



Evaluating Subcontracting Performance in CPARS

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<https://business.defense.gov/Acquisition/Subcontracting/>

<https://www.cpars.gov/>



Agenda

- Purpose of CPARS
- Regulatory Requirements
- Guidance
- Applicability
- Evaluation Rating
- Timeline & Workflow
- Reporting
- What does it mean for SBIR/STTR Program
- Summary
- Questions



Purpose of CPARS





What is CPARS?

Contractor Performance Assessment Reporting System (CPARS)

Web-enabled application that collects and manages a library of automated contractor report cards

- Two Modules Within CPARS
 - Contractor Performance Assessment Reporting System (CPARS) Module – **Systems, Operations Support, Services, Information Technology, Architect-Engineer and Construction**
 - Federal Awardee Performance and Integrity Information System (FAPIIS) Module



Why Evaluate Contractor Performance?

Office of Federal Procurement Policy (OFPP) and Federal Acquisition Regulation (FAR) Require:

Collection and Maintenance of Past Performance Information for Use in the Award Decisions for Competitive Acquisitions



Regulatory Requirements

- **FAR 42.1502** -- Past Performance Evaluations Prepared:
 - At Least Annually
 - At Time Work Under Contract or Order is Completed
 - Past Performance Information Shall Be Entered Into CPARS
- **FAR 42.1503** -- Evaluation Factors
 - Technical/Quality of product or service
 - Cost Control
 - Schedule/Timeliness
 - Management or Business Relations
 - **Small Business Subcontracting**
 - Regulatory Compliance
 - Other



Regulatory Requirements (cont.)

- **FAR 42.1503**

- Evaluation Ratings Definitions
- Evaluations Automatically Transmitted to Past Performance Information Retrieval System (PPIRS)
- Agencies Shall Use PPIRS Information in Source Selections
 - Within 3 Years of Contract/Order Completion
 - 6 Years for Architect-Engineer and Construction
- Past Performance Information Shall be Entered Into CPARS

- **FAR 15.304**

- Past Performance Shall be Evaluated in All Source Selections for Negotiated Competitive Acquisitions Expected to Exceed Simplified Acquisition Threshold



CPARS Guidance





Guidance for CPARS Document

<http://www.cpars.gov/refmatl.htm>

- Guidance
- Applicability and Scope
- Responsibilities Assigned
- CPARS Timeline and Workflow
- Frequency and Types of Reports
- Administrative Information
- References
- Business Sectors
- Rating Definitions
- Instructions for Completing a CPAR

Available at
www.cpars.gov on
Guidance Tab



Applicability of CPARS



Applicability of CPARS

- Contractor performance information must be collected, and an evaluation completed, on contracts/orders for systems and non-systems exceeding the simplified acquisition threshold in FAR 42.15
- For contracts and orders that exceed the simplified acquisition threshold (SAT)
- Contract modifications to a contract that causes the dollar value to exceed the SAT



Applicability of CPARS

- Orders under multiple-agency contracts that exceed SAT
- Orders under single-agency contracts that exceed SAT
- Joint Ventures (FAR 4.102): evaluation should be prepared on contract or orders
- Contractor Team Arrangements (CTAs): if team arrangement is a prime/sub relationship, evaluations should be conducted on the prime
- Classified and Special Access Programs (SAPs): these are not exempt from past performance reporting



Department of Defense (DoD) Dollar Thresholds

Business Sector	Dollar Threshold
Systems	> \$5,000,000
Non-Systems	
- Operations Support	> \$5,000,000
- Services	> \$1,000,000
- Information Technology	> \$1,000,000
- Ship Repair & Overhaul	> \$500,000
Architect-Engineer	≥ \$35,000 All Terminations for Default
Construction	≥ \$700,000 All Terminations for Default



Evaluation Rating Definitions



Ratings and Narratives

Rating Definitions (FAR 42.1503 Table 42-1)

