**Performance-Based Service Contracts**

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<tr>
<th>6. AUTHOR(S)</th>
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<tbody>
<tr>
<td>Capt Jonathan Wright, AFLMA/LGC, DSN 596-4085</td>
</tr>
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<tr>
<th>7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)</th>
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<tbody>
<tr>
<td>Air Force Logistics Management Agency/LGC</td>
</tr>
<tr>
<td>501 Ward Street</td>
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<td>Maxwell AFB, Gunter Annex AL 36114-3236</td>
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<td>HQ AMC/LG</td>
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<td>402 Scott Dr, Rm 132, Scott AFB, IL 62225-5363</td>
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<th>14. ABSTRACT</th>
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<tr>
<td>Replete information exists within federal government agencies. However, a one-stop-shop service does not exist for Air Force contracting professionals who must learn the sweeping changes of Performance-Based Service Contracts (PBSC). This project includes a web-based central repository of PBSC knowledge. The objectives, or deliverables, will be available for downloading at this center. Contracting, functional customers, and contractors are the target audience. Partnering efforts include AFSPC/LGC, PACAF/LGC, and RAND. This training web site was the official Air Force Online training for PBSC during 1999 Acquisition &amp; Logistics Reform Week, 7 - 11 Jun 99.</td>
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<th>15. SUBJECT TERMS</th>
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<tr>
<td>Performance Management; Performance Measurement; Performance-Based; services; results; AFI 63-124; performance-based service contracts</td>
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<th>16. SECURITY CLASSIFICATION OF</th>
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<td>a. REPORT</td>
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<td>188</td>
<td>Capt Jonathan Wright</td>
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<table>
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<tr>
<th>20. TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSN: 596-4085</td>
</tr>
</tbody>
</table>
AFLMA's Performance-Based Service Contracts

AFLMA online

Performance is key
outcome based
service results

Instructions   Compatibility   Feedback
| To finish & exit any presentation, go to the last slide and click on "Finish." You will return here. | If you encounter viewing problems (for example, viewing the "Notes" text), then we recommend you switch your browser. | Feel free to e-mail us a comment at. |

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Executive Summary
AFI 63-124
Writing SOWs
Contractor Metrics

Return to Main

Stop
(tips and exercises or use them to fuel your discussion)

Download PDF
(use to print out an entire presentation or use in your training and/or outreach programs)
Executive Summary
Why ASC
Top Tier Contractors
AFLF 1998
What We Talk
Cost of Money
Registration
Security
(take notes and keep at these exercises or use them to fuel your discussion groups)

Download ALL
(use to print out a Breure presentation or use in your training and/or in each programs)
Performance Based Services
An Executive Summary

Air Force
Logistics Management Agency

AFLMA/LGC
501 Ward Street
MAFB Gunter Annex AL  36114-3236
lgc@aflma.gunter.af.mil
Overview

- Why PBSC
- Top-level commitments
It's about obtaining higher levels of contractor performance.

It's about nurturing a synergistic partnership.

It's about commercial contracting.

Source: "Acquisition Planning for Commercial Activities Competition"
Benefits of PBSC

- Achieves better prices and performance
- Clearly defines performance requirements
- Grants contractors flexibility
- Requires less surveillance
- Motivates contractors towards innovation

Source: HQ.AFSPC/LOG
Review

- Why PBSC
- Top-level commitments
Top-Level Commitments

• The President’s FY99 Budget includes converting service contracts to PBSC methods
• OFPP Pilot Project demonstrated validity
  – 15% price reduction
  – 18% increase in customer satisfaction
  – Validated 20 years of positive experiences

Source: Memo, DUSD(AR), 2 Jul 98
AF Commitment to PBSC

- PBSC affects "Big Rocks"
  - Commercial Contracting
  - CS&P
  - Past Performance
  - Reengineering Source Selection Process
  * Reengineering Services Buying

Source: "Contracting 21: 1999 Business Plan"
Review

- Why PBSC
- Top-level commitments
Executive Summary
AFI 63-124

Background
Major changes
New terms

Developing SOWs
Quality Assurance
Writing SOWs
Contract Metrics

Return to top

Scenarios
(try your hand at these exercises or use them to fuel your discussion groups)

