

# Contractor Responsibility Program



# Contractor Responsibility Program

## Course Navigation

This course focuses on the policies that establish and implement the Contractor Responsibility Program. It is a mandatory prerequisite to the Contractor Responsibility Program System (CRPS) instructor-led course, which provides greater detail about the Contractor Responsibility Program and the functionality of the Contractor Responsibility Program System.

This course is presented on a series of slides. Navigate through the slides by selecting the NEXT  or PREVIOUS  button.

You may exit the course at any time. When you return to the course, you can choose to resume the course or start from the beginning.

Select the NEXT button now to start the course.

# Contractor Responsibility Program

## Course Objectives

By completing this course, you will be able to:

- Identify and locate the specific policies in the Commonwealth that pertain to the Contractor Responsibility Program (CRP)
- Define a performance issue
- Recognize various types of deficient or unsatisfactory contractor performance
- State the reason why contractor performance issues should be entered into the Contractor Responsibility Program System (CRPS)



# Contractor Responsibility

## Introduction



# Introduction

The Commonwealth of Pennsylvania purchases nearly \$3 billion worth of goods and services annually, which support the core functions of state government and protect the health and safety of our citizens.

It is the responsibility of procurement professionals to ensure that contracts are awarded to responsible contractors.



# Introduction (continued)

The Contractor Responsibility Program is an internet-based tool created to assist procurement professionals to “identify, evaluate, and sanction appropriately, contractors that do not meet the standards of responsibility that render deficient performance or that engage in wrongdoing, or other activity adversely affecting their fitness to contract with Commonwealth agencies.”



# Introduction (continued)

*What are the Procurement Professional's Roles and Responsibilities?*

- Identify, evaluate, and appropriately sanction contractors who:
  - Do not meet the standards of responsibility
  - Render deficient performance
  - Engage in wrongdoing or other inappropriate activities



# Introduction (continued)

Most Commonwealth contractors fulfill their contract requirements and perform in good faith. However, some fail to perform according to the contract standards creating the potential for:

- Health and safety risks to Commonwealth citizens
- Significant financial burdens on the Commonwealth and taxpayers
- Additional project costs, late project implementations and additional procurement costs



# Contractor Responsibility Program Policy



# Purpose

- Ensures contractors pay Commonwealth financial obligations – i.e., state tax liability or other obligation
- Ensures the Commonwealth contracts with only those contractors that possess the capability to perform the contract requirements in all respects



# Purpose (continued)

- Provides a centralized system to collect information from agencies concerning:
  - Contractor obligations
  - Contractor performance issues
  - Suspensions and debarments by the Commonwealth, the federal government, and other government entities
- Prior to an award, the procurement professional must conduct a CRP check to determine if the contractor has any of the above items



# CRP Policy Documents

CRP policy is governed by the following three documents:

- [Executive Order 1990-3, Contractor Responsibility Program](#)
- [Management Directive 215.9, as amended, Contractor Responsibility Program](#)
- [Procurement Handbook Part 1, Chapter 14](#)



# Executive Order 1990-3

Executive Order 1990-3 directs that the Secretaries of the Budget and General Services work jointly with General Counsel and the Inspector General to:

- Provide for investigation into alleged non-performance or wrongdoing by contractors;
- Centrally collect and disseminate reports relating to non-performance or wrongdoing of contractors; and
- Impose appropriate sanctions against contractors engaged in wrongdoing or other activity adversely affecting their ability to perform in accordance with contract provisions; and
- Include information on contractor responsibility from a variety of sources, including those of other government entities



# Management Directive 215.9, as amended

## Purpose:

Establishes policy, responsibilities and procedures for the operation of the Commonwealth CRP, pursuant to Executive Order 1990-3, and the Commonwealth Procurement Code.

## Scope:

- All departments, boards, commissions, and councils under the Governor's jurisdiction, with agencies not under the Governor's jurisdiction encouraged to participate.
- All contracts, including renewals, extensions and assignments thereof, executed by the Commonwealth.



