



REPLY TO
ATTENTION OF:

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Performance Based Service Acquisition (PBSA) Handbook

1. PURPOSE:

a. This handbook does not prescribe US Army Corps of Engineers (USACE) policy regarding the use of performance based acquisitions. The handbook is designed solely as a resource for project delivery teams implementing, or considering, a PBSA type contract. It provides a suggested process and formats for developing and documenting associated contract requirements. It is based on draft Air Force guidance on this topic, experience, and Hazardous, Toxic, and Radioactive Waste Center of Expertise (HTRW CX) training material. This document has been coordinated within USACE and the National Association of Ordnance Contractors (NAOC).

b. Suggestions for improvements to this handbook are encouraged and should be brought to the attention of the designated point of contact provided below.

2. EFFECTIVE DATES: Until rescinded or otherwise superseded.

3. POINT OF CONTACT: If you need additional information, please contact Ms. Lisa Harris at 256-895-1344.

A handwritten signature in cursive script that reads "Carol A. Youkey".

CAROL A. YOUKEY, P.E.
Chief, Military Munitions Center
Of Expertise

Encl

**Military Munitions Response Performance-Based Service
Acquisition Handbook**

September 2006

US Army Corps of Engineers,
Huntsville Engineering and Support Center

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I. Background and Purpose

In support of the Department of the Army's "New Generation of Cleanup Initiatives", the Major Commands (MACOMs) have been tasked by Headquarters Department of the Army (HQDA) to come up with a better way to reach regulatory closure on environmentally contaminated sites by using a faster, better, and cheaper method of procurement. Implementation of the Performance Based Contracting (PBC) effort is a key element of the Army Environmental Cleanup Strategy and one of the Army's promising Business Initiatives. Installations must pursue PBC to ensure the Army implements effective and results-oriented approaches to completing the Installation Restoration Program.

Federal Acquisition Regulation (FAR) Case 2003-018 changes the terms "performance-based contracting" and "performance-based service contracting" to "performance-based service acquisition" throughout the FAR; adds applicable PBSA definitions; clarifies the order of precedence for requirements; and gives agencies more flexibility in applying PBSA methods to contracts and orders of varying complexity.

Therefore, this handbook will adhere to the new terminology, performance based service acquisition (PBSA).

Defined by FAR Subpart 37.601; Performance-based service acquisition methods are intended to ensure that required performance quality levels are achieved and that total payment is related to the degree that services performed meet contract standards.

Performance-based service acquisitions:

- Describe the requirements in terms of results required rather than the methods of performance of the work
- Use measurable performance standards (i.e., terms of quality, timeliness, quantity, etc.) and quality assurance surveillance plans
- Specify procedures for reductions of fee or for reductions to the price of a fixed-price contract when services are not performed or do not meet contract requirements
- Include performance incentives where appropriate.

The focus of Performance-Based Services Acquisition is *what* is to be achieved rather than *how* it is to be done. The focus shifts the risk and responsibility for success to the Contractor. There are various types of contracts that can be used to execute PBSA which include Firm-Fixed Price (FFP), FFP with Incentives (FPIF), FFP with Award Fee (FPAF), FFP with Insurance, and Cost Reimbursement with Incentives, which can be used but does not count toward the goals mandated from Headquarters.

PBSA represents a paradigm shift from traditional acquisition strategies. PBSA is *results* oriented and focuses on achieving an end-state objective, whereas traditional acquisition strategies are primarily *process* oriented and focus on specific and descriptive approaches.

Below are some key advantages and considerations in deciding on whether to use a performance-based service acquisition (PBSA):

<i>Advantages</i>	<i>Considerations</i>
<ul style="list-style-type: none"> • Focuses on achieving tangible objective(s) • Allows contractors flexibility in proposing solution(s) • Not burdened with thoroughly analyzing remedial solution options • Encourages use of best value awards since solutions can vary • Sets costs with low likelihood of cost growth • Longer periods of performance (POPs) equals reduced contract actions over time • Reduces Government's level of effort over time 	<ul style="list-style-type: none"> • Might not be the best option for poorly characterized site(s), resulting in higher risk to the contractor community (may limit competition and increase cost) • Uncertain funding during contract POP may limit remedial approaches that require early capital investment • Typically requires more up-front planning and longer lead-times to implement • Challenging regulatory climates can limit the contractors evaluations of creative solutions • Stakeholders (Government and Regulatory) who do not "buy-in" to the PBSA approach can negatively impact the results

Since United States Army Corps of Engineers (USACE) guidance did not exist and the PBSA is relatively new to the Military Munitions Response Program (MMRP), this contributed to a lack of uniformity in its application. This Guidebook is intended to provide an overview of the USACE MMRP's approach for implementing PBSAs and assist project managers (PMs) and the product delivery teams (PDT) in:

- Understanding the basics of PBSA
- Screening project sites for potential PBSA applications
- Identifying the key components of a Statement of Objectives (SOO)/Performance Work Statements (PWS)
- Developing and successfully awarding PBSAs for MMRP projects.

PBSAs are meant to be inherently flexible, applicable to a wide range of projects with numerous funding profiles, end goals, and approaches. Specific projects may have special considerations that may alter the approach discussed here. Where possible, the guidebook provides sources on where to seek additional guidance.

II. Contract Types and Characteristics

Federal Acquisition Regulation (FAR) 16.1 prescribes policies, procedures, and guidance for selecting a contract type appropriate to the acquisition. The key point is to select the most appropriate contract type to accomplish project objectives, taking into consideration the unique and specific conditions of the project.

According to FAR 16.1, contract types vary according to:

- The degree and timing of the responsibility assumed by the contractor for the costs of performance
- The amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

Below is a summary of the primary contract types used in MMRP projects:

Contract Type	Contractor Risk	Profit Potential	Most Relevant to what types of MMRP Projects?	Payment
Time & Material	Limited	Low to Medium	Poorly characterized sites or uncertain scope	Payment for hours worked at set rates
Cost Plus Fee	Limited	Low to Medium	Poorly characterized sites or uncertain scope	Payment for costs incurred
Firm-Fixed Price (FFP)	Higher	Low to High	Well characterized sites with a prescribed/detailed approach to remediate a site	Payment may be linked to work completed but not necessarily achievement of an objective
PBSA	Highest	Low to High	Well characterized sites with clear objectives and contractor flexibility on approach	Payment linked to achievement of established performance objectives; work can range from low profit due to over runs to high profits due to under-runs.
Cost Plus - Incentive Fee (CPIF)	Moderate	High	Moderately characterize sites with some uncertainty	Costs incurred; fee payment is increased for costs below target and decreased for costs above target.

Definition of Performance-Based Service Acquisition

At this time, FAR 2.101 is the most applicable reference regulation defining requirements of a PBSA. It defines performance-based service acquisitions as **“...structuring all aspects of an acquisition around the purpose of the work to be performed with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work.”**

To qualify as a PBSA, 50% of a contract must be managed as a PBSA in order for a contract to be considered a Performance Based Service Acquisition (Feb 2005 Office of Federal Procurement Policy (OFPP) memo).

Indefinite Delivery/ Indefinite Quantity (IDIQ) programmed dollars do not count toward **total** dollars, only dollars awarded under PBSA task orders count.

Difference Between the Performance-Based Process and the Prescriptive Process

The **prescriptive** approach is built on a predetermined specific solution and lays out a step by step process to achieve that solution.

The **performance-based** approach is built upon a desired outcome and objectives and does not specifically define or limit the best solution or the process, or describe the process to reach the solution.

Understanding Performance-Based Service Acquisitions

The term PBSA is an overarching term that refers to a general contracting mechanism that may be applicable to any government acquisition. In this guidebook, PBSA is used in reference to the actual performance-based service acquisition used to accomplish military munitions response projects.

Definitions of Performance-Based Service Acquisition (PBSA), Performance Work Statement (PWS) and Statement of Objectives (SOO)

Solicitations may use either a performance work statement or a statement of objectives.

Performance-based service acquisition (PBSA) means an acquisition structured around the results to be achieved as opposed to the manner by which the work is to be performed.

Performance Work Statement (PWS) means a statement of work for performance-based acquisitions that describes the required results in clear, specific, and objective terms with measurable outcomes. A PWS may be prepared by the Government or result from a SOO prepared by the Government where the offeror proposes the PWS.

Statement of Objectives (SOO) means a Government- prepared document incorporated into the solicitation that states the overall performance objectives. It is used in solicitations when the Government intends to provide the maximum flexibility to each offeror to propose an innovative approach.

Offerors use the SOO to develop the PWS; however, the SOO does not become part of the contract. The SOO shall, at a minimum, include the following:

- (1) Purpose
- (2) Scope or mission
- (3) Period and place of performance
- (4) Background
- (5) Performance objectives i.e., required results and
- (6) Any operating constraints

Characteristics of Performance-Based Service Acquisitions

Several basic characteristics distinguish PBSAs from traditional contracting methods:

- Clearly defined performance expectations/objectives:** PBSAs are not based on prescriptive Statements of Work. Instead, PBSAs use Statements of Objectives (SOOs) (Appendix B) or Performance Work Statements (PWS) (Appendix C) and Quality Assurance Surveillance Plan (QASP) (Appendix D) that describe performance requirements or objectives (also known as interim performance objectives). The SOO/PWS is structured around the purpose of the work to be performed rather than how to perform the work. The Government does not specify how to achieve the objectives. This approach allows contractors more flexibility to leverage their military munitions response expertise and design and implement innovative cleanup solutions.
- Performance measures and standards:** To demonstrate that a desired outcome has been achieved, interim and final contract objectives should be measurable and verifiable. The Government will establish qualitative or quantitative performance standards for each objective. See Table 1:

Table 1 - Example Performance Metrics

	Exceptional	Very Good	Satisfactory	Marginal	Unsatisfactory
<i>Performance indicator: Project Execution₁</i>					
Process Compliance	Zero Corrective Action Requests (CAR)	1-5 CARs for non-critical WP violations (no impact to overall cost and schedule resulting from the non-compliance)	6 or more CARs for non-critical violations (no impact to overall cost and schedule resulting from the non-compliance)	>1 CAR where non-compliance adversely impacted overall cost or schedule	Repeated non-compliance with WP requirements resulted in cost overruns or repeated schedule extensions
Quality Control	Zero QA failures, 80% or more QC measures accepted, zero repetitive QC failures	Zero QA failures, 80% or more QC measures accepted, one or more repetitive QC failure occurred	Zero QA failures, less than 80% of QC measures accepted, or, One or more non-repetitive QA failures occurred	1-3 repetitive QA failures occurred	>3 repetitive QA failures occurred

1. Sample metrics only. This will have to be a tailored metrics for projects in this and other performance areas.

A qualitative measure could be regulator approval of letter stating that all response actions have been completed at the site and no further action is required. A quantitative measure could be achieving RDX (military high explosive) and TNT(military high explosive) concentrations in surface soil that support residential end use. (This assumes that the concentrations have been determined based on site-specific risk assessment).

- **Quality assurance surveillance plans:** The Government may either prepare the quality assurance surveillance plan or require the offerors to submit a proposed quality assurance surveillance plan for the Government's consideration in development of the Government's plan.
- **Payment milestones and due dates:** PBSAs should also include a payment schedule linked to specific performance objectives and completion milestones. The preferred approach is to require a payment schedule as part of the contractor's proposal for performing the work and meeting the performance objectives. This is a critical component of an awarded PBSA and provides the contractor with a built-in incentive to achieve the objective(s).

PBSA Execution Process

Performance-based service acquisitions require advance planning and collaborative teamwork to successfully develop and implement a contract package that contains clear and accurate interim/final objectives and will motivate the winning contractor to achieve the end-state objective. It is essential to assemble a team that understands the process and the potential of its success through intense planning. This may involve a shift in roles and responsibility and require key team players to assist with the upfront contracting strategy.

This handbook breaks down the development and execution of a PBSA into eight steps (See Appendix A). These steps have been developed based on lessons learned from actual PBSAs and input from contracting, legal, environmental, and engineering communities:

1. Screening Projects for PBSA Application
2. Establishing the Project Team
3. Planning the Acquisition Schedule
4. Making Project Decisions
5. Evaluating Benefits and Limitations of Insurance
6. Developing the Draft Statement of Objectives/Performance Work Statement
7. Making Site Visit and Issuing the RFP
8. Evaluating Proposals and Awarding the PBSA

**** These 8 steps are very similar to another useful tool in developing and executing a PBSA is the 7- Step Logic Model that has been used in USACE sponsored training.

III. Step 1: Screening Projects for PBSA Application

This first step involves screening potential MMRP projects on the use of PBSAs. As previously mentioned, a PBSA is not the right contracting tool for every project. This handbook offers some general screening considerations when evaluating MMRP projects as PBSA candidates.

Understand the Project

Understanding the site conditions the regulatory environment and the need for military munitions response is a critical part of the PBSA screening process. It is important to review documents such as Preliminary Assessment (PA)/ Site Inspection (SI) reports, Remedial Investigation (RI) reports, Monitoring reports, Records of Decision (ROD), Decision Document (DD) and other agreements to understand site data and restrictions. In general, a PBSA is easier to implement and more successful when thorough data for the site is available (e.g. nature and extent of contamination) and there is a clearly defined objective.

Some questions that are important to address at this point are:

- What is the nature, concentration level, and extent of contamination?
- What laws and regulations are applicable for determining cleanup goals?
- What is the anticipated future land use of the site?
- What is in the base comprehensive plan for the site?

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Response Actions

The first step is to determine if the property is eligible for inclusion in the Formerly Used Defense Site (FUDS) program. This is accomplished by following the processes specified in Engineering Regulation (ER) 200-3-1. For properties determined eligible, they enter the CERCLA response process as specified in the EPA National oil and Hazardous Substances Pollution Contingency Plan (NCP).