Download ALL
(use to print out an entire presentation or use in your training and/or outreach programs)
AFI 63-124
Performance Based Service Contracts

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Overview

- Background
- Major changes
- New terms
- Developing SOWs
- Quality Assurance
Background

- Escalating cost comparison studies
- Commercial acquisitions improve the service contract process
- Building functional partnerships
- Building service partnerships

Source: HQ AFSPC/LGC
Review

- Background
- Major changes
- New terms
- Developing SOWs
- Quality Assurance
Major Changes

- Replaces AFM 64-108, “Service Contracts”
- Replaces AFI 63-504, “Quality Assurance Evaluator Program”
- Applies to all service contracts >$100K—see the AFI for exceptions
- Encourages maximum use of commercial acquisitions

Source: AFI 63-124 and HQ AFSPC/LGC
AFI 63-124's Philosophy

- Flexible acquisitions
- Promotes Acquisition Reform
- Performance, not process
- Formalizes a team approach
- Applies a life-cycle view

Source: AFI 63-124 and HQ AFSPC/LGC
Things You Won't Find

- 40 pages of mandatory language
- Emphasis on monetary deductions
- 100% inspections
- Random sampling preference
- Oversight mindset

Source: HQ AFSPC/LGC
Things You Will Find

Team Approach

- Performance Management Council
- Installation Business Advisor
- Business Requirements Advisory Group (BRAG)
- Functional Director or Functional Commander
- Centralized Performance Management Office (by option)

Source: HQ AFSPC/LGC
Market Research, A Joint Venture

- Determine if commercial solution
- Identify commercial practices
  - Takes both contracting and functionals
  - Learn requirement, terms & conditions, warranties, contract format, performance incentives, solicitation/evaluation methods, quality assurance methods
Review

- Background
- Major changes
- New terms
- Developing SOWs
- Quality Assurance
New Terms

- **BRAG**--"business solution team"
- **Centralized Perf Mgt Team**--a "centralized quality assurance office"
- **Partnering**--a "government-contractor relationship that promotes achievement of mutual beneficial goals"
- **SOW**--a "performance-based description of the service"

Source: AFI 63-124
### Some Other New Terms

<table>
<thead>
<tr>
<th>Old</th>
<th>New</th>
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<tbody>
<tr>
<td>PWS</td>
<td>SOW (aka PWS, Work Statement, SON, SOO, TRD)</td>
</tr>
<tr>
<td>FAC</td>
<td>Functional Director or Commander (FD/FC)</td>
</tr>
<tr>
<td>QAE</td>
<td>QA Personnel (QAE and QAS)</td>
</tr>
<tr>
<td>PRS</td>
<td>Service Delivery Summary (SDS)</td>
</tr>
</tbody>
</table>

Source: HQ AFSPC/LGC
Review

- Background
- Major changes
- New terms
  - Developing SOWs
  - Quality Assurance
Developing SOWs

- Complies with commercial terms & conditions
- Describes "what," not "how"
- Includes measurable performance objectives
- Includes historic and projected workload data
- Cites instructions by specific reference

Source: AFI 83-124
SOW Format

- Description of Services
- Service Delivery Summary (SDS)
- Gov't Furnished Property and Services
- General Information
- Appendix/Appendices

SDS is the foundation of the requirement, the other sections just supplement this

Source: AFI 63-124 and HQ AFSPC/LOC

Service Delivery Summary

- Includes Performance Objectives and Performance Thresholds
- Captures requirement at outcome level
- Not the Performance Requirements Summary (PRS)
  - Objectives are outcomes, not tasks
  - No percentages, no deducts
  - Surveillance not included

Source: HQ AFSPC/LGC
Review

- Background
- Major changes
- New terms
- Developing SOWs
- Quality Assurance
Quality Assurance Surveillance Plan

- Performance objective
- Performance threshold
- Method of surveillance
- May be included in solicitation

* Partnering may produce metrics

Source: AFI 63-124
The Shift from Oversight to Insight

- Insight...partnering with contractor
- Build QA into program from beginning
- Rely on contractor’s quality control program
- Eliminates QA’s from duplicating contractor’s quality control
- Inspection = validate contractor metrics

