

SECTION J, Attachment J-10

**Occupational Medical Services Contract
Fiscal Year (FY) 2014-October 1, 2013 through September 30, 2014
Performance Evaluation and Measurement Plan (PEMP)**

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1.0 INTRODUCTION

This award fee plan 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 and to determine the amount of fee earned. Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

The fee will be provided to the contractor through contract modifications and is in addition to the Firm-Fixed-Price, Cost Reimbursement, 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. The FDO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the Contracting Officer, in writing, before the start of the affected evaluation period. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties.

2.0 ORGANIZATION

The award fee organization consists of: the Fee Determining Official (FDO); an Award Fee Board (AFB) which consists of the COR as chairperson, the contracting officer, other functional area participants, and advisor members. The FDO, AFB members, and COR are listed in Appendix 1.

3.0 RESPONSIBILITIES

- a. Fee Determining Official. 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. Award Fee Board. AFB members review COR(s) evaluation(s) of the contractor's performance, consider all information from pertinent sources, prepare 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. 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 14 evaluation period is shown in Appendix 2. 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 Appendix 4 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 exceptional performance. The PEMP may be revised unilaterally by the Government at any time during the period of performance. Notification of such 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. Immediately upon final determination of the award fee for the annual evaluation period by the Fee Determining Official (FDO), the Contractor will invoice for the fee amount due. Any unearned award fee from each evaluation period shall 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 survey of occupational medical program, facilities, and professional staff annual performance relative to the Performance Evaluation and Measurement Plan for preceding Fiscal Year within seven days after the end of the current evaluation period being reviewed. This assessment includes self-evaluation and supporting data on contractor 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.

4.1 The Award-Fee Board 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 Appendix 3) to each of the six Performance Incentives by using the measurement criteria described in Appendix 4.
- b. 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 Appendix 3) ;
- c. Correlate the individual adjectival ratings of each of the performance incentives obtained in Appendix 4 with Appendix 3 to determine the recommended fee percentage earned for each of the individual performance incentives.

- d. Support through narrative description, a recommended fee-earned amount;
- e. 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 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.

5.0 FEE PLAN CHANGE PROCEDURE

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. 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.

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.

4 Appendices

- Appendix 1, PEMP Organization
- Appendix 2, Fee Allocation
- Appendix 3, Fee Evaluation
- Appendix 4, Performance Incentives

APPENDIX 1, PEMP ORGANIZATION

PEMP ORGANIZATION

Members

	<i>Name</i>
Fee Determining Official: <i>Manager,</i> <i>U.S. Department of Energy, Richland Operations Office</i>	Matthew McCormick
Award Fee Review Board Chairperson:	Darius Slade
Award Fee Review Board Members:	
Program Manager	Sharee Dickinson
Contracting Officer	John Wiltshire
Contracting Staff Member	Brenda Valadez
Attorney Staff Member	Sarah Waugh
Financial Management Staff Member	Kathy Andrews-Smith
Procurement Director	Andrew Wirkkala

APPENDIX 2, FEE ALLOCATION

FEE ALLOCATION TABLE FOR EVALUATION PERIODS

Objective	Performance Incentive	Allocated Percent	Award-Fee Available to be Earned
1.0: Worker Health and Well-Being	1.1: Provide quality clinical services		
	1.1.a: <u>Federal Occupational Health Assessment(s)</u> : An independent annual surveillance assessment that supplements the contractor's required accreditation as a healthcare organization. This assessment provides additional quality assurance and includes both administrative and clinical assessments of the contractor's delivery of occupational medical services at the Hanford site.	20%	\$62,000
	1.1.b: <u>Contractor response to worker concerns</u> : Measurement of contractor response/mitigation of issues, concerns or complaints from the Hanford workforce after DOE RL/ORP notifies the contractor's Senior Management of the issue, concern, or complaint.	20%	\$62,000
2.0: Customer Satisfaction	2.1: Obtain high customer satisfaction ratings		
	2.1.a: <u>Patient Satisfaction Survey</u> : Patient/worker survey rating of the level of satisfaction/quality of care received from the contractor.	15%	\$46,500
	2.1.b: <u>RL/ORP-Site Contractor Survey</u> : DOE RL/ORP and Prime contractor survey rating of the quality of service received from the contractor.	15%	\$46,500
3.0: Operational Effectiveness	3.1: Implement process improvements		
	3.1.a: <u>Beryllium Program support</u> : Assessment of the level and quality of service in support of the Hanford Beryllium program and associated Correction Action Plan activities.	15%	\$46,500
	3.1.b: <u>Stakeholder Communications</u> : Assessment of how effectively the contractor communicates with internal and external stakeholders (Beryllium Awareness Group, Hanford Advisory Board, Prime Site Contractors, and DOE RL/ORP).	15%	\$46,500
Total		100%	\$310,000

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.

