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TRANSATLANTIC PROGRAMS CENTER
U.S. ARMY CORPS OF ENGINEERS
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AWARD FEE DETERMINING PLAN

FOR

BALKANS SUPPORT CONTRACT

I. INTRODUCTION.

A. GENERAL. This document establishes procedures for the determination of contractor performance and the award fee payable under the Balkans Support Contract, DACA78-99-D-0003, to Brown & Root Services (the contractor). The payment of any award fee is contingent upon earning a performance rating above 70 points. It is the government's objective to establish an attainable award fee goal that provides the contractor incentive to perform the contract in such a manner to earn the maximum possible award fee. The Award Fee Pool is structured to reward performance that is subjectively determined in accordance with the procedures herein as good, very good, excellent, or outstanding. Award fee determination will be made in accordance with the performance evaluation cycle outlined in paragraph IV E, below, for the remainder of the basic contract period and for each option period.

B. AWARD FEE DETERMINING PLAN (AFDP). This AFDP: (1) serves as a charter for the organizational structure required to direct and execute the contract award fee clauses, (2) identifies the functional performance areas, evaluation criteria, and rating plan for monitoring, assessing, and evaluating contractor performance, and (3) provides a consistent method for the equitable and timely determination of an award fee earned. This AFDP is used to evaluate the contractor's level of performance in achieving the requirements of Contract Number DACA78-99-D-0003, Balkans Support Contract, and the data and reports required therein.

C. OBJECTIVES. The objectives of this AFDP are to motivate the contractor to: (1) provide optimum contract performance, (2) control the utilization of resources, (3) conservatively manage and control costs to the government, and (4) improve the quality and timeliness of the services rendered.

II. ORGANIZATION AND RESPONSIBILITY.

A. AWARD FEE DETERMINING OFFICIAL (AFDO):

(1) AFDO is appointed in writing by the Corps of Engineers Principal Assistant Responsible for Contracting (PARC).

(2) The AFDO will:

a. Appoint the chairman and board members of the Award Fee Evaluation Board (AFEB).

b. Consider the AFEB's report for each evaluation period. As necessary, discuss the board's recommendation with the AFEB chairman, and, if appropriate, with other members of the board, the contractor or others.

c. Determine the award fee earned and payable for each evaluation period. Sign the award fee determination report for each evaluation period.

d. Forward the complete award fee determination report for each evaluation period to the contracting officer for incorporation into the contract file.

e. Approve the Award Fee Determining Plan and any changes required during performance.

B. AWARD FEE EVALUATION BOARD.

(1) The AFEB is comprised of, but not limited to, the following members:

Voting members:
a. AFEB chairman
b. USAREUR DCSLOG representative.
c. USAREUR DCSENG representative.
d. USAREUR DCSRM representative
e. USAREUR DCSPIM representative
f. DCMA representative.
g. DCMA representative.
h. CETAC representative.
i. CETAC representative.

Non-voting, advisory members:
a. CETAC BSC project team members as required.
b. CETAC legal counsel.
c. CETAC recorder.

(2) The AFEB will:

a. Evaluate the contractor's overall performance for each evaluation period. This evaluation results in an award fee recommendation to the AFDO. The AFEB will use performance evaluators and contractor inputs to arrive at an award fee recommendation.

b. Conduct evaluations of contractor performance based upon each Performance Evaluator Report and such additional information obtained from the contractor and other sources. The AFEB may invite the performance evaluators

and the contractor to make presentations to the board relative to performance during the evaluation period.

c. Reach general agreement on the fee earned by the contractor based on all evaluation input received prior to and at the AFEB. Meeting minutes and earned award fee recommendations are prepared for the signature of the AFEB chairman for submission to the AFDO.

d. Request and obtain performance information from other organizations and personnel involved in observing contractor performance, as the board deems appropriate.

e. Call on personnel from organizations, as needed, to consult with the AFEB.

f. Assume responsibility for the actual preparation and approval of the AFEB report and recommendation to the AFDO.

g. Ensure the timeliness of the award fee evaluation.

