



U.S. Department of Justice
Federal Bureau of Prisons

PROGRAM STATEMENT

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Oversight of Private Secure Correctional Facilities

/s/

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Director, Federal Bureau of Prisons

1. PURPOSE AND SCOPE

To establish the authority and responsibilities involved in the oversight of privately operated secure adult correctional facilities under contract to the Bureau of Prisons (Bureau).

This Program Statement outlines the major responsibilities of components with a primary interest in contract oversight of these facilities.

For further direction on procedures for contract oversight, staff should refer to the contract, which outlines monitoring requirements and steps to address non-compliance with contract requirements.

a. Summary of Changes

Policy Rescinded

P7740.01 Private Sector Secure Correctional Facilities, Oversight of (6/13/00)

The oversight of privately operated secure adult correctional facility contracts is now under the Privatization Management Branch (PMB), Correctional Programs Division (CPD). This change transfers decision-making authority for all matters relating to privately operated secure adult correctional facility contracts from the Regional Director to the Assistant Director, CPD.

b. Program Objectives

- The effective oversight of privately-operated secure adult correctional facilities will ensure the terms and conditions of the contracts are met.
- Procedures outlined in this policy will prevail unless otherwise indicated in the contract.
- Effective monitoring of privately-operated secure adult correctional facilities will result in deficiencies being identified and corrected.
- There will be consistency in contract oversight on a national level.

2. DEFINITIONS

a. **Award Fee.** Payments made to the contractor for achieving optimum performance.

Granting an award fee is the unilateral right of the Government. The award fee process is administered in accordance with the contract.

b. **Contract.** A mutually binding legal relationship obligating the seller to furnish the services and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and is done in writing. Specifically, the private vendor (seller) owns and operates a private correctional facility and the Bureau (buyer) pays for their services as outlined in the Statement of Work (SOW)/Performance Work Statement (PWS).

c. **Contract Facility Monitoring (CFM).** A team of subject matter experts (SMEs) who conduct on-site monitorings at secure adult correctional contract facilities to ensure the government receives quality, competent services from the contractor.

d. **Contracting Officer (CO).** A U.S. Government employee who, by virtue of a Contracting Officer's Warrant, is empowered to negotiate, award, cancel, and terminate contracts on behalf of the Government.

e. **Contracting Officer's Representative (COR).** Government employees; the CO's authorized representatives for a specific contract. The COR is the senior Bureau employee responsible for contract administration and ensures contractor performance.

The authority of the COR to act on contractual matters is set forth in individual letters of appointment signed by the CO and provided to the contractor. Any changes in the authority of the COR must be officially made by the CO.

- f. **Deduction.** Used to reduce a contractor's invoice commensurate to the value of any service not performed as required by the contract.
- g. **Performance Evaluation.** A periodic evaluation of the contractor's performance in carrying out its obligations under a Government contract.
- h. **Performance Evaluation Board (PEB).** The entity within the Bureau that evaluates the contractor's overall performance for the evaluation period and recommends the value of the award fee in accordance with the contract, if applicable. The board is composed exclusively of Bureau personnel whose experience allows them to analyze and evaluate the contractor's performance. The PEB is headed by the Administrator, PMB, and appointed by the Assistant Director.
- i. **Privately-Operated Secure Adult Correctional Facility.** A place of continuous confinement for Federal inmates managed and operated under an SOW/PWS established in a contract between the Bureau and a contract provider.
- j. **Privatization Management Branch (PMB).** Staff located in Washington, DC (PMB-DC staff) and at various field sites across the country (PMB-Field staff).
- k. **Quality Assurance.** A system developed by the Government to monitor the quality of the contractor's products and services to ensure contract requirements are defined and satisfactory performance is achieved.
- l. **Quality Control.** Actions performed by the contractor to ensure products and services are provided. The contract requires the contractor to provide a Quality Control Plan (QCP) to ensure the work meets contract requirements, as well as identifies and corrects deficiencies. Quality control consists of:
- Setting performance standards.
 - Comparing the quality of services in relation to those standards.
 - Taking corrective action when necessary.
 - Planning for improvements.
- m. **Statement of Work (SOW); also known as a Performance Work Statement (PWS).** Outlines the requirements for operating under the contract. Specifically, the SOW/PWS contains information about administrative and program requirements, as well as all services the contractor will be required to perform throughout the life of the contract. The SOW/PWS also contains measurable performance standards. Per the Federal Acquisition Regulation (FAR), the SOW/PWS is Section C in all Government contracts.

