

**PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS**  
**SECTION J – ATTACHMENT 2**

AWARD-FEE PLAN  
FOR  
DEFENSE TRANSPORTATION COORDINATION INITIATIVE (DTCI)

HTC711-07-D-0032

11 Dec 2007

APPROVED:

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DTCI Fee Determining Official

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## **1.0 Introduction to the Award Fee Plan**

a. This award-fee plan is the basis for the Defense Transportation Coordination Initiative (DTCI) evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance and to determine the amount of award fee earned, if any. Actual award-fee determinations and the methodology for determining award fee are unilateral decisions made solely at the discretion of the Government. This contract will contain a three year base ordering period and two 1-year option periods, with the potential for the contractor to earn up to two additional 1-year award term option periods. This award fee process shall apply to all periods of performance, to include both option periods and award term option periods.

b. Any earned award fee will be provided to the contractor through contract modifications and is in addition to the price paid for Management Services and Transportation under this hybrid contract type. The award fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan. Unearned award fee for any evaluation period will not be rolled over to any future award fee evaluation periods. The FDO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the Contracting Officer (CO), in writing, before the start of the affected evaluation period. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties through a bi-lateral contract modification. Unless the CO gives the contractor specific written notice of any changes to this plan 15 calendar days prior to the start of a new evaluation period, the most recently approved evaluation criteria and weights listed in this Award Fee Plan will be used.

## **2.0 Organization**

The award-fee organization consists of; the FDO, an Award Fee Review Board (AFRB) which consists of a chairperson, the Contracting Officer, a recorder, other functional area participants, advisor members and the Performance Monitors. The FDO, AFRB members, and performance monitors are listed in Annex 1.

## **3.0 Responsibilities**

a. **FDO.** The FDO approves the award-fee plan and any significant changes to the previously approved plan. AFRB members are approved by the FDO in writing. The FDO reviews the recommendation(s) of the AFRB, considers all pertinent data, and unilaterally determines the earned award-fee amount, if any, for each evaluation period in writing.

b. **AFRB Chairperson.** The AFRB Chairperson is responsible for convening the AFRB. The AFRB Chairperson actively facilitates the AFRB process and reviews action items and monitors follow on action as necessary. Guidance and oversight is provided to other AFRB members.

c. **AFRB.** AFRB members review the Performance Monitors' evaluation of the contractor's performance, consider all information from pertinent sources, prepare interim performance reports, and arrive at an earned award-fee recommendation to be presented to the FDO. The AFRB may also recommend changes to the award fee plan. If the contractor provides a written self-assessment of its performance, the AFRB must consider this assessment when developing the earned award-fee recommendation to the FDO.

d. **AFRB Recorder.** The AFRB Recorder is responsible for coordinating the administrative actions required by the Performance Monitors, the AFRB and the FDO, including: 1) receipt, processing, and distribution of evaluation reports from all required sources; 2) scheduling and assisting with internal evaluation milestones, such as briefings; and 3) accomplishing other actions required to ensure the smooth operation of the award fee process.

e. **Contracting Officer (CO).** The CO is the liaison between the contractor and Government personnel. The CO also executes any modification required to provide the contractor the ability to invoice for any earned award fee.

f. **Performance Monitors.** Performance Monitors maintain written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. They prepare interim and end-of-period evaluation reports as directed by the AFRB.

#### 4.0 Award-Fee Processes

a. **Available Award-Fee Amount.** The available award fee for each evaluation period is shown in Annex 3. The award fee earned will be paid commensurate with the contractor's performance during each evaluation period.

b. **Evaluation Process.** Contractor performance will be evaluated and rated at the end of each evaluation period (listed in Annex 3) by the AFRB in accordance with Annex 2. Each award fee evaluation criteria to be utilized in accessing the contractor's performance has been assigned a weighted factor that may vary from year to year (Annex 4). The assigned weighted factor will be multiplied by the corresponding Criteria Rating Points assigned to obtain the percentage of award fee earned. The percentage of recommended award fee earned will be determined by multiplying the award fee available by the percentage of award fee earned (Annex 6). Satisfactory performance will result in no earned award fee.

