



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

**Acquisition Procedures
Update (APU) No. 15-02
October 30, 2014**

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

Iris B. Cooper

FROM: Iris B. Cooper, Senior Procurement Executive, Office of the Procurement Executive

SUBJECT: Implementation of the steps described in OFPP memorandum dated July 10, 2014 entitled, "Making Better Use of Contractor Performance Information"

1. Purpose: To provide instruction to Contracting Officers and other appropriate acquisition personnel in the preaward phase of the acquisition on making better use of contractor performance information as prescribed by OFPP memorandum dated July 10, 2014 entitled, "Making Better Use of Contractor Performance Information."

2. Effective Date: November 3, 2014

3. Expiration Date: Until otherwise canceled, superseded or included within a future edition of the DTAP.

4. Background¹: This APU is being issued in order to implement the guidance provided by the Office of Federal Procurement Policy (OFPP) via a memorandum dated July 10, 2014 entitled, "Making Better Use of Contractor Performance Information." This memorandum reflects OFPP's on-going effort to improve agency reporting of contractor performance and integrity information so contracting officers (COs) can make better informed award decisions. OFPP states "Evaluating timely and relevant information about how a contractor performs is critical to the Government's ability to deliver results effectively and efficiently." Therefore, OFPP included within this memorandum guidance on agencies use of contractor performance information. Specifically, OFPP requested "agencies to instruct all COs and/or appropriate agency acquisition officials, in the preaward phase of the acquisition process for high-risk, complex actions described therein, to perform the steps described in Attachment 1." In particular, the intent is for these "common sense steps to be applied to, at a minimum, to acquisitions (contracts or orders) for complex information technology (IT) development, systems, and services over \$500,000, and other acquisitions (contracts or orders) identified by the agency as presenting a significant risk." Overall, Section 5 of this APU represents Treasury's implementation of this memorandum via an amendment to the Department of the Treasury Acquisition Procedures (DTAP).

5. Department of the Treasury Acquisition Procedures:

A. Subpart 1008.4 is amended as follows:

a. Adding 1008.405-1(f)(1) to read as follows:

The steps provided in 1015.370-1 may be followed when using past performance as an evaluation factor for an acquisition meeting the criteria described therein.

b. Adding 1008.405-2(d)(1) to read as follows:

The steps provided in 1015.370-1 may be followed when using past performance as an evaluation factor for an acquisition meeting the criteria described therein.

c. Adding 1008.405-3(a)(2)(i) to read as follows:

The steps provided in 1015.370-1 may be followed when using past performance as an evaluation factor for an acquisition meeting the criteria described therein.

B. 1015.305(a)(2)(ii) is revised to read as follows:

FROM: “For purposes of conducting a past performance evaluation during a source selection, COs shall search Past Performance Information Retrieval System (PPIRS) to identify and if found, review contractor performance information.”

TO: “For purposes of conducting a past performance evaluation during a source selection, COs shall search the Past Performance Information Retrieval System (PPIRS) to identify and if found, review contractor past performance information. In addition, for acquisitions meeting the criteria described in 1015.370-1 the CO shall follow the steps provided therein.”

C. Adding 1015.370 to read as follows:

1015.370 Making better use of performance information.

This section implements the steps described in the Office of Federal Procurement Policy (OFPP) Memo dated July 10, 2014 entitled, “Making Better Use of Contractor Performance Information” for broadening the sources of performance information for COs to make better informed award decisions.

1015.370-1 Steps.

The FAR allows the Government to consider information from additional sources of information beyond PPIRS, including information found from conducting additional research and outreach, when evaluating a contractor’s performance history.

(a) The steps provided in table 1015.370-1 of this section are to be applied, at a minimum, to acquisitions (contracts or orders) for complex information technology (IT) development, systems, or services over \$500,000, and the following acquisitions (contracts or orders) that present a significant risk—

- (1) Cost reimbursement or time-and-material contracts and orders;
- (2) Awards that are complex in nature, such as large construction, architect-engineer, research and development, software development and implementation acquisitions, etc;
- (3) Awards involving high dollar values or major acquisition systems, consistent with OMB Circular No. A-109, regardless of the contract type;
- (4) Actions overseas and for contingency operations, regardless of the contract type; and
- (5) Other contracts or orders as deemed to be high risk by the Bureau.

(b) When an acquisition involves the use of these steps, the CO shall ensure it is appropriately discussed in the source selection plan and described in the solicitation (see FAR 15.305(a)(2)).

TABLE 1015.370-1—ADDITIONAL RESEARCH AND OUTREACH STEPS

Step	Action
1. Request information on recent Federal contracts.	Contact the CO, COR, or Program or Project Manager (P/PM) of the offeror’s two largest, most recently awarded Federal contracts or orders so the history of an offeror’s work can be reviewed. If this information is not readily available, request offerors to provide points of contact as part of their submission.

2. Search for recent news about the company's performance (as appropriate).	Review articles and other publications for timely and relevant news about the company's performance or business integrity. If warranted, search for pertinent company's performance information in Government Accountability Office reports available at www.gao.gov , and cognizant IG authority reports. Also, if necessary, review the company's past suspension and debarment record concerning incidents with other agencies and Treasury that are germane to the acquisition.
3. Review reliable commercial sources of performance information (as appropriate).	In addition to PPIRS, use public and commercial databases, or related services, to gain a fuller understanding of an offeror's performance. Some of these companies provide business reviews, past performance reports, consumer evaluations, management reports, and other information that might be helpful in assessing an offeror's ability to perform the contract successfully.
4. Ask for a wide variety of references	Request offerors provide at least three to five references of recently completed contracts or orders (within the last three to five years) from Federal, State, local or foreign government, and by commercial firms, business partners, subcontractors, etc. of similar size, scope, and complexity.
5. Ask for information about sub-contractors and contractor team arrangements	Request that offerors provide past performance information on subcontractors and contractor team arrangements using the guidance above for sources of information.

6. Required Bureau Action: Bureaus shall adhere to these amendments to the DTAP on the effective date of this APU.

Additional Information: Questions about this APU may be directed to Thomas O'Linn at thomas.olinn@treasury.gov or via telephone at (202) 622-2092.