



Quality Assurance & Post-Award Performance Measurement

USAMRAA Stand-Down Days – Lunch Session
March 25, 2009

Quality Assurance and Post-Award Performance Topics

Policy & Guidance

**Quality & Performance
throughout an Acquisition**

Lessons Learned

Questions & Answers

In Brief

"It's much more difficult to measure nonperformance than performance."

- Harold S. Geneen, CEO ITT

"What gets measured gets done, what gets measured and fed back gets done well, what gets rewarded gets repeated."

- John E. Jones, Federal Judge

"You get what you measure. Measure the wrong thing and you get the wrong behaviors."

- John H. Lingle , Business Author



Policy & Guidance

- Performance Based Service Acquisitions **defined**
 - Public Law 106-398, section 821
 - FAR Section Subpart 37.6
 - FAR Section Subpart 46.4
- OFPP pamphlet No. 4: "A Guide to **Writing and Administering** Performance Statements of Work for Service Contracts (1980)
- SARA **Acquisition Advisory Panel** Report Chapter 2: *Improving Implementation of PBSA in the Federal Government*
- 2006 Survey of Acquisition Executives finds **few know how to do it right!**

Sample Government Accountability Office Report

GAO

United States Government Accountability Office

Report to the Committee on Government Reform, House of Representatives

March 2005

DEPARTMENT OF ENERGY

Further Actions Are Needed to Strengthen Contract Management for Major Projects

"Could use performance incentives more effectively"

"Has relied on invalidated contractor data to monitor and assess contractors performance"

