

SOLICITATION NO. USZA22-03-D-0006  
SECTION J  
ATTACHMENT 07

**AWARD TERM PLAN**  
**FOR**  
**THE OPERATION AND MAINTENANCE**  
**OF THE**  
**SPECIAL OPERATIONS FORCES SUPPORT ACTIVITY**  
**(SOFSA)**  
**USZA22-03-D-0006**  
**1 APRIL 2003**

DATE:

APPROVED:

1.0 POLICY. The USSOCOM has determined that the use of an award term contract is in the best interest of both Government and industry. The Special Operations Forces Support Activity (SOFSA) is a critical maintenance and repair activity for Special Operations material and supplies and is used by other customers on a non-interference basis. Due to the nature of the activity and the interest in incentivizing the contractor, award term incentives as described herein will be awarded, as appropriate, for a period, not to exceed 10 years.

2.0 SCOPE.

A. The SOFSA contract is for one base year, plus four option years (FY04 through FY08). Additionally, the contractor has the opportunity to earn another five years, for a total of ten contract years. The purpose of this Plan is to outline the award term process, define the attributes and criteria for the Award Term Measure, and detail the duties and responsibilities of the personnel involved with the award term process. Additionally, the Plan provides for information to be shared with the contractor, thereby allowing the contractor to take appropriate action on the results. A brief overview of the evaluation process is as follows:

B. There are three attributes, “measures of merit”, that will comprise the Award Term Measure:

- (1) the award fee percentage from the April Award Fee Evaluation Board (AFEB) results (two fiscal years’ worth of AFEB data, FY05 and FY06, will be used for the first Award Term Evaluation Board (ATEB) consideration for the first award term opportunity of FY09),
- (2) the award fee percentage from the October Award Fee Evaluation Board (AFEB) results, and
- (3) an overall performance assessment and measure assigned to the Firm Fixed Price (FFP) task orders completed by the contractor during any portion of the evaluation period in effect.

C. The ATEB Recorder will consolidate all necessary information and develop a summary recommendation reflecting the measures of merit, with applicable dollar values relative to the results stemming from the two award fee boards and an annual accumulation of FFP contractor performance data. The ATEB Recorder will then prepare and forward the summary recommendation and source documents to the Executive Summary Official (ESO), SOFSA Director or Deputy. The ESO will review the documents and provide an Executive Summary. The Executive Summary will provide an overview of the summary recommendation. The completed Executive Summary along with the summary recommendation and source documents will then be forwarded to the ATEB Chairperson for his/her review, evaluation, and potential inclusion in the Award Term Recommendation to the Term Determining Official (TDO). A copy of the Executive Summary and source documents will then be provided to the contractor. The contractor will be provided an opportunity to brief the ATEB (comprised of the ATEB Chairperson, Procurement Contracting Officer (PCO), ESO, SOFSA Contracting Officer (CO), and any other Government representatives and/or SOFSA customers identified by the ATEB Chairperson). Within seven days after contractor notification of the award term decision, the contractor may request a formal debriefing. If requested, the ATEB Chairperson, PCO, ESO, SOFSA CO will conduct a briefing to the contractor during which they will provide information about the contractor’s performance evaluation and term decision. A written copy of the final Award Term determination will also be provided to the contractor.

D. Award terms will be conditioned upon:

- (1) Continuing need
- (2) Availability of funds
- (3) Continuing price reasonableness, and
- (4) Contract termination for any reason.

3.0 PURPOSE.

A. It is the Government’s intent to utilize the award term process to encourage and reward contractor excellence in the performance of contract requirements. This process should motivate the contractor to maximize contract term and potential earnings with an overall result of excellent performance, schedule, and cost control. The criteria and rating plan should motivate the contractor to improve performance where required, but not at the expense of at least minimum acceptable performance in all other areas.