C. AWARD FEE EVALUATION BOARD CHAIRMAN.

(1) The AFEB chairman normally will be the CETAC Director of Engineering and Construction Management.

(2) The AFEB chairman's responsibilities include:

a. Convening the AFEB as necessary for AFEB activities and assigning action items necessary for accomplishment of the AFEB mission.

b. Chairing all AFEB briefings, discussions and meetings.

c. Notifying the procuring contracting officer (PCO) at any time during the evaluation period, when observed significant weaknesses in the performance of the contract requirements appear to require immediate discussion with the contractor.

d. Assuring a fair and equitable evaluation of the contractor's performance in accordance with the AFDP and the award fee contract clauses.

e. Encouraging unanimity in the AFEB's recommended rating to the AFDO, but ensuring that minority opinions or split decisions are set forth in the AFEB meeting minutes.

f. Signing all memorandums convening the AFEB or concerning AFEB activities and the AFEB report to the AFDO.

D. CETAC BSC PROJECT MANAGER (PM). The PM is responsible for:

(1) Ensuring performance evaluators (PE's) understand their responsibilities. Receiving the PE's evaluation checklists, worksheets and Award Fee Evaluator's Handbook.

(2) Coordinating training, as required to educate PE's about the award fee process and the PE's role in the process.

(3) Analyzing the Performance Evaluation Reports and all other available data; obtaining clarifications and additional data as necessary.

(4) Preparing award fee evaluation packages, including a compilation of Performance Evaluation Reports, and providing a package to each member of the AFEB prior to the board meeting.

E. PERFORMANCE EVALUATOR (PE).

(1) The performance evaluators shall include the PCO and all ACO's, as well as a DCAA representative. USAREUR will appoint performance evaluators within its area of responsibility as it considers appropriate. The PE's should include, but are not limited to DCMA-SE CCAS commanders, ASG commander with selected members of his/her staff and the staffs of the supporting Task Force.

(2) The purpose of the PE's evaluation is to help the AFDO decide the amount of award fee earned during the evaluation period. Each PE serves a critical purpose in the award fee process. Additional guidance on the PE process is available in the Award Fee Evaluator's Handbook.

(3) Each PE will monitor, assess, and evaluate, on a periodic basis, the contractor's performance against contract requirements in the PE's assigned functional area. The PE evaluations are compiled in a Performance Evaluation Report submitted to the AFEB as soon as possible after the end of each evaluation period. The report will include a written narrative summary; however, the evaluation will also be converted to adjective ratings and numerical scores in accordance with the ratings system described in paragraph IV, below. The scores and ratings translate into recommended award fee ranges.

(4) The PE evaluation should start from the satisfactory performance level and then the PE adjusts the scores upwards or downwards, depending on the contractor's performance for the evaluation period. The PE uses the ratings and points discussed in paragraph IV D, below, to arrive at an overall point score.

Note: This method is an evaluation tool; it is not a substitute for exercising judgment in the performance evaluation process. The award fee process is a subjective process based on a set of objective evaluation criteria. Therefore, the PE decision process is subjective in nature. It cannot be reduced to a mathematical formula or methodology. A checklist evaluation is not deemed appropriate and should be avoided to ensure that the contractor does not, nor is encouraged to perform to the checklist.

(5) The PE should document good performance as well as poor performance in the written narrative summary portion of the Performance Evaluation Report.

(6) The award fee structure was designed to allow the contractor the reasonable opportunity to earn the maximum award fee. Reasonable opportunity does not mean absolute perfection in all possible evaluation areas. But, the contractor's performance should be outstanding in virtually all areas, show improvement, and implement efficiency initiatives to earn the maximum award fee.

(7) Any PE's may be required to appear before the AFEB to present their organizations' performance evaluation. The presenter must be fully prepared to respond to searching inquiry by members of the board. Therefore, each presenter must understand and be able to discuss any of the written reports submitted by their respective organization.

III. AWARD FEE.

A. AMOUNT. The contractor may earn an award fee on the basis of performance during the evaluation periods of the contract and in the amounts specified in paragraph IV, below.