Source: HQ AFSPC/LOGC
Review

- Background
- Major changes
- New terms
- Developing SOWs
- Quality Assurance
Forward

Writing Performance-Based Statements of Work (SOWs)

Air Force
Logistics Management Agency

AFLMA/LGC
501 Ward Street
MAFB Gunter Annex AL 36114-3236
lgc@aflma.gunter.af.mil
Overview

- Before we get started...
- The process
- Other useful tips
Before We Get Started, Tips To Remember

- RFP promotes results through partnership
- Set the stage for a fair process
- Don't underestimate time, labor, skills
- Goal: attract qualified suppliers, not drive them away

Source: "Designing Effective RFPs for Performance-Based Contracts"
For a Fair Process...

1. Make inability to achieve outcome the only barrier to participation
2. Be explicit and realistic about info that bidders provide
3. Establish evaluation criteria and link to requested info

Source: “Designing Effective RFPs for Performance-Based Contracts”
Review

- Before we get started...
- The process
- Other useful tips
The Process

Performance Analysis → Performance Objectives

Outcome Analysis → Performance Thresholds

Service Delivery Summary

Quality Assurance Surveillance Plan

Statement of Work

Source: HQ AFSPC/LGC
The Process—Outcome Analysis

Source: HQ APSPC/LGC
Outcome Analysis

- Identify Performance Objectives
  - Services and required output
  - What or end results
- Breakdown tasks into multiple levels
  - Tree diagram or other tool

Source: HQ AFSPCMGSC, emphasis added
Performance Analysis

- Use Performance Objectives from Outcome Analysis
- Establish Performance Thresholds
  - Rarely 100%
  - May be desirable...like 95%
- Use commercial standards when available

Source: HQ AFSPC/LGC
The Process—

Service Delivery Summary

Performance Analysis → Performance Objectives → Service Delivery Summary

Outcome Analysis → Performance Thresholds

Quality Assurance Surveillance Plan

Statement of Work

Source: HQ AFSPC/LGC
Service Delivery Summary

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Source: HQ AFSPC/LGC
### Service Delivery Summary Example

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<thead>
<tr>
<th>Performance Objective</th>
<th>SOW para.</th>
<th>Performance Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comply with sanitation requirements of the food code and state and local laws/regulations, which results in a satisfactory or better rating in health inspections.</td>
<td>9.d.(3), 13.b., 15, and 16.a.(4)</td>
<td>100% of the time</td>
</tr>
<tr>
<td>The contractor shall accomplish the food preparation tasks IAW recipe cards and serve in standard portions.</td>
<td>1.3.c.</td>
<td>95% of menu items per meal period</td>
</tr>
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Source: HQ AFSPC/LGC
The Process—Statement of Work

Performance Analysis → Performance Objectives

Outcome Analysis → Performance Thresholds

Service Delivery Summary

Quality Assurance Surveillance Plan

Statement of Work

Source: HQ AFSPC/LGC
SOW Format

- Description of Services
- Service Delivery Summary (SDS)
- Gov't Furnished Property and Services
- General Information
- Appendix/Appendices

SDS is the foundation of the requirement, the other sections just supplement this.

Source: AET 62-124 and HQ AFSPC/LGC
The Process—QASP

Performance Analysis → Performance Objectives → Service Delivery Summary → Statement of Work

Outcome Analysis → Performance Thresholds

Quality Assurance Surveillance Plan

Source: HQ AFSPC/LGC
Quality Assurance Surveillance Plan

- Ensures quality performance is a dual responsibility
  - Contractor is responsible for quality control, or “QC”
  - Government is responsible for quality assurance, or “QA”

- A “quality management system” ties these two responsibilities together
Quality Assurance Surveillance Plan

- Performance objective
- Performance threshold
- Method of surveillance

Partnering may produce metrics

Source: API 63-124
Quality Assurance Surveillance

Past and Present

- Past: In the past the government was left with 4 methods of surveillance; 100%, Periodic, Customer Complaint and random sampling
- Present: Flexibility is now key; Additionally, quality indexing, Metrics, trend analysis, 3rd party audits, etc.
Review

- Before we get started...
- The process
- Other useful tips
Reference to AFIs & Pubs

