

**McLean Performance Group**

Insights · Federal Contracting

# **Why Most Federal Training Contractors Earn Satisfactory CPARS**

*And what the exceptional programs do differently*

---

By Adam J. McLean, PhD — Founder & Principal, McLean Performance Group

The CPARS five-level adjectival scale — Exceptional, Very Good, Satisfactory, Marginal, Unsatisfactory — looks linear when you first encounter it. Five equally-spaced rungs. Most contractors process the scale that way.

That reading is wrong, and the misreading has measurable economic consequences across the life of a federal training contract.

Read at the level of actual source-selection effect, the CPARS scale is not linear at all. It is sharply non-linear, with discontinuities at specific transitions that produce outsized swings in a contractor's future award position. Understanding where the discontinuities live is the first move in understanding why so many federal training contractors invest in delivering training and so few invest in earning the CPARS narratives that compound into long-arc competitive position.

### **What each rating actually means in source-selection terms**

Consider what each rating means when a source-selection official reads it on a relevant past-performance reference during a new bid evaluation.

**Exceptional.** The narrative reads, in substance: *the contractor delivered all required performance and exceeded it across multiple categories to the government's measurable benefit; the contractor demonstrated initiative; the contractor's program quality was sustained at a level competitors did not match.* The source-selection official treats the contractor as the benchmark on the bid in question. The contractor enters the evaluation with structural advantage that survives even modest weakness in other proposal volumes.

**Very Good.** The narrative reads: *the contractor delivered all required performance and exceeded it in specific identified areas; the program quality was above average.* Solid past performance, clearly above the floor, meaningful positive weight in source selection.

**Satisfactory.** The narrative reads, in substance: *the contractor delivered all required performance; quality met requirements; no significant issues were identified during the performance period.* This is the floor of acceptable performance. The CPARS record produces no negative weight in source selection — but it also produces no positive weight. A contractor whose portfolio reads at Satisfactory is, in source-selection terms, an unremarkable past performer competing against contractors with stronger records.

**Marginal.** The narrative reads: *the contractor failed to meet some contractual requirements; corrective action was required; performance was acceptable only after significant intervention.* For best-value source selections — the dominant federal acquisition mode under FAR Part 15 — Marginal past performance can be effectively disqualifying. Not formally barred, but functionally outweighed by the past-performance evaluation factor whenever a competitor with Satisfactory or better is also bidding.

**Unsatisfactory.** Disqualifying in nearly all best-value evaluations. A contractor carrying an Unsatisfactory rating on a relevant past-performance reference is, for practical purposes, out of competition on follow-on awards in that domain for the duration the rating remains in the lookback window.

The shape of the scale, read this way, is not five equally-spaced rungs. It is a steep cliff between Satisfactory and Marginal, a meaningful but smaller gap between Satisfactory and Very Good, a substantial premium for Exceptional over Very Good, and a near-vertical drop from Marginal to Unsatisfactory.

### **The asymmetry between Marginal and Exceptional**

The most operationally important property of the CPARS scale is the asymmetry between its bottom and top — specifically, the asymmetry between Marginal and Exceptional.

**Marginal is essentially disqualifying for future best-value awards in the affected domain.** The disqualifying effect operates at multiple layers. Source-selection officials weight past performance heavily under FAR Part 15 best-value methodology, and a Marginal rating creates objective evidence of risk that the source-selection authority is required to consider. Even where the contractor is technically eligible, the practical effect is exclusion: when a competitor with Satisfactory or better is also bidding, the Marginal rating effectively settles the past-performance evaluation factor against the Marginal contractor. Across a portfolio of pursuits, a single Marginal rating in the relevant lookback window can suppress win rates significantly.

**Exceptional is structurally advantaging across the contractor's portfolio.** The advantage operates symmetrically. When competitors with Satisfactory or Very Good past performance bid against an Exceptional-rated contractor on a relevant past-performance reference, the past-performance evaluation factor tilts toward the Exceptional contractor. Across a portfolio of pursuits, sustained Exceptional ratings produce a measurable win-rate premium.

The asymmetry is not what the five-level presentation suggests. **One Marginal rating in the lookback window can effectively eliminate a contractor from a domain. Sustained Exceptional ratings can effectively establish a contractor as the domain incumbent.** The middle rungs are far less consequential than the extremes.

A contractor optimizing only to avoid the bottom of the scale — managing to Satisfactory — is missing both the upside that Exceptional produces and the downside protection that consistent Exceptional provides against the single program disruption that would otherwise drop a rating into Marginal territory.

### *The compounding effect across a portfolio*

CPARS ratings do not exist in isolation. They aggregate across a contractor's federal portfolio and compound over time.

A contractor with five years of sustained Exceptional ratings across a portfolio of training contracts enters every new bid in the same domain with the past-performance evaluation factor settled in their favor before the technical and price volumes are even read. The source-selection official, reading the contractor's past-performance record, sees a five-year pattern of demonstrated capability in directly relevant scope. The pattern is the substantive material that supports an Outstanding past-performance evaluation factor in the new procurement.

A contractor with five years of sustained Satisfactory ratings enters the same bid in a different position. The past-performance factor produces no positive weight. The technical and price volumes must carry the entire competitive case. Against a competitor with Exceptional past performance, the Satisfactory contractor is structurally behind on one of the three evaluation factors before the substantive comparison begins.