# Management Directive 215.9, as amended (continued)

## Important Policy Highlights

- Requires CRP provisions to be part of every contract's terms and conditions
- Requires determination of contractor responsibility prior to any contract award, renewal, extension or assignment
- Applies to purchases in excess of the Small No Bid procurement threshold



# Management Directive 215.9, as amended (continued)

## Important Policy Highlights (continued)

- Prohibits unauthorized use or disclosure of information other than for official purposes
- Requires agencies to access the new System for Award Management (SAM) when federal funds are used in a contract
  - To perform a search manually, go to the SAM website at: <http://www.sam.gov>
  - Agencies will be notified when the CRPS has been updated to include automated checks of the new SAM



# Management Directive 215.9, as amended (continued)

## Important Policy Highlights (continued)

- Obligations remain in the system until fulfilled
- Requires creation of :
  - CRP Oversight Committee
  - Designated Senior Managers (DSM)
- Entry of Performance Issues
- Approval/Disapproval of Performance Issues



# Suspension/Debarment

- Agencies may not award, renew, or extend, contracts to debarred or suspended contractors
- Suspended or debarred contractors must be reported to the Department of General Services' Office of Chief Counsel



# CRP Policy

## Offset Provisions

Authorizes the Commonwealth to deduct any amount of any liability owed to the contractor

- Offset Provisions must be included in any contract which requires the Commonwealth to make a payment



# CRP Roles and Responsibilities

The Management Directive identifies roles and responsibilities for the following:

- CRP Oversight Committee
- Agency Designated Senior Managers
- Performance Issue Creator
- Performance Issue Approver



# CRP Oversight Committee Responsibilities

- Monitor, maintain, and evaluate the CRP for efficiency, effectiveness, and use
- Respond to concerns raised by agencies
- Provide guidance to ensure the underlying purpose of the CRP is being carried out
- Create and disseminate guidelines for the release of information contained within the CRPS
- Monitor instances of unsatisfactory or deficient contractor performance reported by agencies



# Agency Designated Senior Manager (DSM) Responsibilities

- Serve as the agency's primary point of contact
- Approve/disapprove entries in the CRPS for performance issues and obligations owed to the agency (excluding state tax obligations)
- Approve/disapprove requests for access to the CRPS made by other employees within the agency
- Employees may view a list of agency DSMs by referencing the [CRP Designated Senior Manager Listing](#)



# Performance Issue Creator Responsibilities

- Authorized to create new performance issues for their agency
  - Edit performance issues with a “pending” status for their agency
- Search for and view “approved” and “resolved” performance issues
- Execute CRP Checks and Searches
- Generate Reports



# Performance Issue Approver Responsibilities

- Authorized to “approve” or “resolve” performance issues
  - Edit performance issues with an “approved” or “resolved” status
- Search for and view all performance issues
- Execute CRP Checks and Searches
- Generate Reports



# Contractor Performance Issues



# Performance Issues

A crucial factor in determining contractor responsibility is the contractor's ability to carry out the terms and conditions of the contract.

If a contractor **fails** to meet any agreed upon terms or conditions of a contract or purchase order, it is known as a “**performance issue**”.



# Performance Issues (continued)

- Management Directive 215.9, as amended, requires all performance issues be recorded in the CRPS
- Entries must include:
  - A detailed description of the poor or deficient performance
  - Impact to the agency



# Performance Issues (continued)

Consistently documenting performance issues in the CRPS enables procurement professionals to identify and recognize a contractor's pattern of deficient or non-performance. These contractors may be at risk of suspension or debarment by the Commonwealth.



# Performance Issues (continued)

The following slides illustrate examples of actual contractor performance issues:

- Late on delivery/completion schedule
- Product/Service not meeting specification
- Deficient or non-performance

Note: A complete list of performance issues can be found in [Management Directive 215.9, as amended.](#)



# Contractor Responsibility Program Policy

## Type of Performance Issue: Late on Delivery/Completion Schedule

### Performance Issue

Contractor was scheduled to make 3 deliveries of highway construction material for Agency workforce to install. Prior to the first scheduled delivery, the contractor notified the Agency that all deliveries would be delayed by approximately 20 days. The materials were scheduled to be installed on two different roads, which had already been closed in preparation.

