

PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J

**ATTACHMENT C: DRAFT PERFORMANCE EVALUATION AND MEASUREMENT
PLAN (PEMP)**

Draft PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

OCTOBER 1 (2012) through SEPTEMBER 30, (2013)

Contract No. DE- EM0001971

SECTION J

ATTACHMENT C

I. INTRODUCTION

This Performance Evaluation and Measurement Plan (PEMP) provides a standard process for development, administration, and coordination of all phases of the fee determination process consistent with Section B.2 of the subject contract.

Fee determinations are not subject to the Disputes Clause of the contract.

II. ORGANIZATIONAL STRUCTURE AND DUTIES

The following organizational structure is established for administering the fee provisions of the contract.

A. Roles and Responsibilities

1. Fee Determination Official (FDO) – Head of Contracting Activity (HCA) or designee. The FDO determines the final performance fee amount based upon all the information furnished and assigns a final percent of performance fee amount earned for the evaluation period. The FDO will notify the CO in writing or via electronic correspondence of his/her final determination of performance fee amount.

2. Carlsbad Field Office Manager

The Carlsbad Field Office Manager or COR will be the point of organizational authority within CBFO for: development and coordination of the PEMP; approval of minor changes to the PEMP; obtaining HCA approval of major changes, if required; performance monitoring; performance validation; performance reporting; and payment of fees related to PBIs. Primary responsibilities are:

- a. Develops and establishes the evaluation criteria and incorporates them into the PEMP.

- b. Assures appropriate coordination of performance expectations and the evaluation criteria with HQ program and policy organizations.
 - c. If required, submits the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
 - d. After final approval, forwards the PEMP and/or the evaluation criteria to the Contractor through a contract modification.
 - e. If required, coordinates major changes with the HCA and provides minor changes to performance expectations and the evaluation criteria to the HCA.
3. Contracting Officer
- a. The CO is an advisor in the development and establishment of the Evaluation Criteria and Fee amounts.
 - b. The CO will prepare a letter for the FDO's signature notifying the contractor of the amount of performance fee amount earned for the evaluation period. Additionally, the letter will identify any specific areas of strengths and weaknesses in the contractor's performance.
 - c. The CO will unilaterally modify the contract to reflect the FDO's final determination of performance fee amount. The modification will reflect earned and unearned fee and will be issued to the contractor within 14 days after the CO receives the FDO's decision.
4. Carlsbad Field Office COR and Technical Monitors
- Technical Monitors are members of the Carlsbad Field Office responsible for the work to be measured by the PBIs that assist the COR in carrying out the following responsibilities as requested:
- a. Develop the evaluation criteria related to assigned area.
 - b. Assist in negotiation of the evaluation criteria and fee allocations with contractor.
 - c. Review Contractor's request for change to the evaluation criteria and recommend approval or disapproval.
 - d. Monitor, evaluate, and assess the Contractor's performance against the PBIs in the PEMP.
 - e. Validate Contractor's performance as it relates to the PBIs.

III. EVALUATION CRITERIA

While PEMP incentives may be unilaterally developed by DOE, a teaming approach between the Carlsbad Field Office and the Contractor provides significant benefits. When incentives are developed jointly, performance expectations are better understood by the parties and tend to focus more on

substantive outcomes. A teaming approach enhances communication and partnering between and among the parties, which results in greater trust, openness, alignment, and cooperation for achieving DOE's goals and objectives.

Following each evaluation period, the Contractor may submit a self-assessment within 30 calendar days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. The FDO will review the Contractor's self-assessment, if submitted, as part of the evaluation of the Contractor's management during the period. An unrealistic self-assessment will result in lower performance fee amount determinations. The Contractor will not be penalized for a realistic self-assessment, although deficiencies noted by the Contractor may be reflected in the Government's evaluation. The self-assessment itself will not be the basis for the performance fee determination.

The performance fee amount will consist of 1) a subjective fee component and 2) an objective fee component. The PEMP has associated PBIs, which are assessed on an objective and subjective basis (as appropriate) with all earnable fees at risk.

1. Subjective Criteria

Subjective criteria will be established that may include schedule performance; management performance; technical performance; and cost performance. Means to measure fulfillment of the criteria will be described in the PEMP on an annual basis along with a mechanism to proportion the fee based on performance. The fee amount associated with the subjective component of the criteria will not exceed 25% of the available fee during any year of the contract.

- (1) Schedule Performance – The Contractor's performance in meeting schedules will be assessed based on:
 - (i) The degree of Contractor conformance with schedules as established;
 - (ii) The Contractor's early identification of schedule problems and inventiveness in overcoming them to maintain progress; and
 - (iii) The extent to which deliverables were submitted in accordance with established schedules.

