

U.S. Army Environmental Command Performance-Based Acquisition Guidebook



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Revision 2

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List of Acronyms

AAR	After Action Report
AEDB-CC	Army Environmental Database – Compliance-Related Cleanup
AEDB-R	Army Environmental Database – Restoration
AFARS	Army Federal Acquisition Regulation Supplement
AICD	Aberdeen Installation Contracting Division
AMOAS	Army Management & Oversight of the Acquisition of Services Strategy
ACSIM	Army Chief of Staff for Installation Management
BRAC	Base Realignment and Closure
CC	Compliance-Related Cleanup
CD	Compact Disc
CER	Candidate Evaluation Report
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CHPPM	U.S. Army Center for Health Promotion and Preventive Medicine
CLIN	Contract Line Item Number
COR	Contracting Officer's Representative
CPAF	Cost Plus Award Fee
CPIF	Cost Plus Incentive Fee
CR	Compliance Restoration
CTC	Cost to Complete
CWM	Chemical Warfare Material
DAC	Department of the Army Civilian
DD	Decision Document
DERP	Defense Environmental Restoration Program
DID	Data Item Description
DVD	Digital Video Disc
EI	Environmental Insurance
EM	Engineering Manual
EP	Engineering Pamphlet
ER, A	Environmental Restoration, Army
ERM	Environmental Restoration Manager
ERS	[Sacramento] Environmental Remediation Services
FAR	Federal Acquisition Regulation
FFA	Federal Facility Agreement
FPRI	[Omaha] Fixed Price Remediation with Insurance
FY	Fiscal Year
GIS	Geographic Information Systems
HQDA	Headquarters Department of the Army
HTRW	Hazardous, Toxic and Radioactive Waste
IAP	Installation Action Plan
ID/IQ	Indefinite Delivery/Indefinite Quantity
IGE	Independent Government Estimate
IRP	Installation Restoration Program
KO	Contracting Officer
LSJ	Limited Source Justification
LTM	Long Term Monitoring
MAMMS	[Baltimore] Multiple Award Military Munitions Services
MARC	[Louisville] Multiple Award Remediation Contract
MATOC	Multiple Award Task Order Contract
MCUA	Monte Carlo Uncertainty Analysis
MEC	Munitions and Explosives of Concern
MIPR	Military Interdepartmental Purchase Request
MMRP	Military Munitions Response Program

MRS	Munitions Response Site
OMA	Operations and Management, Army
O&M	Operation and Maintenance
PBA	Performance-Based Acquisition
PBC	Performance-Based Contract
PM	Project Manager
PMP	Project Management Plan
POM	Program Objective Memorandum
PR&C	Purchase Request & Commitment
PWS	Performance Work Statement
Q&A	Question and Answer
QASP	Quality Assurance and Surveillance Plan
RA	Remedial Action
RAO	Remedial Action Operations
RC	Response Complete
RCRA	Resource Conservation and Recovery Act
RD	Remedial Design
RFP	Request for Proposal
RI/FS	Remedial Investigation/Feasibility Study
RIP	Remedy in Place
ROD	Record of Decision
ROTC	Request for Task Order Competition
SCA	Special Competition Advocate
SOO	Statement of Objectives
TEB	Technical Evaluation Board
TPE	Technical Project Engineer
TPIF	Target Price Incentive Fee
USACE	U.S. Army Corps of Engineers
USAEC	U.S. Army Environmental Command
USC	U.S. Code
WERS	[Huntsville] Worldwide Environmental Remediation Services

1.0 Introduction

1.1 Performance-Based Acquisition Background

In the past fifteen years, Congressional and Executive Branch actions have been taken to reform the laws and policies that govern federal acquisition. All of these laws sent an important message about performance in federal programs and acquisitions, and emphasized the need to maximize the focus of contracting on results rather than on the process. As a result, Performance-Based Acquisition (PBA) initiatives were developed at many Federal agencies to meet the requirements of these reforms.

Senior Army leadership, through its April 2003 Cleanup Strategy and Strategic Plan, identified PBA as a preferred business strategy that incorporates the use of proven commercial sector practices and incentives in the environmental cleanup process. The belief is the use of PBA will significantly improve overall project performance and expedite environmental cleanup. Specific information about the progress of the Army PBA initiative is available online at <http://aec.army.mil/usaec/cleanup/pba00.html>

1.2 What is Performance Based Acquisition?

PBA is a contracting approach in which contractor performance is judged against the desired outcome rather than the level of effort performed (generally referred to as cost plus fixed fee or time and materials contracts). The Army PBA initiative is designed to ensure:

- Contractors are provided flexibility to determine and implement the best approach to meet the Government's performance objectives;
- Appropriate performance quality levels are achieved; and
- Payments are made to contractors only for services that meet the agreed upon levels of quality and performance, and are delivered on the agreed upon schedule.

The PBA approach is used in the environmental contracting arena to promote innovative cleanup technologies and strategies that expedite completion of the environmental cleanup actions. Through PBA, private remediation firms are allowed the flexibility to conduct environmental cleanups in a technically sound approach of their design, that is cost effective while ensuring the agreed upon milestones and regulatory requirements are achieved. PBA provides financial incentives for contractors that specialize in environmental remediation services to develop and implement an expedited and efficient approach to achieve environmental cleanup goals. PBA also provides contractors flexibility in exercising approaches that are more cost effective to both the contractor and the Government.

1.3 Army Performance-Based Acquisition Initiative

The PBA initiative for active Army Installations was initiated in FY03 by the Army Chief of Staff for Installation Management (ACSIM). The ACSIM tasked the US Army Environmental Command (USAEC) with the technical implementation of the PBA initiative. Within the Army's

Why Use PBA?

The Army's default position for acquiring environmental cleanup services is to utilize PBA unless there is a strong justification for using another acquisition approach. The Army's approach is based on several years of successful PBA implementation, where PBA has been demonstrated to improve cost, quality, and schedule performance without compromising cleanups that are protective of human health and the environment. Use of PBA can:

- ✓ Lower risk of cost growth
- ✓ Accelerate cleanup and property transfer
- ✓ Reduce contract reporting and oversight
- ✓ Be aligned to exit strategies or used to optimize systems
- ✓ Lower remediation costs
- ✓ Encourage the use of innovative approaches

framework of PBA implementation, performance-based contracts should exhibit the following characteristics:

- Contract for “what,” not how;
- Utilize a performance work statement (PWS) or Statement of Objectives (SOO) to define performance objectives, metrics, and standards;
- Generally use fixed-price contracts;
- Use competition among at least three qualified vendors whenever possible;
- Use incentives, as appropriate;
- Use a quality assurance surveillance plan (QASP) to track and document performance;
- Use environmental insurance to limit risk, if appropriate; and
- Provide flexibility and ensure accountability for results.

Although PBAs generally utilize fixed price contracts, other contract mechanisms (such as cost-reimbursement contracts) may be considered for a PBA as long as many of the characteristics described above can be incorporated (e.g., clearly defined performance objectives and standards, non-prescriptive scope, QASP is developed and used). Cost-Plus-Award-Fee (CPAF) and Cost-Plus-Incentive Fee (CPIF) contracts are two examples of cost-reimbursement contracts that may be tailored to incorporate PBA elements. The specific type of PBA utilized for a particular contract is based on the characteristics of the sites included in the PBA (e.g., contaminants and media, phase of remediation, uncertainty). This determination is made through a process described in Section 3.0, Candidate Evaluation.

1.4 Purpose of the PBA Guidebook

The purpose of this document is to provide guidance to Army personnel for implementing the Army’s Performance-Based Acquisition initiative. The framework was developed in Fiscal Year (FY) 2003 and has evolved to its present configuration through an annual update to reflect suggested improvements and lessons learned from previous years. In order to achieve the PBA goals set by Army leadership and ensure continuous improvement, ongoing process adjustments are made to ensure all opportunities to streamline the evaluation and contracting processes are taken. A report entitled, US Army Performance-Based Acquisition, Lesson Learned Fiscal Year 2001-2006, summarizes observations and lessons-learned during the PBA lifecycle. This report can be found at <http://aec.army.mil/usaec/cleanup/pba00.html>.

The following sections describe the activities, outline participants' roles and responsibilities, identify key issues and challenges, and provide document templates for each step in the process. Attachment 1 provides an overview of the PBA Framework that will be discussed throughout this guidebook. Attachment 2 illustrates how the steps fit together in the overall framework and Attachment 3 is a generic schedule depicting a typical timeline for the steps. Attachment 4 provides a summary checklist of USAEC Environmental Restoration Manager (ERM) roles and responsibilities throughout the steps of the PBA process. Although the timeline depicted in Attachment 3 will vary according to the Installation, scope of the effort, contract characteristics, and contracting organization used, the generic schedule provides a basis from which Project Managers (PMs) and the USAEC ERMs can begin the preliminary planning process for a PBA at their Installations.

Attachment 1 illustrates the following framework for implementing the PBA initiative:

- 1) Preliminary Planning
- 2) Candidate Evaluation
- 3) Performance Work Statement / Request for Proposal Development
- 4) Document Preparation
- 5) Independent Government Estimate Development and Cost Analysis
- 6) Offeror’s Site Visit
- 7) Proposal Preparation
- 8) Preparation for Proposal Evaluation
- 9) Proposal Evaluation
- 10) Contract Award
- 11) Post-Award / Contract Implementation

For the purposes of this guidance:

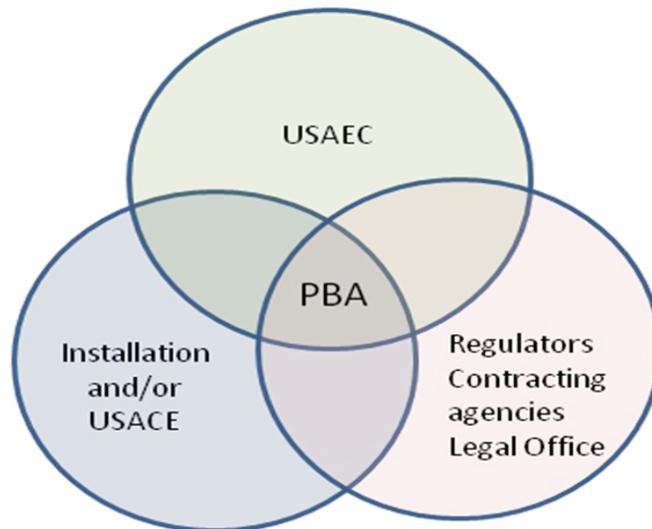
- Army Team: USAEC (including the USAEC ERM, the appropriate Branch Chief and the PBA PM), Installation representatives, and their technical support (including the US Army Corps of Engineers (USACE) PM and Technical Project Engineer (TPE), and land use planners particularly if Munitions Response Sites (MRSs) will be included as part of the PBA). Note that discussions pertaining to the PBA are considered procurement sensitive. As such, environmental services contractors providing support to the Installation that want to preserve their ability to compete for the procurement should not participate in the PBA discussions at any time.
- A subset of the Army Team is the “PBA Team” lead by the PBA PM and supported by the PBA technical support contractor.
- Installation Extended Team: The USAEC and/or U.S. Army Corps of Engineers (USACE) District Legal (depending on the contract vehicle selected), the contracting agency, and regulatory agencies.

What is a Conflict of Interest?

A conflict of interest arises when an offeror is placed in a position where its judgment may be biased because of any past, present, or currently planned interest (financial or otherwise) which relates to the work performed pursuant to the solicitation or where the offeror’s performance of such work may provide it with an unfair competitive advantage.

Contractor participation in any and all PBA planning discussions will likely result in a determination of perceived conflict of interest resulting in their firm being prohibited from participating in the competition for future work under the PBA at the Installation.

Figure 1.1: Extended PBA Team



Development and implementation of a successful PBA requires a team approach.

2.0 Preliminary Planning

The PBA Team evaluates all Installations on an annual basis to identify potential for participation in the PBA initiative. This evaluation, completed no later than the fourth quarter, entails reviewing the current site phase completion status for sites at each Installation using Army Environmental Database – Restoration (AEDB-R) queries to identify Installation Restoration Program (IRP), Military Munitions Response Program (MMRP), Compliance Restoration (CR), and Base Realignment and Closure (BRAC) Environmental Restoration Program sites and Army Environmental Database – Cleanup Compliance (AEDB-CC) queries to identify Compliance-Related Cleanup (CC) program sites. The results are combined with knowledge of site histories and complexities to generate a preliminary PBA candidate list for the following FY. Once candidates have been identified, USAEC publishes the list of PBA candidates and goals for the FY in the Cleanup Program Management Plans and the USAEC PBA website.

Once an Installation has been identified as a candidate for a PBA evaluation, the USAEC ERM and the PBA Team begins preliminary planning. The purpose of this phase is to clarify lines of communication, identify respective roles and responsibilities, and to share information to establish a productive environment in which to work.

During this initial phase, the USAEC ERM identifies a proposed Army Team to participate in the PBA candidate evaluation. The Army Team typically will include representatives from USAEC, the Installation, and the USACE, as appropriate. In some cases, the Installation and/or USAEC ERM may determine that a conference call would be beneficial prior to the candidate evaluation meeting. If so, the USAEC ERM will schedule this call with the Installation, the PBA Team, and any members of the Installation Extended Team who the USAEC ERM believes may benefit from participating. The focus of this call is to communicate the PBA initiative, set the agenda for the candidate evaluation meeting, share available Installation and site information, and identify and develop paths forward for potential difficulties or challenges anticipated.

Information collected in the preliminary planning phase is used by the PBA Team to develop draft site candidate evaluation matrices that outline site status (e.g., list the active sites in AEDB-R and AEDB-CC, work completed to date and identifiable uncertainties). Generally, the PBA Team uses the most recent IRP and CC Installation Action Plan (IAPs) and AEDB-R and – CC site summaries to draft the site status portion of the matrices. The draft matrices are sent to the Installation in advance of the candidate evaluation to allow Installation personnel and technical support to review and comment on the contents. In some cases, the Installation may update these matrices prior to the evaluation meeting, and complete the execution status portion of the matrix to facilitate discussions. Otherwise this activity is completed as part of the evaluation meeting. The information on the matrices is considered procurement sensitive; therefore, under no circumstance should the matrices be completed by the incumbent contractors. Contractor input into the candidate evaluation matrices may result in the contractor being prohibited from participating in the bid for future work at the Installation. The example PBA candidate evaluation matrix is included as Attachment 5 of this document.

3.0 Candidate Evaluation

The candidate evaluation is conducted either in conjunction with the Installation's IAP workshop, or as a separate PBA evaluation meeting. While most candidate evaluation meetings are held on-site, in some cases the candidate evaluation can be accomplished through a conference call (e.g., if an Installation has been evaluated previously, if there are only a small number of open sites, and/or the evaluation is meant to update site status). The decision on format is made by the USAEC ERM, Branch Chief, and the Installation. The level of advance preparation with the

candidate evaluation summaries discussed previously will vary depending upon how complex the installation and/or the manner at which the evaluation will be conducted. The decision also depends on the schedule of the IAP workshops and the complexity of the sites at the Installation. Because many Installations no longer conduct on-site IAP workshops, the decision on PBA candidate evaluation meetings may be strictly based on site conditions pertaining to the PBA effort. If the evaluation is held on-site, a sign-in sheet should be distributed to ensure all parties understand their participation requires information be protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and that contractor participation in any and all PBA planning discussions will likely result in a determination of perceived conflict of interest resulting in their firm being prohibited from participating in the competition for future work under the PBA at the Installation. A template evaluation sign-in sheet is included as Attachment 6.

The Installation hosts the candidate evaluation meeting. This meeting includes a variety of activities intended to inform all participating parties (including regulators, if possible) of the PBA initiative and implementation process. A template invitation for regulator participation at the on-site evaluation is included as Attachment 7. During the candidate evaluation meeting, the Army Team will provide regulators and Installation personnel an overview of the PBA initiative (if they are unfamiliar with PBA); information on the how the PBA Team will collect information; how the information will be used; and how the PBA Team will develop recommendations as to the path forward for a potential PBA at the Installation. This includes explaining the After Action Report (AAR), the review/approval cycle and the overall schedule should a PBA be the agreed upon path forward. The USAEC PBA overview presentation is included as Attachment 8. This presentation is updated on a semi-annual basis and maintained at USAEC.

The purpose of the candidate evaluation is to:

- 1) Understand the regulatory and legal drivers, including the status of permits, Federal Facility Agreements (FFAs), etc., for the Installation and/or specific sites;
- 2) Identify the availability of the most relevant documents for all active AEDB-R and AEDB-CC sites (e.g., project documents, schedules, permits, Consent Orders, FFAs). These documents will be made available to the offerors if a PBA is recommended;
- 3) Discuss Installation and site histories and the current remediation phase for active sites, identify AEDB-R and AEDB-CC sites with significant technical uncertainties, and develop an appropriate strategy for managing those uncertainties (i.e., How well can we define the site boundaries? Is there a completed site inspection or remedial investigation?);
- 4) Determine the current status of funding and contracting efforts, including current execution agency(ies) and incumbent contractor(s) and un-liquidated contract balances, and identify appropriate contract transition/break points;
- 5) Identify the data and assumptions used to develop the current cost-to-complete (CTC); and

What is the status of the Permit?

Lessons learned from installations regulated under the Resource Conservation and Recovery Act (RCRA) show there needs to be a clear understanding of the permit status and how closed sites are documented in the permit. While not always possible to update the permit on a schedule that is beneficial to the PBA effort, at a minimum, ERM's should make sure to have discussions with regulators so there is a clear understanding on what will constitute "regulatory approval" of a site at Remedy in Place (RIP) or Response Complete (RC). This has an impact on how performance objectives and standards are described in Table 1 of the PWS. For MRSs, there is also a need to determine how these sites will be regulated (Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or RCRA) and the level of understanding the regulators have relative to land use controls, achievement of RIP, and RC at MRSs.

- 6) Discuss options for the scopes of work that could be included in the PWS/ SOO, as well as options for the contracting agency and contract type.

Active AEDB-R and AEDB-CC sites that are not deemed good candidates for a PBA (e.g., timing will not meet Installation needs, remedial investigation not complete) are noted in the candidate evaluation summary. These sites should have a defined path forward and/or exit strategy to ensure their progress outside of a PBA. The PBA evaluation may also identify other Army program (e.g., BRAC and Operations and Management, Army (OMA)) sites that may provide the Army with efficiencies if included with Environmental Restoration, Army (ER,A) and/or CC sites in the PBA. These sites will be clearly designated by their Army program in all documentation.

3.1 *The After Action Report*

The PBA Team will generate the draft AAR approximately one week following the candidate evaluation. The AAR contains a summary of the Army Team findings resulting from the candidate evaluation meeting. The AAR will include a discussion of all active AEDB-R and AEDB-CC sites and include one of the following recommendations: 1) proceed with a PBA on all or a sub-set of sites, 2) defer a PBA until characterization or on-going activities are complete, or 3) do not implement a PBA.

If the recommendation is to move forward with a PBA, the AAR will describe the discussion, including the recommended performance objective(s) and contracting options. The intent is to consider the contract type most appropriate to accomplish project objectives, taking into consideration the unique and specific conditions of the project/Installation. The goal of the Army in executing PBA work has always been, and will continue to be, a shared risk between the Government and the contractor. There are a variety of ways to accomplish this and it may involve the end state objective chosen in the PWS, unit pricing of contract line item numbers (CLINs), the type of contract selected to compete the requirement, etc. Templates can serve as guidelines for consistency, but case by case instances must be considered. In other words, a standardized or “template” approach to PBA implementation is not realistic, and each circumstance is individually evaluated to develop the most appropriate performance-based acquisition approach and documented in an AAR.

Most of the PBAs have been fixed price contracts with a performance objective of achieving remedy in place (RIP) or response complete (RC). As the IRP requirements decrease and MMRP requirements increase, a change to the fence-to-fence model has been warranted. Due to the uncertainty associated with MMRP sites where characterization may be limited to a completed site inspection report, it is difficult to achieve RIP/RC as a performance objective without expending large sums for contingencies. Therefore, fence-to-fence PBAs for achievement of RIP/RC are becoming less prevalent. In these circumstances, an acquisition strategy may be developed with phased contracting approach that first requires the successful completion of the remedial investigation (RI) or Record of Decision (ROD)/Decision Document (DD) as the performance objective, and is followed with a subsequent contract with a performance objective to achieve RIP/RC to manage the uncertainties. However, the further the

What key decisions need to be made prior to initiating development of the PWS?

- ✓ What is to be include in the scope of the work?
- ✓ What type of contract will be implemented?
- ✓ Are there technically challenging problem sets that may benefit from allowing contractors more flexibility in developing their proposed approach?
- ✓ What contracting agency will be used?
- ✓ Who will be the Contracting Officer's Representative (COR)?
- ✓ Will there be environmental insurance required? If so, what type(s)?
- ✓ What is the schedule for getting a contract in place (are there key activities that are required prior to the contract?)
- ✓ Should incentives be used?

