The Contractor Performance Assessment Reporting System (CPARS) originally was established by the Department of Defense (DoD) as the input module to ensure current and accurate data on contractor performance was available for use in source selections through the Past Performance Information Retrieval System (PPIRS). It is a Web-enabled application that collects and manages a library of electronic reports on contractor performance, feeding the information into PPIRS. Until 2010, civilian agencies used different input systems, including the Contractor Performance System (CPS) provided by the National Institutes of Health. In 2010, the government decided that, rather than updating CPS and maintaining more than one system, it made more sense to standardize all agency automated contractor performance reporting using CPARS. Civilian agencies then established memoranda of understanding with DoD to obtain access to CPARS.

The regulatory requirements for CPARS are found at Federal Acquisition Regulation (FAR) 42.1502, requiring agencies to prepare an evaluation of contractor performance, and FAR 15.304, stating that past performance shall be used in all source selections for negotiated competitive acquisitions.

Who is responsible for evaluating contractor performance?

According to FAR 42.1503, performance evaluation is the responsibility of “the technical office, contracting office and, where appropriate, end users of the product or service.” Agencies interpret this in different ways, and contracting officer’s representatives (CORs) will need to familiarize themselves with their agencies’ regulations. If a COR is expected to input reports on behalf of the technical office, his or her letter of designation from the contracting officer should include that task. In this case, the COR most likely will have a specific designation, such as assessing official or assessing official’s representative.

The CPARS process is designed with a series of checks and balances to facilitate the consistent evaluation of contractor performance. Both government and contractor perspectives are captured on the CPAR form. The opportunity for designated government and contractor personnel together to review and comment on the CPAR makes it complete.

Why does the government collect data on contractor performance?

In addition to determining whether the contractor is eligible for any performance incentives in the contract, the data generated by a COR can be used as part of the past performance evaluation factor on other source selections within the government. A primary purpose of evaluating and collecting data on contractor performance is to reward good performers with future business and protect the government from substandard performance. This aspect of performance evaluation has come under scrutiny by the Office of Federal Procurement Policy (OFPP), which, after reviewing the PPIRS output of ten agencies, concluded both qualitative and quantitative improvements were needed. In particular, OFPP emphasized that it would like to see comments on how the contractor resolved problems.

Another major goal of performance evaluation is to facilitate improvement in current contracts. Providing feedback to the contractor, particularly on long-term efforts, is a good way to ensure the contractor fully understands what the government wants and can refine its approach as needed.

In addition to the sources of information outlined in FAR 9.105-1(c), the contracting officer should use information available through PPIRS to support responsibility determinations for prospective contractors. In some cases, contractor performance data also can be used to support a contracting officer’s determination for an option exercise. There must be a determination that exercise of the option is the most advantageous way to meet the government’s need; a contractor’s performance may be a major factor in this determination. Some agency procedures therefore require that an interim evaluation be entered into CPARS before an option exercise. In any case, the COR will need to ensure the contracting officer has the performance information necessary to support the option exercise decision.
**Quick Reference Guide**

**Are CPAR assessments treated as source selection information?**

Yes, CPAR assessments are treated as source selection information. They are pre-decisional in nature; protected throughout the life cycle of the acquisition; accessible by government personnel with a need to know and the contractor that is the subject of the evaluation; and retained for three years after contract completion in PPIRS.

**Which contracts and orders require contractor performance evaluations?**

The requirements for performance evaluations, as outlined in FAR 42.1502, are shown in Table 1. In some cases they are mandatory; in others cases they may be required at the discretion of the contracting officer. Interim evaluations are required for contracts extending more than one year.

