

**AWARD FEE DETERMINATION PLAN**  
FOR THE  
**SBI PROGRAM MANAGEMENT OFFICE SUPPORT SERVICES**  
**TASK ORDER 01**



**U.S. CUSTOMS AND BORDER PROTECTION**  
**SECURE BORDER INITIATIVE**  
SBI SYSTEM PROGRAM OFFICE  
VERISON 5

March 7, 2011

**Approval:**

(b) (6)

Perry L. Smith  
Contracting Officer  
Enterprise Contracting Office

### Record of Changes

Change Number	Date	Reference (Table or Paragraph)	A= Add M= Modify D= Delete	Brief Description of Change
01	14 Oct 09	Sections 2 and 3	A	Update information such as award fee period, award fee amount, and clarify award fee for satisfactory performance, among other minor edits.
02	12 Mar 10	Sections 2	M	Modify award fee rating periods
03	14 Oct 10	Section 3	M	Award Fee Allocation Formula
04	1 Mar 11	Sections 2 and 3	M	Modify award fee/rating period 2 at no additional cost; Award fee period end date is extended from February 15, 2011 to March 7, 2011.
05	7 Mar 11	Section 3	M	Modify award fee/rating period 2: end date is extended from March 7, 2011 to March 18. Award fee pool is unchanged.

## LIST OF ACRONYMS

The following is a list of acronyms used throughout this Award Fee Determination Plan. There are other acronyms within this plan that are identified but not used frequently and are not listed below.

AFDO	Award Fee Determining Official
AFDP	Award Fee Determination Plan
AFEB	Award Fee Evaluation Board
CLIN	Contract Line Item Number
CPAF	Cost Plus Award Fee
CO	Contracting Officer
COTR	Contracting Officer's Technical Representative
FAR	Federal Acquisition Regulation
IAW	In Accordance With
IP	Industry Partner
PM	Program Manager/ Project Manager
PMOSS	Program Management Office Support Services
SBI	Secure Border Initiative
SPO	System Program Office
TO	Task Order

**AWARD FEE DETERMINATION PLAN**  
FOR THE  
**SBI PROGRAM MANAGEMENT OFFICE SUPPORT SERVICES**  
**TASK ORDER**  
**VERISON 3**

SECTION 1: INTRODUCTION

This Award Fee Determination Plan (AFDP) provides procedures for evaluating the Industry Partner's (IP) performance on the Secure Border Initiative's (SBI) *Program Management Office Support Services (PMOSS) Task Order 01*, on a Cost Plus Award Fee (CPAF) basis. This AFDP may be amended throughout the life of the task order (TO), preferably around the beginning of a new award fee period. The objective of the award fee is to afford the IP the opportunity to earn an award fee rather than negotiate it, commensurate with optimum performance by:

- Providing a reasonable and workable AFDP with a high probability of successful implementation.
- Clearly communicating evaluation criteria and procedures that provide effective communication between the IP and the Government.
- Focusing the IP on areas of greatest importance to motivate outstanding performance.

In accordance with this plan, the Award Fee Determining Official (AFDO) will determine the amount of the award fee earned and payable to the IP for achieving specified levels of performance. The AFDO shall make the final award fee determination, with assistance from the Award Fee Evaluation Board (AFEB), who in turn shall be assisted by Performance Monitors. The amount of award fee negotiated is the maximum fee that may be earned by the IP. The IP may earn all, part, or none of the award fee allocated to the evaluation period.

1.1 Justification

The SBI Acquisition Office has determined a CPAF task order suitable for use for the Program Management Office Support task order in accordance with Federal Acquisition Regulation (FAR) 16.301-2 *Application* and FAR 16.405-2 *Cost-plus-award-fee* contracts.

SBI program uncertainties involved with task order performance do not permit costs to be estimated with sufficient precision to use a Firm Fixed Price task order. For examples, uncertainties include the quantity of ad hoc program documents required of the contractor, the number of program reviews and revisions to documents such as the Integrated Master Plan and Integrated Master Schedule, and the number of contractor personnel working on the task order at any given time. The work to be performed is such that it is neither feasible nor effective to devise predetermined objective incentive targets applicable to cost, technical performance or schedule.