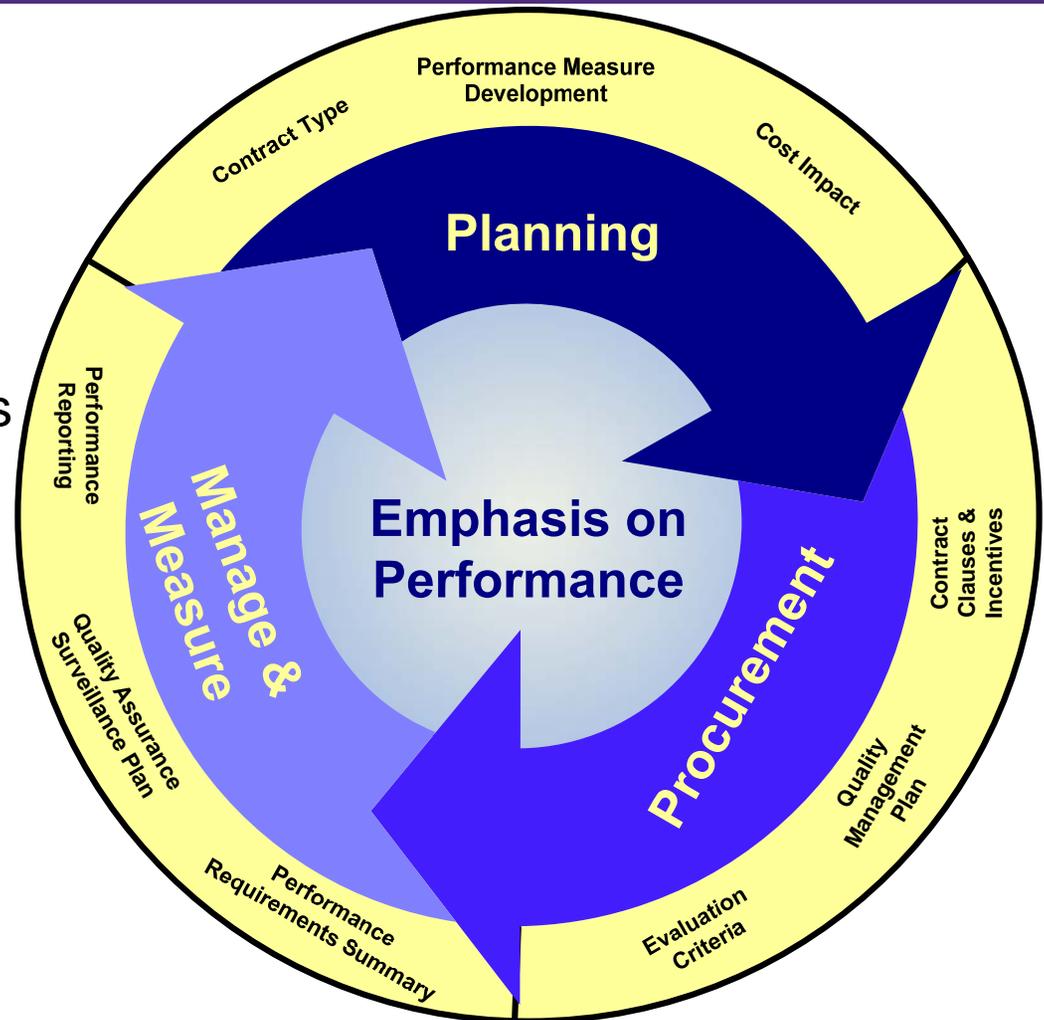


Why is Quality Assurance and Performance Monitoring Important?

- Continuity and **consistency** in the delivery of products or services
- Means to hold vendor **accountable** and provide a basis for **incentives/disincentives**
- Provides a **structured process** for evaluation
- Means to hold the vendor to an **expected level** of service

Addressing Quality and Performance throughout the Acquisition Life-Cycle

- Critical to a performance-based acquisition, yet often times the most **overlooked**
- **Guided far less** by law, regulation, and policy
- Is in the best interest of all parties for a **successful contract**
- Leads to **improved performance** over time
- **Transparency** of post award monitoring with other federal agencies
 - Agency IGs
 - GAO
 - OMB