- Question necessity of reference
- Only cite specific chapter or paragraph
- Include in text for Description of Services along with applicable requirement
  
  e.g., food service contractor shall ensure only authorized individuals are served, IAW AFI 34-241, para. 1.1

Source: AFI 03-124 and HQ
AFSPC/LGC

On Tailoring Your Contract

- Increasing contract length reduces potential for opportunism, but limits adjustments to changing circumstances
- Use other contract provisions to manage opportunism and uncertainty
  - Minimum purchase requirements
  - Price adjustment provisions
  - Renegotiation

Source: RAND's "Strategic Sourcing: Theory and Evidence from Economics and Business Management"
Measuring Success

- Use direct, quantifiable measures
- Use indirect, substitute measures
  - Health of lake: PPM of toxins
- Use examples, lists, deadlines, statements

Source: “Performance Measurement in Government”
Review

- Before we get started...
- The process
- Other useful tips
Executive Summary

AFI 63-124

Writing SCWs

Contractor Metrics

Basics

Pre-Award Scoring

Quality Assurance

Metrics

Return to Main

Scenarios

(try your hand at these exercises or use them to fuel your discussion groups)

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Contractor Metrics

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Overview

- Basics
- Pre-Award Items
- Quality Assurance
- Metrics

Slide 2 of 25
Insight Vs. Oversight

- **Oversight**
  - Inspections aimed at detecting problems
  - Customer performed

- **Insight**
  - Customer's risk-based understanding, validation, surveillance of contractor's management and performance metrics

Source: HQ AFSPC/LOGC

Slide 3 of 25
Fix the Cause, Not the Defect

- Shift responsibility of service quality to contractor
- Validate, not duplicate, contractor's quality system
  - Requires minimal resources with acceptable risk

Source: HQ AFSPCLOGC

Slide 4 of 25
Industry Uses Metrics, Too

- As buyers, to choose among sources
- To design the contract
  - Work scope, outcome-oriented
  - Always open to adjustment
- Each relationship has its own set
- Certain patterns occur
  - Cost, responsiveness, quality

**Bottom line:** To improve processes

Source: RAND's "Commercial Sourcing: Patterns & Practices in Facility Management"

Slide 5 of 25
Review

- Basics
- Pre-Award Items
- Quality Assurance
- Metrics
Inspection of Services

- Required on every contract
- Provides right to inspect anytime, anywhere
- Requires contractor's inspection system
- Forces contractor to re-perform deficient services

Source: HQ.AFS.P.CALGC
The Commercial Items Clause Contains a Paragraph on Inspection and Acceptance

- Only tender acceptance-conforming items
- Gov't reserves right to inspect services tendered for acceptance
  - Requires some surveillance
- Gov't may require re-performance of non-conforming services

Source: HQ AFSPC/LGC
Pre-Award Communications

- Issue a draft QA plan as part of solicitation but not part of resulting contract
- Listen to contractors
- Apply good ideas

Source: HQ AFSPC/LGC
Review

- Basics
- Pre-Award Items
- Quality Assurance
- Metrics
Monitoring and Evaluating

- Plan before contract
- Tailor monitoring to each service
- Build trust
- Tap contractor for criteria
- Create an evaluation MIS
- Use market incentives

Source: "The Basics of Performance-Based Contracts: Lessons From State and Local Governments"
Key Ingredients of a QASP

- Identifies basic sources of contract data
- Identifies desired quality levels
- Identifies Gov’t resources
- Emphasizes business partnership

Source: “GSA’s Pledge to PBSC for Building Services”
Quality Assurance Surveillance Plan

- Not a contractual item
  - What we inspect
  - When we inspect
  - How we inspect is our choice
- BRAG develops QASP with SOW and Performance Thresholds
- Tailored to requirement
QASP Example

<table>
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<tr>
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<th>SOW para.</th>
<th>Performance Threshold</th>
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<tr>
<td>Prepare food IAW recipe cards</td>
<td>13 %</td>
<td>95% of menu items per meal period</td>
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</table>

Method of Surveillance: QAEs will verify weekly, during one meal period, 100% of the food prepared and served. The QAE will vary meal periods from week to week. The QAE will verify that contractor generated metrics accurately reflect inspection results.