B. The Term Determining Official (TDO) makes the final determination of award term for each evaluation period. That determination is based upon the ATEB's evaluation of the contractor's overall performance. The decision of the TDO with respect to the award term, including but not limited to the methodology used to calculate the Award Term Measure and the nature and success of the contractor's performance, shall be a unilateral decision made solely at the discretion of the Government.

C. The Government will draw its award term criteria from two data "pools": the applicable AFEB results, and the Contractor Performance Assessment Reporting System (CPARS) database for the FFP contractual efforts. The FFP data will be retrieved from CPARS and recorded by the ATEB Recorder on a quarterly basis. If necessary clarification of the CPARS data is required, the ATEB Recorder will collect applicable customer comments. The contractor will be allowed to see and address all CPARS collected information via: (1) monthly performance reviews (conducted at the discretion of the Government, will be conducted at SOFSA and will include as a minimum, the ESO and the SOFSA CO), (2) semi-annual AFEB meetings, and (3) ATEB proceedings. The award term board will be conducted on an annual basis (beginning in October 2005). The ATEB will be conducted in conjunction with the October Award Fee Evaluation Board.

D. The weights assigned to each attribute (measure of merit) of the Award Term Measure, the criteria for performance evaluation, and the calculation of the Award Term Measure may be modified unilaterally by the Government, provided the Government notifies the contractor at least thirty (30) calendar days prior to the start of the first affected evaluation period (changes to any of the above referenced areas may be implemented during the applicable evaluation period only when both government and contractor parties agree to its implementation on such short notice). In the absence of such notification, the performance evaluation categories and calculation of the Award Term Measure will remain unchanged.

E. Although the award term process is recognized to be subjective in nature, every effort will be made to ensure reasonableness and fairness. The process strives to ensure that appropriate checks and balances are in place to ensure award term integrity.

4.0 ORGANIZATION. The award term organization consists of the TDO, ATEB, ESO, PCO, ATEB Recorder and other government representatives and customers. The organization is listed in greater detail in Attachment 1.

5.0 RESPONSIBILITIES. The responsibilities of each member in the award term process are outlined below:

A. The TDO is the designated official who determines whether or not an additional term year has been earned by the contractor during a given performance period. The determination is based on the ATEB recommendations, which are presented to the TDO IAW the chart in Section 7A. The TDO may accept the recommendation presented by the ATEB or he/she may effect an opposite decision. If the TDO's final decision on award term varies from the ATEB's recommendation, the rationale for the change shall be documented in the official contract file and explained with reference to the award term plan. The TDO's decision is provided to the PCO for issuance of the unilateral modification and discussion with the contractor. The TDO is also responsible for (1) approving the Award Term Plan; (2) appointing membership of the ATEB; (3) appointing the ATEB Chairperson; and (4) appointing the ESO. The TDO is the Acquisition Executive, USSOCOM. If another TDO is appointed, he/she will be appointed, in writing, by the Acquisition Executive, USSOCOM. The alternate TDO is appointed, in writing, by the Acquisition Executive, USSOCOM.

B. The ATEB Chairperson is appointed by the TDO. The Chairperson oversees the ATEB discussions on the contractor's performance and serves as the principal evaluator of the data and recommendation presented in the Executive Summary. The ATEB Chairperson briefs and provides a written summary to the TDO on the award term decision and summary of the ATEB's evaluation of contractor performance (via the Award Term Measure). The summary should include recommendations for improvements in contractor performance. The summary will also include the ATEB Chairperson's recommendation for continued/discontinued ATEB efforts for the SOFSA contract (i.e., if the ATEB Chairperson recommends "no award term" to the TDO, then he/she must also discuss the following: (1) logic behind the recommendation, (2) what the negative decision means for the SOFSA contract, and (3) a plan of attack for recompeting the SOFSA two years from this timeframe—as this decision will signal an impending expiration of this contract).

