



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

NOV 17 2015

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Cancellation of Informal Performance Assessment Reporting Requirement

Effective immediately, the attached ASN (RD&A) memorandum dated January 19, 2001 is hereby rescinded. This guidance required quarterly informal performance assessment reports in addition to annual reporting for contracts valued greater than \$50M. All applicable DON personnel involved in preparing past performance evaluations shall follow the guidance in FAR 42.1502, which stipulates that the evaluations shall be prepared at least annually and at the time the work under the contract or order is completed. Additional reporting remains available if deemed necessary for a particular contract.

Any questions should be referred to Craig Curtis at [Craig.Curtis2@navy.mil](mailto:Craig.Curtis2@navy.mil) or (703) 693-4019.

*Elliott B. Branch*

Elliott B. Branch  
Deputy Assistant Secretary of the Navy  
(Acquisition & Procurement)

Attachment: As stated

Distribution: See page 2

SUBJECT: Cancellation of Informal Performance Assessment Reporting Requirement

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THE ASSISTANT SECRETARY OF THE NAVY  
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JAN 19 2001

MEMORANDUM FOR DISTRIBUTION

Subj: IMPROVING CONSISTENCY OF DEPARTMENT OF THE NAVY CONTRACTOR PERFORMANCE ASSESSMENTS

Ref: (a) ASN(RD&A) memo of 5 October 2000, subject: Earned Value Management Reporting for ACAT I & II Program Contracts  
(b) PDUSD(A&T) memo of 24 August 1999, subject: Contractor Performance Assessments

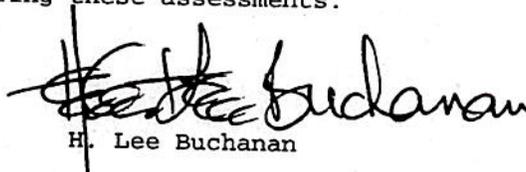
Reference (a) provides guidance for Earned Value Management (EVM) reporting for ACAT I and II Program contracts, including quantitative thresholds for the color ratings used. Reference (b) requires annual reporting under the Contractor Performance Assessment Reporting System (CPARS) and in quarterly reports (referred to in the Department of the Navy (DoN) as the Informal Performance Assessment Report (IPAR)). While the colors in references (a) and (b) are the same, reference (b) guidance for color ratings is only qualitative. One outcome of this difference, qualitative versus quantitative, is apparent inconsistencies in reports generated under CPARS, IPAR, and EVM guidance, which results in inconsistent contract assessments being provided to senior management in both industry and government. Therefore, within DoN we are more closely aligning the guidelines for these reports, as follows:

- **IPAR:** This now applies to all contracts over \$50 million. Use the Attachment 1 format. In writing an IPAR for contracts with EVM reporting, especially for cost control, schedule and management, reporting officials must take into account the contractor's EVM cumulative cost performance index (CPI) and schedule performance index (SPI) achieved at the end of the rating period, as well as the CPI and SPI trends during the period. Also, the amount of risk inherent in the effort should be recognized as a significant factor and taken into account when assessing performance.
- **CPAR:** In writing a CPAR, the reporting official should take into account the aggregation of quarterly (IPAR) assessments, if any, including, for those contracts with EVM reporting, the cumulative CPI and SPI achieved at the end of the CPAR rating period, as well as the CPI and SPI trends during the period; and note this consideration in the report. In a CPAR, the reporting official should also comment on the contractor's performance trends over the life of the contract.

Any apparent inconsistencies between the IPAR, CPAR, and EVM reports for the same contract should be addressed in the respective IPAR or CPAR, so that we don't send mixed signals to industry or Navy senior management.

Subj: IMPROVING CONSISTENCY OF DON CONTRACTOR PERFORMANCE ASSESSMENTS

Please share this direction with all your Program Managers and other personnel responsible for preparing these assessments.



