



U.S. Department of Agriculture
Office of Inspector General

Controls Over USDA's Completion of Contractor Performance Assessment Reporting System Requirements

April 2025

Audit Report 96601-0001-21



Controls Over USDA's Completion of Contractor Performance Assessment Reporting System Requirements

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We reviewed the Office of Contracting and Procurement's controls over Contractor Performance Assessment Reporting System requirements.

OBJECTIVE

Our objective was to evaluate the OCP's controls to ensure USDA's agencies complete performance evaluations in CPARS.

REVIEWED

Our scope period was from October 1, 2022, through June 30, 2024. We reviewed the Federal Acquisition Regulation, USDA regulations, OCP policies and procedures, and CPARS guidance related to our objective. We also interviewed officials from USDA OCP.

RECOMMENDS

We recommend that OCP develop and implement (1) monitoring activities to assess USDA agencies' compliance with CPARS requirements and (2) performance measures to evaluate the quality and timeliness of CPARS evaluations.

WHAT OIG FOUND

The Contractor Performance Assessment Reporting System (CPARS) is the official Governmentwide system for documenting Federal contractors' past performance information for awarded contracts. The information reported in CPARS can provide contract officials with balanced and valuable contractor performance information to consider when making award decisions. Within the U.S. Department of Agriculture (USDA), the Office of Contracting and Procurement (OCP) is responsible for monitoring and evaluating USDA mission areas' compliance with CPARS requirements.

We found that OCP did not monitor the performance of USDA agencies in implementing CPARS' timely reporting, quality, and training requirements. We also found that OCP did not establish performance measures to quantify the desired outcomes of success regarding quality and reporting requirements for the past performance evaluations of contractors. This occurred because OCP relied on USDA agency officials to monitor CPARS compliance without identifying the need to establish higher-level monitoring activities, as they had delegated the responsibility for CPARS performance and oversight to USDA agencies. As a result, without monitoring and performance measures, OCP cannot reasonably ensure contract officials across Federal agencies have access to the best available information related to USDA contractors before making award decisions.

OCP concurred with our finding and agreed with our recommendations. We accepted management decision for both recommendations.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: April 23, 2025

AUDIT

NUMBER: 96601-0001-21

TO: Donald Baker, Jr.
Director
Senior Procurement Executive
Office of Contracting and Procurement

ATTN: Matthew Kopp
Agency Liaison Officer for OIG Audits
Office of Contracting and Procurement

FROM: Yaris Rivera-Rojas
Acting Assistant Inspector General for Audit

SUBJECT: Controls Over USDA's Completion of Contractor Performance Assessment Reporting System Requirements

This report presents the results of our audit of Controls Over USDA's Completion of Contractor Performance Assessment Reporting System Requirements. Your written response to the official draft is included in its entirety at the end of the report. Based on your written response, we are accepting management decision for all two recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of the date of each management decision. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

Table of Contents

| | |
|--|-----------|
| Background and Objective..... | 1 |
| Finding 1: OCP Has Not Established Performance Measures..... | 2 |
| and Monitoring Activities to Evaluate CPARS Performance at USDA Agencies..... | 2 |
| Recommendation 1 | 7 |
| Recommendation 2 | 8 |
| Scope and Methodology..... | 9 |
| Abbreviations | 11 |
| Agency’s Response | 12 |

Background and Objective

Background

The U.S. Department of Agriculture (USDA) obligates more than \$11 billion in contract activities that span a wide variety of industries. Once it awards a contract, USDA should monitor the contractor's performance throughout the performance period.¹ For certain contracts,² the Federal Acquisition Regulation (FAR)³ requires USDA agencies to not only evaluate contractor's actions but also to enter the contractor's past performance information into the Contractor Performance Assessment Reporting System (CPARS) at least annually and at the time of the contractor's completion of the contract work. Contracting officials shall document these evaluations in CPARS.⁴

CPARS is the official Governmentwide system for documenting contractor past performance information. Past performance information may include the contractor's record of conforming to contract requirements and to standards of good workmanship; record of forecasting and controlling costs; adherence to contract schedules; and history of behavior and commitments to customer satisfaction. This information assists the Federal government in doing business with companies that provide quality products and services in support of the agency's missions. The information reported in CPARS can provide contract officials with a balanced view of contractor performance and give them valuable information to consider when making award decisions.

