

ATTACHMENT J-10
DRAFT AWARD FEE EVALUATION
PLAN
FOR
MEDICAL AND ENVIRONMENTAL
SUPPORT CONTRACT (MESC)

SIGNATURE PAGE

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A. PURPOSE

The Performance Evaluation Plan defines the process by which the Government will encourage and reward the contractor for safe, high quality, cost effective performance in fulfilling the requirements set forth in the Medical and Environmental Support Contract (MESC); to provide flexibility for changes in management, business and performance emphasis; and to promote effective communications and customer service. The award fee process enables the Government to focus on overall operational and cost performance and to emphasize those aspects of critical milestone achievements essential to reach performance objectives. The performance award fee process includes an objective and subjective assessment by the Government.

B. EVALUATION PROCEDURES

Performance evaluation and Award Fee will be determined annually in accordance with the KDP KSC-P-2402, Award Fee Evaluation Process. The Award Fee Board (AFB) membership for the MESC is documented in KDP-KSC-P-2402. The AFB will review and consider the summary evaluation report prepared by the Contracting Officer's Technical Representative (COTR), and additional contractor data, if any. The COTR will be the focal point for the accumulation and development of Performance/Award Fee evaluation reports, reviews, and presentations, as well as discussions with MESC Contractor management on Performance/Award Fee matters.

Performance metrics and Areas of Emphasis (AOE) will be established for each evaluation period and communicated by the Contracting Officer (CO) to the contractor at least 15 calendar days prior to the start of the evaluation period. The metrics and AOE will identify the performance elements of particular importance which are deserving of special attention during the evaluation period. The evaluation criteria will not detail the entire spectrum of performance that will be evaluated in determining the performance score and award fee. Other pertinent factors included under the contract and general factors bearing upon overall Contractor performance will be considered as the facts and circumstances of each period may require.

The award fee plan and related performance standards may be revised unilaterally by the Government prior to the beginning of any evaluation period as long as the CO notifies the MESC Contractor, in writing, of any such changes 15 days prior to the start of the relevant evaluation period. Any changes occurring within the evaluation period shall require mutual agreement of the Government and MESC Contractor.

The contractor's performance will be assessed at the mid-point (non-scored) of each evaluation period. Mid-point evaluation reports will be provided to the MESC Contractor and copies will be provided to the AFB members. Contractor performance levels which require remedial attention, or which may adversely affect Performance/Award Fee ratings, will be made known to the contractor by the COTR.

Within 30 calendar days following each annual evaluation period, the COTR will prepare a

summary report on the evaluation of the contractor's performance based on all metrics, Government surveillance data, AOE and contractor furnished data. The Contractor will be furnished a copy of the evaluation report for the period. Within 5 working days from receipt of the evaluation report, the Contractor may submit additional data relevant to the performance evaluation in writing to the COTR. The Contractor also has the option of making a presentation to the AFB and Fee Determination Official (FDO) on that period's performance.

C. EVALUATION FACTORS AND WEIGHTED SCORING SYSTEM

The Government will use two factors, Performance and Cost Control, to determine the Total Award Fee Score for each annual evaluation period. The Contractor's performance will be evaluated based on objective and subjective criteria. The Contractor's ability to manage and control costs will also be evaluated. The Government will determine a score, 0-100, for each evaluation factor, based on the performance evaluation. Each factor's score will be weighted based on the following contribution to the Total Award Fee Score: Performance 75% and Cost Control 25%. The Performance Evaluation Factor will include the Subjective element (67%) and the Objective element (33%). The following sections describe each evaluation factor and the Total Award Fee Score calculations.