A contractor with mostly Satisfactory ratings but one Marginal rating somewhere in the relevant lookback window enters in a substantially worse position. The Marginal rating is objective evidence of risk; the source-selection authority is required to consider it; the past-performance factor weighs against the contractor; even strong technical and price volumes have to overcome the past-performance deficit. Across enough pursuits, the contractor's win rate measurably contracts.

This is the compounding effect. CPARS ratings are not a one-time grade. They are an accumulating asset class. Each performance period adds to or subtracts from the contractor's position in every future pursuit in the same domain.

## *Where the contracts actually get won and lost*

The compounding effect manifests most directly in the recompile dynamic that defines federal contracting at scale. Within IDIQs, individual task orders come up for recompile at intervals shorter than the full IDIQ life. At option-year boundaries, contracting officers decide whether to exercise. At end of base period plus options, the full contract goes to recompile.

In every one of these decisions, the contractor's intervening CPARS narrative — what the contracting officer has written about the contractor since the last competition — is the primary substantive evidence the decision authority uses.

A contractor whose intervening CPARS reads at Exceptional has the strongest possible defense against task-order recompile loss. The narrative provides the source-selection official with objective evidence that the contractor has performed the work at a high level; the government bears measurable transition risk in moving to a competitor; the contractor's past-performance factor weighs heavily against the recompile competitor.

A contractor whose intervening CPARS reads at Satisfactory has a weaker defense. Transition risk is harder to argue when the contractor's record is unremarkable. The past-performance factor weighs neutrally. Recompile losses become substantially more common.

A contractor whose intervening CPARS includes any Marginal narrative is in a different category entirely. The recompile competitor enters with a documented past-performance advantage; recompile losses become likely.

The economic stakes are direct. A federal training task order at the substantive scale of a multi-site IDIQ task often runs at \$5M to \$30M annually. Losing it at recompile shifts that revenue to the competitor. Across a portfolio and a 10-year IDIQ window, the cumulative economic effect of a strong intervening CPARS record versus a weak one easily reaches into the hundreds of millions of dollars for a contractor running multiple substantial task orders.

## *What the exceptional programs do differently*

Programs that earn sustained Exceptional CPARS across multi-year federal training contracts are not, in most cases, delivering training that is dramatically different from what Satisfactory programs deliver. The training content is often similar. The instructor populations are often comparable. The trainee outcomes at the immediate course-completion level are often indistinguishable.

What separates them is the architecture above the training itself.

Exceptional programs invest in defensible per-trainee competency records that survive DCMA surveillance under time pressure. They maintain instructor cadre qualification chains that hold at the historical moment any specific privilege was exercised, not just in current state. They build records architecture that anticipates surveillance inquiry patterns rather than scrambling to retrieve records on demand. They operate a documented continuous improvement loop that converts outcome data into curriculum revision with provenance. They sustain consistent standardization across multiple sites with inter-rater calibration discipline that holds across the cadre.

The substantive differentiator above all of these — the layer that does the most CPARS-narrative work — is Level 3 and Level 4 outcome evidence tied to the trained population. Behavior change on the job. Mission and business results. The substantive demonstration that the trained population performed measurably better in operations than they would have without the training, with the per-graduate downstream data and the cohort-level outcome trending to support the claim.

This is the layer most contractors do not build because it requires deliberate measurement architecture that the typical training-program operating model does not produce as a byproduct. A defensible Level 3 / Level 4 architecture catalogs the substantive metrics that matter for the relevant domain, specifies the data sources that feed each metric, establishes the analytical methodology that produces statistically defensible findings, and integrates the resulting evidence into the records architecture that surveillance teams probe. The architecture is built; it does not emerge. The contractors who build it earn the CPARS narratives that turn training spend into past-performance equity. The contractors who do not build it stop at completion metrics and earn the narratives those metrics support.

None of this is invisible to the contracting officer composing the CPARS narrative. The contracting officer sees the architecture in operation — through surveillance reports, through deliverable acceptance, through the contractor's responsiveness to data calls, through the substantive quality of the contractor's program-management communication. The architecture produces narrative-supportive material across the contract life that translates into Very Good and Exceptional rating language. The absence of the architecture produces Satisfactory rating language regardless of the underlying technical performance.

### *The investment math*

The architectural investment that produces sustained Exceptional CPARS is modest relative to the economics of the contracts it supports. The investment is small relative to contract value. The downside avoided — Satisfactory rather than Exceptional ratings — is large relative to the investment over the long arc. The upside captured — sustained Exceptional compounding into future award position — is larger still.

No other contractor investment produces comparable leverage on long-run federal-practice economics. Not business development. Not proposal capability. Not marketing. Not adjacent service offerings. The architecture is the highest-leverage spending a federal training contractor makes, and most federal training contractors do not make it.

That is the gap. That is what the exceptional programs do differently.

---

*Adam J. McLean, PhD, is Founder & Principal of McLean Performance Group. He earned Exceptional CPARS ratings in every assessable performance period during his tenure as Deputy Program Manager on a \$563M DoD training contract. McLean Performance Group is a Service-Disabled Veteran-Owned Small Business based in Madison, Alabama, focused on training compliance architecture for federal contractors and regulated industries.*