H. Lee Buchanan

Attachment:

1. Revised IPAR Format and Example Report

Distribution:

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**INFORMAL PERFORMANCE ASSESSMENT REPORT  
DEPARTMENT OF THE NAVY**

(NOT TO BE USED FOR SOURCE SELECTION)

|  |               |  |         |         |                                   |         |
|--|---------------|--|---------|---------|-----------------------------------|---------|
| <b>1. NAME/ADDRESS OF CONTRACTOR</b>                       |               | 2  | 1st QTR | 2nd QTR | 3rd QTR                           | 4th QTR |
|  |               | 3. PERIOD OF PERFORMANCE BEING ASSESSED            |         |         |                                   |         |
| CAGE CODE  | DUNS-4 NUMBER | 4. CONTRACT NUMBER                                 |         |         |                                   |         |
| FSC OR SERVICE CODE  | SEC CODE      | 5. CONTRACTING OFFICE (ORGANIZATION AND CODE)      |         |         |                                   |         |
| <b>LOCATION OF CONTRACT PERFORMANCE (If not in item 1)</b> |               | 6a. PROGRAM MANAGER                                |         |         | 6b. PHONE NUMBER                  |         |
|  |               | 7. CONTRACT AWARD DATE                             |         |         | 8. CONTRACT COMPLETION DATE       |         |
|  |               | 9. CONTRACT PERCENT COMPLETE/DELIVERY ORDER STATUS |         |         |                                   |         |
|  |               | 10. AWARD VALUE                                    |         |         | 11. CURRENT CONTRACT DOLLAR VALUE |         |

|                          |     |     |      |      |      |       |       |  |  |  |  |
|--------------------------|-----|-----|------|------|------|-------|-------|--|--|--|--|
| <b>12. CONTRACT TYPE</b> |     |     |      |      |      |       |       |  |  |  |  |
| FFP                      | FPI | FPR | CPEF | CPIF | CPAF | MIXED | OTHER |  |  |  |  |

**13. KEY SUBCONTRACTORS AND DESCRIPTION OF EFFORT PERFORMED**

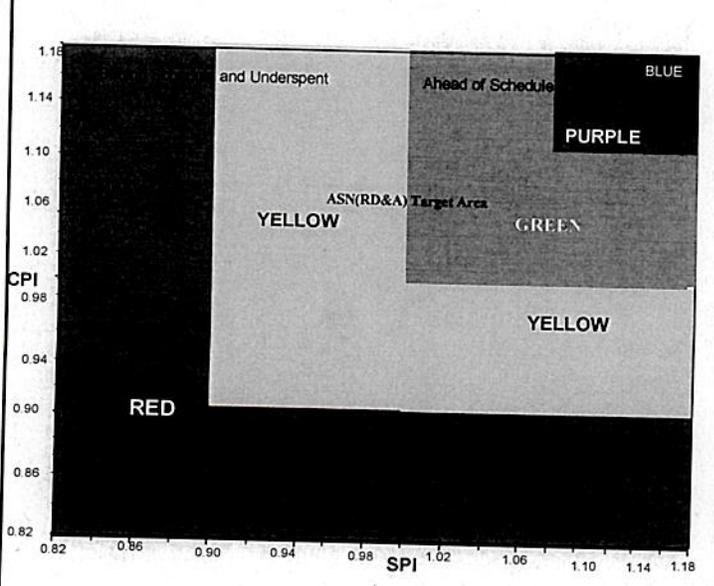
**14. PROGRAM TITLE AND PHASE OF ACQUISITION (If applicable)**

**15. CONTRACT REPORT DESCRIPTION (Highlight key components, technologies and requirements; key milestone events and major modifications to contract during this period.)**

| 16. EVALUATE THE FOLLOWING AREAS<br>(Also show evaluation in blocks to right of EVM chart, repeating 16.a., b., & c.) | Previous Quarter (-3) | Previous Quarter (-2) | Previous Quarter (-1) | RATING & TREND THIS REPORT |
|---|-----------------------|-----------------------|-----------------------|----------------------------|
| a. TECHNICAL (QUALITY OF PRODUCT)   |                       |                       |                       |                            |
| b. PERFORMANCE (EVM SCHEDULE AND COST)  |                       |                       |                       |                            |
| c. MANAGEMENT   |                       |                       |                       |                            |