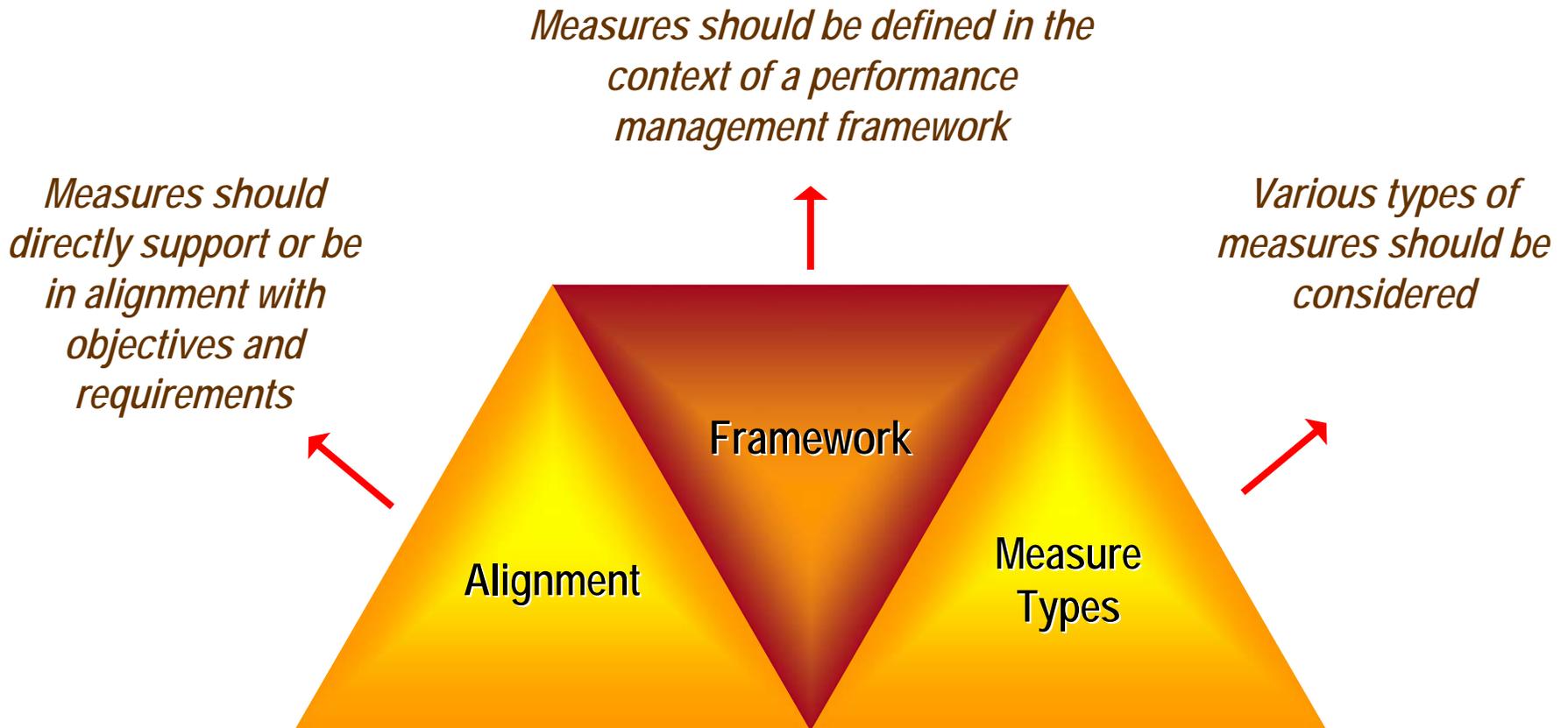




Planning



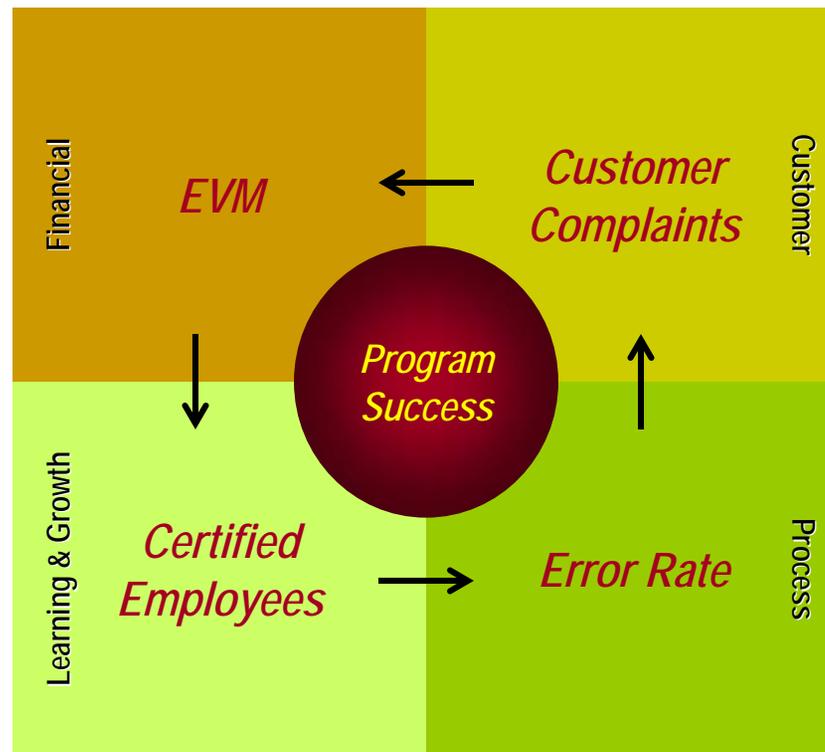
Three Concepts to Consider in Designing Performance Measures



Balanced Scorecard Framework

What measures within each perspective can help indicate whether an objective was achieved?

