



United States Department of the Interior



OFFICE OF THE SECRETARY
Washington, D.C. 20240
December 16, 1998

Department of the Interior Acquisition Policy Release 1999 - 1

Subject: **PERFORMANCE-BASED SERVICE CONTRACT (PBSC) REPORTING**

1. Purposes:

- a. To replace DIAPR 1997-10 on the same subject.
- b. To revise the PBSC reporting system and process.
- c. To reduce the threshold for reportable actions to \$100,000.
- d. To require quarterly reporting.
- e. To require customer satisfaction reports on converted contracts.
- f. To clarify that reports must list the award of all covered service contracting actions, PBSC and non-PBSC actions.
- g. To announce that the Departmental performance measures for this program will be the number of conversions completed and, for new actions, the quarterly comparison of the number of Bureau and Office PBSC awards with the number of non-PBSC awards.
- h. To advise contracting officials that any internal disputes with program offices over conversion of a contract to PBSC or over the use of PBSC in a new action should be referred to the Bureau's Budget Officer for resolution.

2. Effective Date: Immediately

3. Expiration: This policy release remains effective until canceled or superseded.

4. Background: By memorandum dated October 26, 1998, the Office of Management and Budget directed the Department of the Interior to report quarterly on its progress with the implementation of PBSC. This reporting is to identify contracts converted to PBSC and new PBSC awards. The Interior Management Council has requested that a Departmentwide performance measure be established for this program and for quarterly progress reports as well. In addition to changes being made through this policy release, a new quarterly service contracting planning report will be required. The standards for the planning report are being developed separately.

5. Action Required:

a. Within 15 days of the end of the quarter of the fiscal year Bureaus and Offices are to report on FY 1999 service contract actions awarded as shown in Attachment 1. The reports are due in this office not later than January 15, 1999, April 15, 1999, July 15, 1999, and October 15, 1999.

b. Reporting is required on all actions that fall within the categories of services covered by this program, PBCS and Non-PBSC awards alike, with an individual value of \$100,000 or more. This includes services identified by OMB as "Targets of Opportunity." The scope of covered PBSC services has been detailed further by Interior Procurement Data System Service Codes. The kinds of actions and services covered are defined in Attachment 2

c. When the reprocurement of a service contract includes the conversion to PBSC valued at \$100,000 or more per year, reports must itemize savings, cost avoidances, customer satisfaction information and other benefits achieved. The format for customer satisfaction information and other narrative reporting is shown in Attachment 3. Customer satisfaction with contractor performance on contract conversions must be measured and reported quarterly.


d. Bureaus are to designate an individual Bureau point of contact who has specific staff responsibility for the active promotion of PBSC and timely reporting. This individual must be named in the next quarterly report.

e. The Departmentwide performance measures established for this program will be the number of conversions per Bureau and Office and the comparison of the number of PBSC awards with the number of non-PBSC awards. Percentage goals are not being established at this time but may be established at a later date.

f. Any disputes which arise between program and procurement offices regarding a conversion to PBSC or use of PBSC in new actions should be referred to the Bureau's Budget Officer for resolution.

g. All reports must be submitted in the prescribed format and signed by the Bureau Procurement Chief.

6. Questions on this matter may be directed to Dean Titcomb on (202) 208-3433.


Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachments

cc: Bob Lamb
Paul Denett
John Trezise
Daryl White
Gary Reisner, OMB

**UNITED STATES DEPARTMENT OF THE INTERIOR
PERFORMANCE-BASED SERVICE CONTRACT (PBSC) REPORT**

1. **CONTRACT DESCRIPTION:** List expired contract actions of \$100,000 or more which were converted to a PBSC in FY 1997. Also list awards of all new covered service contract actions, PBSC and non-PBSC, of \$100,000 or more. The description must include the contract/action number. Services covered by the PBSC program are defined in Attachment 2. The term "action" includes any of the actions listed on the SF 279 at block 9. The code letters in block 9 are to be used to complete the contract action blocks. Also use the codes on the SF 279 block 24 to complete the contract type block on this format. (See back for codes).

2. **PRIOR CONTRACT DATA:** When a non-PBSC contract is converted to PBSC, provide data here on the expired contract. If an action is new, not a follow-on from a prior contract, do not enter data in the Prior Contract Data section, enter data in the Contract Description, Service Contract Action, and PBSC Elements sections only.

3. **CONVERSION SAVINGS:** For conversions, enter the annual cost savings if the cost of the new award is less than the annual cost of the previous contract. See Attachment 3 for description of additional narrative reports required for conversions.

Prior Contract Data (2)				Service Contract Action						PBSC Elements (See FAR 37.602 & DIAR 1437.502)						
Contract Action	Contract Type	Expiration Date	Annual Cost (\$000's)	PBSC [Yes/No]	Conversion [Y/N]	Contract Action	Award Date	Annual Cost (\$000's)	Conversion Savings (\$000's) (3)	Contract Type	Best Value Award [Y/N]	Past Perf. Eval. [Y/N]	Perf. Work Statem't [Y/N]	Quality Assurance Plans [Y/N]	Incentives Pos. = + Neg. = - None = 0	Perf. Report'g [Y/N]
1. Contract Description: (1)																
2. Contract Description:																
3. Contract Description:																
4. Contract Description:																
5. Contract Description:																

Continue as needed.

