

H.36 AWARD FEE (revised Aug 06)

a. A Cost Plus Award Fee (CPAF) type contract is applicable to task orders issued for EVENT/Exercise execution and AMC Directed Missions. A CPAF contract is of the cost-reimbursement category but is distinguished by its special fee provision that allows the Government to unilaterally vary the amount of award fee paid based on its evaluation of the Contractor's performance.

b. Contractor's performance shall be continually monitored by an appointed LOGCAP Award Fee Evaluation Board (AFEB). The AFEB recommends an award fee to the AFDO after each board review. The AFDO may accept the AFEB's recommendation or make a unilateral determination on the payable award fee.

c. Fee Structure: The evaluation periods and key activities/events shall be specified in each task order, to include the fee available during each evaluation period. An award fee pool shall be established based upon the negotiated estimated cost to execute the effort, excluding cost of money and any other regulatory exclusions.

(1) Base Fee: The fee for this contract is composed of a base fee of 1% of all fee-bearing costs. Fee bearing costs shall be established based upon the negotiated estimated costs to execute the effort.

(2) Award Fee: The award fee for this contract shall be composed of an award fee pool (Award Fee Pool is based on the final negotiated estimated cost not the Rough Order of Magnitude (ROM)) of 3%. This provides the contractor the potential to earn fee up to an additional 2% above the base fee of 1% based upon better than average performance. The Award Fee Pool (AWP) may be renegotiated whenever the estimated work significantly changes (as agreed by the parties), or at the request of either party should the estimated workload changes by more than 30%.

d. The LOGCAP Award Fee Evaluation Board (AFEB) will evaluate Contractor performance on each CPAF delivery order not less than semi-annually by:

(1) Reviewing Contractor performance as measured against the LOGCAP award fee evaluation criteria.

(2) Reviewing the Contractor's written assessment describing its performance during the evaluation period. The

Contracting Officer will specifically request the required documentation.

e. The payment of any award fee is contingent upon earning a performance rating of good, very good or excellent. It is the desire of the Government that the Contractor perform services in such a manner so as to warrant the highest possible rating and subsequent award fee. The Award Fee Pool is structured accordingly. Award fee determinations will be made no less than semi-annually (quarterly when possible) on each CPAF task order issued under the contract to cover performance during the preceding evaluation period.

f. The Contractor's performance and progress will be monitored during each evaluation period by members of the AFEB and other Government technical representatives. Government representatives may advise the Contractor of any poor performance in order to provide the opportunity for improvement during the evaluation period. Performance will be evaluated based on the contractor's ability to exercise prudent business judgment depending upon the CPAF scenario and applicable trade-off considerations related to the delivery, quality of work and cost factors and associated sub-factors.

g. The contractor's performance will be evaluated based on the following factors and sub-factors. Each factor (Technical Performance, Cost Performance and Management) is weighted as shown below in the determination of the award fee. Each sub-factor under each factor is also weighted as shown to determine award fee. A detailed description of these criteria is provided as an attachment to this provision:

Evaluation Factors and Weighting:

(1) Technical Performance .30

- (a) Adherence to Schedule .40
- (b) Quality of Work .30
- (c) Responsiveness .30

(2) Cost Performance .40

(3) Management .30

- (a) Liaison .30
- (b) Initiative .30

(c) Identification and Resolution of Problems .40

h. The amount of the award fee shall be based upon a subjective evaluation by the Government on the contractor's performance during the period in question to include considerations of the nature of the task(s) assigned and any other factors considered relevant to the determination.

i. The performance evaluation periods for each CPAF order will be established based upon mission duration, but are anticipated to be based on six-month periods whenever possible. However, the award fee performance evaluation period may be changed unilaterally at the Government's discretion, upon notification to the Contractor 30 days prior to the start of the evaluation period(s) affected. These fee evaluation periods are based upon the SOW requirements that the contractor support a LOGCAP EVENT/Exercise execution and AMC Directed Missions. The Government reserves the right to alter the criteria or weights for a subsequent award fee period provided written notice is given to the contractor within 30 days of the next award fee period.

j. The LOGCAP Contractor may submit vouchers for the award fee to which they are entitled immediately upon written notification by the Contracting Officer.

k. The decision of the Award Fee Determining Official (AFDO) on the amount of award fee is not subject to the contract clause entitled "Disputes."

l. The following adjectival ratings shall be used to describe the level of performance:

(1) **EXCELLENT:** Performance is of the highest quality that could be achieved under the contract. There are no areas of deficiencies or problems encountered during the evaluation period.

