

ATTACHMENT J-4

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

PERFORMANCE EVALUATION
AND
MEASUREMENT PLAN (PEMP)
FOR THE
MISSION SUPPORT CONTRACT

Mission Support Contract

Performance Evaluation and Measurement Plan

The *Performance Evaluation and Measurement Plan* (PEMP) details the administration of performance incentives and allocation of *Total Available Fee* as defined in Section B, *Supplies or Services and Prices/Costs*.

1. PERFORMANCE-MEASURES

Each performance measure will set forth the specific requirements, criteria and/or specifications for acceptable performance of an outcome and the amount of fee assigned to the individual performance measure (See PEMP Table 4-1 for a summary of work requirements that may be targeted for performance measures).

2. ALLOCATION OF AVAILABLE FEE

Because the services to be determined under this Contract directly support the mission contractors and because such services are integral to the environmental clean-up mission at Hanford, DOE will heavily weight the assignment of fee toward efficient and effective provision of Hanford Site services and infrastructure; right-sizing to meet the Mission needs over the life-cycle of Hanford cleanup; and sustained excellence and enhanced effectiveness of integrated safety, security, health, and environmental protection.

3. PERFORMANCE MEASURE FEE STRUCTURE METHODS

Each performance measure may have a distinct fee structure to incentivize maximum performance and resource utilization by the Contractor. Individual performance measures may require the contractor to exceed approved baseline performance to earn 100 percent (%) of the fee allocated to that performance measure. DOE is not limited to the following list of Fee Structure Methods and may combine elements of multiple fee structures. Regardless of the Fee Structure Method used, payment of fee is subject to the fee reduction terms of this Contract, and Fee Determining Official (FDO) approval that the Contractor has achieved the stated outcome for the specific performance measure.

- (a) Straight-line Method: This method provides a 100% incremental fee for completion of the performance measure prior to the expiration of the Contract period.
- (b) Declining Method: This method provides 100% incremental fee for completion of the performance measure by a specific date and/or milestone, but the percentage is reduced incrementally beyond that event. The specific percentage of reduction and corresponding time or specific milestones triggering the reductions are defined within the performance measure.

Table 4.1, Summary of Work Requirements

OBJECTIVE	OUTCOMES	POTENTIAL MEASURES ¹	ESTIMATED WEIGHT OF TOTAL AVAILABLE FEE/COST
<p><u>Area 1</u> <i>Infrastructure Services and Alignment Plan</i></p>	<p>Deliver an <i>Infrastructure Services and Alignment Plan</i> (ISAP) that provides for a convincing and credible roadmap to achieve transformational change, and net annual and life-cycle cost reductions, in performing Contract requirements</p>	<p>Establish framework for management, operational, technical, and safety excellence</p> <p>Create scalable approach to operate and optimize infrastructure and service delivery</p> <p>Enable rapid realignment to 'right-size' infrastructure and services</p> <p>Develop solutions to close gaps between current and future infrastructure needs</p> <p>Demonstrate credible innovations to meet Statement of Work requirements</p> <p>Create basis to operate, maintain, and invest to meet Contract requirements at lowest life-cycle cost</p>	<p>10%</p>
<p><u>Area 2</u> <i>Management</i></p>	<p>Demonstrate management excellence and continuous improvement through effective planning, organization, leadership, coordination, integration, and control of the required resources, activities, and interfaces</p>	<p>Develop solutions that provide for optimum delivery of Contract requirements across the Hanford Site</p> <p>Organize and lead the resources and activities required for responsive and efficient performance</p> <p>Coordinate and integrate resources, activities, and interfaces to maximize benefit to the Hanford Site</p> <p>Control scope, schedule, cost, quality, and risk to manage infrastructure and service delivery</p> <p>Maintain relationships with DOE and customers based on open, honest and effective communication</p> <p>Provide robust, timely, and multi-disciplinary support to DOE under Portfolio Management</p>	<p>10%</p>

¹ Any features of the Offeror's proposed strategy and approach may be implemented as first- and subsequent-year performance measures in accordance with Section B Clause entitled, *Fee Structure*.

OBJECTIVE	OUTCOMES	POTENTIAL MEASURES ¹	ESTIMATED WEIGHT OF TOTAL AVAILABLE FEE/COST
<p><u>Area 3</u> <i>Individual Infrastructure and Service Performance Incentive(s)</i></p>	<p>Complete first-year performance commitments selected by the Contracting Officer from the Contractor's proposal [see Provision L.19(c)(1)] and established by the Contracting Officer in accordance with Section B, <i>Supplies or Services and Prices/Costs</i></p> <p>Complete subsequent-year performance commitments (selected by the Contracting Officer from the Contractor's proposal [see Provision L.19(c)(1)] or selected by the Contracting Officer from approved ISAP, and established by DOE in accordance with see Section B, <i>Supplies or Services and Prices/Costs</i></p>	<p>Meet all defined performance commitments established in each <i>Area 3</i> Performance Objective</p> <p>Reduce total annual cost by a minimum of 5% in each year of Contract performance</p> <p>Operate, maintain, and invest for net annual and life-cycle cost reduction</p>	<p>40%</p>
<p><u>Area 4</u> <i>Establish and Meet Service Level requirements</i></p>	<p>Establish performance metrics/service level agreements with each customer and meet all performance metrics/service level requirements for each customer</p>	<p>Meet all defined performance commitments established in each <i>Area 4</i> Performance Objective</p> <p>Complete all performance metrics/service level agreements with customers in accordance with the Contract</p> <p>Meet all defined performance metrics service level requirements</p>	<p>20%</p>
<p><u>Area 5</u> <i>Reinvestment</i></p>	<p>Reinvest the annual cost savings to implement energy management projects and initiatives developed in response to Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management; develop and deliver infrastructure reliability projects; and perform other Hanford Site initiatives</p>	<p>Meet all defined performance commitments established in each <i>Area 5</i> Performance Objective</p> <p>Reduce total annual cost by a minimum of 5% in each year of the Contract performance, while meeting the service performance measures cited in Area 4</p> <p>Develop and deliver infrastructure reliability projects that support future needs</p> <p>Develop and deliver information resources/content management solutions that support future needs</p>	<p>20%</p>

- (c) Terminal Method: This method provides 100% incremental fee for completion of the performance measure prior to a specific date and/or milestone; however, the Contractor will forfeit 100% of the fee allocated to the performance measure for completion of the performance measure after the passing of the specific date and/or milestone as defined within the performance measure.
 - (d) Performance Measure Provisional Dependent Method: This method provides the Contractor the opportunity to earn only *Provisional Fee* until completion of a specific milestone, a separate performance measure or multiple performance measures, upon which the fee becomes progress or final. For example, the Contractor may complete Performance Measure-1, earn 90% of the fee as *Provisional*, then complete Performance Measure-2 and earn the associated fee for Performance Measure-2, as well as convert the *Provisional Fee* earned for Performance Measure-1 to an incremental fee.
 - (e) Subjective Method: This method provides the Contractor the opportunity to earn up to 100% fee for performance of Contract requirements based on subjective criteria as determined by DOE.
 - (f) Target Method: This method provides for the initially negotiated fee to be adjusted later by a formula based on the relationship of performance measures against the baseline. This method specifies a target baseline performance, a target fee, minimum and maximum fees, and a fee adjustment formula. After performance, the fee payable is determined in accordance with the formula. The formula provides, within limits, for increases in fee above target fee when baseline performance is exceeded, and decreases in fee below target fee when baseline performance is not achieved. This increase or decrease is intended to provide an incentive for the Contractor to manage the Contract effectively.
4. The following tables summarize the Contract work requirements that may become fee-bearing via Performance Measures. This table establishes a conceptual framework as a basis for development of future performance measures in accordance with Section B Clause entitled, *Fee Structure*.

Attachments:

Performance measures to be inserted in accordance with Section B Clause entitled, Fee Structure.