

3.2.4-36 Award Fee (January 2004)

a. The TSA shall pay the Contractor a base fee as well as an award fee for performing this contract.

b. The award fee will be determined based on a Contractor Performance Evaluation Plan (PEP) which will be unilaterally established by the TSA. The PEP will include the criteria to be considered under each area evaluated; the percentage of award fee, if any, available for each area; and the frequency of evaluation periods. A copy of the PEP will be provided to the Contractor within thirty (30) days after contract award, and within thirty (30) days subsequent to any approved revisions made to the PEP during the execution of the contract. There will be no carry forward of any unearned award fee to any subsequent award fee period. Award fee will not be paid for performance that is below average or unsatisfactory.

The award fee earned and payable will be determined by the Fee Determining Official (FDO) in accordance with procedures in the PEP. The FDO may, at any time, make unilateral administrative changes concerning Contract award fee such as changes to the Performance Evaluation Board membership, Performance Monitors, and other changes that do not impact on evaluation procedures, computation of earned award fee, or determination of award fee pools for specific evaluation performance periods.

The FDO may also make unilateral changes that do impact on evaluation procedures, computation of award fee, or determination of award fee pools for specific evaluation performance periods, provided that any such changes are communicated to the Contractor in writing no later than 30 calendar days after the commencement of the award fee evaluation period in which the changes become effective. If no conflicts exist between the changes to the Plan and the Contract, then changes will be unilaterally invoked into the PEP without formal modification to the Contract.

The PEP shall set forth the criteria upon which the Contractor will be evaluated for performance relating to any:

- (1) Technical (including Schedule) requirements as appropriate;
- (2) Management; and
- (3) Cost functions selected for evaluation.

Specific evaluation factors are identified in the PEP.

The award fee described in this clause and in the PEP is the only fee payable to the prime or any other teammate/subcontractor. Any other attempts to invoice the TSA for fees of any kind on the part of the prime contractor, or on behalf of any other subcontractor, consultant, interdivisional entity, etc. will be disallowed. The TSA will promptly make payment of any Award Fee upon the submission by the Contractor to the Contracting Officer, or his authorized representative, of a public voucher or invoice in the amount of the total fee earned for the period evaluated. The earned award fee will be incorporated into the contract by modification.

It is agreed that the evaluation of Contractor performance shall be in accordance with the PEP and that the Contractor shall be promptly advised in writing of the award fee determination and the reasons why it was or was not earned. The Contractor further agrees that the determination as to the amount of award fee earned will be made by the FDO and such determination concerning the amount of award fee earned is binding on both parties and shall not be subject to appeal under the TSA's Dispute Resolution Provisions or to any other administrative board or court of law.

It is further agreed that the Contractor may submit a self-evaluation of performance of each period under consideration. While it is recognized that the basis for determination of the fee shall

be the evaluation by the TSA, any self-evaluation which is received within 20 days after the end of the period being evaluated may be given such consideration, if any, as the FDO shall find appropriate.

(End of Clause)

PRESCRIPTION

To be used in SIRs and contracts when an award fee type of contract is anticipated.