3. RESPONSIBILITIES

- a. **Assistant Director, Correctional Programs Division.** The Assistant Director, CPD, or designee, is the decision-making authority for oversight matters relating to privately operated secure adult correctional facility contracts.
- b. **Privatization Management Branch.** PMB-DC staff provide guidance and support to contract oversight staff, coordinate training, and conduct technical assistance visits as needed. PMB-Field staff conduct on-site monitoring and provide oversight of privately operated secure adult correctional facilities.
- c. **Residential Reentry Management Branch (RRMB).** When a privately operated facility is used for inmates in Bureau custody who are not U.S. citizens, RRMB coordinates issues related to the Institution Hearing Program (IHP). This includes serving as a liaison with U.S. Immigration and Customs Enforcement (ICE) and the Executive Office for Immigration Review (EOIR).
- d. **Contract Facility Monitoring (CFM) Section, Program Review Division.** The CFM Section ensures the Government receives high-quality services from contractors at privately operated secure adult correctional facilities by conducting on-site reviews. The CFM also serves as a Subject Matter Expert (SME) for issues related to the contractor's policy and procedures, provides technical advice and interpretation to oversight staff, and serves as technical evaluators of contractor performance.
- e. **Central Office Branch Administrators.** Central Office Branch Administrators ensure the Bureau's national privatization objectives are met within their disciplines.

4. AGENCY ACA ACCREDITATION PROVISIONS

- American Correctional Association 2nd Edition Standards for the Administration of Correctional Agencies: 2-CO-1B-09
- American Correctional Association 4th Edition Standards for Adult Correctional Institutions: 4-4038
- American Correctional Association 4th Edition Standards for Adult Local Detention Facilities: 4-ALDF-7D-15

REFERENCES

Program Statements

P1221.66 Directives Management Manual (9/15/1997)
P1210.24 Office of Internal Affairs (5/20/03)
P1240.05 Records and Information Management Programs (9/21/00)
P3420.11 Standards of Employee Conduct (12/6/13)
P3906.21 Bureau Mandatory Training Standards (1/24/07)
P4100.04 Bureau of Prisons Acquisition Policy (5/19/04)
P5250.02 Public Works and Community Service Projects (10/2/00)
P1351.05 Release of Information (09/19/02)

Other References

Federal Acquisition Regulation (FAR)
Justice Acquisition Regulations (JAR)
Freedom of Information Act (5 USC 552)
Privacy Act (5 USC 552a)

BOP Forms

BP-A0583 Report of Incident
BP-A0586 After-Action Review Report – Use of Force/Restraints/Chemical Agents/
Non-Lethal Weapons

Records Retention Requirements

Requirements and retention guidance for records and information applicable to this program are available in the Records and Information Disposition Schedule (RIDS) on Sallyport.

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Chapter 1. MISSION AND ORGANIZATION

101. INTRODUCTION. Private corrections has grown in complexity and scope throughout the last decade, as evidenced by the increase in Federal offenders housed in non-Federal facilities.

PMB provides oversight of privately operated secure adult correctional facilities to ensure appropriate and professional management and treatment of Federal offenders housed in contract facilities.

Staff members must be skilled in a number of areas to accommodate the demands of the discipline, such as contract development and administration, inmate management, public relations, personnel management, financial management, and project management.

102. ABBREVIATIONS AND ACRONYMS

AA	Administrative Assistant
BPAP	Bureau of Prisons Acquisition Policy
Bureau	Bureau of Prisons
CFM	Contract Facility Monitoring Section
CO	Contracting Officer
COR	Contracting Officer's Representative
CPARS	Contractor Performance Assessment Reporting System
CPD	Correctional Programs Division
DOJ	Department of Justice
DSCC	Designation and Sentence Computation Center
EOIR	Executive Office for Immigration Review
FAR	Federal Acquisition Regulation
FDO	Fee Determination Official
FOIA/PA	Freedom of Information Act/Privacy Act
Government	United States Government
ICE	Immigration and Customs Enforcement
IHP	Institution Hearing Program
ISS	Inmate Systems Specialist
JAR	Justice Acquisition Regulation
JPATS	Justice Prisoner and Transportation Services
LBI	Limited Background Investigation
LOI	Letter of Inquiry
NCIC	National Crime Information Center
NLETS	National Law Enforcement Telecommunication System