(2) **VERY GOOD:** Performance is of high quality and approaching the best that could be performed by the Contractor. Work completed greatly exceeds an average performance level. A few minor problems are experienced during the evaluation period without impacting the overall level of performance.

(3) **GOOD:** Contractor exceeds some contract requirements in a manner demonstrating commitment to the program. Work completed is much better than minimum required performance. Areas of deficiency and minor problems are more than off-set by areas of good performance.

(4) **AVERAGE:** Contractor's performance is the minimum required level to meet needs. Areas of good performance are offset by deficiencies and problems, which reduces performance to a level that is minimally acceptable under the contract.

m. The attached Factors and Performance Category Criteria will serve as guidelines for the evaluators and AFDO to evaluate Contractor performance. For each of the weighted ratings, the following available award fee percentages apply:

Performance Standard	Numerical Rating	Percent of Available Award Fee Earned
Average (Range: 0 to 70)	0-70	0
Good (Range: Greater than 70 to 80)	71	4
	72	8
	73	12
	74	16
	75	20
	76	24
	77	28
	78	32
	79	36
Very Good (Range: Greater than 80 to 90)	80	40
	81	44
	82	48
	83	52
	84	56
	85	60
	86	64
	87	68
	88	72
	89	76
Excellent (Range: Greater than 90 to 100)	90	80
	91	82
	92	84
	93	86
	94	88
	95	90
	96	92
	97	94
	98	96
	99	98
	100	100

<u>FACTORS</u>	<u>AVERAGE OR BELOW</u>	<u>GOOD</u>	<u>VERY GOOD</u>	<u>EXCELLENT</u>
Technical				
(A-1) ADHERENCE TO SCHEDULE	Consistently late on meeting contractor controlled scheduled dates. Little or no effort is made to maintain schedule integrity.	Some minor but no critical contractor controlled schedule delays experienced. Contractor meets all surge requirements with little Government intervention. Major program milestones are met.	All contractor-controlled schedules are met. Contractor meets all surge requirements with no Government intervention.	All contractor-controlled schedules are met. Contractor exceeds all surge requirements. Concerted effort made to meet all schedule changes caused by the Government.
(A-2) QUALITY OF WORK	Work is at minimal acceptance and rework is expected. Repeated Government direction is required.	Work is done adequately with some rework required resulting in minor problems but no serious program impact upon schedule. Occasional Government direction is required.	Work is done well with minimal rework required. Changes are incorporated and accomplished. Minimal Government direction is required.	Work is of the highest caliber. No rework is required. Changes are incorporated resulting in enhancing program accomplishment. Government direction is not required.
(A-3) RESPONSIVENESS	Contractor is routinely inflexible to contract changes resulting in delays in contract efforts. Definitizes action within 180 days from task order award.	The contractor responds to program schedule changes with only minor adverse impact to supportability, cost, or schedule. Definitizes action within 150 days from task order award.	The contractor responds to program schedule changes with no adverse impact to supportability, cost, or schedule. Definitizes action within 135 days from task order award.	The contractor anticipates and responds to program schedule changes with no adverse impact to supportability, cost, or schedule. Definitizes action within 120 days from task order award.
COST				
(B-1) COST CONTROL	Provides measures for controlling costs. Controls subcontractor cost performance to meet program objectives. Funds and resources (labor, subcontracts and equipment) are sometimes used inefficiently in pursuing operations. Occasional minor resource management problems. Financial reporting is accurate. Provides adequate visibility into cost performance to the government.	Provides a measure for controlling all costs at or slightly below contract estimated costs. Provides good cost control of all costs during contract performance. Resources (labor, subcontracts and equipment) are generally used in a cost-effective manner. No major resource management problems apparent. Financial reporting is clear	Provides measures for controlling costs below contract estimated costs. Resources (labor, subcontracts and equipment) are predominately used in a cost-effective manner. Contractor provides reasonable insight into cost objectives and supports the government's efforts for revising cost estimates to meet changing environment. Financial reporting is clear and adequately supported.	Contractor works with well defined internal control measures to ensure costs reported are accurate. Provides detailed cost analysis and recommendations to the government for resolving cost control problems. Resources (labor, equipment and subcontracts) are optimally used to provide maximum benefit. Documented savings are apparent. Contractor is actively engaged in continuous re-