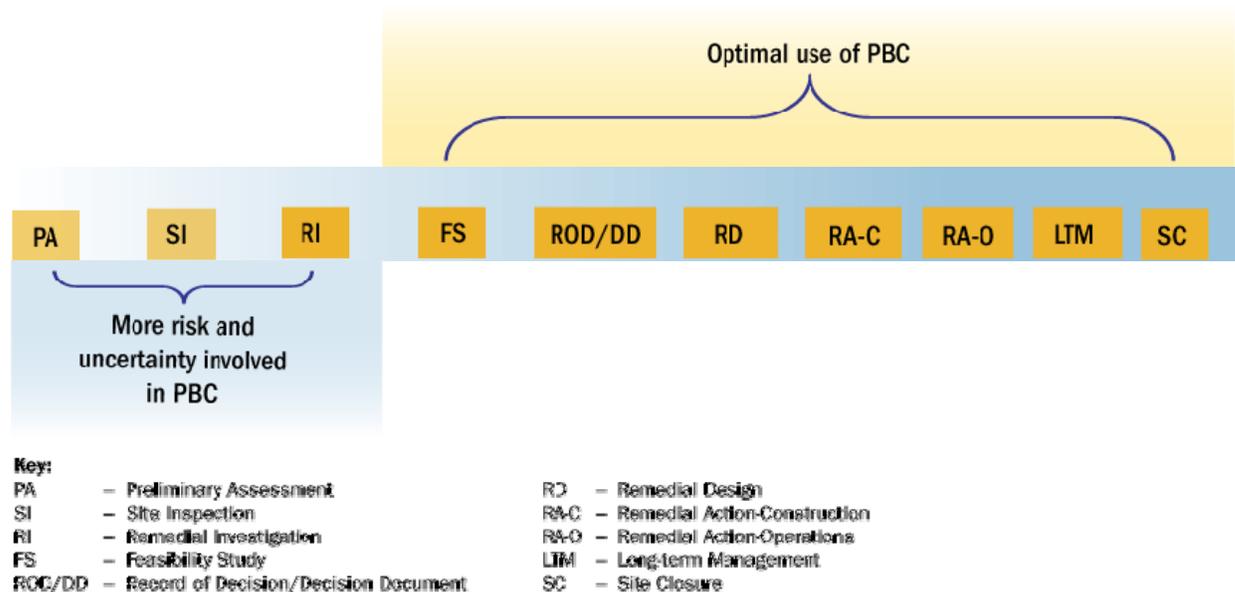
There are two processes; response actions- **remedial actions** and **removal actions** that are available for projects where a response action is deemed necessary for MEC and / or MC. Under 10 USC§2701 (a)(2), response actions (i.e., site identification, detection, investigation, removal actions, remedial actions, or a combination of removal and remedial actions) taken under the Defense Environmental Restoration Program (DERP) to address releases of hazardous substances and pollutants and contaminates must be conducted in accordance with the provisions of CERCLA§120.

Remedial actions are relatively long-term, permanent remedies which generally take several years of investigation, evaluation, and coordination with stakeholders before physical remediation activities actually commence. At any point in the remedial action process, where there is a need for an expedited response, a removal action may be undertaken to address immediate threats.

Removal actions are a short term or immediate action taken to address the presence and/or releases of Munitions and Explosives of Concern (MEC) or Munitions Constituents (MC) that may require expedited response due to threats to address imminent hazards posed by military munitions, hazardous substances, pollutants, or contaminants. It is the policy of the USACE FUDS Program, not to close out a site directly from a removal action, but to transition back into the remedial action process to assess whether further action is warranted; this policy is established in ER 200-3-1.

Phases of the CERCLA Remedial Action Process

Figure 1: Phases of the CERCLA Remedial Action Process



Preliminary Assessment

The preliminary assessment (PA) is the first step in the remedial process; it is also the first component of the Site Evaluation Process. When an eligible FUDS property has been identified, a CERCLA and NCP compliant PA will be performed.

Regardless of the number of categories of hazards present (hazardous, toxic, and radioactive waste (HTRW), MEC, building demolition/debris removal, etc) only one PA will be prepared for the property. The PA will comply with the requirements in ER 200-3-1.

The PA forms the foundation for the FUDS Inventory Project Report (INPR) and provides the basis for project authorization and/or No DoD Action Indicated (NDAI) determinations for all FUDS hazard categories. The objectives of performing a PA are to:

- (1) Eliminate from further consideration those eligible properties, or areas of an eligible property, that pose little or no threat;
- (2) Determine if there is any potential need for removal action;
- (3) Set priorities for site inspections at eligible FUDS projects; and
- (4) Gather data useable for any future EPA Hazard Ranking System (HRS) evaluation.

PAs are a component of the FUDS property screening process and are conducted for all new eligible FUDS properties and for eligible FUDS properties re-examined at the request of the stakeholders. If a FUDS project is in response action phases (i.e., past the PA phase) and has not had historical information researched regarding the property use, the PDT may choose to collect such data as necessary to support its response action decisions. This documentation shall be included in the project files and administrative record.

Site Inspection

The Site Inspection (SI) is the second component of the CERCLA process and the Site Evaluation following the PA. When information in the PA indicates the presence of significant MC contamination, it is not necessary to perform an SI, and the response process can proceed directly to the RI phase.

The purposes of the SI are to:

- (1) Eliminate from further consideration those releases that pose no significant threat to public health or the environment.
- (2) Determine the potential need for removal action

- (3) Collect or develop additional data
- (4) Collect data, as appropriate, to characterize the release for effective and rapid initiation of the RI/Feasibility Study (FS)

Remedial Investigation (RI)

The RI is conducted under the CERCLA, and is intended "to adequately characterize for the purpose of developing and evaluating effective remedial alternatives", (NCP, 40CFR 300.430(d)). In addition, the RI provides information to assess the risks to human health, safety and the environment that were identified during risk screening in the RI. The RI will focus on collecting information to support the Feasibility Studies (FS). The RI and FS are to be conducted in an integrated manner.

Feasibility Study (FS)

Following the RI field investigation and reporting of results, the next "step" in the CERCLA remedial action process is to conduct a Feasibility Study (FS). The primary purpose of the FS phase is to evaluate potential remedial alternatives to cleanup the site. This evaluation can be thought of as occurring in three phases:

1. The development of alternatives;
2. The screening of alternatives; and
3. The detailed analysis of alternatives

Record of Decision (ROD) or Decision Document (DD)

The ROD is the document used to record the remedial action (RA) decision made at a National Priorities List (NPL) property. The DD is the document used to record the remedial response decisions at non -NPL FUDS properties.

The ROD/DD document identifies the selected remedy. Before the ROD/DD is signed the geographic USACE District will notify key officials and community members.

Remedial Design (RD)

Remedial design (RD) is a phase of remedial actions that follows the RI/FS and is governed by 20 CFR 300.420-440 and must be in accordance with CERCLA, Executive Orders 12580 and 13016 and the NCP. RD includes development of engineering drawings and specifications for a site cleanup. Detailed designs, plans and contract documents for conducting remedial actions are developed during the RD phase. For projects involving MEC, the RD requires preparation of an explosive safety submission (ESS) or chemical safety submission (CSS) approved by the Department of Defense Explosives Safety Board (DDESB) after review by

USATCES and the MMCX.

For the DERP, the remedial action phase has been divided into a construction component RA-C and an operation component RA-O.

Remedial Action-Construction (RA-C)

Remedial Action-Construction (RA-C) is the period during which the final remedy is being implemented. At the completion of the RA-C phase, the project is considered to have attained the remedy-in-place (RIP) milestone after a project remedial action (RA) report is prepared and approved.

Remedial Action Operation (RA-O)

During the RA-O phase, the treatment process is in operation to meet the cleanup objective for MC as identified in the ROD/DD. After cleanup objective is attained, the response complete (RC) milestone is attained and the remedial action (RA) transitions to the LTM phase. The RC milestone is at the end date of the RA-O.

Long-Term Management (LTM)

LTM activities may be required for HTRW and MMRP projects. Five-year reviews are conducted under the LTM phase once a project achieves RC and satisfies the CERCLA 5-year review requirement. LTM consists of ongoing activities at a project location. LTM can consist of land use control (LUC) and sampling of treatment systems. MC treatment systems may require LTM. This may consist of sampling based upon the remedial design frequency. This item serves to monitor and document cleanup activities for projects.

Site Closure (SC)

For the purposes of this guidance, site closure refers to project /property closure.

Project Closeout Project closeout occurs, when all removal and/or remedial response actions are complete and no subsequent removal or remedial response actions are required, or when the property has been classified as no DOD action indicated (NDAI).

Property Closeout A property closeout determination is made when all authorized FUDS projects have been completed. The conditions required to justify closeout decisions are specific to the property. In general, the decision can be justified on any of the findings listed in EP 1110-1-18, Chapter 14.

Evaluate Opportunities to Group Sites

Grouping sites into a single PBSA can gain efficiencies.

Grouping sites can:

- Reduce the total number of contract actions
- Spread contractor overhead/project management costs across multiple sites
- Spread contractor performance risk over multiple sites
- Allow lessons learned and best practices to be applied across multiple sites

When grouping sites it is recommended that the sites are located within geographical boundaries and/or overseen by the same regulatory agency; widely dispersed sites would not be appropriate for grouping.

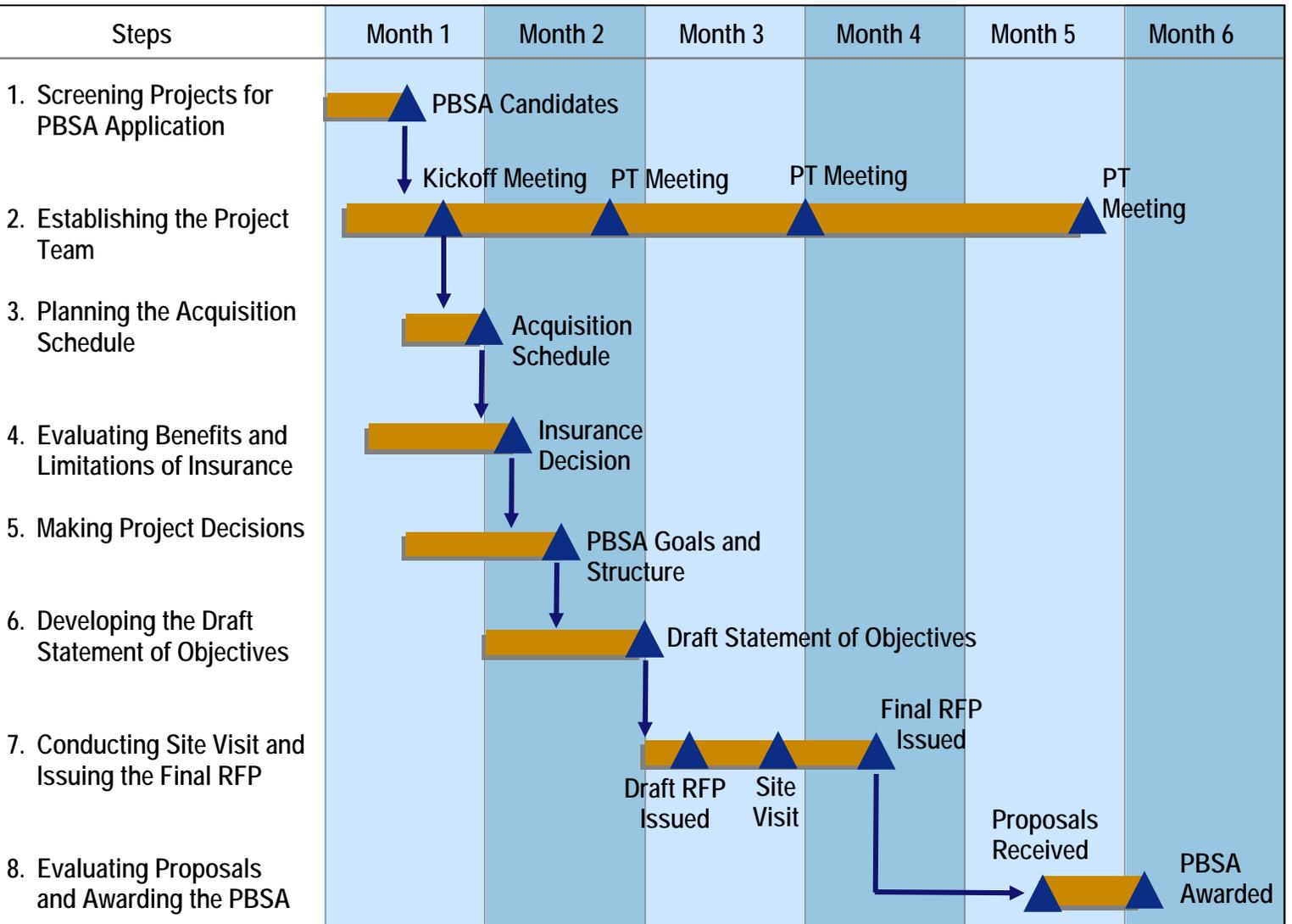
Evaluate PBSA as an Acquisition Tool for the Project

PBSA can be applied to a wide range of projects, but the decision analysis needs to be performed on a case-by-case basis. Risk evaluation and professional judgment are required to decide if PBSA is the appropriate approach for a project. Thus, answering the following types of questions may help guide the decision to utilize PBSA.

1. What Resource Conservation and Recovery Act (RCRA)/Comprehensive Environmental Response Compensation and Liabilities Act (CERCLA) phase are the Munitions Response Site(s) (MRS) / Munitions Response Action (MRA) in? A PBSA can be applied at any phase of a site's cleanup life cycle; however, use of PBSA is optimal after RI through site closure.
2. Is there time to execute a PBSA? A PBSA can take up to six months (depending on the complexity of the site) to execute based on the need to conduct at least one site visit, collect and disseminate site data to all potential bidders, and allow for a question and answer period during the RFP process.

Figure 2 "Typical Performance Based Service Acquisition Schedule"; illustrates an example schedule for implementing a PBSA.

Figure 2: Typical Performance Based Service Acquisition Schedule



3. How extensive is knowledge about the site? Contractors are more willing to accept the higher risk transferred with a PBSA if the site is well characterized and/or objectives are clearly defined. Conversely, contractors may determine the performance risks are inordinately high and cannot be mitigated if the site has extensive unknowns and uncertainty. This can result in little contractor interest and/or higher than acceptable bids. Risk mitigation tools such as environmental insurance or a cap on risk may be considered in the SOO/PWS. If the risk cannot be mitigated, a PBSA may not be the best contract type.
4. Are regulators on-board with the PBSA process? The Government decides how to execute its contracts; however, it is important to be familiar with the regulators' willingness to actively participate throughout the PBSA process. Positive regulatory relationships reduce the risk to the contractor community. Ensure the regulators understand the PBSA process and their role throughout the process. While the decision to utilize PBSA should not be solely based upon the relationship with environmental regulators, it is a key point to consider.
5. Are there existing requirements or documents (e.g. RODs, DDs) that restrict the Government's approaches and remedies? One of the positive features of a PBSA is that it leverages the creativity of the private sector. Even if there are restrictions defined in existing agreements, a PBSA may still be appropriate since it would include competition and payments tied to objectives. Also, existing agreements could be modified.
6. Will the budget support a PBSA through the entire POP? PBSAs typically include longer POPs (e.g. 5+ years), and the funding profile throughout that POP may not match the projections. Contractors may propose significant early capital expenditures to achieve savings in later years, so it is important to evaluate the projected budget versus expected outlays.
7. Does the project have clear objectives that are achievable within the allowable contract POP? If yes, then a PBSA may be appropriate. However, if the project is merely "buying" progress but cannot achieve a tangible objective within the contract POP, then other contract types may be more appropriate.
8. Does the project have the potential for creative approaches that will leverage the substantial expertise of the private sector? If the project cleanup approach is already decided or substantially limited for other reasons, then a PBSA may not be the best choice. If the Government has not specified the precise approach to be followed, then a FFP or PBSA can be selected, with the only distinction being how payments are made (e.g. for work performed vs. achievement of objective(s)).