**EXPLANATORY COMMENTS**

**17. a. Plot the cumulative CPI and SPI for each month of the current period and for the previous 9 months. See ASN(RD&A) Memo of 5 OCT 00 for overall EVM guidance on this chart.**



| 16. (continued) For a., b., and c., repeat the ratings from above. | RATING & TREND THIS REPORT |
|--|----------------------------|
| <b>16. a. TECHNICAL (QUALITY OF PRODUCT)</b>                       |                            |
| (1) PRODUCT PERFORMANCE  |                            |
| (2) SYSTEMS ENGINEERING  |                            |
| (3) SOFTWARE ENGINEERING   |                            |
| (4) LOGISTIC SUPPORT/ SUSTAINMENT                                  |                            |
| (5) PRODUCT ASSURANCE  |                            |
| (6) OTHER TECHNICAL PERFORMANCE                                    |                            |
| <b>16. b. PERFORMANCE</b>  |                            |
| (1) SCHEDULE   |                            |
| (2) COST CONTROL   |                            |
| <b>16. c. MANAGEMENT</b>   |                            |
| (1) MANAGEMENT RESPONSIVENESS                                      |                            |
| (2) SUBCONTRACT MANAGEMENT   |                            |
| (3) PROGRAM MANAGEMENT AND OTHER MANAGEMENT                        |                            |
| <b>16. d. OTHER AREAS</b>  |                            |
| (2)  |                            |
| (3)  |                            |

**Additional Guidance For Filling Out The  
Department of the Navy Informal Performance Assessment Report (IPAR)**

|  |   |
|--|---|
| <b>BLOCKS 16. a., b., c., &amp; d. and related numbered blocks below these</b> | Indicate the color rating by typing in "B" for Blue, "P" for Purple, "G" for Green, "Y" for Yellow, and "R" for Red, Show trend over the period reported by adding "Λ" (or insert an arrow) for improving, "V" (or insert an arrow) for declining, and ">" (or insert an arrow) for remaining the same. |
| <b>BLOCKS 16. a., b., &amp; c.</b>   | Note that Blocks 16.a., b., and c. are intentionally repeated in the column to the right of the EVM chart, and are to have the same information as shown in the same numbered blocks above..  |
| <b>BLOCK FOR EXPLANATORY COMMENTS</b>  | Any apparent inconsistencies that might be perceived by comparing the IPAR, CPAR, and EVM reports for the same contract should be addressed in the Explanatory Comments, so that we don't send mixed signals to industry or Navy senior management.   |

**ILLUSTRATIVE EXAMPLE  
INFORMAL PERFORMANCE ASSESSMENT REPORT**

(NOT TO BE USED FOR SOURCE SELECTION)

|   |              |  |   |                                |         |   |         |
|---|--------------|--|---|--------------------------------|---------|---|---------|
| 1. NAME/ADDRESS OF CONTRACTOR<br>AXYB Systems, Inc.,<br>4th Street NW, Coronado, SC 12345 |              | 2  | 1st QTR   | 2nd QTR                        | 3rd QTR | X | 4th QTR |
| CAGE CODE 3A123   |              | DUNS-4 NUMBER 00011122233                  | 3. PERIOD OF PERFORMANCE BEING ASSESSED<br>OCT - DEC 2000 |                                |         |   |         |
| FSC OR SERVICE CODE 3A123   | SK CODE 3812 | 4. CONTRACT NUMBER<br>N54321-99-C4321      |   |                                |         |   |         |
| 5. CONTRACTING OFFICE (ORGANIZATION AND CODE)<br>NAVSEASYS COM (Code 022CR)               |              | 6a. PROGRAM MANAGER<br>Dr. Patricia Manger |   | 6b. PHONE NUMBER (123) 456-789 |         |   |         |
| 7. CONTRACT AWARD DATE<br>30 JUN 2000   |              | 8. CONTRACT COMPLETION DATE<br>6/30/03     |   |                                |         |   |         |
| 9. CONTRACT PERCENT COMPLETE/DELIVERY ORDER STATUS<br>Contract is 20% complete.           |              | 10. AWARD VALUE<br>\$400 million           |   |                                |         |   |         |
| 11. CURRENT CONTRACT DOLLAR VALUE<br>\$400  |              |  |   |                                |         |   |         |

12. CONTRACT TYPE

|     |     |     |   |      |     |      |       |       |
|-----|-----|-----|---|------|-----|------|-------|-------|
| FFP | FPI | FPR | X | CPFF | CPF | CPAF | MIXED | OTHER |
|-----|-----|-----|---|------|-----|------|-------|-------|

