

---

# ***Contractor Performance Assessment Reporting System (CPARS) and Contract Incentive Review Process***

**Maria Mitchell-Williams  
Jennifer Cate  
Department of Energy  
Idaho Operations Office**



***EM*** *Environmental Management*

## Overview

---

### Contractor Performance Assessment Reporting System (CPARS)

- (DOE) Mandatory use for awards greater than the Simplified Acquisition Threshold of \$150,000 (or aggregate value)
- Centralized data repository of contractor performance information
- Purpose is to ensure current, complete and accurate information for use in procurement source selections
  - Used by agency source selection officials and COs from across the government in making award decisions
  - Effectively communicates contractor strengths and weaknesses



## *Overview cont'd*

---

- All CPARS information treated as “**For Official Use Only – Source Selection Information**” in accordance with FAR 2.101, 3.104 and 42.1503
- CPARS contain sensitive data concerning a contractor’s performance under a specific business arrangement
- Access to CPARS is restricted to individuals with an official need to know
- CPARS passes contractor performance information to the Past Performance Information Retrieval System (PPIRS), the Government-wide performance information repository



### **FAR 42.1500**

- CPARS do not determine award fees or incentive fees paid to contractors.
- However, the fee amount paid to contractors should be reflective of the contractor's performance and the past performance evaluation should closely parallel the fee determinations.



# *CPARS Schedule*

---

## **Interim CPARS**

- Required for new contracts/orders that have a period of performance greater than 365 calendar days
- 1<sup>st</sup> interim report must reflect evaluation of at least first 180 days, up to the first 365 days of performance
- Required every 12 months throughout the entire period of performance

## **Final CPARS**

- Completed upon contract/order completion/delivery
- Does not include cumulative information
- Limited to the period of contractor performance occurring **after** the preceding CPAR

**Addendum CPAR** - May be prepared to record contractor's performance relative to closeout, warranty or other administrative requirements



## *Data Sources*

---

### Data Sources to be considered for evaluation:

- Contractor operations reviews
- Status and progress reviews
- Production and management reviews
- Cost performance reports (EVMS)
- Quality reviews/quality assurance evaluations
- Business systems reviews
- Earned incentives/award fee determinations
- Management/coordination of subcontracts



## *Areas of Evaluation*

---

Evaluation areas to rate contractor's performance:

- Quality/Safety
- Schedule
- Cost Control
- Management/Business Relations
- Small Business
- Other

Quality written narrative to support the assigned rating and assist source selection officials; should be concise and provide sufficient supporting rationale



***EM*** *Environmental Management*

# *Ratings*

---

## Available ratings:

- Exceptional
- Very Good
- Satisfactory
- Marginal
- Unsatisfactory

Definitions provided on attached.

Separate Evaluation Ratings Definitions for “Utilization of Small Business.”

Plus (+) or minus (-) may be used to indicate improving (+) or worsening (-) trends in applicable evaluation area.





## *CPARS Report*

---

- Federal staff enter contractor performance report into CPARS within agency-defined due date (i.e., 90 days after period of performance ends)
- Contractor given minimum of 30 days to review and provide comments
- Agencies review at a level above the contracting officer
- Ultimate conclusion on the performance evaluation is decided by contracting agency



## *Conclusion*

---

- The FAR Requirement to complete CPARS supports the Government's goal to award contracts to contractors that deliver the best value and quality products/services in support of Government agency missions.
- EM relies on CPARS information regarding past work for the Department of Energy to support source selection decisions



***EM*** *Environmental Management*

## Idaho Cleanup Project – Contract Type and Fee Structure

### **Idaho Cleanup Project - managed by CH2M-WG Idaho, LLC**

- Majority of the work scope is completed under a Cost Plus Incentive Fee (CPIF) contract
- Target Work Scope has a Target Fee and Incentive Fee component
- Target Fee (7.36% of the target cost)
- Cost Incentive based on 70% / 30% Sharing Ratio



## Idaho Cleanup Project – Contract Type and Fee Structure

### ICP Fee Payment Schedule:

- Quarterly fee determination
- Provisional Fee Payment formula

$$\text{Provisional Fee Payment} = \frac{\text{Target Fee} \times 0.80}{12}$$

- CO may adjust provisional fee payment based on validated cost and schedule variance
- Final fee determination will be made at the end of ICP-II after CWI submits its final fee request



## **ICP-I Employee Incentive Plan - Safe Units:**

- ICP-I offered an employee incentive to reward and motivate its employees for the safe and effective delivery of all contractual obligations
- The employee safe unit (SU) calculation was a component of the final fee calculation.
- The SU payment was in addition to the final fee determination.



## **Advanced Mixed Waste Treatment Project - managed by the Idaho Treatment Group, LLC**

- Work scope is completed under a Cost Plus Award Fee (CPAF) contract
- Maximum fee available based on cubic meters of waste dispositioned in accordance with the contract
- Fee is provisional and may be adjusted by the Gov't
- Provisional fee becomes earned fee upon completion of certification of every 7,000 cubic meters of waste dispositioned



# *Questions?*

---



***EM*** *Environmental Management*