



DoD INSTRUCTION 5000.79

DEFENSE-WIDE SHARING AND USE OF SUPPLIER AND PRODUCT PERFORMANCE INFORMATION (PI)

Originating Component: Office of the Under Secretary of Defense for Acquisition and Sustainment

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Incorporates and Cancels: Deputy Under Secretary of Defense for Acquisition and Technology Memorandum, "DoD Deployment of Past Performance Information Retrieval System Statistical Reporting (PPIRS-SR)," December 21, 2007

Approved by: Ellen M. Lord, Under Secretary of Defense for Acquisition and Sustainment

Purpose: In accordance with the authority in DoD Directive 5134.01 and the July 13, 2018 Deputy Secretary of Defense Memorandum, this issuance:

- Establishes policy and assigns responsibilities for managing the Defense-wide collection and sharing of supplier and product PI reported on supplies and services.
- Prescribes procedures for the use of supplier PI to:
 - Determine performance risk to prospective supplier or product performance.
 - Assess risk of ongoing supplier performance.
- Directs that the commercial and government entity code is the primary supplier identifier to be used for the collection of PI.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Does not apply to:

(1) DoD cryptologic special component information systems and classified cryptographic products, pursuant to DoD Instruction (DoDI) 8500.01.

(2) DoD military treatment facilities, medical or dental, and DoD healthcare practitioners who are involved in the delivery of healthcare services to eligible beneficiaries, in accordance with DoDI 6025.13.

(3) DoD management of bulk petroleum products, natural gas, and coal, in accordance with Volume 1 of DoD Manual 4140.25.

1.2. POLICY.

a. Pursuant to DoD Directive 8000.01 and DoDI 5000.74, supplier PI on supplies and services acquired from industry sources is a strategic asset to the DoD. Supplier PI will be secured and shared with members of the DoD acquisition community to the maximum extent allowed by law and DoD policy.

(1) The requirements of this issuance will be incorporated into the Business Enterprise Architecture to assure that investments in systems modernization needed to secure and share supplier PI will be approved and resourced, in accordance with DoDI 8320.02.

(2) The latest version of the Supplier Performance Risk System (SPRS) is the authoritative source to retrieve supplier and product PI assessments for the DoD acquisition community to use in identifying, assessing, and monitoring unclassified performance.

b. The DoD-wide sharing and use of supplier PI will be used to:

(1) Evaluate and monitor performing suppliers to assess risk for on-going performance and reduce counterfeiting risk pursuant to DoDI 4140.67.

(2) Assess corporate business practices related to DoD contracts and the supplier’s management of risk.

(3) Conduct market research by members of the DoD acquisition community.

(4) Minimize the risk that DoD's warfighting mission capability will be impaired due to vulnerabilities in system design or sabotage or subversion of a system's mission critical functions or critical components, as defined in this issuance by foreign intelligence, terrorists, or other hostile element pursuant to DoDI 5200.44.

c. The DoD-wide sharing and use of supplier PI and other relevant supplier information will be used in source selection for procurements of supplies and services pursuant to the provisions and clauses of the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) that require the use of supplier PI.

d. The supplies and services purchased by DoD must be identified in purchase requests, solicitations, and contracts by product service code (PSC) for supplies and services, when appropriate. PSC must be used to identify supplies in supplier performance reporting systems managed by the DoD Components. The performance history of potential industry items must be reported by the applicable PSC and should be identified to the national item identification number or part number level where applicable and economically achievable.

SECTION 2: RESPONSIBILITIES

2.1. ASSISTANT SECRETARY OF DEFENSE FOR SUSTAINMENT (ASD(S)). Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)), the ASD(S) acts as principal point of contact for DoD procedures for the prevention, detection, reporting, and disposition of counterfeit materiel in the DoD supply chain.

2.2. PRINCIPAL DIRECTOR, DEFENSE PRICING AND CONTRACTING. Under the authority, direction and control of the Assistant Secretary of Defense for Acquisition, the Principal Director, Defense Pricing and Contracting:

a. Oversees the development and modification of procurement policies, procedures, regulations, and guidance to support the policies in this issuance.

b. Develops integrated DoD policy and implementing guidance on the management of supplier and product PI sharing.

c. Coordinates with the Military Department and Defense Agencies in the development and implementation of procedures for the evaluation and use of supplier and product PI on industry sources.

d. Develops acquisition and procurement policies, procedures, regulations, and guidance for the development and use of supplier and product PI in source selection and contract award.

e. Develops and implements defense acquisition workforce education and training programs on the management and use of supplier and product PI in contracting.

f. Oversees collaboration and consultation with the DoD acquisition community and other federal agencies on the policies of reporting and assessing supplier PI on quality and delivery performance on contracts.

g. Ensures determinations made in accordance with the Department's implementation of Section 2339a of Title 10, United States Code, are in SPRS.