Cause & Effect Relationship



Integration of External & Internal Measures

Measure Selection Criteria

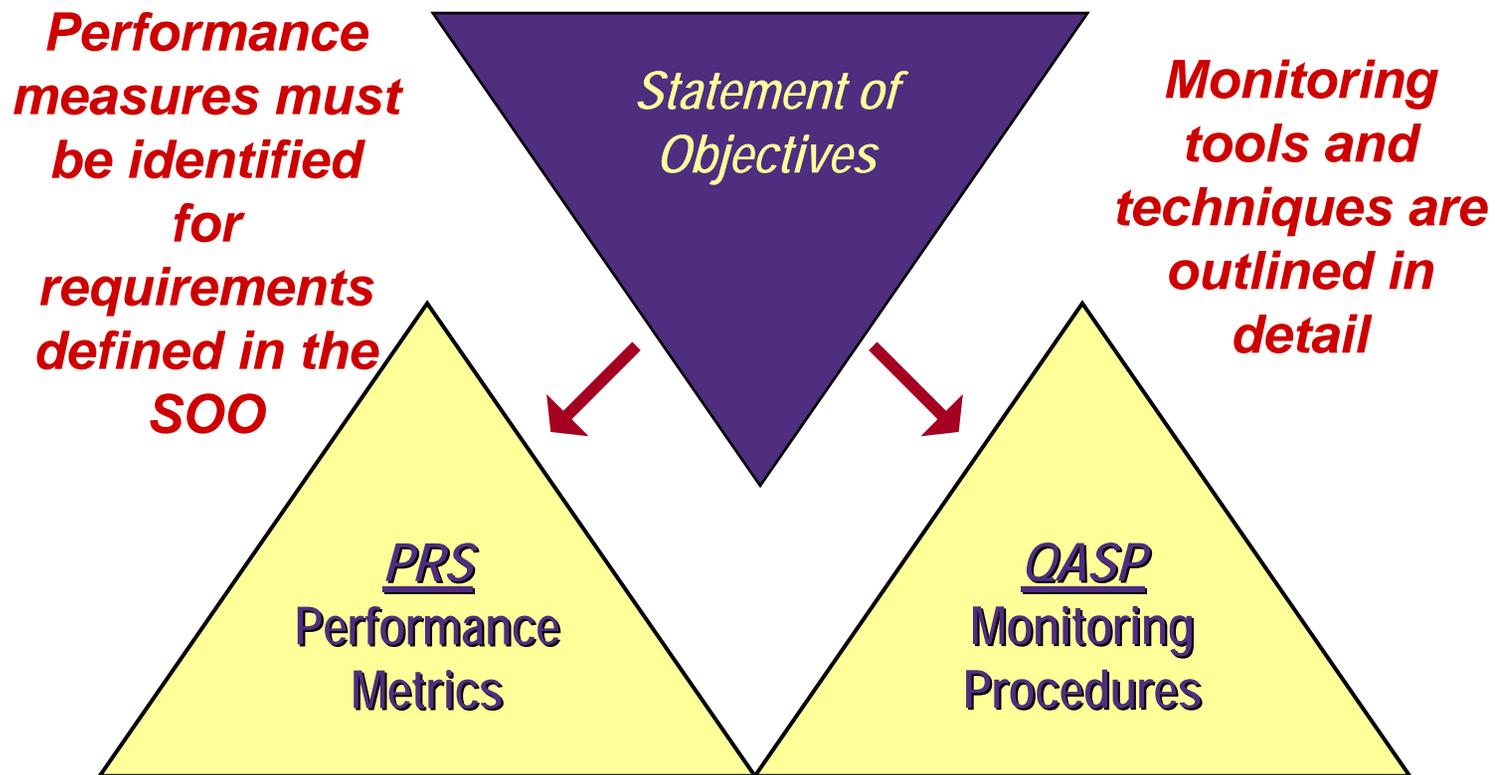
- ✓ **MEANINGFUL** – Related significantly and directly to organizations mission and goal
- ✓ **VALUABLE** – Designed to measure the most important activities of the organization
- ✓ **BALANCED** – Inclusive of several types of measures
- ✓ **PRACTICAL** – Affordable price to retrieve and/or capture data
- ✓ **COMPARABLE** – Used to make comparisons with other data over time
- ✓ **CREDIBLE** – Based on accurate and reliable data
- ✓ **TIMELY** – Designed to use and report data in a usable timeframe
- ✓ **SIMPLE** – Easy to calculate and understand



