

2. AMENDMENT/MODIFICATION NO. 0025	3. EFFECTIVE DATE 02/13/2014	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY Richland Operations Office U.S. Department of Energy Richland Operations Office P.O. Box 550, MSIN A7-80 Richland WA 99352	CODE 00601	7. ADMINISTERED BY (If other than Item 6) Richland Operations Office U.S. Department of Energy Richland Operations Office P.O. Box 550, MSIN A7-80 Richland WA 99352	CODE 00601
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) PENSER NORTH AMERICA INC Attn: PHIL VALDENS 700 SLEATER KINNEY RD SE, SUITE B #170 LACEY WA 985138513	(x)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	x	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-09RL15009
		10B. DATED (SEE ITEM 13) 06/15/2009
CODE 129467614	FACILITY CODE	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
X	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Tax ID Number: 91-2180915
DUNS Number: 129467614
This modification was created to incorporate the approve 2014 PEMP into the contract. This is a no cost modification and does not increase the obligated amount of the contract.

The total obligated funding remains \$4,512,661.45.

2014 PEMP is attached.

LIST OF CHANGES:
Reason for Modification : Other Administrative Action
Continued ...
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) John J. Wiltshire
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED
16B. UNITED STATES OF AMERICA Signature on File (Signature of Contracting Officer)	16C. DATE SIGNED 02/13/2014

CONTINUATION SHEETREFERENCE NO. OF DOCUMENT BEING CONTINUED
DE-AC06-09RL15009/0025PAGE OF
2 2NAME OF OFFEROR OR CONTRACTOR
PENSER NORTH AMERICA INC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Total Amount for this Modification: \$0.00 New Total Amount for this Version: \$0.00 New Total Amount for this Award: \$4,512,661.45 Period of Performance: 10/01/2009 to 09/30/2014				

**Third Party Administrator Services for Workers' Compensation
Fiscal Year (FY) 2014 – October 1, 2013 through September 30, 2014
Performance Evaluation and Measurement Plan (PEMP)**

1. PURPOSE

To provide procedures and assign responsibilities for evaluating contractor performance, and to incentivize superior and proactive customer service, including, communication, coordination, innovation, and overall commitment to excellence.

2. SCOPE

The provisions of this FY 2014 plan apply to Contract No. DE-AC06-09RL15009 with Penser North America, Inc. (Penser) and to the unilateral determination of the Department of Energy, Richland Operations Office (DOE-RL) Fee Determining Official to evaluate the contractor's performance against the criteria set forth in this plan, and to determine the amount of award fee earned (performance fee). Specific guidance on fee is contained in Clause B.5, Payment of Performance Based Fee.

3. APPLICABILITY

This plan provides the process and assigns responsibilities for determining the level of performance of Penser under Contract No. DE-AC06-04RL15009 during the period of October 1, 2013 through September 30, 2014.

4. RESPONSIBILITIES

Contracting Officer (CO) - The DOE-RL CO is responsible for reviewing, revising, and transmitting this Performance Evaluation and Measurement Plan (PEMP) to the contractor. The CO will prepare a written evaluation and fee earnings recommendation for FDO consideration, based on observations, input from others, information provided in the contractor's briefings, self-assessment report(s), and/or other contract deliverables.

Contracting Officer Representative (COR) - The DOE-RL COR is responsible for assisting the CO in executing the above duties and providing technical expertise and advice. The COR shall monitor, review, and evaluate the contractor's performance against the criteria included in this plan, the contract, and generally accepted standards of practice for workers' compensation claims processing. The COR shall solicit input from claimants and Hanford site contractors who utilize the services provided by the contractor. The COR may also consider the results/conclusions of independent assessments of the contractor's performance.

Fee Determining Official (FDO) – The DOE-RL Manager is the FDO. The FDO is responsible for approving this PEMP. The FDO shall review the performance fee recommendations of the CO and make the final determination of the amount of performance fee earned by and payable to the contractor.

