials and to enhance the government oversight and the contracting source selection process.

Senator McCaskill, Ranking Member Johnson, and distinguished Members of the Committee, I appreciate the opportunity to discuss the contractor performance and integrity systems the Naval Sea Logistics Center operates and maintains. I will be happy to answer any questions you may have. Again, thank you for this opportunity to testify.

TESTIMONY OF KEVIN YOUEL PAGE,¹ ASSISTANT COMMISSIONER, INTEGRATED AWARD ENVIRONMENT, UNITED STATES GENERAL SERVICES ADMINISTRATION

Mr. YOUEL PAGE. Good morning, Chairman McCaskill, Ranking Member Johnson, and the distinguished Members of the Committee. My name is Kevin Youel Page. I have been the Assistant Commissioner for the General Services Integrated Award Environment since July 2013. I am responsible for, among other things, the Federal Government's shared past performance systems, and I appreciate the opportunity to appear here today to discuss GSA's role in managing Federal contractor past performance systems and information.

Contractor past performance systems are part of a broader Integrated Award Environment which was created under the E-government Act of 2002 to streamline and unify the Federal award process for government and nongovernmental participants in the loans, grants, and contracting communities. IAE's main goal is to evolve the existing shared portfolio of 10 systems into a user-centric open source secure common services platform that will improve operations for those who award and administer grants, loans, and contracts.

We undertake this work in concert with the Office of Federal Procurement Policy (OFPP) and the interagency governance bodies, the Award Committee for E-government. This governmentwide collaboration enables us to save money, be more efficient, reduce the burden on the communities we serve, and provide more transparent Federal award information to continuously monitor and improve Federal award management.

GSA serves as the executive agent for the management of all 10 governmentwide award systems, three of which are contractor past performance information systems operated by the United States Navy. The three systems, as mentioned, are PPIRS, CPARS, and FAPIIS.

Because PPIRS and CPARS were initially developed and operated by the Navy, GSA, with its Federal governance, chose to leverage the Navy's expertise in asking the Navy to continue to operate all past performance systems governmentwide. Prior to 2002, agencies maintained their own systems to track past performance. This was duplicative, inefficient, and gave agency contracting officers no ability to ensure they had a comprehensive or a consistent view of a contractor's past performance.

In 2002, PPIRS was established as the enterprise application to allow source selection officials to retrieve contractor performance. Once a single retrieval point was established, our efforts turned to consolidating systems to input past performance information. Before 2010, agencies used nine separate input systems, each with its own contractor rating criteria, making the comparison of past performance information and data challenging.

In 2010, CPARS was made the governmentwide system for inputting the contractor past performance information into PPIRS, so consolidating to a single input and a single retrieval system has represented a major improvement over that period of time. During

¹The prepared statement of Mr. Youel Page appears in the Appendix on page 29.

this improvement, the Duncan-Hunter National Defense Authorization Act of 2002 mandated the creation of a new system, FAPIIS, to display information regarding the integrity and performance of certain entities awarded Federal contracts and grants. In order to reduce the cost of this new system, and to reduce the burden on our government users, FAPIIS was integrated into our existing systems.

FAPIIS was deployed in March 2010. It displays criminal convictions, certain civil judgments and administrative findings of fault, certain compromises or agreements that settle civil, criminal or administrative proceedings, ineligibility due to suspension or debarment, administrative agreements issued in lieu of suspension or debarment, non-responsibility determinations, contracts and grants terminated for default, defective pricing determinations, and past performance evaluations.

The publicly accessible component of FAPIIS was deployed in April 2011, and it includes all of the above information except past performance evaluations, which are source selection sensitive information. Going forward, GSA and the Navy are committed and are working with the award community to make further enhancements to the collection and display of contractor performance information. These enhancements will further reduce the number of systems, improve user experience, add search features, and create the capability for users to run more reports that meet their user needs.

Chairman McCaskill, Ranking Member Johnson, and the members of the Committee, thank you for the opportunity to discuss IAE's contractor performance systems. I am happy to answer any questions you may have for me at this time.

Senator MCCASKILL. Well, first, let me say, the reason we are having this hearing today is because I think that this is an area that continues to need a lot of oversight. But I do not want you to think I do not recognize that there has been some progress. But we still have a system where we have three databases with contractor performance information: PPIRS, FAPIIS and SAM.

I understand that FAPIIS pulls suspension and debarment from SAM but not all the details, so contracting officers still have to use all three databases. Isn't that correct?

Mr. YOEEL PAGE. Yes, Senator. If they wanted the full information on the background of a suspension and debarment, that information is in SAM. But it is true that it is displayed in FAPIIS to enable that further research, if needed.

Senator MCCASKILL. And so now we are integrating it, so this will be in fact a one-stop shop.

Mr. YOEEL PAGE. Yes, ma'am.

Senator MCCASKILL. And when do you think this integration will be complete?

Mr. YOEEL PAGE. We are working on a series of incremental developments to do small and agile development across the 10 platforms. We have scheduled the entire environment to be put into a more user-centric format by the fiscal year (FY) 2018, but with phased improvements between now and then in some increments, beginning with some of the work in FedBizOps (FBO) and making our Federal opportunities available to small companies.

Senator McCASKILL. Is there anything you need to make that go faster that we could help you with? I was told at the hearing in 2009 that the process of integrating PPIRS would be done by 2013, at that hearing, and clearly that has not happened. So what I am worried about is that we are not really talking about 2018; that we are really talking about a long way away, when both of you will be probably in different assignments, I am willing to bet.

Mr. YOUEL PAGE. Your question is, is there anything that you could provide or help to make this go faster. I think that we have been working very diligently with the administrator to make sure that the resources are available to keep to this plan. We have, of course, suffered our own missteps along the way of creating this Integrated Award Environment and we are working diligently to learn those lessons and move forward using the new 21st Century architectural principles and the right kind of development approaches to minimize risk and to continue developing these systems the way we all want them to be developed and expect them to be developed.

Senator McCASKILL. In 2009, Vivek Kundra, the Federal chief information officer and the administrator for Electronic Government and Information Technology at OMB, said the following, "Part one of this contract, what GSA is asking, is to make sure that there is requirements gathering, there is a broad array of people that are consulted ahead of time, that there is actually profiles created on the different types of users."

It sounds like we are still stuck there 4 years later. Is that accurate?

Mr. YOUEL PAGE. I think we are looking at the profiles of individual users and we are attempting to use that user-centric design technique to put ourselves very much in the shoes of an end user, whether it is a Senate staffer, a contractor, or a small grantee operating out of a university, to understand how they are going to experience the system and make the best use of their role in the system.

So we have developed profiles and are continuing that process and are beginning, now that we have finished the work, stabilizing the system for award management to use these profiles to tackle different aspects of functionality across the Integrated Award Environment.

Senator McCASKILL. I want to talk a little bit why FAPIIS has so little information. My staff reviewed FAPIIS and found around 1,500 government-entered records and about 650 vendor-entered records. Considering that we have thousands of Federal contractors and the amount of data going into PPIRS since 2011, this is nothing.

Now, it is my understanding this problem is caused by the fact that all the past performance evaluations in PPIRS are labeled source selection sensitive, and therefore, not transferred to FAPIIS. Is that right?

Mr. YOUEL PAGE. To the public version of FAPIIS, the individual contracting performance assessment reports are not available to the public because they are source selection sensitive. But the other eight categories of administrative agreement and adverse action are available to the public through FAPIIS.

Senator McCASKILL. So are past performance evaluations available to the public or are they source selection sensitive?

Mr. YOUEL PAGE. The evaluations that are completed in CPARS by contracting officers are not available to the public. They are deemed to be source selection sensitive information.

Senator McCASKILL. And who deemed that?

Mr. YOUEL PAGE. That is how I understand the law to be written and how I understand the regulation to have been implemented.

Senator McCASKILL. OK. So you think that is statutory language that is dictating that?

Mr. YOUEL PAGE. I believe so, yes, ma'am.

Senator McCASKILL. OK. Let's look at this source selection sensitive limitation and what seems to be an arbitrary length for protection, which is 3 years. Let's look at it on a case-by-case basis. Is it decided on a case-by-case basis?

Mr. YOUEL PAGE. I am sorry. Is what decided?

Senator McCASKILL. OK. All the evaluations in PPIRS, the performance evaluations, if it is source selection sensitive, OK, is that true for all the evaluations in PPIRS, that they are deemed source selection sensitive?

Mr. YOUEL PAGE. All of the CPARS records are deemed source selection sensitive. All of the records entered by contracting officers related to performance on government contracts that they manage and oversee are considered source selection sensitive. The information on administrative agreements and other determinations for default, that information is public and is not deemed source selection sensitive.

Senator McCASKILL. I am looking at my notes here and it says that the rule for the time period that you protect this information as source sensitive says at least 3 years. So what is being done in terms of how long it is protected? Is it protected for 3 years, or is it decided on a case-by-case basis?

Mr. YOUEL PAGE. I am sorry. I believe that this is a question of how long a past performance record is relevant. I think that the policy is that 3 years is considered the period of relevance. These records are maintained for 5 years in the system, are archived afterwards. They are considered Federal records.

Senator McCASKILL. OK. So they are archived, but I am asking how long the source selection sensitive limitation stays in place. Three years?

Mr. YOUEL PAGE. I am not certain of the answer to that. I believe it is indefinite, but I would have to get back to you with a concrete answer.

Senator McCASKILL. It is hard for me to imagine that the vast majority of the past performance evaluations are even the slightest bit sensitive. It seems to me that it is not in the interest of transparency to put evaluations behind a veil because we are not maybe sorting out the very few that might have some sensitive information.

I know it is simpler, but I think it is something we need to take a look at—and we will take a look at it because I know it is rule-based—and figure out how we could put more transparency into this source selection sensitive limitation.

OK. I would like now to actually take a look, all of us together, how the databases actually work. The first issue actually arises before you even get to either PPIRS or FAPIIS. When you navigate to either PPIRS or FAPIIS, you get an ominous security certificate warning. Now, I think most contracting officers know to click continue despite the warning, but I am curious why there would be a security certificate warning for two official government databases.

Anybody know?

Captain DRAPP. I do not have an answer for that. We will have to take that for action, ma'am.

Senator MCCASKILL. OK. I think it is troubling. There are lots of places that I think security warnings are appropriate, but I think we need to track down why we are getting a security warning for these particular databases that are run by the U.S. Government. So let's take a look at that.

I would also love to talk about why OFPP just issued a rule that said for the few things FAPIIS is allowed to display, namely just adverse actions, that it would only be allowed to include information from when it went live in April 2011. I wish we could have a discussion about whether or not we should change that rule to include information before April 2011.

OFPP declined to send anyone to this hearing, so I don't have an opportunity to ask them, but I will followup with OMB to figure out why they are doing that. I do have questions about suspensions and debarments. We are going to search for a company that we know has an exclusion in SAM, and that is a B&J corporation.

With this DUNS Number, we see that FAPIIS shows suspension debarment information for this company pulled from SAM. When we click on the link within FAPIIS to see suspensions and debarments from SAM, we see the two debarments pulled from SAM but no information on exclusion type or description of the exclusion, only the date of the exclusion.

So in order to see more, a contracting officer would then have to go into SAM and search again by the DUNS Number. In SAM, you see the two debarments, and if you click into them, you see a lot more detail in SAM than in the FAPIIS entry that supposedly pulled that information from SAM.

Why does FAPIIS not include all the suspension and debarment details from SAM? Why is there a requirement that you only get cursory information and then you have to go into SAM specifically to get more detail?

