

**REVISED**

October 15, 2004

<b>DIRECTIVE:</b> JOB CORPS INFORMATION NOTICE NO. 04-10
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**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:**               GRACE A. KILBANE  
National Director  
Office of Job Corps

**SUBJECT:**           Announcement of the PY 04 Performance Range for Career  
Transition Services Performance Based Service Contracts

1.    Purpose. To announce the PY 04 performance range for Career Transition Services (CTS) Performance Based Service Contracts (PBSC).
  
2.    Background. On October 1, 2003, Job Corps began incorporating incentive fee provisions into all new contracts and option-year awards for CTS, in accordance with Federal Acquisition Regulations (FAR) and the government-wide PBSC initiative. Under the terms of these contracts, incentive fees are earned by the contractor based on achievement of Outcome Measurement System (OMS) performance goals.

The PY 04 performance range for CTS (July 1, 2004 – June 30, 2005) has been set based on the projected performance of all contracts, as determined by the data analysis of the PY 03 actual performance against the goals for PY 04. The new range should yield a normal distribution curve, also known as a Bell Curve, whereby we anticipate approximately:

- a.    70% of CTS contracts will fall into the incentive fee range;
  
- b.    15% will earn performance excellence bonuses; and,
  
- c.    15% of CTS contracts will fail to meet incentive requirements.

The performance range establishes maximum and minimum performance levels for fee-based payment, as well as a performance excellence range, as stated below:

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

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

Performance

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

Incremental incentive fee payment points are 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 July 1, 2003 through June 30, 2004, against the OMS goals for PY 04, the median projected overall OMS rating for all CTS contracts is 96.5%. 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, 2004, the performance range for CTS incentive fee contracts for the period that falls within PY 04 will be **92.0% – 100.0%**. The performance excellence range will be **100.1% – 107.0%**.

Contracts performing at 92.0% or below will earn no incentive fee. Contracts performing at 100.0% 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 100.1% and 107.0% 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 107.0% will receive the maximum performance excellence bonus.

Incentive fee earnings for the PY 04 performance range are shown on the attached table. This Notice supersedes Information Notice No. 03-09. Addressees are to ensure that a copy of this Notice is distributed to the appropriate staff.

4. Expiration Date. July 1, 2005.

5. Inquiries. Direct any inquiries to Renee Evans, at (202) 693-3091, or email to [Evans.renee@dol.gov](mailto:Evans.renee@dol.gov).

Attachment