

H.36 AWARD FEE (revised 02 October 2007)

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 .30
- (b) Quality of Work .40
- (c) Responsiveness .30

(2) Cost Performance .40

- (a) Cost Control .40
- (b) Government Property .30
- (c) Quality Control .30

(3) Management .30

- (a) Liaison .30

- (b) Program Initiatives .40
- (c) Identification and Resolution
Of Problems .30

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
	80	40
Very Good (Range: Greater than 80 to 90)	81	44
	82	48
	83	52
	84	56
	85	60
	86	64
	87	68
	88	72
	89	76
	90	80
Excellent (Range: Greater than 90 to 100)	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 project dates or schedule requirements and tasks to comply with statement of work requirements. Little or no effort is made to maintain schedule integrity.	Some minor but no critical contractor controlled schedule delays experienced. Contractor meets all surge, base management closure, and other project timelines and requirements with little Government intervention. Major project schedules are met.	All contractor controlled schedules are met. Contractor meets surge, base management closure, and other project timelines and requirements with no Government intervention. Major project schedules are met.	All contractor controlled schedules are met and consistently exceeded. Contractor meets and consistently exceeds surge, base management closure, and other project timelines and schedule requirements with no Government intervention. Major project schedules are met and consistently are exceeded.
(A-2) QUALITY OF WORK	Contractor minimally achieves basic contract and task order statement of work performance requirements. Major rework and problems are found with quality level of performance. Repeated Government direction is required.	Contractor adequately achieves basic contract and task order statement of work performance requirements. Minor rework is encountered but no serious or degraded quality level of performance is experienced. Occasional Government direction is required.	Contractor achieves or meets basic contract and task order statement of work performance requirements. Little to no rework is required and little to no degraded quality level of performance is experienced. Minimal Government direction is required.	Contractor achieves or consistently exceeds basic contract and task order statement of work performance requirements. Quality level of performance is at the highest level. Government direction is not required.
(A-3) RESPONSIVENESS	Contractor cannot effectively perform under the schedules and time frames established for services and is ineffective in responding to unscheduled tasks.	Contractor adequately achieves schedules and time frames established for services and somewhat effectively responds to unscheduled tasks. No adverse impact to cost, schedule, or performance encountered.	Contractor achieves or meets schedules and time frames established for services in an effective manner. Contractor effectively responds to unscheduled tasks. No adverse impact to cost, schedule, or performance experienced.	Contractor achieves and consistently exceeds schedules and time frames established in achievement of basic contract and task order statement of work performance requirements. Quality level of performance and response to unscheduled tasks are at the highest level. Government direction is not required.
COST				
(B-1) COST CONTROL	Provides measures for controlling costs. ACLs are not timely submitted or effectively managed in support of the definitive contract modification or "sweeping" process. Controls subcontractor cost performance to meet program objectives. Funds and resources (labor, subcontracts, and	Provides a measure for controlling costs at or slightly below contract estimated costs. ACLs are timely submitted or effectively managed in support of the definitive contract modification or "sweeping" process. Provides good cost control of costs during contract performance.	Provides measures for controlling costs below contract estimated cost. ACLs are promptly submitted and effectively managed in support of the definitive contract modification or "sweeping" process. Resources (labor, subcontracts, and equipment) are predominantly used in a cost-effective	Contractor works with well-defined internal control measures to ensure costs reported are accurate. ACLs are consistently and promptly submitted and effectively managed in support of the definitive contract modification or "sweeping" process. Provides detailed cost analysis and recommendations to the Government for

	<p>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. Problems and/or trends are usually addressed. When provided, analyses of problems and trends are adequate.</p>	<p>Resources (labor, subcontracts, and equipment) are generally used in a cost-effective manner. No major resource management problems apparent. Financial reporting is clear 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.</p>	<p>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'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.</p>	<p>resolving cost control problems. Resources (labor, subcontracts, and equipment) are optimally used to provide maximum benefit. Documented savings are apparent. Contractor is engaged in continuous re-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 proactive. 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 quickly responds 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 effective.</p>
<p>(B-2) GOVERNMENT PROPERTY</p>	<p>Contractor does not adequately or effectively maintains its Government-approved property management policies, practices, procedures, and system IAW FAR 45.105. This includes, but is not limited to, receipt, control, records</p>	<p>Contractor adequately maintains its Government-approved property management policies, practices, procedures, and system IAW FAR 45.105. Minor problems have been identified, but no major deficiencies</p>	<p>Contractor effectively maintains its approved property management policies, practices, procedures, and system IAW FAR 45.105. No major deficiencies exist. No Government invention required.</p>	<p>Contractor's property control system exceeds mandatory compliance requirements. The effectiveness of the contractor's management practices exceeds systems expectations. No major deficiencies exist.</p>