A PBSA package can be prepared (including a SOO/PWS) that will provide prospective contractors with sufficient site characterization information and a clear understanding of the contract's end-state objective and interim performance objectives so that the contractor can adequately assess the cleanup risk involved

IV. Step 2: Establishing the Project Delivery Team

Once the decision is made to utilize a PBSA, assemble a project delivery team (PDT) to assist in strategy, planning, and contract package preparation. This may be the same project team that normally develops traditional contracts. However, it is a good idea to:

- *Start early*
- *Include the Contracting Office*
- *Include at least one team member with experience executing a PBSA.*
- *If using insurance; include the insurance consultant(s) early*

Define the Roles and Responsibilities of All Stakeholders

The PDT should work closely with the Program/Project Manager and help ensure the success of the project through proper planning, implementation, and execution.

Potential PDT members include:

- Program/ Project Manager (PM) (Team Lead)
- District Project Manager
- Contracting Officer (CO)
- Contract Specialist and/or Contracting Officer's Representative (COR)
- Lead Regulator
- Technical Manager/Lead Engineer
- Financial Manager
- Legal Representative
- Insurance Consultant (if applicable)
- Safety Specialist
- QA/QC Specialist

Roles and Responsibilities

The Program/Project Manager assigns roles and responsibilities to make sure that the team members' regulatory partners understand the PBSA process and their roles during the acquisition. Important roles include:

Role	Responsible Party (Sample)
Identify data gaps and perform research	PM or other technical resource – should know the project and where to access information
Strategize contracting approach	Contracting Office - Contracting Officer (CO) and Contract Specialist/Contracting Officer Representative (COR)
Determine if any limitations should be imposed on the contractor (e.g., no rights of entry)	PM or other technical resource – Should know the project
Identify the contractor pool for RFP distribution	Contracting Office – CO and Contract Specialist/ COR
Budget and cost estimate	PM or other technical resource who understands how to evaluate the potential cost over the contract POP
Develop an acquisition schedule to ensure that the required obligation date can be satisfied	Contracting Office – CO and Contract Specialist/COR
Develop source selection criteria	Typically led by the CO but with support from the PDT
Guidance, funding issue assistance, end-goal assistance, lessons learned at other Districts.	Districts
Interpretation of regulations, assistance with approach and schedules, and ideally, an indication of what they envision as acceptable approaches.	EPA & State Regulators

Identify Other Stakeholders

Other stakeholders contribute in an advisory role and may provide input that can positively influence project decisions. These stakeholders coordinate on behalf of their organizations and may enhance the planning process by:

- Helping with schedule and budget constraints
- Guiding the development of the end-state objective
- Offering innovative solutions or approaches, and
- Sharing knowledge about similar projects or PBSAs.

Other Potential Stakeholders	
Stakeholder	Role
HQUSACE	Guidance, legislative interpretation, funding issue assistance
Districts	Guidance, funding issue assistance, end-goal assistance, lessons learned at other Districts.
EPA & State Regulators	Interpretation of regulations, assistance with approach and schedules, and ideally, an indication of what they envision as acceptable approaches
Restoration Advisory Board (RAB) or other Community Stakeholder	Hold a DOD forum for discussing and exchanging information and receiving individual advice from affected persons and members of the community; public involvement.

Define Stakeholder and Contractor Communication for Post-Award Execution

Although there has been much written and spoken about performance based service acquisition in terms of a shift of responsibility in contract oversight and direct communications between the contractor and regulator, there is no policy in effect within USACE that changes the historical role or responsibility of USACE in administering its contracts. Granted, one of the benefits of PBSA is acknowledged to be less post-award government involvement. This is due to the nature of the contract, with its performance measures being the yardstick by which the performance and success (or failure) of the contractor is measured. The PBSA vehicles, by their nature, focus on the end result and not the process that leads to that result. If the performance of a Military Munitions contractor can be measured quicker and easier under PBSA than a cost-type contract, and it obviously can in most cases, then there should be a decrease in the cost of administration from a quality assurance standpoint.

State regulators desire to be more involved in contract planning and USACE PDTs should ensure that they are involved to the maximum extent possible. The regulators should be informed that a PBSA contract is being considered and should be given every opportunity to participate in the PBSA process, from deciding if a site would benefit from PBSA, to participating in the selection process (if possible), to meeting with the contractor awarded the contract prior to initiation of field work. If they are precluded from participating on the review and award committee, then as a minimum, they should be invited to participate in the presentations and interviews.

Make sure that the stakeholders, the regulators, and the contractors all understand how the contract is being structured in terms of roles and responsibilities and basic communication flow.

Question	USACE	Contractor	Regulator(s)
Who are the key players after the award of a PBSA?	USACE and other Districts	Selected contractor	EPA and/or State
What are the differences between PBSA and traditional roles and responsibilities?	Provides end state objectives/goals.	Provides solution and assumes more risk.	Same but works more closely with the contractor.
Under PBSA, does the Government have an advisory role or can it direct the work?	Government should monitor compliance with contract and NOT dictate approach.	Should keep the Government aware of the progress so they can decide when to make payments for achieving objective(s).	N/A
How much oversight should the Government provide for a PBSA and why?	Ensure compliance with the contract by monitoring milestones.	Provide adequate proof that the milestone was obtained.	N/A
What happens if the regulators do not accept the approach?	The Government does not impede contractor progress with the regulators. However, it also ensures that alternative approaches meet performance objectives.	Develop alternative approaches that satisfy regulator concerns and meet performance objectives.	Regulators should be able to clearly identify why they don't accept the PBSA approach based on a legal position.
Should the contractors be able to interact with the regulators before PBSA award?	Government should negotiate with the regulators to ensure that project team and contractors understand the regulatory environment.	Same, but regulator provides more input on contract planning and development.	Regulators should support the Government and be available to discuss a project and their view of the status and direction.

V. Step 3: Planning the Acquisition Schedule

This step involves clarifying some administrative and logistical details, including the acquisition schedule, available contract vehicles, and the approach to change orders. Plan to adjust the approach based on inputs received, a contractor site visit and at least one formal question and answer (Q&A) process.

Establish Acquisition Schedule

The project team lead should establish an acquisition schedule to define suspense dates for various components of the PBSA process. As a rule of thumb, this process may require up to six months to properly plan and award a PBSA (See Figure 2 in Step 1 process). The schedule can be accelerated, but the team lead needs to coordinate with the contracting office early in the process to discuss the schedule. A project team knowledgeable in PBSA concepts typically speeds up the acquisition process.

Plan Logistics for Site Visit

Scheduling a site visit and coordinating among property owners, stakeholders, regulators, and contractors requires lead time. Plan this step early to ensure that attendees have time to plan their schedules. **Figure 3** is a sample agenda for a site visit that also provides some direction to the contractors on how Q&As will be handled.

Figure 3: Sample Site Visit Form

SITE VISIT for
PERFORMANCE-BASED SERVICE ACQUISITION FOR SITE X AT (LOCATION)
Date

AGENDA

0830	Introductions (Location) <ul style="list-style-type: none">• Team (Team Chief, Field Engineer, Contracting, Support)• Contractors• Regulators• Overview of Project
0900	Project Presentation <ul style="list-style-type: none">• Technical issues• Contractual approach
1100	Site Visit
1300	Questions and Answer Session (Location)
1500	Adjourn

ADDITIONAL INFORMATION

1. Any technical or contracting questions that arise as a result of today's site visit shall be submitted in writing to the Contracting Officer no later than (date/time). Answers will be provided to all potential offerors by no later than (date/time). The official RFP shall be provided upon availability of funds. Questions should be directed to:

Contracting Officer
Tel: XXX
FAX: XXX
E-mail: XXX

Offerors are urged to provide all questions in writing, even if answers to some questions are provided verbally during the site visit. A form is provided in this handout for submitting questions.

2. Available site information is provided in the Draft Statement of Objectives, and in the CD(s) provided to the contractors.

Evaluate Contract Vehicles and Contractor Pool

There are options in terms of Indefinite Delivery - Indefinite Quantity (IDIQ) contracts, and the corresponding contractor pools. Contracts have differing characteristics in terms of scope, the size of the contractor pool, the types of contractors, the size of the contractors, and the terms of the contracts. Coordinate with the Contracting Officer to evaluate the options versus the requirements. Some PBSAs are competed among as few as three contractors while others have been competed to a much larger pool (up to 25 contractors). As a general rule of thumb, four or five strong competitors may be the right pool size to encourage competition. Larger contractor pools can be logistically difficult to manage (e.g. site visits) and can even discourage potentially viable contractors.

Determine Appropriate Format for Scoping Document

With the selection of the contract vehicle, check with contracting to determine whether to utilize a SOO/PWS to scope the details of the PBSA. Past related PBSA examples may be available for reference.

Decide on Approach for Change Orders (Contract Modifications)

The team should discuss the potential for Change Orders after award and establish some basic guidelines on how to approach this issue as contractors will request definition. There are two basic approaches to Change Orders as related to PBSAs:

- The preferred method is to write PBSAs to exclude all Change Orders. However unless a FAR deviation is obtained the Government can not exclude change orders
- A second approach is to allow Change Orders, but only in cases where the contractor can prove that there was an unforeseeable issue that impacted their cost. The Government needs to establish parameters or provide examples to help the contractors understand what types of risk they are accepting and when change orders will be considered.

If change orders are permitted, it is reasonable to consider approving requests for change orders when unexpected site conditions are discovered, such as the presence of unexploded ordnance (UXO) on a site where there is no previous known history. The Contracting Officer, with support from the PDT, will make a determination on a case-by-case basis.

Other factors to consider before making a decision are the potential risk for unforeseen site conditions and use of insurance (detailed discussion in Step 4).

VI. Step 4: Evaluating Benefits and Limitations of Insurance

The risks associated with environmental cleanup have prompted the use of Environmental Insurance (EI). EI is a type of coverage used to protect the Government from default by the contractors. Although the application of EI is a relatively new concept, there are fundamental benefits and limitations to using EI.

According to the Office of the Deputy Under Secretary of Defense (Environmental Security BRAC Fact Sheet, April 2001), insurance may be used to cover uncertainties, unexpected conditions, and potential risks such as:

- Cost overruns when the estimated cost of the cleanup plan is exceeded
- Tort liability resulting from injuries that occur to parties involved in the cleanup
- Business or work stoppage caused by discovery of previously unknown contaminants
- Claims against third parties associated with ongoing operations
- Claims against third parties conducting remediation activities
- Failure of the initial remedy before transfer
- Unknown contamination discovered after acquiring the property.

Common exclusions include Chemical Warfare Material (CWM) and high radioactive materials. Other site-specific exclusions and non-performance clauses may also be included.

Assess Benefits and Approaches for Using EI

Each project must be evaluated separately to determine whether EI is of value to the Government. Potential benefits include:

- Reducing project costs in many cases since contractors do not have to bid contingencies for failure of the technical approach, unknown contaminants, changes in requirements, cost overruns, or inflation
- Significantly reducing the frequency or elimination of change orders, unless Contracting Officer directs a change.
- Protecting the Government and client for 2-3 times the project cost, eliminating the need for additional project funding.
- Providing an independent validation of contractor costs and approach.
- Reducing costs for the Government since project "unknowns" are covered by insurance.

Several major options exist when considering the use of EI in PBSAs:

Options on the Use of EI in PBSAs
Contractors allowed to propose insurance and factor into best value awards – applicable to low to medium risk sites.
Government identifies minimum acceptable insurance it will accept – applicable to medium to high risk sites or 1-2 times the cost of the task order.

The most common types of EI policies are cleanup cost cap (also referred to as stop gap or remediation stop loss insurance), pollution legal liability (also referred to as Environmental Impairment Liability), property transfer, and Brownfield’s restoration and redevelopment insurance.

Cleanup Cost Cap (CCC)/Stop Gap/Remediation Stop Loss Insurance: This is the most common type of policy applicable to MMRP and environmental restoration projects and protects against cost overruns above the estimated cost of remediation. This predominantly covers “known conditions,” regulatory or requirement changes during remediation, and efforts associated with discovery of new contaminants within the scope of remediation activities. This policy typically expires once cleanup is completed and validated. The term of this coverage is typically a maximum of 11 years.

Pollution Legal Liability (PLL)/Environmental Impairment Liability (EIL): This is another common type of insurance that may be used under PBSA that protects the insured against claims associated with third party bodily injury and property damage claims (e.g. Toxic Tort Claims), as well as both known and unknown pre-existing contamination (e.g. Agency Cleanup Demand). Defense costs that are incurred due to responding to claims are also covered. The insured parties can be the seller, buyer, and the lender. The term of this coverage is typically 10 years.

Property Transfer: This type of insurance is similar to PLL/EIL, but focuses strictly on property transfer. It protects an insured against claims arising from pre-existing unknown contamination, known contamination below reportable levels, and third-party claims for off-site cleanup costs that result from on-site pollution.

Brownfields Restoration and Redevelopment Insurance: This insurance type is a combination of CCC and PLL/EIL, but is specifically designed to cover cleanup sites that have future development activities planned. This policy is attractive to Brownfield redevelopers because it provides lenders an increased level of confidence due to the fact that property is being restored to a level that is safe for reuse.

Use of Environmental Insurance within DoD

The use of EI is relatively new and is not being used on a consistent basis throughout DoD. The Army and Air Force have increased EI use, while the Navy originally used EI but has chosen to limit its use to early transfers of sites closed because of Base Realignment and Closure Efforts.

The varied use of EI is attributable to the ODUSD (I&E) not issuing overarching DoD guidance to identify the appropriateness and use of EI and lessons learned base on EI use to date.

Without guidelines at the DoD level, DoD may miss opportunities to reduce risks through the use of EI for environmental cleanups or may be incurring additional costs for EI when not needed.

Army Use of EI

Based on the Army's experience in using EI since 2001, on several contracts, the Army has realized lessons learned and identified processes, practices, and strategies for requiring, procuring, and monitoring EI that appear to be working well. In addition both USACE and the Army Environmental Center have developed guidance to address the use of EI. Specifically, USACE issued "Fixed-Price Remediation with Insurance", dated October 1, 2003, and the U.S. Army Environmental Center issued, "Performance-Based Contracting Guidebook"; Rev1 dated June 27, 2006.

According to both of the published Army guidance for using EI, the Army applied the following steps to evaluate the viability of using EI. First Army contracting officers, in cooperation with the program management personnel, as part of an evaluation of the appropriateness of EI, assessed the need for EI based on the following factors:

- Is there a significant potential for cost uncertainties?
- Is there a significant potential for cost of schedule overruns?
- Is the estimated contract award price more than \$2 million?
(Cleanup Cost Cap insurance that range from \$150,000 to \$300,000, are usually not economically practical for projects less than \$2 million.)
- What type of competitive process will be used to award the contract?
- Will the contractor be encouraged to use innovative cleanup approaches?
- What is the financial risk to the contract for completing the proposed cleanup?
- Are State and local regulatory standards for closure mandatory?