Within the USDA, the Office of Contracting and Procurement (OCP) has the overall responsibility for providing oversight, policy, and guidance to and ensuring USDA agencies comply with CPARS requirements. OCP delegates CPARS tasks to USDA agencies across eight mission areas⁵ and provides policies and procedures to USDA agencies for the CPARS process.

Objective

Our objective was to evaluate the OCP's controls to ensure USDA's agencies complete performance evaluations in CPARS.

¹ FAR § 42.1501.

² Past performance evaluations are required for all contracts that exceed the simplified acquisition threshold construction contract of \$750,000 or more and terminated for default and architect-engineer services contracts of \$35,000 or more and terminated for default. FAR § 42.1502.

³ FAR § 42.1502(a).

⁴ CPARS is a General Services Administration Federal Government computer system. It is operated by the U.S. Navy.

⁵ USDA has agencies across eight mission areas focused on the Nation's farmers, food and nutrition security, food safety, marketing, natural resources, rural communities, agricultural research, and international trade policy.

Finding 1: OCP Has Not Established Performance Measures and Monitoring Activities to Evaluate CPARS Performance at USDA Agencies

We found that OCP did not monitor the performance of USDA agencies regarding the implementation of CPARS timely reporting, quality, and training requirements. We also found that OCP did not establish performance measures to quantify the desired outcomes of success regarding quality and reporting requirements for contractors past performance evaluations. This occurred because OCP relied on USDA agency officials to monitor USDA's CPARS compliance and did not identify or require the establishment of higher-level monitoring activities, as they had delegated the responsibility for CPARS performance and oversight to USDA agencies. As a result, without monitoring and establishing performance measures, OCP cannot reasonably ensure that contract officials across all Federal agencies have access to the best available information related to USDA contractors before making award decisions.

FAR and USDA policies require USDA agencies to monitor their compliance with past performance evaluation requirements, including the quality and timely reporting of past performance information⁶ and the training of USDA agencies' acquisition personnel.⁷ Additionally, the U.S. Government Accountability Office's Green Book standards require OCP to define its performance objectives in measurable terms so that the achievement of those objectives can be assessed.⁸

To evaluate whether OCP's controls ensure that USDA agencies complete past performance evaluations in compliance with CPARS requirements, we reviewed 29⁹ USDA contracts that required USDA agencies' acquisition personnel to complete CPARS past performance evaluations. We assessed whether USDA agencies' acquisition personnel completed the:

1. Required past performance evaluation.
2. Required past performance evaluation within OCP's established time frames.
3. Past performance evaluations in compliance with the quality requirements outlined in the FAR.
4. Training to conduct contractor past performance evaluations within OCP's established time frames.

As illustrated in Figure 1, we determined that USDA agencies' acquisition personnel did not comply with the requirements we assessed.

⁶ FAR § 42.1501(b).

⁷ USDA, *USDA Contracting Desk Book*, § 442.1502, "What procedures must be used when submitting contractor information into CPARS?" (June 2024).

⁸ According to USDA regulation, agencies are responsible for establishing and maintaining an internal control system based on the U.S. Government Accountability Office's Green Book standards. USDA Departmental Regulation 1110-002, *Management's Responsibility for Internal Control* (March 5, 2021).

⁹ We nonstatistically selected 30 contracts that required USDA agencies' acquisition personnel to complete a CPARS past performance evaluation from October 1, 2022, through June 30, 2024. However, we found that 1 of the 30 contract's we selected had its period of performance extended and a CPARS past performance evaluation was no longer due for the contract within our scope period. As a result, we removed the contract from our sample and reviewed 29 contracts that required past performance evaluations to be performed within our scope period.

