

**CONSOLIDATED AIRCRAFT MAINTENANCE (CAM) PROGRAM
AWARD FEE AND AWARD TERM PLAN**

1. INTRODUCTION

The Consolidated Aircraft Maintenance (CAM) Program incorporates an Award Fee and an Award Term. This plan is the Award Fee and Award Term Plan for evaluating contractor performance in providing services on the CAM Program. The purpose of this plan is to outline the organization, procedures, evaluation periods, and criteria for implementing the award fee and award term provisions of the contract.

2. DEFINITION OF TERMS and BOARD MEMBERSHIP

a. **Award Review Board (ARB).** The ARB is the group of individuals who evaluate contractor performance and recommend an award fee amount to the Fee Determining Official (FDO). The ARB shall also evaluate contractor performance and recommend a contract term/period or performance increase to the Term Determining Official (TDO). The ARB Chairperson is the Functional Director. Members and advisors of the ARB are shown below. A minimum of 5 voting members must attend an ARB meeting in order to convene an ARB.

Award Review Board Voting Members

Functional Director - Chairperson
Holloman Government CAM Program Manager (HGCPM)
Contracting Officer (CO)
CAM Program Chief, Quality Assurance Evaluator
49th Contracting Squadron Commander
49th Operations Group Commander and/or Deputy
49th Maintenance Group Deputy Commander

Contributing/Non-Voting Members

509 OG/CC and DOGM
9 OG/CC and DOGM
7th Fighter Squadron Commander
586 TS Squadron Commander

ARB Advisors

49th Contracting Squadron Director of Business Programs
49FW/JA
8th and 9th Fighter Squadron Commanders
CAM Contract Quality Assurance Evaluators (QAE)

b. **Fee Determining Official (FDO).** The individual responsible for reviewing the recommendations of the ARB and making the final determination as to the amount of award fee earned by the contractor through their performance. The FDO shall also be the Term Determining Official (TDO). The FDO/TDO is the 49th Fighter Wing Commander.

c. **Functional Director (FD).** The Functional Director is responsible for developing and implementing the Quality Assurance Evaluation Program (QAEP) that effectively measures and evaluates contractor performance throughout the life of the contract. The FD is the 49 Maintenance Group Commander responsible for reviewing problem areas identified by the QAE and coordinates with the CO to resolve the problems.

d. **Holloman Government CAM Program Manager (HGCPM).** The HGCPM is responsible for the oversight of the CAM program and assistant to the Functional Director in the administration of the CAM Program. HGCPM for the purpose of this award fee plan will act as the ARB Secretariat responsible for the administrative functions of the ARB. The Secretariat schedules all ARB meetings and is responsible for compiling all the information necessary to support the award fee and award term process. The Secretariat under this Award Fee and Award Term Plan is the Holloman Government CAM Program Manager (HGCPM).

e. **Contracting Officer (CO).** The person authorized to bind the Government on contractual matters. The CO is responsible for performing all post award contract administration duties and monitoring contractor performance. The CO also ensures that the Government acts in accordance with this Award Fee and Award Term Plan. The CO also provides Award Fee and Award Term training to ARB members.

f. **CAM Program Chief QAE (CPCQAE).** The CPCQAE is responsible to ensure surveillance is accomplished on the contractor performance and report noncompliance or abnormalities to the FD, HGCPM and CO. Evaluations of contractor performance are critical to the process for government review of all contract/Statement of Work tasks/functions in accordance with the Quality Assurance Surveillance Plan (QASP).

g. **Performance Monitor.** The person(s) assigned by the FD to provide input to the ARB on contractor performance. Assigned Quality Assurance Evaluators (QAEs) shall be considered performance monitors for the purpose of this contract/Award Fee and Award Term Plan. Other personnel may from time-to-time act as contractor performance monitors.

3. ORGANIZATION AND PROCEDURES

a. **Organization.** The ARB shall implement the award review process described in this Award Fee and Award Term Plan.

b. **Procedures.** ARB members must make every effort to attend each ARB in order to best determine contractor performance for each evaluation period. No

substitutions are allowed. Additional technical and functional experts may serve in an advisory capacity.

