

Information Paper on the Contractor Performance Assessment Reporting System (CPARS)

1. Purpose

To inform about the Contractor Performance Assessment Reporting System (CPARS), its function, and best practices for contractors.

2. Background

The Federal Acquisition Regulation (FAR) 42.15 requires the government to assess contractor performance on contracts exceeding the Simplified Acquisition Threshold (SAT). The CPARS is the official online system used to meet this legal requirement. The system is designed to support best-value source selection decisions by providing contracting officials with up-to-date and accurate documentation of a contractor's past performance. Furthermore, CPARS serves as a formal communication tool between the government and contractors, motivating performance improvement. As of October 1, 2025, the general SAT value is \$350,000. Per FAR 15.304, this documented past performance must be considered as a source selection factor in all competitive acquisitions that exceed the SAT.

3. Key Points/Discussion

- **System and Purpose:** CPARS is the government's official web-based system for recording and evaluating contractor performance. Its primary goals are to support future source selections, document contractor abilities, facilitate government-contractor communication, and incentivize contractor performance.
- **Assessment Areas:** Performance assessments are conducted in several key areas as defined by FAR 42.1503(b)(2): Quality, Schedule, Cost Control, Management, Small Business Contracting, and Regulatory Compliance. The Assessing Official (AO) can also add up to three "Other" specific areas.
- **Performance Ratings:** Contractors are rated using a five-tier scale defined in FAR Table 42-1: Exceptional, Very Good, Satisfactory, Marginal, or Unsatisfactory.
- **Importance for Contractors:** Positive CPARS ratings are critical for contractors as they directly impact future business opportunities, enhance competitive advantage, build reputation, and facilitate teaming opportunities on future government projects.
- **Keys to Success:** Contractors can improve their CPARS outcomes by fostering a good working relationship and maintaining beneficial communication with the government's AO, Assessing Official Representative (AOR), and Contracting Officer.

Providing recurring project summaries can serve as a reference for the official report.

- **Alternatives to CPARS:** For contracts that do not meet the SAT threshold or for subcontractor performance, CPARS reports are not required. In these cases, performance can be documented through Past Performance Questionnaires (PPQs), Letters of Acknowledgement (LOAs), military coins, and industry awards.
- **Subcontractor Considerations:** Subcontractors, who are not directly assessed in CPARS, can have their performance documented by requesting the prime contractor include them in the CPARS narrative or in direct communications with the government's project team.