Army proceeds to ROD, the less flexibility that will be afforded to a future contractor to implement RIP/RC.

There may be several reasons that a PBA is not recommended at an Installation. For example, during the candidate evaluation, the PBA Team reviews the entire acquisition strategy at the Installation. If it is clear that the current acquisition strategy includes a clear path forward and exit strategy for all sites or, for example, work is successfully being conducted by a special status contractor (e.g., Alaska Native Corporation), then the PBA Team will recommend staying the current course of action.

The template for the AAR is included as Attachment 9.

3.2 *Decisions Regarding Contract Agency and Mechanism*

As noted above, the AAR provides recommendations and analyses of reasonable mechanisms for conducting the remaining cleanup work on the Installation. Several options exist including, but not limited to:

- Use of the ACSIM Indefinite Delivery/Indefinite Quantity (ID/IQ) contract (awarded in FY05). *Note that USAEC is currently in process of developing the follow on ID/IQ contract that is anticipated in FY11-12.*
- Use of a USACE District Performance-Based Contract such as the Louisville Multiple Award Remediation Contract (MARC), Omaha Fixed Price Remediation with Insurance (FPRI) contract, Sacramento Environmental Remediation Services (ERS) ID/IQ, Baltimore Multiple Award Military Munitions Services (MAMMS) or Huntsville Worldwide Environmental Remediation Services (WERS) Multiple Award Task Order Contract (MATOC).
- Use of 8(a), Native American, or Small Business set aside contracts.
- Use of local procurement agencies

In the event that there are multiple options for contracting agencies, the USAEC ERM will work with the PBA Team to determine discriminating factors among the possible contracting agencies. The USAEC ERM will also work with the USACE representative to determine the costs associated with use of their procurement agencies, and whether schedules will accommodate Installation contract needs. The discriminating factors to be considered among the contracting vehicles may include the following:

- Contract Types (e.g. Firm Fixed Price with or without incentives, cost reimbursable with or without fixed fee or incentive fee)
- Types of Services (e.g. Hazardous Toxic and Radioactive Waste (HTRW), Munitions of explosive concern (MEC), and/or Chemical Warfare Materiel (CWM).
- Regulatory Interface (e.g. it is anticipated that the Contractor shall work directly with regulators on all aspects of their work which removes the Army as the responsible party and is not recommended versus after approval of the Contracting Officer's Representative (COR)).
- Prescriptive Conditions (e.g. prescribed USACE Data Item Description (DID), Engineering Pamphlets (EP), Engineering Manuals (EM), etc. to be followed for deliverables that remove the performance-based aspects by mandating how).
- Contracting Officer Representative (e.g. may use the USAEC, Installation, or USACE as COR and no PM is required versus must use the USACE as COR and PM).
- Insurance/Warranty/Pay & Performance Bonds: (e.g. is it required on all tasks, optional, or not authorized?)

The contract mechanism (e.g., Firm Fixed Price, with or without Insurance or Incentives) may also be recommended in the AAR. There are several factors that help in the decision on

whether or not to include EI. These factors, along with a discussion on the various types of EI available are included in Attachment 10, Environmental Insurance Guide. Beginning in FY09, USAEC moved to a preferred approach that allows the contractor to choose whether Environmental Insurance (EI) will be included as part of their risk management approach, in lieu of mandating the use of EI. This is executed by requiring a guaranteed limit, as defined in the specific PWS (e.g. 1.5 to 2 times the sum of the project price). This guaranteed limit may be met through the use of self insurance, a commercial environmental insurance product, or a combination of both depending upon the contractor's proposed risk management approach. Should the use of a commercial insurance product be used, contractors will be required to meet the policy requirements as defined in the PWS if they wish to have a CLIN for Army payment of the policy premium. If no EI or guaranteed limit is used, the PWS should be adjusted to remove the requirement to address all "unforeseen" circumstances in Section 1.0.

The Army Team should also consider use of contract incentives as part of the overall PBA package. Although not widely used to date in the Army's PBAs, incentives may be offered for surpassing set schedules or exceeding prescribed quality levels. However, poorly conceived or implemented incentives may cause unforeseen consequences in some other area. Designing and implementing an effective incentive strategy can be a very difficult process, requiring business skills that may not be available to the acquisition team. The Army Contracting Agency developed a Contracts Incentive Guide in November 2004 to give personnel a better understanding of the concepts and applications of contract incentives. This guide can be found at

<https://acc.dau.mil/CommunityBrowser.aspx?id=46546&lang=en-US>.

Are there template or generic incentives recommended?

- ✓ Remember that what is an incentive to one contractor; one agency of the Government, one sector of the business world, or one geographical location may not be an important factor for another.
- ✓ Incentives should be evaluated on a specific action and tailored as appropriate.
- ✓ Use incentives that accomplish the desired results, while minimizing any undesirable outcomes.
- ✓ A combination of financial and non-financial incentives will often produce the most effective arrangement for both the contractor and the Government.

3.3 *Coordination and Staffing of the After Action Report by the USAEC ERM*

The draft AAR is provided to the USAEC ERM for an initial review. The USAEC ERM should review the document for accuracy and completeness. Once the USAEC ERM believes the draft AAR is acceptable, it is sent to the Installation for internal Army review. The Installation will determine if additional review will be done by the USACE or regulators. The USAEC ERM is responsible for discussing the AAR and preferred alternative with the Branch Chief as early in the process as possible. Branch Chiefs should be fully aware of the issues associated with the various options prior to making the final recommendation to the Division Chief.

If a PBA recommendation is approved for the Installation, the PBA Team will prepare a Candidate Evaluation Report (CER) and provide the draft CER to the USAEC ERM and Installation for review. Once approved, the CER is posted to the USAEC PBA website. The template for the CER is included as Attachment 11. The PBA Team also works with the ERM and the Installation to develop a proposed schedule for development of the PWS through contract award. Status against this schedule is tracked by the PBA Team.

4.0 Developing the PWS, SOO, and Request for Proposal (RFP)

4.1 PWS/SOO Development

The PWS is the foundation of the performance-based contract. The PWS describes the requirements the contractor must meet in performance of the contract and consists of two main elements: 1) a statement of the required services in terms of performance objectives; and 2) performance standards by which progress toward the performance objectives will be measured. The Federal Acquisition Regulation (FAR) allows for preparation of the PWS by the Government or by the offeror if prepared in response to a Government provided SOO.

The Army utilizes a generic PWS as a starting point for all PBA PWSs.¹ The PWS is structured around the purpose of the work to be performed rather than how to perform the work. Starting with the generic PWS, the PBA Team develops Installation- and site-specific performance objectives and standards based on results of discussions held during the candidate evaluation meeting and documented in the AAR. The PBA Team revises the remainder of the PWS to insert additional Installation- and site-specific technical, management, schedule, regulatory, and performance requirements. The PBA Team will maintain document version control for the PWS and store all historical versions of the PWS.

There are two versions of the generic PWS template:

- All Army Programs (with or without EI)
- ACSIM ID/IQ Only (with or without EI)

The PBA PWS template is provided in Attachment 12 and the ID/IQ PBA PWS template is provided in Attachment 13. The differences between them are primarily annotated references in the ACSIM ID/IQ version to simplify the Task Order in lieu of repeating the base contract language. Regardless of which of the templates is selected, there are several places in the documents where Installation-specific information must be included. These templates are regularly updated on the USAEC PBA Web site or by contacting the USAEC PBA Program Manager. In the past year, the generic template has been modified to include additional requirements that are necessary for conducting MMRP work which can be removed if the scope does not include MMRP activities. The Army PBA PM recommends all contracting actions utilize the generic PWS format in order to minimize inconsistencies across the PBA initiative. Normally the PBA Team will take the lead in developing the draft Installation-specific PWS. However, the USACE District or Installation may wish to initiate the PWS activity.

Irrespective of the contracting agency, the generic PWS is recommended as the starting point

What do I need to know about my Installation prior to development of the PWS?

- ✓ What is the regulatory framework?
- ✓ What is the status of the permit, FFA, or other formal agreement?
- ✓ Who is the lead regulatory agency?
- ✓ Where are document repositories maintained?
- ✓ For all sites included in the PWS, what is the desired performance objective (e.g., RIP or RC)?
- ✓ Will the current Program Objective Memorandum (POM) support all activities being included in the PWS on the scheduled proposed?
- ✓ What is the designated land use for the sites?
- ✓ Is there priority for scheduling work (to support mission need, prepare for property transfer)?
- ✓ What key personnel positions are required to perform the work?
- ✓ Will any government furnished equipment be provided to perform the work?
- ✓ Are there specific access or security requirements for sites included in the PWS?

¹ The PWS may be developed by the Army Team or by the USACE Installation Technical Support Team. This determination is made by Army leadership and/or installation preference during, or shortly after, the on-site evaluation. Regardless of who takes the lead on the PWS development, the draft PWS is shared with the Installation extended team for review and comment.

for the PWS. Major deviations from the generic PWS should be identified for management review by the USAEC ERM, USAEC Managers and USAEC Legal.

The Army PBA Team is responsible for soliciting feedback on the PWS and recording all comments received. Feedback is typically solicited from the Installation, USAEC, USACE District, Legal, the contracting agency, and federal and state regulators.

Normally the review team for the PWS includes USAEC Legal, the USAEC ERM, the Installation, and USACE (if leading the procurement action or participating as a technical representative or potential COR). Sometimes the legal offices at the Installation will conduct a concurrent review of the PWS. When legal issues arise, USAEC Legal will work with the Installation or contract legal staff to resolve the issues. The PBA Team documents all comments received on the PWS in a comment/response matrix that is provided to the USAEC ERM when the PWS is complete. If the comments are not incorporated into the PWS, an explanation is provided to the commenter and documented in the comment/response matrix. If similar comments are received from multiple reviewers and/or on multiple PWSs, USAEC determines whether any applicable changes should be carried over into the generic PWS. The template for the comment/response matrix is included as Attachment 14.

What legal issues are typically identified during PWS review?

- ✓ Are the sites contained in the PWS eligible for Defense Environmental Restoration Program (DERP) funding?
- ✓ Does the PWS correctly identify the regulatory framework (and as such, the appropriate approval authority)?
- ✓ Is the status of the permit, FFA, or other formal agreement correctly referenced?
- ✓ Are there approved DDs for sites currently in remedial design?

Sites with long-term requirements or with technically challenging problem sets making the end objective difficult to project may benefit from allowing contractors more flexibility in developing their proposed approach. Use of a SOO performance-based methodology opens the acquisition up to a wider range of potential solutions by turning the acquisition process around and requiring competing contractors to develop the PWS, performance standards, performance metrics measurement plan, schedule, and QASP as part of their proposal responses. The PWS template must remain consistent with base contract and/or Army requirements. Therefore, when using the SOO approach, the Army will provide a template PWS that specifies the sections that the offerors are required to complete. These sections will primarily include Table 1: performance objectives summary, performance milestones and deliverables, schedule, and the CLIN structure. Upon award, the contractor-generated sections of the PWS will be incorporated into the contract. A SOO template is included as Attachment 15. For simplicity, the remaining chapters will use “PWS” to refer to either the PWS or SOO approach described in this chapter.

What elements does the SOO include at a minimum?

- ✓ Purpose
- ✓ Scope or mission
- ✓ Period and place of performance
- ✓ Background
- ✓ Performance objectives, i.e., minimum required results and performance deadlines
- ✓ Any operating constraints

As with other steps, the use of different contracting agencies and mechanisms may alter the sequence of the steps in the PBA process.

4.2 Procurement Actions Utilizing the ACSIM ID/IQ Contract Vehicle

As previously mentioned in Section 3.0, the AAR identifies mechanisms for conducting the remaining work on the Installation. In the event there are multiple options for contracting agencies and vehicles, the USAEC ERM will work to determine discriminating factors among the possible solutions. If the ACSIM ID/IQ contract (or the follow on ID/IQ) is chosen as the contracting mechanism, an Army Management & Oversight of the Acquisition of Services Strategy (AMOAS) is required for all acquisitions greater than \$100,000. The template for the AMOAS is included as Attachment 16. The level of detail in the strategy should be commensurate with the dollar level of the procurement. Information must be provided in each block of the form, or an indication that it is not applicable and explanation of why. The AMOAS must be submitted by the Contracting Officer (KO) to the appropriate decision authority for review and approval prior to issuance of the solicitation.

When is an AMOAS required and how long does it take to receive approval?

An AMOAS is required for:

- ✓ All service acquisitions \geq \$100,000
- ✓ An issuance of a task order/delivery order \geq \$100,000

AMOAS approval thresholds and timeframes:
>\$100,000, but < \$10M within 10 working days
>\$10 M, but < \$150 M within 15 working days
 \geq \$150M, but <\$500M within 140 working days
 \geq \$500M within 240 working days

The USAEC ERM will identify the overall complexity, magnitude, risks, and anticipated value of the proposed procurement. Upon analysis of this information, the Army Team will recommend whether to select the small business or unrestricted portfolio under the ACSIM ID/IQ. This recommendation is incorporated into Attachment B of the AMOAS. However, responsibility for the final determination on small business or unrestricted portfolio resides with the KO.

4.3 Procurement Actions Utilizing USACE

If a USACE contracting agency is selected for the procurement action, the USACE representative needs to be involved in all phases of the PBA process. The USACE District needs to provide an estimate of what funds will be required by the District to support the contracting action, and how the funds will be used. When USACE has served as the procurement agency, they become the COR for the project and may lead the technical evaluation panels. When USACE is the lead for the procurement, the development of the PWS and Independent Government Estimate (IGE) may change according to the USACE process. Specific items to be addressed that may be different include but are not limited to: the need for an acquisition plan, the overall schedule, and the EI language (i.e., some of the USACE contracts already have insurance requirements and as such may overlap with, or contradict requirements in the PWS). Refer also to the items discussed in Section 3.2.

Each USACE District may have specific requirements to be addressed in order to determine the most appropriate contract vehicle (e.g. 8(a), small, or unrestricted business). The USAEC ERM and USACE representative should work in collaboration to identify the overall complexity, magnitude, risks, and anticipated value of the proposed procurement. Upon analysis of this information, the Army Team will recommend whether to select the small business or unrestricted portfolio, but the decision authority ultimately resides with the contracting office servicing the requirement. If decisions of contract vehicle do not align with recommended strategies, the Team is encouraged to discuss to determine if adjustment to the acquisition strategy is warranted.

4.4 Staffing of the PWS within USAEC Prior to Release to Procurement

Once all Army Team comments have been incorporated into the PWS or have been otherwise resolved, several activities need to be completed prior to sending the PWS to contracting:

- (1) The PWS must undergo formal internal USAEC review (sign off should be obtained from the ER,A Program Manager, Program Management Branch, the USAEC ERM, Branch Chief, Division Chief, Legal, and the Financial and Human Resources Division budget analyst).
 - a. A Headquarters Department of the Army (HQDA) Form 5 must be prepared and staffed by the ERM in order to initiate funding for the procurement action.
 - b. USAEC Legal, Branch Chief, and Division Chief approval on the HQDA Form 5 is required before funds are sent by the Financial and Human Resources Division.
- (2) Money must be sent to the contracting agency via a Purchase Request & Commitment (PR&C) or Military Interdepartmental Purchase Request (MIPR) document.
 - a. The ER,A Program Manager will allocate the money once contacted by the USAEC ERM.
 - b. Either the ER,A Program Manager or a Branch Chief can enter the PBA project into USAEC Financial Resource Management and set up the funding line to allow the contract to be processed at the appropriate contracting center.
- (3) An IGE needs to accompany the PWS to the contracting agency. Depending upon the contracting agency, the IGE can be a preliminary or final estimate. The IGE preparer will provide the preliminary and final estimates to the USAEC ERM.
- (4) Procurement offices normally cannot formally begin the staffing of the PWS until the funding document is received.
- (5) Depending upon the contracting agency, the contracting specialist may request the USAEC ERM to define the CLINs (i.e., deliverables).
- (6) The USAEC ERM needs to develop and provide the technical evaluation criteria to the contracting agency to be incorporated into the RFP.
- (7) Once the contracting agency has completed their review and are ready to issue the RFP, the RFP should be provided to the ERM and Army Team for a final review.

4.5 Transition to RFP

The PWS must be incorporated into a RFP, or Request for Task Order Competition (RTOC) if under the ACSIM ID/IQ (or another ID/IQ), in order to solicit proposals. The Army Team will develop technical evaluation criteria and provide them to the contracting agency along with the PWS. The technical evaluation criteria document the standards used to evaluate the proposals. The Army uses two primary evaluation bases to ensure an award is made that is in the best interest of the Government: Technically Acceptable/Low Cost, and Technical Tradeoff (often referred to as Best Value). For scopes of work where there is little uncertainty regarding the problem set to be addressed, the technical approach to be employed, and outcome of the contracted action, the Army selects a technically acceptable/low cost evaluation basis. Under this type of evaluation, the Army establishes a technical “baseline” to determine what will be considered technically acceptable. Once all proposals have been evaluated and determined to be either above or below that acceptable baseline, the award is made to the proposal

determined to be technically acceptable that offers the work at the lowest cost to the Government.

In some cases, however, there may be a variety of technical solutions for a given problem set that would be considered acceptable to the Army, and there is a desire to consider an award to other than the lowest price offeror. Under this process, both price and non-price factors are evaluated and the contract award is made to the offeror proposing the combination of factors that represents the best value based on the evaluation criteria. Inherent in this process is the necessity to make tradeoffs considering the non-cost strengths and weaknesses, risks, and the cost (or price) offered in each proposal. For example, this approach allows the Army to consider an award to an offeror that proposes a technical solution that may cost more during the period of performance of the contract, but will leave the Army with no post-contract environmental liabilities, resulting in an overall best value solution. The Technical Evaluation Board (TEB) will select the successful offeror by considering these tradeoffs and applying their business judgment to determine the proposal that represents the best value to the Government based upon the evaluation criteria. Attachment 17 provides an example of the technical evaluation criteria. Each set of criteria is tailored to the individual PWS and is developed based on factors that represent the Government's best interests and requirements at the Installation.

The USAEC ERM is responsible for providing all of the pieces of the RFP (e.g., PWS and technical evaluation criteria) to the contracting agency and working with the agency to finalize the RFP. In cases where the USACE or contracting agency develops the RFP, the ERM is responsible for reviewing and providing comments on the RFP documents. The final RFP incorporates the PWS, contractual requirements added by the contracting agency, the technical evaluation criteria, and instructions to offerors/site tour information. The contracting agency is responsible for releasing the RFP.

The RFP must be proofread prior to release to ensure consistency and accuracy, especially with regards to Installation- and site-specific information. This review is conducted by the entire Army Team, if available. This review is designed to help reduce the number of offeror questions, amendments, and delays that may result from inaccurate, conflicting, or confusing information in the RFP.

4.6 *CLIN Structure*

Contracts for the acquisition of services are funded in stages that are economically or programmatically viable. CLINs provide a means for funding economically or programmatically viable stages by identifying the items or services to be acquired as non-severable contract deliverables. Services may be for more than one, but not more than five program years. Depending upon the contracting office, the USAEC ERM may be required to develop a CLIN structure as part of the solicitation package for the offeror to fill in the appropriate prices for each CLIN, or the contractor will be asked to propose the CLIN structure as part of their proposal submittal. Subsequent to contract award, variations to the CLIN structure may be requested by the Installation or the winning offeror. Any changes to the CLIN structure will be reviewed by the contracting agency and USAEC on a case-by-case basis. To ensure CLINs are developed in a consistent manner, the following guidance is provided. USAEC ERMs should check with the KO

Are payment milestones part of the CLIN structure?

- ✓ Payment milestones are not directly included as part of the CLIN structure, but facilitate payments pursuant to the CLIN.
- ✓ Payment milestones are considered integral and necessary to completion of the CLIN (e.g. key interim deliverables needed to achieve the objective of the individual CLIN).
- ✓ For example, if the CLIN is to achieve RIP or RC, appropriate payment milestones may include Army and Regulator approval of the RI/FS, PP, ROD, or Remedial Design (RD).

for any revisions or additional requirements.

- a. Services in a single sub-CLIN may be for more than one, but not more than five program years.
- b. CLINs shall provide a fixed price for separately identifiable contract objectives or deliverables. CLINs may be further subdivided into sub-CLINs that identify information that relates directly to, and is an integral part of the CLIN, but is subdivided for administrative purposes to facilitate payment or other management purposes. The statutory framework under which the cleanup is being conducted will determine the appropriate terminology for the non-severable “break points” for the CLINs. Each CLIN or sub-CLIN must have its own delivery schedule or completion date expressly stated. For example:

(CLIN)

- Environmental Remediation Services at [Installation, State] in accordance with the Performance Work Statement in Section C.