- What type(s) of contaminant(s) are being disposed of and what methods of cleanup are being used?
- How well has the proposed cleanup site been defined and characterized?

The Army guidance does not specify in which cases EI should be used based on the results of the evaluation, but leaves the decision to the discretion of the contracting officer and program manager. Thus the Army uses the results of this evaluation to define whether a significant level of risk for cost overruns and unexpected schedule changes exists and can be transferred from DoD to the contractor. If the risk level is significant enough, then the contracting officer and project manager would consider using EI.

Second, once the contracting and program management personnel make the decision to use EI, the requirements for EI, to include the type and amount of insurance, are incorporated in the solicitation. According to USACE and Army Environmental Center officials, when EI is not required, it is acceptable for a contractor to include EI in its proposal since competition among contractors decides the overall best value to the Government.

VII. Step 5: Making Project Decisions

Once key project decisions regarding budget, structure of the PBSA, and the PBSA goals are decided in this step, you may need to later adjust the initial approach based on the site visit for the project team and interested contractors, and at least one formal Q&A cycle as covered in detail in Step 3.

Collect Available Site/Project Data

Start collecting relevant site/project information for distribution to the contractor pool. More comprehensive site data will result in more informed bids and generally improve the numbers and quality of bids received. This step may be logistically difficult depending on the size of the project, number of geographic locations covered by the PBSA, and quantity and format of available information. There are many ways to make this information available with minimal cost to contractors, including distributing CDs, administrative records, and/or establishing Web sites.

Generally, data collection and dissemination should:

- Start early
- Provide complete and accurate site data to improve quality of bids
- Allow adequate time for contractors to evaluate all data, findings of site visit, and clarifications received for Q&As
- Include all relevant information to avoid later claims against the Government
- Preferably be distributed with the draft RFP.

Prepare Cost Estimate and Project Budget

The project's budget may already be established based on the traditional programming cycle. In some cases, this could mean that the end-state objective and structure of a PBSA are driven by budgetary constraints.

The project team should prepare a cost estimate based on the team's conceptual approach to the project. This estimate is important in terms of project execution and for establishing an initial budget by fiscal year over the life of the contract. This budget projection can become a critical factor if one or more contractors propose aggressive solutions with early capital expenses.

Relevant Estimates			
Estimate	Purpose	Level of Detail	When
Independent Government Estimate (IGE)	Typically required for the official contract folder.	Fairly detailed; some COs allow use of programming estimates for the file if recent and accurate.	Prior to issuance of RFP.
Estimated payment schedule over POP	Optional –Use if concerned about the budget over the POP and it can support the various potential technical approaches. Especially useful if out year budgets can be adjusted.	As necessary to evaluate out year budgets and funding stream.	During PBSA planning.
Budgetary & programming	Program the project through the established HQ process.	Typically higher level estimate.	As per HQ's programming cycle.

Identify the Project End-State Objective

The project team should discuss and agree on the end-state objective of the PBSA. This may seem like a simple decision, but it can sometimes be challenging to decide what constitutes project success. Factors to consider when establishing the end-state objective include:

- Applicable laws and regulations
- Near-term land use of the site
- Anticipated future land use and construction potential for the site
- Base comprehensive plan
- Options for use of LUCs/ICs.

It is important to remember that the goal for a typical MMRP site is site closure. However, the end-state objective of the PBSA cannot always be site closure, due to current site status and POP limitations. It is critical that the contract end-state objective still be tangible, achievable and measurable.

Decide on Appropriate Interim Performance Objectives

The project team should discuss and decide on the appropriate interim performance objectives, which are important milestones towards the end-state objective. Interim performance objectives also provide the contractor with positive cash flow as the project proceeds. The Government has several options for determining interim objectives, including:

- Establishing all interim performance objectives (For examples, look at the sample SOO , Section 4.0, in Appendix B)
- Establishing some interim objectives but allowing contractors to propose

other interim objectives

- Allowing contractors to propose all interim objectives, given that the Government includes their relevancy and appropriateness as one of the bid evaluation factors
- Allowing contractors to negotiate interim objectives with the Government after PBSA award.

The important point is that PBSAs are designed to be flexible and enable the project team to meet the needs of the specific project and its cleanup requirements. An effective project team can evaluate the project end-state objective and tailor the PBSA accordingly.

Decide how to Measure and Verify Performance

Establish a viable process for verifying the contractor's performance throughout the life of the performance based service acquisition, and not wait until the end of the POP to determine whether the contractor has achieved the desired end-state objective. Under a PBSA environment, the contractor measures and manages its own performance on an ongoing basis, and the government monitors and verifies that interim goals have been met. As with any procurement, it is critical for the Government to establish and define roles and responsibilities for managing the government's liabilities and ensure the quality and acceptability of the outcome.

Evaluate the Approach for the Objective Payment Schedule

The payment schedule is a critical component of a PBSA since it establishes how payments will be tied to performance. However, if milestones are too large, it will force the contractor to carry large amounts of expenses without payments, causing the price to increase in order to account for the interest that the contractor will have to pay due to the project, therefore the payments for interim objective(s) must be appropriate to ensure that the project payments are not "front-end loaded" or withheld over a long period of time, but balanced to ensure that funds are released in sufficient quantity to ensure completion of the end-state objective.

Some Methods for Establishing the Performance and Payment Schedules
Bidding contractors propose a performance schedule with annual objectives and corresponding payments. The Government uses a best value evaluation of bids to distinguish between these schedules.
The Government establishes performance schedule, with objectives per year and corresponding payments. This can be difficult since the Government does not prescribe the specific approach to reach the end-state objective and therefore may not know the interim objectives.
The Government establishes the end-state objective and known interim objectives, but allows the contractors to also propose interim objectives/payments based on their approach to the project.

Evaluate Use of Incentives, Options and Penalties

The Project Manager and/ or PDT should start working with the Contracting Office, which includes the CO and Contracting Specialist/COR, to understand how and when to utilize incentives, options, and penalties under the contract vehicle chosen. As a starting point, the project team needs to have determined the basic project goals and the minimal acceptable objectives.

Type	Characteristics	Pros	Cons
1. Incentives	Use to establish a price for achieving a tangible outcome or benefit to the Government above and beyond the minimum standard.	Can be used to promote faster or more stringent site closure. Can also be used to motivate cost and schedule savings below established targets. Avoids the cost of obtaining environmental insurance.	If incentive is not realized, may have to deobligate and send funds back to source.
2. Options	Can be used to extend contracts beyond five years and/or contract for scope only when funding is received.	Funds do not have to be on contract until the option is exercised. Allows long term contracts. May also allow scope to be broken up by Fiscal Year.	May not be applicable to all circumstances. Can be difficult to evaluate proposals under a best value scenario when basic offers and options are both utilized. Requires a Determination & Findings (D&F) (per the FAR) to exercise the options. *There is a risk of a claim if the contractor is forced to demobilize before the option is exercised.
3. Penalties	Penalizes a contractor for failing to meet contract requirements. An example is the use of liquidated damages for contractor delays beyond the POP.	Can be an additional motivating factor for progress towards the contract objective.	Requires documentation from both contractor and government. Can be contentious.

1. Evaluate **incentives** to reduce actual costs below negotiated targets, accelerate schedules, add sites/scope or even achieve a more stringent closure standard. However only utilize these tools when there is something tangible to “buy” that is important to the Government. For example, actual cost is a tangible end result that the Government may want to use as an incentive. An incentive based on the adjusting fees as a percentage of the actual costs above or below the target, requires funding up front but can easily be measured. It provides an incentive based on "the less the Government spends the greater the potential contractors' profit may be". Funding must be on contract for incentives whether the incentive is achieved or not.

2. **Options** may be more useful than incentives under certain circumstances since options can be exercised by the Government and therefore funds can be issued when needed.

3. Although **Penalties** may prove useful to some PBSAs, generally there are controls in place that limit the need for penalties. The control of payments tied to achievement of performance objectives is a significant incentive for the contractor. Conversely, when objective(s) are not met, the Government will not issue payment. Therefore, it is recommended that penalties be utilized on a case by case basis; consult with the contracting office if formal penalties such as liquidated damages are needed. If the requirement has critical elements, these are where the focus for penalties should be targeted. Penalties include poor performance evaluations.

Determine Proposal Evaluation Approach

Determine the process for evaluating proposals and selecting the successful proposal/contractor. The two primary methods for evaluating proposals and awarding PBSAs are best value and low price/technically acceptable.

The Government generally recommends best value awards for PBSAs based on the criteria that are important and relevant to that particular project. Although cost is always a factor in determining how to award a PBSA, it is typically not the only factor and may not even be the most important factor. More detail on selection criteria are covered in Step 8 of the Handbook.

The approach should be tailored to the project, but some of the key advantages and disadvantages follow:

Evaluation Approach	Advantages	Disadvantages
Best Value	<ul style="list-style-type: none"> • Recognizes that for many projects there are important factors that define success in addition to cost • Allows differentiation between technical approaches and therefore promotes innovative proposals • Allows award to be tailored to the project in terms of a number of factors such as insurance, accelerated schedules, and the budget over time • Government can allow the contractor to propose interim milestones and then evaluate how reasonable and applicable they are 	<ul style="list-style-type: none"> • More labor intensive approach since selection based on many project-specific factors • Requires longer proposal evaluation time (up to 3-4 weeks) • Subjective and must be tailored to each specific contract • Government must be able to clearly define what it means by best value • Must be able to evaluate trade-offs for cost
Low Price/Technically Acceptable	<ul style="list-style-type: none"> • Simple • Requires little time (usually < 1 week) • Can be very useful where there is a clearly defined approach (e.g. a specific type of landfill cap) • Can be useful when cost is the only significant factor in terms of project award • Objective 	<ul style="list-style-type: none"> • No differentiation between technical approaches • No differentiation between contractor's capability on a type of project • No differentiation between contractor's experience in a regulatory environment • Could result in awarding a contract even if it did not agree with the technical approach • Contractors do not like the idea of getting into low price "bidding wars" • May be more difficult to execute as the contractor has no excess in the project budget and will be looking for the lowest cost alternative, execution at all times.

VIII. Step 6: Developing the Draft Statement of Objectives/ Performance Work Statement and Quality Assurance Surveillance Plan

The project team, established above in Step 2, should draft a Statement of Objective (SOO)/Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP) that clearly articulates the Government's objective(s) for the contract and should promote informed and responsive contractor bids. The SOO/PWS is the most critical component of the solicitation package. Coordination with the regulators during the development of the SOO/PWS will help ensure the success of the project.

This section of the handbook will provide general guidance about the components of the SOO/PWS. In addition, a sample SOO is provided in Appendix B, and PWS and QASP in Appendix C and D, respectively. Coordinate with CO/COR to see if an applicable sample for the PBSA contract is available.

The QASP is a Government developed and applied document that is used to make sure that systematic Quality Assurance (QA) methods are used in the management of a services contract. The purpose of the QASP is to assure that the contractor's performance is in accordance with the requirements set forth in the PWS. A QASP is developed for each specific PWS and is not generic in nature. The QASP details how and when the Government will survey, observe, test, sample, evaluate, and document contractor performance according to the PWS. The Government's QASP and the contractor's Quality Control Plan work together to ensure project performance standards are met.

The QASP serves as the basis for contractor evaluation that will be reported in the Past Performance Information Management System (PPIMS) or other past performance evaluation reporting tool; it must tie directly to the performance measures set forth in the PWS. Some of the key elements of a QASP are:

- (a) Statement of purpose
- (b) Roles and responsibilities of participating government offices
- (c) Performance metrics for contractor's performance assessment record
- (d) The methodologies for monitoring contractor performance (surveillance activities)
- (e) QA check lists
- (f) Corrective action and milestone reporting forms
- (g) Refer to Engineering Manual (EM) 1110-1-4009 for detailed information on the QASP

The QASP is written concurrently with the PWS because what is written into the PWS influences what is put into the QASP. Additionally, development of the QASP will force the product delivery team to make sure that outputs and procedures in the PWS are measurable.

The QASP focuses on the quality, timeliness, etc. of the performance outputs to be delivered by the contractor, and not on the steps required or procedures used to provide the product or services.

Using quality assurance controls or surveillance specified in the QASP, the product delivery team can determine if contractor - provided service meets the quality standards required in the contract. The QASP is critical to smooth and effective contract administration.

The draft SOO/PWS will likely be issued in a draft RFP to the contractor pool prior to a site visit. Therefore, the draft SOO/PWS needs to be as clear as possible in terms of the end-state objective, contract structure, payment approach, and basis for award.

The typical components of a PBA SOO/PWS are:

Scope

This section is a concise description of the desired end state objective or goal of the contract, a description of the contract approach, and a listing of the site(s). A third party should be able to read this section and understand the goal of the project and the overall contracting approach.

The SOO/PWS must contain a clearly defined end-state objective for the PBA, even though that end-state objective may not be the final goal of site closure.

Site Background

This section of the SOO/PWS contains information (or directions to access the information) necessary to understand the background history and current status of the contaminated site(s), including the known contaminants of concern. It should provide references to the locations of available, more detailed information, such as RI Reports, FS, routine data, RODs, and other regulatory decisions/documents. Good site information will likely result in:

- Higher contractor interest and greater competition during procurement
- Lower uncertainty and risks to the Government and contractors
- More creative solutions from the private sector

Remember to start collecting or locating relevant information early in the planning process. As mentioned earlier, information on the site(s) can be disseminated in several ways (e.g., Web sites, CDs, administrative records).

It is critical that the Government divulge relevant information about the site(s) to potential bidders to avoid future claims by contractors that could result in change orders/litigation.

General Requirements

Establish any additional requirements, conditions, or parameters that may or may not be specifically identified as project objectives (e.g., data formats/requirements). Key dates (e.g., pre-solicitation site visit) and coordination requirements (e.g., coordination of waste manifests with relevant parties) may be communicated in this section as well.

This section also outlines the specific conditions under which the contractor is required to perform its work and any limitations on the type of work the contractor can perform. This also is the recommended place to reference prior Government/Regulator agreements such as FFAs, RODs and DDs.

Interim Performance Objectives, Performance Standards, Acceptance Criteria, Payment, and Milestone Dates

This section links interim performance objectives, performance standards, acceptance criteria, payment, and milestone dates. Interim performance objectives should directly coincide with meeting the end state of the PBSA. These interim objectives must be measurable and significant. In other words, the Government must be “buying” a tangible objective, not simply effort/work. The following matrix depicts how to link all elements in a SOO/PWS:

Interim Performance Objective	Performance Standard	Acceptance Criteria	Payment	Milestone Date
Must be tangible and include measurable outputs.	The criteria used to measure the contractor's progress in accomplishing the interim performance objectives.	Defines “what” indicates that the performance standard was achieved and “who” has the authority to approve acceptance of the objective.	Ties payment to interim performance objectives (e.g., % of total bid or actual dollar amount per objective). Three approaches: (a) Require bidding contractors propose a performance schedule with annual objectives and corresponding payments for each objective. Under this scenario, a best value evaluation of bids to distinguish between bidders' schedules. (b) Establish a performance schedule with objectives and corresponding payments for each objective. (c) Establish the end-state objective and known interim objectives but allow the contractors to propose some interim payments based on their approach to the project.	Can be established by the Government or proposed by the contractor.

