



TRICARE
MANAGEMENT
ACTIVITY

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS
SKYLINE FIVE, SUITE 810, 5111 LEESBURG PIKE
Falls Church, Virginia 22041-3206**

TRICARE ACQUISITION DIRECTIVE

**TAD 42-02, Rev. 000
February 16, 2012**

SUBJECT: MONITORING CONTRACTOR PERFORMANCE

References: See Enclosure 1

1. PURPOSE. This TRICARE Acquisition Directive (TAD) establishes policy for monitoring, evaluating, and documenting contractor performance for the TRICARE Management Activity (TMA). Reference (a) is hereby rescinded. Further procedures, guidance, and information are provided in TMA Procedures, Guidance and Information (PGI) 242.15-90, Reference (b), and TMA PGI 246.470, Reference (c).

2. APPLICABILITY. This Directive applies to TMA personnel responsible for monitoring, evaluating, and documenting contractor performance of contracts issued under the authority of the TMA Head of the Contracting Activity (HCA).

3. DEFINITIONS.

3.1. Contractor Performance Assessment Report (CPAR). The documented assessment of a contractor's performance, both positive and negative, on a given contract over a specified period of time. Further information on CPARs is provided in TAD 42-01 "Contractor Past Performance Information," Reference (d).

3.2. Corrective Action Plan (CAP). A written plan prepared by the contractor describing the actions necessary to correct an identified contractual nonconformance.

3.3. Corrective Action Request (CAR). A written request for corrective action issued by a Contracting Officer (CO) to the contractor describing specific contractual nonconformance.

3.4. Nonconformance. Defined in Reference (e).

3.5. Performance Assessment Tracking (PAT) System. A TMA E-Commerce software application used to track and document contractor compliance, provide central access to contract deliverables, and produce management reports.

3.6. Subject Matter Expert (SME). TMA personnel and approved non-governmental advisors who review and document contractor performance, document nonconformance and provide recommendations to the CO and Contracting Officer's Representative (COR) regarding instances of nonconformance, and participate in the review and monitoring of corrective actions.

4. POLICY. It is TMA policy that:

4.1. Contractor performance shall be monitored by the designated COR and CO in accordance with the contract's quality assurance surveillance plan (QASP) as required under References (e), (f), and (g).

4.2. Only the CO has the authority to issue a CAR to the contractor.

4.2.1. The contractor must acknowledge receipt of the CAR and must provide a CAP to the CO in response to the CAR.

4.2.2. The minimum contents for a CAR and a CAP are identified in Enclosure (2).

4.3. Execution of the CAP shall be monitored by the CO and COR. Only the CO has the authority to close a CAR.

4.4. If the contractor fails to complete a corrective action documented in the approved CAP or the nonconformance is not resolved after completion of the CAP, the failure must be documented in the annual CPAR and the CO shall determine whether to issue another CAR or to escalate the nonconformance to an issue of contractual default.

4.5. The CO and COR shall utilize the PAT system to monitor and document contractor performance for:

4.5.1. All TRICARE Program medical, dental, and pharmacy contracts to include those services contracts issued in direct support of the medical, dental, and pharmacy contracts. This requirement applies to the current and future generations of these contracts.

4.5.2. Any contract with an estimated aggregate value in excess of the CPARS thresholds, as set forth in Reference (d), only if the PAT system has sufficient capacity and resources to support the contract.

4.5.2.1. The CO must coordinate with the PAT System Administrator to utilize the PAT system for any other contracts not covered under 4.5.1 or 4.5.2.

4.5.2.2. The Contracting Office Division Chief/Director may waive the requirement in 4.7.2. Waiver requests must be initiated by the CO in coordination with the Program Manager (PM) and COR.

5. RESPONSIBILITIES.

5.1. CO. The CO is ultimately responsible for the oversight of contractor performance to include ensuring the appropriate quality assurance and performance assessment tools and methods are implemented. The CO shall be the only individual with authority to issue and close a CAR.

5.2. COR. The COR, with assistance from SMEs, shall:

5.2.1. Serve as the primary monitor of contractor performance and delivery in accordance with the contract and QASP.

5.2.2. Use the PAT, or other tool/method, to monitor and document contractor performance, and to access contract deliverables.

5.2.3. Recommend to the CO, in instances of nonconformance, whether corrective action is required.

5.2.4. Assist the CO with review of CAPs and contractor progress against approved plans.

5.3. PAT System Administrator. The PAT System Administrator shall maintain and enhance the PAT system functionality, develop and implement business rules to maintain standardization, develop user guides, provide PAT training, and develop standard and ad hoc reports as required.

5.4. PM or TRICARE Regional Office (TRO) Director. The PM or TRO Director shall nominate CORs to monitor, evaluate, and document contractor performance and ensure personnel attend PAT and other contract management training as required.

6. EFFECTIVE DATE. This Directive is effective immediately.



Michael P. Fischetti
Director, Acquisition Management and Support

Enclosures

- E.1. References
- E.2. Required Content for a CAR and a CAP

E.1. ENCLOSURE 1

REFERENCES

- (a) TRICARE Acquisition Practice 37-01, "Management of Contractor Performance," hereby rescinded
- (b) TRICARE Management Activity, Procedures, Guidance, and Information (PGI) 242.15-90, "Monitoring Contractor Performance," current edition
- (c) TRICARE Management Activity, PGI 246.470, "Government Contract Quality Assurance Actions," current edition
- (d) TRICARE Acquisition Directive 42-01, "Contractor Past Performance Information," current edition
- (e) Federal Acquisition Regulation (FAR), Subpart 46.101, "Definitions," current edition
- (f) FAR, Subpart 37.6, "Performance Based Acquisition," current edition
- (g) FAR, Subpart 46.4, "Government Contract Quality Assurance," current edition
- (h) Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 237.172, "Service Contracts Surveillance," current edition
- (i) DFARS, Subpart 246.4, "Government Contract Quality Assurance," current edition

E.2. ENCLOSURE 2

REQUIRED CONTENT FOR A CORRECTIVE ACTION REQUEST AND CORRECTIVE ACTION PLAN

E.2.1. The Corrective Action Request (CAR) is prepared by the Contracting Officer (CO) to address a contractual nonconformance. The CAR content must include, but is not limited to, the following:

- a. Date Issued
- b. Name/office symbol/telephone number of issuer
- c. Addressee/contractor information
- d. TRICARE Management Activity assigned CAR number
- e. Contract number and title
- f. Manual reference and title (if applicable)
- g. Brief description of the contractual and/or regulatory (Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement) requirement
- h. Description of nonconformance
- i. Documentation supporting the decision to issue a CAR
- j. Elements required in the CAP
- k. Date the CAP is due
- l. Name of the CO who will receive the CAP

E.2.2. The CAP is prepared by the contractor in response to a CAR. The CAP content must include, but is not limited to, the following:

- a. A root-cause analysis of the nonconformance
- b. Specific actions taken or planned to correct the nonconformance
- c. Preventative actions to preclude the nonconformance from recurring in the future
- d. A milestone schedule for implementation of the CAP
- e. A completion date for all actions identified in the CAP