The ATEB Chairperson also:

- (1) recommends significant award term plan changes to the TDO (minor Plan changes are executed by the ATEB Chairperson with agreement of ATEB members);
- (2) approves selection of the government and customer representatives;
- (3) approves minutes and supporting documentation. Documentation should include the rationale used in arriving at the recommended award term decision when it is provided to the TDO. Documentation should also include the Executive Summary, supporting summary rating, contractor self-evaluation, if any, briefings and other pertinent data; and
- (4) encourages unanimity in the ATEB's recommended award term decision to the TDO, but ensures those minority opinions or split decisions are set forth in the ATEB meeting minutes.

C. The ATEB members are appointed initially, in writing, by the TDO. The TDO shall make every attempt at matching ATEB membership with AFEB membership. The ATEB members will serve to evaluate the contractor's overall performance by reviewing the Executive Summary, the summary recommendation, contractor's self-assessment, and other pertinent information as necessary. Members will ensure that the award term decision recommendation is consistent with the available data, and recommend the decision to the TDO. Recommendations must be documented and are presented to the TDO by the ATEB Chairperson. The designated ATEB members are listed in Attachment 1 to the Plan.

D. The ESO, SOFSA Director or Deputy, is appointed by the TDO and is the individual designated to review all inputs, as well as, the summary recommendation and write the Executive Summary which is presented to the ATEB. The Executive Summary will be structured to provide an overview of the summary recommendation and briefly discuss/highlight three major evaluation areas: Technical Performance of Work, Business Management, and Quality Assurance. The summary recommendation itself will contain evaluations of contractor performance from performance monitors; a summary of the CPARS data; and a synopsis of the evaluation criteria. The Executive Summary and supporting documents will be made available to all ATEB members, the contractor, and the TDO no later than three days prior to the scheduled ATEB.

E. The ATEB Recorder is an individual appointed by the ATEB Chairperson. The ATEB Recorder collects the applicable AFEB data, plus all applicable CPARS data for the evaluation period in question. The ATEB Recorder will also: (1) schedule the ATEB no later than 14 calendar days after the end of the last Award Fee Evaluation Board results have been briefed to the FDO; (2) develop the ATEB agenda with assistance; (3) maintain the official files; (4) record minutes of the ATEB; and (5) perform other actions, as required, to ensure smooth operation of the award term process.

F. SOFSA Customers may represent both the SOF and non-SOF communities. Customers will be responsible for monitoring performance on their specific projects. Customer input to the Executive Summary, for FFP task orders, will be pulled and consolidated from the CPARS database upon task order completion. If queried by the ESO, PCO, ATEB Chairperson, or TDO, they will ensure the ratings are accurate and reflect actual performance. Customers may recommend changes to the award term process and may participate as a member of the ATEB. Customer input, via CPARS, will be obtained in the areas of Technical Performance of Work, Business Management, and Quality Control. When directed and/or available, their input will also be part of the monthly reviews conducted at SOFSA.

G. The contractor may provide a written self-assessment within fifteen (15) calendar days after the end of the award term period. The self-assessment shall not exceed ten (10) pages. The contractor's self-assessment will be provided to the ATEB Recorder for concurrent submission to the ATEB members and TDO with the Executive Summary. The contractor will also be offered an opportunity to provide an oral presentation to the AFEB. Any contractor presentation will be limited to one half-hour and no more than twenty (20) charts. A copy of those charts must be provided to the AFEB Recorder/Coordinator for submission to the TDO with the Executive Summary and AFEB recommendations.

H. Advisors are Government experts who may be called upon to provide advisory assistance to the ATEB and/or the TDO. They may not participate in ATEB meetings.

6.0 FINANCIAL ADMINISTRATION. None required for award term analysis/procedures.

7.0 AWARD TERM PROCESS.

A. The government will conduct formal award term evaluations of the contractor’s performance in accordance with the schedule shown below. The government will also conduct monthly performance reviews at SOFSA. The results of the monthly performance reviews as well as any other additional, pertinent information will be provided to the ATEB for their consideration at the annual award term boards.