Period of Performance

This section is written in the same manner as in other contracts. The period of performance (POP) establishes the start and end dates of the contract. In many cases the POP is established as the duration from the award date of the contract (e.g., 60 months from contract award). Note that some contracts can be extended past five years by utilizing option periods. Check with the CO to determine the appropriate duration.

Incentives, Options, or Penalties

This section lists any incentives, options, or penalties used to enhance the PBSA. The use of these items does not differ from other contracts; however, they should be linked to the performance objectives and end-state objective of the PBSA.

Incentives may be awarded to the contractor on a Task Order basis when an excellent overall performance rating on that Task order as measured by the performance metrics in the QASP has been achieved. Incentives for excellent performance may include but are not limited to:

- Letters/Certificates of Commendation presented in public ceremonies by high level officials
- Write-ups in USACE publications
- Featuring project success stories at forums and seminars
- Exercising Option years on the contract

Performance Improvement Plan. Any time a contractor receives a less than satisfactory rating on any performance metric, they will be required to develop a Performance Improvement Plan to correct any deficiencies in that area.

Disincentives for less than satisfactory performance may include but are not limited to:

- Poor or unsatisfactory performance appraisals
- Awarding follow-on task order work to others
- Not exercising option years

<i>Incentive Examples</i>		
<i>Basic Contract End Goal</i>	<i>Incentive</i>	<i>Why?</i>
Closure of Site X to industrial standards	Incentive payment of \$100K to achieve closure of Site X to residential standards	Industrial standards restrict future property use and may require LUC/ICs. Residential standards provide unrestricted future land use and may save future funding in terms of LUC/IC costs.
Closure of Site X within 5 years	Incentive payment of \$100K to achieve closure of Site X within 2 years	Early site closures may be important to the installation, depending on the site and use of the property. For instance, the Government may be waiting for completion of military munitions response on land where the installation wants to build a new facility or range needed to meet its mission requirements.

Contract Options can be a viable tool when military munitions response activities must be contracted for long periods of time (e.g., > five years) or when funding may not be available for out-year requirements. This funding strategy is used to make funds available for project scope that extends beyond five years. This allows large scope, high value contracts to be divided into smaller allocations, in order to achieve feasible funding. The contract should be written such that the Government has the authority to exercise an option.

<i>Option Examples</i>				
<i>USACE Goal</i>	<i>Basic Contract</i>	<i>Option</i>	<i>Logistics</i>	<i>Why?</i>
Closure of Site X to allow for planned future development at the site	Closure of Site X to industrial standards	Additional sites or acreages <u>if</u> option is exercised by the Government	Option amount (\$) set by Government or bid by contractor. The Government obtains funding and can exercise the option if the contractor demonstrates the option is achievable.	Industrial standards restrict future property use and may require LUC/ICs. Residential standards provide unrestricted future land use and may save future funding in terms of LUC/IC costs.
Closure of Site Y –modeling shows that Site Y is projected to achieve MCLs in 8 years	Reduction of TCE in 10 wells to max 8 ppb in each well for 4 consecutive sampling events	Add 3 years to contract POP and reduction of TCE in 10 wells to below MCLs (5 ppb) <u>if</u> option is exercised by Gov't	Option amount (\$) set by Government or bid by contractor. The Government obtains funding and can exercise the option if the contractor demonstrates the option is achievable.	The Government's goal is to close the site. If the contractor is demonstrating that the site is on track to achieve MCLs, then the option is exercised to add time, \$ and scope.

Penalties may prove useful for PBSAs where there is a clear cost (mission, start date of another contract, etc.) to not completing an objective by a certain date. Therefore, it is recommended that penalties only be utilized on a case by case basis. Consult with contracting on the need for formal penalties such as liquidated damages. An example of when liquidated damages would apply is when a project must be completed by a set date to allow for the mobilization of another contractor to construct a new building. In this instance, the delay of the PBSA could significantly impact another contract and the mission, and liquidated damages may be applicable.

<i>Incentive / Disincentive Examples</i>		
<i>Performance Metrics</i>	<i>Incentive / Disincentive</i>	<i>Why?</i>
The contractor will receive an: Exceptional performance rating	If less than 1/4% of area requires rework	Performance <i>meets</i> contractual requirements and <i>exceeds many</i> to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with <i>few minor problems</i> for which corrective actions taken by the contractor were <i>highly effective</i> .
Very good rating	Less than 1/2 % of area requires rework	Performance <i>meets</i> contractual requirements and <i>exceeds some</i> to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with <i>some minor problems</i> for which corrective actions taken by the contractor were <i>effective</i> .
satisfactory	If less than 1% of area requires rework	Performance <i>meets</i> contractual requirements. The contractual performance of the element or sub-element being assessed was accomplished with <i>some minor problems</i> for which corrective actions taken by the contractor were <i>satisfactory</i> .
marginal	If less than 2% of area requires rework	Performance <i>does not meet all</i> contractual requirements. The contractual performance of the element or sub-element being assessed reflects a <i>serious problem</i> for which contractor has <i>not yet identified corrective actions</i> . The contractor's proposed actions appear only <i>marginally effective or were not fully implemented</i> .
Unsatisfactory	Greater than 2%	Performance does <i>not meet most</i> contractual requirements and recovery is <i>not likely</i> in a timely manner. The contractual performance of the element or sub-element contains <i>serious problems</i> for which the contractor's corrective action <i>appear or were ineffective</i>

Points of Contact and Roles and Responsibilities

This section includes a list of all points of contact (POCs) for the contractor. The CO, Contract Specialist/ COR and PM should be listed as the primary POCs. Contact information should include position title, organization, mailing addresses, e-mail, phone number, and fax number for appropriate individuals.

This section may also be utilized to identify the roles and responsibilities of the project team members, external parties, and contractor team; and to clarify the working relationships among the parties.

Proposal Evaluation

The general approach for evaluating proposals and making a decision on how to select the winning proposal are determined earlier in the planning phase of PBSA implementation.

This section of the SOO/PWS should describe the basic selection criteria for identifying how a particular PBSA will be awarded. The Government recommends

best value awards for each PBSA, based on the criteria that are important and relevant to that particular project. Although cost is always a factor in determining how to award a PBSA, it is typically not the only factor and may not be the most important factor. The details of how to approach a best value evaluation follows in Step 8.

IX. Step 7: Conducting Site Visit and Issuing the Final RFP

At this point, the Draft SOO/PWS and site background information are assembled into a draft RFP, and the CO issues the draft RFP. Ideally, contractors will be afforded time to review the draft RFP, as well as the site information, before the scheduled site visit. The site visit and subsequent Q&A cycle will provide different perspectives and typically result in improvements in the SOO/PWS and RFP.

Pre-solicitation Conference and/or Site Visit

Conduct a pre-solicitation conference or preferably a site visit that includes the right team members. For large and complex PBSAs, the contractors, technical staff, contracting staff and appropriate regulators should all attend. Each of these stakeholders has a critical role in the PBSA.

At the site visit contractors should be allowed to perform non-intrusive investigations, therefore safety personnel should be scheduled accordingly during the contractors visit.

Ideally, the PM can negotiate to have the state/federal regulators at the pre-solicitation meeting and/or site visit to answer relevant questions as well. In many cases, the risk driver for a PBSA may be the regulators' view of the technical approach, and this may be the only opportunity for direct contact between the contractors and the regulators prior to the proposal phase.

The PM/CO is not required to answer all questions real-time in these forums. Identify a note taker to capture all questions and establish a schedule that identifies when answers will be distributed to potential bidders. Answers must be provided to all bidders, allowing them enough time to incorporate responses into the final proposal.

Note that the pre-solicitation conference and/or site visits should be attended at the expense of the contractors. The PM should allow adequate time between the announcement of the site visit and the actual site visit to allow the contractor to minimize out of pocket expenses and insure the proper personnel are in attendance.

Conduct Q&A Cycle

The Government project team must respond to the questions posed by potential bidders in response to the draft RFP, pre-solicitation conference, and/or site visits. Typically, the CO maintains the central repository of Q&A's and distributes the Q&As to all potential proposers to ensure that the procurement follows all contracting protocols.

An effective approach to Q&As is to assign questions to the project team members based on the type of question (e.g., contractual, administrative, technical, strategic). Difficult Q&As may require one or more teleconferences or meetings by the stakeholders to resolve the issues.

Typical Q&A topics include:

- Clarification of site data
- Contract modifications
- Payment schedule
- Regulator's viewpoints on acceptable technical approaches
- Method of contract award.

Finalize the SOO/PWS and Issue Final RFP

Incorporate revisions based on input from the site visit, the Q&As, and other stakeholders, then revise the SOO/PWS where appropriate and finalize the RFP. This can be challenging based on the volume and complexity of the questions asked. It is common for over a hundred questions to be raised, ranging in nature from administrative to highly technical. Although contractors can formally request clarification even after the final RFP is issued, the final RFP should be as clear and straightforward as possible to ensure that good competitive proposals are received.

X. Step 8 – Evaluating Proposals and Awarding the PBSA

Contractors should be provided adequate time to develop and submit proposals. Development of a PBSA proposal typically requires more time than a traditional contract proposal because:

- *Risk transfer is greater compared to traditional contracting methods*
- *Technical approach is not determined by the Government*
- *Contract scopes are generally broader*
- *Projects are competed procurements*
- *When acquiring EI, contractor will also have to coordinate its approach with the insurer.*

Receive and Evaluate Proposals

As previously discussed, best value awards are preferred over low price/technically acceptable awards for many PBSAs. Evaluate PBSA proposals based on established criteria and priorities such as:

- Schedule and time to achieve the objective
- Risk of performance or non-performance
- Cost over time/affordability of payment schedule
- Contractor relevant experience for particular type of project
- Contractor relevant experience, given the regulatory environment
- Payment schedule
- Interim objectives

The following is an example of a performance criteria matrix.

Criteria	Ranking	Description
COST/PRICE	Equal to schedule	Lower cost is better
Payment schedule		Appropriate cost loading, balanced and affordable
SCHEDULE	Equal to cost	Faster is better
Require site for construction		Achieving Site Closure earlier allows for new construction at site
RISK TO GOVERNMENT OF APPROACH	Most Important	
Technical approach		Confidence in achieving project objective
Experience		Relevant experience
Past performance		How well the contractor performed on previous related jobs
Performance guarantee		Risk mitigation strategy (e.g. insurance)

Convene the selection panel to evaluate proposals to determine a winner. The panel will typically include the CO, COR, and technical experts or technology specialists. The key is to have a diverse panel of multiple skill sets driven by the project specification.

Award and Implement the PBSA

Once the PBSA is awarded, a post-award conference is recommended to start the project off correctly. In this meeting, reinforce to all participants that their roles may be different than under traditional contracts. Discuss relevant base coordination issues, health and safety concerns, and invoicing procedures. Ensure there is adequate time in the schedule to adequately and thoroughly evaluate all proposals and determine the value of each offers approach.

Clarify Government, Contractor and Regulators Roles after Award

It is vital that all stakeholders clearly understand that there are some changes in roles and responsibilities under a PBSA. How significant these changes are depends on how the Government has structured the PBSA. The Government still retains the liability for the munitions response project and also retains signature authority for RODs, DDs, and other documents that may commit the Government.

Some rules of thumb:

- Reviewers now provide recommendations but not direction
- Oversight is performed in accordance with the QASP.
- Government closely reviews invoices against confirmation that objectives/standards are met – these are the project controls

- Regulators have same oversight role but now works more closely with contractor
- Contractors must keep the Government involved and informed.

Collectively, the PDT should conduct performance reviews with the contractor. This is to ensure that the contractor is progressively meeting interim performance objectives at the specified level of quality so the Government can gain the confidence that the desired end-state objective of the PBSA will be met. Performance reviews are intended to measure performance and to capture lessons learned early enough to take corrective action in order to prevent major issues. The frequency of the performance reviews should be determined at the post-award conference.

Ensure Stakeholders Are Informed and Aware of Project Status

Routinely report the contractor's performance and project progress to all stakeholders throughout the life of the project. Keeping the stakeholders informed will assist the stakeholders in fulfilling their role in the project and will help them make informed decisions and provide better input.

Appendix A

Checklist for the Eight Steps on Developing a Performance-Based Service Acquisition

Step 1: Screening Projects for PBSA Application

- Understand the Project
- Evaluate Opportunities to Group Sites
- Evaluate Performance Base as an Acquisition Tool for the Project

Step 2: Establishing the Project Team

- Define the roles and responsibilities of all stakeholders
- Roles and Responsibilities
- Identify Other Stakeholders
- Define Stakeholder and Contractor Communication for Post-Award Execution

Step 3: Planning the Acquisition Schedule

- Establish Acquisition Process
- Plan Logistics for Site Visit
- Evaluate Contract Vehicle and Contractor Pool
- Determine Appropriate Format for Scoping Document
- Decide on Approach for Change Orders (Contract Modifications)

Step 4: Evaluating Benefits and Limitations of Insurance

- Assess Benefits and Approaches for Using EI/PLL

Step 5: Making Project Decisions

- Collect Available Site/Project Data
- Prepare Cost Estimate and Project Budget
- Identify the Project End-State Objective
- Decide on Appropriate Interim Performance Objectives
- Evaluate the Approach for the Objective Payment Schedule

Evaluate the Use of Incentives, Options, and Penalties

Determine Proposal Evaluation Approach

Step 6: Developing the Draft Statement of Objectives

Scope

Site Background

General Requirements

Interim Performance Objectives, Performance Standards, Acceptance Criteria Payment, and Milestone Dates

Period of Performance

Incentives, Options, or Penalties

Government Points of Contact and Roles and Responsibilities

Proposal Evaluation

Step 7: Conducting Site Visit and Issuing the Final RFP

Conduct Site Visit or Hold a Presolicitation Conference

Conduct Q&A Cycle

Finalize the SOO/PWS and Issue Final RFP to Potential Bidders

Step 8: Evaluating Proposals and Awarding the PBSA

Receive and Evaluate Proposals

Clarify Government, Contractor, and Regulator Roles After Award

Appendix B

STATEMENT OF OBJECTIVES

Sample

TITLE OF PROJECT

AT

SITE LOCATION

STATE

PROJECT NUMBER: XXXXXX

CONTRACT NUMBER: *XXXXXXXX*

TASK ORDER (If Applicable): *XXXXX*

DATE: *XXXXX*

The notes in red italics throughout the template serve as guidance or indicate areas where project specific information should be provided.