Rating	Contract Requirements	Problems	Corrective Actions
Exceptional	Exceeds Many – Gov't Benefit	Few Minor	Highly Effective
Very Good	Exceeds Some - Gov't Benefit	Some Minor	Effective
Satisfactory	Meets All	Some Minor	Satisfactory
Marginal	Does Not Meet Some – Gov't Impact	Serious; Recovery Still Possible	Marginally Effective; Not Fully Implemented
Unsatisfactory	Does Not Meet Most – Gov't Impact	Serious; Recovery Not Likely	Ineffective



Ratings and Narratives

Small Business Subcontracting Rating Definitions (FAR 42.1503 Table 42-2)

Rating	Subcontracting Plan	ISR/SSR	Benefits / Impacts
Exceptional	Exceeded All Statutory Goals	Accurate & Timely	Multiple Significant Events of Benefit
Very Good	Met All Statutory Goals	Accurate & Timely	Significant Event of Benefit
Satisfactory	Good Faith Effort to Meet Goals	Accurate & Timely	Minor Problems; Major Problems w/ Corrective Action
Marginal	Deficient in Meeting Key Plan Elements	Inaccurate; Untimely	Significant Event Contractor Had Trouble Overcoming
Unsatisfactory	Noncompliant; Uncooperative	Inaccurate; Untimely	Multiple Significant Problems; Liquidated Damages



Timeline and Workflow





Roles, Responsibilities and Timeline

Contract Specialist:

- Contract Registration: entry of basic contract/order award information, performed within 30 days following contract/order award
- Enter Proposed Ratings and Narratives: supporting narrative for each factor used



Roles, Responsibilities and Timeline

Contracting Officer:

- Validate Ratings and Narratives: the AO reviews the proposed ratings and narratives to ensure ratings are consistent

Contractor Comments:

- Option to provide comments on the evaluation
- If they concur or do not concur with evaluation, Contractor has 60 days after AO's evaluation to send comments



