



Highlights of [GAO-09-374](#), a report to congressional requesters

FEDERAL CONTRACTORS

Better Performance Information Needed to Support Agency Contract Award Decisions

Why GAO Did This Study

In fiscal year 2007, federal agencies worked with over 160,000 contractors, obligating over \$456 billion, to help accomplish federal missions. This reliance on contractors makes it critical that agencies have the information necessary to properly evaluate a contractor's prior history of performance and better inform agencies' contract award decisions.

While actions have been taken to improve the sharing of past performance information and its use—including the development of the Past Performance Information Retrieval System (PPIRS)—concerns remain about this information. This report assesses agencies' use of past performance information in awarding contracts; identifies challenges that hinder systematic sharing of past performance information; and describes efforts to improve contractor performance information.

In conducting this work, GAO analyzed 62 contract solicitations from fiscal years 2007 and 2008 and met with 121 contracting officials. While the solicitations represent a range of contracts and contractors, GAO's findings cannot be generalized to all federal contracts.

What GAO Recommends

GAO is making recommendations to the Office of Federal Procurement Policy and selected agencies aimed at facilitating sharing and use of past performance information. All agencies agreed with the recommendations.

[View GAO-09-374 or key components.](#)

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What GAO Found

Agencies considered past performance information in evaluating contractors for each of the 62 solicitations GAO reviewed. Generally, factors other than past performance, such as technical approach or cost, were the primary factors for contract award decisions. A majority of officials told us their reluctance to rely more on past performance was due, in part, to their skepticism about the reliability of the information and difficulty assessing relevance to specific acquisitions.

Contracting officials agreed that for past performance information to be useful for sharing, it must be documented, relevant, and reliable. However, GAO's review of PPIRS data for fiscal years 2006 and 2007 indicates that only a small percentage of contracts had a documented performance assessment; in particular, we found little contractor performance information for orders against the General Services Administration's Multiple Award Schedule. Other performance information that could be useful in award decisions, such as contract terminations for default and subcontract management, was not systematically captured across agencies. Some officials noted that a lack of accountability and lack of system tools and metrics made it difficult for managers to ensure timely performance reports. Variations in evaluation and rating factors have also limited the usefulness of past performance information. Finally, a lack of central oversight and management of PPIRS data has hindered efforts to address these and other shortcomings.

Several efforts have been initiated to improve PPIRS, but little progress has been made. In 2005, an interagency work group established several broad goals for improving past performance information, including standardizing performance ratings used by various agencies. However, these goals have yet to be met, and no funding has been dedicated for this purpose. In April 2008, changes to federal regulations were proposed that would clarify past performance documentation requirements and require the use of PPIRS. However, as of February 2009, the proposed changes had not been finalized.

Estimated Contracts Requiring an Assessment That Had an Assessment in Fiscal Year 2007			
Department/agency	Estimated contracts requiring an assessment	Contracts with an assessment	Percent
Air Force	2,795	1,300	47
Navy	3,879	1,622	42
Army	6,145	1,971	32
Other DOD	1,408	303	22
Homeland Security	4,131	535	13
NASA	3,706	1,093	29
Energy	840	183	22
Total percentage	22,904	7,007	31

Source: GAO analysis of data from DOD, FPDS-NG, and PPIRS.