STATEMENT OF OBJECTIVES

1.0 SCOPE

The overall objective of this project is to achieve *(state here the end state objective or goal of the project and define specifically how the government defines the goal)*. The contractor shall provide a firm-fixed price (FFP) or Fixed Price Response with Insurance (FPRI) proposal to accomplish this project's end state objective under a performance-based service acquisition (PBSA)

The work to be performed under this Statement of Objectives (SOO) shall be executed with a performance-based approach in order to provide the most cost-effective and technically sound solution in the shortest timeframe achievable that will be approved by regulatory agencies. This approach focuses on achieving the end-state objective with minimal focus on the process and government oversight. The government shall rely on the contractor's expertise to successfully streamline the process of completing the project milestones while harnessing the innovation and creativity of the private sector.

The contractor shall perform all work in compliance with this SOO and in accordance with all federal, state, and local statutes and regulations or any simplified regulatory approach acceptable to all stakeholders. The Contractor shall plan and develop a remedy solution to achieve *(state here the end state objective or goal of the project) at (list site(s) and installation)*. Remedies shall conform to environmental permits, decision document requirements, corrective action plans, or other legal requirements.

2.0 SITE BACKGROUND

(Provide here all the necessary information the Contractor needs to fully understand the history and the current state of the contaminated site(s), to include the known contaminants of concern. The background information such as maps, permits, or regulatory correspondence, if applicable, should be provided in summary format as an Annex to the SOO).

3.0 GENERAL REQUIREMENTS

(This section is intended to outline the specific requirements, conditions, parameters, key dates under which contractor is required to perform their work.)

Below are some examples of general requirements:

Prepare a Work Plan (WP) that supports the required actions for each site. Review of the WP will primarily be for compliance with explosives safety criteria and implementation of the accepted proposal.

The contractor shall provide annual or semi-annual (depending on the site) letter reports detailing LTM and/or O&M activities at the site. The reports should be similar in format to, and incorporate the elements included in, the reports previously generated. Government review of these reports will be for information purposes only.

Contractors are given the opportunity to attend a pre-proposal site visit on XXXXX, during which participants will tour the sites and ask questions of the Government. All contractor questions should be submitted in writing to the Contracting Officer (CO), Contracting Officer Representative

(COR), or Contract Specialist for review and response. All questions and answers will be provided along with the Request for Proposal to all potential offerors. Answers to contractor questions are not legally binding.

The Contractor shall supply all labor, equipment, and materials necessary to accomplish this SOO.

The Contractor is expected to anticipate and address any technical or regulatory problems or issues and perform a successful execution of this contract. The contractor is encouraged to utilize innovative technologies and management techniques to achieve project objectives and promote the use of these technologies to appropriate stakeholders.

The Contractor is not responsible for cleanup costs discovered by others such as military construction (MILCON), P-341, Operations and Maintenance work, or other facility maintenance or other non-environmental work on the installation. Cost for remediation requirements resulting from those activities will be the responsibility of the organization in charge of those activities.

When conducting investigations or remediation, the Contractor shall be responsible for containing, characterizing, and disposing of all investigation or remediation derived waste (IDW/RDW). The Contractor shall prepare waste profiles, waste manifests, and all other required documentation to be signed by the Base Environmental Manager as required. The Contractor shall ensure all IDW/RDW is handled and managed in accordance with all applicable federal, state, and local regulatory requirements.

The government may make comments or suggestions during the contract; however, these comments or suggestions, whether requested, accepted, or rejected by the Contractor shall not release the Contractor from meeting any of the established contract objectives, milestones, requirements, or criteria

The Contractor may not select capping technology as a remedy solution. (Although the government does not want to restrict the contractor's approach, the government may not want the contractor to select certain solutions for specific underlying reasons.)

The only acceptable post closure care requirement is long-term management.

4.0 INTERIM PERFORMANCE OBJECTIVES, PERFORMANCE STANDARDS, AND ACCEPTANCE CRITERIA

The Contractor shall complete the interim performance objectives. The following table (*insert table*) identifies the milestones and will serve as the basis for government acceptance and contractor payment. The performance standards are the criteria by which the Contractor's performance is measured. The acceptance criteria are used to approve and accept that the contractor has accomplished and met the interim performance objectives.

5.0 PERIOD OF PERFORMANCE

The Period of Performance (POP) is (*X months or X years*) from contract award date. The contractor is obligated to inform the government if established milestones will not be achieved according to the established schedule. There may be penalties or lost incentives associated with missed milestones depending on how the government writes the SOO.

6.0 INCENTIVES, OPTIONS, OR PENALTIES

Below are some examples of incentives, options, or penalties

Incentive Example:

Closure at the most favorable standard is sought for each site; the following incentives and conditions will be applied for more favorable closure standards:

- \$7,000 per site will be paid for closure under Risk Reduction Standard (RRS)1 or No Further Response Action Planned
- \$3,000 per site will be paid for closure under RRS 2 – Residential
- Minimum five sites aggregate shall be closed under RRS 1 or RRS 2 – Residential before the Contractor is eligible for an incentive
- The incentive is paid at the end of contract

Bid Option Example:

At the discretion of both the Government and the Contractor, the Contractor is eligible for a fixed sum of \$200,000 for site closure at site X and \$400,000 for site closure at site Y if performed within the POP of this contract. Funds will be made available assuming adequate funds are appropriated by Congress through the Department of Defense. Other contract terms for aggressive remedial action may be considered through a future modification.

Penalty Example:

Contractor shall receive a reduction in payment of 3% of the payment for late completion of a specific project milestone.

7.0 GOVERNMENT POINTS OF CONTACT AND ROLES AND RESPONSIBILITIES

The following provides government contracting and technical point of contacts that are considered necessary for administrating, coordinating, and facilitating this project. *(list mailing addresses, e-mail, phone number, and fax number of appropriate individuals).*

The roles and responsibilities of the government project team members, external parties, contractor team are listed below *(clarify the lines of communication, working, and coordinating relationships among the parties.)*

Appendix C

SAMPLE

Performance Work Statement

for Remedial Investigation / Feasibility Study

at [Location of site]

Project No.

Date:

1.0 OBJECTIVE: The objective of this task order is to obtain government acceptance of a Decision Document meeting the requirements of ER 200-3-1 and CX Interim Guidance 06-04. Work to be accomplished includes the conduct of a Remedial Investigation (RI) Feasibility Study (FS) and all necessary activities required to accomplish this objective.

1.1 Regulatory Guidelines. The work required under this Statement of Work (PWS) falls under the Defense Environmental Restoration Program - Formerly Used Defense Sites (DERP-FUDS).

1.1.1 The work associated with this Task Order shall be performed in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), Section 104, and the National Contingency Plan (NCP), Sections 300.120(d) and 300.400(e) as described in ER 200-3-1 and other USACE implementing guidance.

1.1.2 All activities involving work in areas potentially containing unexploded ordnance hazards shall be conducted in full compliance with Department of Defense (DOD), Department of Army, US Army Corps of Engineers (USACE), state and local requirements regarding personnel, equipment, and procedures. 29 CFR 1910.120 shall apply to all actions taken at this site.

2.2 Chemical Warfare Materiel (CWM). This site is not suspected of containing CWM. However, during conventional MEC operations, if the contractor identifies or suspects CWM, the contractor shall immediately withdraw upwind from the work area and contact the contracting officer and the appropriate point of contact in their Work Plan (WP)/Accident Prevention Plan (APP). The contractor shall secure the area and provide two personnel located upwind of the suspect CWM to secure the site until relieved by the Department of the Army emergency response personnel. Additional support may be required by the emergency response personnel, e.g., construction of blast mitigation controls. Additional reporting instructions are contained in CEMP-CE Memorandum, Notification Procedures for Discovery of Recovered Chemical Warfare Materiel (RCWM) During USACE Projects, http://www.hnd.usace.army.mil/oew/policy/IntGuidRegs/RCWM%20Notification%20memo_w_encl23%20April%2004.pdf .

1.3 Quality Control:

1.3.1 Task Order Quality Management: The Contractor shall implement quality control processes as defined in a Quality Control Plan (QCP). The Contractor is responsible for ensuring that all work under the contract is of the quality that meets or exceeds contract requirements. The Government will implement quality assurance (QA) processes as defined in a quality assurance surveillance plan (QASP) to assure that contractor QC methods are effective and that task order objectives and defined quality standards are met or exceeded.

1.3.2 Quality Control (QC) Plan: The Contractor shall implement an acceptable Quality Control (QC) Plan. The Quality Control Plan shall be detailed and comprehensive and shall cover all aspects of the task order activities impacting quality of deliverables and services. The Contractor shall ensure that QC documentation is maintained and provided in the Final Reports. The contractor's QCP shall be included in the WP.

1.3.3 Quality Assurance: The Government will perform quality assurance (QA) of the Contractor's performance under this task order using the method of surveillance specified in the Quality Assurance Surveillance Plan (QASP). The specific surveillance tasks performed under the surveillance plan will be defined following acceptance of the QCP. The Government reserves the right to modify the surveillance tasks in the QASP at any time. The Government reserves the right to perform QA inspections at any time. QA failure can be defined as workmanship or work products not complying with the WP, PWS or not meeting project needs and/or objectives. Failure can also be defined as workmanship not complying with basic safety concepts and other industry safety practices. If any government QA review identifies a process failure or a work product failure, the contractor will be issued a Corrective Action Request (CAR). The Contractor shall provide full documentation detailing the root cause of the failure, why it was not detected in the Contractor's QC Program, and how the problem was corrected.

1.3.3.1 Re-performance: Any service or submittal performed that does not meet task order requirements shall be corrected or re-performed by the Contractor and at no additional cost to the Government. If the Contractor performs any task unsatisfactorily and all defects are not corrected, the Government reserves the right to terminate the PWS for defect. In addition, the Government reserves its rights under FAR clause 52.246-4, Inspection of Services – Fixed Price, for further remedies concerning a Contractor's failure to perform in conformance with contract requirements.

2.0 BACKGROUND:

2.1 Location:

[insert]

2.2 History:

[insert]

3.0 SPECIFIC TASKS: Methods to be used to achieve task order objectives at the specified level of performance shall be determined by the Contractor. The Contractor will be evaluated periodically during each of the following tasks to ensure compliance with the PWS and to document that quality objectives, delivery schedule, and the overall completion date are being met. Failure to adequately complete any service or submittal to at least a satisfactory level of quality or timeliness may result in a repeat of the work, or a poor performance evaluation.

3.1 Task 1, Technical Project Planning (TPP):

This is a Firm Fixed Price task.

The objective of this task is to develop DQOs and stakeholder buy-in to the DQOs. Disputes between the Project Delivery Team (PDT) and the regulators regarding the adequacy of DQOs will be resolved by the USACE Project Manager. The contractor shall also propose a unit cost per TPP meeting in the event more than 3 meetings are necessary. In coordination with the Government, the Contractor shall implement the TPP process IAW EM 200-1-2, *Technical Project Planning (TPP) Process* and Interim Guidance Document 01-02, *Implementation of Technical Project Planning (TPP) Ordnance and Explosives (OE) Formerly Used Defense Sites (FUDS) Projects*. The contractor shall organize and coordinate the TPP meetings. The Contractor shall anticipate 3 meetings for 1 day plus travel to be conducted in the [Location] area. The contractor shall identify and involve all stakeholders to be included in the TPP process. The contractor shall be responsible for the logistics of the TPP meetings to include but not limited to, provide facilitator, obtain meeting location, send invitation letters (after government review). The Contractor shall prepare a TPP memorandum containing the DQOs and other results of the TPP meetings. The Contractor shall submit "Draft" and "Final" (if necessary) versions of the document. These submissions shall be in accordance with paragraph Submittals and Correspondence of this PWS. At a minimum, the conceptual site model will be developed using a GIS, see task 3 below for GIS content and requirements.

Performance Metric: Successful performance will be measured by final acceptance of the TPP Memorandum that includes regulator/stakeholder concurrence with stated Data Quality Objectives. If TPP memorandum is accepted without major comment, an exceptional rating will be provided under Quality of Product or Services for this element. Professional and Ethical conduct under Business Relations will also be rated as part of this task. See the Metrics table in the QASP for complete rating scheme.

Measurement Method: Government review of TPP memorandum for conformance with TPP implementing guidance, adequate and complete definition/description of DQOs including decision criteria.

Remedy: Revision of TPP memorandum at no additional cost to the government.

3.2 Task 2, RI/FS Work Plan (WP):

This is a Firm Fixed Price task.

The WP shall be prepared following the general format described in data item description (DID) MR-001. The WP shall contain, at a minimum, a Technical Management Plan (DID MR-005-02), Explosives Siting Plan (DID MR-005-04), Accident Prevention Plan (APP) which includes a Site Safety and Health Plan (SSHP) (EM 385-1-1), Environmental Protection Plan (DID MR-005-12), Sampling and Analysis Plan (SAP) and a Quality Control Plan (QCP). The QCP shall be a detailed and comprehensive plan covering all aspects of the response activities. The WP shall define project objectives, strategy information and

data needs criteria and address how those objectives will be obtained. Other sub plans or elements shall be required as necessary to support the contractor's technical approach. The cost of the Sampling and Analysis Plan, required for environmental sampling and analysis task, will be covered under this task. The contractor shall attend an onboard review in [Location] after receiving comments on the draft Work Plan. Hard copies of the final Work Plan shall be submitted 14 days after the conclusion of the onboard review.

A property management plan will be required if the contractor has Government furnished equipment. A Work, Data, and Cost Management Plan are required for any T & M task.

Performance Metric: Successful completion of this task will be government acceptance of the WP.

Measurement Method: The Government will review the WP for its ability to meet project objectives and DQOs and for proper and safe application of procedures and equipment. Completion of this task will be the acceptance of the WP by the Government.

Remedy: The Contractor shall revise and resubmit the work plan to address all comments requiring resolution. All safety related comments and others that are legal or regulatory in nature must be resolved.

Incentives/Disincentives: If the Draft version of the WP is submitted and accepted as final in one (1) submission, the Contractor will receive an exceptional performance rating under Quality of Product or Service and will not be required to attend the onboard review in [Location]. If the onboard review is required and all issues resolved and the WP accepted then a satisfactory rating will be given. If the draft WP is unacceptable it may be rejected without comments and an unsatisfactory performance rating will be given.

3.3 Task 3, GIS:

This is a Firm Fixed Price task.