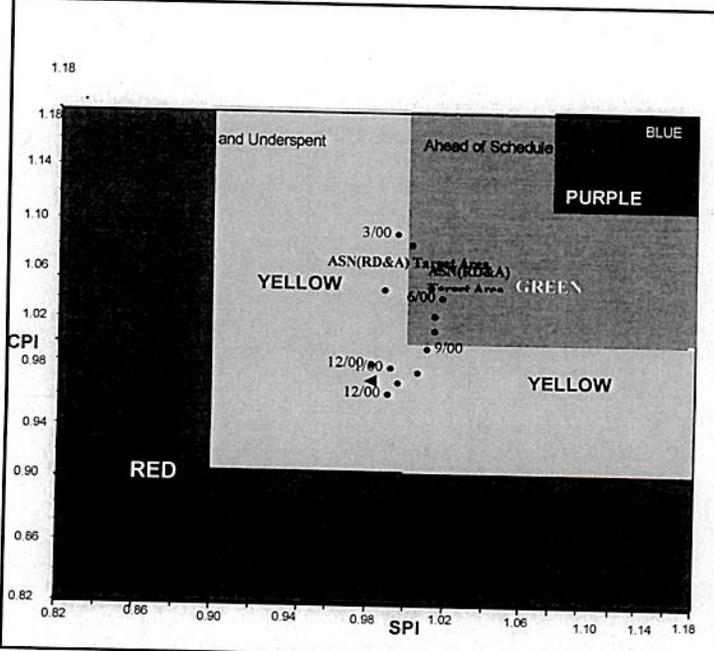
13. KEY SUBCONTRACTORS AND DESCRIPTION OF EFFORT PERFORMED  
 QUICK FIX Contractors are responsible for backup support on all systems and have the lead on development of the wing design.

14. PROGRAM TITLE AND PHASE OF ACQUISITION (If applicable)  
 ACAT II for Warp Speed Control (WSC). Contract is in EMD phase.

15. CONTRACT REPORT DESCRIPTION (Highlight key components, technologies and requirements; key milestone events and major modifications to contract during this period.)  
 The primary engine design is underway and is acceptable. The booster engine design has been delayed. There has been no major modification to the contract this period.

| 16. EVALUATE THE FOLLOWING AREAS<br>(Also show evaluation in blocks to right of EVM chart, repeating 16.a., b., and c.) | Previous Quarter (-3) | Previous Quarter (-2) | Previous Quarter (-1) | RATING & TREND THIS REPORT |
|---|-----------------------|-----------------------|-----------------------|----------------------------|
| a. TECHNICAL (QUALITY OF PRODUCT)   |                       | Y Λ                   | G >                   | G >                        |
| b. PERFORMANCE (EVM SCHEDULE AND COST)  | G Λ                   | G V                   | Y Λ                   |                            |
| c. MANAGEMENT   | Y Λ                   | Y >                   | Y Λ                   | Y V                        |

EXPLANATORY COMMENTS  
 Although the cumulative EVM color rating is Yellow for this period, the IPAR overall performance rating is Red because the EVM performance shows a continuing precipitous decline in cost performance.



|   |     |
|---|-----|
| 16. a. TECHNICAL (QUALITY OF PRODUCT)       | G > |
| (1) PRODUCT PERFORMANCE                     | G > |
| (2) SYSTEMS ENGINEERING                     | P > |
| (3) SOFTWARE ENGINEERING                    | B V |
| (4) LOGISTIC SUPPORT/SUSTAINMENT            | Y Λ |
| (5) PRODUCT ASSURANCE                       | G > |
| (6) OTHER TECHNICAL PERFORMANCE             | Y Λ |
| 16. b. PERFORMANCE                          |     |
| (1) SCHEDULE                                | Y V |
| (2) COST CONTROL                            |     |
| 16. c. MANAGEMENT                           |     |
| (1) MANAGEMENT RESPONSIVENESS               | Y V |
| (2) SUBCONTRACT MANAGEMENT                  | G > |
| (3) PROGRAM MANAGEMENT AND OTHER MANAGEMENT | Y V |
| 16. d. OTHER AREAS                          |     |
| (1)   |     |
| (2)   |     |