B. TOTAL FEE. The total fee is calculated on a base fee of 1% of negotiated, estimated costs, and an award fee of up to 8% of the negotiated, estimated costs. The two percentages are based on the negotiated estimated cost of the work during the rated period. The fees are not based on the actual cost of the work. So, if the contractor overruns the negotiated, estimated cost, the contractor does not earn an additional fee. If the government determines that the cost overrun was within the contractor's control, then the contractor should earn less award fee, rather than more. The 1% base fee is payable irrespective of the contractor's performance. But, the award fee earned is based on good, very good, excellent, or outstanding performance.

C. PERFORMANCE EVALUATION CYCLE. The AFEB will perform the evaluation of the contractor's efforts for each performance evaluation period set forth in paragraph IV E, below. For each evaluation period, the AFEB will:

(1) Review the contractor's performance as presented by PE's and others prior to and during the AFEB hearing, and as measured against the Award Fee Rating Table set forth in paragraph IV D, below.

(2) Review the contractor's written documentation or oral presentation describing their performance for the period.

D. RECOMMENDATIONS. The AFEB recommends an award fee to the AFDO. The AFDO may accept the AFEB's recommendations or award a fee as determined by the AFDO.

E. DISPUTES. The decision of the AFDO on the amount of an award fee is final and is a unilateral decision made solely at the discretion of the government.

F. PAYMENT. Payment of any award fee to the contractor hereunder, as determined by the AFDO, is not subject to the clause of the contract entitled Limitation of Funds.

G. SPECIAL FACTOR. The contractor may submit payment vouchers for the earned award fee to which they are entitled immediately upon written notification of the award amount by the contracting officer. Payment of a base fee starts after the estimated cost of the work is negotiated.

IV. PERFORMANCE AWARD FEE EVALUATIONS PLAN. The following procedures apply in determining and awarding an award fee for performance during each evaluation period.

A. GENERAL PROCEDURES.

(1) At the close of the evaluation period, the AFEB will review the contractor's general performance.

(2) The AFEB will meet within 30 days after completion of each evaluation period to consider performance evaluation reports, contractor input, and other relevant information. A narrative report incorporating the board's analysis of the contractor's performance, a composite quantitative evaluation using the criteria set forth in this plan, and a recommended award fee percentage is completed and forwarded to the AFDO.

(3) The contractor will be notified of the award fee earned within 60 days after the end of the evaluation period.

(4) The Transatlantic Programs Center will not carry-over unearned award fee to a subsequent evaluation period.

B. FUNCTIONAL PERFORMANCE AREAS. Performance evaluators will evaluate three broad performance areas: (1) Cost Control and Funds Management; (2) Performance; and, (3) Coordination, Flexibility and Responsiveness.

(1) <u>Cost control and funds management</u>. This covers the contractor's ability to control, adjust and accurately project job costs. It also includes economies in the use of personnel, energy, materials, facilities and transportation. Cost reductions may be achieved through new initiatives that save government resources, the use of cost savings

programs, cost avoidance programs, the economical use of overtime and the ratio of local national employees to higher cost contractor expatriate employees to execute the work, and using the government supply system to purchase materials and supplies rather than purchase from higher cost sources.

(2) Performance. Performance relates directly to how well the contractor performed specified tasks. This may include jobs like food preparation, power generation, latrine cleaning, road maintenance, water production and supply including adequate hot water for bathing, operation and maintenance of facilities and equipment and transportation. Other factors under performance include quality control, appearance, thoroughness and accuracy, inspections and customer surveys, the timely and efficient preparation of documentation, and implementation and closeout of documents. Also important are schedule compliance, meeting key milestones and delivery dates, anticipating and resolving problems, new initiatives which measurably improved efficiency, and recovering from delays. Providing a safe working environment, information management, providing adequate, timely and cost-effective reports that are accurate and relevant are also key elements to be rated.