Source: HQ AFS PCLA GC
Level of Surveillance

- Balance requirement and risk
- Sometimes more frequent at start
- BRAG reviews QASP throughout the life cycle

Source: HQ AFSC/ALC/C
Surveillance Methods

- Audit contractor-provided QA
- Periodic inspection
- Customer feedback
- Contractor’s metrics

Source: HQ AFSPC/LGC
Periodic Inspection

- Flexible
- Can provide more confidence
- Can validate:
  - Contractor-provided metrics
  - Contractor inspection records
  - Contractor inspection proficiency

Source: HQ AFSCALC
Customer Feedback

- After all, target contract performance to meet customers' needs
  - Customer surveys
  - Customer voice

Source: HQ AFSPC/LGC and RAND's "Innovative Uses of Performance Metrics in Strategic Sourcing"
Review

- Basics
- Pre-Award Items
- Quality Assurance
- Metrics
Metrics

- Provide status of performance
  - Accurate
  - Meaningful
- Contractor MIS
- Gov't job is insight...

Source: HQ AFSPC/LGC and RAND's "Innovative Uses of Performance Metrics in Strategic Sourcing"
Performance Incentives

- Past performance data
- Award fee
- Incentive fee

Source: HQ.AFS.PC.AGC
Choosing Appropriate Metrics

- Link metrics to strategic goals
- Track results
  - Outcome-oriented
  - Process-oriented
- Either quantitative or qualitative

Source: RAND's "Innovative Uses of Performance Metrics in Strategic Sourcing"
Evaluation Categories

- Cost
- Customer satisfaction
- Safety
- Human Resource policies
- Using technology
- Training
- Financial stability
- Special interests
- Socio-economic goals

Source: RAND's "Innovative Uses of Performance Metrics in Strategic Sourcing"
Contractor Responsibilities

- Generate savings
- Think strategically
- Raise the bar--continuously

And the Result...

- Share savings with Gov't
- Achieve strategic goals
- Reap incentives

Source: "Challenges and Strategies for Moving to Performance-based Service Contracting in the Federal Government"
Review

- Basics
- Pre-Award Items
- Quality Assurance
- Metrics
Scenarios
Outcome Analysis
Performance Analysis
SDS
SOW
QAS

Return to Main

Download All
(Use to print out and distribute for presentation or use in your training and other programs)
PBSC SCENARIOS

- Outcome Analysis
- Performance Analysis
- SDS
- SOW
- QASP

Time to put pen to paper.
Scenario 1: Outcome Analysis Practice Run

1. Select the outcome-based requirement from old-style, task-based requirement
2. Develop 3 Outcome Analysis statements to include in the SOW
Which best reflects Outcome Analysis?

Transportation → Taxi
  Customer pick-up → On time delivery
  Wash vehicles → Clean, spot free

Vehicle maint → Engine rep → Car starts & goes
  Brake rep → Car stops when you hit brakes

Happy customers → Taxi
  Grocery delivery

Vacation packages → Lowest cost
Who is Responsible?

You have just become assigned to a BRAG. The Functional Director believes the SDS doesn’t reflect the changes in work over the last 5 years. Who is going to do the fixing?
Select the 3 best Outcome-Based Statements

- All stealth craft require carbon fiber 2868
- Maintain low to no detection to the enemy
- Food lines open at 1200 sharp
- Food lines properly stocked for patrons during the meal period
- Cut the grass weekly and during the general’s visits
- Maintain the grass uniformly green to an acceptable height
Scenario 2: Performance Analysis Practice Run

- After running outcome analysis, you still need a performance level.
- Write a performance level for the grass length on a grounds maintenance contract.
Performance Analysis

Turn 3 outcome statements into performance statements.
1. Maintain the grass
2. Ensure customer taxi delivery
3. Perform cashier services and ensure accurate cash collections

What might the performance analysis require as standards?
Performance Analysis

In both of the following, differentiate the objective from the performance threshold.