c. **Interim Evaluation Process.** The AFRB recorder notifies each AFRB member and Performance Monitor 15 calendar days before the midpoint of the evaluation period. Performance Monitors submit their interim evaluation reports to the AFRB **no later than the midpoint of the evaluation period.** The AFRB determines the interim evaluation results and notifies the contractor of the strength(s) and weakness(es) for the current evaluation period via a letter issued by the CO within 10 calendar days after the midpoint of the evaluation period. The CO may also issue letters to the contractor at any other time when it is deemed necessary to highlight areas of Government concern. **(The first Interim AFRB meeting will take place approximately the last week of January 2008.)**

d. **Evaluation Criteria.** In years 1 through 3, if task orders for management services are issued, the following Award Fee evaluation criteria will be utilized to determine the amount of award fee earned, if any: Implementation, Information Management, Transportation Coordination Services and Small Business Participation. In years 4 through 7, to the extent that option periods are exercised and award term option periods are earned and exercised, the following award fee criteria will be utilized to determine the amount of award fee earned, if any: Information Management, Transportation Coordination Services and Small Business Participation.

e. **Focus Areas.** Prior to the start of each evaluation period, the AFRB Chairperson, through the CO, will identify to the contractor specific areas of performance that the contractor should focus on during that evaluation period. All focus areas identified will be directly related to the contractual performance requirements described in the contract and referred to in the evaluation criteria contained in this Award Fee Plan.

f. **End of Period Evaluation.** The AFRB Recorder notifies each AFRB member and Performance Monitor 30 calendar days prior to the end of the evaluation period. Performance Monitors submit their evaluation reports to the AFRB 7 calendar days after the end of the evaluation period. The AFRB, led by the AFRB Chairperson, prepares its evaluation report and recommendation of earned award fee within 15 calendar days after the end of the evaluation period. The AFRB briefs the evaluation report and recommendation to the FDO. At this time, the AFRB may also recommend any significant changes to the award-fee plan for FDO approval. The FDO determines the overall earned award-fee amount for the evaluation period within 21 calendar days after the end of each evaluation period. The FDO will issue a letter informing the contractor of the earned award-fee amount. The CO will issue a contract modification within 7 calendar days after the FDO's decision is made authorizing payment of the earned-award-fee amount.

g. **Contractor's Self Assessment.** The contractor will be given the opportunity to provide a written self assessment of their performance to the AFRB. When the contractor chooses to submit a self-assessment to the AFRB, it must be submitted to the CO within 7 calendar days after the end of the evaluation period. This written assessment of the contractor's performance throughout the evaluation period may also contain any information deemed reasonable to assist the AFRB in evaluating the contractor's performance. The contractor's self-assessment may not exceed 10 pages. Pages submitted beyond the 10 page limit will not be reviewed nor considered in the Award Term Option evaluation process.

## **5.0 Award-Fee Plan Change Procedure**

All significant changes are approved by the FDO; the AFRB Chairperson approves additional changes. Examples of significant changes include changing evaluation criteria and adjusting weights to redirect contractor's emphasis to areas needing improvement. The contractor may recommend changes in writing to the CO no later than 14 calendar days prior to the beginning of the new evaluation period. If recommended changes are approved by the FDO, the CO shall notify the contractor in writing of any change(s). Unilateral changes may be made to the award-fee plan if the contractor is provided written notification by the CO prior to the start of the upcoming evaluation period. Changes affecting the current evaluation period must be by mutual agreement of both parties, via a bi-lateral modification.

## **6.0 Award-Fee Termination Procedures**

If the contract is terminated for the convenience of the Government after the start of an award-fee evaluation period, the award fee deemed earned for that period shall be determined by the FDO using the normal award-fee evaluation process. Following any contract termination, the remaining award-fee amounts allocated to subsequent award-fee evaluation periods cannot be earned by the contractor and therefore, shall not be paid.

If any option period; or Award Term Option period, is not exercised, any remaining award-fee amounts allocated to subsequent award-fee evaluation periods cannot be earned by the contractor and, therefore, shall not be paid.

