

**ATTACHMENT J-1**

**AWARD FEE PLAN  
FOR EXHIBIT A  
Updated June 30, 2004**

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## **Attachment J-1 Award Fee Plan**

### **I. Introduction**

This introduction is for general information; to the extent that it is incomplete or inconsistent with respect to the text of this plan, the latter shall control.

The award fee arrangement outlined in this plan has been established to motivate the Contractor to strive for excellence in managerial, technical, schedule, cost and subcontracting performance. Through this plan, the Contractor can earn award fee from a minimum as set forth in the base fee to the maximum amounts stated in clause B.1 of this contract. Effective October 1, 1999 two new award fee pools and a base fee pool are created for Exhibit A contract changes definitized or authorized after October 1, 1999. The pools are for technical and cost performance and base fee for the period FY 2000 forward entitled FY2000 Forward Technical Performance Pool, FY2000 Forward Cost Performance Pool, and Base Fee, respectively.

This plan calls for a periodic evaluation of Contractor Exhibit A "on-ground" performance in accordance with the factors called out in Section IV beginning in Fiscal Year 1996 and concluding with the final evaluation utilizing the dollars in Table V.B.1 in December 2002, and a final evaluation utilizing the dollars in Tables V.B.2 and V.B.3 in December 2003. The Exhibit D effort will be evaluated periodically in accordance with the factors called out in Section IV beginning in Fiscal Year 1999 and ending in FY 2001. The FY 2000 Forward Technical and Cost Performance Pools will be evaluated periodically beginning in fiscal Year 2000. The FY2000 Forward Technical Performance Pool, FY2000 Forward Cost Performance Pool, and Base Fee Pool are complete with Period 15, as of December 31, 2003. In addition, separate periodic evaluations of "on-orbit" performance will begin in Fiscal-Year 2000 and will conclude as identified in Section IV of Addendum 1 to this plan.

Exhibit A and Exhibit D performance evaluations will be performed by a single Performance Evaluation Board (PEB), which will recommend scores to the Fee Determination Official (FDO). Each periodic decision of the FDO will result in fee dollars earned which are equivalent to the available fee dollars in each pool multiplied by the final score as a percentage, with the exception of Base Fee, which is addressed in paragraph III.G below.

"On-orbit" evaluations will be performed by a "super board" independent from the PEB. This board will recommend a score to the Performance Incentive Determination Official (PIDO). Each periodic PIDO determination will be assessed against a percentage of earned Exhibit A "on-ground" performance dollars which are placed at risk. Any dollars retained during each on-orbit period become final and are no longer subject to be taken back. Fee earned for the FY2000 Forward Cost and Technical Performance pools, Base Fee, and for Exhibit D effort is not subject to any "take-back" provisions as set forth in Tables V.B.2, V.B.3, V.B.4, V.B.5, and V.B.6.

Any changes to this award fee plan will be made via a bilateral contract modification, except for Exhibit A on-ground areas of emphasis and weightings, which are established unilaterally by the Government.

A hypothetical example of how this plan will operate over the lifetime of the contract is shown in Exhibit A of this Award Fee Plan.

Effective January 1, 2004 a new award fee pool (Table V.B.6, CY 2004 Forward Performance Award Fee) was created for the extension period of the contract, which began January 1, 2004. CY 2004 Forward Performance Award Fee is detailed in Addendum 2 of this plan.

## **II. Organizational Structure**

### **A. Performance Evaluation Board**

The PEB will evaluate the Contractor's performance as related to the factors listed in Section IV. At the end of each six-month evaluation period (the schedule for the six-month evaluation periods is identified in Tables V.B.1, V.B.2, V.B.3, V.B.4, and V.B.5) the PEB will prepare a written report of its evaluation which shall include recommendations as to the adjective rating and numerical score to be assigned to the Contractor's performance during that evaluation period for Exhibit A and Exhibit D.

### **B. Performance Monitors**

1. NASA performance monitors shall monitor, evaluate and assess Contractor's performance in assigned areas and discuss the evaluation results with contractor counterparts as appropriate. Additionally, the performance monitors shall use, at their discretion, evaluations and assessments from NASA officials in preparing reports on assigned areas. The performance monitor will periodically prepare reports for the PEB.

2. The PEB Chair may change monitor assignments at any time without advance notice to the Contractor.

### **C. Fee Determination Official**

1. All Exhibit A on-ground and Exhibit D performance recommendations made by the PEB will be considered by the Fee Determination Official (FDO). The Deputy Associate Administrator for the International Space Station Program will serve as the FDO. The FDO, after considering available pertinent information and recommendations, shall make a determination in accordance with the provisions of this plan.

2. The FDO shall appoint the PEB Chair and Members.

### **D. Super Board**

An evaluation "super board," separate from the PEB described in paragraph II.A above, referred to in the fourth paragraph of the Introduction, shall be appointed for the purpose of evaluating on-orbit performance as related to evaluation milestones. It is intended that the super board provide an independent assessment of the Contractor's on-orbit performance. To this end, the PIDO shall seek to include non-governmental members when appointing the super board (e.g. academia, Vest committee members). The Performance Incentive Determining Official (PIDO) is the Deputy Associate Administrator for the International Space Station Program. The super board may be supported in its collection of performance data for evaluation purposes by NASA performance monitors or other individuals at the discretion of the PIDO.

### **E. Performance Incentive Determination Official (PIDO)**

1. All on-orbit performance recommendations made by the super board will be considered by the PIDO. The PIDO, after considering available pertinent information and recommendations, shall make a determination in accordance with the provisions of this plan.

2. The PIDO shall appoint the super board Chair and Members. The Contractor will be notified of the appointment and changes to the super board Chair and Membership.

### III. Evaluation Procedures

#### A. Interim Exhibit A On-Ground, FY 2000 Forward Technical and Cost Performance Pools, and Exhibit D Performance Evaluations

All Exhibit A on-ground (except for the FGB) and FY 2000 Forward Cost Performance Pool evaluations will be interim in nature. All FY 2000 Forward Technical Performance Pool evaluations and Base Fee (interim if overall score is 60 or below as set forth in VIII.A) are final in nature in that they are not subject to on-orbit take back provisions. However, unearned dollars from these pools, will be available for final evaluation upward only. All Exhibit D performance evaluations will be final in nature. A determination of the dollars earned for each evaluation period will be made by the FDO within 45 days after the end of the period. Procedures to be followed in monitoring, assessing, and evaluating Contractor performance

1. No later than 45 calendar days prior to the start of each evaluation period, the Contractor may submit to the Contracting Officer recommended areas of emphasis and weightings for the ensuing evaluation period that are within the general factors listed in Section IV of this plan. Consideration will be given to the Contractor's recommendations; however, it is the Government's responsibility to establish the specific areas of emphasis for each evaluation period.

2. No later than 30 days prior to the start of each new six-month evaluation period, the Contractor will be notified by the Contracting Officer of the selected areas of emphasis and weightings for that period. Emphasis will be directed at particular areas under the contract which appear to the Government to be deserving of special attention and will be used in judging the Contractor's performance. These areas of emphasis will not necessarily cover the entire spectrum of performance that will be evaluated in determining award fee dollars earned. Other pertinent factors included under the contract and general factors bearing upon overall performance will be considered as the facts and circumstances of each period may require.

3. The Contractor shall be apprised of a general assessment of his performance at the mid-point of the period, and at such other times as may be deemed appropriate. It shall be the purpose of these meetings to discuss any specific areas where the Contractor has excelled, and where future Contractor emphasis may be necessary.

4. Promptly after the end of each six-month evaluation period, the PEB shall meet to consider all the performance information it has obtained. At the meeting, the PEB will summarize its preliminary findings and recommendations in the Performance Evaluation Board Report (PEBR).

5. The Contractor may furnish a separate self-evaluation report for Exhibit A and Exhibit D within 10 calendar days after the expiration of each evaluation period. These self-evaluation reports shall not exceed 20 pages in length each. The PEB will not submit its recommendation to the FDO until (1) the Contractor's self-evaluation report has been received and considered, or (2) the Contractor has provided written notification that a self-evaluation report will not be submitted, or (3) the 10-day period provided for submission of the report has expired.

6. The PEB Chair will prepare the PEBR for the period and present the findings and recommendations to the FDO. The reports will include an adjective rating and a recommended performance score with supporting documentation. The Contractor will be notified of the PEB evaluation and recommended ratings and scores, and will be provided copies of the PEBR. The Contractor may provide additional information for consideration by the FDO by notifying the PEB Chair of its desire to do so. This is an opportunity for the Contractor to provide any information which the Contractor believes is relevant to its performance and which may affect the FDO's determination. Any additional information should be provided to the PEB Chair within five (5) calendar days of Contractor notification of the PEB recommended rating and score. This additional Contractor information will be provided to the FDO by the PEB Chair.