Issues with Sampled Contractor Past Performance Evaluations and Percentage of Each Issue in the Sample

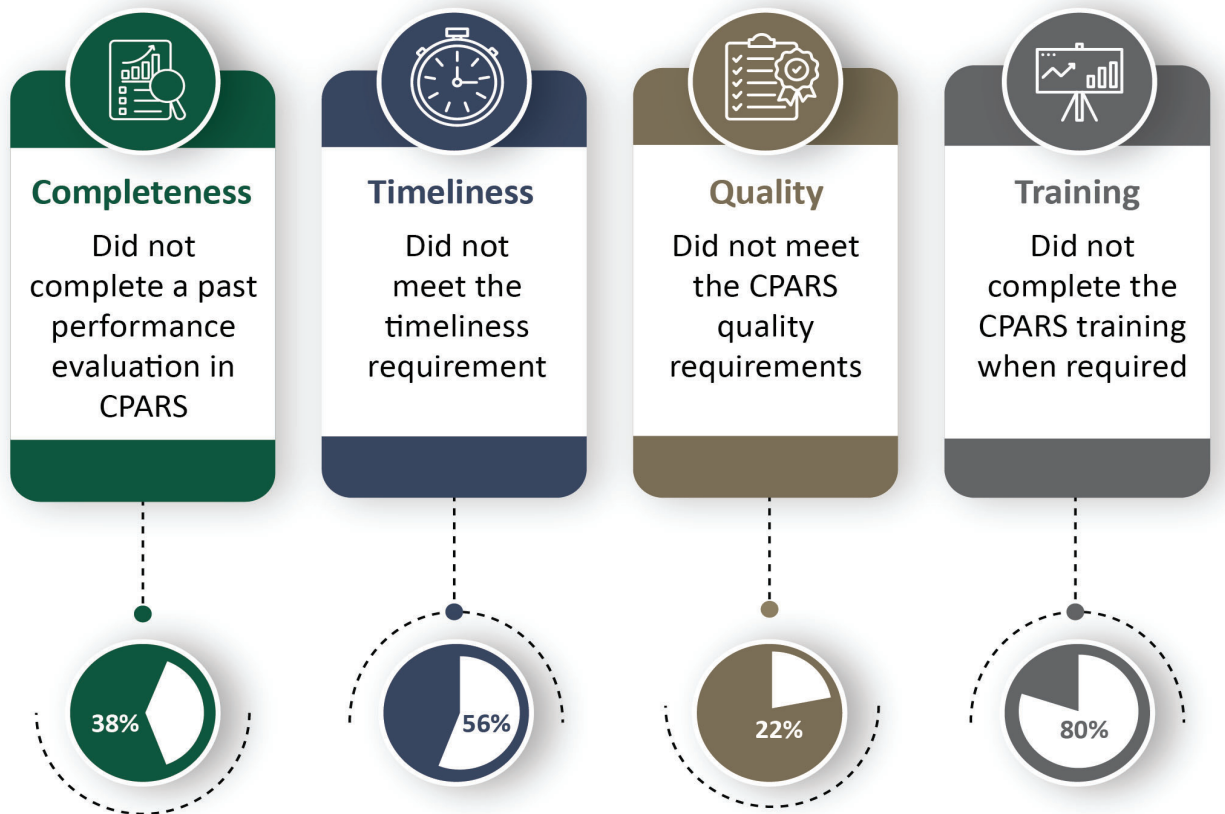


Figure 1: Issues the Office of Inspector General (OIG) identified with sampled contractor past performance evaluations. Graphic by OIG.



Completion of Performance Evaluations in CPARS

We found that, in 11 of the 29 contracts we reviewed, USDA agencies' acquisition personnel did not complete a past performance evaluation for completed contracts in CPARS.

FAR requires agencies to prepare a contractor's past performance evaluation at least annually and at the time the contractor completes the work under a contract.¹⁰ Past performance information may include the contractor's record of conforming to contract requirements and standards of good workmanship, record of forecasting and controlling costs; adherence to contract schedules, and history of behavior and commitments to customer satisfaction.¹¹

¹⁰ FAR §42.1502(a).

¹¹ FAR §42.1501(a).

OCP previously identified USDA agencies not completing past performance evaluations in CPARS consistently as a weakness. For example, OCP reported that, as of October 6, 2023, the Departmentwide CPARS completion rate was less than 43 percent, with more than 7,700 CPARS evaluations incomplete. When USDA agencies' acquisition personnel do not complete CPARS past performance evaluations for completed contracts, contracting officials are left without valuable information necessary to ensure the Government does business with responsible contractors,¹² increasing the risk of poor acquisition outcomes.