<u>ATEB</u>	<u>Timeframe Evaluated</u>	<u>Incentive Year Opportunity</u>
1	FY2005, FY2006	FY2009
2	FY2007	FY2010
3	FY2008	FY2011
4	FY2009	FY2012
5	FY2010	FY2013

B. The Award Term will be assessed as a result of the government’s analysis of contractor performance throughout the performance period. Each attribute of the Award Term Measure will be assessed and linked to the prorated values of SOFSA task order funding executed during the period in review, and on the type of task order being assessed. The process is described below:

a. Once the AFEB has decided on a recommended award fee (note, this may/may not reflect the Fee Determining Official’s “approved” award fee for the Contractor’s performance during the performance period in question) stemming from the October AFEB, the ATEB Recorder will calculate measures of merit for the numerical representations of the Award Fee Evaluation Board results (for the cost plus award fee (CPAF) task orders) and the FFP task order results. The calculation of the prorated workload will be based on the Actual Cost of Work Performed (for the CPAF orders) and an analysis of the deliverables (for the FFP orders) conducted during the rating periods. Efforts in the cost estimating stages will not be reflected in this exercise, only those task orders against which actual contract performance was achieved during the applicable rating period. *It is of special note that the measures of merit, are a recommendation only (primarily due to one factor: the award fee percentage for the most recent performance period has not yet been approved by the FDO, so the AFEB “value” is a non-approved figure at this juncture in the process). This preliminary Award Term Measure only serves to provide the ATEB an estimated value to consider during the actual convening of the ATEB, for discussion purposes. The final, approved Award Term Measure may require reconsideration upon the FDO’s decision for an award fee for the subject period of performance.*

b. An example follows. The AFEB results for the periods being evaluated shall be averaged. The average value must be, at least, in the range of “Good” for the percentage(s) of award fee earned during such periods. Similarly, a measure of merit for the FFP task orders shall be calculated based on the adjectival ratings associated with all CPARS data. Using the correlation below, an average FFP task order measure of merit will be calculated:

“Exceptional”	5.0 points
“Good”	4.0 points
“Satisfactory”	3.0 points
“Marginal”	2.0 points
“Unsatisfactory”	1.0 point

An average of 3.0 points (corresponding to a “Satisfactory” adjectival rating) must be reached in order for a “positive” measure of merit in this category.

Now assume 600 total CPAF task orders were performed by the contractor in the first six months of FY07, and the customer invoices against that workload amounted to \$40M, and the FDO awarded the contractor 90% of the possible award fee pool (correlating to a “Good” assessment in the adjectival range, as detailed in the Award Fee Plan). During the second six months of SOFSA contract performance in FY07, the contractor performed work against 517 CPAF task orders totaling \$30M in invoiced performance, and achieved an FDO rating of 92% (Again, earning a “Good” rating here as well. Note: during the ATEB, the AFEB’s recommended award fee percentage will be used for review/discussion purposes). Now assume that 8 FFP task orders were completed (via DD250) during

FY07, representing \$15M in product deliveries, and the ATEB Recorder calculated an average measure of merit as follows:

<u>FFP Task order</u>	<u>CPARS Adjectival Rating</u>	<u>Point(s) Earned</u>
1	Very Good	4.0
2	Satisfactory	3.0
3	Satisfactory	3.0
4	Marginal	2.0
5	Marginal	2.0
6	Satisfactory	3.0
7	Exceptional	5.0
8	Marginal	2.0

In this example, the average of the FFP task orders will yield a value of 3.0 points. This equates to a “Satisfactory” measure of merit for these task orders. The Award Term Measure would then appear as follows:

CPAF #1	Good	\$40M
CPAF #2	Good	\$30M
FFP	Satisfactory (3.0 Pts)	\$15M

In this scenario, the ATEB Recorder and ATEB Chairperson would recommend an additional term of employment for the SOFSA Contractor. If any of the three measures of merit actually fell below the defined threshold in this Award Term Plan, then the ATEB would be required to conduct a customer assessment and provide a recommendation to the TDO for consideration. Such an assessment would involve obtaining more detailed information from the customer base to further assess Technical Performance of Work, Business Management, and Quality Control.