	Problems and/or trends are usually addressed. When provided, analyses of problems and trends are adequate.	and adequate. Takes the initiative to reduce costs, where feasible. Provides adequate visibility into cost performance to the government. Problems and/or trends are always addressed and analyses are also submitted. The analyses provide good insight to the Government.	Contractor's cost estimates are reasonable for completing mission. Contractor provides accurate estimates to complete forecasts in cost reports and ensures government is advised when cost anomalies are experienced. Contractor maintains an effective training program with internal control measures for recording and reporting cost data. Provides very good day-to-day visibility into cost performance. Problems and/or trends are addressed thoroughly and analyses provide recommendations for solutions and/or corrective action plans.	baselining effort to ensure costs for labor, subcontracts and equipment support changing environment. Contractor's cost proposals reflect government priorities that are based on streamlined operations for mission essential requirements. Recommendations allow government to make informed decisions for technical trade offs needed to reduce overall costs. Financial reporting is clear, accurate, and pro-active. Contractor provides accurate cost to complete estimates and ensures government is advised in a timely manner when cost anomalies are anticipated. Contractor maintains an effective training program that supports continuity of operations and employs a standardized application for recording and reporting cost data across all operations. Contractor is always responsive to cost-control measures implemented by the government. Problems and/or trends are not only addressed thoroughly, but the contractor's recommendations and/or corrective action plans are implemented and are effective.
MANAGEMENT				
(C-1) LIAISON	Contractor fails or makes little effort to establish lines of communication among Government employees, contractor employees, customer, or other knowledgeable personnel. Unwarranted and unacceptable delays	Contractor reacts to communications from Government employees and contractor employees. Contractor normally establishes good lines of communication with other knowledgeable	Contractor establishes good lines of communication with customer, Government employees, and other knowledgeable personnel. Delays due to poor communications are infrequent to nonexistent. Contractor responds	Contractor establishes superior lines of communication with customer as well as Government employees, contractor employees, and other knowledgeable personnel. Efficient and harmonious working relations eliminate delays due

	and poor progress result. Contractor seldom responds to customer needs.	personnel. Delays due to poor communication occur occasionally. Contractor sometimes does not respond to customer needs.	to customer needs.	to poor communications. Contractor always responds to customer needs.
(C-2) PROGRAM INITIATIVES	Little interest is shown. Some adverse Government impact to the support and operations as a result of defective contractor workmanship and/or materials. Frequent prodding and constant surveillance required by customer to ensure proper progress is maintained.	Demonstrates normal interests. Contractor corrects for any defective contractor workmanship and/or materials thereby ensuring that the Government suffers no adverse impact to the support or operation. Occasional prodding and surveillance required by the customer to ensure progress is maintained.	Demonstrates aggressive interests. Demonstrates Proactive and independent program improvements within the SOW/TO. Contractor ensures that the Government suffers no adverse impact to the support or operation as a result of defective workmanship or materials. Occasional surveillance required by the customer. No prompting necessary. Occasionally exceeds requirement and schedule with available resources.	Demonstrates aggressive interests. Demonstrates Proactive and independent program improvements within the SOW/TO. Contractor ensures that the Government suffers no adverse impact to the support or operation as a result of defective workmanship or materials. Prodding and surveillance not required by the customer. Willingly and consistently exceeds requirement and schedule with available resources.
(C-3) IDENTIFICATION AND RESOLUTION OF PROBLEMS	Program Director/PCO/ACO is not adequately briefed on program and task order status and is informed of problems only after they become serious. Contact with functional groups is difficult. Problem resolution requires Government assistance.	Program Director/PCO/ACO is briefed on program and task order status and is normally informed of problems in advance. Contact with functional groups is acceptable. Problem resolution occasionally requires Government assistance.	Program Director/PCO/ACO is briefed on program and task order status and is informed of potential problems in advance. Contact with functional groups is good. Problem resolution seldom requires Government assistance.	Program Director/PCO/ACO is briefed on program and task order status and is informed of potential problems well in advance. Contact with functional groups is excellent. Problem resolution does not require Government assistance. Corrective actions taken before issue becomes a problem.