Captain DRAPP. I do not have an answer for you. We will have to get back to you on that, ma'am.

Mr. YOEEL PAGE. I guess I will try to answer this way. We certainly could bring more information in from SAM. As a practical matter, a source selection official who identifies a company as being suspended or debarred may be curious as to deeper reasons why that is the case. But most will, at least in my experience, act fairly immediately to cease considering that company for further consideration for award without—they may search the system to confirm that this is accurate, contact their own policy and suspension and debarment officials to ensure that they are making a

proper decision, but they will not in general need much more than to know that this is a suspended or debarred firm.

Senator McCASKILL. Well, what would be helpful for us to know, the Committee to understand, is that if this decision is being made, for the reasons that you indicate, Mr. Youel Page, and that is efficiency, then all somebody needs to know, that there is a suspension or a debarment, then that would be good news. But it appears that it is just clunky interface.

Mr. YOUEL PAGE. It is something if we were—I have not heard the feedback that this is something that is of great concern to the contracting officers, but it is certainly something if we were hearing it through our change control board, through our interagency governance that it was something they wanted more in the system. It would be something that we would put on our list for incremental improvement over time.

Senator McCASKILL. OK. Now I want to illustrate a basic difficulty with searching for a contractor's information. Because there are so many Federal contractors, many of which have similar names, my understanding is that the Data Universal Numbering System—or DUNS Numbers—are the way that we accurately search for the entity one is looking for.

The problem with that is contractors have different DUNS Numbers for different parts of their organizations and the DUNS system does not illustrate in any way the relationship between a parent company and a subsidiary; therefore, the result is that FAPIIS does not track contractors as a whole organization, and contracting officials miss important information about the big picture.

If a contracting officer were to do a name search in an effort not to miss the big picture, it can render the system nearly impossible to navigate. I want to illustrate how problematic this is with a common example—Lockheed Martin. If we search for Lockheed Martin by name in an effort to get a big picture sense of the company's past performance, instead of a particular subsidiary, we get a list of over 80 entries.

We prepared a marked-up handbook that illustrates for you what the screen is showing when we search for Lockheed Martin.¹ As you can see, it is riddled with confusing names, some of which with bad typos. Each group of the same color arrows illustrates a variation on the same name, and some of them can be quite silly.

For instance, we have Lockheed Martin Corporation, which apparently is different from Lockheed Martin Corp, without a period; Lockheed Martin Corp., with a period; Lockheed Martin Corporation; Lockheed Mar. I think you get the idea. We also have Lockheed Martin Integrated Systems, without a comma; Lockheed Martin Integrated Systems, with a comma; and another identically named Lockheed Martin Integrated Systems, but the two have different DUNS Numbers so they are listed separately. And one has 346 evaluations under it and the other one with the exact same name, right down to the comma at the end, only has one evaluation under it.

I realize these might not be all the Lockheed Martin, or even related to it, but most of them are. The point is if you have a DUNS

¹The Assessment Report appears in the Appendix on page 50.

Number for one small part of Lockheed, you are missing all the other subsidiaries and parent corporations which could shed light on the corporation's behavior. But if you do not have a DUNS Number and try to search by name, this is what you have to deal with.

I am not sure how the contracting officer is supposed to handle this. Can you give me some reaction to this? How can we fix this? And I am a little worried that we are captured by the DUNS Numbers since we do not even own them. We are paying a bunch of money for them. Has there been any thought or any effort to making this a little bit more accurate as to subsidiaries in like names and DUNS Numbers?

Mr. YOEEL PAGE. Senator, yes, indeed. And you are very much focused in this question on something that we are well aware of and share your concern. Some of the nuance behind the reason we are here has to do with PPIRS being a collection point for historically a number of different entry points, and so there are data standards, mismatches between those legacy systems and what is in PPIRS.

It is a known problem that we are seriously trying to grapple with as we consolidate the systems and do a better job as a Federal Government managing data standards more broadly across the acquisition world.

We do have efforts in place. There is a Federal Acquisition Regulation (FAR) case that is moving forward to establish the CAGE Code, the Department of Defense (DOD) CAGE Code, as a mechanism for doing a better job of capturing the parent/child relationship among entities in the system, and so that is one effort underway to do a better job to address the entity management problem. And we have been looking and continuing to scan the environment for other ways beyond Dun & Bradstreet and DUNS Numbers to manage entity management, things like, for example, the Legal Entity Identifier (LEI) being pursued by the G-8 and the G-20, and some of our—I believe the Federal Reserve is managing that on behalf of U.S. Government.

So this is a byproduct of years of going it separately that we need to do the hard work on data standards and management and migration to improve, and is in fact on our path.

Senator MCCASKILL. Well that is good, because I think some of this is—I know there is a hesitation to give up all the legacy information. But at some point in time, you have to pull the band-aid off and begin a system that makes more sense. Because you could not expect a contracting officer to navigate something like this and get accurate information; it is just impossible.

Let me also talk about the evaluations. When there are hundreds of evaluations, I think it is almost impossible to draw conclusions from them. It makes it very difficult, I think, for a contracting officer, especially if you cannot view all the information that is contained in them.

Have there been discussions about aggregating the ratings and the evaluations?

Mr. YOEEL PAGE. Yes, ma'am. We have been in discussions with OMB and with the interagency community on what it would take to do that, and a step precedent to being able to aggregate is to

get to common standards for definitions of past performance so that we are in common definitions as to what a rating means.

And we are very far along in managing that problem, and so I think we are closer to being able to do better analytics on the large numbers of past performance reports in the system, and to do different kinds of analytics. Because this is a nuanced problem. On the one hand, we do want to see every relevant piece of past performance for parent/child/sibling part of the entity. On the other hand, the CO may judge that some of that past performance is more relevant and wish to narrow down their search on relevant parts rather than parts that may not be as relevant.

A large company like the one you have brought forward here by necessity has operating units that operate quite independently and certainly with different staff, different past performance histories, and we would not necessarily want to lose the opportunity to do business with the greatest vendor on earth in one area because they happen not to be as responsive in another area.

So it is a nuance and complicated decisionmaking process for the CO, and the system, we agree, needs to do a better job enabling the kind of analytics that would enable that sophisticated decision—

Senator McCASKILL. It seems a numerical analytic would make more sense in terms of being able to aggregate accurate information, the satisfactory and—I think that makes it much harder. We will continue to followup on that, but I am glad that you are addressing that, because I think it really is a problem.

It appears that the CGI Group—which this is a really big-time public failure, the contract with CGI for Healthcare.gov. I do not know that we have had a bigger one that got more attention, that more people understood that it was a complete failure. It appears that CGI Group purchased a company called American Management Systems (AMS) that had a number of pretty high contracting failures, some on the State level that resulted in millions in penalties and widely reported failure on the Federal level for the Thrift Savings Plan (TSP), the retirement savings plan for Federal employees.

CGI Group then renamed AMS to CGI Federal. And as we all know, the newly renamed CGI Federal, which was still made up of the AMS management and employees, won the contract for Healthcare.gov together. It seems that the CMS contracting officers in this case may not have realized that CGI Federal, which has a clean past performance record under its new name, was essentially the same company of the not so clean former AMS, which illustrates a major problem in our contracting process.

Are there any safeguards in place? Can you recommend safeguards that should be put in place for a situation like this where we have an acquisition and a name change? Sometimes it is just as simple as a name change. And negative performance information that would have been vital in this situation was never even obtained or known about.

Mr. YOEEL PAGE. We do. Through the System for Award Management, I have information from Dun & Bradstreet that helps us understand the nature of relationships between novated companies, parent and child companies, and so I believe there are ways that

we could use that information that we currently have rights to do a better job in managing that kind of business problem.

But I say that with some trepidation. The whole issue of corporate control and governance is very complicated. It was not in this case, but it can be very complicated and difficult to manage for all companies trying to grapple with the question of what is an entity, when is an entity substantially the same as an entity last year. These become, again, difficult.

Senator MCCASKILL. Shouldn't there be some kind of trigger when you have a company that is new? I would think if we were CGI Federal is a relatively—I mean, this was clearly not something that had been around for decades. This is something that had happened.

The AMS failure with the Federal Thrift Savings Plan is still all over the web, if you search it, and it resulted in a Senate hearing. But the past performance database-PPIRS—does not contain a single record of it. Now, I assume that is because it happened back in the late 1990s and early part of this decade. Is that—

Mr. YOEEL PAGE. I am not sure I could answer that question. I am sorry, Senator. I do not know the specifics of this case or the record that we are talking about.

Senator MCCASKILL. Well, it is a great example of where the databases are not serving the contracting officers as effectively as they need to. I guarantee you; everybody at CMS who made that contracting decision would have loved to have known this before they did. It might have avoided a huge black eye for this administration and for the healthcare reform program.

Another issue is assessing the self-reported information from contractors. FAPIIS pulls self-reported information from SAM. For example, Honeywell self-reported that it answered yes to both questions about contracts and at-fault proceedings below, but the only answer is yes. And there is no information about these proceedings. The yes answer to such a question is pretty useless on its own. We need to be able to access the details of these proceedings.

Have you considered changes to require additional audits or oversight of contractors reporting into the database?

Mr. YOEEL PAGE. I am sorry. I am watching the website trying to understand why the administrative agreement is not contained in the record. It ought to be. Is the suggestion that there is no detailed information in this record?

Senator MCCASKILL. Correct. There is no information about the proceedings; they just answered yes. And I guess the issue here, Mr. Youel Page, is that we are relying on the contractors to self-report, but I do not think we are ever going back and checking—

Mr. YOEEL PAGE. That they are reporting.

Senator MCCASKILL. That they are reporting accurately, completely, or if they are reporting at all.

Mr. YOEEL PAGE. My understanding is that to the extent that they are reporting, the self-reporting is happening through their certifications and representations in SAM. My understanding is that when those two questions are answered in the affirmative, yes, I have a contract of this value, and yes, I have a proceeding, that the system will require an upload of a copy of some information related to that proceeding, and that is contained and available.

So I will look into this case where that apparently is not the case. But my understanding has been that this is——

Senator MCCASKILL. If you would followup, because my understanding is that based on the research that my staff has done, that this is not always occurring. And the question is what mechanism is there to check when it is not occurring?

Mr. YOEEL PAGE. No, it is a very fair question and I will look into that. I believe there is a check and we will make sure the check is working the way it is supposed to.

Senator MCCASKILL. OK. My staff has also found several technical issues with FAPIIS, including issues as simple as the back button not working. In FAPIIS, both the public website and the module within PPIRS, the back link to go back to search results only works in Internet Explorer but not in any other browser.

Is there any work being done to ensure that people have the ability, regardless of what browser you are using, to utilize the back link, something pretty basic in 2014?

Captain DRAPP. I will look into that. I am not aware of that, ma'am.

Senator MCCASKILL. OK. If we do a search for past performance in PPIRS and then want to see the adverse actions in FAPIIS for the same company DUNS Number, you have to switch applications. It is now not possible to be signed into both PPIRS and FAPIIS module at the same time. Now, while it is not difficult to switch from PPIRS to FAPIIS and vice versa, what happens when you switch is that you lose whatever search you were doing in the database you switched from.

You follow me?

Captain DRAPP. Yes, ma'am.

Senator MCCASKILL. So in addition to whatever technical glitches, is these little things that make a contractor officer's job more difficult and can easily lead to overlooking information. I do not think it is unreasonable to expect these databases to not have these technical blocks that make it much more difficult to do this basic research.

