

July 1, 2002

DIRECTIVE:	JOB CORPS INFORMATION NOTICE. 02-01
-------------------	--

TO: ALL JOB CORPS NATIONAL OFFICE SENIOR STAFF
ALL JOB CORPS REGIONAL DIRECTORS
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING CONTRACTORS
ALL OUTREACH, ADMISSIONS AND CTS CONTRACTORS

FROM: RICHARD C. TRIGG
National Director
Office of Job Corps

SUBJECT: Announcement of PY 02 Performance Range for Performance Based Service Contracts

1. Purpose. To announce the performance range for PY 02 for Job Corps' performance based service contracts.
2. Background. In accordance with Federal Acquisition Regulations and the government wide performance based service contracting initiative, on May 1, 2002, Job Corps began incorporating incentive fee provisions into all new contracts and option year awards for center operations. These incentive fee provisions take effect July 1, 2002. The performance range for PY 02 will be in effect for all current center operations incentive fee contracts and for those awarded as or converted to incentive fee contracts during the program year.

Under Job Corps' incentive fee plan, the amount of fee paid to the contractor will include a fixed portion and an incentive portion. The incentive portion of the fee will be earned by the contractor based on achievement of Job Corps center OMS performance goals (as defined in PRH Chapter 5 – Appendix 501), within a performance range established by the government. The performance range for each upcoming Program Year is set at the beginning of the PY. It is set based on the projected performance of all contracts, as determined by data analysis of the last 12 months of actual performance against the goals for the upcoming PY.

The performance range establishes maximum and minimum performance levels for fee payment, as well as a performance excellence range, as follows:

Maximum: level at which the contractor receives the maximum available incentive fee payment.

Minimum: level at and below which the contractor receives no incentive fee payment

Performance

Excellence: range above the standard performance range, within which the contractor receives a bonus above the maximum incentive fee

Incremental incentive fee payment points will be established for each contract at each level of OMS performance (to one decimal point) within the established performance range. Based on analysis of actual performance for the period May 1, 2001 through April 30, 2002, against the OMS goals for PY 02, the median projected overall OMS rating for all contract centers is 87.9%. This data was used to set the point within the performance range at which a contract would earn the average incentive fee level.

3. Action: Effective July 1, 2002, the performance range for center operations incentive fee contracts is **80.0%-96.0%**. The performance excellence range is **96.1% to 106.0%**.

Contracts performing at 80.0% or below will earn no incentive fee. Contracts performing at 96.0% or above will earn the maximum incentive fee.

The incentive fee pool for each contract will be distributed incrementally throughout the performance range for each .1% increment of performance.

Contracts performing between 96.1% and 106.0% will earn the maximum incentive fee and a performance excellence bonus prorated based on the level of achievement within the performance excellence range. Contracts exceeding 106.0% will receive the maximum performance excellence bonus.

Incentive fee earnings for the PY 02 Performance Range are shown on the attached table.

4. Expiration Date. July 1, 2003.

5. Inquiries. Direct any inquiries to Pat Putnins, at (206)553-7938 x8065, e-mail to pputnins@doleta.gov , or to Jan Gullledge at (202)693-3087, e-mail to jgullledge@doleta.gov.

Attachment

ATTACHMENT

OMS Rating	Incentive Fee Pool Earnings
106.0% and above	Maximum incentive fee + Maximum Performance Excellence Bonus
96.1%-105.9%	Maximum incentive fee + Pro-rated portion of Performance Excellence Bonus
96.0%	Maximum incentive fee
88.1%-95.9%	Pro-rated portion of incentive fee pool equaling greater than average fee
88.0%	Pro-rated portion of incentive feel pool equal to average fee
80.1%-87.9%	Pro-rated portion of incentive fee pool equaling less than average fee
80.0% or less	No incentive fee