(Sub-CLINs)

- Project Management Plan (PMP) and Quality Assurance Surveillance Plan (QASP) in accordance with Table 1 of the PWS
- Achieve [performance objective] for [site number(s)] by [day month year]
- Perform Remedial Action Operations (RAO)/Long Term Monitoring (LTM) at [site number(s)] - [period of performance - e.g. Year 1] (*if annual monitoring requirements that are severable activities*)

- c. CLINs for Environmental Insurance (if required by the Army as a component of the PBA or permitted by the Army as part of the offeror’s proposed approach), and the Project Management Plan (PMP) and QASP must be included and should be exercised upon contract award.
- d. CLINs shall consist of four numeric digits 0001 through 9999 but should not use numbers beyond 9999. The item numbers shall be sequential, but need not be consecutive. Once a CLIN number has been assigned, it shall not be assigned to another contract line item in the same contract. Sub-CLINs shall use alpha characters running AA through ZZ (but should avoid use of alpha characters “I” and “O” due to the potential for confusion with numerical digits “1” and “0”). For example, if the CLIN number is 0001, the first three sub-CLIN items would be 0001AA, 0001AB, and 0001AC. All 24 available alpha characters should be used in the second position before selecting a different alpha character for the first position. For example, use AA, AB, AC, through AZ before beginning BA, BB, and BC.

4.7 Acquisition Plans

Acquisition Plans are required if the total procurement cost will be greater than \$30M over the life of the contract or greater than \$15M in any one fiscal year of the contract. Copies of approved acquisition plans can be obtained from the PBA Team. The RFPs will not be released until the acquisition plans are approved by the contracting agency. The USAEC ERM will prepare the acquisition plan and provide it to the contracting agency. The contracting agency will staff the acquisition plan. The process can be rather lengthy so the sooner these are prepared, the less impact there will be to release of the procurement package for bid. If the procurement is going through a USACE District, it may be more efficient to have the District contracting office prepare the acquisition plan.

Release of the RFP signals the start of the offerors' proposal preparation period and the Army preparations for proposal evaluation.

5.0 Document Preparation

Document preparation is completed concurrent with the PWS development and encompasses gathering documentation necessary for the offerors to prepare their technical and price proposals. Document preparation must begin as early as possible in the PBA process with the bulk of the effort focused early on identification and collection of documentation. The USAEC ERM and Installation personnel are responsible for identifying key documents that will be critical to the bidders for a well-designed proposal. These documents may include, but are not limited to: RI/FSs, DDs, Operating and Maintenance (O&M) Plans and Manuals, Installation Master Plans, applicable permits, regulator correspondence, Installation-specific approval processes, and available geographic information system (GIS) data that may be useful to potential offerors.

Collected documents are converted to an electronic format (if needed), consolidated, and uploaded to electronic media such as a digital video disc (DVD), compact disc (CD) or a web site. This documentation is made available to all offerors upon RFP release through distribution of the electronic media or by providing secure access to the web site. Additional documents may be requested by the offerors during their bid preparation. When the requested documents are available, they will be distributed to all offerors. Every effort needs to be made by the USAEC ERM and Installation to provide the newly requested documents (or data) in a timely fashion to prevent delays in the proposal process.

How is an organizational conflict of interest avoided?

Contractors that previously completed work or are currently working at the Installation(s) may be provided with an unfair competitive advantage.

ERMs and Installation personnel should help identify any eligible contractor currently performing work on the Installation(s) to ensure that all data pertaining to contamination at the sites included in the solicitation, compiled by or in the possession of such firm, be made available to all potential contractors in a timely fashion.

6.0 Independent Government Estimate Development and Cost Analysis

In addition to being required in the FAR, an IGE is an essential part of a PBA effort since it provides an estimate (for "Army Eyes Only") of the funds needed to complete the project as described in the PWS and a basis for evaluating and/or comparing the cost portion of bids submitted by offerors. Specifically, an IGE is the Army's estimate of the cost of labor, travel, supplies, materials, and all other associated resources that are required to complete a project using a given remediation approach or set of approaches. The process of developing an IGE also serves as an independent check of the PWS (i.e., clarity of text, scope, etc.) and a determination of the potential impact of uncertainty at sites included in the PWS.

In recent years, the Army has undertaken a more robust CTC development process to identify all requirements and/or costs to complete environmental cleanup actions for a particular site on an Installation. In order to comply with financial management regulations, the CTC estimates include approved documentation of data sources, methods of estimation, and management review of CTC estimates. Therefore, it is no longer necessary for the PBA Team to prepare a bottom-up IGE. The PBA Team should utilize as much of the readily available information that has already been vetted and approved by the USAEC CTC team to prepare the IGE.

6.1 Final IGE and Cost Analysis

Development of the final IGE starts with the preliminary IGE. For each site identified in the PWS, the cost estimator will review the assumptions made and approaches used in developing the existing CTC. The purpose of this activity is to ensure that the final IGE represents a complete estimate (i.e., costs for all activities included in the PWS have been accounted for in the IGE), and to ensure the approaches and assumptions used in developing the CTC are reasonable in terms of bidding from a performance-based acquisition perspective. The goal is not to generate a new cost estimate, but rather to vet the existing cost estimates and determine the following:

- Has a DD been signed for the specific activity or site? If no, are there uncertainties that may significantly impact the technical approach and associated CTC estimate?
- Are there means to reduce these uncertainties before the procurement activity?
- Is there an existing approved CTC estimate for the site or activity?
- Are there alternate approaches or assumptions that could be considered that, if implemented, could provide a better value solution for the Government?

If the USAEC ERM and cost estimator determine all activities have an approved CTC estimate, and there are no significant recommended changes based on assumptions or approach, this determination will be documented in an IGE summary sheet that states the preliminary IGE will serve as the final IGE. This summary will be provided to the contracting agency.

If there are components of the PWS requirements that do not have existing approved CTC estimate, or if there are alternate approaches and assumptions determined to be viable for a site with an approved CTC estimate, then the USAEC ERM and cost estimator will discuss the approach and the cost estimator will develop new or revised estimates for these activities. The differences between the revised estimates and the preliminary IGE for that site must be clearly documented in the IGE summary sheet, as described below.

In some cases, particularly for sites where a DD has not yet been signed, there may be uncertainty associated with the likely remedial action proposed for the site. Depending on the site type and contaminant, the USAEC ERM and cost estimator may determine that even though the DD has not been signed, there is little uncertainty that would have a direct impact on the cost. However, in some cases the differences in remedial approach may have significant impact on the cost estimate for the activity. These uncertainties are usually identified during the candidate evaluation meeting and documented in the candidate evaluation matrix and AAR.

To better understand the impact of the uncertainty, the cost estimator will work with the USAEC ERM to develop representative costs for a variety of approach alternatives and determine the likely minimum and maximum values for key cost factors such as volume of soil to be removed, acres to be capped, or contaminants encountered. From

What is a MCUA?

MCUA is an analytical tool that allows the cost estimator to consider a distribution of possible values for all uncertain inputs (i.e., inputs for which no single value can be selected with any confidence) to see how those uncertainties could affect the actual cost. For a given cost estimation run, the computer randomly selects a value from the distribution of possible values for each uncertain input and calculates the resulting cost estimate. The computer performs thousands of such runs to create a distribution of estimates that reflect the full range of possible combinations of all the uncertain inputs. In this way, the MCUA output indicates the likelihood of any particular cost being realized when the work is actually performed. This is the method that more experienced bidders are using to help select their price for performance-based contracts when there are multiple uncertainties related to site conditions and/or the technical feasibility of remedies.

these inputs, the IGE developer will prepare a Monte Carlo Uncertainty Analysis (MCUA). From the results of the MCUA, the cost estimator and the USAEC ERM may recommend the following:

- A change to the performance objective for the site (e.g., from RIP to obtaining a signed DD);
- A data collection and/or analysis effort to better understand the site conditions and reduce the uncertainty;
- Removal of the site from the PWS until such time as activities can be conducted that will better prepare the site for a future PBA (e.g., completing field investigation); or
- Moving forward with the site in the PWS as is because the uncertainties are not deemed significant.

Whenever a new approach or revised assumptions are incorporated into the IGE strategy, or when the site or activity included in the PWS does not have an approved CTC estimate, the cost estimator will develop a new CTC estimate, or modify the existing CTC estimate and incorporate these new costs into the final IGE.

The offerors may identify other uncertainties as they prepare their proposals. As a result, they may request additional data, further clarification on the PWS, or suggest alternate approaches such as changing the performance objective to be one considered better suited for the level of characterization available about the site. The Army Team will need to carefully consider these requests and determine whether an amendment to the PWS is warranted. If the PWS is modified, or additional data made available, the IGE will need to be updated to reflect this change.

6.2 Documenting the IGE and Cost Analysis

The FAR does not specify the level of detail required in the IGE that is developed for a procurement package. In fact, the level of detail required will vary depending on the contracting agency, the KO, and the type of contract mechanism being used. As such, the USAEC ERM and cost estimator should determine the IGE requirements and objectives early on in the process, and determine the extent of documentation required to support those objectives.

For example, for the ACSIM ID/IQ, the necessary documentation is very streamlined and may be comprised of the preliminary IGE and signature sheet if there is agreement the preliminary IGE is reasonable. However, for each site where new cost estimates are generated (or old estimates modified), there will need to be an explanation of the cost difference (including assumptions, new technologies, etc). This explanation will be included in the IGE summary sheet. When differences between the preliminary IGE and the final IGE exist, the IGE summary sheet should contain the following information:

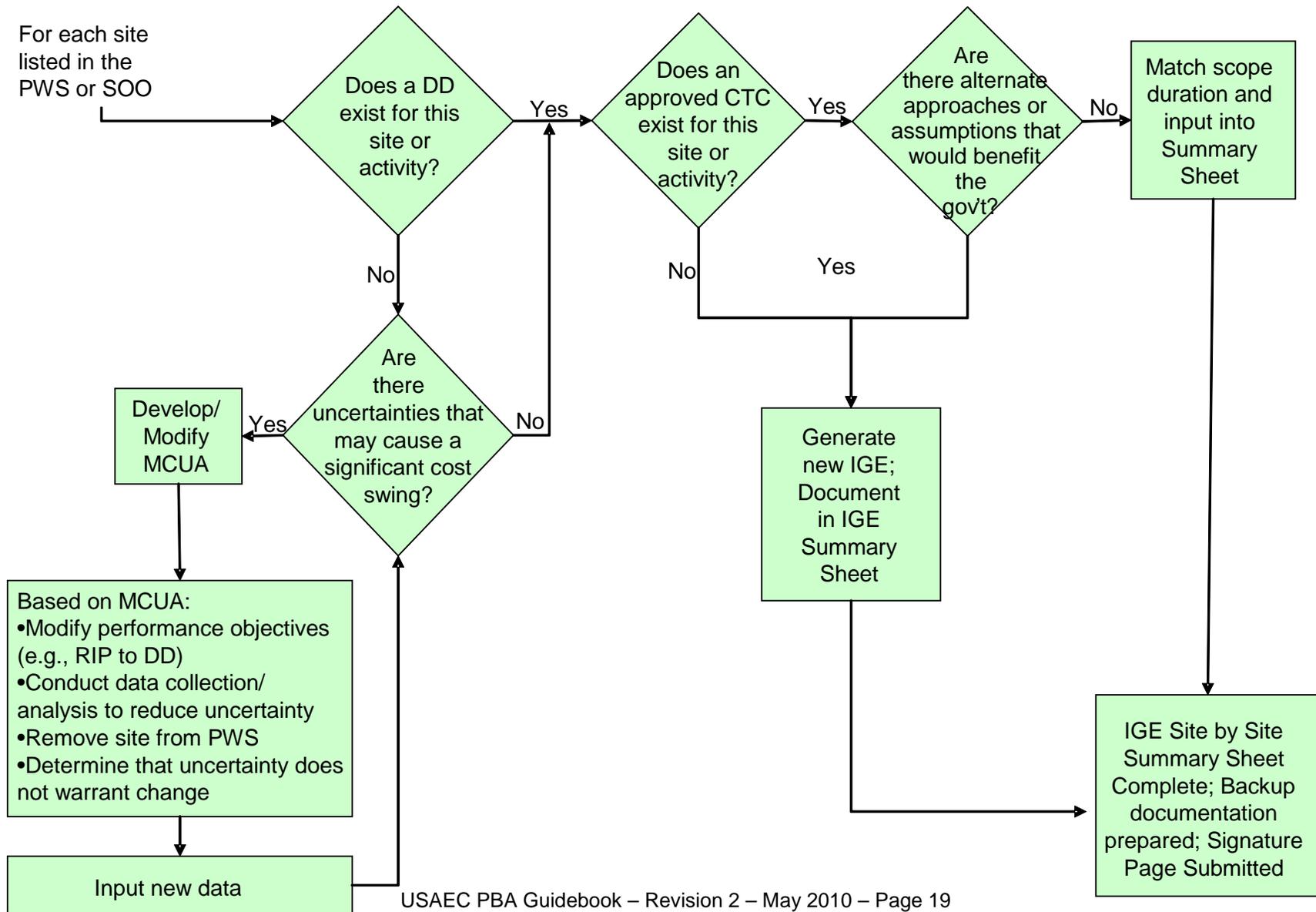
- The initial cost estimate and its basis (e.g., from AEDB-R and/or AEDB-CC program funding worksheet adjusted for the period of performance and site performance objectives of the PBA);
- The revised estimate; and
- The justification for revision (e.g., assumed larger/smaller volume for excavation, new technology available).

The final package, including the IGE summary sheet and any necessary backup documentation (e.g., the MCUA, newly generated or modified CTC) will be provided to the USAEC ERM in both draft and final versions. The summary table will provide the CTC estimate and IGE for each site, and be sub-totaled by Army program (i.e., IRP, MMRP, CC, or others) to facilitate metrics

tracking. The final IGE will be accompanied by a signature page, which is signed by the IGE preparer and USAEC ERM. The IGE including a cover page containing original signatures is maintained at USAEC. For ACSIM ID/IQ procurement actions, the final IGE is submitted a minimum of one week before the proposals are due. However, the timing for finalizing the IGE may differ among contracting agencies. A template for the final IGE and signature page is included as Attachment 18.

For other contract mechanisms, such as the USACE District contract vehicles, the requirement may be more extensive. When a decision is made to use a contract other than the ACSIM ID/IQ, the USAEC ERM and cost estimator will need to determine the IGE requirements, including the required level of detail, format, and schedule.

Figure 6.1: Decision Framework for IGE Development and Cost Analysis



7.0 Offeror's Site Visit

Offerors are provided the opportunity to visit the Installation during the proposal preparation phase. The offeror's site visit is scheduled within two weeks after the RFP release. The date is announced to potential offerors along with release of the RFP (or RTOC), or for Installations with more challenging logistics, prior to release of the RFP. This provides the offerors time to make travel arrangements (and provide any required security information to the Installation), review the RFP, and formulate questions.

The Offeror's site visit is generally coordinated and managed by the USAEC ERM and the Installation. The Installation handles the logistics, including arranging for meeting rooms, transportation, and appropriate tour guides. Depending on Installation conditions, it may be easier to provide a bus to take all participants to the sites than to keep track of a caravan of privately owned vehicles. The bulk of the visit consists of an Installation/site tour, during which an Army Installation representative escorts offerors to all sites included in the RFP and provides a brief summary of the each site's status to date. In limited cases the IGE developer will attend the offeror's site visit to see the sites, get a sense of the questions that offerors have, and to help refine the IGE strategy and approach, if needed. If requested, a member of the PBA Team may also attend to provide support to the Installation and USAEC ERM during the tour.

The USAEC ERM and Installation may opt to provide prospective offerors a package of information summarizing the site visit. This package generally includes the performance objectives and performance standards as stated in the PWS, an Installation map, the order that sites will be seen along the tour, and pictures and descriptions of the sites (to the extent there is new information than what can be found in the available documentation).

Representatives from the contracting agency may choose to participate in the offeror's site visit to provide answers to contract-related questions.

The offeror's site visit is the only opportunity that offerors have to view the Installation and sites during the proposal preparation phase.

7.1 Involvement by State and Federal Regulators

State and Federal regulators are encouraged to be actively engaged in the PBA process. Successful PBAs are dependent on regulators understanding the nature of PBA. Regulators should be invited to participate in the candidate evaluation meeting and offeror's site visit, as well as offered the opportunity to provide input during the PWS development. Their level of involvement varies, depending on their familiarity with the sites and their willingness to speak to the offerors. Many regulators will limit their involvement in the process because they believe their participation may be seen as an endorsement of a particular technical approach. However, regardless of the level of participation, the USAEC ERM needs to make sure that regulators are familiar and comfortable with the PBA approach and understand how the cleanup program at the Installation may be impacted by PBA. The PBA Team is available to assist with responding to regulator questions or concerns, as requested.

Offerors are encouraged to submit all questions in writing (including those questions directed to regulators); however, experience shows that they will actively seek regulator interaction during the proposal preparation process. It is important for the USAEC ERM and

Installation to communicate to the regulators that they are under no obligation to speak with offerors during the bid process. In fact, regulators should be encouraged to tell offerors to submit their questions to the KO rather than attempt to engage in discussions on site-specific technical approaches. It is also important that the regulators be aware that the PWS and candidate evaluation processes are considered procurement sensitive and that they are not free to distribute or discuss materials and information provided to them by the Army. The USAEC ERM and Army Team must utilize procurement sensitive markings on all correspondence related to the PBA effort to help ensure procurement integrity.

8.0 Proposal Preparation

With the exception of the offeror's site visit, Army Team activities during the proposal preparation are limited to answering offerors' questions, determining if and when amendments are required for the RFP, and preparing for the technical reviews of the proposals (see Preparation for Proposal Evaluation).

During proposal preparation, all offeror questions must be directed to the contracting agency. The contracting agency distributes questions submitted by offerors to the USAEC or USACE for resolution and will release amendments containing the final responses. Once answers are developed, the contracting agency will post the entire question and answer (Q&A) package as an amendment. The USAEC ERM should provide a copy of the final Q&A package to USAEC Legal Counsel and the IGE developer. Last minute questions require the determination of whether to extend the proposal due date. While the Army makes every effort to answer all offeror questions, the contracting agency may exercise discretion in limiting or establishing a cut-off date for receipt of Q&As in order to ensure a timely proposal preparation period. These limits may be extended if new information or data becomes available that may significantly alter the offerors' technical approach or bid price.

The contracting agency is responsible for releasing other amendments that may be necessary. Amendments may be released to correct or update information and data in the RFP.

At the end of the proposal preparation phase, offerors submit their proposals to the contracting agency. The USAEC ERM, together with the contracting agency, schedules the proposal evaluation.

9.0 Preparation for Proposal Evaluation

The TEB is responsible for evaluating the submitted proposals, providing a written evaluation of all proposals received, and providing an award recommendation to the KO. The TEB is comprised of a blend of Army, Installation, USACE, and/or technical support staff to provide needed perspectives for evaluating bids. All members of the TEB are required to sign a non-disclosure statement. The TEB chair and voting members of the TEB must be Department of the Army Civilians (DAC) or military personnel. The TEB chair is frequently the USAEC ERM. The TEB is generally comprised of three to five evaluators identified by the ERM and the Installation. If the PBA includes EI, the USAEC ERM needs to coordinate with the KO to arrange for the proposed insurance policies to be sent to the EI reviewer during the proposal evaluation.

USAEC ERMs are responsible for coordinating the dates for the proposal evaluation with the contracting agency, the Army Team, and the TEB. USAEC ERMs should prepare for the

proposal evaluation by providing all relevant materials to the TEB in advance of the evaluation, including the following:

- Technical Evaluation Form that includes the technical evaluation criteria and adjectival ratings
- RFP and all amendments (includes PWS);
- Scoping site visit documents;
- Offeror's Site Visit(s) documentation;
- Offeror Q&As (should be in amendments to RFP); and
- Final IGE/cost analysis summary.

All TEB members need to familiarize themselves ahead of time with the technical evaluation criteria, PWS, and the Q&As.

10.0 Proposal Evaluation

The KO provides the TEB members with copies of the proposals upon receipt. When technical support is utilized on the TEB, the support staff will provide technical input to the voting members of the TEB. However, the technical support staffs are non-voting members of the TEB. The EI reviewer may participate in the proposal evaluation meetings to present the adequacy of the draft policies to the USAEC ERM/KO. The format of the proposal evaluation process depends largely on the contracting agency and, to a lesser degree, the technical complexity of the procurement. In some cases the KO will send electronic copies of the technical proposals to the TEB in advance of the evaluation meeting to facilitate a more efficient review. If this occurs, the TEB chair, in consultation with the Installation and KO may determine that the evaluation can be accomplished on a conference call rather than convening in person. In other cases, the KO provides hard copies of proposals to the TEB during the proposal review meeting.

What are the key considerations for proposal evaluation?