NOC	Notice of Concern
OIA	Office of Internal Affairs
PCC	Privatized Corrections Contracting
PDO	Privatization Duty Officer
PEB	Performance Evaluation Board
PFA	Privatization Field Administrator
PIO	Public Information Officer
PMB	Privatization Management Branch
PMB-DC staff	Privatization Management Branch staff (in Washington, DC)
PMB-Field staff	Privatization Management Branch staff (at field sites across the country)
PRST	Performance Requirement Summary Table
QAP	Quality Assurance Plan
QCP	Quality Control Plan
RDO	Regional Duty Officer
RRMB	Residential Reentry Management Branch
SME	Subject Matter Expert
SOM	Secure Oversight Monitor
SOW or PWS	Statement of Work or Performance Work Statement
SSIM	Senior Secure Institution Manager

103. ORGANIZATION. The Privatization Management Branch is a component of the Correctional Programs Division, Bureau of Prisons, Department of Justice. PMB Administrators provide program direction and support. PMB’s organizational structure includes both Central Office and field staff.

The branch has an Administrator, located in Central Office, who reports to CPD’s Senior Deputy Assistant Director, and provides guidance and policy direction to Bureau staff on all privatization initiatives. Two Assistant Administrators are also located in Central Office. One is responsible for support and development of privatization initiatives, and the other coordinates field operations and manages field resources. In addition, Privatization Field Administrators (PFAs) supervise and provide oversight of field offices assigned to them by the PMB Administrator. Each contract facility has PMB staff on-site – typically a Senior Secure Institution Manager (SSIM), a Secure Oversight Monitor (SOM), and an Inmate Systems Specialist (ISS).

104. PMB-FIELD STAFF POSITIONS

a. **Privatization Field Administrator.** The PFA provides general guidance for all oversight activities under his/her respective sectors. The PFA is a COR.

- b. **Administrative Assistant.** The AA organizes, maintains records, and provides administrative support to the PFA and other staff by processing time and attendance, travel, training, and other administrative functions.
- c. **Senior Secure Institution Manager.** Under the direction of the PFA, the SSIM is responsible for general oversight and liaison activities on a specific contract and is located on-site. The SSIM is the lead staff member and serves as office manager for the field office. The SSIM is a COR.
- d. **Secure Oversight Monitor.** Under the direction of the SSIM, the SOM oversees contract facility operations through general oversight and liaison functions. The SOM is a COR.
- e. **Inmate Systems Specialist.** Under the direction of the SSIM, the ISS has oversight of numerous inmate systems functions, including review of contractor-generated sentence computations. The ISS is a COR.

105. PROFESSIONALISM. PMB staff must maintain the highest standards of conduct.

Contract facilities are often located in remote areas where PMB-Field staff and contract employees may live in the same community, which could result in off-duty contact. A cooperative, professional relationship between PMB staff and contractors is expected.

Staff must ensure those relationships do not cause a conflict of interest. PMB staff should seek direction from their supervisor or the Ethics Office when questions arise in this area.

106. PMB-FIELD STAFF WORK SCHEDULES. Flexible work schedules must be established to effectively oversee contract activities. The SSIMs develop work and annual leave schedules for their staff. The SSIM/SOM work schedules at each contract facility must include, at a minimum, one early/one late shift per month for each staff member, and staff coverage for one weekend per month.

Chapter 2. CONTRACTOR RELATIONS AND LIAISON ACTIVITIES

201. INTRODUCTION. A cooperative, professional, and ethical partnership between PMB staff and the contractor is expected at all times. A positive working relationship with the contractor directly affects the ability of PMB-Field staff to carry out their oversight duties in an effective and efficient manner. Yearly meetings are held between the contractor and PMB staff to maintain this partnership.

202. RELEASE OF INFORMATION

a. **Freedom of Information Act/Privacy Act (FOIA/PA).** PMB-Field staff must be familiar with FOIA/PA requirements. As the Bureau's representatives, it is essential that all staff know what information may be released to the public or other law enforcement agencies. The PFA ensures staff under his/her supervision are familiar with these requirements.

b. **Public Information.** Questions about particular Bureau institutions or inmates confined in them should be referred to the Public Information Officer (PIO) at that institution. The inquiry should be referred to the PFA if uncertainties exist or for specific questions of an unusual or sensitive nature. The PFA responds to or refers the inquiry to the appropriate party.