- (2) Management Performance - The Contractor's effective and economical organization of all areas of effort including management and technical effort required to meet contract requirements. Particularly to be considered are:
 - (i) Achieving the community commitments.
 - (ii) Maintenance and upkeep of site facilities, systems and equipment.
 - (iii) Establishment of internal controls to assure proper supervision of the work force and economical completion of assigned tasks;
 - (iv) Coordination and cooperation with cognizant DOE officials to resolve problems that may arise in communications, planning, scheduling or other related areas; and

- (v) Overall effective use of available resources, dependability and general coordination with the program office, including response to dynamic/urgent requirements.
 - (vi) Whether the Contractor's project management status reports report monthly costs and show budget/schedule deviations at major milestones or from planned expenditures.
- (3) Technical Performance - The Contractor's technical performance to assess the following:
- (i) Overall technical approach and rationale;
 - (ii) Thoroughness of approach;
 - (iii) Innovativeness and creativity in approach; and
 - (iv) Integration of technical efforts.
 - (v) Quality of delivered products and services including:
 - a. whether products/services delivered comply with DOE and applicable federal and state orders, directives, regulations, and statutes, as well as management instructions;
 - b. whether products/services demonstrate an appropriate level of professional due diligence, accuracy, clarity, and mission focus;
 - c. the overall quality of the Contractor's deliverable work products;
 - d. the extent and accuracy of any documentation, references, and background material accompanying a finished deliverable product; and
 - e. the appropriateness of the format and clarity of written products, considering the intended audience for the deliverable product.
- (4) Cost Control - The Contractor's cost control will be evaluated to assess:
- (i) Whether the actual costs for the performance are reasonable for the work effort completed and within task order estimates;
 - (ii) Effectiveness of cost planning;
 - (iii) Timeliness and accuracy of cost reporting;
 - (iv) Clarity of and ability to trace cost relative to work schedule/technical progress; and
 - (v) Effectiveness of cost reduction/cost avoidance initiatives.

2. Objective Criteria

Performance Based Incentives (PBIs):

PBIs are typically characterized by objectively measurable evaluation of Contractor performance. Such incentives reflect specified criteria against which actual performance will be evaluated. In most cases, PBIs will be evaluated based on quantifiable measurements. PBI's may be subjective, but attempts will be made where possible to identify measurable indicators of successful performance.

PBIs have specified fee allocated and payable upon completion of identified levels of work accomplished.

PBIs can be determined to be annual or Multi-year. Annual PBIs will be measured and evaluated at the end of the fiscal year. Multi-year incentives will be measured and evaluated upon completion of identified work.

IV. PERFORMANCE EVALUATION AND FEE DETERMINATION

A. Approval of Evaluation Criteria and Fee Amount

The evaluation criteria and fee amount are developed by the CBFO Manager, the CO, and CBFO program staff prior to obtaining any HCA approval, if required. The CBFO Manager or CO provides the PEMP to the Contractor via a contract modification.

B. Changes to Evaluation Criteria and Fee Amount

Approval by the CO and the FDO will be required for any changes to the evaluation criteria and fee amount.

C. Monitoring and Evaluation of Performance

1. **Monitoring Performance:** CBFO will monitor Contractor performance against the established subjective and objective evaluation criteria throughout the year and term of the PBI. Performance feedback to contractor may be provided periodically throughout the year.
2. **Evaluating Performance:** CBFO will perform evaluation of all subjective and objective evaluation criteria including validating its performance. Performance evaluation will include, but not limited to: physical walk-throughs, documentation of accomplishments, and any other methods that can validate the established evaluation criteria. Validation is accomplished before payment of earned fee can be made. Validation of performance is documented by CBFO.

For subjective criteria evaluation, the following adjectival ratings will be used:

EXCELLENT	Contractor has exceeded all or almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.
VERY GOOD	Contractor has exceeded many of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.

- GOOD** Contractor has exceeded some of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.
- SATISFACTORY** Contractor has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.
- UNSATISFACTORY** Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

The following is applied to the final adjectival rating(s) for the subjective evaluation criteria:

Adjective Rating	Percentage of Subjective Component of Fee Earned
EXCELLENT	91 to 100%
VERY GOOD	76 to 90%
GOOD	51 to 75%
SATISFACTORY	No Greater than 50%
UNSATISFACTORY	0%

D. Fee Pool

At the discretion of DOE, if an evaluation criterion is cancelled or modified, any unearned fee may be allocated to another evaluation criterion or criteria. Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited.

The Carlsbad Field Office Manager or the Contracting Officer's Representative (COR) will determine the amount of Performance Based Incentive (PBI) fee earned and authorize payments within 30 calendar days of receipt of validation that a PBI has been accomplished.