The evaluation criteria should be established based on the Government's objectives, the marketplace, and risks that will vary depending on the technical solutions proposed. The requirements and how the Government will evaluate proposals must be clearly communicated to industry. Some key considerations are:

- ✓ Limit evaluation criteria to key discriminators.
- ✓ Clearly communicate the requirements and proposal evaluation methodology in the solicitation.
- ✓ The evaluation criteria will be used by the proposal evaluators to determine the degree of vendor responsiveness to the solicitation requirements.
- ✓ Documented strengths, weaknesses and deficiencies, must be directly aligned with the evaluation criteria. This data will be used to develop the final source selection decision.

The TEB completes the proposal evaluation and provides completed Technical Evaluation Forms to the contracting agency. If the solicitation was conducted as technically acceptable, low cost procurement, all proposals should first be evaluated independent of price to determine ratings for all evaluation criteria. Proposals that receive an adjectival rating of acceptable are then evaluated for price and award is recommended for the lowest price, technically acceptable offeror. If the solicitation was conducted as trade-off analysis, the TEB evaluates both price and non-price factors to determine the combination of factors that represents the best value for the evaluation criteria. Typically, the contracting specialist

will require that technical review is completed and proposals “ranked” highest to lowest before providing the TEB with the cost proposals. The TEB will determine tradeoffs considering the non-price strengths and weaknesses, deficiencies, and the price offered in each proposal to make an adjectival rating. The TEB will recommend award to the proposal that represents the best value to the Government based upon the evaluation criteria. In either technically acceptable, low cost or trade-off analysis evaluations, the TEB may need to develop a list of clarifications and/or questions that the KO will distribute to the offerors.

TEB evaluations are not required to follow a particular format; however, they should provide rationale to support adjectival ratings for each offeror (e.g., acceptable or non-acceptable) and for each of the criteria identified in the technical evaluation criteria issued to the offerors with the RFP. Sample evaluation forms for Technically Acceptable/Low Cost and Trade-Off Analysis Evaluation Summary Sheets are provided in Attachments 19 and 20, respectively. Supporting statements should be provided by the TEB for each criteria determined to be anything other than “acceptable.” For example, a rating of “outstanding” should be documented with the specific references in the proposal that demonstrate that the proposal exceeds Army expectations. Conversely, a rating of “unacceptable” should be substantiated with references explaining how the proposal fails to meet the Government’s minimum objectives and requirements, or contains deficiencies or weaknesses deemed a disadvantage. Preparation of a summary sheet for each individual offeror allows the KO to easily provide feedback to the offerors at the conclusion of the solicitation process.

Army acceptance of the contractor’s proposal does not constitute approval of the proposed payment milestones. The milestone payment schedule will be negotiated and finalized as part of the PMP in accordance with the PWS and approved by the KO.

11.0 Contract Award

During the contract award period, the contracting agency enters into a PBA with the selected offeror. During this time the contracting agency finalizes all paperwork associated with the award, notifies all offerors of the award, and conducts de-briefings with all offerors (if appropriate for the contracting mechanism being used). The CLIN structure is finalized at this time and included in the contract award documentation.

The KO decision as to who will serve as the COR is made at the pre-procurement phase in consultation with the USAEC ERM and upon verification of qualifications. The proposed COR is encouraged to participate on the TEB and is appointed as COR by the KO following award.

The final product of this process is the Performance-Based Contract (PBC), which is awarded to the selected offeror after final CLIN negotiations, if necessary, with the contracting agency and Army representatives. The contract award document incorporates the contractor’s commitment to complete the performance objectives identified in the PWS within the specified period of performance and for the firm fixed price proposed. Incorporation of the contractor’s entire proposal by reference is discouraged in order to allow maximum flexibility in approach for completing the performance objectives.

Upon award, the USAEC ERM prepares a contract award summary providing details of the winning offer to the PBA Team. The information supports PBA Team metrics tracking and other reporting mechanisms. The CTC value should be matched to the period of

performance and site objectives in the PWS as discussed in Section 6.0. A template for the award summary is included as Attachment 21.

12.0 Post-Award/Contract Implementation

Once the contract has been awarded, issues and questions may arise. The kick-off meeting offers an opportunity to clarify Army expectations, respond to questions, and establish roles and responsibilities of team members prior to the contractor developing the PMP and QASP. Regardless of the contract type, the role of the COR will be defined by the contracting agency. Guidance is available from the KO, and the KO will be available for questions and resolving contractual questions.

If EI was required by the Army as a component of the PBA or permitted by the Army as part of the offerors proposed approach, the Contractor will provide a quote letter containing a policy with endorsements to the KO/COR within ten (10) workdays of contract award. The Army will review the quote letter to ensure consistency with the PWS objectives. The Army will allow the first payment milestone to include necessary insurance costs (e.g., insurance premium), however, the Government may withhold or adjust payment for the insurance policy if the final bound policy terms and conditions are changed from the draft policy terms and conditions presented in the Contractor's proposal submittal.

PBA implementation and oversight should strive to continually improve. For example, contractors may have missed performance objectives in PBAs, but the Army has not adequately documented the deficiency and in some cases, the Army has approved payments for work not fully or satisfactorily completed. It is unrealistic to expect the challenges in contract execution and implementation to be changed by the contracting approach; therefore, the use of PBA alone has not and will not resolve these issues. Although PBAs establish pay for performance principles, which can significantly improve some of the execution problems, the success of the performance-based approach is directly affected by the understanding and implementation by the Army personnel performing the oversight. Therefore, there needs to be continual emphasis on COR training, performance monitoring and establishing key metrics for use in quality assurance surveillance of contractors' performance and deliverables, and complete documentation of issues associated with contractor performance as PBAs are implemented.

12.1 PMP/QASP and Payment Milestone Development

The PMP/QASP must be identified in a separate CLIN and should be exercised upon award of the contract. The PMP is the "kick off" document which lays out the plan of action to take each site listed in the PWS through the contracted end point. The PWS defines the timing for completion of the PMP/QASP but a draft is typically due within 30 days of contract award. The contractor's technical approach, payment milestone schedule, and the detailed project schedule are an integral part of the PMP because they illustrate the course of action and the amount of resources required to meet the performance objectives listed in the PWS.

The PMP is the guide for implementing the major project elements and documents assumptions and decisions regarding communication, management processes, execution and overall project control. The ultimate purpose of the PMP is to clearly define the roles, responsibilities, procedures and processes that will result in the project being managed such that it is completed on-time, within budget, with the highest degree of quality, in a safe

manner for both the individuals working on the project and for the traveling public, and in a manner in which the public trust, support, and confidence in the project will be maintained.

The PMP addresses all phases of the major project life cycle, and ensures that the project will be managed holistically and as a continuum, not incrementally as the project progresses. It is essential that the PMP establish the metrics by which the success of the project is defined (e.g. payment milestones in the case of the PBAs).

Since the technical approach for the PBA is developed by the contractor, the contractor also develops a proposed QASP in accordance with the QASP template included in the PWS. The QASP specifies what steps the Army will take in order to ensure that the contractor performance is in accordance with the PWS performance standards. The QASP ensures that the government receives the quality of services called for under the contract and pays only for the acceptable level of services received. The QASP should highlight key quality control activities or events that the COR will use to determine when Army (COR or KO) inspections can be conducted to assess completion of milestones. Activities identified in the QASP should be appropriately coded in the project schedule to allow for planning of QA inspections.

The QASP defines the standard performance, maximum performance and negative performance incentives, and the units of measurement. The QASP can include positive and/or negative performance incentives. Incentives should be used when better quality performance will result and should be applied selectively to motivate contractor efforts that might not otherwise be emphasized and to discourage inefficiency. If incentives are used, the incentive structure not only provides a meaningful incentive to the contractor but also reflects the monetary and intrinsic value to the government of differing performance levels. When incentives are used, the QASP is developed by the Army Team prior to release of the RFP and in conjunction with the PWS. Incentives shall be proportional to the indicated level of task importance.

The QASP provides descriptions of procedures that address how to manage both the performance that does not meet performance standards and performance that exceeds performance standards. The relative failure or success of a task performed under the PBC will be determined through comparison to the 'acceptable' performance defined in the QASP.

As indicated in Section 10.0, Army acceptance of the contractor's proposal does not constitute approval of the proposed payment milestones. The milestone payment schedule will be negotiated and finalized as part of the PMP in accordance with the PWS and approved by the KO. Payment milestones shall not represent a "progress" payment or a "monthly" payment for level of effort expended. For any performance objective, a milestone payment shall be for completion of a definable point considered integral and necessary to completion of the performance objective. For example, if the performance objective is to achieve RIP or RC and work required to achieve RIP or RC includes RI/FS, PP, ROD, RD, and RA, then potential interim milestone payments could be:

- Army Approval of Draft RI/FS;
- Regulator approval of final RI/FS;
- Army Approval of Draft PP;
- Regulator approved final PP;

- Signed ROD;
- Completion of X% of RA;
- Completion of RA;
- Army Approval of Draft Construction Complete Report;
- Regulatory Approval that no further remedial action is required.

For MMRP sites, additional potential interim milestones could include:

- Completion of geophysical prove out;
- Completion of X% of acreage cleared; or
- Army Approval of Field Activity Report.

Proposed milestone payments for Army approval of draft documents requires sufficient funds to remain associated with the final document to ensure completion of the performance objective. Payment in excess of 80% of the total payment for that activity prior to achievement of the final deliverable for the milestone is not recommended.

Attachment 22 provides guidance for the development of CLIN structures, payment milestones, and detailed project schedules.

12.2 *Post-Award Roles and Responsibilities*

The USAEC ERM continues in an oversight position, and is the key point of contact for assuring that the appropriate funding requests are submitted. The USAEC ERM remains the primary point of contact between the Installation/COR and USAEC for review of status reports and approval of release of expenditures for new CLINs being exercised. The USAEC ERM will also coordinate between the Installation and USAEC Legal, as well as the U.S. Army Center for Health Promotion and Preventive Medicine (CHPPM) for review of key documents. The Branch Chief and Division Chief remain the final decision makers.

12.3 *Contract Modifications*

Requests for contract modifications may be initiated by the contractor or the Army to address a variety of administrative or technical issues. Requests initiated by the contractor will be evaluated on a case-by-case basis to determine whether the request has merit and should be honored, or whether the request represents a fundamental lack of understanding of performance-based contracting. The USAEC ERM and COR are responsible for reviewing the request and comparing it to the PWS and PBC and making a recommendation to the KO regarding the modification. The PBA Team will provide support for the modification review and/or package development upon request. The final determination on whether the modification will be addressed resides with the KO.

Is an AMOAS required for a modification?

An AMOAS is required for modifications involving:

- ✓ Acquisition of services > \$100,000 that was not subject to previous reviews.
- ✓ The exercising of an option > \$100,000 that obligates funds against an existing contract or task order.

AMOAS approval thresholds and timeframes:
 >\$100,000, but < \$10M within 10 working days
 >\$10 M, but < \$150 M within 15 working days
 ≥ \$150M, but <\$500M within 140 working days
 ≥ \$500M within 240 working days

USAEC ERMs are responsible for preparing all supporting elements of the RFP package for the proposed modification(s) involving scope outside the original contract. This involves the PWS which indicates areas being modified, technical evaluation criteria, IGE, key documents to be provided to the contractor, Limited Source Justification (LSJ) for Other Than Full and Open Competition, and AMOAS.

Although significant input is required from the technical and requirements personnel to complete the LSJ, the KO also provides input and is ultimately responsible for ensuring that the LSJ is in the format and includes the content prescribed in the Army Federal Acquisition Regulation Supplement (AFARS). The LSJ is a stand-alone document that must address all relevant information pertaining to the acquisition. Supporting documentation may be attached; however, information contained in the documentation justifying the basis for the non-competitive action must also be included in the LSJ body (i.e., put all the facts in one place). The overall LSJ content should be no more than four to six pages, exclusive of the signature pages. The outline for a LSJ is provided in Attachment 23.

The KO is the approving official for LSJs that do not exceed \$550K. LSJs between \$550K and \$11.5M require the local Special Competition Advocate (SCA) as the approving official. Additional thresholds and approving official levels are prescribed for actions exceeding \$11.5M.

When is a LSJ required?

A LSJ is required whenever a prospective contract requirement is not fully competitive for various reasons:

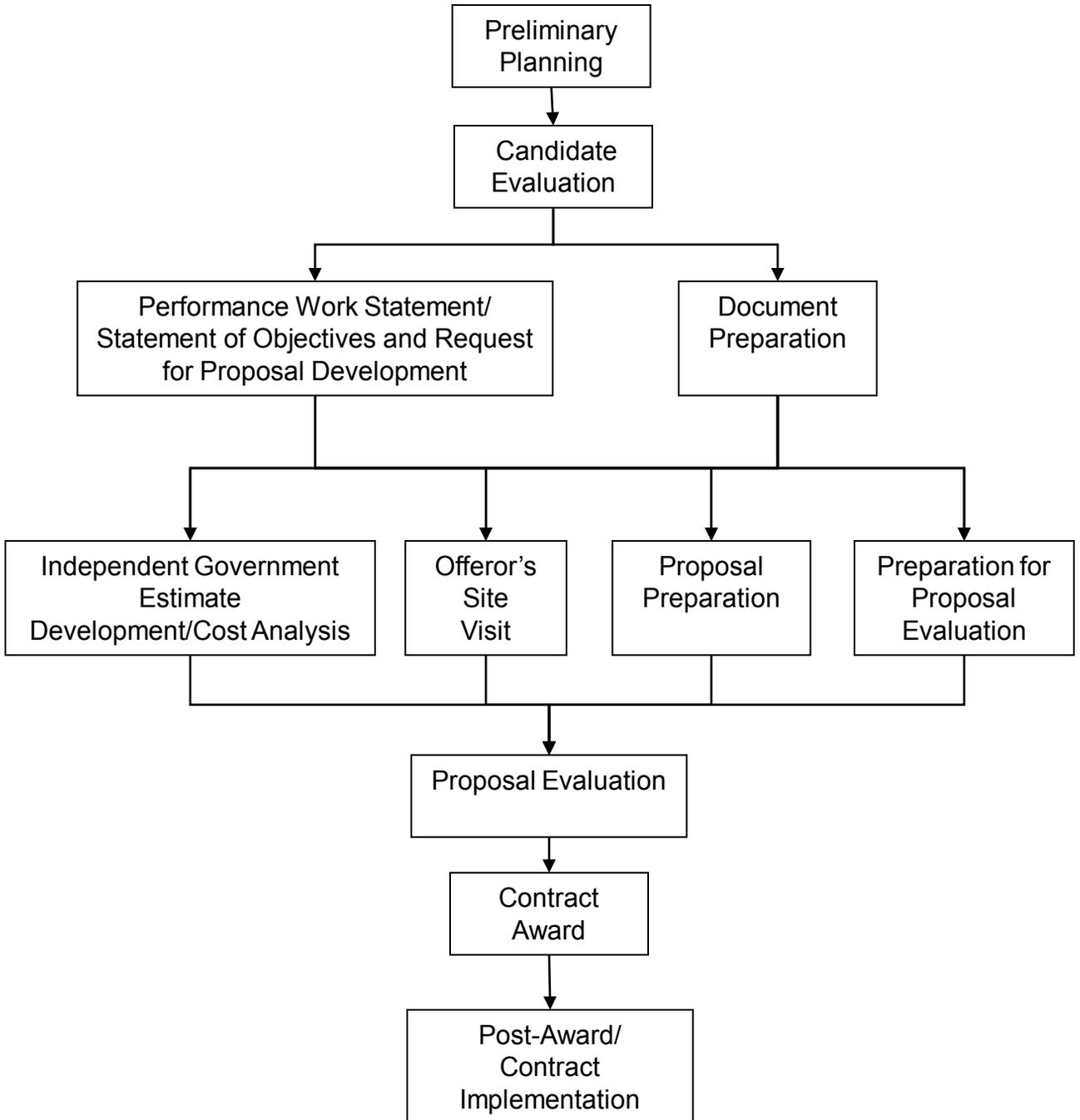
- ✓ Cumulative/Combined Amount: An increase in the dollar value to the current contract beyond the authority of the previous approving official. Also, if any change (e.g., price, strategy, scope, period of performance) exceeds the basis for the original justification approval authority.
- ✓ Contract Extensions: When the current period of performance must be extended outside the authority of the option clause.
- ✓ Modification outside the Scope of the Original Contract: Contractual requirements outside the original scope. Scope issues include but are not limited to; changes to requirements, quantities, and period of performance.
- ✓ New 8(a) Contracts or Modifications: For acquisitions that exceed the 8(a) competitive threshold.
- ✓ Repurchases: If supplies or services are required beyond the quantity or type of those terminated, then the additional quantity is treated as a new procurement.
- ✓ Un-priced Options: Contract options not priced and evaluated at the time of the contract award, require an approved J&A prior to the option being exercised.

Requests for pricing should not be solicited by the ERM or Installation. A formal proposal request against the RFP will be issued to the contractor by the KO upon completion of the LSJ and supporting documentation. A TEB, as previously described in Chapter 10, will review the contractor's proposal and provide recommendations to the KO regarding technical acceptability and price reasonableness. The TEB approach and level of documentation for the evaluation should be commensurate to the size and complexity of the modification, and as required by the KO.

13.0 Conclusion

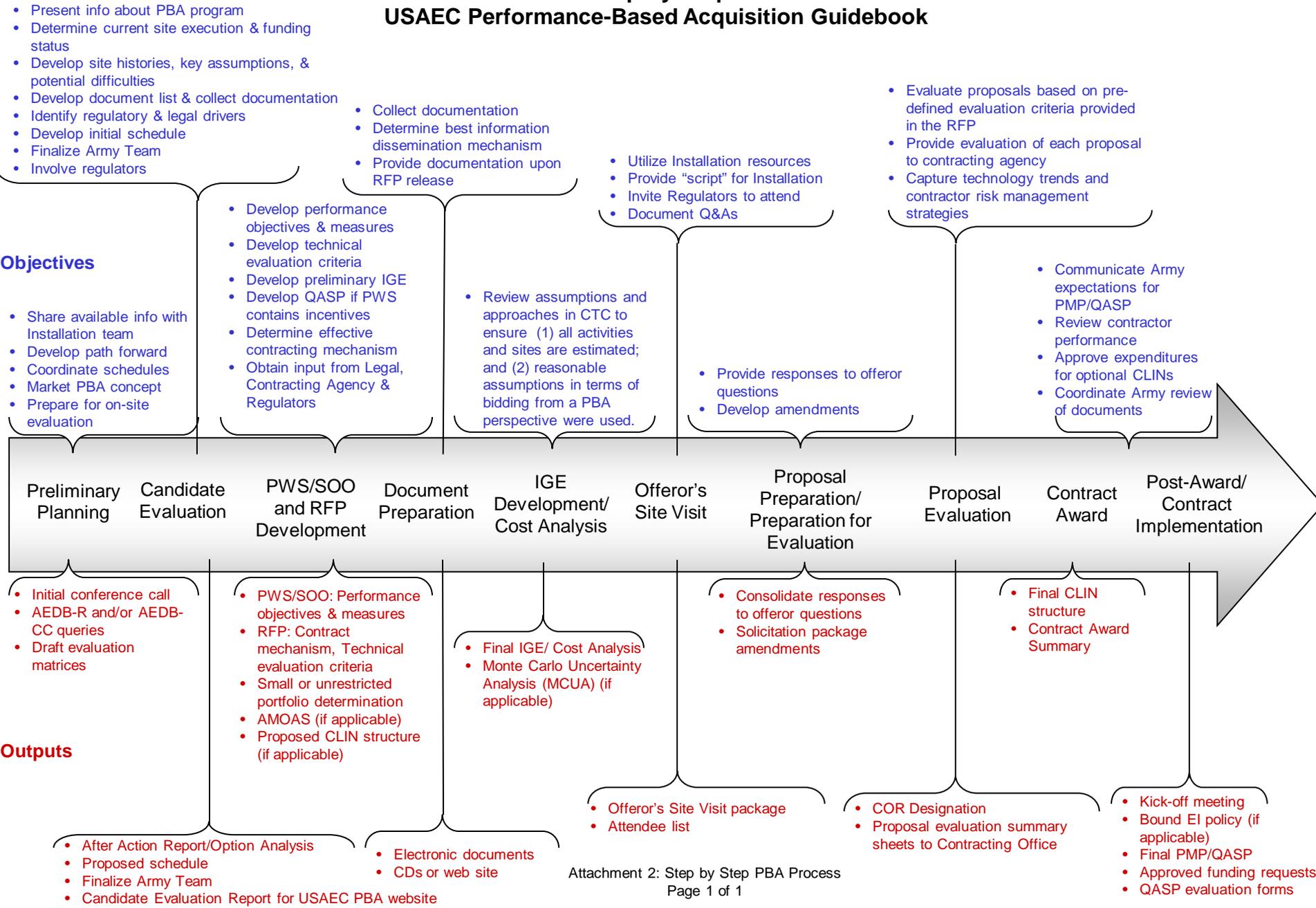
The PBA Guidebook will continue to evolve as the Army's cleanup programs mature and processes are improved through lessons learned. Following this PBA Guidebook are all attachments referenced throughout the document; however, the templates provided are revised continually with process improvements. The most up-to-date PBA information and templates can be found at the USAEC's PBA website:
<http://aec.army.mil/usaec/cleanup/pba00.html>.