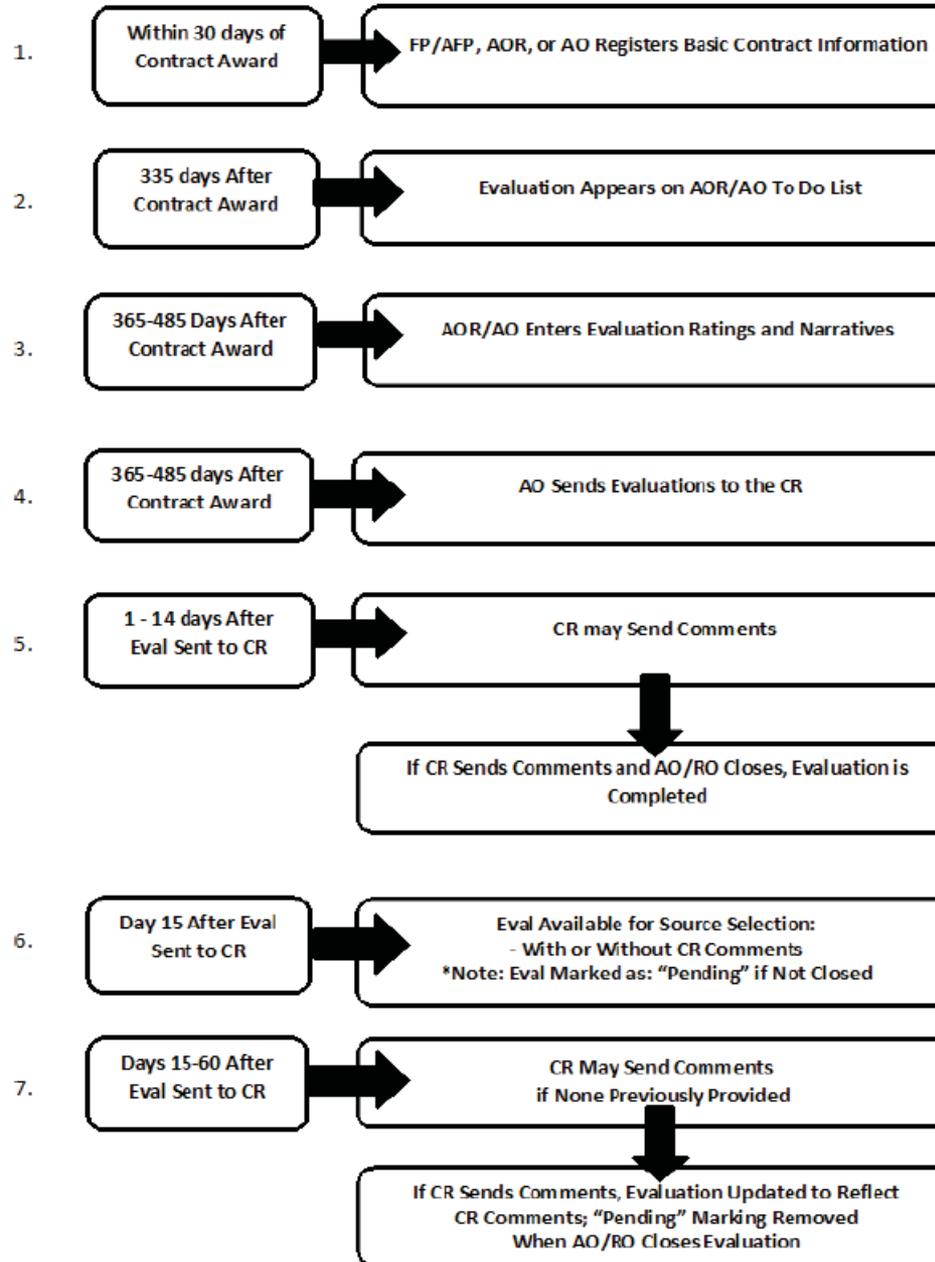
Roles, Responsibilities and Timeline

