

PLAN

For the Future



Using Past Performance in Future Purchasing Decisions

Using past performance as an evaluation factor in the purchasing process can allow procuring Units to better predict the quality and likely degree of customer satisfaction with future work. It also provides a strong incentive to contractors to maintain high levels of performance. Effective contractor performance monitoring that is properly integrated with the purchasing process can provide a CFT with considerable insight into a contractor's capabilities, strengths and weaknesses.

Past performance measures that can be recorded (preferably on a corporately controlled data base) and referred to in future purchasing decisions must, wherever possible, be objective. Some areas of performance that should be recorded include:

- Conformance with specifications and standards of quality;
- Containment and forecasting of costs;
- Adherence to contract schedules, including administrative aspects of performance;
- History of reasonable and cooperative behavior and overall business-like concern for the interests of the customer; and
- Service to the end user of the goods or services.

Contractor performance records can provide important information for future purchasing decisions. This is especially true when considering whether to exercise an option to extend. Past performance may also be considered as a "reference" when determining a bidder's/offeror's responsibility. However, due regard must be given to a contractor's right to proprietary and/or confidential records. Contractor performance information should therefore be handled sensitively to avoid the potential for disputes over its collection and use.