2.3. DIRECTOR, DEFENSE LOGISTIC AGENCY (DLA). Under the authority, direction, and control of the USD(A&S) and in addition to the responsibilities in Paragraph 2.7., the Director, DLA, provides operational and funding support of the SPRS enterprise transactional capability.

2.4. UNDER SECRETARY OF DEFENSE FOR RESEARCH AND ENGINEERING (USD(R&E)). The USD(R&E):

- a. Leads the development and modification of quality assurance policy, procedures, and standards to support the policies in this issuance.
- b. Provides supplier software and hardware supply chain assurances capabilities and risk mitigation information in accordance with DoDI 5200.44 and in coordination with USD(A&S), the DoD Chief Information Officer and the Under Secretary of Defense for Intelligence (USD(I)).

2.5. USD(I). The USD(I) assesses supply chain risk to covered systems to inform, in coordination with USD(A&S) and the DoD Chief Information Officer, recommendations for determinations made in accordance with the Department's implementation of Section 2339a of Title 10, United States Code.

2.6. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS. The Under Secretary of Defense for Personnel and Readiness oversees dental and medical supplier PI reports through the Assistant Secretary of Defense for Health Affairs. These reports are made available for use by SPRS for development of PI on relevant industry sources of dental and medical materiel in accordance with DoDI 6430.02.

2.7. DOD COMPONENT HEADS The DoD Component heads:

- a. Integrate DoD supplier PI management policy into all relevant issuances, regulations, guidance, contract requirements, and procedures to comply with this issuance.
- b. Implement DoD policies, procedures, practices, and contract requirements for use of PI in solicitations and contract awards in accordance with the requirements of the FAR and DFARS.
- c. Share supplier PI across the DoD.

SECTION 3: PROCEDURES

3.1. USE OF PI. The DoD Components heads will:

- a. Use the Contractor Performance Assessment Reporting System and SPRS capability pursuant to the FAR and DFARS.
- b. Identify the supplies and services purchased in solicitations and contracts by PSC; use the PSCs in deficiency, discrepancy, and supplier PI reporting; and report the past performance history of industry sources by the applicable PSC.

3.2. SHARING OF PI. DoD Components capturing supplier PI on supplies and services will:

- a. Share supplier PI with other DoD Components to facilitate root cause determinations, corrective actions, reliability analysis, and recoupment actions for contractor, supplier-identified deficiencies and discrepancies during contract performance.
- b. Facilitate industry rebuttal of supplier PI considered with FAR procedures for past performance information; where appropriate, provide for the evaluation and adjudication of SPRS quality and delivery records that have been challenged by objective evidence submitted by suppliers.
- c. Use the commercial and government entity code as the primary data element to capture and record supplier PI.
- d. Validate supplier PI prior to its exchange between DoD Components pursuant to this issuance; including, but not limited to, those data identified in Paragraph 3.2.e.
- e. Use materiel quality and supplier performance information available within the Department of the Navy (DoN) Product Data Reporting and Evaluation Program (PDREP) system as directed by DoD and in accordance with Secretary of Navy Instruction 4855.3 and Navy Standard Operating Procedure 3683.

3.3. OPERATION OF THE SPRS SYSTEM. The Director, Naval Sea Logistics Center-Portsmouth, will:

- a. Act as the executive agent for supplier performance programs including the Contractor Performance Assessment Reporting System, PDREP, SPRS, and the Federal Awardee Performance and Integrity Information System for all federal agencies on behalf of DoD and the Integrated Award Environment. Functional enhancements to SPRS will be funded by the agency requesting a change.
- b. Develop and sustain SPRS based on joint DoD requirements.
- c. Establish and manage the SPRS Program Management Office.

d. Provide, distribute, and maintain a procedures manual to support the DoD implementation and execution of the SPRS program requirements of this issuance.

e. Use the DoN PDREP to:

(1) Provide and maintain a DoD enterprise solution as a centralized database, with application capabilities for reporting, processing, collecting, storing, and sharing supplier PI internally and with other DoD Components, in support of the requirements of this issuance.