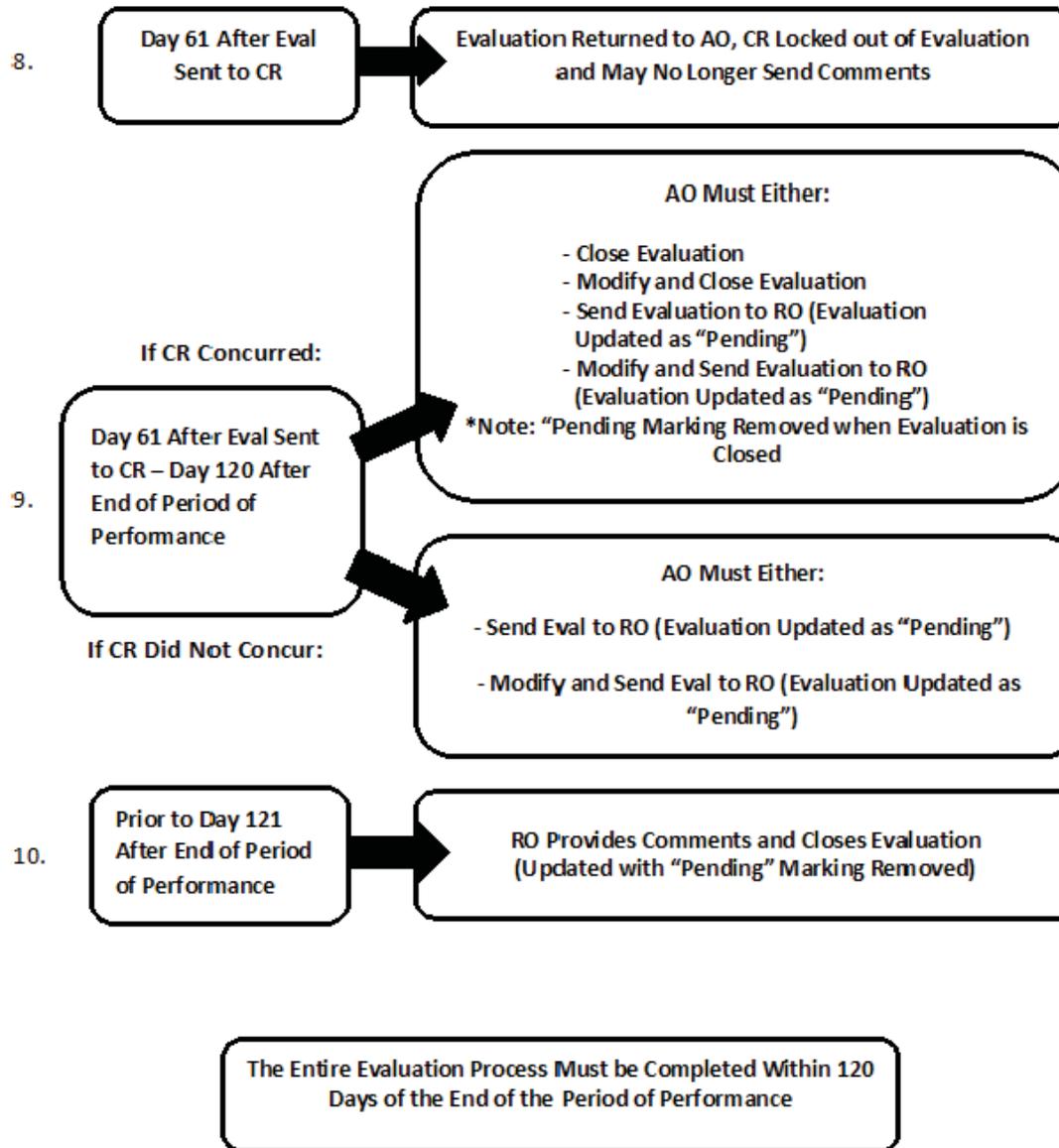
Contracting Officer or COR:

- Review Contractor Comments/Close: on day 61 following the AO's evaluation
- Reviewing Official Comments/Close
- Evaluation Timeframe: the entire process must be completed within 120 days following the end of the period of performance



4.9 Timeline

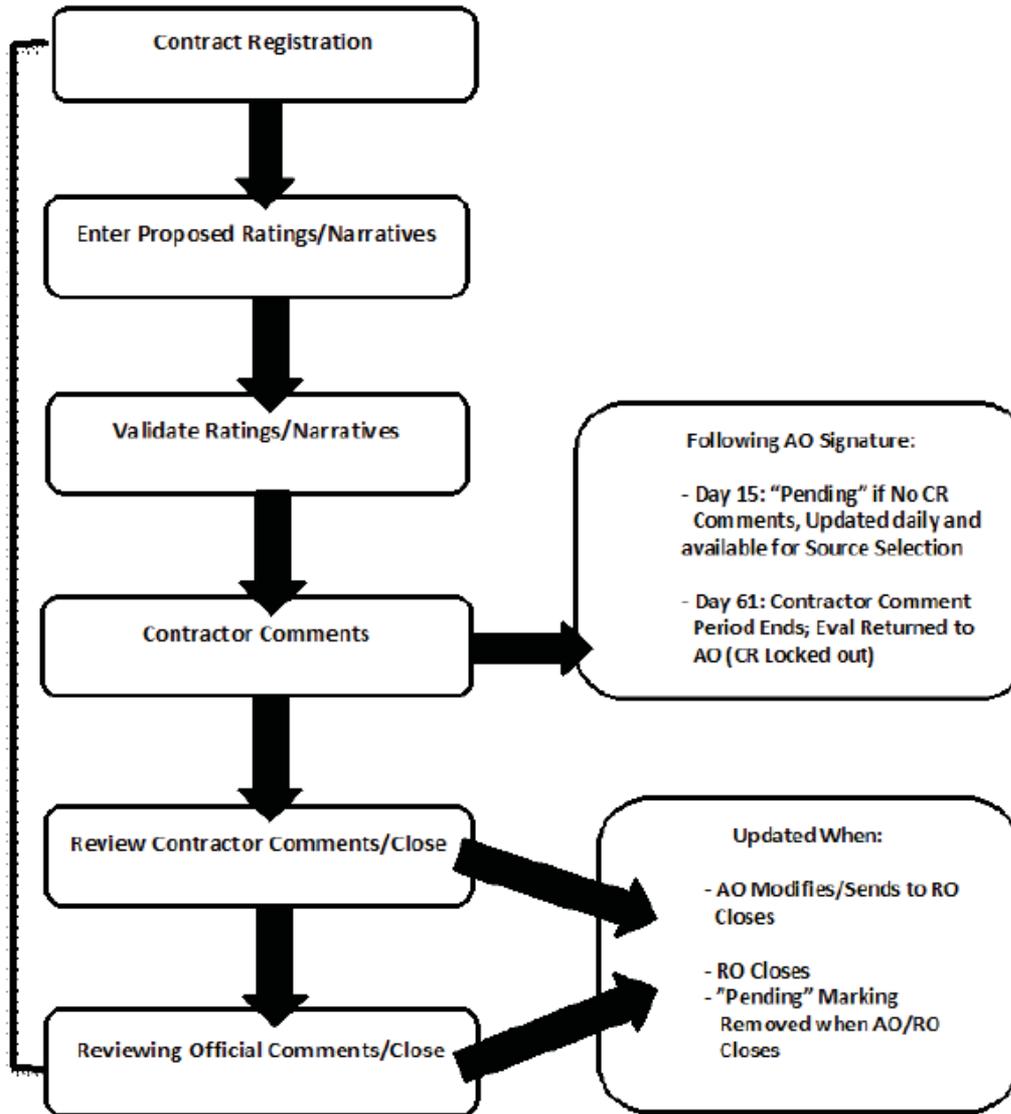




4.10 Workflow



Process must be completed within 120 days after end of period of performance





Reporting





Reporting/Assessment Requirements

FAR requires agencies to report on and assess contractor's performance upon contract or order completion.

Seven evaluation areas

- Technical/Quality of product or service
- Cost Control
- Schedule/Timeliness
- Management or Business Relations
- **Small Business Subcontracting**
- Regulatory Compliance
- Other



Types of Evaluations

- Interim Evaluations: New Contracts/Orders
- Annual Interim: every 12 months
- Note on Interim Evaluations: limited to contractor performance occurring after preceding evaluation
- Final: upon contract/order completion or delivery of final major end item
- Addendum: after “final” past performance evaluation relative to closeout
- Administrative: no contract/order performance during an annual evaluation period



CPARS in Relation to Small Business Evaluation



What does it mean for you?

- How to incorporate Small Business in your valuation
- Increase your chance to get more federal contracts
- How to increase your rating or maintain above satisfactory rating
- Contractor Teaming Arrangements (CTAs)
- Joint Ventures



Incorporating SB in your evaluation

- What realistic opportunities does your contract have for SB?
- Focus on all direct and indirect factors
- Attempt to exceed bare minimum when you can

Increase your chance to get more federal contracts



- Exceptional and Very Good ratings are your best bet in relation to incorporating SB
- Build better partnerships with the right small businesses
- Shows the Federal Government you follow contractual requirements
- Meet performance metrics and goals



Increase Your Rating

- If you are struggling reach out to your Contracting Officer
 - Can assist with working with OSBP to find SB resources
 - Small Business Professional can assist with SBA
- Show “good faith” effort FAR 19.701
 - Liquidated Damages clause
- Document all your efforts both positive and negative
- Be solutions oriented

Contractor Team Arrangements (CTAs)



- Reference in FAR 9.6 definition of a CTA is
 - Arrangement in which (1) two or more companies form a partnership or JV to act as a potential prime contractor;
 - Or (2) a potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.

Contractor Team Arrangements (CTAs)



- When CTAs are evaluated for orders against a Federal Supply Schedule, the team member with the most revenue will be evaluated.
- Mentor-Protégé benefit for CPARS under the arrangement.
 - Increase SB opportunities for the Protégé that can increase rating

Joint Ventures



- Evaluations should be prepared on contracts/orders for joint ventures
- The unique DUNS created for JV is what will be used for the single evaluation
- If teaming arrangement on contract is NOT an official JV, evaluation is only prepared on the specific prime contractor identified on the contract
- All other team members are considered subcontractors to the prime
- Reference: FAR 4.102



Summary

- Went through the primary purpose of CPARS
- How it applies
- Evaluation Ratings and what is evaluated
- Reporting and Workflow
- Lastly, how you can make CPARS work for you