The Contractor shall utilize GIS in the development of the Conceptual Site Model (CSM). The GIS will be used to build upon and manage IAW DID MR-005-07. A pre and post-project response action geospatial data analysis shall be performed using a GIS. All available existing data that is applicable to the project shall be consolidated into a database and analyzed to relay pertinent information to the PDT which may include GIS layers relating to cultural, environmental, biological, socio-economic, and/or infrastructure variables. The database shall be a living repository that is refined throughout the life of the project. The analysis shall assimilate data into information. The information attained through the pre-RI analysis shall be documented in the work plan. The information attained in the post-RI and FS analysis shall be documented in the RI and FS reports. The pre-RI analysis shall encompass social, environmental and/or economic entities that will be or may be impacted by response-action activities. The post-RI and FS analysis shall detail entities impacted by RI/FS activities and impacts of future response action activities (if applicable). The pre and post-RI and FS analysis may detail the fieldwork strategies, areas of concern, survey requirements, environmental concerns, milestones and/or other factors that affect product delivery and future action planning. Entities that may be affected by response actions include but are not limited to: landowners, homeowners, rental tenants, schools, utilities, roads, businesses, recreational areas, air traffic, water bodies and/or industries. The Contractor shall submit the GIS data in a format compatible to the ESRI (ArcView/ArcInfo) system, version 9.x. The contractor shall incorporate layers that overlay on maps of the site that identify physical, cultural, biological and ordnance related items found during the investigation. Examples include: real estate parcel boundaries, streets, highways, flora,

fauna, and other sensitive habitats, MEC positively identified, positively identified archeological sites, environmental samples, and community structures. The contractor shall provide all submittals in the UTM coordinate system. Archeological site location(s) will not be released to the public without written permission from USACE. The contractor shall submit GIS files to [Agency/District] prior to the first TPP meeting and make periodic updates. This submission may be by CD/DVD or ftp site. The Contractor shall coordinate with [Agency/District] for this submission.

Performance Metric: Successful performance will be based on meeting format requirements, completeness of information, maintenance of the system, value added to the project and usability of data. Completion of this task will be Government acceptance of the final GIS CD/DVD(s).

Measurement Method: The government will spot check the GIS data at various stages of the project. Inspections may be on-site or may be review of required submittals.

Remedy: If additional work is required to bring the GIS system into compliance with project objectives and requirements, -The Contractor shall make corrections at no additional expense to the government.

3.4 Task 4, RI/FS Field Activities:

This task is a Time and Materials task.

This task may be converted to firm fixed price after completion of the TPP process. The contractor shall perform all necessary field activities to meet the objective of this task order and the DQOs established for this project. The contractor shall adequately characterize munitions response sites (MRS) for the purpose of developing and evaluating effective remedial alternatives. The contractor shall propose on 40 acres for OOU6 and 10 acres for OOU2 and provide a unit cost for possible additional work or work reduction. The acreage for OOU6 is intended to be around residential residences. The Government expects mainly transects with the possibility of limited grids in any target areas that are found. The government believes there is sufficient data available for the remaining OOU's. The contractor shall collect all available data and previous reports and incorporate them into this RI/FS. This task shall include all field activities necessary to execute this task except MC sampling. MC sampling requirements are covered under Task 12 Environmental Sampling & Analysis (Characterization of Munitions Constituents).

Performance Metric: Any single procedural failure may result in a less than satisfactory performance rating. If, during QA spot checks, a single hazardous item has not been properly inspected or segregated an unsatisfactory rating will be provided. Other ratings are described in the QASP.

Measurement Method: The government will perform spot checks of field activities and documentation (logbooks, DA Form 1348-1, etc.) and also will conduct a review of all reports.

Remedy: The contractor shall re-perform any work element that does not pass QA.

3.5 Task 5, Remedial Investigation (RI) Report:

This task is Firm Fixed Price.

The Contractor shall prepare and submit a RI report in accordance with

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

Incentives/Disincentives: [to be determined by the PDT]

3.6 Task 6, Feasibility Study (FS) Report:

This task is Firm Fixed Price.

The Contractor shall prepare and submit a FS report in accordance with

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

Incentives/Disincentives: [to be determined by the PDT]

3.7 Task 7, Proposed Plan:

This task is Firm Fixed Price.

The Contractor shall prepare a Proposed Plan IAW.....

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.8 Task 8, Decision Document:

This task is Firm Fixed Price.

The Contractor shall prepare and submit a Decision Document in accordance with ...

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.9 Task 9, Community Relations Support:

This task is Firm Fixed Price.
The contractor shall

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.10 Task 10, Public Involvement Plan (PIP):

This task is Firm Fixed Price.
The Contractor shall prepare a PIP in accordance with EP 1110-3-8 and submit for review and acceptance.

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.11 Task 11, Administrative Record:

This task is Firm Fixed Price.
The Contractor shall establish and maintain the Administrative Record for the on-going project in accordance with the guidance given in EP 1110-3-8, Chapter 4 (Establishing and Maintaining Administrative Records).

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.12 Task 12, Environmental Sampling & Analysis (Characterization of Munitions Constituents (MC)):

This task is Time and Materials.
The task may be converted to firm fixed price after the completion of the TPP process.

Performance Metric: [to be determined by the PDT]

Measurement Method: [to be determined by the PDT]

Remedy: [to be determined by the PDT]

3.13 General Requirements: All work under SECTION 3.0 SPECIFIC TASKS of this PWS shall be performed in accordance with the following general requirements._

3.13.1 MEC Disposal: The Contractor shall be responsible for the destruction of all MEC encountered during project activities.

3.13.2 Backfilling Excavations: All access/excavation/detonation holes shall be back-filled by the Contractor. The Contractor shall restore such areas to their prior condition.

3.13.3 MEC Accountability: The Contractor shall maintain a detailed accounting of all MEC items/components encountered. This accounting shall include the amounts of MEC, nomenclature and condition, location and depth of MEC, and disposition. The accounting system shall also account for all demolition materials utilized to detonate MEC on site. The contractor shall take digital photographs of identifiable MEC found during the investigation.

3.13.4 Disposal/Disposition of Munitions Debris: All munitions debris shall be handled in accordance with Attachment A of this PWS. In the event that a USACE OE Safety Specialist is not on site to sign as the verifier, the contractor's UXOQCS or UXOSO shall verify the munitions debris in accordance with Attachment A of the PWS.

3.13.5 Location Surveys and Mapping: The Contractor shall perform civil surveys IAW EM 1110-1-4009 and DID MR-005-07. All data submitted shall be in the Universal Transverse Mercator (UTM) coordinate system.

4.0 SUBMITTALS AND CORRESPONDENCE:

4.1 Schedule: A final schedule shall be submitted a minimum of 30 days before commencing in a format compatible with Primavera or Microsoft Project. A PDF version shall also be submitted. This is an electronic submittal only. The Contractor shall update the schedule in accordance with DID MR-085 Project Status Report.

4.2 Telephone Conversations/Correspondence Records: The Contractor shall keep a record of each phone conversation and written correspondence concerning this Task Order in accordance with DID MR-055. A copy of this record shall be attached to the Project Status Report.

4.3 Project Status Reports: The Contractor shall prepare and submit Project Status Reports in accordance with DID MR-085 and include any other items required in the PWS.

4.4 Computer Files: All final text files generated by the Contractor under this contract shall be furnished to the Contracting Officer in Microsoft Word 2000 or higher software. Spreadsheets shall be in Microsoft EXCEL 2000 or higher. All final CADD drawings shall be in Microstation 95 or higher. All GIS data shall be in ESRI (Arcview/Arcinfo) format.

4.4.1 Raw Geophysical Field Data Format and Storage. Raw field data will be stored in a logical file directory (folder) structure to facilitate its management and dissemination to PDT

members. Raw field data is defined as all digital data generated from the geophysical system, and includes positioning, heading, tilt, and any other peripheral or instrument measurements collected or recorded during data acquisition. All raw field data shall have a time stamp associated with each measurement event. Metadata, either in the form of a read-me file or information recorded in the project GIS, will be generated for each logical grouping of raw field data (e.g., names and contents of all files generated to map a grid, or names and contents of all files generated from a towed platform during a mapping session.) Metadata shall fully describe all measurements recorded in each data file. Metadata shall include all information necessary to successfully associate all geophysical system measurements to their correct geographical location. At the discretion of the PDT, the metadata can be limited to provide references to where this information is located. This option would typically be reserved for line and fiducial surveys where numerous field notes are required to properly position all data, and including the field notes in a digital metadata file would be time consuming and unnecessary to meet project objectives. At the discretion of the PDT, raw field data may include geophysical system data that has been checked, corrected and processed into ASCII files, either individually by instrument or merged with positioning data. Metadata shall include instructions for generating ASCII formatted data from all raw data for use in computer processing systems.

4.4.2 Final Processed Data Format and Storage. Final processed data shall be produced and presented in ASCII formatted files and/or native geophysical processing software formats; the PDT will establish which type(s) are required. Final processed data is defined as data that represents, to the best of the PDT's ability, the true potential field that exists at each actual location measured by the geophysical system. Final processed data shall have all corrections applied needed to correct for positioning offsets, instrument bias (including instrument latency), instrument drift, yaw-angle offsets, and diurnal magnetic variations. Final processed data shall not be filtered or normalized (filtered or normalized data is addressed under Advanced Data below). All corrections will be documented. Data within the files will be delineated into individual fields for each value reported. ASCII data files shall be delineated using standard delineation protocols such as a comma (e.g. a "csv" format), a tab, or a white space. The PDT will determine which delineation protocol shall be used. Native geophysical processing software often manage and display data in spreadsheet formats not requiring specified delineation standards. Values reported in data files shall include local, geographic and/or projected coordinates for each measurement event (often referred to as x/y, latitude/longitude or easting/northing coordinates), one or more "z" values, which are the data associated with each measurement event, and a time stamp for each measurement event. Projected coordinates shall be reported in UTM/metric or State Plane/US Survey Feet coordinates and units, as determined by the PDT. Unless agreed upon otherwise by the PDT, header or metadata information shall be included in each file and describe the contents of each value field and specify its units. Data file size should be limited to 100 megabytes or less, and the file length should be limited to 600,000 lines or less. Each data file will be logically and sequentially named so that the file name can be easily correlated with the project-specific naming conventions being used by the PDT.

4.4.3 Advanced Processed Data Format and Storage. All advanced processed data shall be produced and presented in ASCII formatted files and/or native geophysical processing software formats; the PDT will establish which type(s) are required. Advanced processed data is defined as Final Processed data that has been subjected to advanced processing techniques, such as filtering or normalizing, and was used in part or in whole in the anomaly selection process. Data within the files will be delineated into individual fields for each value reported. ASCII data files shall be delineated using standard delineation protocols such as a comma (e.g. a "csv" format), a tab, or a white space. The PDT will determine which

delineation protocol shall be used. Native geophysical processing software often manage and display data in spreadsheet formats not requiring specified delineation standards. Values reported in data files shall include local, geographic and/or projected coordinates for each measurement event (often referred to as x/y, latitude/longitude or easting/northing coordinates), one or more “z” values, which are the advanced-processed data associated with each measurement event, and a time stamp for each measurement event. Projected coordinates shall be reported in UTM/metric or State Plane/US Survey Feet coordinates and units, as determined by the PDT. Unless agreed upon otherwise by the PDT, header or metadata information shall be included in each file and describe all advanced processing that was applied to each value field. The Metadata shall specify the units of each value field. Data file size should be limited to 100 megabytes or less, and the file length should be limited to 600,000 lines or less. Each data file will be logically and sequentially named so that the file name can be easily correlated with the project-specific naming conventions being used by the PDT

4.5 PDF Deliverables: In addition to the paper and digital copies of submittals, the final version of any and all reports and/or plans shall be submitted, uncompressed, on CD/DVD in PDF format along with a linked table of contents, linked tables, linked photographs, linked graphs, and linked figures, all of which shall be suitable for viewing on the Internet. The PDF files shall be created from source documents whenever possible. PDF files shall be provided without security restrictions.

4.6 Public Affairs: The Contractor shall not publicly disclose any data generated or reviewed under this contract. The Contractor shall refer all requests for information concerning site conditions to the local Corps of Engineers Public Affairs Office [location] with a copy furnished to the USAESCH PM. Reports and data generated under this contract are the property of the DOD and distribution to any other source by the Contractor, unless authorized by the Contracting Officer, is prohibited.

4.7 Identification of Responsible Personnel: Each report shall identify the specific members and title of the Contractor's staff and subcontractors that had significant and specific input into the reports' preparation or review.

4.8 Submittals: The Contractor shall furnish copies of the plans, maps, and reports as specified in this PWS, to each addressee listed below in the quantities indicated. The Contractor shall submit 1 copy on CD/DVD with each hard copy of the Final versions of all submittals (WPs, Reports, Plans, etc) in accordance with paragraphs computer files and PDF Deliverables.

4.9

Addressee

Copies

Commander
 US Army Engineering and Support Center, Huntsville
 Attn: [Project Mgr Name] (USAESCH-OE-DC)
 4820 University Square
 Huntsville, AL 35816-1822
 (256) 895-1788

4

Commander 2
 US Army Corps of Engineers, [Name of] District
 Attn: [Office Code] (Name)
 [Street Address]
 [City, State Zip]

Commander 2
 [Customer]
 ATTN: [Office Code] (Name)
 [Street Address]
 [City, State Zip]

[Customer] 2
 ATTN: [Name],[Title]
 [Street Address]
 [City, State, Zip]

4.10 Submittals and Due Dates. For purposes of the PWS, all days are considered calendar days.

Submittals	Due Dates
ASSHP	14 days prior to site visit
Proposed schedule	7 days after kick-off conference call
CSM	14 days before 1 st TPP
Draft TPP Memorandum	TBD
Final TPP Memorandum	14 days after comments
Draft Public Involvement Plan	TBD
Final Public Involvement Plan	14 days after receipt of comments
Draft Work Plan (TPP)	21 days after DQOs are determined
Draft Final Work Plan	14 days after on board review
Final Work Plan	14 days after receipt of comments
Draft SAP	With draft WP
Final SAP	TBD
Draft RI Report	30 days after completion of fieldwork
Final RI Report	14 days after on board Review
Draft FS Report	TBD
Final FS Report	14 days after on board Review
Draft Proposed Plan	TBD
Final Proposed Plan	14 days after receipt of comments
Responsive Summary	with final Proposed Plan
Draft Decision Document	14 days after acceptance of FS
Final Decision Document	7 days after receipt of comments

Daily QC Report for Environmental Sampling Activities

Daily during Environmental Sampling

Analytical Data Submittal for QA Evaluation 30 days after completion of fieldwork

Electronic Laboratory Data Submittal 45 days after completion of fieldwork

4.11 Period of Performance: The Completion Date for this Task Order is [Date]

4.12 Milestone Payments for firm fixed price tasks: Milestones will be considered met or completed when [to be determined by the PDT]

5.0 REFERENCES:

SAMPLE

Appendix D

SAMPLE

Quality Assurance Surveillance Plan

PERFORMANCE-BASED QUALITY ASSURANCE SURVEILLANCE PLAN (QASP) FOR MMRP REMOVAL/REMEDIAL ACTIONS, [insert location/ site]

1. INTRODUCTION

This Performance-Based Quality Assurance Surveillance Plan (QASP) has been developed pursuant to the requirements of the Performance-Based Statement of Work in Contract No. [insert #] Task Order No. [insert]. This plan sets forth procedures and guidelines that the USACE will use in evaluating the technical and safety performance of the Contractor. A copy of Performance Metrics (Appendix E, provided in this document) shall be furnished to the Contractor so that the Contractor will be aware of the methods that the Government will employ in evaluating their performance on this contract. Other portions of this QASP may be provided to the Contractor if the Government determines it will improve their work processes or products.