APPENDIX 3, FEE EVALUATION

FEE EVALUATION

Because the services to be provided under this contract directly support the mission contractors, and because such services are integral to the environmental cleanup mission at Hanford, DOE has assigned fee toward the following strategic areas of the contract as shown on Appendix 2, Fee Allocation Table: Worker Health and Well-Being, Customer Satisfaction, and Operational Effectiveness. In addition to the Performance Incentives listed in Appendix 4, the contractor’s ability to control costs (i.e. cost reductions realized through program efficiencies, labor costs) will be evaluated in determining the amount of fee earned.

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.

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Award-Fee Adjectival Rating	Award-Fee Pool Available to Be Earned	Description
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 re-work 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.

APPENDIX 4, Performance Incentives

Performance Incentives

Fee determination and payment will be made in accordance with Section B clause entitled Award Fee for CLINS 001, 004, 007, 010 and 013. 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	Contract Reference	Good	Very Good	Excellent	Surveillance Method
OBJECTIVE 1.0: Worker Health and Well-Being						
1.1	Provide quality clinical services.	C.2.1				
	1.1.a. (20%) Federal Occupational Health (FOH) Assessment(s)	C.2.1	The contractor performed to contract requirements, received an overall rating of "Good" in the occupational medicine program assessment, and adequately addressed 70-79% of the highest priority themes ¹ .	The contractor performed to contract requirements, received an overall rating of "Very Good" in the occupational medicine program assessment and adequately addressed 80-89% of the highest priority themes ¹ .	The contractor performed to contract requirements, received an overall rating of "Excellent" in the occupational medicine program assessment and adequately addressed 90-100% of highest priority themes ¹ .	FOH conducts a pre-planned and DOE-approved occupational medicine program assessment ² . The assessment plan will identify assessment objectives, focus areas, lines of inquiry, and applicable industry performance standards. The FOH assessment will result in a report submitted to DOE for review in determining contractor rating of this objective.
	1.1.b (20%) Contractor response to worker concerns	C.2.1	DOE determines that the contractor has responded to 70-79% of Worker initiated issues within one week and resolved within 30 days to DOE's satisfaction.	DOE determines that the contractor has responded to 80-94% of Worker initiated issues within one week and resolved within 30 days to DOE's satisfaction.	DOE determines that the contractor has responded to 95-100% of Worker initiated issues within one week and resolved within 30 days to DOE's satisfaction.	Worker Questionnaires and Issue Tracking Reporting. Definition: The start time for counting days to resolve "Worker Initiated Issues" is when RL contacts the contractor's Senior Management via email or letter. RL identifies issues in weekly report and tracks progress and closure.

¹Examples of themes include accreditation readiness, beryllium service, building safety, chart reviews, patient record keeping, communication, epidemiology data and studies, medications, peer review, quality improvement program/risk management, self-assessment QA/QC program, staffing, vapor emissions (e.g. Tank Farms), and work site visits. Additional themes, if established, will be communicated to the contractor 30 calendar days in advance (or another time period in advance by mutual agreement).

²FOH assessments are based upon comparisons of the contractor's medical programs to general industry standards as well as local, state, and federal regulations and guidelines including:

<ul style="list-style-type: none"> 10 CFR 850 and 851; 	<ul style="list-style-type: none"> Federal Occupational Health's (FOH's) guidelines used for reviewing FOH's approximately 300 health centers across the United States as well as other Federal agency Occupational Health programs;
<ul style="list-style-type: none"> Accreditation Association for Ambulatory Health Care, Inc. (AAAH); 	<ul style="list-style-type: none"> Joint Commission on Accreditation of Healthcare Organization (JCAHO);
<ul style="list-style-type: none"> American College of Occupational and Environmental Medicine (ACOEM); 	<ul style="list-style-type: none"> National Institute for Occupational Safety and Health (NIOSH);
<ul style="list-style-type: none"> American Thoracic Society. Standardization of Spirometry. American Review of Respiratory Diseases; 1979 119: 831-838; 	<ul style="list-style-type: none"> Miller, Hankinson, et. al., "Standardization of Spirometry" and associated articles within this series; European Respiratory Journal, 2005 26: 153-161, 319-338, 511-522, 948-968;
<ul style="list-style-type: none"> Centers for Disease Control and Prevention (CDC); 	<ul style="list-style-type: none"> Occupational Safety and Health Administration (OSHA), including federal and state regulations;