And if you could, Captain Drapp, if you could followup about those technical issues that we discovered in trying to utilize these databases in an effective way.

Captain Drapp. Yes, ma'am.

Senator MCCASKILL. Right now contractors are self-reporting whether they have been subject to any criminal, civil or administrative procedure in connection with a Federal award that has resulted in a finding of fault. Shouldn't the contractors report their involvement in any litigation, or should we just limit it to those where they had resulted in a finding of fault?

My concern is that a contractor could settle a lawsuit without admitting fault. And by the way, that is more common than anything else, that there is a settlement of a lawsuit and the reason that the company settles is because they are worried that they are going to be found at fault.

There is no motivation to settle unless you got liability. So a settlement always means that there is some liability on the part of the company. In some instances, it may be they want to settle to avoid legal costs. I get that. But typically, those are *de minimis*

cases because, you do not want to settle for legal costs—if it is a *de minimis* settlement then it would be just for legal costs.

But if I were a contractor, I would seek to make sure that happens so as not to impact any future business I did with the U.S. Government. That would be a motivation to settle, because if I settle and do not admit fault, I never have to report it. So is it not a good idea at least to ask the contractors to delineate litigation that they have been involved in and then if the contracting officer has other things that they are asking questions about, it gives them the ability to inquire?

Mr. YOEEL PAGE. It is an excellent question. It is a very deeply policy-weighted question and I think there are probably great arguments on the pro and the con side of that question that I am not sure I am the right person or well-equipped to give to you right now, Senator McCaskill, but I do think it is a good question.

Senator McCASKILL. I understand that there could be some arguments that you want to—it is not fair to the companies, that they have to report all of this, because there could be a frivolous lawsuit and settled for a minimal amount, but they always have the ability to report that. It is not as if they cannot explain it, if that is in fact the case.

So I would love to debate someone who—because I am sitting on the side that I want the government to have as much information as possible, because I do not want the government to be spending public money with a company that it should not be spending public money with. So if it is a close argument, then they should lose, because the government is the one that is giving them money to perform a service or to provide products, and we have the right as the customer to demand certain standards. And if they do not want to have those standards, then they are not required to do business with us. Nobody is putting a gun to the head of these contractors and saying you must do business with the Federal Government.

So if it is a close argument, I think this one should go to the government for more information, and I would appreciate if you would followup and see what would be the objections to, and by the way, if you get the cite of the case in this day and age, all you would have to do is get the pleading and the court filing and in about 2 seconds you can look up the lawsuit. You can look up what the facts of the lawsuit were. You can look up the pleading. You can learn whether or not this on its face is something that would cause us concern or whether on its face it is something that we do not need to bother with.

And maybe this is not the kind of deep research that would need to be done on every contract, but it certainly would be done on some, especially those that are of high security matters that we have contracts with all the time.

What are the obstacles to requiring contractors to report labor or human rights violations? If there is a labor violation that they have had or a human rights violation they have had, is there any mechanism now that requires them to report that? And are there obstacles to that?

Mr. YOEEL PAGE. It is my understanding right now that the regulation is set so that the self-reporting is self-reporting of these administrative matters in relation to a Federal contract. So I think

at the moment the regulation is set in such a way that other violations or other civil actions not in conjunction with a Federal contract are not required to be reported.

Senator MCCASKILL. So what we would probably have to do is have the FAR clarify that business integrity would include compliance with labor and other human rights laws such as those regarding trafficking?

Mr. YOEEL PAGE. I believe that I would answer that, yes.

Senator MCCASKILL. It is currently not defined, business integrity. Although it is mentioned many times in FAR, we cannot find a definition for it.

OK. We have spent some time talking about how we can make the databases work better, but as they are working now, I have some concerns as to whether they are informing contractor officers the way they should be. For example, although CMS has decided not to renew CGI Federal's work on Healthcare.gov and has instead given it to Accenture, CMS has nevertheless given CGI Federal additional work on other projects.

Is there a policy in place that there is some kind of warning that goes out across the system? I mean, what worries me is that somewhere else in the Federal Government they would be contracting with this company after this massive failure to provide a basic website that worked on a very important date.

I mean, what happens if a contractor overlooks relevant past performances, contracting officer? Is there something built in that there is some kind of disciplinary action or does anybody even notice? Is there some kind of oversight in that regard that you can speak to, either one of you?

Mr. YOEEL PAGE. I can say for certain that contracting officers are required to look at FAPIIS and at PPIRS before they make an award. They are required to look and do an evaluation of past performance on any purchase over the micro purchase threshold. So each CO has to engage—each source selection official engages in that analysis under their own management structures and oversight and quality assurance.

And it is our job to make sure that the system, as we have been talking about today, gives them raw material to work with to help them form their opinion about past performance as part of an overall source selection decision, as one component of the source selection decision, in order, exactly as you pointed out, to mitigate the risks to government of entering into business with a vendor that is not capable or less capable of doing the work and perhaps should be not considered for that work.

Senator MCCASKILL. It just worries me that they overlook it and then there is nothing that happens. That is my biggest concern.

I am almost to the end here. Another problem with assessing past performance is the information contained in them does not always reflect the contractor's performance. For example, the most recent past performance for CGI Federal's work on Healthcare.gov is an assessment dated June 12, 2013, because it was an annual for the previous year. They were ranked exceptional for their performance in every category.

As we pulled up on the screen, and you can see, this was a period of time during which the Administration was acknowledging that

there would be issues with the rollout. As early as March 2013, Henry Chao, deputy chief information officer at CMS, said at an insurance industry meeting that he was “Pretty nervous,” about the exchanges being ready October 1, and adding, “Let’s just make sure it is not a Third World experience.”

And on June 19, 2013, GAO said the health insurance exchanges might not open on time because they had missed deadlines and were behind schedule, including on testing the system. But on the PPIRS assessment dated a week before, CGI was not just ranked as OK on their contract but ranked exceptional in every category.

Another example is BP. You might recall after Deepwater, the EPA suspended BP and its related subsidiaries from obtaining new contracts, a suspension that BP and the British Government are actively fighting. Despite the catastrophic disaster which caused billions of dollars in damage, there doesn’t appear to be any record of poor past performance in PPIRS for any of the BP entities suspended. My staff did a search for every single DUNS Number that is listed as a suspended BP entity in SAM and in PPIRS. Only pulled up a handful of past performance evaluations that BP did overseas for the U.S. Government and all the evaluations were rated satisfactory or higher.

It is weird to me that a contracting officer using a non-public database would have less complete information about a contractor’s performance than somebody who just googled them. What can we do to ensure that past performance reports actually include negative information? It is like there is this thing out there—and I found this with contracting oversight that I have been working on now for 7 years. There is such a reluctance of people evaluating these contractors putting negative information down. I mean, I can tell you horror stories—and you are probably aware of them—of the contracting and contingencies overseas where we not only were giving them excellent ratings when they were ripping us off and doing substandard work, we were giving them performance bonuses for doing great work at the same time they were electrocuting our soldiers in showers because they had wired them faulty.

So what can we do about getting negative information that is accurate that is available to anybody if they just do a web search of the company included in PPIRS? What steps need to be taken?

Mr. YOUEL PAGE. I think we have been in receipt of several memos from OMB asking the Federal agencies to take a very close look at how they’re managing past performance records, whether they are doing factual and accurate assessments on an annual basis as they are required to do. They have been promoting fuller compliance with evaluating each of the contracts required to be evaluated so that the information could be in the system, and I think they have been working on aspects of the training of the acquisition community as to how to do a better job evaluating past performance and doing it in a more comprehensive and fact-based way.

At the end of the day, this entire system is made up of people, processes, policies, and technology, and each of them need to be doing their part to make the entire system evolve and get to those better answers.

Senator MCCASKILL. It is really a hard question to answer, and I know it is. I guess what I wonder about, are the contracting officers, or more importantly, the contract evaluators, are they given enough training about—I mean, first of all, if there is negative information that comes up, you should not wait a year. CGI Federal should have had entries on October 1st in PPIRS. Major screw up. That is probably all you need to put in there.

But it is almost like if a contracting evaluation gives negative information, they know they are going to get blowback from the contractor, right? And it is just easier not to. I mean, that is part of my sense of this is that, you do not want to fight the battle that if you put negative information down that there is—we are going to sue you or that is not true or you are not being fair.

I think it is true throughout the Federal Government frankly. We let things slide because it is just too hard to fight it. And I think in this area, past performance, that is what is going on. I mean the notion that there is not negative information about CGI Federal or the subsidiaries of BP in PPIRS is embarrassing, that we're responsible for that. And I would love someone—and I do not know who was in charge of doing this, but someone needs to find out why that stuff has not been entered. Is it because it is not on an annual basis and that is the only time you do it?

Anybody?

Mr. YOEEL PAGE. They are required to do it on an annual basis or at the end of the contract performance.

Senator MCCASKILL. Are they allowed to do it midstream?

Mr. YOEEL PAGE. Yes.

Senator MCCASKILL. They can do it at any time?

Mr. YOEEL PAGE. That is right.

Senator MCCASKILL. OK. Well, somebody needs to ask some tough questions about why this is not occurring, because it is clearly not, and I think there are a lot of contractors that are skating by on substandard performances that are not getting noted because it is just easier to say satisfactory than it is to give them negative information knowing that that is now going to be a contentious situation.

It is the same thing with evaluating employees, the saying in the Federal Government that it is hard to get a job there, but once you do, do not worry, which is not fair to most Federal employees because they are terrific and they work hard and they are dedicated and they make less money than they would in the private sector.

But there are from time to time problem employees, and it is very difficult sometimes to remove them because it has not been documented. And this is a kissing cousin of the same problem, that it is just easier to let it slide.

So if you have some sense that you need to improve reporting into CPARS and PPIRS, which I know you do, are you implementing programs to improve the quality and frequency of reporting? Are there actually programs that are in place that are doing that? And I know PPIRS is not 100 percent yet. Where are you at reporting and how do you feel about the quality and frequency in terms of improvement? Do you really feel like you have turned a corner or do you still see that there are other programs that we can implement that would make it even better?

Mr. YOEEL PAGE. For our part on the system side, we have been working with the community to give them management reports that would help them identify areas where they need to improve their compliance with the past performance requirements. I think that OMB has been focused on this issue in a couple of memos that they have issued. And I know just in past roles where I have been responsible for ensuring compliance with the FAR that it is an issue taken seriously and it is on report cards and performance evaluations, at least in places I have worked.

I can't say that is happening throughout the Federal Government, but I suspect it is. And so I think that there are known improvements that are underway in terms of getting the quality and the time limits of reports up, and no doubt miles to go.

Senator MCCASKILL. Has there been any discussion about trying to include contracting at the State or local level, or is that just a bridge too far at this point with all the challenges that you face?

Mr. YOEEL PAGE. I am not sure I have been party to that discussion, but I would not necessarily be in the policy discussions where that would come up routinely.

Senator MCCASKILL. Well, I think it is important with AMS, the predecessor to CGI. There was a littered history of disastrous contract work they did for States besides the Thrift Savings Plan debacle, that fairly easy to find if you just googled that company. And I know that we have not gotten our act completely together just getting the information from Federal contracts yet, but I do think in some of the cross-agency groups you have that talk about this, I think it needs to get on the agenda for discussion, especially with everything being so technically available now by computers.

Most of these State databases are available to the public, and, I mean, we are getting to the point that integration is not rustling the main frame any more. It is much simpler and much easier with the technology that we have now today compared to even just a few years ago. So I do think it would be elegant and seamless and important if we could have a complete picture of a contractor in terms of their government contracting and one that was not just limited to the Federal Government.

