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Web Site: <http://acqnet.saalt.army.mil/acqref/acqref7.htm> Questions?
Contact Monti Jagers, (703) 681-7571, monteze.jagers@saalt.army.mil



Award Term Contracts in Europe

The United States Army Contracting Command Europe (USACCE), Regional Contracting Office (RCO), Seckenheim (Germany) recently awarded USACCE's first Award Term Contract. The contract, valued at over \$49.9 million over a 10 year life, provides base maintenance services in the 6th Area Support Group in Stuttgart, Germany.

The contract term was set at ten years including a Base Year, two one-year options and seven one-year award term periods. The Award Term Plan was established in accordance with the contract's provision that calls for periodic evaluation of the contractor's performance. The incentive for contract performance excellence is contract term extensions. The contract is extended based on the contractor's accomplishment of the contract's tasks. Ratings of *Good* or better in the initial two years will earn the contractor additional performance periods. But, performance ratings of *Very Good* (during Year Three) and *Excellent* (in all other years) must be earned in order to merit contract extensions beyond contract year three. With consistent scores of *Excellent* during succeeding years, the contractor will continue to earn incremental contract period extensions up to the maximum of 10 years.

On 30 Oct 01, the RCO, Seckenheim awarded USACCE's second award term contract. This performance based service contract was awarded as an award term contract with a base year, four option years and five award term years. The contract value over ten years exceeds \$1.4 million. The contractor will provide all management services, personnel and equipment, and other items and services necessary to perform Community Homefinding, Relocation, and Referral Services.

USACCE's use of the Award Term Contracts is a significant step towards the Army's goal to "incentivize the contractor to execute orderly transition of workload, provide superior support to the Government, and control prices through extensions or reductions of the term, based directly on performance."

POCs: Ms. Edna Weisser (Edna.weisser@rcoskn.usacce.army.mil) and Ms. Sally Garcia (Sally.garcia@rcoskn.usacce.army.mil)