**Annex 1**

**Award-Fee Organization**

**Members:**

Fee Determining Official  
USTRANSCOM-TCCS

Award Fee Chairperson  
DTCI Program Manager \*

Award Fee Review Board

AFRB Recorder

Services Representatives \*  
(One member from the Army, Air Force, Marines, and Navy)

DLA Representative \*

USTRANSCOM Representatives \*

Contracting Officer \*

USTRANSCOM Office of the Staff Judge Advocate Representative

Performance Monitors  
(Performance Monitors will be assigned at each shipping location)

\* Award Fee Voting Members

NOTE: Service representatives will only participate as a voting member at such a time their Service is implemented under the contract, i.e., in Phases II and III.

**Annex 2**

**Areas of Evaluation and Rating Scale**

**AREAS OF EVALUATION**

Implementation  
Information Management  
Transportation Coordination Services  
Small Business Participation

**RATING SCALE**

	Rating Points	Percent of Award Fee
SATISFACTORY	1-50 Points	0%
VERY GOOD	51-75 Points	51%-75%
EXCEPTIONAL	76-100 Points	76%-100%

**Annex 3**

**Award-Fee Allocation by Evaluation Periods**

The award fee earned by the contractor will be determined at the completion of **semi**-annual evaluation periods shown below. The percentage and dollars shown corresponding to each period is the maximum available-award-fee amount that can be earned during that particular period.

Evaluation Period	From	To	Available Award Fee
1	17 Aug 07	01 May 08	\$665,691.00
2	02 May 08	16 Oct 08	\$665,691.00
3	17 Oct 08	16 Apr 09	\$744,984.00
4	17 Apr 09	16 Oct 09	\$744,984.00
5	17 Oct 09	16 Apr 10	\$662,084.40
6	17 Apr 10	16 Oct 10	\$662,084.40
7	17 Oct 10	16 Apr 11	\$677,687.40
8	17 Apr 11	16 Oct 11	\$677,687.40
9	17 Oct 11	16 Apr 12	\$697,392.60
10	17 Apr 12	16 Oct 12	\$697,392.60
11	17 Oct 12	16 Apr 13	\$718,656.60
12	17 Apr 13	16 Oct 13	\$718,656.60
13	17 Oct 13	16 Apr 14	\$736,622.40
14	17 Apr 14	16 Oct 14	\$736,622.40

Note: Should a downward adjustment be made to the Management Services CLIN due to a decrease in workload in accordance with Section G-6 of the contract, a corresponding downward adjustment will be made to the available award fee pool so that the available award fee pool will always be set at 10% of the Management Services CLIN.



**Annex 4**

**Evaluation Criteria (Year One)**

<u>IMPLEMENTATION</u>	<u>50%</u>
<u>INFORMATION MANAGEMENT</u>	<u>20%</u>
<u>TRANSPORTATION COORDINATION SERVICES</u>	<u>20%</u>
<u>SMALL BUSINESS PARTICIPATION</u>	<u>10%</u>

**Annex 4**

**Evaluation Criteria (Years Two and Three)**

<u>IMPLEMENTATION</u>	<u>35%</u>
<u>INFORMATION MANAGEMENT</u>	<u>25%</u>
<u>TRANSPORTATION COORDINATION SERVICES</u>	<u>25%</u>
<u>SMALL BUSINESS PARTICIPATION</u>	<u>15%</u>

**Annex 4**

**Evaluation Criteria (Years Four through Seven – If Exercised and/or Earned and Exercised)**

<u>INFORMATION MANAGEMENT</u>	<u>40%</u>
<u>TRANSPORTATION COORDINATION SERVICES</u>	<u>40%</u>
<u>SMALL BUSINESS PARTICIPATION</u>	<u>20%</u>

## Annex 5

### Evaluation Criteria Standards of Performance

#### Implementation – Phase I

Satisfactory (0-50 Points) – The contractor successfully implements the Phase I locations identified in Table 1 of the Performance Work Statement (PWS) **within the required** implementation complete dates identified in Table 1 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate information technology (IT) interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

Very Good (51-75 Points) – The contractor successfully implements the Phase I locations identified in Table 1 of the PWS **within the required** implementation complete dates identified in Table 1 of the PWS **and** the contractor successfully implements **some** of the Phase I locations identified in Table 2 of the PWS **within the desired** implementation complete dates identified in Table 2 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate IT interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