Well, I hope you can leave this hearing knowing that there is one person in Congress that actually cares about this stuff. It is complicated and hard, but it is really important. And I want you both to know that you probably—you try to explain to people what you do, I am sure their eyes glaze over before you can get to the second sentence.

At least you know that my eyes are not glazing over and that there are folks that are looking very carefully at what you are doing and how you are doing, because we believe it is very important. We will continue to followup in these areas, and I just wanted to have this hearing. And my staff has done a terrific job of doing some of the research to see how this is actually working now.

I hope to have a hearing in a few years to congratulate you on a more integrated system with more information that is immediately transparent to anyone who wants to see it, that is accurate and complete, and makes the job of contracting the Federal Government's money much more effective and efficient. And if you would provide the answers to the questions that you took for the

record to the Committee, and we may have a few others as followup questions for the record before we close the record on his hearing.

And I bet you guys will not be back when I have the next hearing, but please tell the people that take your jobs when you leave that they can expect another hearing like this in the coming years. And we probably will not wait four or five this time. We will probably do another one in a couple years to see if we are continuing to make progress.

Thank you both very much for being here.

Captain Drapp. Thank you.

[Whereupon, at 10:44 a.m., the Subcommittee was adjourned.]

APPENDIX

NOT FOR PUBLICATION UNTIL RELEASED BY
THE SENATE HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS COMMITTEE

STATEMENT OF
CAPTAIN BRIAN T. DRAPP, SUPPLY CORPS, U.S. NAVY
COMMANDING OFFICER, NAVAL SEA LOGISTICS CENTER
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

NOT FOR PUBLICATION UNTIL RELEASED BY
THE SENATE HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS COMMITTEE

Introduction

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 (FAPIS). 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.

Federal Awardee Performance and Integrity Information System (FAPIS)

FAPIS 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 FAPIS, excluding past performance evaluations, is publicly accessible. FAPIS provides users access to integrity and performance information from the FAPIS 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.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WRITTEN STATEMENT OF

Kevin Youel Page, Assistant Commissioner

Integrated Award Environment

Federal Acquisition Service

General Services Administration

BEFORE

THE SUBCOMMITTEE ON FINANCIAL AND CONTRACTING OVERSIGHT

ON

OVERSIGHT OF CONTRACTOR PERFORMANCE INFORMATION

March 6, 2014

Introduction

Good morning, Chairwoman McCaskill, Ranking Member Johnson, and the honorable members of the Subcommittee. My name is Kevin Youel Page, and I am the Assistant Commissioner for the General Services Administration's (GSA) Integrated Award Environment (IAE). I started working for GSA in September 2011 as the Deputy Assistant Commissioner for the Integrated Technology Service, and have been Assistant Commissioner for IAE since July 2013, where I am responsible for the Federal Government's shared past performance systems.

Before coming to GSA, I was the Deputy Senior Procurement Executive at the Department of the Treasury, and spent nearly two years as the Director of the Procurement Services Division at the Department of Treasury headquarters. In both roles, I was a consumer of past performance information, generated past performance reports, and worked to improve Treasury's use of past performance data and systems.

I appreciate the opportunity to appear here today to discuss GSA's role in managing Federal contractor past performance systems and information.

Integrated Award Environment

Contractor past performance systems are a part of the broader IAE, which was created as a Presidential eGov initiative under the E-Government Act of 2002 to streamline and unify the Federal award process for Government and non-government participants in the grants, loans and contracting communities. GSA, with high levels of engagement and oversight from our Federal partners, has managed IAE's consolidation of award systems that were previously dispersed and replicated across the Government. Since 2002, we have adapted, upgraded, and migrated the Federal

Government to shared services built around existing and new applications.

The development of a consolidated award system, by its nature, is iterative. To ensure that each piece is developed to meet all Federal requirements and user needs, GSA works closely with the Office of Federal Procurement Policy (OFPP) and the inter-agency governance bodies of the Award Committee for eGov (ACE), and coordinates with information technology operations project managers and other stakeholder communities.

IAE's main goal, in concert with our governance and oversight bodies, is to evolve the existing shared portfolio of ten systems into a user-centric, open source, secure, common services platform that will improve operations for those who award and administer contracts or grants. This work will enable the Government to be more efficient, reduce the burden on the communities we serve, and provide more transparent Federal award information to continuously monitor and improve Federal award management.

Past Performance Systems

GSA serves as the executive agent for the management of all Government-wide award systems, including, through interagency cooperation, the contractor past performance information systems. The United States Navy operates: Past Performance Information Retrieval Systems (PPIRS), Contractor Performance Assessment Reporting System (CPARS) (with modules for Architect-Engineer Contract Administration Support System (ACASS) and Construction Contract Administration Support System (CCASS)), and Federal Awardee Performance and

Integrity Information System (FAPIS). Since past performance systems (PIRS and CPARS) were initially developed and operated by the Navy, GSA chose to leverage Navy's expertise and operational know-how by establishing a relationship with Navy wherein Navy operates the individual systems and GSA manages past performance systems as a whole for the Government.

Prior to the creation of these systems, individual agencies maintained their own systems to track past performance, with little ability to share information among Federal partners. This was duplicative, inefficient, and gave agency contracting officers no practical ability to ensure they had a comprehensive view of a contractor's past performance. Recognizing this challenge, in 2002, PIRS was developed to give source selection officials a "one-stop shop" for retrieving potential suppliers' past performance history. PIRS is a web-enabled, enterprise application that allows the Federal acquisition community to retrieve contractor performance information for use in making source selection decisions.

Once PIRS was designated as the single, Government-wide system for accessing contractor past performance information, GSA's efforts turned to consolidating the systems used by contracting officers to input this information. Between 2002 and 2010, agencies used and then sunset nine separate input systems, each with its own contractor rating criteria. The different rating criteria made the comparison of past performance data challenging. To address this, in 2010, CPARS became the Government-wide system for entering contractor past performance information into PIRS. CPARS is a suite of web-enabled applications that are used to document contractor and grantee performance information that is required by Federal

regulations, in a standardized way. To date, over 340,000 completed contractor performance evaluations have been completed in CPARS, and over 2 million PPIRS records have been reviewed by Government users in source selections.¹

While much progress has been made in consolidating and improving the past performance information systems, additional efforts are underway to make these systems more effective and user-friendly. In June, 2014, the three systems used to input contractor past performance information (CPARS, ACASS, and CCASS) will be merged into a single application under the CPARS name. This merger will implement GAO's recommendation² to standardize evaluation factors and rating scales Government-wide. Consolidating these three systems will also improve usability by creating a common workflow process and a standardized set of rating elements and will reduce duplication of effort and system life-cycle cost.

FAPIS

The Duncan Hunter National Defense Authorization Act of 2009 (Public Law 110-417) mandated the creation of a new system, FAPIS, to display information regarding the integrity and performance of certain persons awarded Federal agency contracts and grants. In order to reduce the cost of this new system and the burden on Government users, FAPIS was integrated into our existing contractor past performance information systems. Government officials upload relevant contractor information regarding misconduct including Administrative Agreements and Terminations for Cause into FAPIS. In March 2010, FAPIS was deployed. It displays contractor criminal

¹ See Appendix A for additional statistics on CPARS and PPIRS.

² April 2009 GAO report (GAO-09-374), Federal Contractors: Better Performance Information Needed to Support Agency Contract Award Decisions is available at <http://www.gao.gov/new.items/d09374.pdf>.

convictions; certain civil judgments and administrative findings of fault; certain compromises or agreements that settle criminal, civil, or administrative proceedings; ineligibility due to suspension or debarment; administrative agreements issued in lieu of suspension or debarment; non-responsibility determinations; contracts and grants terminated for default; defective pricing determinations; and past performance evaluations.

The publicly accessible component of FAPIIS, which includes all of the above information except past performance evaluations, was deployed in April, 2011. Nearly 1,800 records related to performance integrity have been uploaded since FAPIIS' inception.³

To ensure that all the members of the acquisition workforce understand their unique role in assessing and evaluating contractors, the Federal Acquisition Institute and the Defense Acquisition University have made a number of courses available on how to use past performance systems, and these are available at www.cpars.gov and www.ppirs.gov. These web sites also include policy information, guidance, and other useful tools. Additionally, the Federal Acquisition Regulation (FAR) has been amended to require acquisition personnel to enter applicable information into FAPIIS.

Next Steps

GSA and the Navy are currently working with the award community to make further enhancements for the collection and display of contractor performance information. These enhancements will consolidate and simplify the process used to collect performance evaluations, enhance the system so that performance evaluations

³ See Appendix A for additional statistics on FAPIIS

can be shared faster with source selection officials, add search features that will allow contracting officials to narrow information displayed to reports that are most relevant, develop a capability to display all reports available on an entity in one location, and create the capability for users to run more reports that meet their needs. This consolidation effort is going on in tandem with a multi-year, inter-agency effort to consolidate all IAE systems into the System for Award Management (SAM). The past performance functionalities are being brought into SAM based on functional capabilities and technical requirements.

Chairwoman McCaskill, Ranking Member Johnson and members of the subcommittee, thank you for the opportunity to discuss IAE's contractor performance systems. I am happy to answer any questions you and the committee may have. Thank you.

Appendix A

CPARS Records*	
Number of Completed Reports**	341,218
Number of Overdue Reports	61,424
Number of Registered Contracts**	292,281
CPARS System Effectiveness	
Number of Government users	79,271
Percentage of Government Assessing Officials Rating the Process Effective	92%
Number of Contractor users	69,361
Percentage of Contractors Rating the Process Effective	98%
Percentage of System Availability	99.9%
Average Help Desk Resolution Time	0.3 days
PPIRS Records*	
Number of Assessments - Department of Defense	23,800
Number of Assessments - Civilian Agencies	11,121
Number of Assessments retrieved by Government Users	2,053,451
Number of Assessments retrieved by Contractor Users	388,373
PPIRS System Effectiveness	
Percentage of System Availability	99.9%
Average Help Desk Resolution Time	0.3 days
FAPIS Records*	
Number of Records	1,791
§ Administrative Agreement	109
§ Defective Pricing	1
§ DoD Determination of Contractor Fault	1
§ Non-Responsibility Determination	47
§ Termination for Cause	720
§ Termination for Default	913

FAPIS Effectiveness	
Percentage of System Availability	99.9%
Average Help Desk Resolution Time	0.3 days
<u>Notes:</u> *Calculations as of: 02/13/14 **Completed Reports and Registered Contracts include archived evaluations	

Appendix B

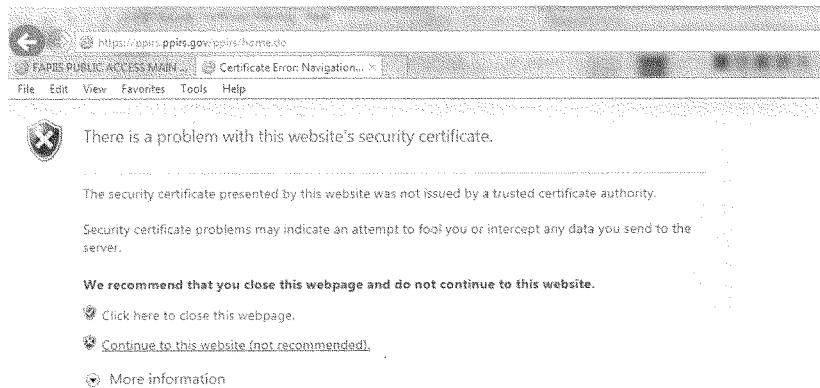
System	Acronym	Brief Description
System for Award Management	SAM	Consolidated system incorporating the legacy functionalities of the Central Contractor Registry (CCR), Online Representations and Certifications (ORCA), Excluded Parties List System (EPLS), and FedReg
FedBizOps	FBO	Government Point of Entry for posting opportunities
Federal Procurement Data System	FPDS-NG	Electronic repository for all Federal procurement spend
Wage Determination OnLine	WDOL	Site housing the consolidated, current wage determinations
Federal Awardee Performance and Integrity Information System	FAPIIS	Database to track contractor misconduct and performance
Contractor Performance Assessment Reporting System	CPARS	Suite of applications used to document contractor and grantee performance information
Past Performance Information Retrieval	PPIRS	System for contracting professionals to retrieve contractor performance information
Electronic Contracting Reporting System	ESRS	System for prime contractors to report accomplishments toward subcontracting goals
FFATA Subaward Reporting System	FSRS	System to collect subcontract and sub-grant award information in compliance with the Federal Funding Accountability and Transparency Act (FFATA).
Catalog of Federal Domestic Assistance	CFDA	Full listing of all Federal assistance programs available

**Post-Hearing Questions for the Record
Submitted to Captain Brian T. Drapp
From Senator Claire McCaskill**

**“Oversight of Contractor Performance Information”
March 6, 2014**

- I. The Navy has informed the Subcommittee that the security certificates for FAPIIS and PPIRS are valid and current.

