

## **Attachment 2**

### **CONTRACT STATEMENT OF OBJECTIVES**

#### **1.0 PURPOSE**

The purpose of this contract is to assist the Space and Naval Warfare Systems Command (SPAWAR), SPAWAR's Echelon III Activities, PEO-C4I & Space, PEO-IT, PEO-LMW, PEOT and NMCI in implementing Performance-Based Services Acquisition (PBSA) methodology on large multiple award support services contracts resulting from solicitations N00039-03-R-0032/0033. The goal of this assistance is facilitate a consistent PBSA approach and contracting process such that after the contract expires, users will be fully equipped to maintain this process without contractor support.

#### **2.0 SCOPE**

Implementing PBSA for the above organizations may include the following activities:

- fostering customer and contractor understanding, acceptance, participation and competence in PBSA processes. May include participating in the development and refinement of such processes.
- receiving customer requirements, usually via the Acquisition Management Automation System (AMAS), and crafting task order Performance Work Statements (PWS) or Statements of Objectives (SOO).
- assisting with developing and implementing performance standards and quality assurance plans (may be defined at the contract level rather than the task order level)
- assisting with developing other sections of the task order RFQs; i.e. deliverables, source selection factors, linkage to contract incentive criteria, funding documents, etc.
- assisting with the task order cost/technical proposal evaluation process, which may require uploading and downloading documents on SPAWAR's electronic commerce site.
- collecting, analyzing and reporting on task order/contract performance metrics data. This does not include contractor performance surveillance, but may involve non-voting participation as 'recorder' on boards determining the award of contract incentives.
- providing CDRL data and responding to ad hoc or emergent data calls. May require creating/maintaining an automated, searchable repository of both current and historical task order information.
- facilitating process improvement. May include producing non-proprietary electronic templates/tools, drafting instructions/guidebooks, attending partnering sessions, providing training, change management, etc.

#### **3.0 BACKGROUND**

##### **3.1 Historical Services Contracting Environment**

Description of Contracting Vehicles - In 1999, the Program Management Team Omnibus (PMTO) was awarded to five prime contractors who engaged almost fifty subcontractors. Support services provided under these contracts fall into five distinct scope areas; Program Management, Engineering, Test & Evaluation, Installations and Logistics. The contracts are cost

plus award fee, level of effort, “C-type” contracts with effort specified on Technical Direction Letters (TDLs) incorporated via contract modifications. The five contracts were awarded by scope area, but are not multiple award contracts (MAC), hence, no competition for TDLs takes place. The contracts do not use PBSA methodology. They will all expire late in GFY 2004.

**Volume of Usage** - In the past two fiscal years, the approximate dollar value and number of TDLs issued under each of the five PMTO contracts was as follows:

Scope Area	FY02 \$	FY02 TDLs	FY03 \$	FY03 TDLs
Program Management	\$73M	152	\$88M	159
Engineering	\$26M	62	\$24M	62
Logistics	\$13M	61	\$12M	45
Test & Evaluation	\$1M	10	\$1M	8
Installations	\$1M	4	\$1M	3

**Size/Complexity of TDLs** – Approximately 35% of TDLs acquire one man-year or less of effort, approximately 50% of TDLs acquire one to five man-years of effort, approximately 10% of TDLs acquire five to ten man-years of effort and approximately 5% of TDLs acquire greater than ten man-years of effort.

### 3.2 Projected Services Contracting Environment

**Description of Contracting Vehicles** – Before the PMTO contracts expire, SPAWAR expects to award follow-on contract vehicles under the title of Major Services Acquisition (MSA). Two separate multiple award IDIQ vehicles are envisioned. The first will cover the Program Management scope area and have several prime awardees, hereafter referred to as the PM MAC. The second is to cover the other four scope areas mentioned above and have several small business awardees, hereafter referred to as the SB MAC. All contracts under both vehicles will have CPFF and FFP line items and utilize the award term incentive. Since the vehicles will be multiple award IDIQs, fair opportunity to compete for task orders, or exemptions thereto, will be exercised per the FAR 16.505. To the maximum extent practicable, PBSA methodology will be employed.

**Projected Usage and Timing** – It is anticipated that both vehicles will be awarded for a maximum performance period of four years. Task Orders (TO) rather than TDLs will be issued. The estimated dollar value and number of TOs per year under each vehicle is as follows:

Vehicle	Dollar Value	TOs
PM MAC	\$80M	100
SB MAC	\$40M	100

Historically, TDL awards were distributed over the course of the fiscal year (October 1 – September 30) with 65% in 1st Qtr., 20% in 2nd Qtr., 5% in 3rd Qtr., and 10% in 4th Qtr. [Note: PWS/SOO drafting, TO competition and evaluation take place in the month or two before award.] TOs may contain options.

### **3.0 PERFORMANCE OBJECTIVES**

As a result of contract performance, the government expects to achieve the following outcomes:

a. to increase the proportion of total services contracting dollars utilizing PBSA principles by achieving greater than 50% of all services contracting dollars obligated under the PM/SB MSA MACs utilizing performance-based principles.

b. to establish a process for the award and administration of TOs under those contracts that incorporates PBSA principles, minimizes processing time and maximizes ease of use.

c. to increase customer and contractor understanding, acceptance, participation and competence in PBSA principles such that upon completion of performance under this contract those customers will possess the knowledge and skills necessary to maintain and improve upon the application of PBSA principles without contractor support.

### **5.0 CONSTRAINTS**

#### **5.1 Key PBSA References**

The Contractor may use any PBSA references it believes are appropriate to successfully achieve the performance objectives listed in paragraph 4.0 above. Should a disagreement arise between the parties over PBSA definitions and processes to be implemented, it shall be resolved by giving precedence, in the following order, to the references below:

- Federal Acquisition Regulation (FAR) 37.6, Performance Based Contracting
- Seven Steps to PBSA:  
<http://www.arnet.gov/Library/OFPP/BestPractices/pbsc/index.html>
- DoD Guidebook to PBSA, dated December 2000

#### **5.2 Electronic Systems, Software**

In order to successfully perform under this contract, the contractor shall use at least two government electronic systems; Acquisition Management Automation System (AMAS) and SPAWAR's electronic commerce system, e-commerce select. As described in Section H of this solicitation, the government will provide two NMCI workstations in the SPAWAR facility to enable this access. User training literature for these systems will be made available to the contractor after award. The PBSA process developed and used shall incorporate the use of these two systems, or their successors.

For normal office use, the government utilizes the Microsoft Office Suite. The contractor shall utilize software, and provide data deliverables, compatible with government applications. When assisting with the task order proposal evaluation process, the contractor may need to use an automated tool requiring DoD PKI certification. Obtaining this certification is a contractor responsibility.