1. Prepare Food IAW world wide menu card. 100% of menu items appear on the day’s world wide menu card.

2. Ensure MFH unit is ready for scheduled arrival date. Units unavailable require local accomodations paid by vendor 100 % of the time.
Scenario 3: Translate Outcome Analysis & Performance Analysis into the SDS

Insert a Performance Objective and Performance Threshold into the SDS

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Scenario 4: Statement of Work Practice Run

Objective: Know the outline of the SOW

Pick out the correct order for the SDS, Description of Services, Appendices, Government-Furnished Property and Services, and General Information

1. ___________ 2. ___________
3. ___________ 4. ___________
5. ___________
Statement of Work

Objective: Distinguish what is in/not in the SOW, and where it goes

1. Method of Surveillance
2. Fertilizer provided by CE
3. AFI 32-4008, coded mandatory
4. Quality assurance language
5. Market research forms.
Quality Assurance Surveillance Plan

Objective: Identify the source document for starting to write the Quality Assurance Surveillance Plan (QASP)

1. PRS
2. PWS
3. SOW
4. SDS
5. QC PLAN
Scenario 5: Quality Assurance Surveillance Plan Practice Run

Objective: Determine appropriate surveillance method for each listed requirement to include in the QASP

1. Pick up military family housing trash from 0800 - 1000, Wednesdays
2. Mow General Haphazard’s lawn daily
3. Billeting linen free of hair, spots, stains
4. Aircraft painted IAW SOW
5. Air conditioning maintenance
Quality Assurance Surveillance Plan

Objective: Demonstrate knowledge of the preferred government emphasis on quality assuring contractor services. When defects are found, the preferred method is:

1. Have another contractor perform the service?
2. Have the government perform the service?
3. Deduct money?
4. Reperformance?
5. Reperformance and take money?

Explain...
PBSC Scenario Overview

- Know the PBSC process to writing an RFP
- Use outcome analysis
- Select adequate performance measures
- Write mean, lean, quality assured SOWs
- Quality assure relying first on quality control
What is PBSC?
CS&P
Teaming in Government
Partnering With Industry
Incentives
Return to Main

Selected Exercises
(try you use at these exercises or use them to fuel your discussion groups)
Download ALL
(use to print out an entire presentation or use in your training and/or outreach programs)
What is PBSC?
Why PBSC
What is PBSC
How it works
CS&P
Teaming in Government
Partnership with Industry
Incorporation

Return
Scene
(trys to match each part and use them to fuel your)
Down
(uses to use in entire presentation or use in your training and outreach programs)
What Are Performance Based Service Contracts All About?

Air Force
Logistics Management Agency

AFLMA/LGC
501 Ward Street
MAFB Gunter Annex AL 36114-3236
lgc@aflma.gunter.af.mil
Overview

- Why PBSC
- What is PBSC
- How it works
It's about obtaining higher levels of contractor performance.

It's about nurturing a synergistic partnership.

It's about commercial contracting.

Source: "Acquisition Planning for Commercial Activities Competition"
Statutory Drivers

- Government Performance and Results Act
- Clinger-Cohen Act
- Government Management Reform Act
- Federal Activities Inventory Reform Act

Source: "Performance-Based Government: A New Way of Doing Business in Washington"
General Observations About a Complex Market

- Low cost is rarely a primary consideration
  - High performance and ability to match needs
- Long-term relationships apply to simple and complex tasks
- Partnerships yields more bundled services
  - Bundles grow with more confidence

Source: RAND's "Commercial Sourcing: Patterns & Practices In Facility Management"
Benefits of PBSC

- Achieves better prices and performance
- Clearly defines performance requirements
- Grants contractors flexibility
- Requires less surveillance
- Motivates contractors towards innovation

Source: HQ AFSPC/LGC
Review

- Why PBSC
- What is PBSC
- How it works
Elements of a PBSC

- *Outcome-based requirements document*
- *Clear, consistent, unambiguous, measurable performance standard*
- *Surveillance over contractor's inspection system, not duplicating it*

Source: HQ AFSC/LGC, emphasis added
PBSC is Also About...

