



**DEPARTMENT OF THE NAVY**  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
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WASHINGTON DC 20350-1000

**SEP 29 2009**

**MEMORANDUM FOR DISTRIBUTION**

**Subj:** New Grade Structure for Procurement Performance and Management Assessment Program (PPMAP)

**Ref:** (a) NMCARS 5201.691  
(b) SECNAVINST 4200.37

**Encl:** (1) Interim Grading Scheme

Reference (a) documents the implementation of the Procurement Performance Management Assessment Program (PPMAP) and assigns responsibility for oversight and review of Department of the Navy (DON) and other designated DON contracting organizations for PPMAP to the Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management (DASN(A&LM)). As such and in accordance with paragraph 4(a)(2) of reference (b), commencing on October 1, 2009 (Fiscal Year 2010) the following four (4) level grade structure is hereby implemented throughout the PPMAP. The grading structure will now consist of (1) Unsatisfactory, (2) Marginal, (3) Satisfactory and (4) Highly Satisfactory. Enclosure (1) is an interim guide to assigning ratings. A complete guide will be developed by the PPMAP Council and forwarded through the Naval Contracting Council and approved by DASN(A&LM) for implementation in the near future.

The PPMAP process is the cornerstone of the Department of the Navy's contracting Enterprise governance. The primary objectives of the PPMAP are to encourage and assist contracting organizations in making continuous improvements in all phases of their acquisition processes ensuring compliance; to provide a feedback system to contracting organizations, addressing strengths, material weaknesses, deficiencies, and significant findings; to increase/decrease the level of oversight provided based upon a contracting organization's proficiency, quality, and business considerations; and to leverage best practices/processes and "lessons learned" across the spectrum of DON contracting activities. The process also ensures contracting activities disseminated and ensure compliance of statutory/regulatory information at all levels of the Enterprise organization and are validated in executing this authority in an effective, efficient, and compliant manner.

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## **NEW GRADING SCHEME**

Evaluations;

### **UNSATISFACTORY:**

1. A PPMAP program has not been implemented within the organization.
2. Essential elements of the basic contracting practices or processes are not being followed thus creating major deficiencies.
3. Violation of statutory /regulatory compliance is noted with no effective management corrective action being taken.
4. Ineffective management oversight which has resulted in the activity's inability to accomplish it's contracting mission.
5. Fraud, waste, or abuse is identified which should have been noted by the management and appropriate action to correct the issue was not initiated.
6. Requires outside assistance to correct the deficiencies identified which may be the result of the lack of capabilities within the activity.
7. Requires the establishment of a POA&M to correct deficiencies with scheduled completion and verification dates.
8. Many critical findings and deficiencies found in the previous PPMAP have not been corrected and remain serious issues.
9. Magnitude of findings are so serious, that they create an unacceptable level of risk with regard to the effective and efficient operation of the Enterprise organization.

### **MARGINAL:**

1. A PPMAP Program has been implemented but reviews are not being followed or executed as required by the implementation guidance issued.
2. Major deficiencies noted requiring corrective action and the establishment of a POA&M with scheduled completion and verification dates.
3. Some critical contracting elements are missing or critical contracting elements are not being followed causing possible statutory /regulatory violations.
4. Lack of adequate management oversight jeopardizes the accomplishment of the contracting mission.
5. Policy dissemination to the personnel is not happening in a timely manner resulting in the organization jeopardizing accomplishment of the contracting mission or possible regulatory violations.
6. A potential noted for possible fraud, waste or abuse that needs to be addressed and corrected.
7. Magnitude of risk associated with the findings to be significant in nature, however corrections should be able to be readily implemented/corrected.

### **SATISFACTORY:**

1. A PPMAP Program has been implemented and is being followed but is not a very driving force within the organization to improve the procurement process within the organization.
2. Few major contracting deficiencies but some corrective action is required to improve the operation's performance.
3. Contracting guidance and performance exist to ensure statutory/regulatory compliance and encouraging sound business decisions.

Enclosure (1)

4. Adequate level of management oversight exists to ensure accomplishment of the contracting mission.
5. No evidence of fraud, waste or abuse noted and adequate safeguards are in place.
6. Magnitude of risk associated with the findings is not significant and minor in nature and corrective action are easily implemented.

**HIGHLY SATISFACTORY:** (given in exceptional circumstances only, to activity which should be emulated throughout the Enterprise or DoN.)

1. The PPMAP has been implemented, efficiently and effectively managed and has improved the procurement process within the Enterprise.
2. No major deficiencies found during review.
3. Demonstration of exceptional performance and documentation of files, training and operation of the organization.
4. Demonstration of exceptional dissemination and enforcement of statutory/regulatory guidance.
5. Policy, procedures and tracking systems exists that can be provided to other organizations to improve the overall DoN contracting governance.
6. Above adequate level of management oversight to ensure accomplishment of the contracting mission.
7. No cases of fraud, waste or abuse and an exceptional program in place to handle issues or situations as they arise.
8. Review of the organization's operation demonstrated an environment of continuous improvement.