Q. Why does the following security certificate warning appear when accessing the databases?



Answer: The security certificate warning appears because the DoD certificate issued for these systems is not loaded onto their internet browsers.

The past performance system certificates for the Federal Awardee Performance and Integrity Information System (FAPIIS), Past Performance Information Retrieval System (PPIRS), and Contractor Performance Assessment Reporting System (CPARS) data bases are valid and current as follows:

https://ppirs.ppirs.gov - valid from 1/23/2014 to 1/23/2017
 https://www.fapiis.gov, https://fapiis.gov - valid from 8/29/2013 to 8/29/2016
 https://cpars.cpars.gov - valid from 6/16/2011 to 6/16/2014

Department of Defense (DoD) certificates are issued by the DoD Certificate Authority (CA). By default, many current internet web browsers do not have the DoD Certificates loaded in their browsers as trusted sites. As a result, when a user without the DoD Root CA loaded in their browser trust store, navigates to a website that has a certificate signed by a DoD CA, the user gets a warning that the certificate is not trusted. The user can click continue to the site and navigate the site without issue. In this scenario, the user will receive the warning each time they navigate to a DoD CA site. As a permanent work around, the Naval Sea Logistics Center (NSLC) "Help Desk" for past performance systems provides assistance to all users to load the DoD certificates in their browsers to avoid future warnings. DoD users do not receive the warning as their systems are typically configured to trust DOD CAs by default.

NSLC operates and maintains contractor past performance data bases under the direction of the General Services Administration (GSA) and the Office of the Under Secretary of Defense for Acquisition, Technology & Logistics (OUSD AT&L). NSLC is working with GSA to acquire certificates from Entrust Certification Authority which would eliminate the warning and need for users to trust DOD's certificates. The vast majority of current browsers and platforms will connect seamlessly to sites secured with an Entrust SSL Certificate.

2. Currently, work is being done to integrate all the past performance databases into one system instead of separate modules.

Q. Why didn't the Navy build them as one system in the first place?

Answer: In 1998, the Naval Sea Logistics Center, at the direction of Assistant Secretary of the Navy for Research, Development and Acquisition, developed a data base system for the Department of the Navy to track contractor performance in accordance with the then-new Federal Acquisition Regulation Parts 15, 36, and 42 to evaluate contractor performance. The original requirement was to provide a system to allow Navy users to complete supplier performance report cards in an efficient manner and have them stored in one place for use in future source selections. This retired smaller systems being used in the Navy and provided the Navy agreement on how contractor's performance was to be assessed across the Navy's systems commands (Naval Air Systems Command, Naval Sea Systems Command, Naval Supply Systems Command, Space and Naval Warfare Systems Command, Naval Facilities Engineering Command, Marine Corps Systems Command, and the Office of Naval Research). The original CPARS allowed for both entry and retrieval of report cards. The Navy data base provided a starting point for the broader Federal efforts to follow and build upon.

As an acquisition reform initiative in 2000, the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD AT&L) requested the Naval Sea Logistics Center create a separate system to bring all the different contractor assessment reporting processes that had developed throughout DoD into one DoD source selection system. PPIRS was created to bring these diverse report cards into one place for source selection officials to review and make more informed decisions. Approximately a year later, the Integrated Awards Environment (IAE), selected PPIRS to collect all Federal agency supplier performance report card information, for use by all Federal source selection officials.

The separate creation of PPIRS made it possible for DoD and then all Federal agencies to responsibly retire the other Federal agency report card systems using CPARS, while maintaining source selection oversight responsibilities using PPIRS. Under the direction of both GSA and OUSD AT&L, by July 1, 2014, we expect to reach the goal of providing one rating process to be used by all Federal agencies.

The Duncan Hunter National Defense Authorization Act of 2009 (Public Law 110-417) was enacted on October 14, 2008. Section 872 of this Act 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. At the direction of the IAE FAPIIS was created to meet this requirement while completing the standardization of the supplier performance legacy systems. FAPIIS re-used many of the components of the existing CPARS and PPIRS applications for user access and workflows in order to minimize impact to users and maintain lower maintenance costs.

3. The government has been working on the Integrated Acquisition Environment for years now.

Q. What has the Navy done so far to help achieve the goal of one system for all relevant acquisition information?

Answer: Under the direction of the General Services Administration, and the Office of the Under Secretary of Defense (Acquisition, Technology & Logistics) the Naval Sea Logistics Center, as the designated agent for operation and maintenance of contractor performance data bases, has:

- Retired six supplier major performance systems and multiple smaller systems saving the Federal government millions of dollars in IT and support costs in redundant systems
- Provided a single source for training for all performance programs and has trained over 75,000 government and contractor users over the past three years.
- Provided for the entry, storage, retrieval, and oversight of the largest number of contracting performance reports in the world.
- Provided for the smooth transition of all the federal agencies to one report card assessment process.
- Assisted in resolving contractor's questions regarding various report cards from individual Federal agencies.
- In successive years we have reduced the overall costs for the supplier performance and integrity systems which include the Contractor Performance Assessment Reporting System (CPARS), the Past Performance Information Reporting System and Federal Awardee Performance Integrity Information System (FAPIIS) from \$4.6 million in 2011 to \$3.6 million in FY14.
- By July 1, 2014, we will have made it possible to now plan for the merging of CPARS, PPIRS and FAPIIS into one system.
- Will continue to support the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD AT&L), the Integrated Award Environment (IAE) and the General Services Administration on improvements and changes that meet new requirements and policies required by the changing world of acquisition.

**Post-Hearing Questions for the Record
Submitted to Kevin Youel Page
From Senator Claire McCaskill**

**“Oversight of Contractor Performance Information”
March 6, 2014**

1. **GSA has been working on the Integrated Acquisition Environment for years now and projects several more years of work before it is completed.**

Q. What is the latest status of the integration? Please include the date that each step was completed.

In conjunction with the OMB Techstat process as well as the Administrator’s Top-to-Bottom review of Agency initiatives, the Integrated Award Environment (IAE) is moving forward to implement the eGov vision to consolidate numerous and redundant systems that each support a portion of the Federal award process. While the original plan to achieve this vision was to create the System for Award Management (SAM), both the technological and financial analyses show that continuing to develop, launch, and manage a single “mega” system is not tenable.

As of this date, SAM is functioning quite well. The average time to register an entity is three days. The system is up and available more than 99 percent of the time and is down only for planned maintenance windows during off-peak times. At SAM’s launch only 29 percent of entities registered to contract with the Government had completed the mandatory Representations and Certifications. Today, 100 percent of all companies are compliant. Furthermore, we find that the data feeds to the user agencies for contracting and paying entities is greater than 91 percent more accurate than the data from the legacy system, Central Contractor Registration.

IAE is moving forward with plans for an open data, secure, user centric SAM environment that will consist of a common services platform and three central cores and a robust data warehouse. The development will be agile rather than going back to a long cycle of development, testing, and a “big bang” release. The environment will make use of the entity management functionalities in SAM. The environment will be open to allow for both government and privately developed Application Programming Interfaces (APIs) to foster better and easier use and transparency. The plan for the development and release is based on 18-month phases with incremental releases of functionality throughout. User-facing improvements that update the user experience, including drawing in new functionalities from the legacy systems, will be released in staged deployments.

Milestones to-date include:

Jul 29, 2012: SAM Go-live - Early challenges in system stability

Aug 13, 2012: First day SAM was operational continuously for 24 hours for Representations and Certifications (legacy systems ORCA and CCR/FedReg)

Aug 21, 2012: Department of Defense (DoD) issues class action deviation for vendor registration in SAM in order to issue awards

Oct 22, 2012: GSA Administrator announces shift of management of SAM/IAE to a Federal Acquisition Service – Office of Chief Information Officer partnership

Nov 21, 2012: Exclusions functionality (Excluded Parties List System) operational in SAM (Legacy contract support ended Jan 2013) - Early stability challenges with search features

Nov 27-Dec 10: GSA re-worked SAM search functionality and stabilized operations

Dec 12, 2012: DoD ends Class Action Deviation – SAM

January 2013: GSA initiated the analysis of alternatives to establish the long-term strategy for the IAE portfolio modernization

Mar 8, 2013: Security Vulnerability detected – patch applied immediately, vulnerable users contacted, at-risk population offered credit monitoring. GSA re-worked the SAM security framework over the ensuing weeks for permanent resolution

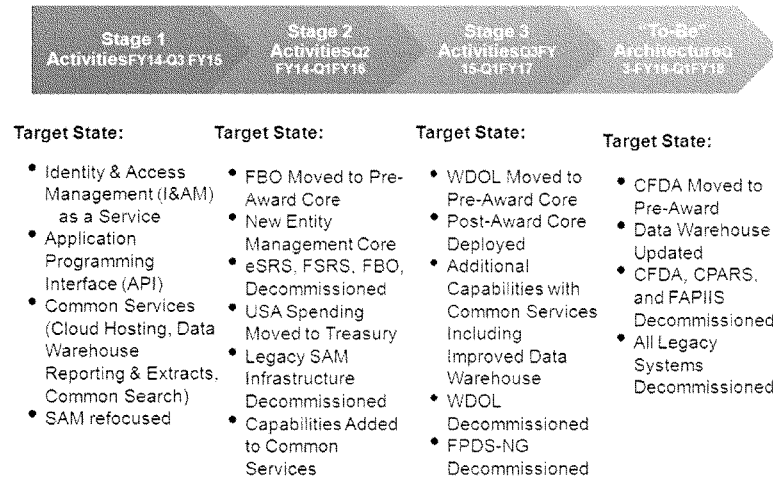
May 23, 2013: Draft alternatives analysis presented to agency stakeholders and OMB concurrence received

June 26, 2013: Section 608 letter sent to the House and Senate Committees on Appropriations regarding transfer of IAE from the Office of Governmentwide Policy to FAS.

Jul 12, 2013: Launch of redesigned Federal Service Desk website

Now: Quarterly releases in the SAM are re-focused to improve quality and user accessibility. Additionally, updates are in progress to improve access to past performance reports and information.