- Performance standards
- Financial incentives
- Advanced measurement techniques
- Empowering contractors

Source: "The Basics of Performance-Based Contracts: Lessons From State and Local Governments"
Just a Sample Change
Food Service

- Old
  - Personal hygiene
  - Health exams
  - Food borne disease test
  - Equipment & utensil cleaning
  - Food preparation equipment cleaning
  - Service equipment cleaning
  - Dining area equipment cleaning

- New
  - Comply with FDA Food Code which results in a satisfactory or better rating in health inspections

Source: HQ AFSPC/LGC
Review

- Why PBSC
- What is PBSC
- How it works
3 Simple Steps

- Design the SOW
- Incorporate incentives
- Monitor and evaluate performance

Source: "The Basics of Performance-Based Contracts: Lessons from State and Local Governments"
The Process

- Performance Analysis
- Performance Objectives
- Outcome Analysis
- Performance Thresholds

Service Delivery Summary

Quality Assurance Surveillance Plan

Statement of Work

Source: HQ AFSPC/LGC
This block is a primer on Performance Based Service Contracts. It first addresses why service contract acquisitions have been changed. Then it describes what is meant by a performance-based contract. Finally, it shows how it all works.
What is PBSC?
CS&P
Why farms outsource
Bundling
CS&P initiatives
A-76 experiences
Teaming in Government
Partnering With Industry
Incentives

Return to Main

Scenarios
(try your hand at these exercises or use them to fuel your discussion groups)

Download ALL
(use to print out an entire presentation or use in your training and/or outreach programs)
Performance-Based Service Contracts

Capt Jonathan Wright, AFLMA/LGC, DSN 596-4085

Air Force Logistics Management Agency/LGC
501 Ward Street
Maxwell AFB, Gunter Annex AL 36114-3236

HQ AMC/LG
402 Scott Dr, Rm 132, Scott AFB, IL 62225-5363

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Replete information exists within federal government agencies. However, a one-stop-shop service does not exist for Air Force contracting professionals who must learn the sweeping changes of Performance-Based Service Contracts (PBSC). This project includes a web-based central repository of PBSC knowledge. The objectives, or deliverables, will be available for downloading at this center. Contracting, functional customers, and contractors are the target audience. Partnering efforts include AFSPC/LGC, PACAF/LGC, and RAND. This training web site was the official Air Force Online training for PBSC during 1999 Acquisition & Logistics Reform Week, 7 - 11 Jun 99.

Performance Management; Performance Measurement; Performance-Based; services; results; AFI 63-124; performance-based service contracts
AFLMA's Performance-Based Service Contracts

Performance is key outcome based service results teamwork in contracts

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Executive Summary
AFI 63-124
Writing SOWs
Contractor Metrics
Return to Main

Download PPT
(templates and activities you can use to train your employees)
Download PDF
(usable exercises that you can use to train your employees)

(use to print out an entire presentation or use in your training and/or outreach programs)
Executive Summary

What if MCC

Top three findings

AFL.ex

Wrap-up summary

Conclusion Method

To react on:

Session:

(take notes and at these exercises or use them to fuel your discussion groups)

Do and ALL

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Performance Based Services
An Executive Summary

Air Force
Logistics Management Agency

AFLMA/LGC
501 Ward Street
MAFB Gunter Annex AL 36114-3236
lgc@aflma.gunter.af.mil
Overview

- Why PBSC
- Top-level commitments
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- Grants contractors flexibility
- Requires less surveillance
- Motivates contractors towards innovation

Source: HQ APSC/LGC
Review

- Why PBSC
- Top-level commitments
Top-Level Commitments

- The President's FY99 Budget includes converting service contracts to PBSC methods
- OFPP Pilot Project demonstrated validity
  - 15% price reduction
  - 18% increase in customer satisfaction
  - Validated 20 years of positive experiences

Source: Memo, DUSD(AR), 2 Jul 98
AF Commitment to PBSC

- PBSC affects “Big Rocks”
  - Commercial Contracting
  - CS&P
  - Past Performance
  - Reengineering Source Selection Process
  * Reengineering Services Buying

Review

- Why PBSC
- Top-level commitments
AFLMA's Performance-Based Service Contracts

Performance is key
outcome based
service results

teamwork in contracts

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Contractor Metrics

Return to Main

SOW Exercises
(Use SOWs and at least three exercises or use them to fuel your discussion groups)

Download SOWL
(Use to print out an entire presentation or use in your training and/or outreach programs)