PGI 204.76 -SUPPLIER PERFORMANCE RISK SYSTEM

Parent topic: PGI Part 204 - ADMINISTRATIVE AND INFORMATION MATTERS

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.