**Attachment 1: Framework for Implementing PBA
USAEC Performance-Based Acquisition Guidebook**

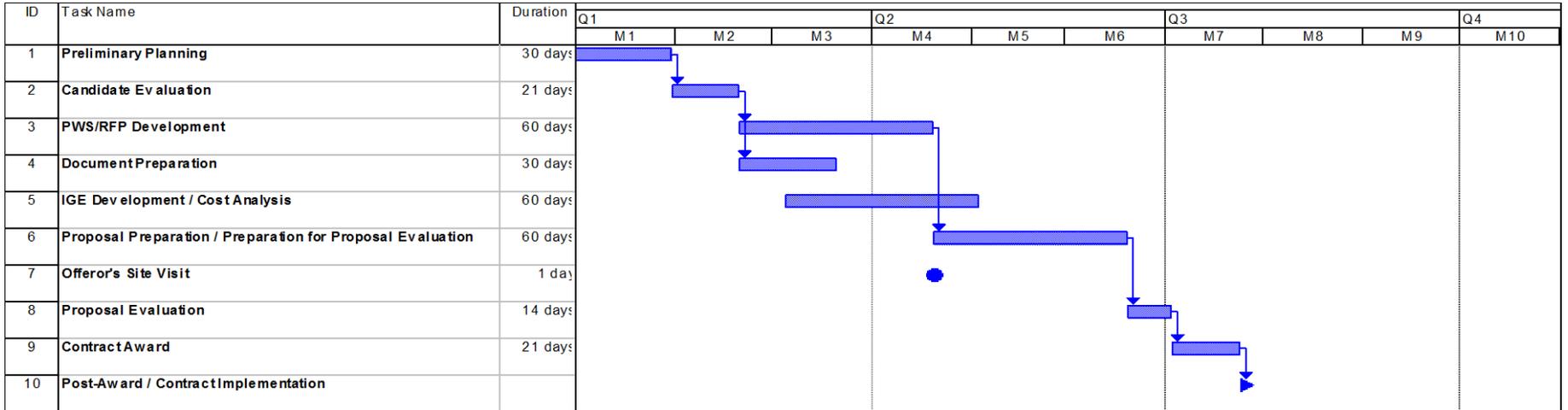


Attachment 2: Step-by-Step PBA Process

USAEC Performance-Based Acquisition Guidebook



Attachment 3: Example PBA Schedule USAEC Performance-Based Acquisition Guidebook



**Attachment 4: Environmental Restoration Manager Roles and Responsibilities Checklist
for Performance Based Acquisition
USAEC Performance-Based Acquisition Guidebook**

Introduction

The purpose of this checklist is to provide an outline of the roles and responsibilities of the Environmental Restoration Manager (ERM) in the Performance-Based Acquisition (PBA) initiative phases. The ERM is the technical lead in the US Army Environmental Command's (USAEC) PBA process. The PBA Team is available to support the ERM's efforts as technical lead. The items below are intended to be an outline of activities and responsibilities that ERMs should ensure are met. Additional information can be found in the USAEC PBA Guidebook or obtained from the Army PBA Team.

1. Installation Prioritization

- Participate in branch level planning discussions with the Army PBA Team to identify candidates.
- Read the FY Candidate Memo and communicate any concerns or questions.

2. Preliminary Planning

- Provide the Army PBA Team with information to supplement Army Environmental Database - Restoration or Compliance Cleanup (AEDB-R and AEDB-CC) query results, such as the latest Installation Action Plan (IAP) and recent site documents.
- Identify and communicate potential difficulties and challenges, as well as possible paths forward for resolution.
- Coordinate evaluation meeting date with the Army PBA Team, Installation, and the regulators.
- Review the draft program status and documentation matrices, then forward to meeting participants.
- Work with the USAEC Branch Chief, contracting agency, and Installation to identify the Contracting Officer's Representative (COR).

3. Site Scoping Visit

- Assist the Army PBA Team in finalizing travel and Installation entry logistics for the on-site evaluation meeting if needed.
- Participate in the on-site or teleconference evaluation meeting(s).
- Work with the Army PBA Team to determine Installation and site status, response alternatives, contract status, documentation status, cost-to-complete (CTC) supporting data, regulatory and legal drivers, and potential organizational conflict of interest (OCI) concerns.
- Work with the Army PBA Team to develop list of sites that will be incorporated in to the Performance Work Statement (PWS)/Statement of Objectives (SOO) which includes development of compelling rationale for excluding some evaluated sites.
- Work with the Army PBA Team to develop the draft Installation PBA schedule.
- Review the final PBA Evaluation Matrix.
- Review the draft After Action Report (AAR) and Candidate Evaluation Report (CER) and option analyses and provide comments to the Army PBA Team within two weeks of receipt.
- Work with the Army PBA Team to identify uncertainties that could be the subject of leveraged data collection efforts prior to development/release of the PWS/SOO.

4. Background Document Preparation

- Work with the Army PBA Team to determine key documentation for each AEDB-R/AEDB-CC site included in the PWS/SOO that is necessary for proposal preparation.
- Work with Installation to collect the identified documentation.
- Work with the Army PBA Documentation support contractor to prepare documentation and develop website or CD(s). This may include scanning documents not available in electronic format.

5. Request for Proposal (RFP) Development

- Act as a liaison between the contracting agency and the Army PBA Team.
- Act as a liaison between the Installation and the Army PBA Team.
- Work with the Army PBA Team to define appropriate performance objectives and measures, as well as technical evaluation criteria.
- Work with contracting agency and the Army PBA Team to determine the best contracting mechanism and strategy. Identify the overall scope, complexity, and value of the PBA.
- Develop preliminary and/or final Independent Government Estimate (IGE), depending upon specific contract office requirements.
- Develop proposed Contract Line Item Number (CLIN) structure.
- Develop Army Management & Oversight of the Acquisition of Services Strategy (AMOAS) as required.
- Provide comments on the draft PWS and RFP. Review final PWS and RFP before submission to contracting agency.
- Coordinate draft PWS/SOO and any other required documentation (Limited Source Justification (LSJ), Acquisition Strategy, IGE, etc.) with Installation representatives, USAEC Legal and regulators, as appropriate.
- Work with the Army PBA Team and Installation to develop the offeror's site visit package.
- Coordinate with the Program Management Branch to ensure availability of funding.
- Ensure contracting agency receives the COR nomination letter.

6. IGE Development/Cost Analysis

- Review existing cost estimates to determine if all activities have an approved CTC.
- Work to ensure remediation strategies and assumptions are reasonable assumptions in terms of bidding from a PBA perspective.
- Request assistance from PBA Team to have IGE developed.
- Ensure CTC information provided in the IGE summary sheet is reflective of the latest IAP CTC data.
- Ensure the IGE is finalized with the PWS/SOO. Note: Some contracting offices allow a government approved preliminary IGE to be submitted with the PWS and the final IGE to be submitted prior to the proposal due date.

8. Solicitation Package

- Provide the Contracting Agency a copy of:
 1. Final PWS/SOO
 2. Technical evaluation criteria
 3. Proposed CLIN structure (if applicable)
 4. Preliminary or Final IGE
 5. Date and logistics of offeror's site visit
 6. PBA documentation location (website address, username, and password if appropriate)
 7. Army Management & Oversight of the Acquisition of Services Strategy (AMOAS), if required by contracting office.
 8. Available funding (amount funded via Military Independent Purchase Request (MIPR) to contracting agency).
 9. Any additional strategies or approvals

9. Offeror's Site Visit and Response to Bidder Questions

- Coordinate the tour with the Installation (includes bidder transportation, meeting rooms, etc.).
- Lead presentations of the PWS/SOO to the bidders during the site tour, in coordination with Installation and contracting agency representative.
- Consolidate questions from site visit and provide answers to contracting agency for release.
- Provide responses to offeror's submitted questions to contracting agency for release. Coordinate legal review of responses, as appropriate.
- Work with contracting agency to develop necessary solicitation package amendments.
- Review solicitation package amendments prior to release.

10. Evaluation Preparation

- Coordinate identification of Technical Evaluation Board (TEB) members (voting and non-voting), evaluation schedule, and location with the contracting agency. Ensure an environmental insurance reviewer is included as part of the TEB if the PWS requires environmental insurance.

11. Proposal Evaluation

- Chair the proposal TEB (must be a Department of Army Civilian or DAC).
- Complete proposal evaluation summary sheets.
- Prepare clarification questions for the offerors, if necessary.
- Review offerors CLIN structure and identify modifications, if necessary, to the contracting agency.
- Identify funding requirements and coordinate availability with the Program Management Branch.

12. Contract Award

- Notify the Cleanup Division leadership and PBA Team of award.
- Provide electronic file of contract award documents to the Army PBA Team.
- Prepare contract award summaries (e.g., USAEC Weekly Update, PBA Award Summary and Press Release).

13. Post Award/Contract Implementation

- Participate in a kick-off meeting to communicate the USAEC expectations for the draft Project Management Plan (PMP), milestone payment schedule, and Quality Assurance Surveillance Plan (QASP) to the contract and with the assistance of the COR and Contracting Agency representative.
- Ensure bound EI policy is received (if required by contract) and reviewed to ensure consistency with policy submitted with the contractor's proposal.
- Completion of QASP evaluation forms.
- Approve funding requests to exercise optional CLINs, as appropriate.
- Coordinate USAEC review of documents and provide comments to the contractor and/or COR, as appropriate.
- Review contractor requests for contract/task order modifications and make recommendations to the COR and/or Contracting Agency, as appropriate.
For contract/task order modifications, prepare the LSJ and AMOAS, as required.

**Attachment 5: Example PBA Evaluation Matrix
 USAEC Performance-Based Acquisition Guidebook
 [INSERT INSTALLATION]**

Site ID (AEDB-R or AEDB-CC #)	Site Name	CTC minus LTM (in 000's)	LTM Costs Through End of Contract (in 000's)	Problem Statement	Likely Response(s)	Uncertainties	Current Phase	Executor/Contractor/Vehicle	Funded Endpoint and Estimated Completion Date	Unspent Balances	Additional Comments/Questions	PBA Candidate (Yes/No)	Proposed PBA Objective	Proposed Completion Date	Special Metrics or Standards
<i>AEDB-R or -CC and/or IAP site number</i>	<i>AEDB-R or -CC and/or IAP site name</i>	<i>AEDB-R or -CC and/or IAP CTC (less LTM)</i>	<i>AEDB-R or -CC and/or IAP LTM CTC thorough year when PBA contract would terminate</i>	<i>What is driving the need for action (e.g. [contaminants] in [media] greater than [x] ? Includes regulatory drivers, risk-based drivers, and other drivers.</i>	<i>What is the most likely path forward? May include more than one alternative.</i>	<i>What uncertainties remain that will lead to large price swings if not resolved prior to a bid?</i>	<i>Indicate phase work is in (e.g., PA, SI, RI, FS, RD, RA, LTM)</i>	<i>Identify who owns the existing contract, who the contractor is and what contract is being used (e.g., OMAHA/Tetra Tech/FFRI)</i>	<i>Indicate what the objective is for obligated funds and when that objective is scheduled for completion (e.g. decision document 9/30/09)</i>	<i>Indicate the unspent balances for obligated funds by each contract to identify possible break points or N/A</i>	<i>Any additional information which should be notes, including special circumstances and regulatory challenges.</i>	<i>Indicate if site is a candidate with yes or no to accommodate sorting.</i>	<i>What would be the endpoint in the PWS?</i>	<i>What is the target date for the endpoint?</i>	<i>Are there special metrics or standards that will define acceptable performance?</i>
IRP/CR Active Sites															
MMRP Active Sites															
CC Active Sites															
BRAC Active Sites															

Attachment 7: Template Invitation for Regulator On-Site Evaluation Participation USAEC Performance-Based Acquisition Guidebook

As part of the Army's on-going Performance-Based Acquisition (PBA) initiative, the US Army Environmental Command (USAEC) propose to conduct an on-site PBA candidate evaluation meeting at [INSTALLATION NAME, STATE] from [MEETING DAY(S), MONTH, YEAR]. The purpose of this meeting is to hold discussions with Installation personnel, technical program leads (e.g., the US Army Corps of Engineers or USACE), and regulators to determine whether individual sites and/or all sites are candidates for implementation of a PBA. The specific objectives of the meeting are to:

- 1) Familiarize the Installation personnel and regulators with the Army PBA initiative;
- 2) Discuss Installation and site histories and the current remediation phase for open sites, identify Army Environmental Database - Restoration (AEDB-R) sites (including Military Munitions Response Program – MMRP sites) and Compliance-Related Cleanup (AEDB-CC) sites with significant technical uncertainties, and discuss the Installation's strategy for managing those uncertainties (i.e., how well can we define the site boundaries);
- 3) Understand the current planned exit strategy for open sites;
- 4) Understand the regulatory and legal drivers, including the status of Resource Conservation and Recovery Act (RCRA) permits, Federal Facility Agreements (FFAs), etc., for the Installation and/or specific sites;
- 5) Identify the availability of the most relevant documents for all open AEDB-R sites and AEDB-CC sites (e.g., project documents, schedules, permits, Consent Orders, FFAs). These documents should be made available to the bidders if a PBA is recommended;
- 6) Determine the current status of funding and contracting efforts, including current execution agency(ies) and incumbent contractor(s), and identify appropriate contract transition/break points; and
- 7) Identify the data and assumptions used to develop the current cost-to-complete (CTC).

The results of these discussions are captured in a PBA evaluation matrices and after action report (AAR). Open sites that are not deemed good candidates for a PBA (e.g., timing will not meet Installation needs, remedial investigation not complete) are also noted in the evaluation matrices and AAR. These sites should have a defined path forward and/or exit strategy to ensure their progress outside of a PBA.

Attached you will find a draft agenda for the PBA candidate evaluation meeting and examples of matrices used to collect site information.

Additional information about the PBA initiative is available at USAEC's web site (<http://aec.army.mil/usaec/cleanup/pba00.html>). Your participation is very important to the Army's ability to successfully evaluate the sites at the Installation. Should you have any questions regarding the Army's PBA initiative prior to the meeting, please feel free to contact the USAEC Restoration Manager, [RM NAME] at (XXX) XXX-XXXX.

[INSTALLATION NAME]
Meeting Agenda – Draft
Performance-Based Acquisition On-Site Evaluation

- [X:XX to X:XX]** Introductions/Overview of Installation (to be provided by the Installation)
- ✓ Installation orientation
 - ✓ Major Units
 - ✓ Where site tour will go
 - ✓ IRP/MMRP and CC site locations
 - ✓ Maps
- [X:XX to X:XX]** Site Tour
- ✓ Windshield tour of IRP/MMRP and CC sites
- [X:XX to X:XX]** USAEC PBA Overview (RM and CALIBRE)
- ✓ Purpose of the meeting
 - ✓ Overview of PBA initiative
 - ✓ PBA questions/answers
- [X:XX to X:XX]** LUNCH
- [X:XX to X:XX]** Discussions of Sites in PBA Matrix IRP/MMRP/CC (provided in advance)
- ✓ Current status
 - ✓ Key challenges
 - ✓ Work completed to date
 - ✓ Key uncertainties
 - ✓ Funding status
 - ✓ Execution strategy
 - ✓ Key documents
- [X:XX to X:XX]** Discussion of Path Forward
- ✓ Follow up questions (as required)
 - ✓ Schedule
 - ✓ Identification of outstanding issues
- [X:XX]** Adjourn



US Army Environmental Cleanup Program



Attachment 8: PBA Overview Presentation
USAEC Performance-Based Acquisition Guidebook

Army Environmental Cleanup Program and Performance-Based Acquisition Overview

USAEC Cleanup Division

30 Sep 2009



US Army Environmental Cleanup Program



Agenda

- US Army Environmental Command (USAEC) Cleanup Division Mission and Scope
- Cleanup Program Focus and Strategy
- Performance-Based Acquisition (PBA) Initiative
- Reasons for using PBA
- Roles and responsibilities in PBA implementation



US Army Environmental Cleanup Program



USAEC Cleanup Division Mission and Scope

Mission

- To perform appropriate, cost-effective cleanup so that the property is safe for installation use and to protect human health and the environment at Army active Installations.

Scope

- Management of the Active Sites Cleanup Program
 - Installation Restoration Program (IRP)
 - Military Munitions Response Program (MMRP)
 - Compliance Restoration (CR)
- Technical and program support to Base Realignment and Closure (BRAC) Cleanup



IRP Focus

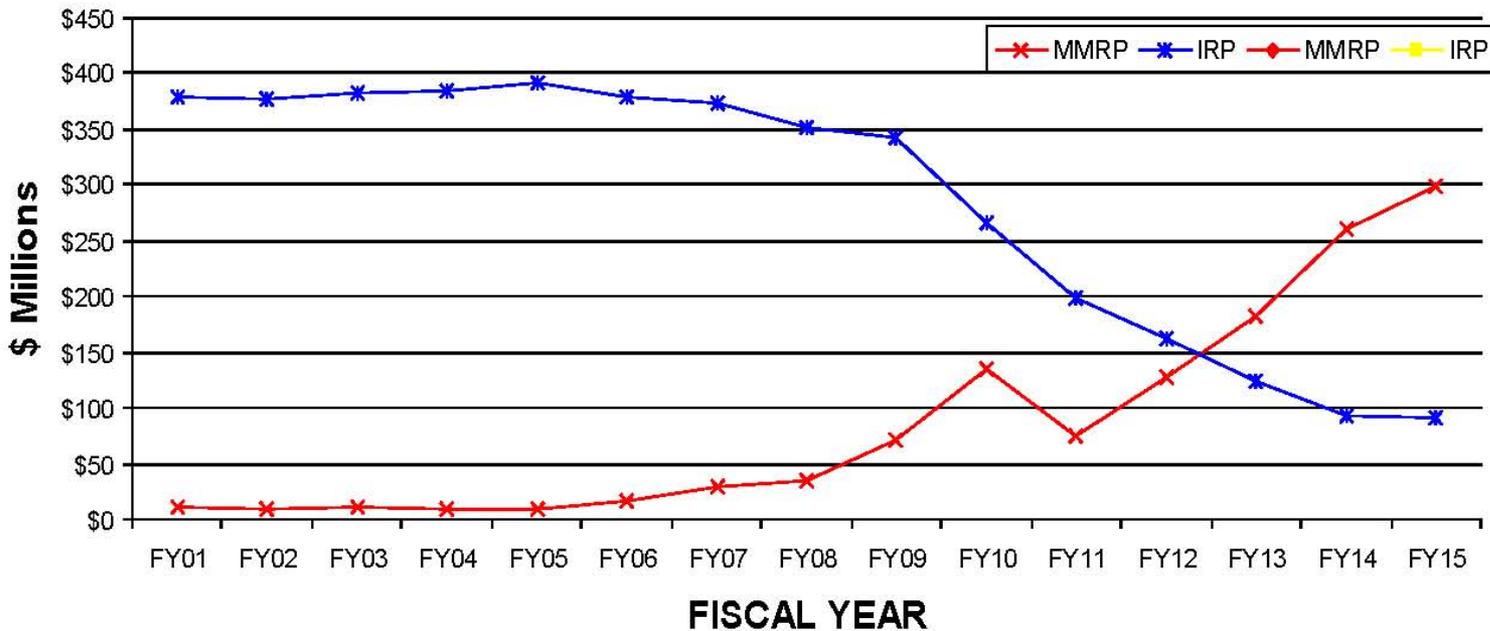
- Final Remedies in Place (RIP) and Response Complete (RC) for remaining sites by DoD goal of FY 2014
 - 53 Installations (516 Sites)
- Integrate Compliance-Related Cleanup (CC) sites into IRP per Defense Environmental Response Program (DERP) Eligibility Guidance revisions (FY09)
- Remedial Action (Operations) and Long-Term Monitoring/Management Optimization **using PBA**
 - Gain efficiencies with state-wide/regional focus
 - Develop and implement ramp-down and exit strategies
 - Use incentives to achieve performance objectives



US Army Environmental Cleanup Program



Cleanup Program Focus Shifting From IRP to MMRP



IRP – Installation Restoration Program
MMRP – Military Munitions Response Program



MMRP Focus

- Completion of all Site Inspections (SIs) by 2010
- Stakeholder Involvement/Concurrence on SI results
- Incorporate into ***PBA Strategic Planning***
- Transition USAEC Central Project Execution to Installation Project Teams as SIs are completed
- MMRP Remedial Investigation/Feasibility Study (RI/FS) Guidance scheduled to be finalized 1st Q FY10



