

AWARD TERM OPTION PLAN
FOR
DEFENSE TRANSPORTATION COORDINATION INITIATIVE (DTCI)
HTC711-06-R-0001
21 June 2006

APPROVED:

DTCI Award Term Option Determining Official

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1.0 Introduction to the Award Term Option Plan

a. This Award Term Option plan is the basis of the DTCI evaluation of the contractor's performance and for presenting an assessment of that performance to the Award Term Option Determining Official (ATODO). It describes the specific criteria and procedures used to assess the contractor's performance and to determine the amount of additional performance periods, if any, the contractor may earn. Actual Award Term Option determinations and the methodology for determining whether the contractor may earn any additional performance periods are unilateral determinations 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 two additional 1-year award term option periods via the award term option provisions of this plan. It is important to note that the Government is not required to exercise an earned award term option merely because the contractor has earned it. The Government retains the unilateral right to exercise any award term option period and will do so only if there is a continuing need for the services performed under this contract, sufficient funding is available and the contractor's performance continues to be at the superior performance level.

b. Any award term option periods earned; up to two, will be provided to the contractor through contract modifications and is in addition to the base performance period and option periods included in this contract. Award term option periods earned will be determined by the ATODO based upon review of the contractor's performance against the criteria set forth in this plan. The ATODO 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 via a bi-lateral modification. Unless the CO gives the contractor specific written notice of any changes to evaluation areas 15 calendar days prior to the start of a new evaluation period, the most recently approved evaluation criteria and weights will be used.

2.0 Organization

The Award Term Option organization consist of; the ATODO; an Award Term Option Review Board (ATORB) which consists of a chairperson, the Contracting Officer, a recorder, other functional area participants, and advisor members; and the Performance Monitors. The ATODO, ATORB members, and performance monitors are listed in Annex 1.

3.0 Responsibilities

a. **ATODO.** The ATODO approves the award term option plan and any significant changes to the previously approved plan. ATORB members are approved by the ATODO in writing. The ATODO reviews the recommendation(s) of the ATORB,

considers all pertinent data, and unilaterally determines if an award term option period has been earned by the contractor during each evaluation period.

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

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

d. **ATORB Recorder.** The ATORB Recorder is responsible for coordinating the administrative actions required by the Performance Monitors, the ATORB and the ATODO, 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 term option process.

e. **Contracting Officer (CO).** The CO is the liaison between the contractor and Government personnel. The CO also executes any modification required to add an earned award term option period to the contract.

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. Prepare interim and end-of-period evaluation reports as directed by the ATORB.

4.0 Award Term Option Processes

a. **Available Award Term Option Amount.** Two 1-year award-term option periods will be available to the contractor to earn during each evaluation period. The contractor may earn each additional award term option period based on his performance during each evaluation period. The Government is not required to exercise an award term option merely because the contractor has earned it. The Government retains the unilateral right to exercise any award term option period.

b. **Evaluation Period and Process.** Determination of Award Term Option periods earned by the contractor shall be made at the end of two separate option evaluation periods; the first after performance of Option Year One (to earn Award Term Option One, (based solely on performance assessed during option year one) and the second at the end of Option Year Two (to earn Award Term Option Two (based solely on performance

assessed during option year two). At the conclusion of each of the two evaluation periods, the ATORB will assess the contractor's performance against the Award Term Option evaluation criteria contained in Annex 2. If the contractor is determined to have performed in a superior manner, the ATORB will recommend to the ATODO that a 1-year award term option period be awarded to the contractor via a contract modification. Again, the Government is not required to exercise an award term option merely because the contractor has earned it. The Government retains the unilateral right to exercise any award term option period.

c. Interim Evaluation Process. The ATORB recorder notifies each ATORB member and performance monitor 7 calendar days before the midpoint of the evaluation period. Performance monitors submit their interim evaluation reports to the ATORB 3 calendar days after this notification. The ATORB determines the interim evaluation results and notifies the contractor of the strength(s) and weakness(es) for the current evaluation period by 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.

d. End of Period Evaluation. The ATORB Recorder notifies each ATORB member and Performance Monitor 30 calendar days before the end of the evaluation period. Performance monitors submit their evaluation reports to the ATORB 7 calendar days after the end of the evaluation period. The ATORB, led by the ATORB Chairperson, prepares its evaluation report and recommendation of the award term option within 15 days after the end of the evaluation period. The ATORB briefs the evaluation report and recommendation to the ATODO. At this time, the ATORB may also recommend any significant changes to the award term option plan for ATODO approval. The ATODO determines if an award term option will be awarded within 21 calendar days after the end of each evaluation period. The ATODO will issue a letter informing the contractor of the award term option decision. The CO will issue a contract modification within 7 calendar days after the ATODO's decision is made to award the earned award term option.

<u>Award Term Option Evaluation Period</u>	<u>Award Term Option Period Available to be Earned</u>
Performance during Option Period One Year 4	Award Term Option Period 1
Performance during Option Period Two Year 5	Award Term Option Period 2

e. Contractor Self-Assessment: Within 7 calendar days after the end of each evaluation period, the contractor may submit a self assessment to the CO. This written self-assessment of performance throughout the evaluation period may contain information that could reasonably assist the ATORB in the performance evaluation and the recommendation to the ATODO. The contractor's written self-assessment may not

exceed 5 pages. Pages submitted beyond the 5 page limit will not be reviewed nor considered in the Award Term Option evaluation process.

5.0 Cancellation/Termination of Earned Award Term Option Periods:

- a. The Government may decide unilaterally not to exercise an award term option. The Government shall not exercise any award term option that the contractor has earned, but not yet begun; if the contractor's performance has been determined to fall below the "superior performance" level at any time after earning the award term option period.
- b. If any option period or Award Term Option period is not exercised, any remaining award term option periods earned will not be available to the contractor.

Annex 1

Award Term Option Organization

Members:

Award Term Option Determining Official
USTRANSCOM-TCCS

Award Term Option Review Board Chairperson
DTCI Project Manager

Award Term Option Review Board

Award Term Option Review Board Recorder

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

DLA Representative*

USTRANSCOM Representative*

Contracting Officer*

USTRANSCOM Office of the Staff Judge Advocate Representative

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

* Award Term Option Voting Members

Annex 2

Award Term Option Evaluation Criteria

Superior Performance – The contractor’s performance during the evaluation period has resulted in significant identifiable improvements to the reliability, predictability, and efficiency of Department of Defense materiel moving within the Continental United States, enhancing the readiness of the Strategic Distribution System. If required during this evaluation period, the contractor’s participation in the Contingency Response (CORE) Program has been exemplary, ensuring the fulfillment of essential DoD domestic transportation requirements which has preserved this critical infrastructure asset.