(2) Validate and screen, prior to being incorporated into SPRS, materiel quality data or other supplier PI received electronically by the DoN PDREP in accordance with the procedures in Volume 2 of Defense Logistics Manual 4000.25.

(3) Share and store material quality data or other supplier PI electronically using the procedures in Defense Logistics Manual 4000.25.

f. Provide SPRS application training and customer support for authorized DoD and contractor personnel granted official access to the system.

g. Assist DoD Components with technical solutions to achieve a uniform means and common approach for reporting material quality data or other supplier PI.

GLOSSARY

G.1. ACRONYMS.

ASD(S)	Assistant Secretary of Defense for Sustainment
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DoDI	DoD instruction
DoN	Department of the Navy
FAR	Federal Acquisition Regulation
PDREP	Product Data Reporting and Evaluation Program
PI	performance information
PSC	product service code
SPRS	Supplier Performance Risk System
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD(I)	Under Secretary of Defense for Intelligence
USD(R&E)	Under Secretary of Defense for Research and Engineering

G.2. DEFINITIONS. Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

counterfeit. Defined in DoDI 4140.67.

Integrated Award Environment. A collection of statutory and regulatory mandated federal-wide capabilities supporting procurement, grants, and payment processes. They include capabilities such as vendor identification, management, government business opportunities contract and sub-award reporting, tracking past performance, and vendor reporting in accordance with a variety of regulations. The Integrated Award Environment portfolio is managed by the General Services Administration.

PDREP. The DoN central automated source for reporting, collection, and evaluation of supplier performance information identified in Section 1126 of Title 41, United States Code, the FAR, the DFARS, and the Navy Marine Corps Acquisition Regulation Supplement. PDREP tracks supplier performance on an individual component basis and links that material to the supplying contractor. PDREP is used by DoD for collecting the required supplier information from the Navy and other DoD organizations. The PDREP reports to the DoD SPRS for use by all of the DoD.

PSC. Defined in the Federal Procurement Data System Product and Service Codes Manual.

quality deficiency. A defect or nonconforming condition that limits or prohibits the product or service from fulfilling its intended purpose. Included are deficiencies in design, specification, material, manufacturing, workmanship, and standards of performance.

source. Defined in Subpart 217.7506, Part 1, 1-103.29 of DFARS Procedures, Guidance and Information.

SPRS. Defined in the Department of Defense Supplier Performance Risk System Software User's Manual.

supplier PI. The actions or processes of carrying out or accomplishing actions, tasks, or functions of contractor performance.

REFERENCES

- Business Enterprise Architecture, current edition
- Defense Federal Acquisition Regulation Supplement, current edition
- Defense Logistics Manual 4000.25, Volumes 1-7, “Defense Logistics Management System,” date varies by volume
- Department of Defense Supplier Performance Risk System (SPRS) Software User’s Manual, current edition
- Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018
- DoD Directive 5134.01, “Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)),” December 9, 2005, as amended
- DoD Directive 8000.01, “Management of the Department of Defense Information Enterprise (DoD IE),” March 17, 2016, as amended
- DoD Instruction 4140.67, “DoD Counterfeit Prevention Policy,” April 26, 2013, as amended
- DoD Instruction 5000.74, “Defense Acquisition of Services,” January 5, 2016, as amended
- DoD Instruction 5200.44, “Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN),” November 5, 2012, as amended
- DoD Instruction 6025.13, “Medical Quality Assurance (MQA) and Clinical Quality Management in the Military Health System (MHS),” February 17, 2011, as amended
- DoD Instruction 6430.02, “Defense Medical Logistics Program,” August 23, 2017
- DoD Instruction 8320.02, “Sharing Data, Information, and Information Technology (IT) Services in the Department of Defense,” August 5, 2013
- DoD Instruction 8500.01, “Cybersecurity,” March 14, 2014
- DoD Manual 4140.25, Volume 1, “DoD Management of Energy Commodities: Overview,” March 2, 2018, as amended
- Federal Procurement Data System Product and Service Codes Manual, current edition
- Navy Marine Corps Acquisition Regulation Supplement, current edition
- Navy Standard Operating Procedure 3683, “Navy and Marine Corps Product Data Reporting and Evaluation Program,” Revision C, April 22, 2013
- Secretary of Navy Instruction 4855.3, “Product Data Reporting and Evaluation Program (PDREP),” June 27, 2014
- United States Code, Title 10, Section 2339a
- United States Code, Title 41, Section 1126