Q. What steps still need to be completed? Please include projected completion dates for these future steps.



2. **At the hearing, the Subcommittee looked at how the list of contractors with “Lockheed Martin” as part of their name was filled with typos and errors.**

Q. What strategies is GSA currently using to clean up mistakes in the databases so that the information is not only more accurate but easier to search?

The Federal Awardee Performance and Integrity Information System (FAPIIS) module of the Past Performance Information Retrieval System (PPIRS) receives a daily file containing all updates from the Entity Management module in SAM. As information is updated or corrected in SAM, it is populated into PPIRS/FAPIIS exactly as it exists in SAM. Formerly, this daily update included all files, both active and inactive, which may have contributed to bad data being pulled from inactive records. We are also investigating ways to cleanse data for records that were populated into PPIRS/FAPIIS prior to this validation rule.

Q. What are some strategies that GSA is developing to fix this problem in the future?

A March 2014 change was implemented to display only active records in PPIRS/FAPIIS and to no longer display inactive records. Because active records must be updated on an annual basis, it is expected that typographical errors will be caught by the entity in the course of the annual update. By way of example, a search for “Lockheed” in PPIRS/FAPIIS previously returned 344 total records; by displaying only active records, this reduces the number of records to 250.

3. **At the hearing, you stated that GSA is in the process of designing a system to aggregate past performance evaluations.**

Q. Where is GSA in that process?

In the summer of 2014, an 18-month effort to standardize contractor performance evaluations will be realized through the merger of three separate reporting modules into a single application under the CPARS name (Contractor Performance Assessment System (CPARS), Architect-Engineer Contract Administration Support System (ACASS) and Construction Contract Administration support System (CCASS)).

GSA and the Naval Sea Logistics Center currently are working to consolidate and simplify the process used to collect performance evaluations; standardize rating elements and forms used to capture contractor past performance; enhance the system so that performance evaluations can be shared faster with source selection officials; add search features that will allow contracting officials to narrow information displayed to reports that are most relevant; develop a capability to aggregate all reports available on an entity; and to create the capability for users to run more reports that meet their needs. We are sharing this approach with the user community now and will refine requirements throughout the summer. We expect to implement these changes by the end of calendar year 2014.

4. **It is very troublesome that contractors can shed unfavorable past performance evaluations by being acquired and forming a new company on paper while the company's core structure remains unchanged. At the hearing, you stated that there are ways the Integrated Acquisition Environment can guard against this problem.**

Q. What are some safeguards that GSA has in place to guard against this sort of loss of information?

Suspension and debarment officials are able to identify specific individuals in SAM as being excluded from doing business with the Government. SAM feeds this information to the Federal Awardee Performance and Integrity Information System (FAPIS) via a web service when the record is searched, and in accordance with Federal Acquisition Regulation (FAR) 9.105-1, contracting officers are required to review FAPIS for a responsibility determination prior to making an award of a contract. At any time, a report of all the suspensions and debarments may be pulled from SAM but as the input into FAPIS is a real time web service, a full listing cannot be pulled from FAPIS. We are working on ways to better enable suspension and debarment officials, as well as source selection officials, better use the information we currently have related to corporate hierarchies.

Q. What additional safeguards can be put in place?

FAR Case 2012-024, Commercial and Government Entity (CAGE) Code, will require offerors, if owned or controlled by another business entity, to identify that entity by a CAGE code in its SAM registration. FAR Case 2013-020, Information on Corporate Contractor Performance and Integrity, will add a field to SAM to also capture successor entities and their CAGE code during registration and will implement section 852 of the National Defense Authorization Act (NDAA) for FY 2013 (Pub. L. 112-239), which requires that FAPIIS include, to the extent practicable, information on any parent, subsidiary, or successor entities to the corporation to provide source selection officials additional information about a company's core structure

5. **At the hearing, you stated that in the contractor self-reporting process, the system is supposed to require an upload that contains information related to any relevant proceedings. In the case of at least two contractors, this information is missing: Honeywell (DUNS 001393073) and United Technologies (DUNS 788136646).**

Q. Please explain why this is the case.

FAPIIS utilizes a web service interface to pull whether or not there are proceedings information in SAM. The proceedings detail information is not displayed directly in FAPIIS; however, it is included in a spreadsheet available for user download and is updated on a monthly basis.

Q. How many contractor entries are missing this information?

As explained above, the proceedings information is currently not displayed directly in FAPIIS based on how the data feed currently works.

Q. What will GSA do to remedy this situation?

A scheduled August 2014 upgrade to the web service call between SAM and FAPIIS will convert existing data, previously entered by registrants in SAM, and then display proceedings data in FAPIIS in accordance with the FAR requirements.

Q. What can GSA do to prevent this from happening again?

The August 2014 upgrade to the web service will correct this issue.

6. **The Subcommittee searched each BP entity that has an active exclusion in SAM.gov (resulting from the Deepwater Horizon disaster) and did not find a single negative past performance evaluation in PPIRS. The number of past performance evaluations listed under these excluded entities is also very small, fewer than 20 total. The list of entities with their DUNS numbers is attached. Although the Deepwater Horizon disaster was not on a federal contract, BP is one of the top one hundred contractors supplying goods and services to the US government and is the US military's single largest fuel**

supplier.

Q. How is it that there are not more past performance evaluations for these BP entities?

Past performance evaluations are required in accordance with FAR 42.1502, which requires that past performance evaluations shall be prepared for contracts and orders, and that these evaluations are for the entity, division, or unit that was awarded the contract or order. If not assigned, it is the responsibility of the contracting officer to ensure that a past performance evaluation has been completed..

7. The most recent past performance evaluation for CGI Federal's Healthcare.gov contract in PPIRS was from June 2013, nine months ago.

Q. How does GSA ensure that agencies are timely with their past performance evaluations?

Past performance evaluations for most contracts (meeting the prescribed thresholds) are required and prepared at least annually and at the time the work under a contract or order is completed, and the system has a robust auto-notification process to remind users that an evaluation is due. The following notifications are sent to Government users:

- Automatic notifications are sent 30 days before the evaluation is due to be started. This email is weekly and continues until the evaluation is started.
- Automatic notifications are sent at the end of the period of performance indicating that an evaluation is required within 120 days. This email is weekly and continues until the evaluation is started.
- Automatic notifications are sent when an evaluation is not completed within the 120-day objective (overdue). This email is weekly and continues until the evaluation is completed.
- Automatic notifications are sent when contractor comments are overdue.
- Automatic notifications are sent identifying evaluations that have been archived because the contract/order had a Final evaluation completed at least one year ago. This email is sent weekly.
- Automatic notifications are sent to users and separate notifications are sent to the Focal Point and Department Point of Contact when users have not logged into CPARS for over two years. This email is sent quarterly.

GSA works closely with OMB to ensure guidance on past performance reporting is accurate and clear. In March 2013, OMB issued the policy memo entitled "Improving the Collection and Use of Information about Contractor Performance and Integrity" outlining specific targets that agencies must meet with respect to Performance Reporting in CPARS / PPIRS. Agencies have access to the PPIRS Compliance Metric Report and are able to monitor their agencies' reporting compliance on a regular basis.

Additionally, the Naval Sea Logistics Center has developed robust CPARS training to underscore the impact of accurate and timely reporting, with hundreds of users attending this online training each month

8. **It was revealed that prior to June 2013, the Department of Health and Human Services knew that CGI Federal was missing deadlines and benchmarks for Healthcare.gov, and yet, all of the past performance evaluations on the Healthcare.gov contract are very positive.**

Q. What policies and/or oversight are in place to ensure the accuracy of past performance evaluations?

FAR 42.1503 outlines the procedures for completing a past performance evaluation. Subparagraph (b)(1) of this section states that “the evaluation should include clear relevant information that accurately depicts the contractor’s performance, and be based on objective facts supported by program and contract or order performance data.” Agencies have discretion over the levels of approval required for past performance evaluations.

Paragraph (a) of this section states the following:

“(1) Agencies shall assign responsibility and management accountability for the completeness of past performance submissions. Agency procedures for the past performance evaluation system shall—

(i) Generally 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;

(ii) Identify and assign past performance evaluation roles and responsibilities to those individuals responsible for preparing and reviewing interim evaluations, if prepared, and final evaluations (e.g., contracting officers, contracting officer representatives, project managers, and program managers). Those individuals identified may obtain information for the evaluation of performance from the program office, administrative contracting office, audit office, end users of the product or service, and any other technical or business advisor, as appropriate; and

(iii) Address management controls and appropriate management reviews of past performance evaluations, to include accountability for documenting past performance on PPIRS.

(2) If agency procedures do not specify the individuals responsible for past performance evaluation duties, the contracting officer is responsible for this function”.

OMB policy memorandum and DoD CPARS guidance directs agencies to assign performance ratings that accurately characterize a contractor’s performance and

to include clear and concise documentation to support the ratings.

Q. What options are there for revised past performance evaluations if it becomes clear at a later date that a prior evaluation was inaccurate?

Agencies are able to revise evaluations at any time via an “Addendum” to capture additional information. If the evaluation has already been finalized, the agency will have to contact the CPARS help desk to make changes. Otherwise, they may make changes directly in CPARS.

Q. What initiatives does GSA have in place to increase reporting percentages in the government’s past performance databases?

OMB has been working with and providing guidance to agencies to assist them with timely reporting and quality submission of performance information. GSA supports this effort and is working with the inter-agency Change Control Board to update the CPARS user guide to improve guidance to agencies on completing past performance evaluations.

Statistically, contracts must be registered in CPARS for the greatest chance of a performance evaluation to be completed

GSA will continue to work with OMB and the IAE governance to implement strategies to identify contracts that are eligible for reporting and provide tools for the agencies to improve reporting compliance and the submission of quality information in CPARS.

3/4/2014

Past Performance Information Retrieval System (PPIRS) - Assessment Reports

ASSESSMENT REPORTS

[Help](#)[Main Menu](#) | [Logout](#)

Company Name Begins with: LOCKHEED MARTIN Sort By: ASSESSMENTENDDATE

[back](#)

Assessments	Company Name	Count
List	LOCKHEED MARTIN CORPORATION	1658
List	LOCKHEED MARTIN CORP	4
List	LOCKHEED MARTIN CORPORATION LOCKHEED	1
List	LOCKHEED MARTIN INTEGRATED SYSTEMS,	343
List	LOCKHEED MARTIN LOGISTIC SERVICES IN	8
List	LOCKHEED MARTIN INTEGRATED TECH LLC	3
List	LOCKHEED MARTIN MANAGEMENT SYSTEMS D	31
List	LOCKHEED MARTIN CORPORATION (LMA)	1
List	LOCKHEED MARTIN TACTICAL SYSTEMS	3
List	LOCKHEED MARTIN AERONAUTICS COMPANY	3
List	LOCKHEED MARTIN NAVAL	3
List	LOCKHEED MARTIN ENGRG	1
List	LOCKHEED MARTIN SPACE SYSTEMS CO	9
List	LOCKHEED MARTIN MISSILES & FIRE CONT	6
List	LOCKHEED MARTIN SERVICES INCORPORATE	31
List	LOCKHEED MARTIN CORPORATION HOU	1
List	LOCKHEED MARTIN ASPEN SYSTEMS CORPOR	4
List	LOCKHEED MARTIN SPACE SYS CO	11
List	LOCKHEED MARTIN AERONAUTICS	1
List	LOCKHEED MARTIN DESKTOP SOLUTIONS, I	1
List	LOCKHEED MARTIN CORPORATION - MS2	1
List	LOCKHEED MARTIN SERVICES, INC	84
List	LOCKHEED MARTIN MISSILES & SPACE	5
List	LOCKHEED MARTIN GOVERNMENT SERVICES	8
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PPIRS, Version : 2.2.19, Build Date : 02/28/2014 09:48:53

