

October 15, 2007

DIRECTIVE:	JOB CORPS INFORMATION NOTICE. NO. 07-09
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TO: ALL JOB CORPS NATIONAL OFFICE STAFF
ALL JOB CORPS REGIONAL OFFICE STAFF
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS
ALL OUTREACH, ADMISSIONS, AND CTS CONTRACTORS

FROM: ESTHER R. JOHNSON, Ed.D.
National Director
Office of Job Corps

SUBJECT: Announcement of the Program Year 2007 Performance Range for Center Performance-Based Service Contracts

1. Purpose. To announce the program year (PY) 2007 performance range for center operations performance-based service contracts (PBSC).
2. Background. On May 1, 2002, Job Corps began incorporating incentive fee provisions into all new contracts and option-year awards for center operations 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 2007 (July 1, 2007–June 30, 2008) performance range for center operations contracts has been set based on the projected performance of all contracts, as determined through analyses of historical data and recent trends. The new range is expected to yield a normal distribution curve, also known as a bell curve:

- a. Approximately 65% of center contracts will fall into the incentive fee range;
- b. Approximately 20% of center contracts will earn performance excellence bonuses; and
- c. Approximately 15% of center contracts will fail to meet incentive requirements.

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

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

Minimum performance level: 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.

The results of data analyses, along with expected incentive fee payout projections, were used to calculate the point within the performance range at which a contract would earn the average incentive fee level. For PY 2007, the resulting average incentive fee performance level is set at 90.9%.

3. Action. Effective July 1, 2007, the performance range for center operations incentive fee contracts will be **85.1%–96.8%**. The performance excellence range will be **96.9%–106.8%**.

Contracts performing at 85% or below will earn no incentive fee. Contracts performing at 96.8% or above will earn the maximum incentive fee.

Contracts performing between 96.9% and 106.7% will earn the maximum incentive fee and a performance excellence bonus prorated based on the level of achievement within the performance excellence range. Contracts performing at or above 106.8% will receive the maximum incentive fee plus the maximum performance excellence bonus.

Incentive fee earnings for the PY 2007 performance range are shown in Attachment A.

Addressees are to ensure that this Information Notice is distributed to all appropriate staff.

4. Expiration Date. June 30, 2008.

5. Inquiries. Inquiries should be directed to Rhonda Epps at (202) 693-3132 or epps.rhonda@dol.gov.

Attachments

A – Incentive Fee Earnings for the PY 2007 Performance Range

B – Center Contract Incentive Fee Reconciliation for Contract Years Ending in PY 2007 (July 1, 2007–June 30, 2008)