



The Solutions Network

Rochester, New York

Performance Based Contracts

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Enviro-Management and
Research (EMR)



Attributes

- ❖ SOW Tells WHAT... Not HOW
- ❖ SOW Contains Explicit, Measurable Performance Standards
- ❖ Contract Employs Measurement Method
- ❖ Logical Flow Between Requirements, Standards, Measurement, Incentives

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NASA Commitment

- ❖ 1997 NASA LaRC Converted From Cost Plus O&M to Firm Fixed Price, Performance Based Contract
- ❖ Primary Performance Indicators:
 - Quality Timeliness Documentation
- ❖ 2004 ROME Cost Plus/Award Term Performance Based Contract

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Original Cost Plus

- ❖ Pseudo Personal Services
- ❖ Competent Workforce That Does Not Think For Itself
- ❖ Gov't Involved in Every Decision
- ❖ Open Checkbook

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FESS – What Happened

- ❖ Bad Timing
 - Changing Contract Formats
 - Implementing Full Cost Accounting
 - New CMMS
 - Massive Organizational Change
- ❖ Expected Same Contractor Skills as Workers With 30 Years Experience

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FESS – What Happened

- ❖ Expected Contractor to Make Own Decisions
 - Conditioned to Get Guidance – Culture Shock
- ❖ Gov't Idea of "Partnering" is "Compliant Contractor" (Not Equal)
- ❖ Gov't Personnel Reluctant to Change
- ❖ Contractor Innovations Never Developed

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FESS – What Happened

- ❖ Gov't Reluctant to Let Go
 - E.g., Bar Code
- ❖ FP Drove Contractor to Low Cost
 - 40% Originally Cut
 - Leads – Not Supervisors
- ❖ No Mgmt Backing/Endorsement
- ❖ CMMS Not Used to Full Capability
 - No Trending, Reports, Archiving

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FESS – What Happened

- ❖ Unrealistic Expectations
 - 100% On Time
- ❖ No Written Surveillance Criteria
- ❖ Requirements *Should Have Been* Corrective – *Not* Punitive
 - I.e. Deficiency Notices Require Feedback
- ❖ CMMS Not Used to Full Capability
- ❖ Full Cost Accounting = Invoice Shock

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FESS – What Happened

- ❖ Not Perfect – But Work Got Done
- ❖ FESS Saved \$4-5 Million/Year
- ❖ Contractor Customer Surveys
 - Consistently Rated 4 of 5
 - ≤ 3 Triggered Follow-Up & Correction
- ❖ Too Much Happening to Determine Impact on Energy
 - Decreased Research

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FESS – What Happened

- ❖ Contract Requirements to Buy Energy Efficient Equipment
- ❖ FP Incentive for Contractor To:
 - Look for Energy Efficient Opportunities
 - Do Oil Analysis to Cut Costs of Lubricants & Disposal
 - Integrate RCM Into PM for Optimal Operation

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ROME – What's Different

- ❖ Center Director Endorsement
- ❖ Guidance From Director: Contractors to be Treated as Equals
- ❖ New Mindset: If Contractor is Not Successful, I'm Not Successful
- ❖ Returned to Cost Plus Above a Base With Award Term Incentive (Performance Based)

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ROME – What's Different

- ❖ Includes Rsch, Ops, Maint & Engrg Organizations
- ❖ Metrics for Evaluations
- ❖ Surveillance Plan
 - Third Party Contract
 - Detailed Surveillance Criteria
- ❖ Meet Monthly to Talk Through Issues

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ROME – What's Different

- ❖ Very Interactive Phase In
 - 1 Year
 - Partners & Monitors Assigned
 - Special Interest Group to Resolve Issues
- ❖ Center & Industry Input Before RFP
- ❖ Lessons Learned and Adopted Best
- ❖ Not Intended to Reduce Costs
- ❖ 1 Year Transition May Not Be Enough

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NASA PBC Template

- ❖ Template for NASA PBC O&M Contracts
Can be Found at:
[www . hq.nasa.gov/office/codej/codej/
jxdocuments.htm#mtdocs](http://www.hq.nasa.gov/office/codej/codej/jxdocuments.htm#mtdocs)
- ❖ NASA GPWS for Center Operations
Support Services & COSS Addendum
 - Section 32 = Energy/Water Conservation
Management Services

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