c. c. The ATEB Recorder would publish the Award Term Measure, applicable measures of merit, and any optional/required assessment data in a summary recommendation report to the ESO. In turn, the ESO would provide the necessary information to the ATEB Chairperson via an Executive Summary. Upon convening the ATEB (to be held immediately after the AFEB has adjourned), and notifying the contractor of the collected data and ATEB recommendation for the award term decision, the ATEB Chairperson would present the Award Term Recommendation to the TDO for review/consideration.

d. For simplicity purposes, the TDO may opt to discount the Award Term Measure’s attribute from FFP task orders, when the dollar value associated with such non-CPAF efforts is deemed insignificant (less than five(5) percent) to the Award Term Measure calculation. The ATEB will be comprised of the ATEB Chairperson, the ESO, the PCO, the ATEB Recorder, and any other individuals the ATEB Chairperson deems necessary for conducting any necessary assessment of data from the CPARS (FFP task orders) or the CPAF ratings from current/previous periods of performance (it’s desirable, although not required, that the ATEB is comprised of the same attendees at the October AFB). The ATEB will convene at SOFSA’s Lexington Bluegrass Station facilities. If requested by the ATEB Chairperson, the SOFSA staff is required to present both positive and negative impacts to applicable overall contract measures of Quality Assurance, Industrial Operations, Management Information System/Information Technology Support, Logistics Support (to include Subcontracting and Small Business evaluations), Engineering, Project Management, and Estimating.

C. The Award Term Measure is intended to be advisory and serve as a guideline for discussion by the ATEB and subsequent recommendation to the TDO. The ATEB, using this and other pertinent data, develops an Award Term Recommendation, which is then provided to the TDO. The TDO has broad discretion to incorporate subjective judgment into the process and will make a unilateral decision as to the award term decision. All decisions or changes must be documented.

D. Control of Documents. The contents of the Executive Summary and the summary recommendation which includes the inputs from the performance monitors and customers to the ATEB and TDO, and all other documentation supporting the award term determination are procurement sensitive and shall not be released outside of government channels except to the performing contractor. The ATEB Recorder will maintain only the minimum

number of copies of all award term documents and reports prepared in accordance with this plan. All working papers of the performance monitors, ATEB members, and TDO shall be destroyed upon completion of the final recommendation. Performance monitors will be responsible for maintaining file(s) of supporting documentation they used in developing their monthly input as well as the annual reports to the ATEB.

**ATTACHMENT 1  
AWARD TERM ORGANIZATION**

1. The TDO is the Acquisition Executive or his designee, USSOCOM.
2. The ATEB members are:
  - Chief or Deputy, SOAL-L Directorate of Logistics, USSOCOM- Chairperson
  - PCO, SOAL-KB, USSOCOM
  - Director, SOFSA
  - SOFSA Division Chiefs
  - SOFSA Customer
  - SOFSA Customer
  - SOFSA Customer
  - SOFSA Customer
3. ATEB Advisors:
  - Director of Procurement, USSOCOM
  - Legal Advisor, USSOCOM
4. ESO:
  - Director or Deputy Director in absence of Director, SOFSA
5. ATEB Recorder:
  - SOFSA Contract Specialist
6. Special Notes:
  - a. The Chairperson of the ATEB may appoint additional members or advisors to the ATEB, subject to approval by the TDO.
  - b. A quorum for the ATEB comprises the PCO; Chief, SOAL-L Directorate of Logistics USSOCOM; Director SOFSA, and SOFSA ATEB Recorder
  - c. The ATEB Chairperson may select customers for Board participation. Customers must be represented in the following grades (ATEB Chairperson reserves the right to approve anyone nominated to attend that is lower in grade):
    - Military – O-5 thru O-6
    - Civilian – GS-14 thru GM-15

Exceptions to the above policy will be approved by the ATEB Chairperson.