The likelihood of the contractor meeting acquisition goals will be enhanced by using a task order that effectively motivates the contractor toward exceptional performance, and provides the Government with the flexibility to evaluate actual performance and the conditions under which performance was achieved.

1.2 Scope

As required by Department of Homeland Security (DHS) guidance, this AFDP:

- Defines the standards of performance for each rating category.
- Defines the percentage of fee the Contractor should be paid for each of the rating categories.
- Documents roles and responsibilities for those involved in monitoring contractor performance and determining award fees.
- Provides detailed guidance on steps in the evaluation process for CBP representatives and contractors; and
- Establishes a base award fee.

In addition, in accordance with the Office of Federal Procurement Policy's (OFPP) "Appropriate Use of Incentive Contracts," this AFDP:

- Links the award fee to acquisition outcomes (cost, schedule and performance).

Does not permit the contractor to earn an award fee if the contractor's performance is judged to be below satisfactory or does not meet the basic requirements of the task order.  
Includes a process for awarding fees; and  
Does not permit rollover of award fees.

SECTION 2: EVALUATION PERIODS

The first evaluation period is expected to be six (6) months after task order award. Evaluation periods will be semi-annually, with possible quarterly performance reviews.

The award fee rating periods are as follows:

**RATING PERIOD**

Award Fee Period	From Date	To Date
Period 1-	February 16, 2010	August 15, 2010
Period 2-	August 16, 2010	March 18, 2011

SECTION 3: AWARD FEE ALLOCATION FORMULA

The maximum award fee pool is (b) (4) of the estimated amount of (b) (4) for an award fee pool of (b) (4) which is allocated for the task order and shall be based on the total estimated annual cost of the Labor and ODC Contract Line Item Numbers (CLINs). The award fee corresponds to overall task order performance and evaluation periods. The Base Fee shall be (b) (4)

The maximum award fee will be allocated for each evaluation area or evaluation period as a **Fixed Pool** (i.e., the award fee is not based on a proportional allocation of incurred costs) as follows;

- Period 1- February 16, 2010 through August 15, 2010: (b) (4)
- Period 2- August 16, 2010 through March 18, 2011: (b) (4)

The contractor shall not receive an award fee in a specific area (i.e., Management or Technical or Cost), for unsatisfactory performance in that specific area. Although the contractor will not receive an award fee for unsatisfactory performance in a specific area, the contractor may receive award fee for satisfactory performance in another area. Any portion of the award fee pool not earned may not be *rolled-over* into the next evaluation period.

SECTION 4: AWARD FEE PERSONNEL ROLES AND RESPONSIBILITIES

4.1 Contracting Officer's Responsibilities

The Contracting Officer (CO) is ultimately responsible for award management in accordance with (IAW) the Federal Acquisition Regulation (FAR). This responsibility includes modifying the task order as a result of AFDP changes when applicable. The CO shall notify the contractor within fourteen (14) days of any changes to the AFDP.

4.2 Award Fee Determining Official

The Award Fee Determining Official shall be the SBI Executive Director. The AFDO's responsibilities are:

- Approve the AFDP and authorize any changes to the plan, throughout the life of the task order, that are not contractually binding.
- Approve the members of the AFEB and appoint the AFEB Chairperson.
- Determine the amount of award fee the IP has earned based on its performance during each evaluation period.
- Review the AFEB recommendation.

4.3 Award Fee Evaluation Board

The AFEB will be comprised of no more than five voting members who will be Government personnel. Permanent voting members on the AFEB include the SBI Program Manager, the task order PM (if applicable), at least one other SBI Program Manager and the Contracting Officer's Technical Representative (COTR). A SBI PM may be the Chairperson of the AFEB. The other voting members of the board will be from other organizations within the System Program Office (SPO) such as Business Management Operations (BMO) or Systems Engineering; and may serve permanently or on a rotational basis, based on initial participation or available resources.

