**DFARS Case 2019-D009**

**Use of Supplier Performance Risk System (SPRS) Assessments**

**PGI Text**

**[PGI 204.76—SUPPLIER PERFORMANCE RISK SYSTEM**

**PGI 204.7603 Procedures.**

**The Supplier Performance Risk System (SPRS) provides item risk, price risk, and supplier risk assessment on end products and price risk and supplier risk assessment on services. SPRS provides item and price risk for end products using the material identifiers listed in paragraphs (a)(1)(i) through (v). SPRS also provides a supplier risk score for the contractor that provided the product or services. The contracting officer may consider item risk, price risk, and supplier risk assessments to determine the performance risk of the offeror or product and to assess the risk of ongoing contractor performance.**

**(a) *Item risk.***

**(1) SPRS provides the contracting officer warnings and mitigation strategies for end products identified by military departments or defense agencies as high risk (due to diminishing manufacturing sources and material shortages, history of counterfeiting, etc.). End products are identified by one or more of the following material identifiers:**

**(i) National Stock Number (NSN).**

**(ii) Internet Blog Serial Number (IBSN).**

**(iii) Universal Product Code (UPC).**

**(iv) Global Standards 1 (GS1).**

**(v) Manufacturer Commercial and Government Entity (CAGE) and part number.**

**(2) *Presolicitation.* For items identified as high risk in SPRS or by the requiring activity in purchase requests, the contracting officer shall mitigate this risk by including a clause that addresses first article approval or certificate of conformance in the solicitation or by applying other risk mitigation strategies.**

**(b) *Price risk.* SPRS provides the contracting officer warning of possible over- or under-payment risks based on historical purchase data.**

**(c) *Supplier risk.* SPRS provides the contracting officer a score for the assessment of the contractor’s performance. The supplier risk score includes data associated with the contractor’s quality and delivery data.**

**(d) *Evaluation of quotations or offers for supplies.* During the evaluation of the offers received for supplies or services that contain supplies, the contracting officer shall consider the risk assessments available in SPRS.**

**(e) *Award and documentation.***

**(1) In determining a price fair and reasonable, the contracting officer shall review the price risk data provided in SPRS and follow the procedures at FAR 13.106 or 15.4 to make an award decision. In the event that price risk has been identified, the contracting officer shall perform further price analysis.**

**(2) In assessing offeror performance capabilities, the contracting officer shall review the supplier risk data provided in SPRS and tailor the contract oversight for risk. Mitigate supplier risk by—**

**(i) Including clauses to strengthen oversight (e.g., a clause that addresses first article testing or certificate of conformance); and**

**(ii) Removing discretionary clauses to recognize successful performance (e.g., a clause that addresses first article testing).**

**(3) The contracting officer shall document the contract file on any action taken as a result of information obtained from SPRS.**

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**PGI 209.1--responsible prospective contractors**

**PGI 209.105-1 Obtaining ~~I~~[i]nformation.**

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**[(1)]** GSA's System for Award Management (SAM), which is available at [~~http://www.acquisition.gov/~~](http://www.acquisition.gov/)**[*https://sam.gov*]**, identifies entities excluded throughout the U.S. Government (unless otherwise noted) from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and non-financial assistance and benefits. The SAM website provides useful documents and ~~on-line~~**[online]** training to assist with SAM navigation and data entry. User Guides and Demonstration Videos can be found in the User Help section after clicking the HELP link at the top of the website homepage. The former Excluded Parties List System (EPLS) information is within the Performance Information functional area of SAM, and is maintained as “Exclusions” data. Exclusions are located in the Data Access area of SAM which can be accessed by navigating the following path after logging into the SAM website. Select Tab – MYSAM, Tab - Data Access, and Tab – Exclusions.

(~~1~~**[i]**) Multiple agencies have the authority to suspend or debar entities from “doing business” with the Government. There are approximately 71 separate cause and treatment codes under which entities have been suspended or debarred or excluded. New exclusion records created in SAM will no longer be identified with cause and treatment codes. Exclusions will be associated with one of four exclusion types: Preliminarily Ineligible (Proceedings Pending), Ineligible (Proceedings Completed), Prohibition/Restriction, Voluntary Exclusion. Each cause and treatment code is linked to one exclusion type.

(~~2~~**[ii]**) The exclusion type advises readers of the nature of the exclusion, debarment, or suspension and how those listed in the SAM Exclusions should be treated. However, the fact that an entity is listed in the SAM Exclusions does not necessarily mean the entity is ineligible for contract award. Review of the exclusion type is crucial in ensuring that listed entities are not deprived of their “liberty interest” in conducting business with the Government.

(~~3~~**[iii]**) When the Department of Justice Bureau of Justice Assistance debars individuals under 10 U.S.C. 2408, they are placed in the SAM Exclusions under cause and treatment code FF (Reciprocal), which is now linked to exclusion type, Ineligible (Proceedings Completed). The records for individuals currently entered into EPLS and listed under this cause and treatment code can be found in the SAM Exclusions. Records created in EPLS have both a cause and treatment code and an exclusion type listed.

**[(2) The contracting officer shall consider the information available in the Supplier Performance Risk System during the evaluation of quotations and offers received in response to a solicitation and in the determination of the contractor’s responsibility. In addition, the contracting officer shall document the contract file regarding any action taken as a result of information obtained from the Supplier Performance Risk System.]**

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