

**SECTION J**  
**ATTACHMENT J-10**

**PERFORMANCE EVALUATION  
AND MEASUREMENT PLAN**

Fiscal Year 2018

Occupational Medical Services Contract

**Occupational Medical Services Contract**

**Fiscal Year (FY) 2018 - October 1, 2017 through September 30, 2018**

**Performance Evaluation and Measurement Plan (PEMP)**

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## 1.0 INTRODUCTION

This is the basis for the Occupational Medical Services at Hanford evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance under the Firm-Fixed-Price portion of the contract (in accordance with Section B.1) and to determine the amount of fee earned for the evaluation period/fiscal year. Fee determination and payment will be made in accordance with Section B clause entitled "Award Fee for CLINS 002, 005, 008, 011 and 014."

Award Fee will not be used to incentivize the contractor to meet contract expectations and requirements but will be used to incentivize superior performance. For the purpose of this document, the term "Performance Evaluation and Measurement Plan" is synonymous with the term "Award Fee Plan." Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

The fee is in addition to the Firm-Fixed-Price, Cost Reimbursement, and Indefinite Delivery/Indefinite Quantity (IDIQ) provisions of the contract. The fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan.

## 2.0 ORGANIZATION

The award fee organization consists of: the FDO; an Award Fee Board (AFB) which consists of the Contracting Officer's Representative (COR) as chairperson, the Contracting Officer (CO), other functional area participants, and advisor members. The FDO, AFB members, and COR are listed in Section 7.0.

## 3.0 RESPONSIBILITIES

- a. FDO. The FDO approves the award fee plan and any significant changes. The FDO reviews the recommendation(s) of the AFB, considers all pertinent data, and determines the earned award fee amount for each evaluation period.
- b. AFB. AFB members review COR's evaluation(s) of the contractor's performance, consider all information from pertinent sources including interim performance reports, and arrive at an earned fee recommendation to be presented to the FDO. The AFB may also recommend changes to this plan.
- c. CO. The CO is the liaison between contractor and Government personnel and shall ensure the incentive process is properly administered in accordance with agency regulations. The CO shall also modify the contract in regards to any contractual issues that may arise during the term of the contract. The CO will also coordinate the administrative actions required to complete the award fee process including distribution of evaluation reports, timely milestone completion, and accomplishing other actions related to ensure smooth operation of the process.
- d. Award Fee Review Board Chairperson (COR). The COR maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. The COR also prepares end-of-period evaluation reports as directed by the AFB.

#### 4.0 FEE PROCESSES

- a. Available Fee Amount. The available fee for the FY 2018 evaluation period is shown in Section 8.0. The fee earned will be paid based on the contractor's performance during this annual evaluation period.
- b. Evaluation Criteria. If the CO does not give specific notice in writing to the contractor of any change to the evaluation criteria prior to the start of a new evaluation period, then the same criteria listed for the preceding period will be used in the subsequent award fee evaluation period. Any changes to evaluation criteria will be made by revising Section 10.0 and notifying the contractor.
- c. Annual Evaluations. The PEMP sets forth the annual evaluation period and the criteria upon which the contractor will be evaluated for performance. Award Fee will not be used to incentivize the contractor to meet contract expectations and requirements but will be used to incentivize superior performance. The United States Department of Energy (DOE) encourages the contractor to perform at the highest levels of excellence. 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 and effective operation, thus forming the basis for earning award fee.

Award fee shall not be earned if the contractor's overall schedule and technical performance in the aggregate is at or below satisfactory. 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 award fee for the evaluation period.

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.

Immediately upon final determination of the award fee for the annual evaluation period by the FDO, the contractor will invoice for the fee amount due. Any unearned award fee from each evaluation period shall be forfeited and will not be eligible to be earned in any future period(s).

- d. Contractor's Self-Assessment. The contractor is required to submit an annual self-assessment report relative to the PEMP for the preceding evaluation period/fiscal year within 60 days after the end of the current evaluation period being reviewed. This assessment includes self-evaluation and supporting data on contractor's performance relative to PEMP elements. Data must be adequate to support DOE verification. DOE reserves the right to perform independent assessment(s). This written assessment of the contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the AFB in evaluating the contractor's performance.
- e. Rating. The AFB will evaluate the contractor's performance and recommend the amount of fee earned, in the following manner:
  - 1. Assign an adjectival rating (as defined in Section 9.0) to each of the Performance Incentives by using the measurement criteria described in Section 10.0.

2. Exclude from the fee base (as forfeited) all fee allocated to any criterion that is evaluated at the “Satisfactory” or “Unsatisfactory” performance level (as defined in Section 9.0).
3. Correlate the individual adjectival ratings of each of the performance incentives obtained in Section 10.0 with Section 9.0 to determine the recommended fee percentage earned for each of the individual performance incentives.
4. Support through narrative description, a recommended fee-earned amount.
5. Provide recommended earned fee 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 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 award fee earned shall be furnished to the contractor within 90 calendar days of DOE’s receipt of the contractor’s self-assessment report. This letter constitutes official issuance of the award fee determination.

5.0 FEE PLAN CHANGE PROCEDURE

The FDO may unilaterally change this plan prior to the beginning of an evaluation period/fiscal year. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. Notification of unilateral changes shall be provided to the contractor 30 calendar days prior to the start of the annual evaluation period to which the changes will apply.

The contractor may recommend changes to the CO no later than 120 days prior to the beginning of the new evaluation period/fiscal year. After approval, the CO shall notify the contractor in writing of any change(s).

Changes to this plan that are applicable to a current evaluation period/fiscal year will be incorporated by mutual consent of both parties.

All significant changes are approved by the FDO; the AFB Chairperson approves other changes. 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.

6.0 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.

7.0 PEMP ORGANIZATION

Fee Determining Official ..... Doug Shoop, RL Manager  
Award Fee Review Board Chairperson (COR) .....Ashley Morris, Program Manager  
Award Fee Review Board Members:  
Contracting Officer ..... Marcy Aplet-Zelen

Attorney Staff Member ..... Anissa Siefken  
 Financial Management Staff Member ..... Jim Urban  
 Procurement Director ..... Sally Sieracki

8.0 FEE ALLOCATION

STRATEGIC AREA	ALIGNMENT TO CLEANUP MISSION	PERFORMANCE OUTCOMES		ALLOCATED PERCENT	AWARDED-FEE AVAILABLE TO BE EARNED
<b>1.0: Effective Site Cleanup Support</b>	Deliver occupational medical services to support the cleanup mission.	1.1	Enable DOE and Hanford Site contractors to achieve their cleanup mission by delivering effective service that supports customer key milestones and regulatory commitments.	30%	\$105,000.00
<b>2.0: Efficient Site Cleanup Support</b>	Align resources to efficiently meet site mission needs, strategically align capabilities to the cleanup mission, and implement technologies that reduce cost and improve support for DOE and Hanford Site contractors.	2.1	Demonstrate responsiveness and alignment of resources and equipment to meet DOE and the Hanford Site contractors' project requirements in support of key milestones.	30%	\$105,000.00
<b>Subtotal</b>				<b>60%</b>	<b>\$210,000.00</b>
<b>3.0: Comprehensive Performance</b>		3.1	Subjective outcome.	40%	\$140,000.00
<b>Subtotal</b>				<b>40%</b>	<b>\$140,000.00</b>
<b>Total</b>				<b>100%</b>	<b>\$350,000.00</b>

## Overall Performance Incentive Ratings and Definitions

ADJECTIVAL RATING	DEFINITION*	PERCENTAGE OF FEE EARNED
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. 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 work in a safe manner within contract requirements. No significant rework.	91% to 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. 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 work in a safe manner within contract requirements. Problems are usually self-identified and resolution is self-initiated. Some limited, low-impact rework within normal expectations.	76% to 90%
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 award-fee plan for the award-fee evaluation period. Contractor is able to solve basic problems with adequate emphasis on performing quality work in a safe manner within contract requirements. 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 versus Government-identified. Some rework required that unfavorably impacted performance.	51% to 75%
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. Contractor has some difficulty solving basic problems with adequate emphasis on performing quality work in a safe manner within contract requirements. Performance needs improvement to avoid further performance risk. Government involvement in problem resolution, including those problems identified in the risk management process, is necessary. Rework required that unfavorably impacted performance.	≤ 50%
Unsatisfactory	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 work in a safe manner within contract requirements. 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.	0%

\*Note: In accordance with FAR 16.202-1, a firm-fixed-price contract in conjunction with an award-fee incentive and performance or delivery incentives may be used when the award fee or incentive is based solely on factors other than cost.

**10.0 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.

PERFORMANCE OUTCOME 1.1		
Enable DOE and Hanford Site contractors to achieve their cleanup mission by delivering effective service that supports customer key milestones and regulatory commitments.	<b>Fee</b>	30%
<b>Strategic Area 1.0:</b> Effective Site Cleanup Support		
<b>Alignment to the Cleanup Mission:</b> Deliver occupational medical services to support the cleanup mission.		

COMPLETION CRITERION 1.1.1						
Enable DOE and Hanford Site contractors to achieve their cleanup mission by delivering effective service that supports customer key milestones and regulatory commitments.					<b>Fee</b>	20%
<b>Measure</b>	Patient Satisfaction Survey	<b>Performance Level (See below)</b>	Excellent Very Good Good	<b>Fee Range</b>	91-100% 76-90% 51-75%	
PERFORMANCE LEVEL						
GOOD		VERY GOOD		EXCELLENT		
90% - 93.4% of respondents rate the Contractor "Good" or "Very Good" on the patient satisfaction survey.		93.5% - 95.4% of respondents rate the Contractor "Good" or "Very Good" on the patient satisfaction survey.		95.5% - 100% of respondents rate the Contractor "Good" or "Very Good" on the patient satisfaction survey.		

COMPLETION CRITERION 1.1.2						
Enable DOE and Hanford Site contractors to achieve their cleanup mission by delivering effective service that supports customer key milestones and regulatory commitments.					<b>Fee</b>	10%
<b>Measure</b>	Customer Satisfaction Survey (Richland Operations Office (RL)/Office of River Protection(ORP)/Hanford Site contractors)	<b>Performance Level (See below)</b>	Excellent Very Good Good	<b>Fee Range</b>	91-100% 76-90% 51-75%	
PERFORMANCE LEVEL						
GOOD		VERY GOOD		EXCELLENT		
80% - 85.4% of respondents rate the Contractor "Good" or "Very Good" on the customer satisfaction survey.		85.5% - 94.4% of respondents rate the Contractor "Good" or "Very Good" on the customer satisfaction survey.		94.5% - 100% of respondents rate the Contractor "Good" or "Very Good" on the customer satisfaction survey.		

PERFORMANCE OUTCOME 2.1		
Demonstrate responsiveness and alignment of resources and equipment to meet DOE and the Hanford Site contractors' project requirements in support of key milestones.	Fee	30%
<b>Strategic Area 2.0:</b> Efficient Site Cleanup Support		
<b>Alignment to the Cleanup Mission:</b> Align resources to efficiently meet site mission needs, strategically align capabilities to the cleanup mission, and implement technologies that reduce cost and improve support for DOE and Hanford Site contractors.		

COMPLETION CRITERION 2.1.1					
Demonstrate responsiveness and alignment of resources and equipment to meet DOE and the Hanford Site contractors' project requirements in support of key milestones.				Fee	30%
<b>Measure</b>	Provide interface support to DOE and Hanford Site contractors. Demonstrate effective Hanford Site integration to include, but not limited to, identifying longstanding or emerging issues that affect efficient site operations and provide recommendations for improvement (e.g., Hanford Site worker transition, contract re-alignments and transition, site-wide procedures, etc.).	<b>Performance Level</b>	Excellent Very Good Good	<b>Fee Range</b>	91-100% 76-90% 51-75%
PERFORMANCE LEVEL					
GOOD		VERY GOOD		EXCELLENT	
Contractor is able to solve basic problems with adequate emphasis on performing quality work. The rating within this range will be determined by level of necessary Government involvement and to the extent to which the performance problem is self-identified versus Government-identified.		Contractor solves problems with minimal Government involvement. Contractor is usually proactive and demonstrates an aggressive approach in identifying problems and their resolution with an emphasis on performing quality work. Problems are usually self-identified and resolution is self-initiated.		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.	

PERFORMANCE OUTCOME 3.1

**Strategic Area 3.0:** Comprehensive Performance

**Fee**

40%

- Execute the contract work scope within the contract requirements, terms, and conditions while demonstrating excellence in quality, schedule, management, and regulatory compliance.
- Provide leadership to improve management effectiveness; proactively participate and collaborate with DOE and Hanford Site contractors.
- Work with DOE in a spirit of cooperation to demonstrate operational excellence to include, but not be limited to, the following areas:
  - Business and financial management (e.g., audits with no significant findings).
  - Provide superior quality documents (e.g., contract change proposals, deliverables, response to audits/surveillances/assessments).
  - Demonstrate a robust corrective action management program.
  - Effective contractor human resources management.