Individual agencies may establish additional requirements, and out-of-cycle evaluations may be required after major changes. DoD also has a FAR deviation that raises the thresholds for performance evaluations in several areas. For DoD contracting actions, CPARS evaluations are required for:
- Systems and operations support contracts over $5,000,000
- Services and information technology contracts over $1,000,000
- Ship repair and overhaul contracts over $500,000
- Fuels and health-care contracts over the simplified acquisition threshold (SAT)

**What is the reporting frequency?**

**Interim Reports**
- Required if period of performance exceeds 365 days
- Not required if period of performance is less than 365 days; issue final report only
- Interim report may include no more than 12 months of actual performance
- Assessment period begins after contract award date

**Annual Interim Reports**
- Required every 12 months or if there is a significant change within an agency (provided a minimum of six months of performance has occurred)
- Complete with other reviews, such as option and award fee determinations
- Not cumulative—assess only performance occurring after the last assessment period

**Final Reports**
- Required at contract completion (delivery of final end item or end of period of performance)
- Required upon contract termination
- Not cumulative—assess only performance occurring after the last assessment period

**Addendum Reports**
- Evaluate contract closeout
- Evaluate warranty performance
- Evaluate performance with respect to other administrative requirements
- Written at government’s discretion

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**Table 1**

<table>
<thead>
<tr>
<th>Performance evaluations must be done for:</th>
<th>Performance evaluations may be done for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>All contracts over the simplified acquisition threshold (SAT), including single-agency task and delivery order contracts – at the contract level (but see the description of the DoD deviation)</td>
<td>Contracts not exceeding the SAT</td>
</tr>
<tr>
<td>All task orders over the SAT that are against federal supply schedules or multiagency task order contracts</td>
<td>Task and delivery orders over the SAT against single-agency indefinite-delivery, indefinite-quantity (IDIQ) contracts</td>
</tr>
<tr>
<td>Construction over $650,000</td>
<td>Construction under $650,000</td>
</tr>
<tr>
<td>Construction terminated for default regardless of contract value</td>
<td>Architect-engineer contracts over $30,000</td>
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</tbody>
</table>
Quick Reference Guide

Note: All CPARS are due within 120 days after the end of the assessment period.

How do I get started using CPARS?

Before using the system, you need to establish an account and complete online training, which is available through the CPARS Web site. Your agency should have a point of contact who can assist you with this. The CPARS site also contains a practice module to which you can request access if necessary, a help desk that you can contact to resolve technical issues, and a page of frequently asked questions that you might find useful.

Next, register your contracts in the system. This often is required within 30 days after contract award, and agency regulations also establish deadlines for interim and final evaluations. Once you complete an evaluation, you may be required to provide it to the contracting officer or another official, or to provide it directly to the contractor for comments, in accordance with your letter of delegation and your agency's procedures. While the system notifies the contractor by e-mail when the evaluation is ready, some agencies require follow-up by the assessing officials.

Once an evaluation is in the system, it will be viewable as a PDF. Be sure your computer has Adobe Acrobat Reader installed to be able to use this.

Do the contractor's comments go into the system?

Yes. Contractors are given an opportunity to review their evaluations and provide comments, rebuttals, or additional information. The FAR requires that they have at least 30 days to do this. If there is disagreement, the FAR requirement is for the matter to be resolved at a level above the contracting officer, with the government having the final say. Agency procedures will provide details. To ensure that a complete record is retained, a good practice is to also keep copies of all evaluations, contractor comments, and higher-level determinations in your COR file.

If a contractor disagrees with the rating, will I have to spend a lot of time defending my recommendations?

While you cannot prevent disagreement, particularly if the contractor's performance is less than satisfactory, you can take steps to minimize this problem. First, make sure the rating does not come as a surprise to the contractor. Call problems to contractors' attention as work progresses, and ensure they understand what is expected and the likely consequences if they do not take corrective action. If you have established a cooperative teaming environment in which the contractor and government are focused on the same goals, it will be easier to avoid unpleasantness over performance ratings. Second, document thoroughly as you go, so you will more easily be able to back up your position if a disagreement arises. Third, make sure that the rating does not come as a surprise to the contracting officer or senior program personnel. Include them in ongoing discussions of program and performance issues so the government is more likely to speak with one voice when the time comes for a formal evaluation.

Key Takeaways

- Civilian agencies are using the CPARS system developed by DoD as a web-based tool for collecting and managing contractor performance information. While there will be a learning curve if you have not used this system before, consolidating the system governmentwide should improve efficiency and reduce the total cost of collecting and organizing performance data.
- A candid performance evaluation is important both for providing the contractor useful feedback and for supporting future government procurement decisions.

Endnotes