(3) Coordination, Flexibility and Responsiveness. This covers a broad range of areas such as, adequacy of how well the contractor provided information about how they intend to do assigned tasks. Did they do the job as they said they would? Were they flexible in meeting needs and solving problems in a timely manner? How responsive were they to requests for information, data and other information? Also covered in this area are new initiatives, which measurable improved efficiency and saved the government resources, the assignment and utilization of personnel, recognition of critical problem areas, cooperation and effective working relationship with government personnel to ensure integrated operation efficiency, utilization of technology, labor relations, planning, organizing and managing all elements, management actions to achieve and sustain a high level of productivity, response to emergencies and other unexpected situations.

C. AWARD FEE RATING TABLE. The following table includes adjective ratings as well as a numerical scoring system. The PE's will follow the table below and the guidance in this AFDP and the Award Fee Evaluators Handbook to determine a recommended score to the AFEB. Note: The contractor does not earn or receive any award fee for scores 70 and below:

Adjective Rating	Range of Perf. Points	Description
Outstanding	(100-95)	Performance is outstanding in all significant aspects and improved measurably over the period under consideration. New initiatives which measurably improved efficiency and saved the government resources were implemented during this rating period.
Excellent	(94-91)	Performance is excellent in all significant aspects and improved measurably over the period under consideration. Performance is significantly better than would be expected of an average qualified contractor. Areas of less than excellent performance are few and minor and are more than offset by excellent performance in significant areas.

Very Good	(90-81)	Very effective performance; fully responsive to contract requirements; contract requirements accomplished in a timely, efficient and economical manner for the most part; only minor deficiencies.
Good	(80-71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	(70-61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsatisfactory	(less than 61)	Does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas which adversely affect overall performance.

D. PERFORMANCE EVALUATION PERIOD AND MAXIMUM AWARD FEE. The following sets forth the performance evaluation period and the maximum award fee (over a given fiscal year) available for each period:

PERFORMANCE EVALUATION PERIOD	MAXIMUM % OF AWARD FEE POOL AVAILABLE
Base Contract Period (16 Months)	
30 May 99 30 Sep 99	100%
1 Oct 99 31 Jan 00	33 1/3 %
1 Feb 00 31 May 00	33 1/3 %
1 Jun 00 30 Sep 00	33 1/3 %
Option Years	
Option 1	
1 Oct 00 31 Jan 01	33 1/3%
1 Feb 01 31 May 01	33 1/3%
1 Jun 01 30 Sep 01	33 1/3%
Option 2	
1 Oct 01 31 Jan 02	33 1/3%
1 Feb 02 31 May 02	33 1/3%
1 Jun 02 30 Sep 02	33 1/3%
Option 3	
1 Oct 02 31 Jan 03	33 1/3%
1 Feb 03 31 May 03	33 1/3%
1 Jun 03 30 Sep 03	33 1/3%

Option 4

1 Oct 03 31 Jan 04	50 %
1 Feb 04 29 May 04	50 %

E. AWARD FEE APPLICATION CHART. This chart correlates the evaluation rating to the percentage of award fee pool earned:

TOTAL WEIGHTED RATING (score)	FEE TO BE AWARDED (percentage)
0-70	None
71	8
72	16
73	24
74	32
75	40
76	48
77	56
78	64
79	72
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

F. CONTRACTOR PERFORMANCE EVALUATION REPORT FOR AWARD FEE. In addition to a written narrative report evaluating and documenting contractor performance during the evaluation period, the performance evaluator will subjectively determine a numerical rating for each performance evaluation criteria and arrive at a total weighted rating, and corresponding overall adjective rating, for the PE's area of responsibility.

Adjective Ratings

Outstanding	100 - 95
Excellent	94 - 91
Very Good	90 - 81
Good	80 - 71
Satisfactory	70 - 61
Poor/Unsatisfactory	less than 61

Evaluation Rating Table

Category Criteria	Ratings	Efficiency Weighted Factors		Rating
A. Funds Management and Cost Control	_____	X 40 %	=	_____
B. Performance	_____	X 30 %	=	_____
C. Coordination, Flexibility, and Responsiveness	_____	X 30 %	=	_____
	TOTAL WEIGHTED RATING		=	_____

V. APPROVAL

This Award Fee Determining Plan, as amended, is approved.

25 Sep 02
(Date)

MERDITH W. B. TEMPLE
Award Fee Determining Official