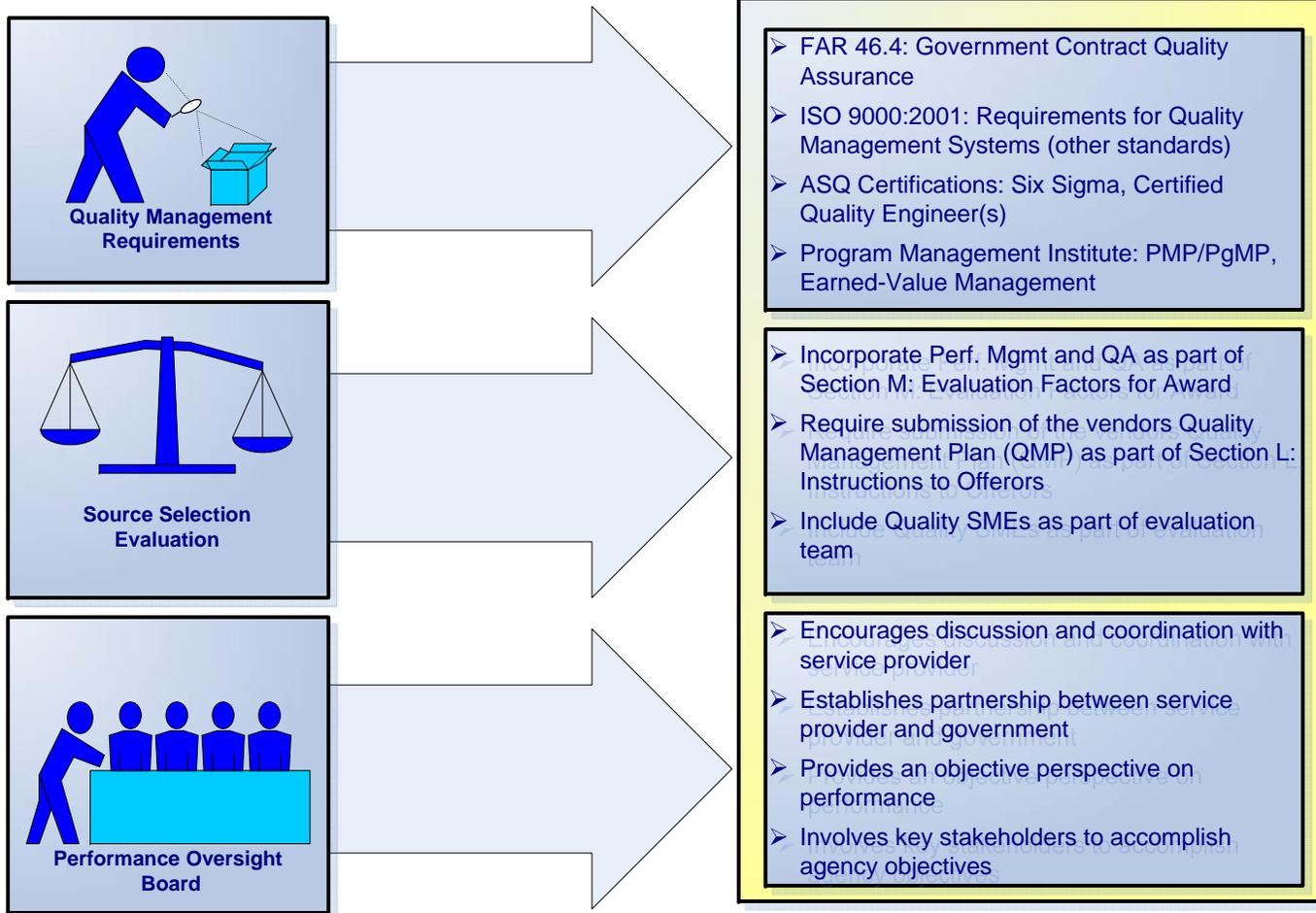
Procurement Activities



Integrating Performance Metrics



Important Quality and Performance Solicitation Requirements



What is a Quality Management Plan?

