PGI 216.470 Other applications of award fees.

The “award amount” portion of the fee may be used in other types of contracts under the following conditions:

(1) The Government wishes to motivate and reward a contractor for—

(i) Purchase of capital assets (including machine tools) manufactured in the United States, on major defense acquisition programs; or

(ii) Management performance in areas which cannot be measured objectively and where normal incentive provisions cannot be used. For example, logistics support, quality, timeliness, ingenuity, and cost effectiveness are areas under the control of management which may be susceptible only to subjective measurement and evaluation.

(2) The “base fee” (fixed amount portion) is not used.

(3) The chief of the contracting office approves the use of the “award amount.”

(4) An award review board and procedures are established for conduct of the evaluation.

(5) The administrative costs of evaluation do not exceed the expected benefits.

<table>
<thead>
<tr>
<th>TABLE 16-1, PERFORMANCE EVALUATION CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submarginal</td>
</tr>
<tr>
<td>---</td>
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<tr>
<td>A Time of Delivery.</td>
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<tr>
<td>(A-2) Action on Anticipated delays.</td>
</tr>
<tr>
<td>(A-3) Plan Maintenance.</td>
</tr>
</tbody>
</table>
B
Quality of Work

(B-1) Work Appearance.

25% dwgs. Not compatible with Shipyard repro. processes and use.

20% not compatible with Shipyard repro. processes and use.

10% not compatible with Shipyard repro. processes and use.

0% dwgs. Prepared by Des. Agent not compatible with Shipyard repro. processes and use.


(B-2) Thoroughness and Accuracy of Work.

Is brief on plans tending to leave questionable situations for Shipyard to resolve.

Has followed guidance, type and standard dwgs. Questioning and resolving doubtful areas.

Work complete with notes and thorough explanations for anticipated questionable areas.

Work of highest caliber incorporating all pertinent data required including related activities.

(B-3) Engineering Competence.

Tendency to follow past practice with no variation to meet reqmts. job in hand.

Adequate engrg. To use & adapt existing designs to suit job on hand for routine work.

Engineered to satisfy specs., guidance plans and material provided.

Displays excellent knowledge of constr. Reqmts. considering systems aspect, cost, shop capabilities and procurement problems.

Exceptional knowledge of Naval shipwork & adaptability to work process incorporating knowledge of future planning in Design.

B Quality of Work (Cont’d) (B-4) Liaison Effectiveness

Indifferent to requirements of associated activities, related systems, and Shipyard advice.

Satisfactory but dependent on Shipyard of force resolution of problems without constructive recomm—dations to subcontr. or vendors.

Maintains normal contract with associated activities depending on Shipyard for problems requiring military resolution.

Maintains independent contact with all associated activities, keeping them informed to produce compatible design with little assistance for Yard.

Maintains expert contact, keeping Yard informed, obtaining info from equip, supplies w/o prompting of Shipyard.

(B-5) Constant surveillance required to keep job from slipping—assign to low priority to satisfy needs.

Requires occasional prodding to stay on schedule & expects Shipyard resolution of most problems.

Normal interest and desire to provide workable plans with average assistance & direction by Shipyard.

Complete & accurate job. Free of incompatibilities with little or no direction by Shipyard.

Develops complete and accurate plans, seeks out problem areas and resolves with assoc. act. ahead of schedule.
C  Effective-ness in Controlling and/or Reducing Costs

(C-1)  Utilization of Personnel
Planning of work left to designers on drafting boards.  Supervision sets & reviews goals for designers.  System planning by supervisor, personnel, studies checked by engineers.  Design parameters established by system engineers & held in design plans.  Mods. to design plans limited to less than 5% as result lack engrr.  System correlation.

(C-2)  Control Direct Charges (Except Labor)
Expenditures not controlled for services.  Expenditures reviewed occasionally by supervision.  Direct charges set & accounted for on each work package.  Provides services as part of normal design function w/o extra charges.  No cost overruns on original estimates absorbs service demands by Shipyard.

(C-3)  Performance to Cost Estimate
Does not meet cost estimate for original work or changes 30% time.  Does not meet cost estimate for original work or changes 20% time.  Exceeds original est. on change orders 10% time and meets original design costs.  Exceeds original est. on changing orders 5% time.  Never exceeds estimates of original package or change orders.

TABLE 16-2,
CONTRACTOR PERFORMANCE EVALUATION REPORT

   RATINGS                     PERIOD OF
   Period of
   Excellent
   Very Good
   Marginal
   Submarginal
   CONTRACT NUMBER
   CONTRACTOR
   DATE OF REPORT
   PNS TECHNICAL MONITOR/s

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>CRITERIA</th>
<th>RATING</th>
<th>ITEM FACTOR</th>
<th>EVALUATION RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1 Adherence to Plan Schedule</td>
<td></td>
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<tr>
<td>A-2 Action on Anticipated Delays</td>
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<td>.30</td>
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<tr>
<td>A-3 Plan Maintenance</td>
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<td>Total Item Weighed Rating</td>
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<td></td>
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<tr>
<td>B-1 Work Appearance</td>
<td></td>
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<td>.15</td>
<td></td>
</tr>
<tr>
<td>B-2 Thoroughness and Accuracy of Work</td>
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<td></td>
<td>.30</td>
<td></td>
</tr>
<tr>
<td>B-3 Engineering Competence</td>
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<tr>
<td>B-4 Liaison Effectiveness</td>
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<tr>
<td>B-5 Independence and Initiative</td>
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<td>.15</td>
<td></td>
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<tr>
<td>Total Item Weighed Rating</td>
<td></td>
<td></td>
<td>.40</td>
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</tr>
</tbody>
</table>

QUALITY OF WORK

EFFECTIVENESS RATING
EFFECTIVENESS IN CONTROLLING AND/OR REDUCING COSTS

C-1 Utilization of Personnel

C-2 Control of all Direct Charges Other than Labor

C-3 Performance to Cost Estimate

Total Item Weighed Rating

TOTAL WEIGHT RATING

Rated by:

Signature(s)

NOTE: Provide supporting data and/or justification for below average or outstanding item ratings.

Parent topic: PGI 216.4 - INCENTIVE CONTRACTS