5. FEE PROCESS

The CO will evaluate the contractor's performance and recommend the amount of fee earned, in the following manner:

- a. Evaluate contractor performance and assign an adjectival rating (as defined in Table 3.1) to each of the three Performance Incentive Criteria by using the measurement criteria described in Table 5.1.

- b. Exclude from the fee base (as forfeited) all fee allocated to any Table 5.1 criterion that is evaluated at the “Satisfactory” or “Unsatisfactory” performance level;
- c. Calculate the “average” of the adjectival ratings of all three criteria (exclude however, any criterion rated “Satisfactory” or “Unsatisfactory”) for an “overall” adjectival rating of contractor performance;
- d. Correlate the overall adjectival rating to determine the recommended fee percentage earned using the fee ranges described in Table 3.1;
- e. Support through narrative description, a recommended fee-earned amount;
- f. Provide the adjectival rating and fee earned recommendation to the FDO for approval/adjustment of the final fee amount earned by the contractor.

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 outcomes for the performance incentives. The FDO may accept the fee recommendation as is, or at his/her discretion, make an adjustment to the recommended fee determination. A CO letter summarizing the FDO’s evaluation decision and the amount of performance fee earned shall be furnished to the contractor within 60 calendar days of DOE-RL’s receipt of the contractor’s self-assessment report. This letter constitutes official issuance of the performance fee determination.

6. FEE PLAN CHANGE PROCEDURE

All significant changes are approved by the FDO. Examples of significant changes include changing evaluation criteria, adjusting weights to redirect contractor’s emphasis to areas needing improvement, and revising the distribution of the fee dollars. The contractor may recommend changes to the CO no later than 60 days prior to the beginning of the new evaluation period. After approval, the CO shall notify the contractor in writing of any change(s). Unilateral changes may be made to the fee plan if the contractor is provided written notification by the CO before the start of the upcoming evaluation period. Changes affecting the current evaluation period must be by mutual agreement of both parties.

7. CONTRACT TERMINATION

If the contract is terminated for the convenience of the Government after the start of a fee evaluation period, the fee deemed earned for that period shall be determined by the FDO using the normal fee evaluation process. After termination for convenience, the remaining fee amounts allocated to all subsequent fee evaluation periods cannot be earned by the contractor and, therefore, shall not be paid.

Table 3.1, Overall Performance Incentive Ratings and Definitions

Award-Fee Adjectival Rating	Award-Fee Pool Available to Be Earned	Description
Excellent	91%--100%	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. Contractor's work is highly professional. Contractor solves problems with very little, if any, Government involvement. Contractor is proactive and takes an aggressive approach in identifying problems and their resolution, including those identified in the risk management process, with a substantial emphasis on performing quality and effective work in a safe manner within schedule requirements. No re-work.

Very Good	76%--90%	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. Contractor solves problems with minimal Government involvement. Contractor is usually proactive and demonstrates an aggressive approach in identifying problems and their resolution, including those identified in the risk management process, with an emphasis on performing quality and effective work in a safe manner within schedule requirements. Problems are usually self-identified and resolution is self-initiated. Some limited, low-impact rework within normal expectations.
Good	51%--75%	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. Contractor is able to solve basic problems with adequate emphasis on performing quality and effective work in a safe manner within schedule objectives. The rating within this range will be determined by level of necessary Government involvement in problem resolution, including those problems identified in the risk management process, and extent to which the performance problem is self-identified vs. Government-identified. Some limited, low-impact rework within normal expectations.
Satisfactory	No Greater Than 50% No Award Fee Available	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. Contractor has some difficulty solving basic problems, and schedule, safety, and technical performance needs improvement to avoid further performance risk. Government involvement in problem resolution, including those problems identified in the risk management process, is necessary. Some rework required that unfavorably impacted performance and/or schedule.
Unsatisfactory	0% No Award Fee Available	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. Contractor does not demonstrate an emphasis on performing quality and effective work in a safe manner within schedule objectives. Contractor is unable to solve problems and Government involvement in problem resolution, including those problems identified in the risk management process, is necessary. Excessive rework required that had significant unfavorable impact on performance and/or schedule.

8. PERFORMANCE INCENTIVE FEE ALLOCATION

Table 4.1, Fee Allocation

Objective	Performance Incentive	Allocated Percent	Award-Fee Available to be Earned
1.0: Provide superior and proactive customer service in workers' compensation administration services	1.1: Provide quality services		
	1.1.a: Telephone contact every 14 calendar days on indemnity claims	20%	\$10,000
2.0: Provide superior and proactive customer service in stakeholder outreach	2.1: Implement process improvements		
	2.1.a: Stakeholder Hanford	40%	\$20,000
	2.1.b: Stakeholder Public	40%	\$20,000
Total		100%	\$50,000

Important Note

DOE-RL encourages the contractor to perform at the highest levels of excellence. Award fee shall not be earned if the contractor's overall schedule and technical performance in the aggregate is at or below satisfactory. The basis for all award-fee determinations shall be documented in the contract file to include, at a minimum, a determination that overall schedule and technical performance in the aggregate is or is not at a satisfactory level. This determination and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government.

No Award Fee is available for performance at the Satisfactory level because the contractor is already earning profit in its fixed price amount for such performance.

Performance ratings above the overall rating of satisfactory will reflect the extent to which the contractor, on its own initiative, is actively involved in performance improvement activities and the extent to which these actions contribute to more efficient, effective, and economical operation, thus forming the basis for earning performance fee.

An adjectival rating below Good for total performance is a matter of concern to DOE-RL. Although this rating represents satisfactory performance, it indicates significant room exists for improvement in quality of services delivered. This concern is particularly true in the delivery of occupational medical services area where inadequate levels of performance could cause immediate and detrimental impact upon health and safety.

If the contractor's performance is considered unacceptable in any area of contract performance, the FDO may, at his or her discretion, determine the contractor's overall performance to be unacceptable and withhold the entire performance fee for the evaluation period.

9. PERFORMANCE INCENTIVES

Table 5.1, Performance Incentives

The significant award fee criteria for objective incentives consist of the successful completion of specified activities. The subjective evaluation is focused on the achievement of high-level strategies, outcomes, and envisioned end states. The evaluation of all incentives will include a subjective determination regarding quality and effectiveness.

PEMP Item	Title	Good	Very Good	Excellent	Surveillance Method
OBJECTIVE 1.0: Provide superior and proactive customer service in workers' compensation administration services					
1.1	Provide quality services				
	1.1. a: (20%) Telephone contact every 14 calendar days on indemnity claims	Contact made 87 to 89%	Contact made 90 to 94%	Contact made 95 – 100%	Bi-annual and Year-end Reports* Renaissance System
OBJECTIVE 2.0: Provide superior and proactive customer service in stakeholder outreach					
2.1	Implement process improvements				
	2.1.a: (40%) Stakeholder Hanford	Created a process improvement plan establishing opportunities to improve. Implemented 25-50% of the process improvement plan. Provided outline of steps taken to implement processes.	Implemented 51-75% of the process improvement plan. Provided outline of steps taken to implement processes.	Implemented 76-100% of the process improvement plan. Provided outline of steps taken to implement processes.	Bi-annual and Year-end Reports*
	2.1.b: (40%) Stakeholder Public	Created a process improvement plan establishing opportunities to improve. Implemented 25-50% of the process improvement plan. Provided outline of steps taken to implement processes.	Implemented 30-50% of the process improvement plan. Provided outline of steps taken to implement processes.	Implemented 51-100% of the process improvement plan. Provided outline of steps taken to implement processes.	Bi-annual and Year-end Reports*

*Bi-annual reports and year-end reports to be submitted 30 days after reporting period.