1. **Performance Evaluation Factor.** The Government will evaluate major elements of contractor performance, such as managerial and business performance, efficiency and effectiveness of operations, safety, quality, communications and customer support, and develop a performance evaluation score (PES). The PES score will consist of two elements, an objective element and a subjective element.
 - a. **Objective Element:** The contractor's evaluation will include a review of demonstrated performance measured against objective performance standards listed in Section J, Attachment J-15 and metrics initiated at contract startup. Additional performance standards and metrics may be identified for specific award fee periods and will be communicated by the CO to the Contractor, at least 15 days prior to the start of the period.
 - b. **Subjective Element:** The Government's evaluation of the Contractor's performance will also include a subjective assessment in areas such as process improvement, customer satisfaction, management effectiveness (including relationships with the Government and other Contractors as well as management of subcontractors), and documented AOE's.
2. **Cost Control Evaluation Factor.** The Government will evaluate the contractor's cost management and develop a cost control evaluation score (CES). The predominant consideration of this factor will be a measurement of the contractor's performance against the negotiated estimated cost of the contract for the evaluation period. This estimated cost may be adjusted to include the value of undefinitized change orders and for costs outside of the contractor's control.

The Contractor may earn up to the maximum cost score only if the numerical score for the performance evaluation factor (PES) is “81” or above. PES falling within the range “61” to “80” will permit the Contractor to be rewarded for cost control, but not at the maximum available cost control score (see Table 1 below). The Contractor shall receive a score of zero (0) for cost control if the PES is less than “61” or if the Contractor significantly overruns costs within its control. The Contractor may not receive a cost control scores of zero (0) if overruns are insignificant; however, cost control scores will decrease sharply as overruns increase.

The definitions and formula used to determine the total performance score and resultant award fee are as follows:

Definitions

Weighted Evaluation Score	=	WES
Objective Element Score	=	OES
Objective Element Weight (33%)	=	OEW
Subjective Element Score	=	SES
Subjective Element Weight (67%)	=	SEW
Performance Evaluation Score	=	PES
Performance Weight (75%)	=	PW
Cost Control Evaluation Score	=	CES
Cost Weight	=	CW

Formulas

$$PES = (OES) (OEW) + (SES) (SEW)$$

$$WES = (PES) (PW) + (CES) (CW)$$

PES	CW		PES	CW
81-100	25		70	14
80	24		69	13
79	23		68	12
78	22		67	11
77	21		66	10
76	20		65	9
75	19		64	8
74	18		63	7
73	17		62	6
72	16		61	5
71	15		≤ 60	0

Table 1 – Cost Control Weight Adjustments

An overall performance evaluation and fee determination of zero shall be made for any evaluation period when there is a major breach of safety or security as defined in NFS 1852.223-75, Major Breach of Safety or Security.

D. AWARD FEE PERFORMANCE DETERMINATION

After consulting with the COTR and AFB, the FDO shall make a final, unilateral performance score and award fee determination. Generally, the FDO will make the award fee determination within 45 calendar days from the end of the period being evaluated. The FDO’s unilateral determination shall not be subject to the clause of this contract entitled “Disputes” and there are no provisions for additional appeal rights. After receipt of the FDO’s Award Fee Determination Letter, the CO will promptly prepare a contract modification reflecting the award fee adjective rating, weighted evaluation score, and award fee earned.

E. NUMERICAL SCORES, ADJECTIVE DEFINITIONS AND AWARD FEE SCALE

1. Numerical Scores and Award Fee Scale. The FDO may award numerical scores from a range of zero (0) to 100. Weighted evaluation scores of zero (0) to 60 earn zero percent of available award fee for that evaluation period. Weighted evaluation scores of 61 and greater have a linear relationship to the percentage of award fee earned for that evaluation period. For example, a numerical score of 85 would earn 85% of available award fee for that evaluation period.
2. Adjective Rating, Definitions and Numerical Range. The following adjective ratings, definitions and numerical ranges shall be used to define the various levels of performance under the contract:

<u>NUMERICAL RANGE</u>	<u>ADJECTIVE RATING</u>	<u>ADJECTIVE DEFINITION</u>
91 - 100	Excellent	Of exceptional merit; exemplary performance in a timely, efficient, and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance
81 - 90	Very Good	Very effective performance; fully responsive to contract requirements accomplished in a timely, efficient, and economical manner for the most part; only minor deficiencies with little effect on overall performance
71 - 80	Good	Effective performance; responsive to contract requirements; favorable results; reportable deficiencies with minor identifiable effect on overall performance
61 - 70	Satisfactory	Meets or slightly exceeds minimum

acceptable standards: adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance

60 and below

Poor/Unsatisfactory

Does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas which adversely affect overall performance.

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