	(reconciliation), physical inventories (accuracy), consumption, utilization, and maintenance of GP.	exist or intervention of the Government is required.		
(B-3) QUALITY CONTROL	Contractor does not adequately or effectively maintains its QC program. No changes or modifications to the established QC procedures have been made to improve the quality performance of work. Contractor is too slow to respond to internal and Government corrective actions. The quality of the contractor's QC documentation, records, and reports is inadequate or ineffective.	Contractor adequately maintains its QC program. The contractor implemented changes to its established QC procedures in order to improve quality performance of work. Contractor is somewhat slow to respond to internal and Government corrective actions. The quality of the contractor's QC documentation, records, and reports are adequate. Occasional Government direction is required.	Contractor effectively maintains its QC program. The contractor is proactive in implementing changes to its established QC procedures in order to improve quality performance of work. Contractor adequately responds to internal and Government corrective actions. The quality of the contractor's QC documentation, records, and reports are effective. Minimal Government direction is required.	Contractor's QC program exceeds management expectations. Contractor implements changes to its QC procedures that improve the quality performance of work effectively. Contractor proactively addresses internal and Government corrective actions. The quality of the contractor's QC documentation, records, and reports exceeds expectations. No Government direction is required.
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 and poor progress result. Contractor seldom responds to customer needs.	Contractor reacts to communications from Government employees and contractor employees. Contractor normally establishes good lines of communication with other knowledgeable personnel. Delays due to poor communication occur occasionally. Contractor sometimes does not respond to customers needs.	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 to customer needs.	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 to poor communications. Contractor always quickly responds to customer needs.
(C-2) PROGRAM INITIATIVES	Little interest is shown. Some adverse to contract performance and task order SOW compliance. Frequent QA surveillance is required by the Government to ensure compliance and quality level of contract performance is maintained.	Some interest is shown to improve contract performance and task order SOW compliance. Less frequent QA surveillance is required by the Government to ensure compliance and contract performance, schedule, and reporting requirements are maintained.	Contractor demonstrates proactive interest in improving contract performance and task order SOW compliance. Occasional QA surveillance is required by the Government to further ensure compliance and contract performance, schedule, and reporting requirements are adequately maintained.	Contractor aggressively shows interest in improving contract performance and task order SOW compliance. Willingly and consistently exceeds performance, schedule, and reporting requirements as well as processing times.

<p>(C-3) IDENTIFICATION AND RESOLUTION OF PROBLEMS</p>	<p>Contractor does not make effective decisions and recommendations for correcting deficiencies and /or solving customer problems. Contractor does not adequately adjust to changed conditions and requirements. Contractor relies too heavily upon the Government for guidance or decisions in areas that are properly the contractor's responsibilities.</p>	<p>Contractor makes some effective decisions and recommendations for correcting deficiencies and/or solving customer problems. Contractor somewhat adequately adjusts to changed conditions and requirements. Contractor somewhat relies upon the Government for guidance or decisions in areas that are properly the contractor's responsibilities.</p>	<p>Contractor makes effective decisions and recommendations for correcting deficiencies and/or solving customer problems. Contractor adequately adjusts to changed conditions and requirements. Contractor relies on occasion for Government guidance or decisions in areas that are properly the contractor's responsibilities.</p>	<p>Contractor consistently makes effective decisions and recommendations for correcting deficiencies and/or solving customer problems. Contractor consistently exceeds expectations in adjusting to changed conditions and requirements. Contractor relies minimally on Government guidance or decisions in areas that are properly the contractor's responsibilities.</p>
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