Attachment J-13 N00024-26-R-4114 Determination of Special Incentive Fee (SIF)/Small Business Participation Incentive Fee (SBPIF) (Applicable to CLIN 0001, 0002 and 0003; payable under CLIN 0004)

PAYMENT OF SPECIAL INCENTIVE FEE

The SIF evaluation will be based on the Contractor's performance in the areas of schedule, performance and cost. The SIF maximum is four percent (4.0%). The SIF minimum is zero percent (0%). The Administrative Contracting Officer (ACO) can prescribe any variation of SIF in each respective delivery order/task order (DO/TO). There will be no roll-over of any unearned fees.

A. Special Incentive Fee Evaluation Period (SIFEP): The SIFEP shall be established after the DO/TO period of performance expiration, or yearly increments at ACO determination, and no later than 90 days following completion of work.

B. Scope of Work Evaluated: The SIF evaluation will include Inter-Availability Planning and Administration (IAPA), all scheduled availabilities and inter-availability work (i.e. continuous maintenance and emergent maintenance) completed within the SIFEP.

C. Evaluation Categories: The Contractor may be evaluated in the following areas:

1. Cost
2. Schedule
3. Performance

The evaluation criteria and SIF associated will be established upfront if possible in each respective DO/TO as negotiated by the ACO. The Contractor will be notified of changes in the evaluation categories as well as any adjustments to the fees, if any, prior to commencement of each evaluation period.

D. Special Incentive Fee Parameters:

1. Cost Parameters (not all inclusive):

Cost management
Cost estimating accuracy
Funding management
Timely identification of cost impacts
Other cost-related performance measures applicable to the DO/TO.

2. Schedule Incentive Parameters to include milestones/key events (not all inclusive):

Timely submission of contract deliverables
Achievement of planned schedules and repair
Responsiveness to Government schedule priorities, including emergent requirements
Other schedule / deliverables related performance measures applicable to the DO/TO.

3. Performance/Quality/Deliverables (not all inclusive)

<u>Management</u>
Communication and responsiveness
Staffing and workforce management and optimization
Risk Identification and mitigation
Compliance with contract requirements
Other performance (Management) related measures applicable to the DO/TO.

Quality
Accuracy and completeness of deliverables
Compliance with quality management requirements
Effectiveness of corrective actions
Technical and quality control performance
Other performance (Quality) related measures applicable to the DO/TO.

The criteria as described shall be objective in nature and based on achievable and measurable metrics. The following is an example of criteria and fees associated:

SAMPLE – EVALUATION FACTORS	
Cost Performance	
If Actual Cost falls between 90% & 110% of Negotiated Estimated Cost	1.00%
If Actual Cost falls between 85% & 115% of Negotiated Estimated Cost	0.75%
If Actual Cost falls below 85% or above 115% of Negotiated Estimated Cost	0.00%
Departure Report	
Submittal of Cost Return Data in NMD < = 60 Calendar Days	1.00%
Submittal of Cost Return Data in NMD on or between 61 & 67 calendar days	0.75%
Submittal of Cost Return Data in NMD > 67 calendar days	0.00%
Proposal Submission	
Baseline Proposal Submitted on Mutually Established Due Date	1.00%
Baseline Proposal Submitted 1 to 5 days after Mutually Established Due Date	0.75%
Baseline Proposal Submitted 5 days after Mutually Established Due Date	0.00%
Return of Funds	
Within 30 days, communicated to the ACO, resulting in return of all unobligated funds via execution of ACO unilateral de-obligation modification at end of delivery order/task order	1.00%
Within 60 days, communicated to the ACO, resulting in return of all unobligated funds via execution of ACO unilateral de-obligation modification at end of delivery order/task order	0.75%
> 60 days, communicated to the ACO, resulting in return of all unobligated funds via execution of ACO unilateral de-obligation modification at end of delivery order/task order	0.00%
OVERALL SPECIAL INCENTIVE FEE POTENTIAL	4.00%

PAYMENT OF SMALL BUSINESS PARTICIPATION INCENTIVE FEE (SBPIF)

SBPIF DETERMINATION The SBPIF fee determination covers the Contractor's subcontracting performance over a range of all repair and alteration work, to give the Contractor flexibility in reaching the Small Business Subcontracting Requirement. The SBPIF will only be available to be earned, if the Contractor meets one of the below criteria (at the DO/TO level) as determined by the ACO.

The drawdown proposed below is highly recommended to the ACOs, but the ACOs are allowed flexibility to adapt as necessary to fit their needs. ACOs are NOT allowed to exceed 2.0% per DO/TO.