c. **Monitoring and Reporting.** Quality assurance evaluators shall continually monitor contractor performance under the CAM contract. These individuals shall provide surveillance observations to the HGCPM or the CPCQAE for each award fee evaluation period. Other individuals, especially ARB members, involved in this Award Fee and Award Term process are encouraged to observe and document contractor performance. The HGCPM shall review all observations and record them. The CPCQAE and the HGCPM shall be primarily responsible for ensuring that all the Whiteman AFB and Beale AFB concerns and inputs are received and reviewed by the ARB. Additionally, the Functional Director is expected to be in contact with the contributing non-voting members on a frequent basis. Contributing/Non voting members are surveyed and provide percentage objective ratings. These ratings shall be considered and evaluated by the ARB members. The ARB members may at their discretion provide an alternate percentage rating to the FDO with supporting documentation outlining reasons for the alternate objective. At the end of the each Award Fee and Award Term evaluation period, the CPCQAE and the HGCPM shall provide this information to the ARB in the form of a comprehensive evaluation briefing. Special Interest Items should be addressed in the briefing. Every effort shall be taken to have this briefing provided to the ARB no later than five 20-calendar days after the Award Fee and Award Term evaluation period. The evaluation briefing is for Government purposes only and shall not be released to the contractor under any circumstances.

d. **ARB Meeting.** The evaluation briefing shall be distributed to the ARB members in sufficient time before the scheduled ARB to allow members to fully examine the information contained in the report prior to an ARB meeting. The ARB shall then meet as promptly as possible after the end of the evaluation period. The contractor may present a self-evaluation briefing of their performance for the period. The contractor briefing shall not exceed 45 minutes. After the contractor briefing, the contractor shall be excused. Following the contractor's briefing, the HGCPM will provide a briefing of the evaluation report (Government only). ARB members shall discuss the evaluation report and any other information considered pertinent to contractor performance. Special Interest Items should be discussed. The ARB voting members shall then deliberate and consider all information presented. Each voting ARB member shall then individually score (the overall weighted rating and recommended award fee) contractor performance. The scores shall then be compared and discussed. The ARB voting members must reach a consensus on what score represents contractor performance for each evaluation period. The ARB Chairperson shall present the briefing to the FDO. The FDO shall receive the ARB briefing and make a decision based upon the ARB briefing and any other information that is pertinent. The FDO considers the evaluation and recommended award fee presented but is solely responsible for the final award fee determination.

e. **Mid-period evaluation.** The Government may, at its sole discretion, conduct a mid-period evaluation for the purpose of performance feedback to the contractor. This

mid-period evaluation may take place at any time 45 days after the beginning of the evaluation period, but at least 45 days before the end of the period. The Government may take this action whenever a significant negative or positive trend in performance is observed or, in the opinion of the Government, any significant incident occurs which requires contractor management attention. The contractor shall understand that any mid-period evaluation is for feedback purposes only, and no fee determination is made in connection with this effort. If conducted, the mid-period evaluation may be oral or written.

f. **Significant Incidents.** The contractor should be aware that significant incidents will always be considered if they occur in each award fee determination. Significant incidents are any occurrence that, in the opinion of the Government, was the result of extraordinary management initiatives or conversely the result of a lack of satisfactory contractor program management. Examples of incidents, which may lead to modification of the award fee amount, include, but are not limited to:

- Significant management initiatives resulting in improved services or operational efficiencies.
- Significant loss of operational availability to operational users.
- Damage/Destruction to Government Property.
- Serious, significant, or chronic management problems, in areas not specifically delineated in the Award Fee criteria.
- Lack of professionalism or customer focus on the part of the contractor.
- Service Delivery Summary (SDS) deductions.

g. **Award Fee Amount Change.** The Government reserves the right to unilaterally modify the amount of Award Fee without regard to contractor performance in the areas scored. The total amount of award fee for each contract period cannot be unilaterally changed.

h. **Special Interest Items (SII).** The FDO shall determine, based upon recommendations received from the ARB, special interest items for each award fee evaluation period. SII are those items or areas that the FDO believes to be of particular importance to the Government for the next evaluation period. SII should be kept to three or less but may be any number as determined by the FDO. SII shall be given extra review attention during the period by the Government and will be discussed at each ARB meeting. Either the FDO or the CO will identify SII's to the contractor either before the evaluation period begins or within 30 days after the period begins.

i. **Contractual Aspects.** Once the FDO has made the award fee determination, the contracting officer shall inform the contractor in writing of the amount of the award fee earned as soon as practicable. The contract shall be unilaterally modified by the CO as soon as possible after this notification to document and incorporate the award fee amount earned by the contractor. Contractor receipt of the modification shall formalize notification of the amount of award fee earned. Invoicing and payment of the award fee earned may occur after receipt of this modification. FDO award fee determinations are not subject to the "Disputes" clause of this contract.

