The Need for and Benefits of Standard Past Performance Forms: Past Performance Questionnaires (PPQs)

Background

The Smart Contracting Working Group was formed under the Acquisition and Business Policy Council (ABPC) of the Professional Service Council (PSC) to work with government to improve the contracting process and ultimately to reduce the cost burden on the taxpayer. Commonsense policies and consistently applied procedures for how and when the government acquires services can greatly enhance the effectiveness and efficiency of the federal acquisition system. In many areas, improvements to government business and buying policy—whether through statute, regulations, or agency guidance—will lead to positive outcomes that far exceed the magnitude of the changes themselves. This initiative was undertaken to focus on improving the inconsistent and duplicative use of past performance questionnaires in solicitations for professional services.

Current State

Every time a services acquisition is made of almost any magnitude, past performance of the offerors is considered in the purchase decision. The majority of government acquisitions are competed, both at the Contract/Agreement and again at the Task Order level. In many cases Past Performance Questionnaires (PPQs) are imposed wherein the offeror has a limited amount of time to convince several (typically 3) of their current or past clients to complete a PPQ.

These questionnaires are non-standard, paper-based surveys that include both rating choices along multiple spectra and narrative comments. A wide range of formats, factors, rating scales and narrative sections are used. One form in use, for example (see USAF Past Performance Evaluation Guide PPQ guidance), asks the PPQ evaluator to rate the contractor on 28 factors and complete 6 separate narrative blocks in addition to completing 17 fill-ins.

This particular example also includes an element that is a significant issue in the way that this data is being collected. The issue is that the PPQ instructions promote the completion of the form such that specific rating scores are selected over others based on the requested response format. The way this example reads is that PPQ evaluators are asked to "*discuss each and every response for which you indicated B/E (Blue/Exceptional), Y/M (Yellow/Marginal) or R/U (Red/Unsatisfactory) in response to the questions above (use additional sheets, if necessary).*" If a PPQ evaluator rated any of the 28 factors something other than "satisfactory" or "very good" (2 out of 6 possible responses), they would need to write an additional narrative for each one, for a combined total of as many as 45 narrative sections. Clearly there are incentives built into these questionnaires that skew the ratings collected, bringing into question the validity and accuracy of the information received and used to make contract award decisions.

Solicitation preparers devise past performance solicitation instructions including PPQs, tailoring the format and content requested to meet the perceived needs of each solicitation. This is in spite of the availability of the current system of contractor (past) performance information available in CPARS/PPIRS.

Offerors spend considerable time and resources interpreting solicitations, including the completion of PPQs. The completion of PPQs requires government and other clients to divert their attention away from their mission focus and, on accelerated and immovable timelines, complete and submit these arcane and at times indecipherable questionnaires that, as noted, frequently provide skewed information to proposal evaluators.

There have been a few attempts by agencies to standardize this process, most notably by NAVFAC/USACE with their joint PPQ-0 form. To date, however, these efforts and initiatives have not gone far enough to eliminate inconsistencies, flawed data collection and onerous impositions of duplicative data collection.

Cost Impact
The estimated $1.8B annual aggregate cost of this activity (see Attachment C calculation) is primarily borne by the government, directly through acquisition and program personnel costs and indirectly through contractor overhead and general and administrative costs. While we strongly believe that evaluation of past performance information is a crucial component of a well-executed acquisition, there is an opportunity to conduct this process in a more efficient and cost effective manner. Adopting and institutionalizing a standard PPQ form and format would drastically reduce the burden of the unnecessary uniqueness observed across the government professional services market on both the government and industry. Savings based on widespread adoption are calculated at nearly $790M per year (see Attachment C calculation).

Other Impact
Bids and proposals in the government contracting market have become a specialized profession in the same manner that government acquisition has. Time, energy and resources devoted to this "art and science" are time, energy and resources not devoted to other things such as enhanced proposal solution development, direct mission accomplishment or advancing technologies. The opportunity costs associated with unnecessary uniqueness in our business and procurement processes are not easily quantifiable but their presence and impact are widespread.

In the case of PPQs, the time, energy and resources being allocated to their completion includes that of numerous government personnel.

Recommendation
Industry representatives in our working group have evaluated dozens of PPQ templates from actual solicitations and consolidated their requirements into a standard format. Adoption of the Standard PPQ Form (PPQ) (see Attachment A) will save enormous resources for both the government and industry to be used in more productive pursuits and to reduce the overall burden to the taxpayer.

Accomplish widespread use of this standard format through the following actions:

- Publish and provide the Standard PPQ Form where it can be easily found and accessed by all government and industry personnel.
- Provide brief, practical, clear, always accessible and virtual how-to-use guidance alongside the published form.
- Prescribe the use of the Standard PPQ Form and flow this down into agency and acquisition activity instruction and guidance.
- Manage and monitor actual use with automated exception reporting.
- As the use of the Standard PPQ Form takes hold, integrate the form and process into the PPIRS/CPARS system and governing regulations (and subsequently the Integrated Award Environment (IAE)) of collecting and using past performance information.

Attachments:

A) Standard Past Performance Questionnaire
B) Standard Past Performance Questionnaire Field Instructions
C) Past Performance Questionnaire Cost Calculation