- Documents **how** an organization structures its quality system that describes their:
 - Policies and procedures
 - Criteria for application
 - Roles and responsibilities
 - Tools used for measuring quality
 - Processes and corrective action
- Provides a "**blueprint**" on how vendors will implement specific quality assurance and quality control activities for a specific activity
- QMP **level of detail** should mirror the scope of the program

Executing an Incentive Program

- Clearly articulate **incentive clauses** in both the solicitation and resulting contract, which may include non-monetary alternatives
 - Financial impact
 - Frequency of assessment
- Develop **auditable** and **verifiable** data collection trail
- Determine **clear payout** (or reduction) timelines and prepare finances accordingly
- Be diligent!



Manage & Measure



What is the Performance Requirements Summary (PRS)

- Typically part of both the solicitation and the QASP that identifies the performance outcomes expected by the Government
- Can be transformed into a "**scorecard**" for overall vendor performance
- Determines the **how well a** vendor is performing

Sample PRS

Detailed description of measure

Unit in which to express measure

Maximum deviation from standard

Sources to seek for data collection



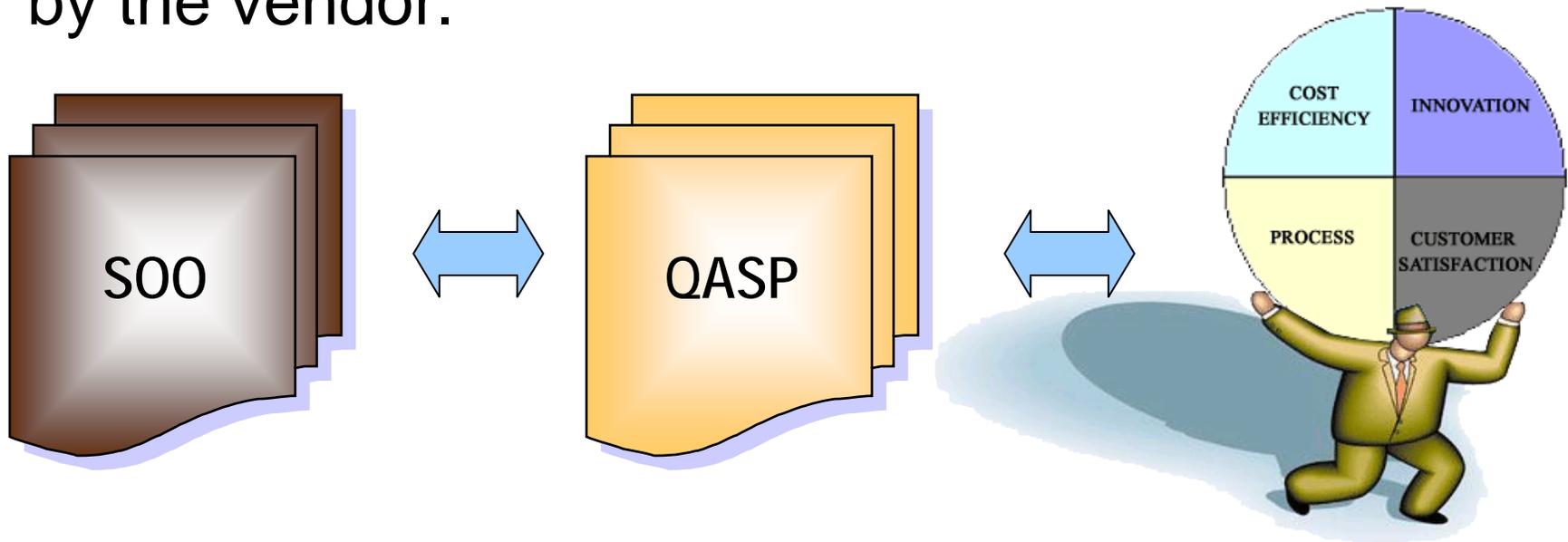
<i>Measure</i>	<i>Definition</i>	<i>Unit of Measure</i>	<i>APL</i>	<i>Sources of Data</i>
Error Rate	Reorders as a percent of total orders fulfilled	Percentage	<ul style="list-style-type: none">• 90% order accuracy	<ul style="list-style-type: none">• Order log in workload management system
Wait time	Average time customers wait in line before cashier greets them – weekly average	Minutes	<ul style="list-style-type: none">• 80% of customers greeted in 5 minutes	<ul style="list-style-type: none">• Wait time log