4. AWARD FEE CRITERIA

Contractor performance shall be evaluated in accordance with the requirements set forth in this contract/Statement of Work. The overall criterion is Government satisfaction with the performance of the contractor. Even if not listed below, the Government at its sole discretion may take any aspects of the contractor's performance into consideration during each evaluation period. The FDO or the CO, either before the evaluation period begins or within 30 days after the period begins, will assign award percentages to each area of performance evaluation. The following criterion is established as areas of performance evaluation:

- a. **Contractor focus and support of Flying Operations** is defined as but not limited to contractor's ability to meet the needs of the flying operations.
- b. **Technical Performance** is defined as but not limited to actual performance of maintenance tasks and functions in relation to fulfilling SOW requirements.
- c. **Program Management** is defined as but not limited to administrative functions, aircraft plans and scheduling, quality control, environmental, safety, fire prevention, occupational health programs, facility maintenance, and labor relations.
- d. **Contract Management** is defined as but not limited to interface with the government on contract administration issues such as accuracy and timely submission of proposals, work requests, modifications, and invoices, and shall also consider the use of effective partnering methods to resolve contract problems and issues.
- e. **Special Interest Items** (defined in paragraph 3h) are not considered to be in any order of importance.

Example of weighted areas of performance evaluation

- Contractor focus and support of flying operations = 40%
- Technical performance = 30%
- Program management = 10%
- Contract Management = 10%
- Special Interest Items = 10%

f. The following areas will to be used in the calculation of the award fee criteria.

T-38 Maintenance

- Holloman Air Force Base/586FLTS
- Whiteman Air Force Base
- Beale Air Force Base

5. AWARD FEE RATINGS

The contractor shall receive, in any evaluation period, an award fee commensurate with the performance score and rating within the following ranges. The percentage score may not necessarily exactly match to the amount determined earned by the FDO.

DESCRIPTION	PERCENTAGE OF AVAILABLE FEE
Outstanding Performance	91% to 100%
Excellent Performance	81% to 90%
Satisfactory Performance	51% to 80%
Marginal Performance	Below 50%

- **OUTSTANDING PERFORMANCE.** Contractor performance went above and beyond in most of the requirements of the contract/SOW especially in anticipating problems and meeting Government needs and desires. The contractor devised effective, long-term resolutions to problems. The contractor displayed initiative in identifying opportunities to excel. Pro-active, innovative methods resulted in tangible benefits to the Government in the form of significantly improved results.
- **EXCELLENT PERFORMANCE.** Contractor performance went above and beyond in some of the requirements in the contract/SOW while the remainder of the contractor effort met contract/SOW requirements. Discrepancies were more than offset by above standard efforts/actions in other areas. Methods employed resulted in some demonstrated benefits to the Government in the form of improved results.
- **SATISFACTORY PERFORMANCE.** Contractor performance met the majority of the requirements in the contract/SOW. Some areas were below standard was offset by other areas in which performance exceeds standards.
- **MARGINAL PERFORMANCE.** Contractor's performance did not meet several of the requirements in the contract/SOW. Several minor tasks and/or one or more major tasks are performed in a manner deemed to be of a degree just below what is required for satisfactory performance. Quality,

timeliness, and/or economy required increased management attention and improvement. In performing, the contractor has needed occasional guidance or direction by the Government.

6. AWARD FEE EVALUATION PERIODS

There shall be two evaluation periods for each period of performance. The Phase In Period is considered part of the Basic Contract Period for the purpose of this plan. The evaluation periods shall be in accordance with the listing below. The evaluation periods for each year and amount of potential award fee available for each period are also listed below. Award fee amounts not earned during a given period shall not be available in future periods.

<u>Period of Performance</u>	<u>Evaluation Periods</u>	<u>Award Fee Available</u>	<u>Award Fee Earned</u>
Basic Contract Period	At 6 Months and At End of Period	\$750,000	\$671,250
Option Period One	At 6 Months and At End of Period	\$750,000	\$XXX,XXX
Option Period Two	At 6 Months and At End of Period	\$750,000	\$XXX,XXX
Option Period Three	At 6 Months and At End of Period	\$750,000	\$XXX,XXX
Option Period Four	At 6 Months and At End of Period	\$750,000	\$XXX,XXX
Option Period Five	At 6 Months and At End of Period	\$588,579	\$XXX,XXX
Option Period Six	At 6 Months and At End of Period	\$427,157	\$XXX,XXX

7. AWARD TERM

The contractor may be awarded additional terms if their performance is determined to merit this incentive. Award terms are additional optional periods of performance to be added to the contract. The award term periods of performance are Option Year Five and Option Year Six. These option years are not a part of the contract until the Term Determining Official (TDO) decides that the contractor has earned the award of these optional periods of performance. Even if the TDO adds the additional periods of performance, the Government has no obligation to exercise the added periods of performance. The exercise/execution of options shall be performed in accordance with Section H, H-731. If this contract period of performance does not extend far enough to reach an Award Term evaluation period then the Award Term is not applicable.

