

**CLASS DEVIATION
FINDINGS AND DETERMINATION
DEVIATION FROM FEDERAL ACQUISITION REGULATION (FAR)
THRESHOLDS FOR COLLECTING CONTRACTOR PERFORMANCE
INFORMATION**

Findings

FAR 42.1502 (a) requires that past performance evaluations be prepared as specified in subparagraphs (b) through (g) of the same section. Subparagraphs (b), (c), and (d) require that evaluations be performed for each contract or order that exceeds the simplified acquisition threshold.

1. 42.1502 (b): Except as provided in paragraphs (e), (f), and (h) of this section, agencies shall prepare evaluations of contractor performance for each contract (as defined in FAR part 2) that exceeds the simplified acquisition threshold and for each order that exceeds the simplified acquisition threshold. Agencies are required to prepare an evaluation if a modification to the contract causes the dollar amount to exceed the simplified acquisition threshold.
2. 42.1502(c): Agencies shall prepare an evaluation of contractor performance for each order that exceeds the simplified acquisition threshold that is placed under a Federal Supply Schedule contract or placed under a task-order contract or a delivery-order contract awarded by another agency (*i.e.*, Governmentwide acquisition contract or multi-agency contract). Agencies placing orders under their own multiple-agency contract shall also prepare evaluations for their own orders. This evaluation shall not consider the requirements under paragraph (g) of this section. Agencies are required to prepare an evaluation if a modification to the order causes the dollar amount to exceed the simplified acquisition threshold.
3. 42.1502(d): For single-agency task-order and delivery-order contracts, the contracting officer may require performance evaluations for each order in excess of the simplified acquisition threshold when such evaluations would produce more useful past performance information for source selection officials than that contained in the overall contract evaluation (e.g., when the scope of the basic contract is very broad and the nature of individual orders could be significantly different). This evaluation need not consider the requirements under paragraph (g) of this section unless the contracting officer deems it appropriate.

IDW data indicates that DOE has a total of 176 active contracts and orders with other than small businesses for services and supplies (excluding construction and A&E) with values between \$250,000 and \$1M. These instruments have an aggregate value of \$99,682,386.

Number of Actions	Total Contract Value
176	99,682,386

OIRA's Regulatory Cost Analysis Tool was adapted in an attempt to quantify the potential savings involved in increasing the CPARS reporting threshold to \$1M for DOE contracts. The tool indicated that first-year savings of approximately \$1.4M could be expected. Similar, but slightly higher savings would be expected for future years, as non-recurring costs (such as those associated with familiarization and modification of existing contracts) would no longer reduce the projected savings.

Reporting thresholds for architect and engineering services and construction contracts remain unchanged.

This deviation will affect some existing contracts, depending on the mechanism used to incorporate the CPARS requirement. In some cases, the COR designation letter (which includes CPARS duties) is conveyed as a contract attachment; accordingly, some contracts will need to be modified.

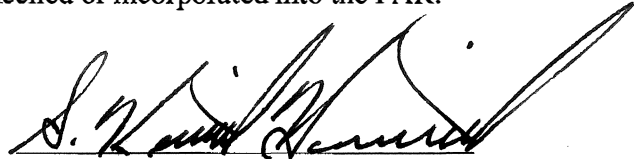
Based on the data presented above, I find that raising the thresholds in FAR 42.1502 (b), (c), and (d) to \$1 million for contracts and orders with other than small businesses would represent a more efficient use of government resources by significantly reducing the effort needed to conduct performance evaluations while still maintaining a high level of coverage.

Determination

In accordance with FAR 1.404, I hereby issue this class deviation to increase the thresholds specified in FAR 42.1502 (b), (c), and (d) to \$1 million for contracts and orders with other than small businesses. This class deviation is effective upon the date of signature and will remain in effect until cancelled or incorporated into the FAR.



John R. Bashista,
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S. Keith Hamilton, P.E.,
Deputy Associate Administrator
Acquisition and Project Management
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National Nuclear Security Administration

Effective Date: 11/14/2019

Attachment: FAR Deviation Text