What is the Quality Assurance Surveillance Plan (QASP)

- Defines process for **performance monitoring** & evaluation by the government
- Designed to **implement and enforce** the PRS
- Identifies the surveillance methods that will be used to **appraise the Government** of the vendor performance
- The Government retains the **right to modify** the QASP
 - Reasons may include: surveillance method, increase/decrease degree of effort, and change procedures
- Identifies procedures to **correct deficiencies** observed in vendor performance

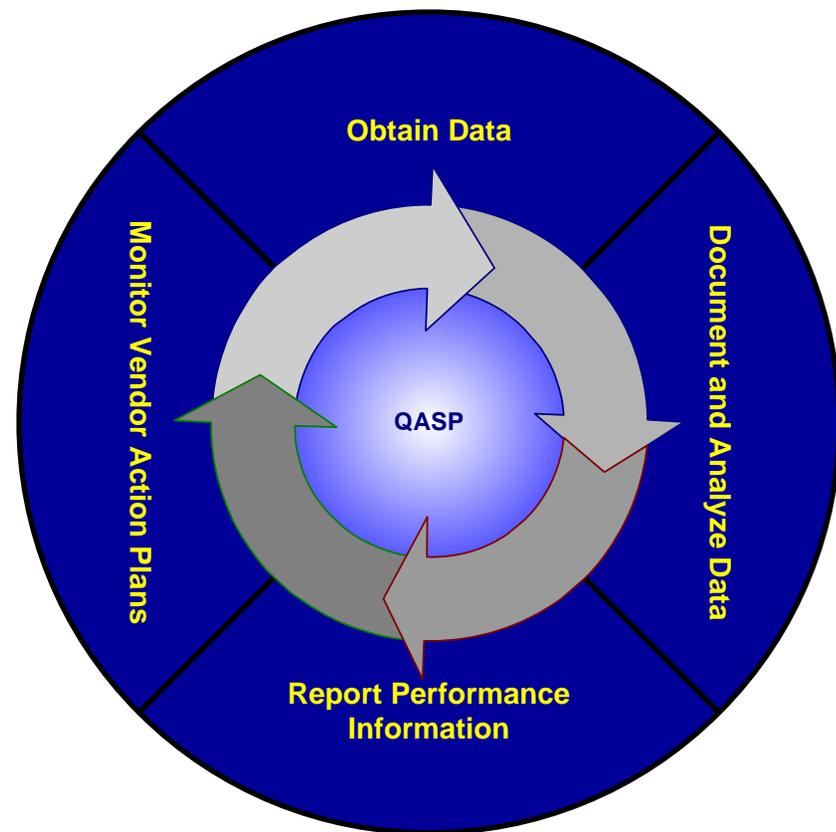
QASP In Action

- The QASP provides the bridge between the work requirements in the SOO and actual performance by the vendor.