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PEMP Item	Title	Contract Reference	Good	Very Good	Excellent	Surveillance Method
OBJECTIVE 2.0: Customer Satisfaction						
2.1	Obtain high customer satisfaction ratings.	C.2.1				
	2.1.a. Patient Satisfaction Survey	C.2.1	Contractor receives a rating of "Good" or "Very Good" from 90-92% of the respondents on the RL approved patient satisfactory surveys.	Contractor receives a rating of "Good" or "Very Good" from 93-94% of the respondents on the RL approved patient satisfactory surveys.	Contractor receives a rating of "Good" or "Very Good" from 95-100% of the respondents on the RL approved patient satisfactory surveys.	DOE will review the contractor's customer satisfaction reports. The contractor will submit a Quarterly and Annual Self-Assessment Report that includes the results of patient satisfaction surveys to DOE. DOE will review the reports to determine contractor rating of this objective. The RL approved survey will be based on a scale of Very Good/Good/Fair/Poor/Very Poor.
	2.1.b. RL/ORP-Site Contractor Survey	C.1.2.3	Contractor receives a rating of "Good" or "Very Good" from 80-85% of the respondents on the RL approved site contractor satisfactory surveys.	Contractor receives a rating of "Good" or "Very Good" from 86-90% of the respondents on the RL approved site contractor satisfactory surveys.	Contractor receives a rating of "Good" or "Very Good" from 91-100% of the respondents on the RL approved site contractor satisfactory surveys.	DOE will review the contractor's customer satisfaction reports. The contractor will submit an Annual Self-Assessment Report that includes the results of site contractor surveys to DOE. DOE will review the reports to determine contractor rating of this objective. The RL approved survey will be based on a scale of Very Good/Good/Fair/Poor/Very Poor.

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PEMP item	Title	Contract Reference	Good	Very Good	Excellent	Surveillance Method
OBJECTIVE 3.0: Operational Effectiveness						
3.1	Implement process improvements.	C.2.1				
	3.1.a. (15%) Beryllium Program support	C.2.1.5	<p>The contractor has a beryllium operations peer review and self-assessment program to improve the Beryllium Program delivery to the Hanford Site is in place.</p> <p>The contractor actively participates in the Site-Wide CBDPP Implementation & Maintenance Committee, Be CAP Team and meets 80-89% of CBDDP supplemental Corrective Action Plan (CAP) ready for implementation milestones where the contractor is the Lead.</p> <p>The contractor receives no findings and only opportunities for improvement (OFI) as related to outside review (FOH) of the contractor's Beryllium medical surveillance program.</p>	<p>The contractor has a beryllium operations peer review and self-assessment program to improve the Beryllium Program delivery to the Hanford Site is in place.</p> <p>The contractor actively participates in the Site-Wide CBDPP Implementation & Maintenance Committee, Be CAP Team and meets 90-95% of CBDDP supplemental Corrective Action Plan (CAP) ready for implementation milestones where the contractor is the Lead.</p> <p>The contractor receives no findings and the opportunities for improvement (OFI) have already been internally identified and being implemented as related to outside review (FOH) of the contractor.</p>	<p>The contractor has a beryllium operations peer review and self-assessment program to improve the Beryllium Program delivery to the Hanford Site is in place.</p> <p>The contractor actively participates in the Site-Wide CBDPP Implementation & Maintenance Committee, Be CAP Team and meets 96-100% of CBDDP supplemental Corrective Action Plan (CAP) ready for implementation milestone dates where the contractor is the Lead.</p> <p>The contractor receives no findings or OFI related to outside review (FOH) of the Beryllium medical surveillance program.</p>	DOE will conduct periodic assessments. The contractor-submit the Annual Self-Assessment Report that includes their work related to the Beryllium Program to DOE. DOE will review the report to determine contractor rating of this objective.
	3.1.b. (15%) Stakeholder Communications	C.1.2.3	<p>The contractor develops Annual Communication Plan for continuous improvement in communications with stakeholders, including but not limited to, addressing the identified opportunities for improvement.</p>	<p>The contractor develops Annual Communication Plan for continuous improvement in communications with stakeholders, including but not limited to, addressing the identified opportunities for improvement.</p> <p>Annual Communication Plan activities are implemented.</p>	<p>The contractor develops Annual Communication Plan for continuous improvement in communications with stakeholders, including but not limited to, addressing the identified opportunities for improvement.</p> <p>Annual Communication Plan activities are implemented.</p> <p>Stakeholder feedback of implementation of Annual Communication Plan reported and next steps communicated to DOE.</p>	DOE will conduct periodic assessments, seek stakeholder feedback, review the Annual Communication Plan and verify implementation of Annual Communication Plan activities. The contractor will submit the Annual Self-Assessment Report that includes their work related to the Stakeholder Communications to DOE. DOE will review the report to determine contractor rating of this objective.