US Army Environmental Cleanup Program



Before PBA Initiative

- Primarily used Cost-Reimbursement contracts executed by US Army Corps of Engineers (USACE)
- Significant variation in program performance
 - Cost and schedule baselines not uniform
 - Progress toward completion lacking
 - Cost-to-Complete (CTC) estimates increasing or unstable
 - Continual schedule slippage completing only 60-70% of planned versus actual milestones
 - No incentive to complete Cleanup Program



PBA Background

- PBA is a federal government-wide initiative
- Army began using PBA for environmental cleanup projects in 1999
 - Use of Guaranteed Fixed Price Remediation (GFPR) contracts
 - Pilots at both BRAC and active installations
- Use of PBA was one of the first initiatives of both DoD and Army Business Initiative Councils (BICs) in 2001
- USAEC is implementing the Army's PBA initiative through use of performance-based contracts (PBCs)



US Army Environmental Cleanup Program



Army Environmental Cleanup Strategy

- Released April 2003 by Assistant Secretary of the Army (Installations & Environment)
- Provides roadmap to guide Army in attaining its environmental cleanup vision
 - *The Army will be a national leader in cleaning up contaminated land to protect human health and the environment as an integral part of its mission.*
- Lays groundwork for identification and development of a framework to achieve program goals and objectives

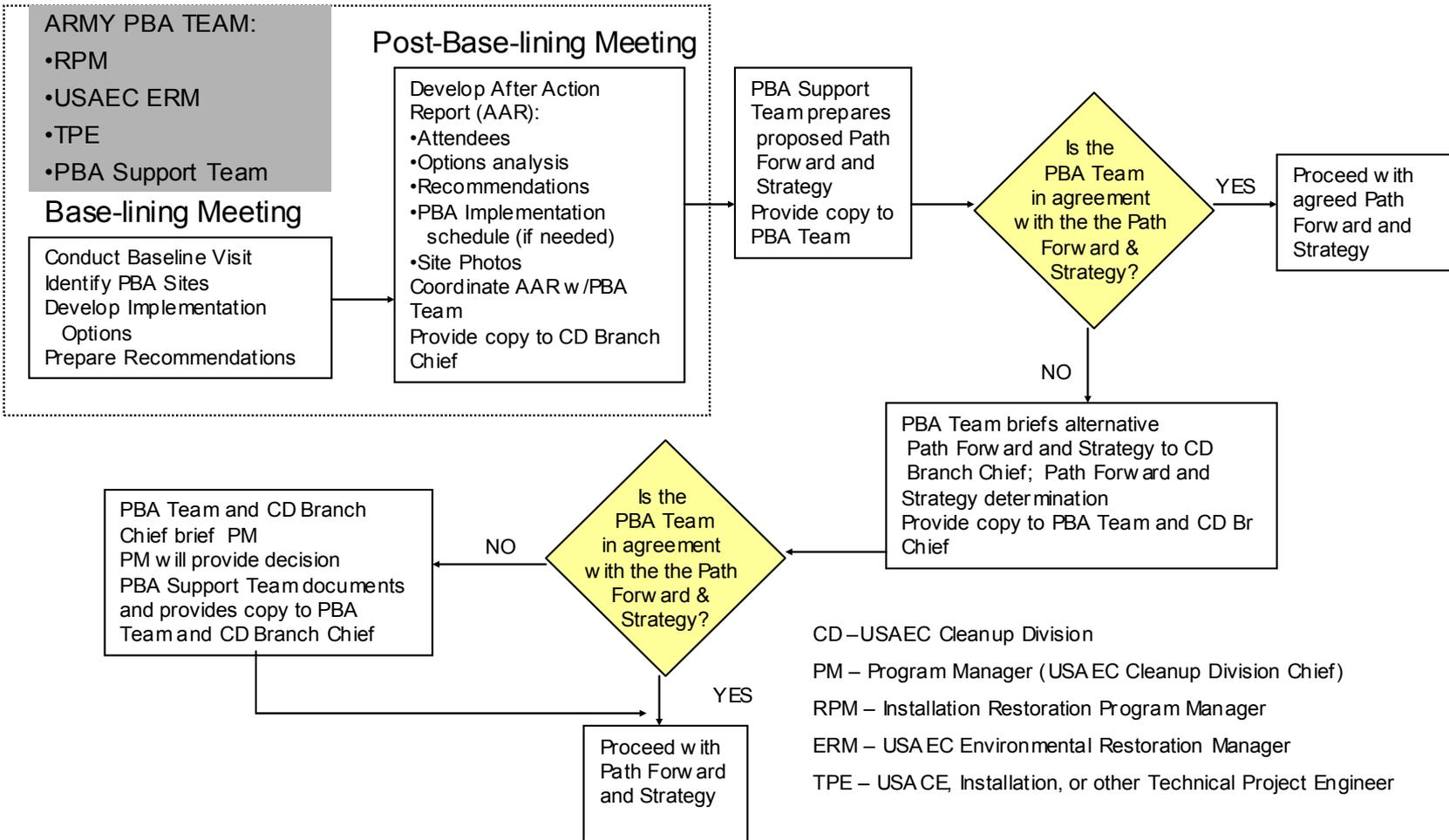
Promotes development and use of innovative business processes, e.g., Performance-Based Acquisition, to improve the efficiency of the environmental cleanup program



US Army Environmental Cleanup Program

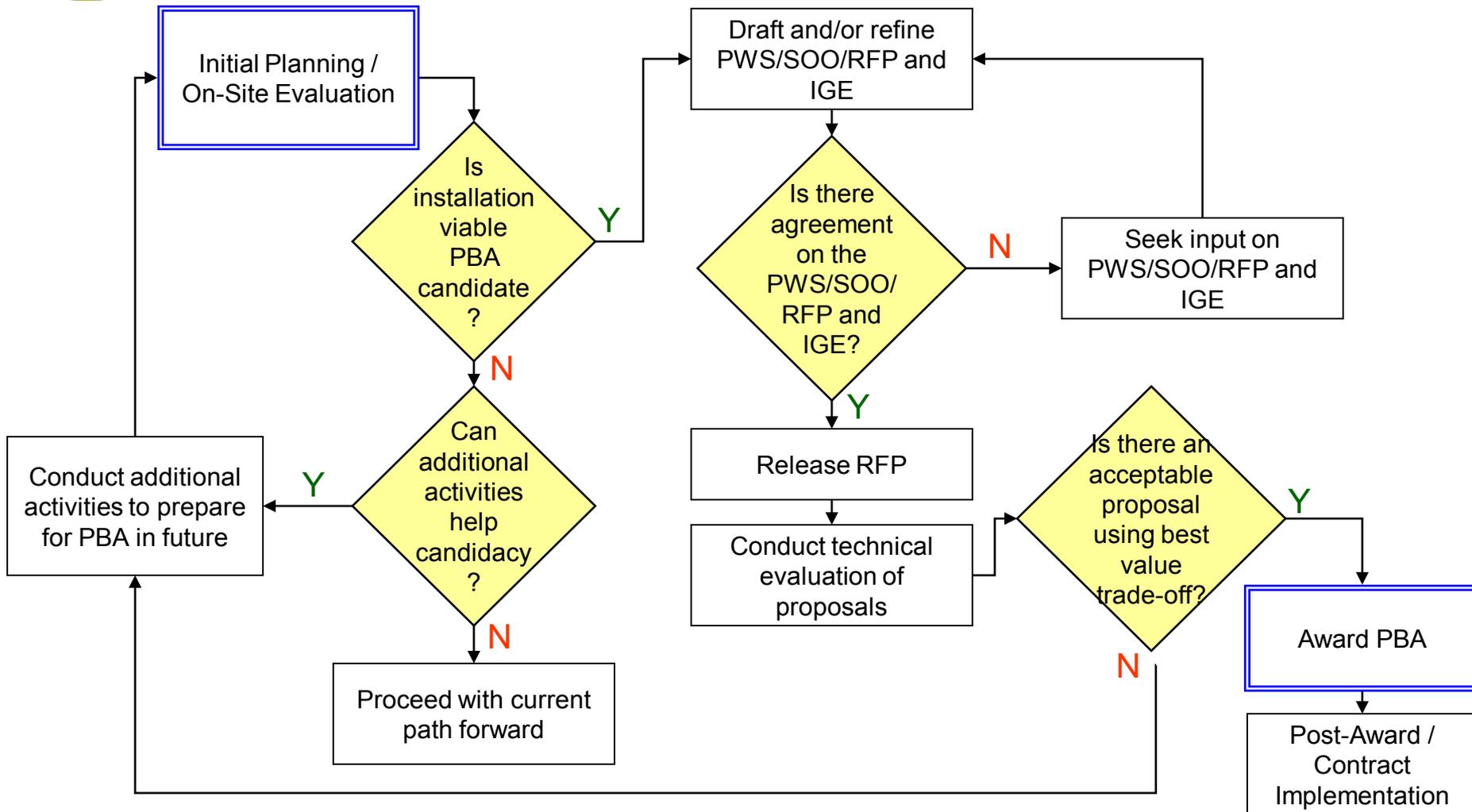


PBA Decision-Making Process





The PBA Process





US Army Environmental Cleanup Program



Performance-Based Acquisition Basics

- PBA is a mechanism that solicits proposals on the basis of what *RESULTS* you want achieved rather than what *ACTIVITIES* you want conducted
- General characteristics of PBA
 - Contract for “What” not “How”
 - Clearly define objectives, milestones and standards
 - Use incentives or environmental insurance to enhance performance (Incentives are inherent in PBAs)
 - Promote flexibility in exchange for accountability
 - Generally, use fixed price contracts

PBAs are monitored to ensure performance is being achieved



PBA Approach

- Develop corporate acquisition tools (“Toolbox”) to accelerate cleanup/site closeout
- Increase competition
- Maintain contracting flexibility to improve cost effectiveness
 - One size does not fit all circumstances
- Contractors must be accountable for their performance



PBA “Tool Box”

- Multiple Award Task Order Contracts (MATOCs)
- Total Small Business Set-Aside Competitions
- Full and Open Competitions
- Performance Work Statement (PWS) or Statement of Objectives (SOO)
 - Primarily Firm-Fixed Price (FFP)
 - Cost-Reimbursement in very limited situations
 - With or without Incentives
 - With or without Environmental Insurance - Cleanup Cost Cap (CCC), Pollution Legal Liability (PLL) for FFP contracts only



PBA Characteristics for Active Installations

- Acquisitions for environmental remediation services using a performance-based approach should exhibit the following characteristics:
 - Use fixed-price contracts, where possible
 - Ensure at least three qualified vendors are given opportunity to compete for an award
 - Define performance objectives, milestones, and standards
 - Use incentives or insurance to enhance performance when appropriate
 - Provide flexibility and ensure accountability for results

KEY - Be less prescriptive and contract for objectives and results



PBA Metrics

- Active installation PBA FY obligation goals:
 - FY03: 3-5% of total program – **achieved 9% (\$37M)**
 - FY04: 30% of total program – **achieved 36% (\$141M)**
 - FY05: 50% of total program – **achieved 51% (\$202M)**
 - FY06: 60% of total program – **achieved 54% (\$240M)**
 - FY07: 60% of total program – **achieved 52% (\$210M)**
 - FY08: 50% of total program – **achieved 54% (\$239M)**
 - FY09: 50% of total program – **achieved 51% (\$206M)**
60% of total program stretch goal
 - FY10: 50% of total program – **\$236M* Goal**
60% of total program stretch goal – **\$283M* Stretch**

**based on FY10 budget of \$470.9M*



US Army Environmental Cleanup Program



Results of the PBA Initiative

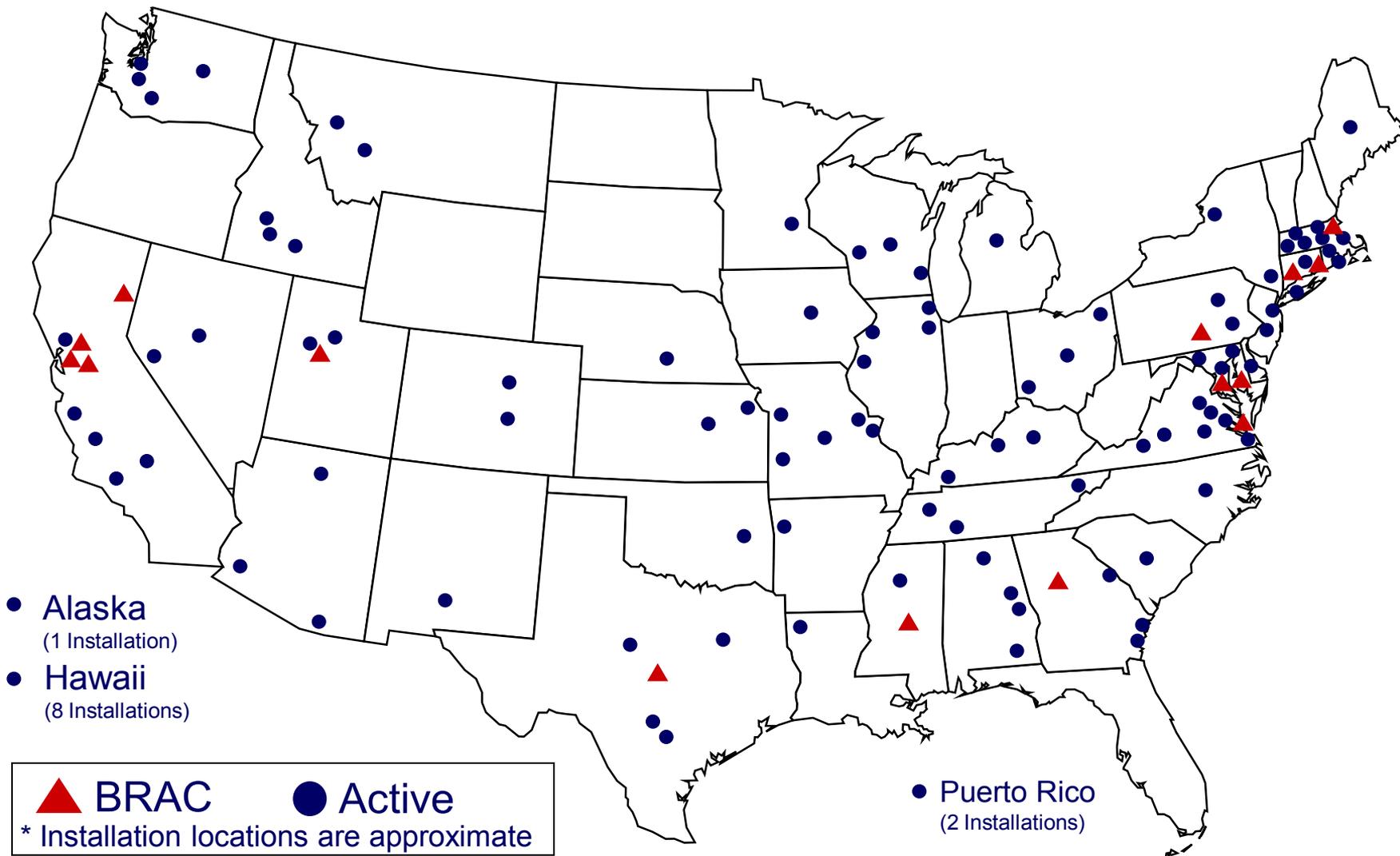
- Since 2000, the Army has awarded 96 PBAs at Environmental Restoration, Army (ER,A) funded Installations
 - ~\$932 million awarded on PBAs
 - Contract values range from \$334K to \$67.8 M
 - Contracts in 41 states, Puerto Rico, and all 10 EPA Regions
 - Recognized ~38% cumulative cost savings on all PBAs when compared to CTC Estimates



US Army Environmental Cleanup Program



Army PBA Awards as of 30 Sep 2009





US Army Environmental Cleanup Program



PBA Awards as of 30 Sep 09

	Installations	Sites	CTC	IGE	Contract Award (\$M)	CTC - Contract (\$M)	Contract (\$M)
			(\$M)	(\$M)			
FY01 - 02	Ft Gordon, Ft Leavenworth	50	\$42.200	\$42.200	\$39.323	\$2.877	\$2.877
FY03	Ft Dix, Ft Jackson, Lake City AAP, Ravenna AAP, Sierra AD	69	\$119.998	\$117.306	\$98.795	\$21.203	\$18.511
FY04	APG - GQ, APG - OAA, Ft Detrick, Ft Irwin, Ft Rucker, Holston AAP, Hunter AAF, Iowa AAP, Louisiana AAP, Milan AAP, Reserves, Riverbank AAP, Rock Island, Fort Leonard Wood (FLW)	144	\$276.090	\$203.556	\$152.738	\$123.352	\$50.818
FY05	APG-Bush River, APG - EA GW, APG- Westwood, Bullis/Sam Houston, Camp Navajo, Ft Gillem, Ft Knox, Ft Meade, Ft Pickett, Hawaii, Joliet AAP, Longhorn AAP, Camp Crowder/Ft Chaffee, Los Alamos & Camp Roberts, MMRP Sis, Ravenna AAP, Red River, Redstone, Soldier Systems	255	\$235.932	\$202.858	\$166.641	\$69.291	\$36.217
FY06	APG G Street, Dugway Proving Ground (DPG) Phase I, DPG Phase II, FLW Phase I, Ft McClellan, Hawaii, Hawthorne AD, MMEP Sis, Picatinny, Radford AAP, Volunteer AAP	295	\$191,987	\$166.141	\$113.172	\$78.815	\$52.969
FY07	APG CC, Alaska Haines Terminal, Ft Bragg, Ft Campbell, Ft Eustis/ Lee, FLW Phase II/SLOP, Longhorn MMRP, Letterkenny, Yuma PG	119	\$83.740	\$74.161	\$65.095	\$18.645	\$9.066
FY08	APG O Field & OAA, Blossom Point, EPG Fort Belvoir, Ft Buchanan, Ft Carson, Ft Huachuca, FLW/Weldon/CMPSC, Ft Lewis, Hawaii MMRP, Hunter AAF/Ft Stewart, Joliet AAP, Optimization Dix/Drum/West Point,, Radford AAP Phase II, Ravenna AAP Phase III, White Sands MR	144	\$145.433	\$129.580	\$131.672	\$13.761	-\$2.092
FY09	APG Compliance, APG MMRP, Camp Bullis, Cornhusker AAP, Fort Belvoir Phase II, Fort Buchanan MMRP, Fort George G Meade/Phoenix MR, Fort Indiantown Gap, Fort Jackson, Fort Leavenworth, Fort Lee Phase II, Fort Riley, Fort Rucker Phase II, Hawaii Installations, McAlester AAP, MTA-L Camp Williams, Radford Phase III, Ravenna Phase IV, Redstone PMC, Soldier Systems Center, Tooele AD	235	\$407.792	\$389.072	\$163.926	\$247.377	\$228.888
Cumulative		1311	\$1503.172	\$1324.874	\$932.084	\$574.598	\$396.532
Cost Savings on all PBAs (based on Cost-To-Complete Estimates)			38.20%				
Cost Savings on all PBAs (based on Independent Gov't Estimates)				29.90%			

Note: Numbers do not include BRAC or Compliance Cleanup PBAs.



US Army Environmental Cleanup Program



Environmental Remediation Services Performance Objectives

- Contractor is required to achieve one or more of the following performance objectives by certain dates or time periods for identified sites:
 - Remedial Investigation (for sites w/ high levels of uncertainty, e.g., Munitions Response Sites or MRSs)
 - Remedy-in-Place
 - Response Complete
 - Remedial Action (Operations)/Long-Term Management (including Optimization and Exit/Ramp Down Strategy)
 - Successful five-year review (or equivalent)
- Contractor must meet specified performance standards (Army approval and Regulator acceptance)



Why Continue Using PBA?

- Use of PBA has improved cost and schedule performance without compromising cleanups that are protective of human health and the environment
 - Cost effective and lower remediation costs through competition
 - Accelerated cleanup activities by identifying end points
 - Lowered risk of cost growth
 - Reduced contract reporting and oversight
 - Aligned to exit strategies or used to optimize systems



Safety vs. Speed?

- Use of PBA does not trade safety for speed
- Incentives can be used for safety and quality
- Encourages use of innovative technologies or approaches
 - Perception is that private cleanup goes faster
 - Learn and apply proven private sector practices



US Army Environmental Cleanup Program



Strategy to “Get it Done”

- Increase use of PBA where appropriate
 - Use incentives for innovation and reaching program completion
- Streamline Army Cleanup infrastructure
 - Get more dollars to the ground doing actual cleanup
- Decrease the number of contract overruns and change orders
- Reduce variability in program performance and optimize project baselines



US Army Environmental Cleanup Program



What is the Army Doing Differently?

- In IRP focusing on adequately characterized sites
- In MMRP focusing on completing RIs for MRSs with completed SIs
- Defining a discreet scope with well-defined end states and buy-in by regulators
- Understanding the cost including high, low, most likely and walk-away parameters
- Requiring use of the highest rated underwriters, combining CCC and PLL where appropriate, requiring a Waiver of Subrogation, and listing the Army as additional insured when EI is used



Collaboration

- The Army will continue to work with regulators and community members when considering options for Performance-Based Acquisition
- The Army, as the federal lead agency, still remains responsible for the cleanup with the same level of coordination with Environmental Protection Agency (EPA) and state regulators



Role of the Installation Restoration Program Manager

Little change! Installation RPM still...