Core QASP Components

- Ensure data is:
 - Obtained
 - Recorded
 - Analyzed
 - Reported



Report Performance

Consider Technologies to Support Post-Award Monitoring

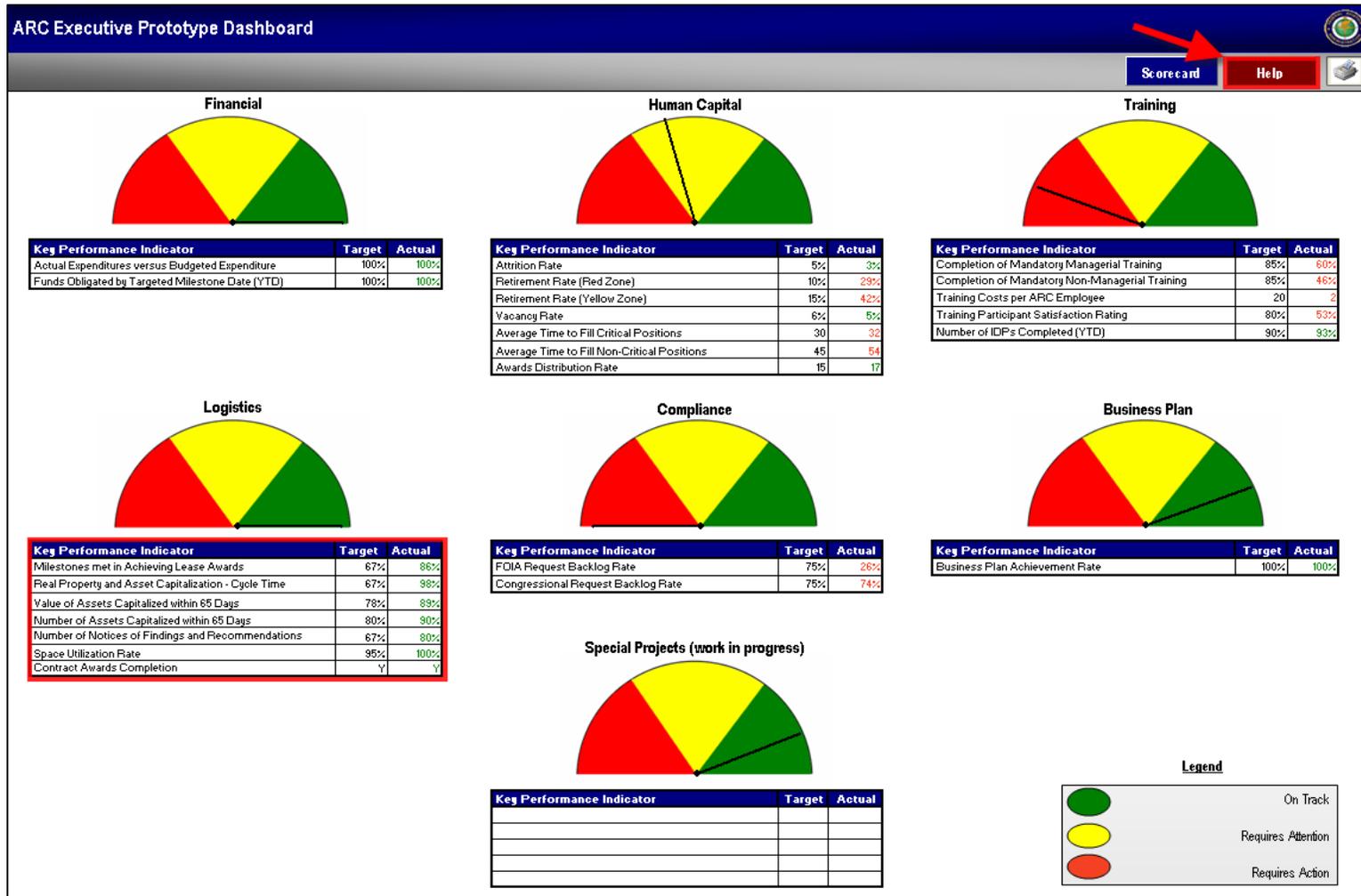
Enabling technologies provide **accountable, intuitive, automated** processes to **collect** data, **measure** it, and **evaluate** vendor performance while:

- Reducing levels of effort
- Increasing standardization
- Enhancing the quality of work products
- Providing and storing data that can be tracked and audited



Report Performance

Cost and Performance Management Tools



Lessons Learned

- Planning
 - Incorporate quality and performance **throughout** the acquisition life-cycle
 - Assess the **cost impacts** of any quality and performance initiatives
 - **Contract type** may help determine the type and degree of required oversight
- Procurement
 - Include quality and performance management **frameworks** as part of your solicitation documents (B, C, L, M)
 - Government should **determine** performance measures to support program goals
 - Consider the use of a **performance** oversight board
- Manage and Measure
 - The QASP should be developed on how the **program will organize** itself to monitor the selected vendor
 - Modify the procedures as necessary, should be a **living document**
 - Provide quality and performance monitoring **training** to all stakeholders
 - Prioritize limited **resources** to accurately **document** vendor performance
 - Create mechanism to **recommend changes** to the PRS, may require a contract modification
 - **Automate** Quality & Performance Management System(s)



Questions and Answers



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