

TEST AND OPERATIONS SUPPORT CONTRACT

ATTACHMENT J-05

AWARD FEE PLAN

SIGNATURE PAGE

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Approval:

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A. Purpose

This plan defines the evaluation process by which the Government will encourage and reward safe, high-quality, cost-effective performance in fulfilling the requirements (including IDIQ tasks) of the Test and Operations Support Contract (TOSC). The Award Fee Plan complies with FAR 16.401 and NFS 1816.405. The performance evaluation process enables the Government to focus on successful outcomes, overall operational and cost performance, and to emphasize those aspects of critical milestone achievements essential to reach performance objectives. The performance evaluation process is a subjective assessment by the Government, and may include consideration of predetermined objective performance criteria.

B. Evaluation Process

The initial evaluation period will be seven months. The subsequent evaluation periods will be every six months. The performance evaluation process will be in accordance with the KDP-KSC-P-2402, Award Fee Evaluation Process. The Contracting Officer's Technical Representative (COTR) will be the focal point for the accumulation and development of performance evaluation reports, reviews, and presentations, as well as discussions with TOSC contractor management on Award Fee matters.

The Government will establish Areas of Emphasis (AOEs) to identify the performance elements of particular importance which are deserving of special attention during the evaluation period. The Government will also establish metrics, including associated performance standards, as objective evidence of contract performance. AOEs and metrics will be used to assist the Government in the subjective evaluation of contract performance, but they will not encompass the entire spectrum of performance that will be evaluated in determining the performance score and award fee. Other pertinent factors included under the contract and general factors bearing upon overall contractor performance will be considered in the evaluation as the facts and circumstances of each period may require.

AOEs will be established for each evaluation period and performance metrics will be updated as necessary. AOEs and metric updates will be communicated by the Contracting Officer (CO) to the contractor prior to the start of a new evaluation period. Changes to AOEs and metrics may be made during the current evaluation period with mutual agreement between the Government and contractor.

The performance evaluation plan may be revised unilaterally by the Government. Revisions to the plan will be communicated by the CO to the contractor and will go into effect in the next evaluation period.

The contractor's performance will be assessed by Government technical representatives throughout the evaluation period. The Government may formally

assess the contractor's overall performance at the mid-point of each evaluation period. In this case, the COTR will communicate this assessment to the contractor and Award Fee Board (AFB) members.

Within 30 calendar days following each semi-annual evaluation period, the COTR will prepare a summary report on the evaluation of the contractor's performance based on the AOE's, metrics, Government surveillance data, and contractor-furnished data. The contractor will be furnished a copy of the evaluation report for the period. Within five working days from receipt of the evaluation report, the contractor may submit additional data relevant to the performance evaluation in writing to the COTR. The contractor also has the option of making a self-evaluation presentation to the AFB and Fee Determining Official (FDO).

C. Evaluation Factors and Weighted Scoring

The Government will use three performance evaluation factors – Technical Performance, Cost Control, and Small Business Subcontracting – to determine the Total Award Fee Score for each semi-annual evaluation period.

The Government may apply AOE's and metrics to the evaluation factors, as necessary, to assist in the subjective evaluation of contract performance.

The following sections describe each evaluation factor and the award fee calculations.

Evaluation Factors:

1. Technical Performance:

The Government will evaluate the contractor's performance in areas such as:

- Overall safety, technical, and management effectiveness
- Overall effectiveness of safety program
- Proactive approach and implementation
- Processing performance
- Quality and mission assurance effectiveness
- Program and project integration and management
- Customer support and meeting requirements in a multi-customer environment
- Risk management
- Continuous improvement and cost-reduction initiatives

The technical performance evaluation will consider all aspects of planning, processing and operations to achieve the contract requirements, including the contractor's effectiveness, quality, and flexibility.

The technical performance evaluation will consider the contractor's ability to implement an effective and proactive safety program to include safety performance, compliance with requirements, response to safety issues, and processing safety.

2. Cost Control:

The Government will evaluate the contractor's overall cost control performance. The evaluation will consider the contractor's cost performance against the total negotiated estimated cost of the contract for the evaluation period. The evaluation will also consider the contractor's cost performance against the total negotiated estimated cost by Program, project, and customer for the evaluation period. The negotiated estimated cost will be adjusted to include the value of undefinitized change orders and may be adjusted to include the value for costs outside of the contractor's control.