7. The FDO will consider the recommendations of the PEB, the PEBR, information provided by the Contractor, if any, and any other pertinent information in determining the Exhibit A and Exhibit D performance scores. The FDO's determination of the scores will be stated in a written Award Fee Determination.

8. The Award Fee Determination will be provided to the Contractor by the Contracting Officer. The Contractor may, after notification of the FDO's determination, request, through the Contracting Officer, a briefing by the FDO. This briefing should be conducted no later than 45 days following the conclusion of the award fee period. Award fee determinations made by the FDO may be appealed by the Contractor to the NASA Associate Administrator of Space Flight.

#### B. Final Exhibit A Performance Evaluation

After the final on-ground evaluation specified in Table V.B.1, the Contractor's performance for the Exhibit A on-ground effort (except for the FGB), will be evaluated to determine whether the Contractor's performance warrants the award of any remaining unearned fee dollars in Table V.B.1, in addition to the total amount previously earned as a result of the periodic evaluations. After the final on-ground evaluation specified in Table V.B.2, the Contractor's performance on the remaining Exhibit A on-ground effort will be evaluated to determine whether the Contractor's performance warrants the award of any remaining unearned fee dollars in Table V.B.2, in addition to the total amount previously earned as a result of periodic evaluations. These final evaluations will not result in the reduction in the amount of award fee previously earned. The process used to determine the final dollars earned for Exhibit A on-ground performance and the FY 2000 Forward Technical Performance and unearned Base Fee will be the same as that cited in paragraph A. above.

The Contractor's performance for FGB effort will be evaluated to coincide with the final acceptance of the FGB. The award fee determination for this effort will be final and not subject to potential "take back" from subsequent On-Orbit performance evaluations as provided for in this attachment, J-1 Award Fee Plan. Additionally, any fee not earned by the Contractor shall not be rolled forward to the final on-ground evaluation described above. Available dollars are set forth in Table V.B.1.

#### C. On-Orbit Performance

1. The on-orbit performance provisions of this plan have been established to recognize on-orbit performance of Contractor products. With discrete amounts of fee allocated to specific evaluation milestones, the Contractor will have the opportunity to retain 100% of the award fee dollars earned under the Exhibit A on-ground evaluation procedures (Table V.B.1). Earnings from Exhibit D, Exhibit A, FY 2000 Forward Technical and Cost pools, CY2004 Forward Performance Award Fee, and Base fee are excluded from the on-orbit performance evaluation take-back provisions. Nine evaluation milestones are established in the Addendum 1, On-Orbit Award Fee Plan, attached."

2. Areas of emphasis are established as stated in the Addendum 1, On-Orbit Award Fee Plan. These areas of emphasis do not necessarily cover the entire spectrum of milestone performance that will be evaluated in determining on-orbit performance fee retained. Other pertinent factors included under the contract, and general factors bearing upon overall milestone performance will be considered as the facts and circumstances may require.

3. In the event that a mutual agreement on areas of emphasis and milestone pool weightings cannot be reached, the Contracting Officer may resolve areas of disagreement by unilateral determination.

4. The maximum potential fee retained through on-orbit performance shall be equal to the total earned Exhibit A on-ground performance dollars in Table V.B.1, which excludes Exhibit D earnings, FY 2000 Forward Technical and Cost Performance, and Base Fee dollars as set forth in Tables V.B.2, V.B.3, V.B.4, and V.B.5. Each on-orbit performance incentive period evaluation shall be considered final. Award fee retained for the period will not be subject to "take back."

5. Promptly after the end of each on-orbit evaluation milestone, the super board shall meet to consider all the performance information it has obtained. The board will summarize its findings and recommendations in a Milestone Evaluation Report (MSER).

6. The Contractor may furnish a self-evaluation report within 10 calendar days of milestone completion. The board will not submit its recommendation to the PIDO until (1) the Contractor's self-evaluation report has been received and considered, or (2) the Contractor has provided written notification that a self-evaluation report will not be submitted, or (3) the 10-day period provided for submission of the report has expired.

7. The super board's Chair will prepare the MSER and present the findings and recommendations to the PIDO. The report will include an adjective rating and a recommended performance score with supporting documentation. The supporting documentation will reflect the rationale of the super board in arriving at their score. The Contractor will be notified of the board's performance evaluation and recommended rating and score. This notification will include the MSER with its supporting documentation. The Contractor may provide additional information for consideration by the PIDO by notifying the Chair of its desire to do so. This is an opportunity for the Contractor to provide any information which the Contractor believes is relevant to its performance and which may affect the PIDO's determination. Any additional information should be provided to the board Chair within five (5) calendar days of Contractor notification of the board's evaluation. This additional Contractor information will be provided to the PIDO by the super board Chair.

8. The PIDO will consider the recommendations of the super board, the information provided by the Contractor, if any, and any other pertinent information in determining the amount of performance incentive earned. The PIDO's determination will be stated in a written Performance Incentive Determination.

9. The Performance Incentive Determination will be provided to the Contractor by the Contracting Officer no later than 45 days after the end of the evaluation period. The Contractor may, after notification of the PIDO's determination, request, through the Contracting Officer, a briefing by the PIDO. This briefing should be conducted no later than 45 days following the conclusion of the milestone evaluation. PIDO determinations may be appealed by the Contractor to the NASA Administrator.

#### D. Provisional Payments

1. Provisional payments will be made to the Contractor on a monthly basis after receipt of the Contractor's first voucher, in accordance with contract provision G.1. The amount of award fee which may be provisionally billed each period is 80 percent of the maximum award fee available for that period (see tables V.B.1, V.B.2, V.B.3, V.B.4, and V.B.5). The amount of provisional fee which can be paid monthly in any evaluation period shall be prorated equally to the number of months in that period. The Contractor will submit a separate voucher for provisional fee payments and show Exhibit D fee separately.

2. All Exhibit A provisional award fee payments will be superseded by the Exhibit A performance evaluation and determinations at the conclusion of each performance period. All Exhibit D provisional award fee payments will be superseded by the performance evaluations and determinations at the conclusion of each performance period. The Government will then pay the Contractor, or the Contractor will refund to the Government, the difference between the final fee determination and the cumulative provisional fee payments. Any additional payment will be made via unilateral modification. The Contracting Officer will issue a unilateral modification to the contract that will recognize any provisional award fee payments. Payments will be made based upon the unilateral modification.

3. Provisional payments are discontinued during any period in which the Government determines that the total provisional payments made during that period will substantially exceed the amount which would be paid based upon the anticipated score for the period.

E. FY 2000 Forward Technical Performance Pool

For contract changes definitized after October 1, 1999 and before January 1, 2004, and contract changes authorized after October 1, 1999 and before January 1, 2004, the Contractor may earn award fee dollars for technical performance. The Contractor's Technical Performance will be evaluated during the periods as specified in Table V.B.2. Performance will be evaluated to determine whether the Contractor's performance warrants the award of dollars for accomplishment in Program Management and Technical Performance, including Schedule, Quality, and Safety. The final evaluation will not result in the reduction in amount of award fee previously earned. However, any unearned award fee during the stated evaluation periods will be carried forward and made available to the Contractor for a final "look-back" award fee evaluation in addition to the Final Exhibit A On-Ground performance evaluation as stated in paragraph III.B above.

F. FY 2000 Forward Cost Performance Pool

For contract changes definitized after October 1, 1999 and before January 1, 2004, and contract changes authorized after October 1, 1999 and before January 1, 2004, the Contractor may earn award fee dollars for cost performance. The Contractor's Cost Performance will be evaluated during periods as specified in Table V.B.3. The cost evaluation will focus only on the Contractor's estimate to complete the contract effective October 1, 1999 through December 31, 2003 for Exhibit A effort. The cost evaluation will take into consideration the contractor's ability to control, adjust, and accurately project contract costs.

G. Base Fee

The available base fee is set forth in Table V.B.4, entitled "Base Fee". The Contractor earns the entire available amount in each period if the overall award fee score is 61 or above. In the event the contractor fails to obtain an overall score of at least 61 in the applicable award fee period, the base fee for the instant period shall be available as part of the final on-ground look back as set forth in paragraph III.B above.

#### **IV. Evaluation Factors and Weightings for Exhibit A On-Ground Performance**

##### **A. Weightings for Exhibit A Evaluation Factors**

Weightings for each Exhibit A evaluation factor shall be established as set forth in paragraph III.A; however, the factors for the FGB procurement shall not be weighted so as to exceed the proportion of FGB award fee negotiated (b) (4) to the total available award fee for the evaluation period. Weightings for SDB performance shall never exceed 15 percent.

##### **B. Exhibit A Performance**

###### **1. Program Management**

This factor measures Contractor performance in the overall management of the program, including support to International Partners. Evaluation will be made of Contractor performance in providing a balanced, coordinated and motivated approach to management of technical and programmatic matters. Such evaluation will include an assessment of the Contractor performance in the development, analysis, and utilization of management data, total available resources, and program controls to effectively manage the project. This will involve assessment of contractor activities in planning and control, Government Furnished Property management, contract and subcontract management. Implementation of adjustments to the project baseline in an efficient manner will be measured and evaluated.

###### **2. Technical Performance, including Schedule, Quality, and Safety**

This factor will measure:

- a) The effectiveness and quality of the overall design, development, manufacturing, assembly, and test and checkout activities of the contract, including the overall program technical planning, integration, technical resource allocation, and accomplishment of contract requirements.
- a) Safety and mission assurance (S&MA) performance, taking into consideration quality control, safety, reliability, software product assurance, and maintainability, and the effectiveness with which the Contractor plans and assures that these are considered in engineering and design activities.
- c) Compliance to program schedules, particularly hardware and software delivery schedules and the response to schedule problems, including problems associated with International Partner products and Government Furnished Product.

###### **3. SDB Performance**

This factor will measure the efforts expended by the contractor in achieving the NASA/Contractor team goal of 8 percent SDB participation for total contract effort. The Contractor commits to expend its best efforts on this contract to achieve the NASA/Contractor team goal of 8 percent SDB participation for the total contract effort, including Exhibit D, through the period ending December 31, 2003. The contractor's participation in other types of supplier diversity efforts will also be taken into account when determining SDB performance (example Mentor Protégé' Program).

**V. Evaluation Factors and Weightings for Exhibit D**

A. The following factors and weightings will be used for Exhibit D:

EVALUATION CRITERIA	WEIGHT PERCENTAGE
I. TECHNICAL PERFORMANCE	40
a. Technical Performance	
-- Quality of Work	
-- Program Management	
-- Timeliness	
b. Efficiency of Performance of Technical Work	
-- Task Efficiency	
-- Productivity/Quantity of Work	
II. MANAGEMENT	20
a. Contract Administration	
b. Program/Project Control	
III. SDB PERFORMANCE	15
IV. COST PERFORMANCE	25

**VI. On-Orbit Performance**

On-Orbit performance milestone evaluations shall be conducted in accordance with the On-Orbit Award Fee Plan, Addendum 1 to this Plan. This plan is not applicable to Exhibit D.

**VII. Evaluation Periods and Award Fee Calculation**

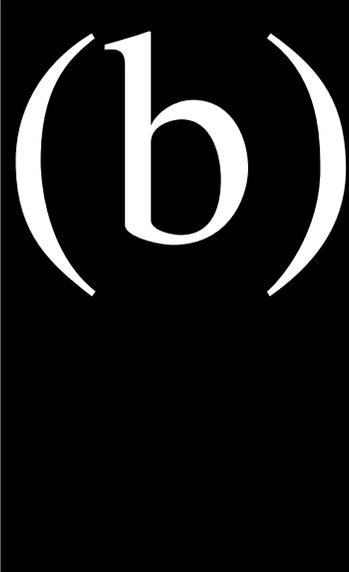
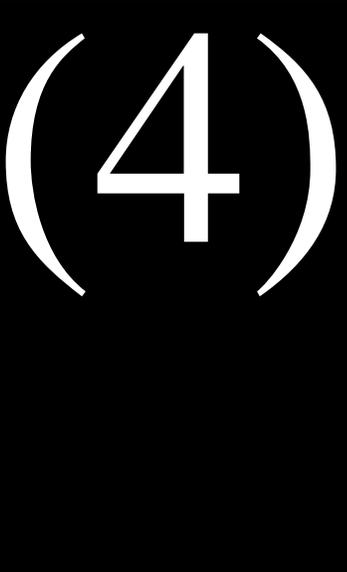
A. Maximum Award Fee

The maximum available award fee for this contract is identified in contract clause B.1.

B. Evaluation Periods and Dollars Available

1. The maximum number of award fee dollars available by performance period is provided in Table V.B.1 for DDT&E as of Modification 1030:

**TABLE V.B.1.  
 On-Ground Award Fee**

<u>PERIOD NUMBER</u>	<u>START DATE</u>	<u>END DATE</u>	<u>MAXIMUM AVAILABLE MOD 1024</u>	<u>CHANGE</u>	<u>MAXIMUM AVAILABLE MOD 1030</u>	<u>DOLLARS EARNED</u>
1	4/1/96	9/30/96				
2	10/1/96	3/31/97				
3	4/1/97	9/30/97				
4	10/1/97	3/31/98				
5	4/1/98	9/30/98				
6	10/1/98	3/31/99				
7	4/1/99	9/30/99				
8	10/1/99	3/31/00				
9	4/1/00	9/30/00				
10	10/1/00	3/31/01				
11	4/1/01	9/30/01				
12	10/1/01	3/31/02				
13	4/1/02	9/30/02				
Totals						
Final FGB	4/1/96	9/30/02				
Total Dollars Earned						

\*Unearned award fee through Period 13 available for final lookback. Will be updated after end of each period. In accordance with Section III.B of Attachment J-1, "The Award Fee Plan," FGB unearned shall not be rolled forward to the final on-ground evaluation.

2. The maximum number of award fee dollars available by performance period is provided in Table V.B.2 for FY 2000 Forward Technical Performance Award Fee:

**TABLE V.B.2.**  
**FY 2000 Forward Technical Performance Award Fee**

<u>PERIOD NUMBER</u>	<u>START DATE</u>	<u>END DATE</u>	<u>MAXIMUM AVAILABLE MOD 1230</u>	<u>CHANGE</u>	<u>MAXIMUM AVAILABLE MOD 1303</u>	<u>DOLLARS EARNED</u>
8	10/1/99	3/31/00	<b>(b)</b>	<b>(4)</b>	<b>(4)</b>	
9	4/1/00	9/30/00				
10	10/1/00	3/31/01				
11	4/1/01	9/30/01				
12	10/1/01	3/31/02				
13	4/1/02	9/30/02				
14	10/01/02	3/31/03				
15	4/1/03	12/31/03				
<b>Totals</b>						
Final Look-back Evaluation*		<b>3/28/05</b>				
Total Dollars Earned						

All dollars unearned will be subject to a final assessment in conjunction with the final Exhibit A on-ground performance evaluation. The final look-back shall be subject to an upward adjustment only.

\*During the Final Look-back Evaluation, the contractor received a score of 94%. As a result, the total dollars earned for FY 2000 Forward Technical Performance Award Fee was increased by (b) (4) from (b) (4) to (b) (4)

3. The maximum number of award fee dollars available by performance period is provided in Table V.B.3 for FY 2000 Forward Cost Performance Award Fee:

**TABLE V.B.3.**  
**FY 2000 Forward Cost Performance Award Fee**

<u>PERIOD NUMBER</u>	<u>START DATE</u>	<u>END DATE</u>	<u>MAXIMUM AVAILABLE MOD 1227</u>	<u>CHANGE</u>	<u>MAXIMUM AVAILABLE MOD 1230</u>	<u>DOLLARS EARNED</u>
8	10/1/99	3/31/00	<b>(b)</b>	<b>(4)</b>	<b>(4)</b>	
9	4/1/00	9/30/00				
10	10/1/00	3/31/01				
11	4/1/01	9/30/01				
12	10/1/01	3/31/02				
13	4/1/02	9/30/02				
14	10/1/02	3/31/03				
15	4/1/03	12/31/03				
<b>Totals</b>						
Final Look-back Evaluation*		<b>3/28/05</b>				
Total Dollars Earned						

All dollars unearned will be subject to a final assessment in conjunction with the final Exhibit A on-ground performance evaluation. The final look-back shall be subject to an upward or downward adjustment.

\*During the Final Look-back evaluation, the contractor received a score of 86%. As a result, the total dollars earned for FY2000 Forward Cost Performance Award Fee was increased by (b) (4) from (b) (4) to (b) (4)

4. The base fee dollars available by performance period is provided in Table V.B.4 for Base Fee:

**TABLE V.B.4.  
Base Fee**

<u>PERIOD NUMBER</u>	<u>START DATE</u>	<u>END DATE</u>	<u>DOLLARS MOD 1227</u>	<u>CHANGE</u>	<u>DOLLARS MOD 1230</u>	<u>DOLLARS EARNED</u>
8	10/1/99	3/31/00	(b)	(4)	(4)	
9	4/1/00	9/30/00				
10	10/1/00	3/31/01				
11	4/1/01	9/30/01				
12	10/1/01	3/31/02				
13	4/1/02	9/30/02				
14	10/1/02	3/31/03				
15	4/1/03	12/31/03				
Totals						
Total Dollars Earned						

All dollars unearned will be subject to a final assessment in conjunction with the final Exhibit A on-ground performance evaluation. The final look-back shall be subject to an upward adjustment only.

5. The maximum number of award fee dollars available by performance period is provided in Table V.B.5 for Exhibit D:

**TABLE V.B.5  
Exhibit D – LOE**

<u>Period Number</u>	<u>Start Date</u>	<u>End Date</u>	<u>Maximum \$ Available</u>	<u>Dollars Earned</u>
1	10/1/98	3/31/99	(b)	(4)
2	4/1/99	9/30/99		
3	10/1/99	3/31/00		
4	4/1/00	9/30/00		
5	10/1/00	3/31/01		
6	4/1/01	9/30/01		
Total				

The above estimated hours differ from target hours in Clause B.11, LOE due to the exclusion of the 212,978 actual hours worked in FY 98 under a fixed fee arrangement.

The maximum available award fee in the above table is based on the assumption that the hours worked will correspond with the hours in Table V.B.5. Should the hours worked represent a variation of +/- 20 percent from those in the table, then the table will be modified to re-phase the total hours and the available award fee to the appropriate award fee period. Neither the total hours nor the total maximum available award fee shall change as a result of re-phasing.

C. Dollars Earned

Upon evaluation of the Contractor's performance for each period, the graded score as a percentage will be applied to the dollars available per tables V.B.1, V.B.2, V.B.3, and V.B.5 to determine the dollars earned.

For example:

Period 1 = \$28.40M available dollars with a score of 85% assessed by the FDO:

$$\$28.40M \times 85\% = \$24.14M \text{ earned.}$$

For base fee dollars per Table V.B.4, upon evaluation of the Contractor's performance for each period, the Contractor earns the total dollars available for each period if the award fee score is 61 or above.

D. Dollars Not Earned

1. All Exhibit A dollars in Tables V.B.1, V.B.2, V.B.3 and dollars in Table V.B.4 not earned will be subject to a final assessment at the final on-ground performance evaluation (reference paragraph III.B). This will be the numeric difference between the total dollars earned and the total award fee pool. Any unearned dollars may be available for the lookback. For the FY2000 Technical pool any unearned award fee shall be available for final upward lookback evaluation. In addition any unearned base fee not earned in accordance with Section III.G shall be earned if the average award fee score is greater than 60.

2. All Exhibit D dollars not earned will not be rolled forward and will not become available for future period assessments.

E. On-Orbit Performance

1. In each performance milestone evaluation, the PIDO will determine a numeric score based on assessment of on-orbit performance. That numeric score (expressed as a percentage) will be applied to the cumulative on-ground dollars earned (which excludes FY 2000 Forward Technical and Cost Performance pools, CY 2004 Forward Performance Award Fee, base fee, and Exhibit D) as of the end of the on-ground evaluation period immediately preceding the determination of such numeric score. The calculation of dollars shall always be expressed to the nearest one thousand.

For example: Milestone B provides 60% of the total award fee pool dollars available. Assume the cumulative Exhibit A on-ground performance dollars earned is \$97.045M (out of a total possible of \$120.0M) and the numeric score as determined by the PIDO is 80%.

$$\begin{aligned} \$97.045M \times 60\% &= \$58,227M \text{ available to be retained for this milestone.} \\ \$58,227M \times .80 \text{ (grade)} &= \$46.582M \text{ retained.} \end{aligned}$$

**TABLE V.E  
On-Orbit Award Fee**

Milestone	Milestone (Date)	\$ Available for Retention	\$ Retained
A	March 2000	(b) (4)	(4)
B	October 2001		
C	October 2002		
D	October 2003		
E	October 2004		
F	June 2005		
G	September 2005		
H	ISS Flight 13A		
Final	ISS Flight 15A		
Total Dollars Retained			

\* (b) (4) was immediately retained of Milestone D's (b) (4) "\$ available for retention" via Mod 1227; leaving (b) (4) subject to Milestone D's on-orbit evaluation.

\*\* (b) (4) was immediately retained via Mod 1315.

\*\*\* (b) (4) was retained per NASA letter BG-05-226 dated November 22, 2005.

**F. Award Fee**

1. Once the determination has been made of the dollars retained, the resulting amounts will be recorded in Table V.E above.

2. All on-orbit dollars not retained from milestones A through F along with all remaining earned Exhibit A on-ground dollars which have yet to be made available, will be subject to a final assessment.

3. Once the determination of final dollars has been made for the final milestone, any fee to be refunded to the Government will be calculated by subtracting the total dollars retained on-orbit as stated in Table V.E from the total dollars earned on-ground as stated in Table V.B.1.

For example: \$147.071M - \$141.633M = \$5.438M

**VIII. Evaluation Scale**

**A. Award Fee Curve**

The award fee rating Table VI.B below includes adjectival ratings as well as a numerical scoring system of 0-100. For this plan, earned award fee dollars and dollars to be retained, as a result of on-orbit performance, are calculated by applying the total numerical score to available dollars. For example, a numerical score of 85 yields 85 percent of available award fee dollars. Notwithstanding the preceding, the contractor will not earn Exhibit A on-ground performance dollars (or retain any earned dollars through the on-orbit evaluation process for Exhibit A on-ground), FY 2000 Forward Technical and Cost Performance, Base fee, or Exhibit D award fee dollars for any evaluation period when the interim score is "poor/unsatisfactory" (less than 61). Further, any Exhibit A on-ground, FY 2000 Forward Technical and Cost Performance, or Exhibit D performance factor receiving a grade of "poor/unsatisfactory" (less than 61) will be assigned zero dollars for the period. On-orbit performance factors (assembly, operation, and science) will be scored on a scale of 0-100% in accordance with the on-orbit scoring guidelines described in Tables V.B.A, V.B.B, and V.B.C of the On-Orbit Award Fee Plan, Addendum 1 to Attachment J-1.

B. Exhibit A On-Ground Dollars Scoring for Technical and Project Management, FY 2000 Forward Technical and Cost Performance Pools, and Exhibit D Dollars Scoring for Technical, Program Management, and Cost Performance:

**TABLE VI.B**  
**Exhibit A On-Ground Dollars Scoring**

<b>Adjective Rating</b>	<b>Range of Points</b>	<b>Description</b>
Excellent	(100 - 91)	Of exceptional merit; exemplary performance in a timely, efficient manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	(90 – 81)	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient manner for the most part; only minor deficiencies.
Good	(80 – 71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	(70 – 61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsat.	(0 – 60)	Overall performance does not meet minimum acceptable standards; remedial action required in one or more areas; numerous deficiencies which adversely affect overall performance.

C. On-Orbit Performance Scoring

On-orbit scoring guidelines are contained in the On-Orbit Award Fee Plan Addendum 1, Tables V.B.A - V.B.C.

**IX. Disputes**

Award fee determinations made by the Government are subject to the Disputes clause.

**Addendum 1**

**On-Orbit Award Fee Plan  
Updated October 2003**

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### Exhibits -

Exhibit 1 -- Areas of Emphasis, Performance Evaluation - Period A

Exhibit 2 -- Areas of Emphasis, Performance Evaluation - Period B through Period C

Exhibit 3 -- Areas of Emphasis, Performance Evaluation - Period D through Final Evaluation

## **I. Introduction**

A. The on-orbit incentive outlined in this plan has been established to motivate the Contractor to strive for excellence in all aspects of performance leading to successful on-orbit operations of the space station. This plan is intended to supplement and amplify the award fee provisions as stipulated in Attachment J-1, regarding on-orbit performance. In the event of a conflict, the provisions of the Attachment J-1, Award Fee Plan shall prevail.

B. This plan provides the identification of, the number of, the timing of, and the weighting of the evaluation milestones. It further defines the "Areas of Emphasis" that are associated with each of the evaluation periods.

## **II. Approach/Objectives**

Achieving satisfactory on-orbit performance is absolutely essential. The approach used in this plan is to provide a simple and easy to understand set of Areas of Emphasis, which define the critical performance parameters at selected milestones, as well as the corresponding criteria by which the contractor's performance will be scored. The objective is to promote quality by clearly identifying the primary Program goals in a manner which may be easily understood by the contractor personnel charged with doing a quality job.

## **III. Evaluation Procedures**

A. The methodology for on-orbit performance evaluation is per Attachment J-1, Paragraph III.C. Paragraph IV.B, below, further describes three areas of emphasis against which on-orbit performance will be evaluated. Within each of the three areas of emphasis, critical parameters and specific criteria have been identified to serve as the focus of attention and the basis for evaluating performance. The Exhibits provide the detailed listing of areas of emphasis, the relative importance of these three areas of emphasis, as well as the corresponding on-orbit performance criteria for each of the evaluation periods.

B. Award fee performance assessments of station systems and components are against planned station operation for each individual evaluation period. Station level specification requirements are not fully imposed until Assembly Complete.

C. The NASA evaluation process will be a qualitative assessment of how well the Contractor performed to the areas of emphasis, critical parameters and specific criteria for the period being evaluated. If the systems and components are found to be performing outside of specified requirements or planned operational capability, there is valid cause for adjusting the Contractor's score. Conversely, earned on-ground award fee shall not be subject to reduction in the on-orbit process if specified requirements or planned operational capabilities are met.

**IV. Evaluation Milestones, Factors, and Weighting**

**A. Evaluation Milestones:** (Reference Attachment J-1, paragraph III.C.1)

There will be nine evaluation milestones, including the Final evaluation, as delineated herein. Milestones are defined below:

<u>MILESTONE</u>	<u>DATE</u>
Milestone A (2R)	Mar 2000
Milestone B	October 31, 2001
Milestone C	October 31, 2002
Milestone D	October 31, 2003
Milestone E	October 31, 2004
Milestone F	June of 2005
Milestone G	September 30, 2005
Milestone H	ISS Flight 13A
Final Evaluation	ISS Flight 15A

Milestone completion for Milestone A is defined as “the docking event.” Milestone completion for Milestones B through G are defined by the date. Milestone completion for Milestones H and Final are defined by flight.

**B. Evaluation Factors:** (Reference Attachment J-1, paragraph IV.C)

The areas of emphasis that will form the basis for the critical parameters against which on-orbit performance will be judged are:

- Assembly configuration completed as planned, within mission limitations (Table V.B.A)
- Station systems and components operating according to design specification and according to planned stage capabilities (Table V.B.B)
- Science capabilities and timelines supported as specified/planned (Table V.B.C)

**C. Evaluation Weighting:** (Reference Attachment J-1, paragraph V. E)

For the nine milestones, the on-ground award fee dollars earned that are subject to on-orbit performance evaluation are:

Milestone A	(b) (4)
Milestone B	
Milestone C	
Milestone D	
Milestone E	
Milestone F	
Milestone G	
Milestone H	
Final	

Final On-Orbit Evaluation -- all remaining on-ground award fee dollars earned as set forth in Table V. B.1 of Attachment J-1, but not previously subjected to on-orbit performance evaluation, plus all remaining on-orbit performance fee dollars that were not retained, plus (b) (4)

**V. Evaluation Scale**

A. The award fee curve for on-orbit performance evaluations is specified in the Award Fee Plan, Section VI. Evaluation Scale, paragraph A. Award Fee Curve.

B. Scoring guidelines for each of the areas of emphasis are:

**Table V.B.A**

<b>Assembly configuration completed as planned</b>	<b>Score</b>
Stage/element assembly completed as planned, with only minor difficulties	91-100%
Stage/element assembly completed as planned, with some difficulties; unplanned crew intervention	71 - 90%
Stage/element assembly completed with significant difficulty; unplanned re-supply required	51 - 70%
Assembly operations severely impaired; next assembly sequence not precluded	1 - 50%
Stage/element lost, non-recoverable, or must be returned; next assembly sequence precluded	0%

**Table V.B.B**

<b>Station systems operating to plan</b>	<b>Score</b>
Full functionality, with only minor deficiencies; meets specification/ supports expectations	91-100%
Functionality limited, with some deficiencies; supports basic expectations	71 - 90%
Functionality limited; significant work-arounds required; supports minimal expectations	51 - 70%
Functionality severely limited; re-design required and/or highly constrained operations result	1 - 50%
Total system failure; i.e., it is unable to perform to any degree	0%

**Table V.B.C**

<b>Science capabilities and timelines supported</b>	<b>Score</b>
All significant science objectives supported successfully by vehicle performance	91 - 100%
Science objectives moderately degraded due to vehicle performance	71 - 90%
Significant science objectives partially supported by vehicle performance	51 - 70%
Science objectives severely degraded due to vehicle performance	1 - 50%
Science objectives not supported to any degree, due to vehicle performance	0%

C. The Scoring guidelines for each of the areas of emphasis for Milestones G and H and the Final Milestone are depicted in Table V.C below:

**Table V.C**

	<b>Score</b>
No failure that causes: 1) Return to ground of an element or ISS crew from orbit 2) Major loss (>50%) of planned science for six (6) months or more 3) Delay in the planned assembly of the station for six (6) months or more 4) Crew injury precluding continuation of planned ISS operations or loss of life 5) Loss of vehicle or element	100%
Failure that can be resolved via on-orbit repair but still causes: 1) Major lost (>50%) of planned science for 6 months or more 2) Delay in the planned assembly of the station for 6 months or more	81 - 99%
Failure that can be resolved via on-orbit repair but still causes: 1) Element to be returned to ground 2) ISS crew to be returned to ground until repair can be accomplished	71 - 80%
Failure resulting in a permanent loss of some functionality that cannot be resolved without element to ground for redesign	61 – 70%
Failure resulting in crew injury precluding continuation of ISS operations, loss of an element, or the inability to continue planned assembly of the ISS	1 – 60%
Failure resulting in loss of life or loss of vehicle	0%

To this end the parties agree that the earned fee subject to take-back under Milestones G and H and the Final Milestone shall be scored in light of failures in vehicle performance directly caused by acts or omissions of Boeing, and which occurred while operating the vehicle within the contractually required capabilities specified in SSP4100 System Specification for the International Space Station and the SSP41162 Segment Specification for the USOS. NASA and Boeing also agree that preventive maintenance and repair of failed ORU's is a normal and expected activity on-board ISS. Boeing shall not be penalized if extended disruptions in the flow of spares occur due to the grounding of a re-supply launch fleet even it this disruption ultimately cause a major failure.

## VI. Scoring Methodology and Fee Calculation

A. The score for each milestone is calculated by multiplying the weighting for each area of emphasis (assembly, operation, or science) by its individual score (ranging from 0 - 100%), then adding the 3 results. The result of adding the 3 results together is the total score for that milestone. The score is then applied to the Award Fee Curve in Attachment J-1, Section VI.A.

The following example depicts the scoring method:

An Assembly weighting of 40% multiplied by a score of 78% -----	$.40 \times .78 = .31$
An Operation weighting of 50% multiplied by a score of 87% -----	$.50 \times .87 = .43$
A Science weighting of 10% multiplied by a score of 60% -----	$.10 \times .60 = .06$
	Total Score = .80*

\*This score is then applied to the Award Fee Curve.

## **VII. Contingency Provisions**

A. Failures/problems that would have been discovered prior to flight through more extensive environmental testing or interface testing that was eliminated or excluded because of Program cost/schedule constraints will be mitigating factors when evaluating scores. The unavailability of adequate spares will also be considered a mitigating factor when evaluating any resulting failures/problems. The Contractor's evaluation score will not be reduced for problems caused by the Government, International Partners, acts-of-God, or for problems where the Contractor is not the source of the problem.

B. Exceedences, anomalies, discrepancies or failures induced by external interfaces, e.g. crew, shuttle, ground systems, or external communications operating outside of specified requirements, interface limits or related operational constraints shall not be cause for reduced evaluation scores, except in the case where an out-of-specification operation was necessitated by a prior failure of a contractor provided item.

C. Evaluation scores shall not be reduced as a result of the failure of Government or International Partner hardware/software/services to perform as specified or intended. Hardware/software built and previously delivered by the Contractor under this contract shall be excluded from the definition of "Government hardware" for purposes of the Contractor's performance evaluation. Hardware/spares not built and delivered under this Prime contract shall be included in the definition of "Government hardware" for purposes of Contractor's performance. For spares that were qualified under the Prime contract but not purchased under the Prime contract, the Contractor will be responsible for deficiencies related to design, but not responsible for deficiencies related to materials or workmanship.

D. If, prior to provisional DD250, during on-ground processing for launch, the Contractor has reason to believe that an item of hardware/software has failed or is not in a flight ready condition, then the Contractor shall give immediate notice to NASA. If NASA elects to continue, and degraded performance results from the identified condition, NASA shall not reduce the Contractor's on-orbit evaluation score for the subject hardware/software item.

E. Failures beyond the reliability and maintainability limits of the system shall not be cause for lowered evaluation scores.

## **VIII. Changes**

Any changes to this plan will be made via bilateral contract modification

## **IX. Precedence**

This plan is intended to supplement and amplify the award fee provisions as stipulated in Attachment J-1. In the event of a conflict, the provisions of the Award Fee Plan shall prevail.

## **X. Reserved**

## **XI. Performance During Sustaining Engineering**

In the event that NASA fails to contract for sustaining engineering (for the period of performance that is the concurrent period of performance for the delivery of the ISS assembly complete plus 12 months) from the Contractor (reference the SE definition, below,) the Contractor's award fee earned on-ground but not retained through on-orbit evaluation will not be subject to further evaluation or take back after the date that sustaining engineering is ended.

For purposes of this clause, sustaining engineering applies to Contractor-provided hardware and software items and to the system analysis to facilitate anomaly isolation and system performance assessments which includes non-contractor provided hardware and software. Sustaining engineering is defined as the engineering responsibility for flight hardware and software after delivery to the launch site. This is limited to launch processing support; analysis of vehicle performance; maintenance of system analytical models; and development of software modifications.

**On-Orbit Award Fee Plan**

**Exhibits**

**Exhibit 1 Areas of Emphasis, Performance Evaluation - Period A**

MILESTONE COMPLETION: Element 2R delivered on-orbit

ESTIMATED COMPLETION DATE: March 2000

PERIOD WEIGHTING: 15%

PROJECTED ASSEMBLY SEQUENCE THIS PERIOD:

<u>Flight</u>	<u>Delivered Elements</u>
1A/R	FGB
2A	Node 1
2A.1	Spacehab Double Cargo Module
1R	Service Module
2A.2	Spacehab Double Cargo Module; Strela Components
3A	Z1Truss, CMGs, Ku-band, S-band Equipment
2R	Soyuz

AREAS OF EMPHASIS: (Reference Attachment J-1, paragraph IV. C)

The relative importance of the 3 top level areas of emphasis for this period are:

- Assembly configuration completed as planned, within mission limitations 70%
- Station systems and components operating according to design specification and according to planned stage capabilities 30%
- Science capabilities and timelines supported as specified/planned 0%

CRITICAL PARAMETERS/ SPECIFIC CRITERIA:

The critical parameters and specific criteria to serve as the focus of attention and the basis for judging performance areas follows:

- 1) The elements to be assembled on-orbit are listed in the first column in the table below. Emphasis is placed on the ability for each successive arriving launch package to be successfully mated and integrated with the previous stage. Each stage on-orbit is ready to accept the next assembly with respect to physical and functional configuration.
- 2) The systems/subsystems/components planned to operate are listed in the second column. Emphasis is placed on the ability for each stage to be successfully activated, with its systems operating as planned for this stage of assembly. Each stage on-orbit will operate and survive until the next launch package or re-supply mission is successfully integrated.

**Exhibit 1: Areas of Emphasis, Performance Evaluation - Period A (Continued)**

- 3) The science capabilities planned to be supported are listed in the third column. Emphasis is placed on the ability to provide power, data handling, and overall environment necessary to conduct science. The Contractor will not be judged for the success/failure of the science itself.

<u>Elements:</u>	<u>Capabilities:</u>	<u>Science Capabilities:</u>
1A/R -- FGB	Interface between U.S. and Russian elements using PMA-1	None
2A -- Node 1, PMA-1 & PMA-2	Shuttle docking location using PMA-2.	
2A.1 – Spacehab Double Cargo Module	Re-boost & attitude control (SM & FGB)	
1R – Service Module	Power generation (SM &FGB)	
2A.2 – Spacehab Double Cargo Module; Strela Components	Progress refueling/resupply	
3A – Z1 Truss, CMGs, Ku-band, S-band Equip., PMA3, EVAS	Life support for crew of 3 (SM)	
2R -- Soyuz	Crew transportation & Lifeboat (Soyuz)	
	Russian Orlan EVA Capability	

## **Exhibit 2 Areas of Emphasis, Performance Evaluation - Period B through Period C**

AREAS OF EMPHASIS: The areas of emphasis for Period B through Period C are set forth herein.

The relative importance of the 3 top level areas of emphasis for this period are:

- Assembly configuration completed as planned, within mission limitations 40%
- Station systems and components operating according to design specification and according to planned stage capabilities 50%
- Science capabilities and timelines supported as specified/planned 10%

### CRITICAL PARAMETERS/ SPECIFIC CRITERIA:

The critical parameters and specific criteria to serve as the focus of attention and the basis for judging performance are as follows:

- 1) The elements to be assembled on-orbit are listed in the first column in the table below. Emphasis is placed on the ability for each successive arriving launch package to be successfully mated and integrated with the previous stage. Each stage on-orbit is ready to accept the next assembly with respect to physical and functional configuration.
- 2) The systems/subsystems/components planned to operate are listed in the second column. Emphasis is placed on the ability for each stage to be successfully activated, with its systems operating as planned for this stage of assembly. Each stage on-orbit will operate and survive until the next launch package or re-supply mission is successfully integrated.
- 3) The science capabilities planned to be supported are listed in the third column. Emphasis is placed on the ability to provide power, data handling, and overall environment necessary to conduct science. The Contractor will not be judged for the success/failure of the science itself.

**Exhibit 3 Areas of Emphasis, Performance Evaluation - Period D through Final Evaluation Period**

AREAS OF EMPHASIS: The areas of emphasis for Period D and the Final Evaluation period are set forth herein.

The relative importance of the 3 top-level areas of emphasis for this period are:

• Assembly configuration completed as planned, within mission limitations	25%
• Station systems and components operating according to design specification and according to planned stage capabilities	50%
• Science capabilities and timelines supported as specified/planned	25%

CRITICAL PARAMETERS/ SPECIFIC CRITERIA:

The critical parameters and specific criteria to serve as the focus of attention and the basis for judging performance areas follows:

- 1) The elements to be assembled on-orbit are listed in the first column in the table below. Emphasis is placed on the ability for each successive arriving launch package to be successfully mated and integrated with the previous stage. Each stage on-orbit is ready to accept the next assembly with respect to physical and functional configuration.
- 2) The systems/subsystems/components planned to operate are listed in the second column. Emphasis is placed on the ability for each stage to be successfully activated, with its systems operating as planned for this stage of assembly. Each stage on-orbit will operate and survive until the next launch package or re-supply mission is successfully integrated.
- 3) The science capabilities planned to be supported are listed in the third column. Emphasis is placed on the ability to provide power, data handling, and overall environment necessary to conduct science. The Contractor will not be judged for the success/failure of the science itself.

Mission Assembly Elements		Performance Capabilities	Science Capabilities
<b>2P</b>	Progress-M1	SM Outfitting, Refueling and Resupply	None
<b>4A</b>	P6 Truss, PV Module S4 and P6 Truss Radiators, and S-Band Equipment	US power generation and S-band (low rate)	
<b>5A</b>	U.S. Laboratory and PDGF	Active thermal control, US life support, on-board command and control, high rate S-band, non-propulsive attitude control, and interior audio	
<b>3P</b>	Progress-M	Refueling and Resupply	
<b>5A.1</b>	Lab System Racks, RSR, and RSPs	Interior Video	Initial Payload utilization and Ku-band operational to support early science capability
<b>6A</b>	Lab Payload Racks, RSRs, RSPs, UHF and SSRMS	Robotic capability and exterior communication via UHF	
<b>2S</b>	Soyuz-TM	Crew Lifeboat Exchange	
<b>4P</b>	Progress-M1	Refueling and Resupply	
<b>7A</b>	Joint Airlock and High Pressure Gas Tanks	Airlock operational to provide US based EVA and HP Gas to augment Russian gas re supply system	
<b>7A.1</b>	RSRs, RSPs, ISPRs, and Early Ammonia Servicer	Ammonia Resupply for Thermal Control and Crew Rotation	N2 for Science Payloads
<b>5P</b>	Progress-M	Refueling and Resupply	
<b>4R</b>	Docking Compartment 1 (Strela 2)	Transfer equipment and supplies to ISS and install Cargo Cranes RS Airlock, 3 <sup>rd</sup> RS Docking Port	
<b>3S</b>	Soyuz-TM	Crew Lifeboat Exchange	
<b>6P</b>	Progress-M1	Refueling and Resupply	
<b>UF 1</b>	RSRs, RSP-2, ISPRs, and ORUs	Transfer equipment and supplies to ISS and Crew Rotation	
<b>7P</b>	Progress-M1	Refueling and Resupply	