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CONTRACTOR PERFORMANCE ASSESSMENT REPORT For Official Use Only - (Source Selection Sensitive Information, See FAR 2.101 , 3.104, AND 42.1503)	
	NONSYSTEMS

Contractor Name and Address

Company Name: CGI FEDERAL INC.
 Division Name:
 Street Address: 12601 FAIR LAKES CIR
 City, State, Zip Code: FAIRFAX VA 220334902
 CAGE Code: 3YVK7
 DUNS+4 Number: 145969783
 NAICS: 541512
 PSC: D302
 SIC Code:

Report Type: INTERIM

Period of Performance Being Assessed: From: 2011-06-07 to: 2012-06-06

Contract Number: HHSM500200700015I

Order Number: HHSM500T0011

Business Sector & Sub-Sector: NONSYSTEMS, TELECOMMUNICATIONS

Location of Contract Performance:

Contracting Office: DIVISION OF BENEFICIARY SUPPORT CONTRACTS

Contracting Officer:

Name: [REDACTED]

Phone: [REDACTED]

Contract Award Date: 2011-06-07

Contract Completion Date: 2013-06-06

Contract Percent Complete:

Awarded Dollar Value: \$13,863,489.000

Current Dollar Value:

Basis of Award: COMPETITIVE

Type of Contract: CPFF

Program Title:

HEALTHCARE.GOV PLAN FINDER APPLICATION

Contract Effort Description:

THIS CONTRACT REQUIRES SETTING UP A DATA COLLECTION AND PRICING ENGINE TO COLLECT INDIVIDUAL AND SMALL GROUP PRIVATE HEALTH INSURANCE INFORMATION, INCLUDING RATES, BENEFITS, AND REGIONS. THIS RATING AND OTHER COST DATA IS USED TO FEED A RATING ENGINE THAT PROVIDES ESTIMATED BASE RATES TO BE DISPLAYED ON THE PLAN FINDER TOOL ON HEALTHCARE.GOV. THIS INFORMATION, ALONG WITH THE OTHER DATA COLLECTED, SHOULD BE PASSED TO HEALTHCARE.GOV USING AN APPLICATION PROGRAMMING INTERFACE.

Key Subcontractor(s):

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Small Business Utilization:

Does this contract include a subcontracting plan? NO

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

A common five level assessment rating system is used to evaluate a contractor's performance. Ratings range from Unsatisfactory to Exceptional. Here's a breakdown of each category:

Rating	Definition
Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.
Satisfactory	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Area Rated:	Past Rating	Rating
Quality of Product/Service		EXCEPTIONAL (+)
Schedule		EXCEPTIONAL
Cost Control		EXCEPTIONAL (+)
Business Relations		EXCEPTIONAL
Management of Key Personnel		EXCEPTIONAL
Utilization of Small Business		N/A

Other Areas:

(1):

(2):

(3):

(4):

(5):

(6):

(7):

(8):

Variance (contract to date) Current Completion

Cost Variance (%)	%	%
Schedule Variance (%)	%	%

Assessing Official Comments:

Quality of Product/Service: The Contractor has completed all of the requests we have given them as requested, and has made an extraordinary effort to do so even when the requests require efforts that previously were not possible using existing technology, and the Contractor has been proactive in coming up with solutions for problems encountered and anticipated.

Schedule: The Contractor has kept all of the required schedules we have asked, including reacting to changes in requirements during development and pursuing new technologies when necessary to complete projects.

Cost Control: Given the task of completing all of the anticipated work in addition to new requirements that come up at different times during the development work, the Contractor's Cost Control and budgeting has been exemplary.

Business Relations: The Contractor has done an exceptional job in being consumer facing, and coming up with solutions to problems.

Management of Key Personnel: I have felt consistently that the correct assets are being used in the correct roles, and feel that we have gotten more out of our money as a result.

Given what I know today about the contractor's ability to execute what he promised in his proposal, I DEFINITELY WOULD award to him today given that I had a choice.

Assessing Official:

Name: [REDACTED]

Title: CONTRACTING OFFICER

Organization: CENTERS FOR MEDICARE & MEDICAID SERV

Phone: [REDACTED] FAX: [REDACTED]

Email: [REDACTED]@CMS.HHS.GOV

Date: 2012-12-12

Contractor Comments:

Overall Comments: THIS CPAR HAS BEEN MODIFIED BY THE ASSESSING OFFICIAL. THE INFORMATION PROVIDED IN THIS SECTION INCLUDES THE ORIGINAL RATINGS, ORIGINAL ASSESSING OFFICIAL NARRATIVES, AND THE COMMENTS MADE BY THE CONTRACTOR IN RESPONSE TO THESE ORIGINAL RATINGS AND NARRATIVES. ORIGINAL RATINGS: QUALITY OF PRODUCT: EXCEPTIONAL (+) SCHEDULE: VERY GOOD COST CONTROL: EXCEPTIONAL (+) BUSINESS RELATIONS: VERY GOOD MANAGEMENT: EXCEPTIONAL UTILIZATION OF SMALL BUSINESS: N/A OTHER AREAS: ORIGINAL ASSESSING OFFICIAL RECOMMENDATION: Given what I know today about the Contractor's ability to execute what they promised in their proposal, I definitely would award to them today given that I had a choice. ORIGINAL ASSESSING OFFICIAL NARRATIVE: QUALITY OF PRODUCT: The Contractor has completed all of the requests we have given them as requested, and has made an extraordinary effort to do so even when the requests require efforts that previously were not possible using existing technology, and the Contractor has been proactive in coming up with solutions for problems encountered and anticipated. SCHEDULE: The Contractor has kept all of the required schedules we have asked. The reason this is not in the "Exceptional" category is that there have been times that, while the schedule was kept, additional fixes had to be done after the due date, and while these were minor, adding additional time for testing into the schedule would make for fewer issues. COST CONTROL: Given the task of completing all of the anticipated work in addition to new requirements that come up at different times during the development work, the Contractor's Cost Control and budgeting has been exemplary. BUSINESS

RELATIONS: The Contractor has done a very good job in being consumer facing, and coming up with solutions to problems. MANAGEMENT: I have felt consistently that the correct assets are being used in the correct roles, and feel that we have gotten more out of our money as a result. CONTRACTOR COMMENTS: QUALITY OF PRODUCT: The collaborative spirit of CMS made our mutual innovations possible. CGI appreciated the "winning" environment fostered by CMS. SCHEDULE: Considering the impact of schedule constraints imposed upon the project by the "date-driven" regulatory requirements, we respectfully request that CMS consider a rating of Exceptional as appropriate for this evaluation area. While the mandate was to meet the due date with full functionality, late and/or additional requirements affected the quality testing cycle. In all cases, the quality concerns of shortened testing cycles were reviewed and approved. Thank you for your consideration. COST CONTROL: CGI prides itself in being fully transparent in all aspects of project reporting, but particularly cost control. We share with CMS a duty to achieve the best results possible in the most cost effective manner possible BUSINESS RELATIONS: Along with delivering consumer focused software systems on time and on budget, CGI's efforts to manage and bridge relationships across separate programs in a dynamic environment in which rules and regulations are still being written and interpreted, we would like CMS to consider whether an Exceptional rating for this evaluation area might be appropriate. Thank you. MANAGEMENT: CGI strives to work in partnership with CMS to make sure the right resources are applied to the right challenge at the right time. UTILIZATION OF SMALL BUSINESS: As part of the overarching ESD contract subcontract plan, CGI has utilized small businesses on this task order. GENERAL: CGI appreciates the opportunity to support CMS' strategic initiatives supporting its stakeholders.

Contractor Representative:

Name: [REDACTED]
 Title: SR.CONTRACTS MANAGER
 Phone: [REDACTED] FAX: [REDACTED]
 Email: [REDACTED]@CGIFEDERAL.COM
 Date: 2012-12-10

Reviewing Official Comments:

The evaluation has been modified after consideration of the Contractor's comments.

Reviewing Official:

Name: [REDACTED]
 Title: DIVISION DIRECTOR
 Organization: CMS
 Phone: [REDACTED] FAX: [REDACTED]
 Email: [REDACTED]@CMS.HHS.GOV
 Date: 2013-03-07

Print	Close
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CONTRACTOR PERFORMANCE ASSESSMENT REPORT	
For Official Use Only - (Source Selection Sensitive Information, See FAR 2.101 , 3.104, AND 42.1503)	NONSYSTEMS

Contractor Name and Address

Company Name: CGI FEDERAL INC.
 Division Name:
 Street Address: 12601 FAIR LAKES CIR
 City, State, Zip Code: FAIRFAX VA 220334902
 CAGE Code: 3YVK7
 DUNS+4 Number: 145969783
 NAICS: 541512
 PSC: D302
 SIC Code:

Report Type: FINAL**Period of Performance Being Assessed:** From: 2012-06-07 to: 2013-06-06**Contract Number:** HHSM500200700015I**Order Number:** HHSM500T0011**Business Sector & Sub-Sector:** NONSYSTEMS, TELECOMMUNICATIONS**Location of Contract Performance:****Contracting Office:** DIVISION OF BENEFICIARY SUPPORT CONTRACTS**Contracting Officer:**

Name: [REDACTED]
 Phone: [REDACTED]

Contract Award Date: 2011-06-07**Contract Completion Date:** 2013-06-06**Contract Percent Complete:****Awarded Dollar Value:** \$13,863,489.000**Current Dollar Value:** \$15,786,140.000**Basis of Award:** COMPETITIVE**Type of Contract:** CPFF**Program Title:**

HEALTHCARE.GOV PLAN FINDER APPLICATION, RATE BENEFIT INFORMATION SYSTEM

Contract Effort Description:

THIS CONTRACT REQUIRES SETTING UP A DATA COLLECTION AND PRICING ENGINE TO COLLECT INDIVIDUAL AND SMALL GROUP PRIVATE HEALTH INSURANCE INFORMATION, INCLUDING RATES, BENEFITS, AND REGIONS. THIS RATING AND OTHER COST DATA IS USED TO FEED A RATING ENGINE THAT PROVIDES ESTIMATED BASE RATES TO BE DISPLAYED ON THE PLAN FINDER TOOL ON HEALTHCARE.GOV. THIS INFORMATION, ALONG WITH THE OTHER DATA COLLECTED, SHOULD BE PASSED TO HEALTHCARE.GOV USING AN APPLICATION PROGRAMMING INTERFACE.

Key Subcontractor(s):

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Small Business Utilization:

Does this contract include a subcontracting plan? NO

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

A common five level assessment rating system is used to evaluate a contractor's performance. Ratings range from Unsatisfactory to Exceptional. Here's a breakdown of each category:

Rating	Definition
Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.
Satisfactory	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Area Rated:**Past Rating****Rating**

Quality of Product/Service

EXCEPTIONAL (+)

Schedule

EXCEPTIONAL

Cost Control

EXCEPTIONAL

Business Relations

EXCEPTIONAL

Management of Key Personnel

EXCEPTIONAL

Utilization of Small Business

N/A

Other Areas:

(1):

(2):

(3):

(4):

(5):

(6):

(7):

(8):

Variance (contract to date)	Current	Completion
Cost Variance (%)	%	%
Schedule Variance (%)	%	%

Assessing Official Comments:

Quality of Product/Service: CGI has continued to not only provide the requirements exactly as requested, but also anticipates future needs to help improve on the requirements as well as the results. Schedule: CGI has never missed a deadline, and frequently comes in ahead of deadline.