8. AWARD TERM CRITERIA AND PROCEDURES

The specific criteria and procedures used to assess contractor performance and to determine the amount of award term earned are described herein. All TDO decisions pertaining in any way to the procedure, process, and/or decision/determination shall not be subject to the "Disputes" clause nor reviewed by any Board of Contract Appeal (BCA), court, or other judicial entity. The award term will be provided to the contractor through unilateral contract modifications.

a. **Available Award Term.** The contractor can earn up to two additional option years based on their performance during each evaluation period. The contractor performance evaluation will be based on the average Award Fee earned over the evaluation period and any other pertinent performance data.

b. **Award Term Evaluation Periods.** There will be two separate evaluation periods for determining each award term. The evaluation periods are:

I. First available Award Term -- Option Year Five of contract:

The evaluation period will consist of contractor performance through Option Year One.

II. Second available Award Term -- Option Year Six of the contract:

The evaluation period will consist of contractor performance through Option Year Three.

c. **Note.** If contractor performance for the first available award term does not earn the addition of the first award term, the contractor may still earn the second award term if their performance over the second timeframe increases to the point as to warrant the exercise in the determination of the TDO. In the case the first term not being earned/awarded and the second term is awarded, Option Year Five will be added to the contract and not Option Year Six.

d. **Specific Evaluation Criteria.** The average earned award fee earned during the evaluation period is the main criteria that will be used by the Government. Government satisfaction with the contractor's performance coupled with any other pertinent performance data (steady performance improvement/decline, successful/unsuccessful mission accomplishment, overcoming performance shortcomings, customer focus, etc.) will be used. The basis for the entire evaluation shall be the award fee determinations that occurred previously. The ARB will make recommendations in the manner detailed previously for award fee evaluation periods and the TDO will determine whether the contractor has earned an additional award term. The following general guidelines will be used:

I. If the average Award Fee numerical rating attained by the contractor was between 81%, and 100%, then there is a possibility of the award term being awarded.

II. If the average Award Fee numerical rating attained by the contractor was between 0%, and 80%, then there is a little possibility of the award term being awarded.

e. **Award Term Process.** The ARB shall make recommendations to the TDO on the award term. The ARB will use the procedure detailed above for award fee

evaluations but for the change in focus (fee versus term). The Government will use the following timeline as a guide for the award term process:

14 Days after Performance Period Ends:	ARB Secretariat determines Average Award Fee Numerical Rating and develops pertinent performance narratives for presentation to the ARB
21 Days after Performance Period Ends:	ARB Meeting. ARB Secretariat briefs evaluation report. Initial recommendation is provided to the TDO
28 Days after Performance Period Ends:	TDO informs the PCO of their decision. PCO informs contractor and performs unilateral contract modification to incorporate result

9. AWARD FEE AND AWARD TERM PLAN CHANGES

- a. **Unilateral Government Changes.** In addition to paragraph 3g above, the Government may make unilateral changes to this plan at any time except for paragraph 6. These unilateral changes are effective for the current evaluation period as long as the change is made before the start of the period or within 30 days after the start of the evaluation period.
- b. **Wage Rate or Collective Bargaining Agreements.** This contract is expected to be affected by wage rate adjustments or collective bargaining agreement adjustments during its duration. Increases or decreases to the contract value/price amount resulting from these types of considerations shall not affect the award fee amount.
- c. **Level of Work.** Changes in the level of work, changes under the "Changes" clause, an increase or decrease in the number of sites, etc. may be necessary during this contract's duration. These types of changes may affect the award fee amount. These increases or decreases shall be discretely negotiated between the contractor and the Government

10. AWARD FEE INTEGRITY

The award fee process is recognized to be both objective and subjective in nature but the Government will make a reasonable effort to ensure fairness. The written records of the QAEs, inputs from other pertinent sources and information from the contractor's self-assessment briefing will provide the checks and balances necessary to ensure award fee integrity. It is incumbent on the contractor to continuously communicate initiatives, as well as deficiencies corrected, which may have an impact on award fee determination. The Government must be aware of contractor initiatives in order for them to be monitored and eligible for consideration by the ARB.