Mission Assembly Elements		Performance Capabilities	Science Capabilities
<b>8A</b>	S0 Truss, MT, GPS, Lab and Node 3 Umbilicals, and Airlock Spur	US GN&C attitude and state determination	Automated Procedure Processing
<b>4S</b>	Soyuz-TM	Crew Lifeboat Exchange	
<b>UF 2</b>	RSRs, RSP-2, ISPRs, MBS, PDGF, and SMDP	Mobile Robotics, and transfer equipment and supplies to ISS and Crew Rotation	
<b>9A</b>	S1 Truss, CETA Cart A, Starboard Central Radiator Panels and Boom, and S-band Equipment	S-Band redundancy, exterior video, and non-robotic translation	
<b>11A</b>	P1 Truss, CETA Cart B, Port Central Radiator Panels and Boom, and UHF	Expanded UHF coverage and non-robotic translation	
<b>5S</b>	Soyuz-TMA	Crew Rotation	
<b>ULF 1</b>	ISPRs and ESP-2 with ORUs	Crew Rotation	
<b>6S</b>	Soyuz-TMA	Crew Lifeboat Exchange	
<b>12A</b>	P3 Truss and PV Module P4 with UCLAS and Battery Sets, Radiator and Port Inboard SA 4A and 2A	Install truss segments, and deploy Solar Arrays/PV Radiator	Unpressurized payload utilization sites
<b>12A.1</b>	Space Hab Single Cargo Module, P5 Truss, ESP-2 ORU, and PVRGF OSE	Additional power (alpha tracking), flexibility (MBSU), and thermal control	
<b>13A</b>	S3 Truss and PV Module S4 with PAS and Battery Sets, and Starboard Inboard SA 3A and 1A	Additional power	Unpressurized payload utilization sites and increased power resources available for utilization
<b>7S</b>	Soyuz-TMA	Crew Lifeboat Exchange	
<b>13A.1</b>	Space Hab Single Cargo Module, S5 Truss, and PVRGF OSE	Additional Power (P6 relocation)	
<b>15A</b>	S6 Truss with Battery Sets and PV Module S6 Truss Radiator and Starboard Outboard SA 1B and 2B	Additional power (S6 and P6 relocation)	Increased power resources available for utilization
<b>10A</b>	Node 2 (DDCU Racks and Zero-g Stowage Racks) and PDGF	Additional power distribution, berthing docking ports	
<b>8S</b>	Soyuz-TMA	Crew Lifeboat Exchange	
<b>ULF2</b>	MPLM, ORU on Cross Bay Carrier	Transfer equipment and supplies to ISS	
<b>ATV 1</b>	Automated Transfer Vehicle	Alternate Logistics Carrier, Refueling and Resupply	
<b>1E</b>	Columbus Module Core with Integrated System Racks and ISPRs, external payloads	Transfer equipment and supplies to ISS and install Columbus Module Core and external payloads	
<b>9S</b>	Soyuz-TMA	Crew Lifeboat Exchange	
<b>UF-3</b>	RSPs, RSR, ISPRs, ORU on Cross Bay Carrier	Transfer equipment and supplies to ISS	First active MPLM to support utilization
<b>UF-4</b>	SPDM, MT/CETA Starboard Rails, ORU	Transfer equipment and supplies, assembly SPDM and rails	
<b>UF-5</b>	RSRs, RSPs, ISPRs, MELFI, MPLM (Active), Cross Bay Carrier	Transfer equipment and supplies	
<b>UF-4.1</b>	S3 Attach Payload, Cross Bay Carrier	Transfer equipment and supplies	
<b>UF-6</b>	RSRs, RSPs, ISPRs, Cross Bay Carriers	Transfer equipment and supplies	
<b>1J/A</b>	JEM ELM-PS Module Core with System Racks, Stowage Rack and ISPRs	Transfer equipment and supplies to ISS, install ELM-PS and deploy Solar Array	
<b>1J</b>	JEM PM Core, System Racks and RMS	Additional Robotics capability	International utilization volume provided by JEM pressurized module
<b>ULF3</b>	RSRs, RSPs, ISPRs, Cross Bay Carrier	Transfer equipment and supplies	USF3

**Addendum 2**

**On-ground Award Fee Plan**

**Starting January 1, 2004 to September 30, 2006**

## **I. Introduction**

This addendum to the Award Fee Plan has been added to clarify how the on-ground Award Fee Process will be structured and executed during the extension period of the contract, which began January 1, 2004. The intent of this addendum is to clarify the established process in the Award Fee Plan as it applies to the extension period. This addendum only applies to Table V.B.6 (Section V of this addendum) and therefore does not apply to on-orbit or any lookback or takeback evaluations that may occur during the extension period. Much of the language in this addendum has been directly "lifted out" of the Award Fee Plan to provide consistency and continuity with past historical award fee plan provisions for on-ground evaluations.

This addendum applies to all contract changes authorized or definitized after January 1, 2004. All the award fee periods, award fee available, and award fee earned applicable to this addendum are specified in Table V.B.6.

## **III. Organizational Structure**

### **A. Performance Evaluation Board**

The PEB will evaluate the Contractor's performance as related to the factors listed in Section IV of this addendum. At the end of each evaluation period (the schedule for the evaluation periods is identified in Table V.B.6 of this addendum), the PEB will prepare a written report of its evaluation which shall include recommendations as to the adjective rating and numerical score to be assigned to the Contractor's performance during that evaluation period for Exhibit A.

### **B. Performance Monitors**

1. NASA performance monitors shall monitor, evaluate and assess the Contractor's performance in assigned areas and discuss the evaluation results with contractor counterparts as appropriate. Additionally, the performance monitors shall use, at their discretion, evaluations and assessments from NASA officials in preparing reports on assigned areas. The performance monitor will periodically prepare reports for the PEB.

2. The PEB Chair may change monitor assignments at any time without advance notice to the Contractor.

### **C. Fee Determination Official**

1. All performance recommendations made by the PEB will be considered by the Fee Determination Official (FDO). The Deputy Associate Administrator for the International Space Station Program will serve as the FDO. The FDO, after considering available pertinent information and recommendations, shall make a determination in accordance with the provisions of this plan.

2. The FDO shall appoint the PEB Chair and Members.

## **III. Evaluation Procedures**

### **A. CY 2004 Forward Performance Award Fee**

All evaluations are final in nature and are not subject to on-orbit take back or look-back provisions. A determination of the dollars earned for each evaluation period will be made by the FDO within 45 days after the end of the period. Procedures to be followed in monitoring, assessing, and evaluating Contractor performance are as follows:

1. No later than 45 calendar days prior to the start of each evaluation period, the Contractor may submit to the Contracting Officer recommended areas of emphasis and weightings for the ensuing evaluation period that are within the general factors listed in Section IV of this addendum. Consideration will be given to the Contractor's recommendations; however, it is the Government's responsibility to establish the specific areas of emphasis and weightings for each evaluation period.

2. No later than 30 days prior to the start of each new evaluation period, the Contractor will be notified by the Contracting Officer of the selected areas of emphasis for that period. Emphasis will be directed at particular areas under the contract which appear to the Government to be deserving of special attention and will be used in judging the Contractor's performance. These areas of emphasis will not necessarily cover the entire spectrum of performance that will be evaluated in determining award fee dollars earned. Other pertinent factors included under the contract and general factors bearing upon overall performance will be considered as the facts and circumstances of each period may require.

3. The Contractor shall be provided a general assessment of its performance at the mid-point of the period, and at such other times as may be deemed appropriate. It shall be the purpose of this communication to discuss any specific areas where the Contractor has excelled, current areas of concern, and where future Contractor emphasis may be necessary.

4. Promptly after the end of each evaluation period, the PEB shall meet to consider all the performance information it has obtained. At the meeting, the PEB will summarize its preliminary findings and recommendations in the Performance Evaluation Board Report (PEBR).

5. The Contractor may furnish a separate self-evaluation report within 10 calendar days after the expiration of each evaluation period. These self-evaluation reports shall not exceed 20 pages in length. The PEB will not submit its recommendation to the FDO until (1) the Contractor's self-evaluation report has been received and considered, or (2) the Contractor has provided written notification that a self-evaluation report will not be submitted, or (3) the 10-day period provided for submission of the report has expired.

6. The PEB Chair will prepare the PEBR for the period and present the findings and recommendations to the FDO. The reports will include an adjective rating and a recommended performance score with supporting documentation. The Contractor will be notified of the PEB evaluation and recommended ratings and scores, and will be provided a copy of the PEBR. The Contractor may provide additional information for consideration by the FDO by notifying the PEB Chair of its desire to do so. This is an opportunity for the Contractor to provide any information which the Contractor believes is relevant to its performance and which may affect the FDO's determination. Any additional information should be provided to the PEB Chair within five (5) calendar days of Contractor notification of the PEB recommended rating and score. This additional Contractor information will be provided to the FDO by the PEB Chair.