**From SF-279— FEDERAL PROCUREMENT DATA SYSTEM (FPDS)
INDIVIDUAL CONTRACT ACTION REPORT**

**INTERAGENCY REPORT CONTROL NUMBER
0206-GSA-QU**

9. KIND OF CONTRACT ACTION

- | | |
|---|--|
| A. Initial Letter Contract | F. Order Under BOA |
| B. Definitive Contract Superseding Letter
Contract | G. Order/Modification Under Federal Schedule |
| C. New Definitive Contract | H. Modification |
| D. Purchases Using Simplified Acquisition
Procedures | J. Termination for Default |
| E. Order Under Single Award Indefinite Delivery
Contract | K. Termination for Convenience |
| | L. Order Under Multiple Award Contract |
| | Z. Initial Load of Federal Schedule Contract |

24. TYPE OF CONTRACT OR MODIFICATION

- | | |
|--|--------------------------|
| A. Fixed-Price Redetermination | S. Cost - No Fee |
| J. Fixed-Price | T. Cost - Sharing |
| K. Fixed-Price with Economic
Price Adjustment | U. Cost - Plus-Fixed-Fee |
| L. Fixed-Price Incentive | V. Cost - Plus-Incentive |
| R. Cost-Plus-Award-Fee | Y. Time and Materials |
| | Z. Labor Hours |

OFFICE OF MANAGEMENT AND BUDGET
TARGETS OF OPPORTUNITY FOR PERFORMANCE-BASED SERVICE CONTRACTING
(PBSC), May, 1998

The categories of services on this list are PBSC targets of opportunity with high payoff potential in terms of savings and improved mission support. The list is intended as a guide, and not to be all-inclusive or restrictive. Services not on the list also may be well-suited to PBSC, especially if they are recurring. This list will be updated periodically to incorporate agencies' experiences.

The following services have been acquired successfully, frequently and historically by agencies using PBSC methods. Fixed price contracts should be the rule when contracting for these services.

- o Nontechnical ("blue collar") (e.g.; security, laundry, grounds maintenance, facility maintenance, equipment repair).
- o Operation and maintenance of facilities.
- o Administrative and clerical support (e.g., data entry, court reporting, typing, editing).
- o Computer maintenance.
- o Aircraft maintenance and test range support. o Transportation, travel and relocation.
- o Medical.

The following services have been acquired successfully, but relatively recently, using PBSC methods and PBSC templates have been developed for these services by governmentwide working groups. Thus, fewer examples exist. Fixed price contracts should be the rule when contracting for these services.

- o Telephone call center operations.
- o Training.
- o Software maintenance and support.

The following services offer significant opportunities for using PBSC methods, but to date experience is limited to pilot projects and/or PBSC templates. o Environmental remediation.

- o Software development.
- o Management support.
- o Studies and analyses.
- o Surveys.

Attachment 2 continued

In addition to the OMB listing of services characterized as "Target of Opportunity," Interior's PBSC program includes services defined by the following Interior Procurement Data System (IPDS) service codes:

<u>Category</u>	<u>Service Description</u>	<u>Category</u>	<u>Service Description</u>	<u>Category</u>	<u>Service Description</u>
B	Special Studies and Analyses	D	Automated Data Processing, Telecommunications	F	Natural Resources, Conservation, Environmental
G	Social	H	Quality Control	J	Maintenance, Repair and Rebuilding of Equipment
K	Modification of Equipment	L	Technical Representative	M	Operation of Government Owned Facility
N	Installation of Equipment	P	Salvage	Q	Medical
R	Professional, Administrative, Management	S	Housekeeping	T	Housekeeping, Photographic, Mapping, Printing, Publication
U	Education, Training	V	Transportation, Travel, Relocation		

For further clarification, this program does not include the following IPDS service codes:

<u>Category</u>	<u>Service Description</u>	<u>Category</u>	<u>Service Description</u>	<u>Category</u>	<u>Service Description</u>
A	Research and Development	C	Architect & Engineering	E	Purchase of Structures,
S	Utilities	W	Lease/rent of Equipment	X	Lease of Facilities
Y	Construction	Z	Maintenance/repair of Real Property	Other	Indian Self-Determination Contracts and Compacts

**UNITED STATES DEPARTMENT OF THE INTERIOR
PERFORMANCE-BASED SERVICE CONTRACTING (PBSC)
CUSTOMER SATISFACTION INFORMATION**

Provide the following performance measurement information for all service contracting actions resulting from the conversions of non-PBSC methods to the use of PBSC features.

1. Bureau Contracting Office:
2. Contract number:
3. Description of contract service:
4. **Customer Satisfaction Information**

	<u>Performance Requirements</u>				
	Substandard	Meets	Exceeds	4	5
Quality of services performed	1	2	3	4	5
Quantity of services performed	1	2	3	4	5
Timeliness of services performed	1	2	3	4	5
Cost effectiveness of services performed	1	2	3	4	5
Overall rating	1	2	3	4	5

(If more than one customer needs to rate performance, obtain individual ratings, compute and report the average scores.)

5. Comments: (Provide a narrative summary which includes (a) a comparison with the predecessor contract, and (b) when significant, an estimate of the percentage of increase or decrease in overall scope of work from the predecessor contract.)