203. CORRESPONDENCE

a. **Controlled Correspondence.** The Bureau has a special interest in ensuring correspondence submitted by the contractor to members of the Judicial and Legislative Branches and other parties is accurate and provides the requested information. Correspondence from these parties is controlled and is ordinarily received in the Director's Executive Secretariat, then forwarded to PMB. The PMB Administrator reviews the correspondence, assigns it to a Warden for response, and provides copies to the SSIM and corporate representative. On receipt, the contractor normally has 10 business days to finalize their response.

PMB-Field staff review all controlled correspondence before final distribution to ensure substantive issues are accurately addressed. Following the review, the contractor distributes and provides copies of the response to the PMB Administrator and the Director's Executive Secretariat according to established procedures in the SOW/PWS.

b. **Informal Correspondence.** It is the responsibility of the contractor to respond directly to other (informal) correspondence forwarded by the Bureau. The contractor provides an informational copy of the response to the SSIM and places a copy in the inmate's central file.

PMB-Field staff do not need to review the contractor's response before distribution unless special circumstances warrant it.

204. CONTRACTOR CORRESPONDENCE. Official correspondence and reports generated by PMB staff to the contractor, where a specific format has not been approved by PMB, are prepared using the standard letter format. Correspondence and reports to the contractor contain the official contract number; copies are forwarded to the PFA and CO.

205. PUBLIC AFFAIRS ISSUES. Press releases involving serious incidents (as defined by the SOW/PWS) require clearance from the Bureau's PIO before issuance by the contractor. The SSIM reviews all press releases and forwards them through the PFA and PMB-DC staff to the Bureau's PIO to obtain final clearance.

In addition, the PIO must be notified regarding any issue that could negatively affect the Bureau. Media interviews with high-profile inmates and national news networks or other major news media (print, radio, wire) requesting access to private facilities are also reported.

206. PRIVATIZATION DUTY OFFICER (PDO). Proper reporting of significant incidents at private facilities is critical. PMB-Field staff are assigned as PDOs on a rotating basis and must be familiar with their reporting responsibilities, as well as the Bureau's telemessaging system.

Contractor personnel report incidents that occur after regular duty hours directly to the PDO (ordinarily the SSIM or SOM for the facility). The PDO then reports to PMB Administrators or other staff according to established internal procedures. If circumstances warrant, the PFA notifies the Regional Duty Officer (RDO). Ordinarily, regional notification is for informational purposes only.

207. CONTRACTOR TRAINING. The Government provides training as defined in the SOW/PWS to help the contractor perform specialized requirements. If the contractor requests Bureau-sponsored training in addition to courses specified in the contract, PMB-Field staff consult with the PFA for guidance.

208. INSTITUTIONAL VISITORS

a. **Official Visits.** The SSIM forwards notification(s) of official visits by foreign diplomats, members of the judiciary, members of Congress, or other elected officials to the PFA. PMB-Field staff are available to answer questions regarding the contract if requested during the visit, but ordinarily do not actively participate. Inquiries regarding Bureau operations, excluding the contract, are referred to the Bureau's PIO.

b. **Other Visitors.** Upon notification from the Warden of a visitor (with the exception of law enforcement employees on official duty), NCIC/NLETS checks must be performed if the visitor will have other than incidental contact with inmates. The SSIM may conduct an NCIC/NLETS check on other visitors as he/she deems appropriate. In accordance with the contract, the Warden notifies the SSIM in advance of such visits.

209. COMMUNITY SERVICE PROJECTS. Some Federal inmates are permitted to participate in approved community service projects as outlined in the Program Statement **Public Works and Community Service Projects**. Contractors' requests must be in writing and are sent to the Office of General Counsel, the approving authority for such projects at contract facilities.

210. OFFICE OF INTERNAL AFFAIRS (OIA) PROCESSING. It is critical that allegations of contractor misconduct are referred to OIA and timely follow-ups initiated to resolve these cases. The contractor submits employee misconduct referrals to OIA, with copies to the SSIM and the PFA. The SSIM tracks all OIA investigations from opening to closing. PMB-Field staff must be familiar with the Program Statements **Standards of Employee Conduct** and **Office of Internal Affairs**.

Chapter 3. PERSONNEL AND OFFICE MANAGEMENT

301. INTRODUCTION. Personnel and office management play vital roles in the operation of PMB. Staff must continually seek professional development and maintain certifications specific to their position(s).

302. STAFF TRAINING. Training comes in many forms, such as on-the-job training, mentoring, classroom instruction, training modules, computer-based training, videos, etc. Managers and supervisors must ensure staff receive adequate training, including all mandatory training, to meet the challenges of their job and to prepare them for advancement.