- Oversees contractor performance
- Interfaces with regulators, along with contractor
- Interfaces with public
- Manages contract cost, schedule, and reporting
 - Army centrally manages program and database at the USAEC for improved data quality and ease of reporting/response to out of cycle data calls



Role of the Regulator

- Beginning with initial scoping meetings, may attend information sessions with installation personnel and PBA team
- Participates in development of contract performance objectives and standards
- Participates in Bidders' site visits to present regulatory views to prospective contractors
- Post award, continues to maintain active role by reviewing contractor's Project Management Plan (PMP), commenting on site documents, and concurring with remedial activities before implementation

GOAL - Concurrence with remedy completion



Role of the Restoration Advisory Board (RAB)

No change! RAB retains stakeholder involvement in decision-making process and still...

- Conducts regular meetings open to the public
- Keeps meeting minutes that are available to the public
- Reviews, advises, and comments on environmental cleanup documents
- Recommends project requirements
- Recommends site cleanup priorities
- Provides advice and comments on cleanup issues
- Represents and communicates community interests and concerns



US Army Environmental Cleanup Program



Army's Responsibilities using PBA

- Army fulfills its program responsibilities by:
 - Approving all performance/remedial action objectives
 - Maintaining the Administrative Record
 - Reviewing and signing Agreements/Decision Documents
 - Maintaining primary interface with regulators and the public
 - Certifying all contractor deliverables/milestones
- Army is the final decision authority for award, oversight and payment

ARMY RETAINS ULTIMATE ENVIRONMENTAL LIABILITY



Summary

- Army remains responsible for cleanup with the use of PBA
- Contractors are accountable to the Army for their performance
- EPA/State encouraged to provide input on contract performance measures (objectives and standards)
- Army/EPA/State must continue collaborating to ensure performance measures are met – ensures satisfactory project completion and closeout
- Army will continue successful use of PBA for environmental remediation services



US Army Environmental Cleanup Program



FY10 PBA Candidates

- Aberdeen Proving Ground
- Alaska NGB MMRP
- Biak TS
- Blue Grass AD
- Camp Clark
- Camp Murray
- Delta Range
- Dugway Proving Ground
- Fort AP Hill
- Fort Belvoir
- Fort Benning
- Fort Bliss
- Fort Bragg
- Fort Campbell
- Fort Drum
- Fort Eustis
- Fort Greely
- Fort Hunter Liggett
- Fort Lewis
- Fort Missoula ARNG
- Fort Polk
- Fort Richardson
- Fort Sill
- Fort Stewart
- Fort Wainwright
- Fort William Henry Harrison
- Hawthorne AAP
- Joliet AAP
- Kimama TS
- MOTCO
- NTC and Fort Irwin
- Parks RFTA
- Picatinny Arsenal
- Pine Bluff Arsenal
- Radford AAP
- Red River AD
- Rock Island Arsenal
- Sierra Army Depot
- Volunteer AAP
- West Point
- White Sand MR
- Yuma Proving Ground

Note: FY10 PBA candidates subject to change following candidate evaluations. Updated FY10 candidate list can be found on the USAEC PBA website.



US Army Environmental Cleanup Program



For More Information

Performance-Based Acquisition Website

<http://aec.army.mil/usaec/cleanup/pba00.html>

Attachment 9: Template After Action Report
USAEC Performance-Based Acquisition Guidebook
[INSTALLATION]
PBA Candidate Evaluation
[DATES]

1.0 Introduction

The U.S. Army Environmental Command (USAEC) conducted a program review of the open sites under the [INSTALLATION] Environmental Restoration, Army (ER,A) and Compliance-Related Cleanup (CC) Program on [DATES]. The purpose of this review was to present and discuss the Army's Performance Based Acquisition (PBA) Initiative with the project stakeholders, the Installation, the [STATE REG], and the Environmental Protection Agency (EPA) Region [REGION]. Participants included [LIST BY NAME AND ORGANIZATION]. Contractors present for discussions were advised their participation in any and all PBA planning discussions will likely result in a determination of perceived conflict of interest resulting in their firm being prohibited from participating in the competition for future work under the PBA at the Installation. As such, environmental services contractors providing support to the Installation that want to preserve their ability to compete for the procurement should not participate in the PBA discussions at any time.

Discussions during the review focused on identification of current obstacles facing [INSTALLATION] in their quest to achieve environmental cleanup and/or regulatory closure of all of their sites. More specifically, the objectives of the review were to:

- 1) Provide an overview of PBA and the Army's FY[XX] goals to the project stakeholders;
- 2) Provide the PBA Team with a brief history of the Installation, an overview of the regulatory requirements and remediation activities performed at the Installation, and the current status of remediation activities;
- 3) Address specific concerns raised by project stakeholders regarding appropriate involvement, Army decision making, and regulatory review required in the PBA planning and implementation process;
- 4) Determine the current action plans for open sites and potential paths forward to achieve Remedy in Place (RIP) or Response Complete (RC) at each site; and
- 5) Outline the future work planned and schedules for implementation.

The review focused on all open Army Environmental Database-Restoration and Compliance Cleanup (AEDB-R & AEDB-CC) sites identified in the [Spring/Fall 20XX Working/Approved data call] for both ER,A and CC sites. In general, these discussions covered the planned path forward for each site, key uncertainties, and the execution status of each (i.e., where are they in the restoration process, what are the planned next steps, what work is under contract, what work is funded, how the existing contracts are managed/executed, etc.). A site tour of open project sites occurred on [DATE].

The results of this review, including a list of sites, are captured in the Summary Table below.

2.0 Installation Overview

[BRIEF DESCRIPTION OF REGULATORY STRUCTURE]

Army Program		Site Number/Name	CTC
ER,A	Open, AEDB-R Installation Restoration Program (IRP) Sites		
	Open, AEDB-R Compliance Restoration (CR) Program Sites		
	Open, AEDB-R Military Munitions Response Program (MMRP) Sites		
CC	Open, AEDB-CC Sites		

[Remaining Scope and Likely Path Forward for Open Sites]

[Anticipated Contract End Date]

[Outstanding Issues/Items of Interest]

Site descriptions are included in the matrices, included as Attachment 1.

3.0 Options Analysis

The range of options for the scope of work to be covered by a PBA at [INSTALLATION] is presented in below along with several advantages and disadvantages for each option. These options include the following: [include discussion of contracting scope/break points, end state objective, period of performance, contracting vehicles, estimated cost, timing of award need, etc.]

4.0 Recommendation

The recommendation is [RECOMMENDATION].

5.0 Decision

The decision is [DECISION].

Attachment 10: Environmental Insurance Guide USAEC Performance-Based Acquisition Guidebook

Once the decision is made to proceed with a Performance-Based Acquisition (PBA) at an installation and the scope has been defined, the next step is to determine whether Environmental Insurance (EI) will be included as part of the overall package. Beginning in FY09, USAEC moved to a preferred approach that allows the contractor to choose whether EI will be included as part of their risk management approach, in lieu of mandating the use of EI. This is executed by requiring a guaranteed limit, as defined in the specific PWS (e.g. 1.5 to 2 times the sum of the project price). This guaranteed limit may be met through the use of self insurance, a commercial environmental insurance product, or a combination of both depending upon the contractor's proposed risk management approach. Should the use of a commercial insurance product be used, contractors will be required to meet the policy requirements as defined in the PWS if they wish to have a contract line item for Army payment of the policy premium.

The following provides guidelines and considerations to assist the Army in understanding the use of EI as a component of the PBA.

Use of EI

This guidance discusses two primary types of EI: 1) Cleanup Cost Cap (CCC) insurance; and 2) Environmental Impairment Liability (EIL), also referred to as Pollution Legal Liability insurance (PLL)¹. The following text provides basic descriptions of each insurance type along with decision points that guide whether or not to include EI with the PBA.

CCC Insurance:

CCC policies cover the remediation of known and unexpected (unknown) pollution conditions discovered while implementing the remedial plan that the contractor furnished to the underwriter as part of the insurance application. For example, if a contractor proposes to the insurance company that the "remedial plan" includes source removal and in-situ treatment of a solvent plume at Site A, then the CCC policy is likely to cover such things as higher concentrations than expected, increased volume of soils removed, additional chemical injections required, etc., all things associated with their proposed remedy at Site A. Should the contractor determine that a different remedial approach is preferred than what was originally proposed to the insurance provider, they must obtain approval from the insurance provider prior to implementing the different remedy. Not doing so may make the insurance policy null and void. Any change to that approach is likely to impact cost, and as such impact the insurance provider risk.

When determining whether to include CCC insurance for all or some of the sites included contractors will likely take the following into consideration.

1. *Are there significant potential cost uncertainties associated with achieving the performance objective?* The PBA Team needs to consider the technical challenges of the work included in the PBA scope (e.g., dense non-aqueous phase liquids [DNAPL] in

¹ In addition to EI, the Army also seeks Comprehensive General Liability (CGL) Insurance and Contractors Pollution Liability (CPL) coverage from its contractors. The specifications for the CGL insurance, CPL insurance, and EI are contained within the PBA EI Specifications, included as Attachment A to this document, *Generic PBA Insurance Specifications*.

karst) and the uncertainties associated with those challenges (e.g., How certain are we that the selected remedy will work within budget? How certain are we that the regulators will approve a strategy that relies on a Technical Impracticability Waiver?) that could, under a traditional firm fixed-price (FFP) scenario lead to contractors increasing bid prices to protect themselves from overruns.

2. *Is there significant risk of cost or schedule overrun associated with achieving the performance objective(s)?* The Contractor will likely consider the performance history at the Installation and the factors associated with cost overruns. For example, if there have been erratic Cost-to-Complete (CTC) estimates, what are the factors that have driven these inconsistencies (e.g., cost estimating assumptions, change in contractors or regulators)? Is the regulatory framework complex? Is this a National Priorities List (NPL) installation with a Federal Facilities Agreement (FFA)? Just because the Army is changing contract mechanisms and (potentially) the contractors working at the site, it does not mean that all of the past challenges will be removed.
3. *Is the anticipated award price for the insured components of the PWS greater than \$2 million?* Generally, insurance providers will not consider insuring a site/installation that is less than \$2 million. Thus, when the CTC is less than \$2 million, insurance should not be considered. For projects in the range of \$2.0 - \$7.0 million, EI premiums generally cost in the range of 10-12% of the total proposal price. For larger projects, EI premiums generally run in the 8-10% range for CCC insurance. If EIL/PLL insurance is required, it generally runs 1-2% of the total price, regardless of the overall project price.
4. *Is the Army hoping to encourage use of innovative technologies?* Use of EI affords companies the opportunity to pursue the use of innovative technologies because funds are available should the innovative approach prove unsuccessful. In some cases, the Army will benefit from innovation, rather than a more traditional approach (e.g., in-situ treatment versus excavation). For example, at a military installation, one bidder proposed an in-situ remedy to address a groundwater plume (molasses injection). A second bidder proposed a more traditional approach of a pump and treat system. The cost of the in-situ remedy plus CCC insurance was less than the pump and treat approach, and left less of a long-term management "tail" for the military component to address. In this case, the remedial approach selected was the innovative technology plus insurance because even if the in-situ technology was not successful, the CCC insurance would provide the funding necessary to implement the contingent remedy (i.e., the pump and treat system).
5. *Is the financial risk to the contractor substantial?* A general rule of thumb for private industry is that the company should never risk more than 10% of owners' equity on a single project. Following these guidelines, smaller firms will be limited in their ability to work on PBAs without the benefit of EI to help manage their risk profile for the Guarantee Limit. For larger, publicly held firms, EI may prove vital to their ability to gain support for bidding on PBAs from their management and shareholders due to increased regulatory scrutiny of unfunded contingencies on balance sheets.

Environmental Impairment Liability/Pollution Legal Liability (EIL/PLL):

EIL/PLL policies insure potential third party claims from a job site and the cleanup of unknown pollution conditions that are not insured under the CCC policy (discussed in the CCC insurance section). Insuring the “unknowns” in two policies may appear redundant, but it is not. Whereas the CCC coverage is designed to insure the unknowns discovered while implementing the remedial plan, the EIL/PLL policy provides broader coverage for unknowns because it covers third party liability and cleanup for site conditions not insured in the CCC policy. The EIL/PLL policy also insures re-openers once a site achieves regulatory closure. To eliminate potential overlaps in coverage, the EIL/PLL policy will typically exclude cleanup costs that are insured under the CCC policy. Working together the policies cover unknowns discovered during the implementation of the work plan and the discovery of unknowns that may be outside of the contractors insured work plan in the PWS.

What uncertainty is covered under an EIL/PLL versus a CCC policy?

A simple way of thinking about the uncertainty covered under an EIL/PLL policy as opposed to a CCC policy is that EIL/PLL covers losses for Bodily Injury, Property Damage and Cleanup from the insured locations which are not specifically tied to the work plan, while CCC policies covers unknown conditions or contaminants in a known site and within the insured work plan.

When determining whether to include EIL/PLL coverage for all or some of the sites included in the PBA, the Contractor will likely take the following into consideration:

1. *Is this a BRAC/Excess Installation?* In general, if the PBA is being awarded for a BRAC/Excess facility, the team should include EIL/PLL coverage because of the ability to insure for third party liability. In particular, when the Army is looking to implement early transfer of parcels of land, Local Reuse Authorities (LRAs) are not likely to accept the property without an EIL/PLL insurance policy in place. While it is most common to place EIL/PLL coverage on an installation that is also covered by CCC insurance, it may be possible to only place EIL/PLL insurance. An EIL/PLL policy without underlying CCC insurance in place will include numerous exclusions and exemptions that will be designed to protect the insurance company from having to provide coverage for the cleanup of known constituents and conditions that would normally be covered in the companion CCC policy.
2. *Is off-site transport and disposal of waste likely?* If yes, then should consider either specially modified PLL or Contractors Pollution Liability (CPL) insurance covering non-owned disposal sites because of the following:
 - ✓ *Liability for off site disposal will be excluded under the cost cap*
 - ✓ *Claims related to off site disposal will be a considered a third party claim*
 - ✓ *Non owned disposal site coverage should be inexpensive*
3. *Is the Army seeking regulatory closure (i.e., Response Complete) as the performance objective for some or all of the sites in the PWS?* CCC insurance covers repairs required for on-going remedies (i.e., Remedies in Place) for the duration of the contract subject to the policy term; however, once the site achieves regulatory closure (i.e., no further action necessary), the policy terminates. An EIL/PLL policy will cover work required as a result of regulatory or other re-openers for the duration of the contract. The Contractor will consider the likelihood that re-openers will occur (i.e., are there known emergent chemicals at the site?) and determine whether there is sufficient risk associated with the sites to warrant the cost of additional coverage.

4. *Are we confident in our characterization of the sites included in the PWS?* Much like question 1 in the CCC insurance section, this is highly subjective, but important for the contractor or PBA Team? to consider. EIL/PLL provides broader coverage for unknowns at both known and unknown insured locations. For example, if during the course of excavating a TCE hot spot, the contractor encounters an unexpected contaminant (e.g., PCBs) and ends up “chasing” the contamination to locations that are clearly not within the scope of the original work plan, CCC may not cover the costs associated with the PCB effort. An EIL/PLL policy, however, would provide the coverage under its cleanup cost coverage. A simple way of thinking about the uncertainty covered under an EIL/PLL policy as opposed to a CCC policy is that EIL/PLL covers losses for Bodily Injury, Property Damage and Cleanup from the insured locations which are not specifically tied to the work plan, while CCC policies covers unknown conditions or contaminants in a known site and within the insured work plan.

Reviewing the EI Specifications and Draft Policies

If a contractor chooses a commercial insurance product as part of their risk management approach, the EI specifications in the PWS must be adhered to. Proposal submissions must include a draft policy and an EI expert will review the EI quotes submitted to ensure consistency with the requirements of the PWS during the Technical Evaluation Board review. This review is done concurrent to the review of the technical proposals and is generally done off-site. The generic PWS specifications typically include the following:

5.6 Insurance Specifications

5.6.1 General Insurance Requirements

The Contractor will obtain or maintain insurance coverage over the course of the contract that meets the following objectives:

1. Provides Comprehensive General Liability (CGL), Automobile Liability including Hired and Non-Owned coverage with limits of liability not less than \$1,000,000 on each of these policies, these policies should name the Army as Additional Insured and provide a Waiver of Subrogation.
2. Provides an Excess Liability Insurance policy over CGL and Auto Liability with \$1,000,000 limits of liability.
3. Provides Professional Liability insurance without exclusions for pollution related losses with a limit of liability not less than \$5,000,000. This coverage may be incorporated in a package policy with the CPL insurance detailed below.
4. Provides Workers Compensation and Employers Liability insurance on all of the contractors' and subcontractors' employees over the duration of the contract.

CPL insurance with limits of liability of at least \$5,000,000 that covers the contractor's liability for third party claims caused by pollution events arising out of covered operations performed by or on behalf of the insured at project sites is required. The CPL policy should provide for contractual liability coverage, name the Army as an Additional Insured, and Wave Rights of Subrogation against the Army. The CPL policy should have an optional extended discovery clause of at least 2 years in length. If the coverage provided is part of a

package policy with the Professional Liability insurance coverage required in this section, the limits of liability on the package should be \$10,000,000.

A Certificate of Insurance shall be furnished to the contracting officer (KO) on an annual basis documenting the above insurance coverage is in place.

Acceptable insurers will have an A.M. Best rating of at least A- (Excellent) and a Financial Size Category (FSC) of IX or better.

5.6.2 Environmental Insurance Requirements

The Contractor shall procure Environmental Insurance (EI) in the form of Remediation Stop Loss Insurance (Clean Cost Cap or CCC) and thereafter carry and maintain the EI coverage in full force and effect over the duration of the Task Order, to include options, at all sites identified in this Task Order as requiring EI. The EI shall meet or exceed the following objectives:

1. **[Note: This may be changed based site-specific requirements].** Provides coverage applicable to the sites, performance objectives, and performance standards identified in Table 1 of this Task Order as requiring insurance, and confirms that all the obligations assumed under this Task Order are incorporated into the definition of the insured "remedial plan" as specified in the insurance endorsements.
2. Provides coverage at a minimum, equal to the Guarantee Limit of the Task Order, minus insurance, travel, and PMP costs and costs for any site locations excluded from the award or not requiring insurance.
3. Coverage to include a Waiver of Subrogation, as applicable, for claims associated with matters and scope items addressed in this Task Order that the Contractor or insurance company may have against the Army.
4. Coverage provided from a carrier rated A.M. Best's A- (Excellent) and Financial Size Category (FSC) IX or better.
5. Requires that technical and schedule progress reports to be provided to the Army on the same schedule that they are provided to the insurance carrier.
6. Contains no "War Exclusion" or contains a limited war exclusion that excludes cleanup costs caused solely by a hostile or violent act of war after the inception date.
7. Provides the Army the primary right to assign the policy to a replacement contractor acceptable to the insurance company should the Contractor default or otherwise be unable to meet the Task Order requirements.

The Contractor must provide proof of insurability with the submitted proposal. Proof of insurability will be in the form of a draft policy specifying terms and conditions (e.g., all endorsements) in sufficient detail to allow evaluation of:

- The identity of the insurance companies offering to insure the contractor;
- The limits of liability for each coverage part;
- The premium for each policy or coverage part;
- The amount of the self-insured retention, buffer layer (if applicable), and /or co-insurance;
- The policy length (term) for each policy;
- The policy forms, and proposed endorsements;
- The insured scope of work or definition of the insured remedial plan;

- A list of the documents provided to the underwriter as part of the application for insurance;
- The name of the insurance broker and the full compensation of the insurance broker including any and all commissions, fees, incentive payments, reinsurance commissions or wholesale brokerage commissions earned by any firm within the insurance brokers economic family disclosed as a separate cost item, even if these costs are incorporated into the premiums of the insurance policies being provided;
- How, in the event of Contractor default, its provisions will ensure that this Task Order is completed to the satisfaction of the Army.
- Any exclusions to be added to these policies by endorsement along with an explanation of the rationale behind attaching the exclusion; and
- Any deviations from these insurance specifications with explanation using a checklist as to why the specification was not met, or why the deficiency in question is not material to the CCC coverage to be provided.

Within ten (10) workdays of Task Order award, the Contractor shall provide a quote letter containing a policy with endorsements to KO/COR. The KO and COR shall have the right to review the quote letter to ensure consistency with the objectives as listed above. The Government reserves the right to withhold or adjust payment for the insurance policy if the final bound policy terms and conditions are changed from the draft policy terms and conditions presented in the Contractor's proposal submittals. The Contractor is responsible for paying the costs associated with all insurance requirements, including but not limited to the self-insured retention and co-pays. Contractors should note that the Army will allow the first payment milestone to include necessary insurance costs (e.g., insurance premium).