OCP indicated that it prioritized reducing its backlog of incomplete past performance evaluations in 2024. To achieve this goal, OCP implemented a strategy that focused on establishing performance measures to quantify the level of achievement agencies should work toward. For example, on February 6, 2024, the USDA Deputy Secretary issued a memorandum that established a performance goal for USDA agencies to improve their completion rates of CPARS evaluations to 70 percent by the end of 2024.¹³ Additionally, OCP revised its processes and updated agency guidance to enhance agency accountability when past performance completion rate in CPARS falls below 80 percent.¹⁴

As a result of OCP's actions, as of December 4, 2024, we determined that USDA agencies improved their CPARS completion rate to over 84 percent, which is a significant achievement.

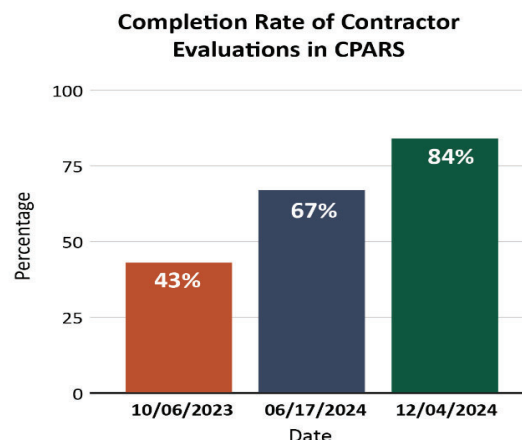


Figure 2: USDA completion rate of CPARS contractor evaluations between October 2023 and December 2024. Graphic by OIG

¹² A contractor is determined responsible if it (1) has adequate financial resources, (2) can comply with the delivery or performance schedule, (3) has a satisfactory performance record, (4) has a satisfactory record of integrity and business ethics, (5) has the necessary experience, controls, or skills, (6) has the necessary equipment and facilities, and (7) be qualified and eligible for a contract.

¹³ USDA, Memorandum, *Mission Enabling Activities Expectations and Goals for CY 2024*, Deputy Secretary Memorandum (Feb. 2024).

¹⁴ In March 2024, OCP updated its desk book to state that USDA agencies may brief OCP's senior contracting officials when its CPARS completion rate falls below 80 percent. *USDA Contracting Desk Book* § 442.1502, "What are the CPARS roles and responsibilities?" (March 2024).



Timely Completion of CPARS Performance Evaluations

We found that USDA agencies' acquisition personnel had completed 18 of the 29 past performance evaluations we reviewed. However, of those 18 evaluations, 10 did not meet OCP's timeliness requirement. According to *USDA Contracting Desk Book*, USDA agencies must finalize past performance evaluations in CPARS no later than 120 days after the annual interim anniversary date or after the completion of the contract.¹⁵

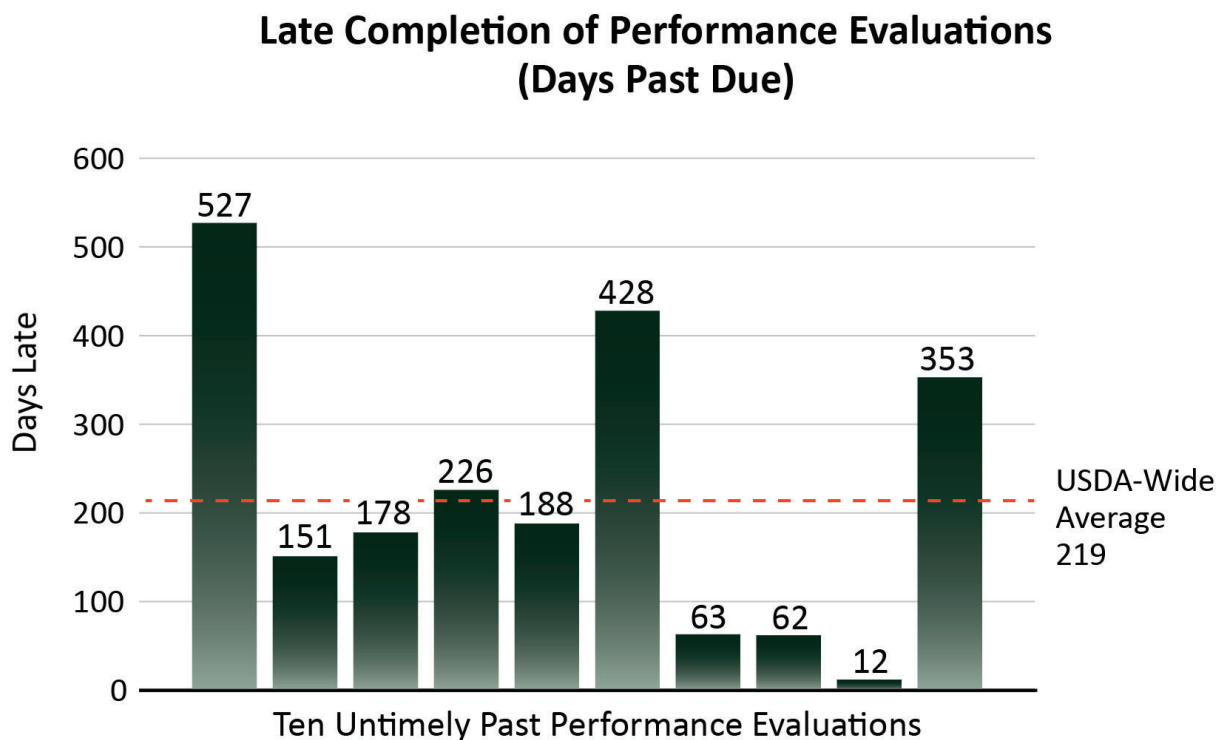


Figure 3: OIG analysis of 10 untimely completed performance evaluations. Graphic by OIG.

Based on the 10 untimely completed past performance evaluations in our sample, USDA agencies' acquisition personnel submitted past performance evaluations on average 219 days after the required timeframe.

Although OCP established a timeliness requirement, it did not implement activities to monitor agency performance or performance measures that quantified the level of achievement agencies should work toward. OCP officials stated that they were aware agencies were out of compliance with the timeliness requirement but first prioritized reducing the backlog of incomplete evaluations. Although reducing the backlog is important, delays in completing past performance evaluations can leave contracting officials without key information to assess a contractor's responsibility when making award decisions—thus creating a risk of making awards to poorly performing contractors.

¹⁵ USDA Contracting Desk Book §442.1502, "What are the CPARS roles and responsibilities?" (June 2024).



Quality of CPARS Performance Evaluations

OIG determined that 4 of 18 completed past performance evaluations did not meet the CPARS quality requirements established in the FAR.

The FAR requires each CPARS performance evaluation to include at least five evaluation factors.¹⁶ Contracting personnel must rate each evaluation factor according to the five-scale rating system¹⁷ outlined in the FAR and document support for each rating with a narrative.¹⁸ OCP delegated the responsibility to ensure these requirements are met to USDA agencies but did not monitor the agencies' performance in meeting FAR requirements. Further, OCP did not establish performance measures that set a standard of achievement for USDA agencies regarding CPARS performance evaluation requirements. Without established performance measures for quality past performance evaluations, OCP cannot provide reasonable assurance that each applicable category of the evaluation includes enough information to accurately describe the contractor's performance in a way that provides useful insight for Federal contract officials.



CPARS Training

We found that 15 USDA agencies' acquisition personnel were responsible for completing the 18 performance evaluations sampled. Of the 15 acquisition personnel, we found that 12 did not complete the CPARS training required by OCP's established timeframe on time.

OCP, through its regulations, established a performance measure that requires all USDA agencies' acquisition personnel to complete CPARS training no later than 30 days after being assigned to a contract in CPARS.¹⁹

OCP stated that it delegated the responsibility to senior contracting officials at USDA agencies to ensure all contracting personnel complete applicable training within required timeframes. Although it delegated this responsibility, OCP is still charged with the overall responsibility for ensuring USDA agencies comply with OCP's requirements. As such, OCP needs to establish monitoring activities to ensure that USDA agency officials are trained to perform the evaluations in accordance with the standards that OCP established. Without effective monitoring, OCP does not have assurance that USDA contracting officials are knowledgeable of the past performance regulations and

¹⁶ Per FAR § 42.1503(b)(2), Evaluation factors include, at a minimum, (1) technical; (2) cost control, if applicable; (3) schedule/timeliness; (4) management or business relations; and (5) small business subcontracting, if applicable.

¹⁷ Ratings are exceptional, very good, satisfactory, marginal, and unsatisfactory. FAR § 42.1503(b)(4).

¹⁸ FAR § 42.1503, Table 42-1, "Evaluation Rating Definitions."

¹⁹ USDA, *USDA Contracting Desk Book* §442.1502, "What procedures must be used when submitting contractor information into CPARS?" (June 2024).

procedures and are trained to present clear, concise, objective information that accurately reflects the contractor's performance under the contract.

OCP acknowledges that it lacks a system for monitoring USDA agencies' compliance with CPARS requirements and the performance measures for evaluating the quality and timeliness of CPARS evaluations. Effective monitoring is essential for OCP management. It can provide OCP's management with early and ongoing information about both the successes of and shortcomings in USDA agencies' implementation of OCP's requirements.

Developing performance measures is equally important because such measures can encourage agencies and their officials to take actions aligned with achieving OCP's goals. OCP officials have indicated their intention to improve monitoring through annual agency self-assessments, which will require agencies to report on their compliance with CPARS timely reporting and performance evaluation quality requirements.

Additionally, OCP emphasized the importance of prioritizing CPARS among USDA mission areas. OCP concluded that improvements in the completion rate, quality, and timeliness of CPARS can best be achieved through collaboration between OCP and the mission areas within USDA. We concur with OCP's conclusion.

Additionally, without implementing monitoring actions and performance measures, OCP cannot ensure that contract officials across all Federal agencies have the best available information related to USDA contractors to make informed award decisions.

Recommendation 1

We recommend that OCP develop and implement monitoring activities to assess USDA agencies' compliance with CPARS requirements, including CPARS training requirements, performance evaluation quality requirements, and timely reporting requirements.

Agency Response

OCP agrees with this recommendation. All Mission Areas will be given until May 30, 2025, under OCP oversight, to conduct a comprehensive assessment of CPARS records that are not in compliance with quality and timeliness standards. Those records will be assigned to appropriate focal point in the mission area for completion. In addition, OCP will implement a quarterly monitoring process to assess overall compliance to established standards for CPARS timeliness, quality, and required trainings for individuals facilitating CPARS responses.

OCP provided an estimated completion date of June 30, 2025.

OIG Position

We accept management decision on this recommendation.

Recommendation 2

We recommend that OCP develop and implement performance measures to evaluate the quality and timeliness of CPARS evaluations.

Agency Response

OCP agrees with this recommendation. OCP will create training aides and templates that facilitate compliance with submission quality standards. Templates and training aides will be distributed by May 30, 2025. In addition, by June 30, 2025, OCP will ensure that all Mission Area Senior Contracting Official's (MASCO) incorporate CPARS quality and timeliness assessments into their quarterly file reviews. By April 11, 2025, OCP will remind the MASCO's that the timeliness measure for completion of the CPAR is 120 days after the conclusion of the prior 12 months of support. According to OCP, this is the current requirement in the OCP desk book. USDA intends to leverage the quality measures which are embedded in the training/standard operating procedures created by the CPARS executive agent and OCP will expect mission areas and staff offices to implement in fiscal year 2025 and beyond.

OCP provided an estimated completion date of June 30, 2025.

OIG Position

We accept management decision on this recommendation.

Scope and Methodology

Our audit scope was from October 1, 2022, through June 30, 2024. We performed our fieldwork virtually with OCP officials. We discussed the results of our audit with OCP officials on March 13, 2025, and included their comments, as appropriate.

To accomplish our audit objective, we:

- Conducted interviews with OCP officials;
- Reviewed the applicable FAR;
- Reviewed USDA's Agriculture Acquisition Regulation;
- Reviewed *USDA Contracting Desk Book*;
- Reviewed other USDA policies, procedures, guidance, and memorandums related to CPARS;
- Obtained and reviewed data from the Federal Procurement Data System;
- Obtained and reviewed data from CPARS and analyzed CPARS reports; and
- Analyzed and reviewed nonstatistically selected contracts to determine whether actions and documentation complied with CPARS requirements.

Initially, we nonstatistically selected 30 contracts that required USDA agencies' acquisition personnel to complete a CPARS past performance evaluation from October 1, 2022, through June 30, 2024. However, we found that 1 of the 30 contracts we selected had a period of performance that was extended resulting in the CPARS past performance evaluation due date falling outside our scope period. As a result, we removed the contract from our sample and reviewed 29 contracts that required a past performance evaluation to be performed within our scope period.

We assessed internal controls significant to the audit objective. In particular, we assessed:

| Component | Principle |
|-------------------------------|--|
| Control Environment | Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives. |
| Control Activities | Management should implement control activities through policies. |
| Monitoring | Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. |
| Monitoring | Management should remediate identified internal control deficiencies on a timely basis. |
| Information and Communication | Management should internally communicate the necessary quality information to achieve the entity's objectives. |

Because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, conclusions, and recommendations based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings, conclusions, and recommendations based on our audit objective.

Abbreviations

| | |
|-------------|--|
| CPARS | Contractor Performance Assessment Reporting System |
| FAR..... | Federal Acquisition Regulation |
| MASCO | Mission Area Senior Contracting Official |
| OCP | Office of Contracting and Procurement |
| OIG | Office of Inspector General |
| USDA..... | U.S. Department of Agriculture |

**Office of Contracting and Procurement's
Response to Audit Report**



**United States
Department of
Agriculture**

Office of the
Assistant Secretary
for Administration

Office of
Contracting and
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March 31, 2025

To: Brent Watson
Director
USDA Office of Inspector General

From: Donald W. Baker, Jr.
USDA Office of Contract and Procurement (OCP)
Senior Procurement Executive, United States Department of Agriculture (USDA)

Subject: Agency Response for Audit # 96601-0001-21 "*Controls Over USDA's Completion of Contractor Performance Assessment Reporting System (CPARS) Requirements*"

The U.S. Department of Agriculture (USDA) is committed to timely and quality reporting of contractor past performance information in support of Government-wide efforts to select competent and qualified contractors to satisfy Government requirements.

In support of these objectives, USDA has made great strides in prioritizing CPARS completion rate improvement. USDA/OCP appreciates OIG acknowledgement of the Department's 41% increase in completion rate from October 2023 to December 2024. At the conclusion of FY24, USDA's completion rate was 84.5%. OCP concurs with the two recommendations from OIG (1) monitoring activities to assess USDA agencies' compliance with CPARS requirements and (2) performance measures to evaluate the quality and timeliness of CPARS evaluations.

Below are the planned actions related to each recommendation that operationalize OCP oversight and mission area engagement:

Recommendation One Activities

- All Mission Areas will be given until May 30, 2025, under OCP oversight, to conduct a comprehensive assessment of CPARS records that are not in compliance with quality and timeliness standards. Those records will be assigned to appropriate focal point in the mission area for completion.
- By June 30, 2025, OCP will implement a quarterly monitoring process. Through the quarterly monitoring process, OCP will assess overall compliance to established standards for CPARS timeliness, quality, and required trainings for individuals facilitating CPARS responses.

Recommendation Two Activities

- OCP will create training aides and templates that facilitate compliance with submission quality standards. Templates and training aides will be distributed by May 30, 2025.
- By June 30, 2025, OCP will ensure that all Mission Area Senior Contracting Official's (MASCO) incorporate CPARS quality and timeliness assessments into their quarterly file reviews.

- By April 11, 2025, OCP will remind the MASCO's that the timeliness measure for completion of the CPAR is 120 days after the conclusion of the prior 12 months of support. This is the current requirement in the OCP Deskbook. USDA intends to leverage the quality measures which are embedded in the training / standard operating procedures created by the CPARS executive agent and we will expect mission areas and staff offices to implement in FY25 and beyond.

We appreciate the opportunity to comment on OIG's report. Please direct questions regarding this correspondence to the Audit Liaison for USDA's Office of Contracting and Procurement at Ismaela.Ramirez@USDA.gov.

/s/



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