Cost Control: Since the advent of the RBIS contract, we have not had any budget related issues. When growing requirements have necessitated changes in other places, the situation has been clearly explained, with appropriate options presented. This has allowed for maximization of resources and value under the contract.

Business Relations: Excellent, appropriate communications with the business owner. Concerns, issues, requests have been clear and reasonable, just as the response to those situations from the business side.

Management of Key Personnel: Always use the correct asset in the correct situation, allowing for a more efficient relationship. I feel that personnel were used in the appropriate manner in all situations, and often the assignments were planned and implemented in such a way as to maximize efficiency.

Overall Comments: From a lofty starting point, CGI Federal has continued to improve in every aspect, both through communications with the business owner and COR as well as through self-assessment.

Given what I know today about the contractor's ability to execute what he promised in his proposal, I DEFINITELY WOULD award to him today given that I had a choice.

Assessing Official:

Name: [REDACTED]
 Title: CONTRACTING OFFICER
 Organization: CENTERS FOR MEDICARE & MEDICAID SERV
 Phone: [REDACTED] FAX: [REDACTED]
 Email: [REDACTED]@CMS.HHS.GOV
 Date: 2013-12-06

Contractor Comments:

Quality of Product/Service: CGI's methodology for software design and development takes a client-first approach and stresses frequent and timely interaction with the customers early in the requirements gathering process. This interaction allows CGI and the customer to develop a partnership that facilitates a common understanding of the customer's immediate needs, as well as future goals and direction. Our comprehensive processes for requirements documentation and management allows CGI and our customers to agree upon an optimal outcome and track progress from the requirements gathering, through development, documentation, testing, and release. This proven methodology helps eliminate scope creep, reduces risks, and provides our customers control over costs. As a result, we are consistently able to deliver projects on specification, on time, and on budget

Schedule: The CGI project manager controls schedule through the use of industry best practices and leverages project management tools, such as the project management plan, the project schedule, work performance information and organizational process assets to help the project succeed.

Cost Control: CGI adheres to a strict process of cost estimating and cost management that is a process of collecting, analyzing, summarizing and evaluating various alternative courses of action. The goal is to select the most appropriate course of action based on the cost efficiency and capability.

Business Relations: CGI prides itself on effective communication with regularly scheduled status meetings and report generation.

Management of Key Personnel: Resource Management is a CGI best practice that ensures selection of the most appropriate personnel for the work at hand, as well as the ongoing resources management for the lifetime of the project.

Utilization of Small Business: CGI has a subcontracting plan for the ESD IDIQ, which it manages through use of small and preferential subcontractors on a task by task basis. For this task, CGI's subcontractors were almost entirely small and/or preferential businesses, providing targeted technical expertise.

Overall Comments: CGI Federal appreciates the opportunity to continue its support of CMS through enhancement and maintenance of RBIS and HIOS. We value our collaborative and professional working relationship with CMS staff.

Contractor Representative:

Name: [REDACTED]
Title: SR, CONTRACTS MANAGER
Phone: [REDACTED] FAX: [REDACTED]
Email: [REDACTED]@CGIFEDERAL.COM
Date: 2013-12-19

Reviewing Official Comments:

Review by Reviewing Official not required.

Reviewing Official:

Name:
Title:
Organization:
Phone: FAX:
Email:
Date:

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CONTRACTOR PERFORMANCE ASSESSMENT REPORT For Official Use Only - (Source Selection Sensitive Information, See FAR 2.101 , 3.104, AND 42.1503)	
	NONSYSTEMS

Contractor Name and Address

Company Name: CGI FEDERAL INC.
 Division Name:
 Street Address: 12601 FAIR LAKES CIRCLE
 City, State, Zip Code: FAIRFAX VA 22033
 CAGE Code:
 DUNS+4 Number: 145969783
 NAICS: 541512
 PSC: 7010
 SIC Code:

Report Type: INTERIM**Period of Performance Being Assessed:** From: 2011-09-30 to: 2012-09-29**Contract Number:** HHSM500200700015I**Order Number:** HHSM500T0012**Business Sector & Sub-Sector:** NONSYSTEMS, HARDWARE**Location of Contract Performance:****Contracting Office:** DEPT OF HHS/CMS**Contracting Officer:**

Name: XXXXXXXXXX
 Phone: XXXXXXXXXX

Contract Award Date: 2011-09-30**Contract Completion Date:** 2017-03-01**Contract Percent Complete:****Awarded Dollar Value:** \$93,735,469.000**Current Dollar Value:** \$55,744,082.000**Basis of Award:** COMPETITIVE**Type of Contract:** CPFF**Program Title:**

FEDERAL EXCHANGE

Contract Effort Description:

HIX- FEDERAL EXCHANGE

Key Subcontractor(s):

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:

CAGE Code:

DUNS+4 Number:

Effort Performed:

Contractor Name:
 CAGE Code:
 DUNS+4 Number:
 Effort Performed:

Small Business Utilization:
Does this contract include a subcontracting plan? NO
Date of last Individual Subcontracting Report (ISR) / Summary Subcontracting Report (SSR): N/A

A common five level assessment rating system is used to evaluate a contractor's performance. Ratings range from Unsatisfactory to Exceptional. Here's a breakdown of each category:

Rating	Definition
Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.
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Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Area Rated:	Past Rating	Rating
Quality of Product/Service		SATISFACTORY (+)
Schedule		SATISFACTORY (+)
Cost Control		SATISFACTORY (+)
Business Relations		VERY GOOD (+)
Management of Key Personnel		VERY GOOD (+)
Utilization of Small Business		N/A

Other Areas:

- (1):
- (2):
- (3):
- (4):
- (5):
- (6):
- (7):
- (8):

Variance (contract to date)	Current	Completion
Cost Variance (%)	%	%
Schedule Variance (%)	%	%

Assessing Official Comments:

Quality of Product/Service: CGI has largely adopted CMS' semantics design and canonical data model requirements but there are areas where CMS has needed to reiterate/reinforce to confirm full

compliance. CGI also deployed CMS' cloud technical architecture and have satisfactorily deployed FFE platform/infrastructure in support of FFE application/systems development. CGI provides timely risk management reports and status reports for CMS, but could be more proactive in delivery of these reports so that CMS can better react to and control issues before they become critical. Due to complexity of FFE systems development, CGI has had issues with being able to complete development and testing on-time. For the most part, this delay was caused by CMS' changing requirements/policies and cannot be attributed to CGI alone. However, CGI also has not been as effective in controlling the changes by proactively putting in controls in place with the design & development process. Overall, products and services from CGI is satisfactory.

Schedule: Overall, development completion rate for this period is behind the original schedule. However, this delay can be largely attributed to changing CMS requirements and policies. CMS notes that, although CGI underestimated the amount of effort necessary to complete the design and requirements work, CGI quickly mobilized additional resources and effectively engaged CMS business owners to catch up. CMS also noted the following corrective actions from CGI: - Initially, CGI experienced delay in implementing the environment and semantic model framework per CMS' technical reference architecture. CGI brought in subject matter experts from other parts of CGI to help guide and complete the implementation. - CGI's initial schedule did not effectively account for anticipated & unexpected changes. CGI engaged CMS business owners tirelessly to identify/forecast future changes and incorporated into the updated schedule. CGI's subsequent updates to the schedule more effectively accounts for changes and allows for proactive management of these changes. Overall, CGI's schedule performance is satisfactory and definitely on the right track to perform and achieve higher results.

Cost Control: CGI has experienced a significant cost overruns due to changing requirements and policies imposed by CMS. Due to close engagement/oversight between CMS and CGI management, CMS was able to plan for and complete a contract modification to account for the cost overrun. In general, CGI has instituted and complied with CMS' Earned Value Management requirements as part of the cost control management processes.

Business Relations: CGI has been very good in their engagement of various CMS entities(OC, CCHIO, OIS, and CMCS) in support of FFE system development and testing. In addition, CGI has been very cooperative in supporting FFE integration with the Hub. Overall, QSSI has been attentive and customer oriented in their support of CMS for the FFE development and implementation. CMS has received a number of notifications from external entities (ex: state of WA, OR, and MA) on CGI's customer support engagement as part of FFE system development/delivery.

Management of Key Personnel: CGI has hired experienced project management personnel and technical architects to support the FFE system development and implementation. These key personnel have proven to be effective in design, development, and deployment of FFE systems/applications (both business services and technical/security services). In particular, CGI's Business/Solution leads are always available for consult and resolution of questions/issues. These key personnel have kept CMS informed and aware of critical issues in a timely manner and proactively participated in resolution of these issues.

Given what I know today about the contractor's ability to execute what he promised in his proposal, I PROBABLY WOULD award to him today given that I had a choice.

Assessing Official:

Name: [REDACTED]
 Title: CONTRACTING OFFICER
 Organization: CMS
 Phone: [REDACTED] FAX:

Email: [REDACTED]@CMS.HHS.GOV

Date: 2013-01-30

Contractor Comments:

Quality of Product/Service: CGI appreciates the open and collaborative team environment that CMS has established for this dynamic program. The program has a notably high number of stakeholders from CMS, industry and other supporting contractors - all working to bring sometimes yet to be written rules and regulations to technical implementation in a tight timeframe. CGI is experienced with successfully delivering projects for CMS in this type of dynamic environment. For the FFE CGI has partnered with all stakeholders to implement transparent controls to facilitate communications among CMS decision makers and to highlight the impact and timing of decisions on software development. We look forward to working with CMS to evolve all control processes as the FFE program moves from unwritten policy to implementation success.

Schedule: Due to evolving regulations, multiple stakeholders and high visibility of the program, the scale and desired functionality of FFE change regularly. CGI and CMS have worked well together to adapt planning and development processes to accommodate the unknown of the future while being able to deliver on iterative software packages that can be reworked and refactored as a result of yet to be defined business rules. CGI appreciates CMS spirit and practice of collaboration on this front.

Cost Control: CGI has worked with CMS program and contract management offices to report and manage potential schedule and cost variances based on CMS policy and functional priorities as they are determined and approved during the system development lifecycle process. CGI will continue to work proactively within CMS cost control management processes.

Business Relations: CGI strives to support effective communication on the development and implementation of the FFE within the CMS organization and with vendors such as QSSI, the Data Hub contractor, as well as with CMS' external partners such as the states and insurers.

Management of Key Personnel: CGI has assembled a high caliber project team including technical, functional and management staff to effectively address the requirements related to the FFE development as well as interactions with CMS program leads and stakeholders. We strive to work proactively with CMS' team leads, who are actively engaged with the FFE project and available to CGI on a timely basis.

Utilization of Small Business: CGI is utilizing a number of small business subcontractors for both services and software for the FFE.

Overall Comments: CGI appreciates the opportunity to support this important initiative for CMS, which has its implementation challenges due to sizing, inclusion of multi-stakeholder requirements, and tight timeframes. We will continue to work collaboratively and proactively with CMS through communication on progress, risk identification and mitigation, and cost reporting.

Contractor Representative:

Name: [REDACTED]

Title: SR. CONTRACTS MANAGER

Phone: [REDACTED] FAX: [REDACTED]

Email: [REDACTED]@CGIFEDERAL.COM

Date: 2013-03-03

Reviewing Official Comments:

Review by Reviewing Official not required.

Reviewing Official:

Name:

Title:

Organization:

Phone: FAX:
Email:
Date:

