## PERFORMANCE EVALUATION MANAGEMENT PLAN (PEMP)

**I. INTRODUCTION**

1. This PEMP covers the administration of the award fee provisions of this contract for the Department of Energy, Office of Environment, Health, Safety, and Security’s (EHSS) Office of Physical Protection and provides the standardization necessary to ensure effective development, administration, and coordination of the evaluation process. It is intended as a means to:
   1. Document how performance during a specific award evaluation period will be evaluated and fee determined.
   2. Assure that the contractor's performance is evaluated objectively in a consistent manner.
   3. Afford the contractor an opportunity to earn a fee commensurate with performance expended against performance expectations and standards.
2. The following matters, among others, are covered in the contract:
   1. The contractor is required to provide services for types of services as identified in the Performance Work Statement (PWS) located in Section J, Attachment A, of the contract.
   2. The term of the contract shall not exceed 60 months from its effective date including all option years.
   3. The fixed-prices, per CLIN, are described in Section B of the contract.
3. The available award fee pool and fee evaluation periods will be in accordance with the Section B clause entitled Distribution of Performance Award Fee.
4. The available award fee pool is subject to equitable adjustments in accordance with the special contract requirements in Section H of the contract.
5. The award fee earned and payable will be determined unilaterally at the sole discretion of the

U.S. Government (Government) by the Fee Determination Official (FDO) in accordance with the terms of this contract.

1. The Government may unilaterally make changes to this plan provided the contractor receives notice of the change at least 15 calendar days prior to the beginning of the evaluation period to which the changes apply.

**Part II. ORGANIZATIONAL STRUCTURE FOR AWARD FEE ADMINISTRATION**

1. The following organizational structure is established for administering the award fee provisions of the contract. This structure is subject to change at the discretion of the Government.
   1. Fee Determination Official (FDO)
      1. The FDO is the Officially Designated Federal Security Authority (ODFSA). The ODFSA may delegate the FDO assignment/responsibilities to a senior DOE EHSS official. The Government may change assignment of the FDO without advance notice to the contractor.
      2. The primary responsibilities of the FDO include the following:
         1. The FDO will determine the amount of award fee earned during each period. The amount determined will not result solely from mathematical summing, averaging, or the application of a formula. The FDO's determination of the amount of the award fee earned and the basis for this determination will be stated in the Award Determination letter to the contracting officer.
         2. The FDO authorizes changes to this plan.
   2. Performance Evaluation Board (PEB)
      1. PEB Chair and Membership: The FDO will designate the PEB Chair. The PEB membership will consist of the contracting officer’s representative (COR), the contracting officer technical representative, and other Federal representatives as selected by the PEB Chair. The Government may change the chair and membership without notice to the contractor. PEB members are responsible for reviewing all data submitted by the Performance Raters (PRs) and providing a quality assurance review of the entire award package prior to submittal to the FDO.
      2. Performance Raters (PRs): The PRs will be the Technical Monitors (TMs). They will be responsible for evaluating and assessing the contractor's activities throughout the evaluation period and documenting the results at the end of the period. The PRs will be responsible for gathering information and objective evidence in order to evaluate Schedule, Management, Technical Performance; Product Quality; and Cost Control of the contractor and recommending performance-based ratings to the PEB. They will coordinate with the necessary personnel to develop the ratings and supporting documentation. The PRs will discuss and review progress with the contractor throughout the evaluation period. The Government may change the PRs without notice to the contractor.

**Part III. EVALUATION OF THE CONTRACTOR'S PERFORMANCE**

1. Rating Plan

The contractor's performance shall be evaluated and rated according to this PEMP. Supporting documents are below:

* Exhibit E-l, Performance Areas, Evaluation Criteria, and Scoring
* Exhibit E-2, Award Fee Conversion Chart

Award Determination Process

Presented below are process steps that will be followed to evaluate and determine the award fee due the contractor, based on performance:

* No later than 30 calendar days after the end of the evaluation period, the Contractor shall submit a self-assessment to the Government.
* No later than 60 days after the end of the evaluation period, the PEB Chair provides the fee determination recommendation to the FDO.
* Upon receipt of notification of earned fee, the contractor prepares a separate (*i.e., apart from the regular monthly invoice*) voucher(s) based on the FDO's fee notice and submits this invoice to the Government for payment of its award fee.

EXHIBIT E-1. PERFORMANCE AREAS, EVALUATION CRITERIA, AND SCORING

|  |  |  |
| --- | --- | --- |
| **Performance Area** | **General Evaluation Criteria** | **Performance Area Weight** |
| 1 | Schedule Performance | 25% |
| 2 | Management Performance | 30% |
| 3 | Technical Performance | 30% |
| 4 | Product (Deliverables) Quality | 15% |
|  | **TOTAL** | **100%** |

**PERFORMANCE AREA 1: SCHEDULE PERFORMANCE (Objective)**

The objective of Performance Area 1, Schedule Performance, is to assess the timeliness of deliverables, completion of milestones, and responsiveness to DOE requests, and/or range of schedule variance. Each firm fixed price activity will be assessed individually based on the following ***performance measures: (1) conformance with schedules, (2) early identification of schedule problems and inventiveness in overcoming them to maintain progress, (3) submission of deliverables on time, and (4) submission of deliverables ahead of schedule.***

**PERFORMANCE AREA 2: MANAGEMENT PERFORMANCE (Objective)**

The objective of Performance Area 2, Management Performance, is to validate the contractor’s performance of the specific management functions identified in the following measures. These functions are essential to effectively and efficiently manage the activities. Each firm fixed price activity will be assessed individually based on the ***following performance measures: (1) effective use of personnel resources, proper and economical supervision, (2) clear, accurate, and inclusive reporting, (3) dependability, responsiveness, coordination, and cooperation with DOE, and (4) overall business relation to customer satisfaction.***

**PERFORMANCE AREA 3: TECHNICAL PERFORMANCE (Objective)**

The objective of Performance Area 3, Technical Performance, is to assess the contractor’s performance of the specific technical functions identified in the following measures. Each firm fixed price activity will be assessed individually based on the ***following performance measures: (1) achievement of Performance Work Statement (PWS) performance expectations, (2) thoroughness of approach, (3) integration of technical effort, (4) compliance with requirements in the PWS including all applicable laws, regulations, DOE directives, manuals, notices, orders, publications, and guidance.***

**PERFORMANCE AREA 4: PRODUCT (DELIVERABLES) QUALITY (Objective)**

The objective of Performance Area 4, Product Quality, is to assess the degree to which work is accurate, complete, and relevant with regard to DOE requests; professional in appearance and format; compliant with DOE and regulatory requirements; and accepted by DOE with minimal or no revision required to complete or correct the product. Each firm fixed price activity will be assessed individually based on the ***following performance measures: (1) overall quality of deliverables, (2) extent and accuracy of any documentation, references and background material accompanying a deliverable, if applicable, (3) appropriateness of format and clarity, accuracy, and completeness of written products considering the intended audience for the deliverable, and (4) sufficiency of deliverable to support the decision-making process of senior DOE managers, the Secretary, Congress, and the President.***

Generation of Performance Area Rating/Score

Each firm fixed price activity will be rated/scored. Each performance area, identified above, are considered of equal weighting and will not be individually rated or scored, but rather considered as-a-whole in developing the overall activity rating. In addition to the performance areas above the following will be considered in the overall adjectival rating assigned to each activity:

In broad terms, the evaluation board will evaluate the degree of efficiency and economy displayed in the Contractor’s organization of all areas of effort including management and technical effort required to meet work requirements. Particularly to be considered will be: (1) establishment of internal controls to assure proper supervision of the work force and economical completion of assigned tasks; (2) the coordination and cooperation with cognizant DOE officials to resolve problems that arose in communication, planning, scheduling or other related areas; and (3) overall effective use of available resources, dependability and general coordination, including response to dynamic/urgent requirements.

**Part IV. DETERMINING AWARD EARNED**

Each firm fixed price activity will address each performance area during the evaluation period and an overall rating/score will be assigned for that activity, in accordance with the Award Fee Rating Chart. In conjunction with the COR, **the FDO and PEB Chair will then average all activity rating/scores and assign an overall award fee rating/score.** Award fee will only be earned for ratings of “Excellent” or “Very Good” as described in Exhibit E-2. Ratings of “Good”, “Satisfactory” or “Unsatisfactory” do not earn award fee.

For example, the below shows a *Summary of Recommended Ratings* for each active activity during the rating period and their associated adjectival rating and numerical score.

|  |  |  |
| --- | --- | --- |
| **Activity**  **Number** | **Adjectival**  **Rating** | **Numerical**  **Rating** |
| Activity #2 | Very Good | 90 |
| Activity #3 | Excellent | 95 |
| Activity #4 | Excellent | 100 |
| Activity #5 | Very Good | 90 |
| Activity #6 | Very Good | 85 |
| Activity #7 | Excellent | 98 |
| Activity #8 | Excellent | 98 |
| **OVERALL RATING** | **EXCELLENT** | |

EXHIBIT E-2. AWARD FEE RATING CHART

The following chart is for use with performance-based fee ratings and reflect the percentages of available award fee earned for that adjectival rating. Scores will be rounded down to the nearest tenth before identifying the percent of available award fee earned.

|  |  |  |
| --- | --- | --- |
| **AWARD FEE ADJECTIVAL RATING** | **PERCENTAGE**  **AWARD FEE** | **DESCRIPTION** |
| **Excellent** |  | Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. |
| 81% - 100% |
|  |
|  |
|  |
| **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 in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. |
| 70% - 80% |
|  |
|  |
|  |
|  |
| **Good** |  | Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. |
|  |
| 0% |
| **Satisfactory** |  | Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award- fee plan for the award-fee evaluation period. |
| 0% |
| **Unsatisfactory** | 0% | Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. |