### Impact to the Agency

The Contractor's failure to meet their specified delivery schedule caused the Agency lost time, additional costs, and delay of additional projects. Further, it caused significant delays to motorists.

### Performance Issue

Contractor was awarded a project to demolish an old storage building and erect a new, larger one. Although this project was designated as critical by the Agency, it was completed almost 50 days after its contract-mandated completion date.

### Impact to the Agency

The delay in completion of the storage building had a significant impact on the Agency's seasonal operations.



# Contractor Responsibility Program Policy

## Type of Performance Issue: Product/Service Not Meeting Specification

### Performance Issue

Contractor for HVAC services failed to comply with required specifications for inspection and maintenance (as necessary). The July inspection was not performed until October, despite repeated calls by Agency staff. In addition, the repairs that were scheduled following the inspection were not completed until March of the following year. Upon Agency review of the Contractor's work, the furnace continues to leak and is need of further repair.

### Impact to the Agency

Furnace is still not operating properly and additional repairs will need to be completed by another Contractor, thus increasing costs to the Department.

### Performance Issue

Department construction inspectors found that the contractor's work is not being performed to specification, and the contractor has repeatedly failed to take corrective action to fix the problem.

### Impact to the Agency

Severe delays in the project have resulted, thus increasing the costs to the Department.



# Contractor Responsibility Program Policy

## Type of Performance Issue: Deficient or Non-Performance

**Performance Issue** Contractor has violated numerous contractual terms and conditions: exceeding approved number of workers reporting to worksites, failure to submit daily work sheets as required, workers making personal phone calls on office telephones, workers leaving empty food wrappers/soda cans onsite, and workers not performing assigned duties in a timely manner.

**Impact to the Agency** Excessive oversight/monitoring required for contract by the project manager, and necessity of facility employees to perform work not completed by contractor. This has resulted in additional costs being incurred by the agency.

**Performance Issue** Contractor failed to comply with contractual requirements for work production and delivery.

**Impact to the Agency** Significant additional expenses and numerous potential public safety concerns.



# Performance Issues (continued)

Part 1, Chapter 57 of the Procurement Handbook, Contractor Performance and Legal Remedies, provides general guidance regarding contractor performance issues and outlines remedies for failure to perform.



# Contractor Responsibility Program Policy – Critical Components



# Critical Component Review

- Non-compliant contractors potentially create:
  - Health and safety risks to Commonwealth citizens
  - Significant financial burdens on the Commonwealth and taxpayers
  - Additional project costs and/or procurement costs, and late project implementations



# Critical Component Review (continued)

- All procurement professionals must comply with current policies and procedures, including the requirements of:
  - [Executive Order 1990-3 Contractor Responsibility](#)
  - [Management Directive 215.9, as amended, Contractor Responsibility Program](#)
  - [Procurement Handbook Part 1, Chapter 14](#)



# Critical Component Review (continued)

- CRP applies to all contracts, extensions and renewals
- Determination of contractor responsibility must be made prior to any contract award, renewal or assignment
- Applies to purchases in excess of the Small No Bid procurement threshold



# Critical Component Review (continued)

- Agencies may not award, renew, or extend, contracts to debarred or suspended contractors
- Offset Provisions must be included in any contract which requires the Commonwealth to make a payment
- Employees may view a list of agency DSMs by referencing the [CRP Designated Senior Manager Listing](#)



# Critical Component Review (continued)

- The CRP is a vital tool used to document poor performance and track contractor obligations
- All performance issues must be recorded in the CRPS



# Contractor Responsibility Program

Thank you for viewing the Contractor Responsibility Program course. You are now able to:

- Identify and locate the specific policies in the Commonwealth that pertain to the CRP
- Define a performance issue
- Recognize various types of deficient or unsatisfactory contractor performance
- State the reason why contractor performance issues should be entered into the CRPS



# Survey

- Select the link below to complete an online Zoomerang survey

<https://www.zoomerang.com/Survey/WEB22G6WBT9CMY>



**Congratulations! You have completed the course; feel free to review it again at any time. In the near future, you will receive a confirmation of completion.**

**In order to receive credit, you must now select *Close and Save Progress*.**

**Thank you!**