Additionally, costs performance will be evaluated for cost reductions achieved through learning curves, process improvements and use of technology.

Emphasis on cost control will be balanced against other performance requirement objectives. The contractor should not be incentivized to pursue cost control to the point that overall performance is significantly degraded (reference NFS 1816.405-274 (e)).

3. Small Business Subcontracting:

The Government will evaluate the contractor's performance in achieving the small business subcontracting goals in Attachment J-06 *Small Business Subcontracting Plan*, in total and for each individual percentage goal. The evaluation will include an assessment of both the complexity and quantity of work assigned to small business subcontractors.

Weighted Scoring:

The following adjective ratings, definitions, and numerical score ranges shall be used to define the various levels of performance under the contract, in accordance with FAR 16.401 (3)(iv) and NFS 1816.405-275.

Adjectival Rating	Numerical score	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.
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.
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.
Satisfactory	50	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.
Unsatisfactory	Less than 50	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.

The Government will score each evaluation factor from 0-100 according to the ratings defined in the above table.

Each evaluation factor score will be weighted based on the following contributions to determine the Total Award Fee Score using the following formula:

$$\begin{aligned} \text{Total Award Fee Score} = & \text{(Technical Performance Numerical Score)} \times (65\%) \\ & + \text{(Cost Control Numerical Score)} \times (25\%) \\ & + \text{(Small Business Subcontracting Numerical Score)} \times (10\%) \end{aligned}$$

For example:

Evaluation Factor	Numerical score	Weighting
Technical Performance	90	65%
Cost Control	95	25%
Small Business Subcontracting	81	10%
Therefore, Total Award Fee Score = (90 x 0.65) + (95 x 0.25)+ (81 x 0.10) = 90.35		

The Total Award Fee Score, as calculated above, is subject to the following additional conditions, in accordance with NFS 1816.405-274:

1. The Government will assign an overall award fee rating of Unsatisfactory, rendering the Total Award Fee Score to zero (0), for any evaluation period when there is a

- major breach of safety or security. (ref. NFS 1816.405-274 (c)(1)(i) and (c)(2) and (c)(3))
2. The Government will decrease the Total Award Fee Score sharply as the size of cost overruns increase. The Government will consider the reasons for the overrun and assess the extent and effectiveness of the contractor's efforts to control or mitigate the overrun. (ref. NFS 1816.405-274 (d) and (e) (1))
 - a. The Government may assign a Cost Control rating of Unsatisfactory when there is a significant overrun within its control. (ref. NFS 1816.405-274 (e) (1))
 - b. The Government may assign a Cost Control rating of Satisfactory or higher if the overrun is insignificant. (ref. NFS 1816.405-274 (e) (1))
 - c. The Government may assign a Cost Control rating of Satisfactory or higher for an underrun within the contractor's control, provided the adjectival rating for the other evaluation factors is very good or higher. (ref. NFS 1816.405-274 (e) (2))
 3. The Government will not award fee, rendering the Total Award Fee Score to zero (0), for meeting negotiated estimated costs unless the average adjectival rating for the other evaluation factors is satisfactory or higher. (ref. NFS 1816.405-274 (e) (3))

D. Award Fee Performance Determination

The FDO will make a final, unilateral award fee performance determination after consulting with the COTR and the AFB. The FDO will make the award fee performance determination within 45 calendar days from the end of the period being evaluated. The FDO's unilateral determination shall not be subject to the clause of this contract entitled "Disputes" and there are no provisions for additional appeal rights. After receipt of the FDO's Award Fee Determination Letter, the CO will promptly prepare a contract modification reflecting the award fee adjective rating, weighted evaluation score, and award fee earned.

The FDO will award numerical scores from a range of zero (0) to 100. Total Award Fee scores of 50 or greater have a linear relationship to the percentage of award fee earned for that evaluation period. A Total Award Fee Score of zero (0) to 49 will earn zero (0) percent of available award fee for that evaluation period. For example, a numerical score of 85 would earn 85% of available award fee for that evaluation period and a numerical score of 48 would earn 0% of available award fee for that evaluation period.

F. Provisional Payment of Award Fee

Pending a determination of the amount of award fee earned for an evaluation period, a portion of the available award fee for that period will be provisionally paid to the contractor on a monthly basis in accordance with TOSC Contract Clause G.2 NFS 1852.216-76.