2. PURPOSE OF THE QASP

The QASP is intended to accomplish the following:

- a. Define the roles and responsibilities of participating Government officials;
- b. Define the types of work to be performed with required end results;
- c. Document the evaluation methods that will be employed by the Government in assessing the Contractor's performance;
- d. Provide the Surveillance Activity Checklist and Corrective Action Request (CAR) forms that will be used by the Government in documenting and evaluating the Contractor's performance; and
- e. Describe the process of performance documentation.
- f. Outline quality assurance procedures to be employed by the Government during performance of this task order.

3. ROLES AND RESPONSIBILITIES OF PARTICIPATING GOVERNMENT OFFICIALS

To be determined by the team; this is an example:

The USACE Design Center Project Manager [insert name]:

- Responsible for overall project direction, including technical, contracting, QA and customer-related issues.
- Reviews vouchers and make recommendations to the Contracting Officer for payment action based on completion of designated milestones.
- Reports problems or discrepancies to the Contracting Officer as soon as possible.

- Oversees the implementation of the QASP.
- Reviews contractor submittals.
- Schedules and provides labor codes and funding for all surveillance activities with the appropriate USACE Supervisor (OE Safety Group, Geotechnical Branch, etc.)

The USACE Design Center Technical Manager [insert]:

- Assists the PM, on an as-needed basis, in evaluating/resolving all technical issues.
- Provides overall technical guidance to the contractor when necessary, or requested by the PM.
- Lead technical reviewer on all contractor submittals.

The USACE Contract Specialist [insert]:

- Monitors contract performance.
- Maintains central repository for all QA tasks required for payment.
- Issues all acceptance/rejection statements.

The USACE Safety Specialist [insert]:

- Conducts reviews of contractor submittals for compliance with DOD, DA and USACE explosives safety requirements.
- Performs periodic inspections of contractor compliance with DOD, DA, and USACE explosives safety requirements and explosives-related procedures described in the work plan.
- Makes unscheduled, periodic site visits as part of the Government surveillance.
- Supports all on-site QA activities.

The USACE Geophysicist [insert]:

- Reviews contractor's Technical Management Plan and Geophysical Investigation Plan.
- Coordinates with USACE team members to perform periodic inspections of contractor's compliance with the Technical Management Plan and Geophysical Investigation Plan.
- Reviews Contractor's QC documentation to insure accuracy and final Government acceptance.

The USACE Chemist [insert]:

- Reviews the work plan for compliance with standard protocols for Environmental Sampling and Chemical Analysis.
- Conducts reviews of Environmental Sampling and Chemical Analysis Data.
- Conducts random site inspections of contractor compliance with environmental sampling requirements of the work plan. This includes ensuring that the contractor is utilizing appropriate sampling techniques, collecting the quantity of primary and QA/QC samples as stated in the work plan and completing the COC correctly with the approved analytical methodology.
- Reviews QCP reporting requirements and accepts reported QC measures.

The USACE GIS team member [insert]:

- Conducts random sampling of the contractor's Geospatial Information and Electronic submittals.
- Reviews QCP reporting requirements and accepts reported QC measures

4. METHODOLOGIES TO BE USED TO MONITOR THE CONTRACTOR'S PERFORMANCE

Even though the Government, through its COR, will be monitoring the contractor's performance on a continuing basis, the volume of tasks performed by the contractor makes technical inspections of every task and step impractical. Accordingly, USACE will use the Surveillance Activity Checklist (Attachment A; not provided in this document) as the basis for monitoring the contractor's performance under this contract. The contractor's performance will be evaluated by the Contracting Officer using the Performance Metrics for Performance Assessment Record (PAR) provided as Attachment B [not provided in this document] to this QASP.

Digital geophysical mapping (DGM) techniques are to be utilized on this task. Based on the results of the previous EE/CA investigation, the initial target objective is a 2.36" rocket to a depth of 11 inches. However, additional QC anomalies will be investigated to ensure that deeper MEC is not present. Prior to DGM operations, the Contractor shall bury QC seed items representative of the target MEC as part of their overall Quality Control (QC) program. The Contractor shall also verify acceptable anomaly reacquisition prior to demobilization after DGM data collection is complete. A separate mobilization shall be utilized to intrusively investigate the anomalies. The maps and corresponding dig-sheets resulting from the DGM effort will be used by the contractor to verify that all explosive hazards were removed from the project area, IAW the Statement of Work. It will be the Government's responsibility to verify the integrity of the maps and dig-sheets. Once verified and accepted by the Government, the annotated Final maps and dig-sheets shall be an integral part of the Site-Specific Final Report and public record.

Quality Assurance of Contractor Digital Geophysical Mapping. Government Quality Assurance (QA) for DGM will concentrate on the following four major elements to verify acceptable contractor performance: (1) passing Government field oversight inspection of data acquisition operations; (2) successfully passing Government review of digital geophysical data; (3) comparison of excavation results with geophysical data results determined to be acceptable; and (4) successfully locate blind seed items.

Government field oversight of data acquisition will be utilized to verify that the approved Work Plan and QC Plan are followed. A portion of the data sets submitted will be evaluated with a focus on the quality control (QC) metrics provided by the Contractor. The intent of this review is to verify that equipment is operating within specifications, that background noise conditions and indications of data collection and interpretation procedures appear consistent, that the data produced appear reasonable, and that the data submittal is complete. Target selections will be reviewed to ensure targets are picked and selected for excavation in accordance with approved project criteria. Additional QA target selections made by the government may be added to the contractor's dig list to be excavated by the contractor. As an additional QA check, blind seeds (consisting of pipe or rebar) will be placed in DGM grids to verify detection and navigational accuracy. Blind seed items will be placed after layout of the grid corners and prior to collection of DGM data within the grid. Their locations will not be disclosed to the Contractor. Locations will be scanned by qualified OE safety personnel to verify that the location is free of potential ordnance, prior to placing the seed item. All seed items will have a plastic tag indicating that they are inert items used for testing and not hazardous. By knowing the location of the seed items, the

Government will be able to verify that the data maps represent the actual grid or project area that the Contractor says it does, and that the expected detection capabilities are achieved.

The USACE Safety Specialist will make periodic visits to the site to observe MEC activities. They will verify that all proper safety procedures are being followed IAW regulations and the WP. The safety specialist may review onsite documentation to ensure the proper documents are available. 948's will not be issued for grid or lot acceptance.

The Project Chemist will review MC sampling data and lab results. The chemist may make a site visit to observe sampling activities.

The Project Engineer will coordinate with the technical disciplines to ensure QA is being performed and may make site visits as necessary to observe field activities.

5. QUALITY ASSURANCE REPORTING FORMS

The primary Form used to document surveillance activities will be the Surveillance Activity Checklist provided in Attachment A. Field oversight provided by the USACE Safety Specialist will be documented on the Daily Quality Assurance Report provided in Attachment C [not provided in this document]. All discrepancies or violations will be documented on the Corrective Action Request (CAR) provided in Attachment D [not provided in this document]. Other checklists may be used to support surveillance activities such as the DGM QA Form provided in Attachment E [not provided in this document]. These forms, when completed, will document the contractor's compliance with contract requirements and completion of milestone activities. The Contracting Officer will evaluate contractor performance using the definitions contained in the PPIMS and the metrics identified in Attachment B [not provided in this document].

Completed forms will be consolidated and provided to the Contracting Officer at the end of each month for that month's surveillance activities. A copy of each CAR will be forwarded to the Contracting Officer by COB of the next full workday after it is provided to the contractor. The contractor will be required to correct explosives safety issues immediately. All other CAR's will provide a reasonable suspense date for the contractor to review and take appropriate action, usually 15 calendar days. The contractor is required to provide written responses to all CAR's.

These forms are not provided in this document

Attachment A
Surveillance Activity Table

Attachment B
Performance Metrics
(Issued with the task order RFP)

Attachment C
Daily QA Report

Attachment D
Corrective Action Request

Attachment E

DGM QA Form

Project Manager

Chief OE Safety

Chief MM DC

Contracting Officer

Lead Engineer

Appendix E

SAMPLE

Quality Assurance Surveillance Plan

Performance Metrics

	Exceptional	Very Good	Satisfactory	Marginal	Unsatisfactory
PAR Category: Quality of Product or Service					
Performance indicator: Document reviews					
<u>Draft</u> Plans and Reports	All contract-milestone documents approved as submitted	One or more documents or subplans were approved as submitted, but exceptions were noted. Resubmissions were not required.	One or more documents or subplans required revisions to be resubmitted for approval prior to proceeding. Resubmission of an entire document or subplan was not required.	One or more documents or subplans required revisions to be resubmitted for approval prior to proceeding. Resubmission of an entire document or subplan was required.	One or more documents or subplans did not comply with contract requirements, or one or more documents or subplans required more than one resubmission of the entire document or subplan prior to its approval.
Performance indicator: Project Execution					
Process Compliance	Zero Corrective Action Requests (CAR)	1-5 CARs for non-critical WP violations (no impact to overall cost and schedule resulting from the non-compliance)	6 or more CARs for non-critical violations (no impact to overall cost and schedule resulting from the non-compliance)	>1 CAR where non-compliance adversely impacted overall cost or schedule	Repeated non-compliance with WP requirements resulted in cost overruns or repeated schedule extensions
Quality Control	Zero QA failures, 80% or more QC measures accepted, zero repetitive QC failures	Zero QA failures, 80% or more QC measures accepted, one or more repetitive QC failure occurred	Zero QA failures, less than 80% of QC measures accepted, or, One or more non-repetitive QA failures	1-3 repetitive QA failures occurred	>3 repetitive QA failures occurred

			occurred		
PAR Category: Schedule					
Performance indicator: Timely completion of tasks					
<i>Final</i> Work Plans and Reports, project milestones, T.O. invoices	All document submittals and task order milestones and invoices complete and approved by T.O date, project closed out/final invoice approved ahead of schedule	Project closed out/final invoice approved ahead of schedule	project closed out/final invoice approved on T.O. date	Project closed out/final invoice approved within 30 calendar days after T.O. date.	Project closed out/final invoice approved more than 30 calendar days after T.O. date.
Monthly status reports accurate			Yes		No
Performance indicator: Impacts to schedule					
Impacts caused by contractor or other causes identified, in writing, in a timely manner to apply acceptable corrective actions.			Yes		No
PAR Category: Cost Control					
Performance indicator: No unauthorized cost overruns					
Unauthorized cost overruns			No		Yes
Total Project Costs	Total contract invoices less than 98% of initial T.O. authorized amount	Total contract invoices greater than 98% but less than 99.99% of initial T.O. authorized amount	Total contract invoices between 99.99% and 100% of initial T.O. authorized amount	Total contract invoices greater than 100% but less than 105% of initial T.O. authorized amount	Total contract invoices greater than or equal to 105% of T.O. authorized amount
Performance indicator: Monthly cost report					
Monthly cost reports accurate			Yes		No
Performance indicator: Impacts to cost					
Impacts caused by contractor or other causes identified, in writing, in a timely manner to apply acceptable corrective actions.			Yes		No
PAR Category: Business Relations					
Performance indicator: Met contractual obligations					
Corrective Actions taken were timely and effective (Refer to CARs issued to contractor)			Yes		No
Performance indicator: Professional and Ethical Conduct					
Meetings and correspondences with Public, project delivery team and other stakeholders	Zero letters of reprimand, grievances, or formal complaints AND		Zero letters of reprimand, grievances, or formal complaints	One letter of reprimand, grievance or formal complaint that	More than one letter of reprimand, grievance or formal

	one or more unsolicited letters of commendation			was resolved through negotiation	complaint that were resolved through negotiation OR removal of one or more project personnel as a results of a letter of reprimand, grievance or formal complaint.
Performance indicator: Customer has overall satisfaction with work performed					
Customer survey results for rating period	4.0-5.0	3.0-3.9	2.0-2.9	1.0-1.9	<1.0
Performance indicator: Personnel responsive and cooperative					
Key personnel responsive, and cooperative	Always		Most Times		Almost Never
PAR Category: Management of Key Personnel and Resources					
Performance indicator: Personnel knowledgeable and effective in their areas of responsibility					
Personnel assigned to tasks	All personnel proposed by contractor were assigned to project; some personnel were substituted by higher qualified individuals.		All personnel proposed by contractor were assigned to project, some personnel were substituted by equally qualified individuals.		All personnel proposed by contractor were assigned to project, some personnel were substituted by lesser qualified individuals.
Performance indicator: Personnel able to manage resources efficiently					
Instances when resource management had negative impact on project execution	0	1-2	3-4	5-6	>6
PAR Category: Safety					
Performance indicator: Accidents and Violations					
*Number of Class A Accidents, contractor at fault	0				1 or more
*Major safety violations	0		1		>1
*Minor safety violations	1		2-4		>4

The following guidelines are provided for issuing ratings that are subjective in nature, these ratings will be supported by the weight of evidence documented during the government's surveillance efforts:

Exceptional: Performance *meets* contractual requirements and *exceeds many* to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with *few minor problems* for which corrective actions taken by the contractor were *highly effective*.

Very Good: Performance *meets* contractual requirements and *exceeds some* to the Government's benefit. The contractual performance of the element or sub-element being

assessed was accomplished with *some minor problems* for which corrective actions taken by the contractor were *effective*.

Satisfactory: Performance *meets* contractual requirements. The contractual performance of the element or sub-element contains *some minor problems* for which corrective actions taken by the contractor *appear or were satisfactory*.

Marginal: Performance *does not meet all* contractual requirements. The contractual performance of the element or sub-element being assessed reflects a *serious problem* for which the contractor has *not yet identified corrective actions*. The contractor's proposed actions appear only *marginally effective or were not fully implemented*.

Unsatisfactory: Performance *does not meet most* contractual requirements and *recovery is not likely* in a timely manner. The contractual performance of the element or sub-element contains *serious problems* for which the contractor's corrective actions *appear or were ineffective*.

SAMPLE

References

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, Public Law (PL) 96-510, 94 Stat 2767, 42 USC 9601.

DoD, Use of Environmental Insurance by the Military Departments, D-2006-080, 27 April 2006.

40 CFR, Part 300, EPA National Oil and Hazardous Substance Pollution Contingency Plan (NCP).

Engineering Regulation (ER) 200-3-1, FUDS Program Policy

Engineering Pamphlet (EP) 1110-1-18, Ordnance and Explosive Response

United States Air Force, Environmental Restoration Performance-Based Contracting Guidebook, Draft February 2006.

USACE Hazardous, Toxic, and Radioactive Waste Center of Expertise, "Guidance for Transitioning from Removal Action to Remedial Action to Pursue Site Closeout at Formerly Used Defense Sites", Draft October 2005.

Department of Defense, Office of Inspector General, "Use of Environmental Insurance by the Military Departments" (D-2006-080)

U.S. Army Environmental Center, "Performance-Based Contracting Guidebook", Revision 1, 27 January 2006.