The CO is a non-voting, advisory member of the AFEB. Additional non-voting board members may be a Coordinator/ recorder and Performance Monitors as deemed appropriate by the AFEB Chairperson. Attendance of the non-voting members is not required to convene a board. Non-voting members should participate in AFEB assessments of Performance Monitor evaluations and discussions of award fee recommendations. Additionally, non-voting members are encouraged to submit written reports on IP performance to the AFEB, for its consideration (see Attachment 1). The following table provides the individuals that are members of the AFEB. Substitutions are permitted in the event of a schedule conflict, subject to approval by the AFEB Chairperson and the substitute is a CBP Government employee.

Award Fee Determining Official <b>(b) (6)</b> , SBI Executive Director	
Board Position	Representative
Chairperson & Voting Member	SPO PM
AFEB Voting Member	SBI net PM
AFEB Voting Member	SBI net PM
AFEB Voting Member	TBD
AFEB Voting Member	Task Order COTR
AFEB Non-Voting Member	Contracting Officer
AFEB Non-Voting Member	Performance Monitor #1
AFEB Non-Voting Member	Performance Monitor #2
AFEB Non-Voting Member	Performance Monitor #3
AFEB Non-Voting Member	Coordinator

**4.3.1 The responsibilities of the AFEB Voting Members are:**

- Request, obtain and review performance information from Performance Monitors involved in observing IP performance.
- Evaluate the IP's performance and summarize findings and recommendations for the AFDO.
- Recommend to the AFDO the percentage of award fee the IP should receive.
- Participate in the AFEB discussion, recommendation and determination of fee.
- Complete an independent evaluation to include documenting rationale.
- Review all appropriate documentation.

**4.3.2 The responsibilities of the AFEB Chairperson are:**

- Appoint the AFEB voting members, Performance Monitors and Coordinator/Recorder.
- Schedule and conduct AFEB meetings.
- Resolve any inconsistencies in the AFEB evaluations.
- Ensure AFEB recommendations to the AFDO are timely and made IAW the Award Fee Determination Plan.
- Ensure timely payment of award fee earned by the IP.
- Recommend any changes to the AFDP to the AFDO.
- Ensure the integrity of the process, and that it is conducted according to schedule.
- When applicable, recommend to the AFDO the specific elements upon which the IP will be evaluated for each evaluation period.

**4.3.3 The responsibilities of the AFEB Coordinator are:**

*(Note: The items below are recommendations. The AFEB may not have a coordinator, and the board could collaboratively assume the responsibilities below.)*

- Review Performance Monitor reports and other performance information and present an overview to the AFEB.
- Consolidate the AFEB's assessment and recommendation for presentation to the AFDO at both the midterm and final stages of each evaluation period.
- Draft all correspondence required by the AFDO and AFEB as it relates to the award fee process.
- Maintain the AFDP, including any updates as approved by the CO and the AFDO, and modified in the task order.
- Select a separate AFEB recorder, if desired, who will maintain the AFEB minutes, notify AFEB members and Performance Monitors of report due dates and meeting times, distribute forms, and receive and distribute completed reports to all members.
- Maintain the award fee files, including current copies of the AFDP, any internal procedures, Performance Monitor's reports, and any other documents having a bearing on the AFDO's award fee decisions.
- Ensure that all members have the necessary documents to perform their duties, a current AFDP and task order.
- Prepare the board results for the Chairperson and AFDO

**The responsibilities of the AFEB Performance Monitors are:**

Maintain regular contact with the IP in their performance area.

Document IP performance on a regular basis based on the criteria of the AFDP.

Prepare a short, 3 month assessment and a more comprehensive 6 month assessment for the Coordinator or AFEB.

If required, prepare a brief monthly status of IP performance.

Receive the IP's exclusions, if any, throughout the period and forward to the Coordinator or AFEB Chairperson.

May attend AFEB meetings, at the discretion of the AFEB Chairperson; and may act as a non-voting AFEB member.