Exceptional (76 – 100 Points) – The contractor successfully implements the Phase I locations identified in Table 1 of the PWS **within the required** implementation complete dates identified in Table 1 of the PWS **and** the contractor successfully implements the **majority** of the Phase I locations identified in Table 2 of the PWS **within the desired** implementation complete dates identified in Table 2 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate IT interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

**Annex 5**

**Evaluation Criteria Standards of Performance**

**Implementation – Phases II or III**

**Satisfactory (0-50 Points) –** The contractor successfully implements the Phases II and or III locations identified in Tables 3 and 4 of the PWS **within the required** implementation complete dates identified in Tables 3 and 4 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate information technology (IT) interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

**Very Good (51-75 Points) –** The contractor successfully implements the Phases II and or III locations identified in Tables 3 and 4 of the PWS **within the required** implementation complete dates identified in Tables 3 and 4 of the PWS **and** the contractor successfully implements **some** of the Phase II and or III locations **in advance of the required** implementation complete dates identified in Tables 3 and 4 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate information technology (IT) interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

**Exceptional (76 – 100 Points) –** The contractor successfully implements the Phases II and or III locations identified in Tables 3 and 4 of the PWS **within the required** implementation complete dates identified in Tables 3 and 4 of the PWS **and** the contractor successfully implements the **majority** of the Phase II and or III locations **in advance of the required** implementation complete dates identified in Tables 3 and 4 of the PWS. Successful implementation is defined as (1) establishing all necessary systems communication integration efforts to process electronic shipment requests; (2) Finalizing and successfully completing a joint test plan to fully implement and operationally test/validate information technology (IT) interoperability and integration, (3) Training government personnel at each location on the use of the contractor's systems and (4) providing required equipment to meet the government's shipment requests.

**Annex 5**

**Evaluation Criteria Standards of Performance**

**Information Management**

Satisfactory (1 – 50 Points) – The contractor’s system is available 99% of the time minus approved scheduled downtime and **very few** validated system complaints are received in regards to processing and tracking shipment requests.

Very Good (51 – 75 Points) – The contractor’s system is available **in excess** of 99% of the time minus approved scheduled downtime and **very few** validated system complaints are received in regards to processing and tracking shipment requests.

Exceptional (76-100 Points) –The contractor’s system is available **in excess** of 99% of the time minus approved scheduled downtime and **virtually no** validated system complaints are received in regards to processing and tracking shipment requests.

**Annex 5**

**Evaluation Criteria Standards of Performance**

**Transportation Coordination Services**

**Satisfactory (1-50 Points)** – The contractor **meets** all of the performance thresholds identified in the contract. Performance thresholds are identified as: 98% on time pick up and delivery standard, 98% of all shipments will be loss and damage free, and 99% of all claims will be closed within 120 days of government providing all necessary substantiating documentation. The remaining 1% of claims will be closed within 180 days. The contractor has identified a **small amount** of opportunities for process improvement that have been approved by the government and which will provide a benefit to the DoD if and when implemented. **Very few** validated customer concerns are received. \*At the conclusion of Award Fee Evaluation Period 6, the contractor is **close to achieving** a net cost savings goal of 19.1%. The contractor has shown significant annual progress towards this goal. At the conclusion of Award Fee Evaluation Period's 8, 10, 12 and 14, the contractor is **close to achieving** a net cost savings goal of 23.2%. The contractor continues to seek additional savings opportunities and communicates these efforts with the Government.

**Very Good (51-75 Points)** – The contractor **meets** all of the performance thresholds identified in the contract **and exceeds more than one**. The contractor has identified a **significant amount** of opportunities for process improvement that have been approved by the government and which will provide a benefit to the DoD if and when implemented. **Very few** validated customer concerns are received. \*At the conclusion of Award Fee Evaluation Period 6, the contractor has **achieved** a net cost savings goal of 19.1%. The contractor has shown significant annual progress towards this goal. At the conclusion of Award Fee Evaluation Period's 8, 10, 12 and 14, the contractor has **achieved** a net cost savings goal of 23.2%. The contractor continues to seek additional savings opportunities and communicates these efforts with the Government.