•20% Small Business Utilization = 1.0% Incentive

•25% Small Business Utilization = 1.5% Incentive

•30% Small Business Utilization = 2.0% Incentive

The Government is committed to increasing small business participation in development, production and support efforts consistent with cost/benefit considerations and attainment of acquisition objectives. Evaluation and payment by the Contracting Officer Representative (COR)/ACO of the SBPIF based on the utilization of Small Business will be conducted to the extent which the prime contractor meets the defined Small Business Subcontracting Utilization requirement above.

1.Evaluation Criteria:

a. Small Business Subcontracting Goals:

The Government desires a minimum of thirty (30%) overall small business participation goal to be set by the Contractor, inclusive of the congressionally mandated five percent (5%) minimum for Small Disadvantaged Business (SDB) concerns. ACOs have further flexibility to adapt as necessary to accomplish this.

The following example provided in the table below identifies percentages for the purposes of demonstrating how the SBPIF may be accomplished for the evaluation period per DO/TO.

Table - SBPIF Goal	
Subcontract Category	**Goal***
Small Business (SB) overall	**30%**
HUBZone Small Business (HUBZone)	**5%**
Service-Disabled Veteran-Owned Small Business (SDVOSB)	**5%**
Small Disadvantaged Business (SDB)	**10%**
Women-Owned Small Business (WOSB)	**5%**
Historically Black Colleges & Universities and Minority Institutions (HBCU/MI)	**5%**

*These percentages may be further broken down by CLINs 0001 as direct cost of subcontracted dollars or 0002/0003 by direct costs of subcontracted materials purchased. This would also apply if a subcontractor is treated as material based on the Contractor's accounting practice.

2.Procedures:

a. Within 90 working days of the end of each evaluation period, the Contractor shall submit to the COR and ACO of each DO/TO a Small Business Participation Performance Report that includes the information required for the Government to determine the amount of SBPIF earned. At a minimum, the Contractor's report shall include the direct cost of SB subcontracted dollars (labor and material) obligated for the applicable CLIN, the total labor hours worked during the evaluation period by CLIN, the overall subcontracted dollars, the UEI/NAICs code of the SB

subcontractor and any other data required for the Government to evaluate the Contractor's Small Business Subcontracting performance.

b. Within 30 working days of receipt of the Contractor's Report, the COR/ACO for each DO/TO will review and evaluate the Contractor's report to determine if all required data was provided and if any SBPIF was earned. If the Contractor's input is inadequate, the COR/ACO will ask the Contractor to correct the inadequacies of their report and to submit a revised report.

c. Within 60 working days of receipt of the Contractor's report, the COR/ACO of each DO/TO will make a final determination of whether any such special incentive has been earned. The ACO will issue a unilateral modification providing earned special incentive.

3. Finality of ACO's Determination:

The parties agree that determinations of the ACO with respect to the amount of SBPIF to be paid to the Contractor are unilateral decisions made solely at the discretion of the Government. Notwithstanding other terms or conditions of the contract, a payment under this incentive is not incurred or earned until the effective date of a written contract modification.

4. Payment of SBPIF:

The Contractor will be paid the special incentive amount(s) earned upon submittal of proper invoices to the cognizant payment office. The Contractor's invoice shall show the amount of special performance incentives payable by CLIN. The Contractor's invoice must cite the appropriate accounting data in order for payment to be effected.

5. Single Point of Contact:

The Contractor shall establish a single point of contact to deal with the Government on its small business subcontracting activities relating to this contract. The Government encourages the Contractor to pursue activities that will support increasing the level of small business subcontracting participation under this contract including, but not limited to, internal education and training, participation in matchmaking conferences and other outreach efforts to post subcontracting opportunities.

<u>6. Small Business (SB) Utilization Computation:</u> The Government will evaluate the small business utilization percentage for the fee evaluation period using the information in paragraphs (a) and (b) below, reported by the Contractor and verified by the Government, and applying the formula in paragraph (c) below.

a. Total Direct costs of SB subcontracted dollars (work and materials) related to all efforts within the fee evaluation period,

b. Total subcontracted dollars related to all efforts (work and materials) within the fee evaluation period,

c. Divide (b) by (a) to compute the Small Business Utilization percentage (e.g., $300,000/$1,000,000 = .30 X100 = 30.0%).

7. SBPIF Evaluation Period: This SBPIF shall be calculated after the DO/TO period of performance expiration, or yearly increments at ACO determination, and no later than 90 days following completion of work.