7. The FDO will consider the recommendations of the PEB, the PEBR, information provided by the Contractor, if any, and any other pertinent information in determining contractor's performance score for the period. The FDO's determination of the scores will be stated in a written Award Fee Determination.

8. The Award Fee Determination will be provided to the Contractor by the Contracting Officer. The Contractor may, after notification of the FDO's determination, request, through the Contracting Officer, a briefing by the FDO. This briefing should be conducted no later than 45 days following the conclusion of the award fee period. Award fee determinations made by the FDO may be appealed by the Contractor to the NASA Associate Administrator of Space Flight.

## B. Provisional Payments

1. Provisional payments will be made to the Contractor on a monthly basis after receipt of the Contractor's first voucher, in accordance with contract provision G.2. The amount of award fee which may be provisionally billed each period is 80 percent of the maximum award fee available for that period (see Table V.B.6). The amount of provisional fee which can be paid monthly in any evaluation period shall be prorated equally to the number of months in that period. The Contractor will submit a separate voucher for provisional fee payments. Vouchers for any other type of fee billed (i.e. base, fixed, fee associated with lookback or on-orbit evaluations, etc.) shall be issued separately and provide backup information for each type of fee billed.

2. All provisional award fee payments will be superseded by the performance evaluation and determinations at the conclusion of each performance period. The Government will then pay the Contractor, or the Contractor will refund to the Government, the difference between the final fee determination and the cumulative provisional fee payments. Any additional payment will be made via unilateral modification. Upon receipt of the FDO's determination, the Contracting Officer will issue a unilateral modification to the contract to update the Dollars Earned column of Table V.B.6 and authorize unilateral payment of any additional fee earned for the period over and above the amount provisionally billed.

3. Provisional payments may be discontinued during any period in which the Contracting Officer determines that the total provisional payments made during that period may substantially exceed the amount which would be paid based upon the anticipated score for the period.

## **IV. Evaluation Factors and Weightings**

### A. Evaluation Factors

Below are the evaluation factors that are the basis of how contractor performance will be evaluated. The intent of the descriptions below are to convey the meaning of each evaluation factor. There may be cases where specific items of contractor performance may be evaluated that fall within the general factors listed below, but are not specifically identified in the descriptions given in this section.

#### 1. Management Performance

This factor measures Contractor performance in the overall management of the contract, including support to International Partners. Evaluation will be made of Contractor performance in providing a balanced, coordinated and motivated approach to management of technical and programmatic matters. Such evaluation will include an assessment of the Contractor performance in the development, analysis, and utilization of management data, total available resources, and program controls to effectively manage the contract. This assessment will include the contractor's ability to implement and manage an effective Earned Value Management System (EVMS) that reports reliable, accurate, and timely data. Implementation of adjustments to the contract baseline in an efficient manner will also be included in the evaluation of management performance. The contractor will also be evaluated on their performance in the area of contract administration, which includes but is not limited to, Government Furnished Property, contract and subcontract management.

## 2. Technical Performance

This factor will measure:

- a) The effectiveness and quality of the overall design, development, manufacturing, assembly, and test and checkout activities on the contract, including the overall program technical planning, integration, technical resource allocation, and accomplishment of contract requirements.
- b) Safety and mission assurance (S&MA) performance, taking into consideration quality control, safety, reliability, software product assurance, and maintainability, and the effectiveness with which the Contractor plans and assures that these are considered in engineering and design activities.
- c) Compliance to program schedules, particularly hardware and software delivery schedules and the response to schedule problems, including problems associated with International Partner products and Government Furnished Product.

## 3. Performance to Socio-economic Subcontracting Goals

This factor will measure the efforts expended by the contractor in achieving the achieving the subcontracting goal percentages as set forth in Clause G.17, Socio-economic Subcontracting Goals. The contractor's participation in other types of supplier diversity efforts will also be taken into consideration when determining SDB performance (example: Mentor Protégé' Program).

## 4. Cost Performance

This factor measures contractor cost performance in support of executing the budget and performance measurement baselines. For WBS elements 1.0 (DDT&E), 3.0 and 6.0 (OPD), 7.0 (SPARES) and 8.0 (MODIFICATIONS), cost performance will be assessed by evaluating the cost expended on work completed during the period being evaluated. For WBS elements 2.0 and 5.0 (INTEGRATION AND OPERATIONS), cost performance will be evaluated using metric status and plan versus actual during the period being evaluated. Other factors and circumstances that are pertinent to contractor performance may be taken into account as they apply to cost performance.

## **B. Evaluation Factor Weightings**

The following matrix establishes the evaluation factor weightings as they apply to Table V.B.6. The Contracting Officer may unilaterally change these weightings. The Contractor can submit recommended areas of emphasis and weightings to the Contracting Officer for the ensuing evaluation period (see Section III of this addendum).

EVALUATION FACTORS	WEIGHT
<b>I. MANAGEMENT &amp; TECHNICAL PERFORMANCE</b>	<b>50%</b>
a. Management Performance	
- Technical and Program Management	
- Program Control and Contract Administration	
b. Technical Performance	
- Quality of Work	
- Productivity and Task Efficiency	
- Schedule	
<b>II. SAFETY AND MISSION ASSURANCE</b>	<b>10%</b>
<b>III. PERFORMANCE TO SMALL BUSINESS GOALS (Clause G.17)</b>	<b>15%</b>
<b>IV. COST PERFORMANCE</b>	<b>25%</b>

**V. Evaluation Periods and Award Fee Calculation**

**A. CY 2004 Forward Performance Award Fee**

The maximum number of award fee dollars available by performance period is provided below in Table V.B.6 for CY 2004 Forward Performance Award Fee:

**TABLE V.B.6**  
**CY2004 Forward Performance Award Fee**

PERIOD NUMBER	START DATE	END DATE	MAXIMUM AVAILABLE MOD 2066	THIS CHANGE	MAXIMUM AVAILABLE MOD 2081	DOLLARS EARNED				
16	1/1/2004	6/30/04	<b>(b) (4)</b>	<b>(4)</b>						
17	7/1/2004	12/31/2004								
18	1/1/2005	6/30/05								
19	7/1/2005	12/31/2005								
20	1/1/2006	9/30/06								
21	10/1/2006	3/31/2007								
22	4/1/2007	9/30/2007								
23	10/1/2007	3/31/2008								
24	4/1/2008	9/30/2008								
25	10/1/2008	3/31/2009								
26	4/1/2009	9/30/2009								
27	10/1/2009	3/31/2010								
28	4/1/2010	9/30/2010								
29	10/1/2010	3/31/2011								
30	4/1/2011	9/30/2011								
31	10/1/2011	3/31/2012								
32	4/1/2012	9/30/2012								
33	10/1/2012	3/31/2013								
34	4/1/2013	9/30/2013								
35	10/1/2013	3/31/2014								
36	4/1/2014	9/30/2014								
37	10/1/2014	3/31/2015								
38	4/1/2015	9/30/2015								
Totals	-	-								
Total Dollars Earned										

Note: \* **(b) (4)** credit to Fee Dollars Earned for SSCN10773 (MCA firmware upgrade).

**B. Dollars Earned**

Upon evaluation of the Contractor's performance for each period, the final award fee score assessed by the FDO will be applied to the dollars available in Table V.B.6 determine the dollars earned.

For example:

If \$28.40M was available during an Award Fee Period and a score of 85% was assessed by the FDO, the following calculation would occur to determine the dollars earned for the period:

$$\$28.40M \times 85\% = \$24.14M \text{ earned.}$$

## VI. Evaluation Scale

### A. CY 2004 Forward Award Fee Scoring

The following scale will be used to develop award fee scores applicable to this addendum:

**TABLE VI.B  
CY 2004 Forward Award Fee On-Ground Dollars Scoring**

Adjective Rating	Range of Points	Description
Excellent	(100 - 91)	Of exceptional merit; exemplary performance in a timely, efficient manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	(90 – 81)	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient manner for the most part; only minor deficiencies.
Good	(80 – 71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	(70 – 61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsat.	(0 – 60)	Overall performance does not meet minimum acceptable standards; remedial action required in one or more areas; numerous deficiencies which adversely affect overall performance.

### B. Poor/Unsatisfactory Ratings

Notwithstanding the preceding, the contractor will not earn award fee dollars when the score is "poor/unsatisfactory" (less than 61).

## VII. Disputes

Award fee determinations made by the Government are subject to the Disputes clause.