A Certificate of Insurance shall be furnished to the contracting officer (KO) on an annual basis evidencing the above insurance coverage is bound.

If the determination is made to include Environmental Impairment Liability/Pollution Legal Liability (EIL/PLL), the following provision is included in the PWS:

1. Provides EIL/PLL with coverage for on and off-site, third-party Bodily Injury, Property Damage, Cleanup Costs, and Defense Costs for the environmental liability incurred at the site under the indemnity provisions of the contract by the contractor. This policy should have a limit of liability of \$5,000,000, which cannot be combined with the Professional Liability or CPL policies. If this coverage element is provided as part of the CCC policy, the \$5,000,000 of limits for this coverage section shall be additive to the required limits on the stop loss/cost cap policy. This EIL/PLL coverage may exclude clean up obligations otherwise insured in the stop loss/cost cap policies and may also exclude contaminants outside the scope of services outside of the PWS.
2. Provides a Waiver of Subrogation for claims associated with matters and scope items addressed in the PWS that the Contractor or insurance company may have against the Army.
3. Names the Army as an Additional Insured.
4. Is Assignable to a replacement contractor mutually agreeable to the insurer.

Attachment 11: Template Candidate Evaluation Report USAEC Performance-Based Acquisition Guidebook

[INSTALLATION] CANDIDATE EVALUATION REPORT [DATE]

1.0 Introduction

The US Army Environmental Command (USAEC) conducted a Performance-Based Acquisition (PBA) candidate evaluation of the open sites under the [INSTALLATION] Installation Restoration Program (IRP) and Compliance-Related Cleanup (CC) Programs on [DATE]. The purpose of this review was to present and discuss the Army's PBA Initiative with the Installation and the US Army Corps of Engineers. Discussions focused on identification of current obstacles facing [INSTALLATION] in its quest to achieve environmental cleanup and/or regulatory closure of all of their sites. More specifically, the objectives of the review were to:

- 1) Provide an overview of PBA and the Army's Fiscal Year (FY)[XX] goals to the project stakeholders;
- 2) Provide the PBA team with a brief history of the Installation, an overview of the regulatory requirements and remediation activities performed at the Installation, and the current status of remediation activities;
- 3) Address specific concerns raised by project stakeholders regarding appropriate involvement, Army decision making, and regulatory review required in the PBA planning and implementation process;
- 4) Determine the current action plans for open sites and potential paths forward to achieve Remedy in Place (RIP) or Response Complete (RC) at each site; and
- 5) Outline the future work planned and schedules for implementation.

During the review, discussions focused on all open Army Environmental Database-Restoration (AEDB-R) and Army Environmental Database-Compliance-Related Cleanup (AEDB-CC) sites, to include IRP and CC at [INSTALLATION]. In general, these discussions covered the planned path forward for each site, key uncertainties, and the execution status of each (i.e., where are they in the restoration process, what are the planned next steps, what work is under contract, what work is funded, how the existing contracts are managed/executed, etc.).

The results of this review, including a list of sites, are captured in the Summary Table below.

Installation	
Open, AEDB-R Installation Restoration Program (IRP) Sites	
Open, AEDB-R Compliance Restoration (CR) Sites	
Open, AEDB-R Military Munitions Response Program (MMRP) Sites	
Open AEDB-CC Compliance Cleanup (CC) Sites	
Outstanding Issues/Items of Interest	
Recommendation	
Decision	

**Attachment 12: Template PBA Performance Work Statement
(with or without insurance)
USAEC Performance-Based Acquisition Guidebook**

For the most recent version of the Template PBA Performance Work Statement, please visit the USAEC PBA web site: <http://aec.army.mil/usaec/cleanup/pba00.html> or contact the PBA Team at APGR-USAECDocmaster@conus.army.mil

**Attachment 13: Template ACSIM ID/IQ PBA Performance Work Statement
(with or without insurance)
USAEC Performance-Based Acquisition Guidebook**

For the most recent version of the Template PBA Performance Work Statement, please visit the USAEC PBA web site: <http://aec.army.mil/usaec/cleanup/pba00.html> or contact the PBA Team at APGR-USAECDocmaster@conus.army.mil

**Attachment 14: Example Comment/Response Matrix
 USAEC Performance-Based Acquisition Guidebook
 [INSTALLATION] PBA PWS Comment/Response Matrix**

Commenter	Agency	Comment	Resolution
<i>Name of Commenter</i>	<i>Agency (Installation, Regulator, AEC Legal, ERM, etc.)</i>	<i>Comment (verbatim)</i>	<i>How comment was addressed or why it was not addressed.</i>

Attachment 15: Example Statement of Objectives USAEC Performance-Based Acquisition Guidebook

1.0 Introduction

The objective of this task order is to most effectively achieve Site Close Out/No Further Action and reduce Army life-cycle costs while maintaining protectiveness of human health and the environment, ensuring regulatory compliance, and maximizing the number of site closeouts achieved within the Task Order period of performance. Site Closure/No Further Action refers to the point at which the Department of Defense (DoD) will no longer engage in active management or monitoring at an environmental cleanup site and no additional environmental funds will be expended unless additional cleanup is required. For practical purposes, site closeout occurs when cleanup goals are achieved that allow unrestricted use of the property (i.e., no further Long Term Monitoring, including institutional controls, is required). Activities at the following installations are included in this SOO:

- [Installation Name, State]

1.0 Objectives

The Army's programmatic objective is to achieve installation wide Remedy in Place (RIP) or Response Complete (RC) and to maintain long-term remedies at all installations that are protective of human health and the environment at a cost determined to be the most beneficial to the government. The Army's objectives for [INSTALLATION] are as follows:

- Achieve installation-wide Remedy in Place (RIP) or Response Complete (RC) at [INSTALLATION] on or before [DATE] using a technical approach demonstrated to be the lowest 30-year lifecycle cost to the Army.
- At sites where Long Term Management (LTM) and/or Remedial Action Operations (RAO) are underway, develop and implement exit/ramp down (i.e., optimization) strategies to ultimately accomplish the goal of Site Closeout¹.

The sites included in the SOO are the following:

AEDB-R or AEDB-CC #	DESCRIPTION	PROGRAM

¹ Site Closeout signifies when the Army has completed active management and monitoring at an environmental cleanup site, no additional environmental cleanup funds will be expended at the site and the Army has obtained regulator concurrence. For practical purposes, Site Closeout occurs when cleanup goals have been achieved that allow unrestricted use of the property (i.e., no further LTM, including institutional controls, is required). Site Closeout may include, but not be limited to, the dismantling, removal, recycling, reclamation and/or disposal of all remedial activity systems and ancillary equipment above and underground to return the site to its natural state.

**Attachment 16: Template Army Management & Oversight of the Acquisition of Services
Strategy
USAEC Performance-Based Acquisition Guidebook**

NOTE: Portions of this attachment may contain information protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and it is therefore exempt from disclosure under applicable law.

If you require a copy to perform in an official capacity, please contact:

APGR-USAECDocmaster@conus.army.mil

**Attachment 17: Template Technical Evaluation Criteria
USAEC Performance-Based Acquisition Guidebook**

NOTE: Portions of this attachment may contain information protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and it is therefore exempt from disclosure under applicable law.

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**Attachment 18: Example Final Independent
Government Estimate and Cost Analysis
USAEC Performance-Based Acquisition Guidebook**

For Government Eyes Only

**Independent Government Estimate
for
the Performance-Based Acquisition
at [INSTALLATION], [STATE]**

[DATE]

For Government Eyes Only

Prepared by: [ORIGINAL SIGNATURE]
[NAME], [ORGANIZATION] DATE

Approved by: [ORIGINAL SIGNATURE BY
DEPARTMENT OF THE
ARMY CIVILIAN (DAC)]
[RESTORATION MANAGER], USAEC DATE

To: [ERM NAME], USAEC Restoration Manager
Nancy Kosko, USAEC Program Manager

Prepared by:

Reviewed by:

Date:

Subject: Independent Government Estimate/Cost Analysis for the Performance-Based Acquisition at [INSTALLATION]

[INTRODUCTION]

The total IGE for [INSTALLATION] was estimated at [\$]. A summary of the IGE for each site is presented in Table 1 along with the Cost-to-Complete (CTC) estimate for the same work. The IGE is compared with the CTC and a brief discussion describing the reasons that most likely contribute to the observed cost differences follows.

[DISCUSSION OF REASONS FOR OBSERVED COST DIFFERENCES]

- The initial cost estimate and its basis (e.g., from AEDB-R);
- The revised estimate;
- The justification for revision (e.g., assumed larger/smaller volume for excavation, new technology available).

[BRIEF DESCRIPTION OF SUPPORTING DOCUMENTATION INCLUDED IN THE IGE PACKAGE]

Table 1: Sample CTC/IGE Cost Analysis Summary

Site Number	Site Objective	CTC	IGE
Installation Restoration Program Sites			
CSWP-01	RC or RIP/RA(O)/LTM	\$11,000	\$14,989
CSWP-02	RC or RIP/RA(O)/LTM	\$26,000	\$43,884
CSWP-03	RIP/RA(O)/LTM	\$387,000	\$267,291
CSWP-04	RC or RIP/RA(O)/LTM	\$158,000	\$300,490
CSWP-05	RIP/RA(O)/LTM	\$4,455,000	\$7,423,824
CSWP-06	RIP/RA(O)/LTM	\$786,000	\$342,376
CSWP-07	RC or RIP/RA(O)/LTM	\$20,000	\$129,573
CSWP-08	RC or RIP/RA(O)/LTM	\$35,000	\$31,169
CSWP-09	RC or RIP/RA(O)/LTM	\$1,986,000	\$1,372,508
CSWP-10	RC or RIP/RA(O)/LTM	\$90,000	\$132,981
CSWP-11	RC or RIP/RA(O)/LTM	\$1,872,000	\$1,871,299
CSWP-12	RC/LTM	\$122,000	\$363,797
IRP Sites Sub-total		\$9,948,000	\$4,877,781
Compliance Cleanup Program Sites			
CC CSWP-30	RC or RIP/RA(O)/LTM	\$1,500,000	\$198,786
CC CSWP-31	LTM	\$78,000	\$199,082
CC CSWP-32	RC or RIP/RA(O)/LTM	\$99,000	\$172,594
CC CSWP-33	RC or RIP/RA(O)/LTM	\$77,000	\$78,437
CC CSWP-34	RC or RIP/RA(O)/LTM	\$210,000	\$281,992
CC CSWP-35	RC or RIP/RA(O)/LTM	\$88,000	\$123,575
CC CSWP-36	RC/LTM	\$336,000	\$339,978
CC Sites Sub-total		\$2,388,000	\$1,394,444
Site Total		\$12,336,000	\$6,272,225
Environmental Insurance			\$400,000
PBC Project Mgt			\$50,000
Total IGE			\$6,772,225

Should you have any questions, please contact [NAME] at [PHONE NUMBER].

Enclosures

**Attachment 19: Template Technically Acceptable/Low Cost
Evaluation Summary Sheets
USAEC Performance-Based Acquisition Guidebook**

NOTE: Portions of this attachment may contain information protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and it is therefore exempt from disclosure under applicable law.

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**Attachment 20: Template Trade-Off Analysis
Evaluation Summary Sheets
USAEC Performance-Based Acquisition Guidebook**

NOTE: Portions of this attachment may contain information protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and it is therefore exempt from disclosure under applicable law.

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**Attachment 21: Template PBA Award Summary
USAEC Performance-Based Acquisition Guidebook**

FY[Fiscal Year] PBA AWARDS

[PBA Award Name]

Performance-based task order for environmental remediation services at [Installation, State] was awarded to [Company] on [Date of PBA Award]. This task order was awarded on the [Name of Contract Vehicle] administered by the [Contracting Agency] for a period of performance from [Date of PBA Award] to [Period of Performance End Date]. The performance objectives call achieving [Summary of Main PBA Performance Objectives and Completion Dates].

Winning Offer = \$[Contract Award Amount]
IGE = \$[Final IGE Amount]
AEDB-R CTC for comparison = \$[CTC Amount]

[Source: Contract {Date of Award}, IGE {Date of Final IGE} and {AEDB-R Data Call for CTC} Approved AEDB-R CTC]

For BRAC or CC PBAs, use the following template with a footnote on Winning Offer:

[PBA Award Name]

Performance-based task order for environmental remediation services at [Installation, State] was awarded to [Company] on [Date of PBA Award]. This task order was awarded on the [Name of Contract Vehicle] administered by the [Contracting Agency] for a period of performance from [Date of PBA Award] to [Period of Performance End Date]. The performance objectives call achieving [Summary of Main PBA Performance Objectives and Completion Dates].

Winning Offer = \$[Contract Award Amount]¹
IGE = \$[Final IGE Amount]
AEDB-R CTC for comparison = \$[CTC Amount]

[Source: Contract {Date of Award}, IGE {Date of Final IGE} and {AEDB-R and AEDB-CC (if applicable) Data Call for CTC} Approved AEDB-R and AEDB-CC (if applicable) CTC]

¹ Reported values are for [Choose those which apply: Base Realignment and Closure (BRAC) or Compliance-Related Cleanup (CC)] sites; therefore, values will be reported on the [Choose those which apply: BRAC tab or CC tab] of the Master Spreadsheet and will not appear in ER,A metrics.

Attachment 22: Guidance for the Development of CLIN Structures/Payment Milestones/Detailed Project Schedules USAEC Performance-Based Acquisition Guidebook

This guidance is being provided to communicate Army expectations for the development of contract line item (CLIN) structures and the correlation with the subsequent development of payment milestone schedules and detailed project schedules. This guidance is not intended to remove contractor flexibility. The examples provided are for illustration purposes only and are not intended to be inclusive of all acceptable approaches.

Contracts for the acquisition of services are funded in stages that are economically or programmatically viable. CLINs provide a means for funding economically or programmatically viable stages by identifying the items or services to be acquired as non-severable contract deliverables. Services may be for more than one, but not more than five program years. Contract line items (CLINs) shall provide a firm fixed price for separately identifiable contract deliverables. Each CLIN shall have its own delivery schedule or completion date expressly stated. For example: Achieve [performance objective] for [site number(s)] by [day month year].

CLINs may be further subdivided into sub-CLINs that identify information that relates directly to, and is an integral part, of the CLIN but is subdivided for administrative purposes to facilitate payment or other management purposes. For example:

- o [site number(s)] RI/FS through RD/RA by [day month year] (if CERCLA)
- o [site number(s)] CMS through CMI-C by [day month year] (if RCRA)

Each separately identified contract sub-CLIN shall have its own firm fixed price and delivery schedule or completion date. Sub-CLIN prices and completion dates must not exceed the value or completion date of the CLIN. Because the amount of available program funding is unpredictable, the use of sub-CLINs provides the Army with the flexibility to match options to be exercised with available funding.

CLINs shall consist of four numeric digits 0001 through 9999 but should not use numbers beyond 9999. The item numbers shall be sequential, but need not be consecutive. Once a CLIN number has been assigned, it shall not be assigned to another contract line item in the same contract. Sub-CLINs shall use alpha characters running AA through ZZ. For example, if the CLIN number is 0001, the first three sub-CLIN items would be 0001AA, 0001AB, and 0001AC. All 24 available alpha characters should be used in the second position before selecting a different alpha character for the first position. For example, use AA, AB, AC, through AZ before beginning BA, BB, and BC. Alpha characters I and O should be avoided due to the potential for confusion with numeric digits 1 or 0.

Payment milestones shall not represent a “progress” payment or a “monthly” payment for level of effort expended. For any performance objective, a milestone payment shall be for completion of a definable and measurable point considered integral and necessary to completion of the performance objective. For example, if the Performance Objective is to achieve Remedy-in-Place (RIP) or Response Complete (RC) and work required to achieve RIP or RC includes RI/FS, PP, ROD, Remedial Design (RD), and Remedial Action (RA), then potential interim milestone payments could be:

- o Army Approval of Draft RI/FS;
- o Regulator approval of RI/FS;
- o Army Approval of Draft PP;
- o Regulator approved PP;
- o Signed ROD;
- o Completion of X% of RA;
- o Completion of RA;
- o Army Approval of Draft Construction Complete Report;
- o Regulatory Approval that Site Close-Out is achieved.

Contractor proposed milestone payments for Army approval of draft documents requires sufficient funds to remain associated with the final document to ensure completion of the performance objective. Payment milestone ranges could be as low as 60% but shall not exceed 80% of the total payment for that CLIN/Sub-CLIN prior to achievement of the final deliverable for the CLIN. Army acceptance of contractor proposed draft milestones, or the proposed percentage of the payment milestone as compared to the total payment for that CLIN/Sub-CLIN, is discretionary and negotiated on a case-by-case contract basis between the Army and selected offeror. The QASP should highlight key quality control activities or events that the COR will use to determine when Army (COR or Contracting Officer (KO)) inspections can be conducted to assess completion of milestones. Activities identified in the QASP should be appropriately coded in the project schedule to allow for planning of QA inspections.

An example illustrating the progression of CLIN structure to detailed project schedule follows.

EXAMPLE CLIN STRUCTURE (Army approval required prior to Task Order award)

CLIN/SUB-CLIN	CLIN/SUB-CLIN DESCRIPTION	CLIN/SUB-CLIN AMOUNT
2001	ENVIRONMENTAL REMEDIATION SERVICES FFP Services in accordance with the performance work statement in Section C	\$0
2001AA	Project Management Plan (PMP) and Quality Assurance Surveillance Plan (QASP)	\$10,000
2001BA	Achieve RIP for CSWP-001 Fire Training Area 1 by 30 Jun 07	\$200,000
TOTAL		\$210,000

EXAMPLE PAYMENT MILESTONE SCHEDULE (Negotiated between the Army and the selected offeror and approved by the Army)

CLIN/SUB-CLIN	CLIN/SUB-CLIN/PAYMENT MILESTONE DESCRIPTION	CLIN / SUB-CLIN AMOUNT	PAYMENT MILESTONE AMOUNT
2001	ENVIRONMENTAL REMEDIATION SERVICES FFP Services in accordance with the performance work statement in Section C	\$0	
2001AA	Project Management Plan (PMP) and Quality Assurance Surveillance Plan (QASP)	\$10,000	
	Army Approval of Draft PMP/QASP		\$6,000
	Army Approval of Final PMP		\$4,000
2001BA	Achieve RIP for CSWP-001 Fire Training Area 1 by 30 Jun 07	\$200,000	
	Army Approval of Draft Feasibility Study		\$30,000
	Army Approval of Final Feasibility Study		\$20,000
	Army Approval of Draft Record of Decision		\$6,000
	Army Approval of Final Record of Decision		\$4,000
	Army Approval of Draft Remedial Action Work Plan/Remedial Design		\$62,000
	Army Approval of Final Remedial Action Work Plan/Remedial Design		\$38,000
	Army Approval of Draft Remedial Action Completion Report (RACR)		\$30,000
	Army Approval of Final Remedial Action Completion Report (RACR)		\$10,000
TOTAL		\$210,000	\$210,000

NOTE: Payment milestone ranges could be as low as 60% but shall not exceed 80% of the total payment for the CLIN/SubCLIN prior to achievement of the final deliverable. In the example above, 80% of \$200,000 = \$160,000, therefore RACR (draft + final) = \$40,000 or 20% of Sub-CLIN 2001BA

EXAMPLE DETAILED PROJECT SCHEDULE (Army approval required as part of the PMP)

ACTIVITY ID #	ACTIVITY DESCRIPTION	DURATION	START	FINISH
2001	Task Order Award	1 day	1 Oct 07	1 Oct 07
2001AA0001	Kick-Off Meeting	1 day	15 Oct 07	15 Oct 07
2001AA0002	Prepare Draft PMP and QASP	30 days	1 Oct 07	31 Oct 07
2001AA0003QA	Army Review of Draft PMP/QASP	30 days	1 Nov 07	1 Dec 07
2001AA0004PM	Army Approval of Draft PMP/QASP	1 day	1 Dec 07	1 Dec 07
2001AA0005	Respond to Army Review Comments on Draft PMP	30 days	2 Dec 07	1 Jan 08
2001AA0006QA	Army Review of Final PMP	30 days	2 Jan 08	1 Jan 08
2001AA0007PM	Army Approval of Final PMP	1 day	1 Feb 08	1 Jan 08

NOTE: Army quality assurance surveillance activities precede all payment milestones. Per the PWS, activities are coded (designated by the suffix QA in the activity ID #) in the project schedule.

**Attachment 23: Example Limited Source Justification
Performance-Based Acquisition Guidebook**

NOTE: Portions of this attachment may contain information protected from disclosure under the Procurement Integrity Act, 41 USC 423 and Freedom of Information Act, 5 USC §552 and it is therefore exempt from disclosure under applicable law.

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