Staff should also take advantage of training opportunities in the local community or at a Bureau facility within close proximity to enhance their professional development in addition to the mandatory courses in this chapter.

a. **Mandatory Training and Certification.** Staff must complete all mandatory training activities and certifications outlined in the Program Statement **Bureau Mandatory Training Standards**.

b. **Annual Training.** Each year, the Bureau's Executive Staff determines core annual training topics. These include regulatory requirements (ACA, Bureau, DOJ, Executive Orders), as well as Bureau-specific issues.

1. **PMB-Field Staff Training Requirements.** Each fiscal year, every PMB-Field staff member assigned to a secure contract facility must receive 40 hours of training, including firearms and self-defense. PFAs, at a minimum, are required to complete 16 hours of training annually.

2. **PMB-DC Training Requirements.** PMB-DC staff and PMB-Field staff who are not stationed at a correctional facility must complete 16 hours of training annually, including core topics for the fiscal year, with the exception of firearms and self-defense.

3. **Scheduling Annual Training/Firearms Certification.** Staff requiring annual firearms certification coordinate their training through the PFA.

303. EQUIPMENT/PROPERTY. Accountable Property Officers (APO) are appointed by the Assistant Administrator, Support & Development, at facility activation, or the PFA if the APO is reassigned. APOs keep a current inventory of equipment/property identified as controlled property, per the Program Statement **Property Management Manual**.

304. OFFICE FILES/RECORDS. SSIMs maintain files on all matters related to office operations – property inventory, performance logs, correspondence, etc. – organized by subject and kept in accordance with the Bureau of Prisons Records and Information Disposition Schedule (BOP-RIDS). See the Program Statement **Records and Information Management Programs**. In addition, electronic recordkeeping will be established in accordance with PMB internal procedures.

Bureau policies and forms are available on Sallyport. SSIMs maintain other directives, manuals and reference materials, such as legal reference books, ACA Standards, and instructions from other agencies necessary to perform their duties.

305. MEETINGS. Supervisors hold regularly scheduled meetings with subordinates at least monthly, when the department consists of two or more subordinate staff. Additional requirements can be found in the Program Statement **Staff Meetings**. Minutes are kept on-site and copies forwarded electronically to the PFA.

306. TRAVEL. PMB staff travel as part of their duties or for training and professional development. Official travel must be conducted within Federal guidelines and processed in accordance with PMB's internal procedures.

Chapter 4. GENERAL CONTRACT ADMINISTRATION AND MONITORING

401. INTRODUCTION. Contract actions must be taken in accordance with the Program Statement **Bureau of Prisons Acquisition Policy**. Upon award, the contract administration phase begins. Contract administration refers to steps taken by Government representative(s) responsible for ensuring Government and contractor compliance with the terms and conditions of the contract.

402. TRANSMITTAL OF CONTRACT DOCUMENTS. PMB receives from the CO a full-text copy of the contract, including modifications and all other contract-related correspondence to PMB staff and others, as required by the FAR.

After contract award, the Council of Prison Locals President will be notified and will be provided a copy of the full-text contract, upon request, in accordance with appropriate laws, rules, and regulations.

403. CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE. PMB staff who are designated as CORs administer the contract. The duties of the COR are outlined in the letter of designation.

404. CONTENT OF COR FILES. A working file of the contract is kept on-site. An electronic file is maintained in a shared drive. Other forms of filing (six-part folders or binders) are acceptable as a working copy. The information must be readily accessible and easily transmitted to requesting parties. Files must be clearly marked and indexed.

405. CONTRACTOR INVOICE AND PAYMENT PROCESSING. PMB, with the Finance and Budget Execution Branches, is responsible for budget and payment matters for privately operated secure adult correctional facility contracts. Each month, the contractor forwards an original invoice to PMB-DC staff and copies of the invoice, clearly marked COPY, to the SSIM and CO. The SSIM and CO both verify the accuracy of the invoices and submit a certification memo to PMB-DC staff for processing.

406. CONTRACT CLARIFICATION PROCEDURES. The contractor submits requests for technical clarification in writing to the SSIM. The SSIM consults with the PFA and CO as necessary on non-routine issues before taking further action.

In some instances, the contractor's request is beyond the expertise of oversight staff and interpretation is necessary from a SME. In such cases, the SSIM submits the contractor's request through the PFA to PMB-DC staff for further review and response, in accordance with PMB internal procedures.