**Exceptional (76-100 Points)** – The contractor **meets** all of the performance thresholds identified in the contract **and exceeds the majority**. The contractor has identified a **significant amount** of opportunities for process improvement that have been approved by the government and which will provide a benefit to the DoD if and when implemented. **Virtually no** validated customer concerns are received. \*At the conclusion of Award Fee Evaluation Period 6, the contractor has **exceeded** a net cost savings goal of 19.1%. The contractor has shown significant annual progress towards this goal. At the conclusion of Award Fee Evaluation Periods 8, 10, 12 and 14, the contractor has **exceeded** a net cost savings goal of 23.2%. The contractor continues to seek additional savings opportunities and communicates these efforts with the Government.

\*Note: A site must have six full months of DTCI operations completed and associated performance data available prior to the associated Award Fee evaluation period to be included in the cost savings goal calculation. Reference Paragraph 1.4.2 of Section C, DTCI Performance Work Statement.

**Annex 5**

**Evaluation Criteria Standards of Performance**

**Small Business Participation**

**Satisfactory (1-50 Points)** – The contractor **has met**, or is on track to meet, all of the stated subcontracting goals as identified in the approved subcontracting plan. The contractor makes a **good** effort to assure that all categories of small businesses have an equitable opportunity to compete for subcontracts, undertakes a **few** outreach efforts to facilitate small business participation as subcontractors, and provides **some** assistance to small businesses to facilitate their participation as subcontractors.

**Very Good (51 -75 Points)** – The contractor has **met**, or is on track to meet, all of the stated subcontracting goals as identified in the approved subcontracting plan **and has exceeded more than one**, or is on track to exceed, more than one. The contractor makes a **significant** effort to assure that all categories of small businesses have an equitable opportunity to compete for subcontracts, undertakes **substantial** outreach efforts to facilitate small business participation as subcontractors, and provides **significant** assistance to small businesses to facilitate their participation as subcontractors.

**Exceptional (76-100 Points)** – The contractor has **met**, or is on track to meet, all of the stated subcontracting goals as identified in the approved subcontracting plan **and exceeds the majority**, or is on track to exceed the majority of, the stated subcontracting goals. The contractor makes an **outstanding** effort to assure that all categories of small businesses have an equitable opportunity to compete for subcontracts, undertakes **notable** outreach efforts to facilitate small business participation as subcontractors, and provides **comprehensive** assistance to small businesses to facilitate their participation as subcontractors.



**Annex 6**

**Evaluation Summary Report (Year One)**

CATEGORY	CRITERIA RATING POINTS	WEIGHTING FACTOR	WEIGHTED POINTS
I. Implementation	_____	X .50	_____
II. Information Management	_____	X .20	_____
III. Trans Coord Services	_____	X .20	_____
IV. Small Bus. Participation	_____	X .10	_____

Total: \_\_\_\_\_

Award Fee Available: \_\_\_\_\_

Total Weighted Points: \_\_\_\_\_ % of Award Fee Earned

Recommended Award Fee \$ \_\_\_\_\_

(Award fee available X % of award fee earned = recommended award fee)

**Annex 6**

**Evaluation Summary Report (Years Two through Three)**

CATEGORY	CRITERIA RATING POINTS	WEIGHTING FACTOR	WEIGHTED POINTS
I. Implementation	_____	X .35	_____
II. Information Management	_____	X .25	_____
III. Trans Coord Services	_____	X .25	_____
IV. Small Bus. Participation	_____	X .15	_____

Total: \_\_\_\_\_

Award Fee Available: \_\_\_\_\_

Total Weighted Points: \_\_\_\_\_ % of Award Fee Earned

Recommended Award Fee \$\_\_\_\_\_

(Award fee available X % of award fee earned = recommended award fee)

**Annex 6**

**Evaluation Summary Report (Years Four through Seven, if Exercised and/or Earned and Exercised)**

CATEGORY	CRITERIA RATING POINTS	WEIGHTING FACTOR	WEIGHTED POINTS
I. Information Management	_____	X .40	_____
II. Trans Coord Services	_____	X .40	_____
III. Small Bus. Participation	_____	X .20	_____

Total: \_\_\_\_\_

Award Fee Available: \_\_\_\_\_

Total Weighted Points: \_\_\_\_\_ % of Award Fee Earned

Recommended Award Fee \$\_\_\_\_\_

(Award fee available X % of award fee earned = recommended award fee)