407. CONTRACT MONITORING

a. **Introduction.** PMB-Field staff monitor contractor compliance with contract requirements, and provide their supervisors and PMB-DC staff with comprehensive and accurate information on contractor performance.

b. **Monitoring Instruments.** The Bureau uses a multifaceted approach to monitoring contractor performance. PMB staff play a critical role and must have an in-depth understanding of contract requirements and facility operations. Integral parts of the strategy are:

1. **Quality Control Program (QCP).** The contract is based on the premise that the contractor, not the Government, is responsible for managing quality control to meet the terms of the contract. Effective institution management and an effective QCP allow the contractor to demonstrate positive performance. The contractor is required to maintain a complete QCP to ensure contract requirements are met.

2. **Quality Assurance Plan (QAP).** The QAP is a mechanism by which the Government ensures vital contract requirements are met as described in each contract's PRST. CFM review guidelines, oversight monitoring checklists, random samplings of the contractor's performance, and the contractor's QCP are examples of the Bureau's QAP efforts. These reviews assist PMB staff in evaluating contractor performance.

3. **Contract Facility Monitoring (CFM) Review.** CFM and PMB staff work together in carrying out contract oversight. CFM teams routinely review each facility to monitor contract compliance and may conduct reviews at other times based on contract performance.

c. **PMB-Field Monitoring Activities.** PMB-Field staff conduct periodic reviews of the contractor's performance through various methods – monitoring checklists, logs, performance/operational meetings, and staff observation. Specific monitoring activities include:

- Complete monthly monitoring checklists.
- Monitor contract population and staffing levels.
- Process contract staff employment approvals.
- Review contractor policies before implementation.

- Review all Report of Incident forms (BP-A0583), After-Action Review Reports (BP-A0586), and use of force videos.
- Approve sentence computations before an inmate's release at facilities where the contractor is responsible for sentence computations.
- Address contractor performance problems via NOCs or deductions.

1. **Population Levels.** PMB-Field staff monitor inmate population levels to ensure contract compliance is maintained, via SENTRY and a JPATS manifest. The SSIM consults with the PFA when non-routine issues arise.

2. **Staffing Levels.** PMB-Field staff monitor staffing levels to ensure contract compliance. The contractor provides a report with the monthly invoice that includes the average monthly vacancy rate, as well as positions vacant for more than 120 days.

3. **Sentence Computations.** In some contracts, the contractor is responsible for sentence computations. The ISS reviews and approves sentence computations before an inmate's release. The ISS approves permanent inmate releases by conducting and certifying release audits 12 months before the month of release, or upon computation if the inmate is within 12 months of release at commitment. The contractor must not release an inmate from his/her Federal sentence without prior Bureau approval. Local procedures must be established to ensure that any changes (Good Conduct Time, amended Judgment and Commitment, etc.) resulting in a different release date are resubmitted to the Bureau for certification. If an inmate's sentence computation requires an immediate release, the contractor contacts the ISS, or, in the absence of an ISS, the SSIM and the DSCC.

4. **Written Evaluations.** PMB-Field staff provide written evaluations of contract performance at specific intervals as required by the FAR, the CO, or by PMB's internal procedures. One form of written evaluation is the computer web-based program, Contractor Performance Assessment Reporting System (CPARS). The evaluation frequency may be increased or decreased as determined by the CO. Evaluations are completed by the SSIM and forwarded through the PFA to the CO. PMB-Field staff also prepare written reports of contractor performance, which are a vital part of the award fee process. The award fee process is designed to provide the contractor with an opportunity to earn additional monies for performance above the acceptable level. PMB-Field staff play a critical role in this process. The performance reports they prepare must be detailed enough to provide a thorough assessment of the reporting period, usually one year. For contracts with an award fee provision, the language is included in the contract as an attachment in Section J.

Contractor performance problems are addressed with NOCs and deductions. NOCs are used when the contractor performs below an acceptable level and the issue(s) is more than a minor or repetitive deviation. The deduction process allows the Bureau to reduce a contractor's invoice by the value of any service not performed as required by the contract. The process by which deductions are proposed, reviewed, and decided is designed to ensure a consistent approach. A deduction may be proposed when a program failure occurs within a vital function identified in the PRST (located in Section J of all contracts). The SSIM recommends a deduction proposal supported by CFM reports, NOCs, significant incidents reported to the PFA by on-site monitors or other Bureau staff, ad hoc reviews, and other relevant information.