



Attachment J-06: IRES Performance Evaluation and Incentive Plan

May 10, 2016

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Change History

Document Versions	Date	Significant/Major Changes
Original	March 30, 2016	
Rev 1	May 10, 2016	Incentive fee applicability description revised. Small business evaluation definitions revised. Award fee calculation methodology revised.

Table of Contents

1.0	Objective	1
1.1	Concept	1
1.2	References	1
2.0	Introduction	1
3.0	Organization	3
4.0	Roles and Responsibilities	3
4.1	IRES Functional Services Manager	3
4.1.1	IRES CPAR Reviewing Official	4
4.1.2	Performance Review Board Chair	4
4.1.3	IRES Award Fee Review Board (AFRB) Chair	4
4.1.4	IRES Award Term Determining Official	5
4.2.	IRES Performance Evaluation Administrator	5
4.3	IRES Award Fee Determining Official	6
4.4	IRES Award Fee Review Board	6
4.5	IRES Performance Review Board	7
4.6	Procuring Contracting Officer	8
4.7	Contracting Officer Representatives / Contracting Officer Technical Representatives	8
4.8	General Counsel	9
4.9	Contractor Leadership	9
5.0	Process Overview	10
6.0	Evaluation Periods	11
7.0	Quality Assurance Surveillance Plan	12
7.1	Overview	12
7.2	Purpose	12
7.3	Authority	12
7.4	Organization	12
7.5	Roles and Responsibilities	12
7.6	Monthly Surveillance Process	13
7.6.1	Performance Review Meetings	13
7.6.2	Acceptance/Certification of Reports	13
7.7	Surveillance Methods	14

8.0	Service Summary Items	14
8.1	Overview	14
8.2	Corrective Plan Responses for Unsatisfactory QPI Ratings	15
8.3	QPI Corrective Action Reports (CAR)	15
9.0	Incentive Fee and Quality Performance.....	15
9.1	Overview	15
9.2	Organization.....	16
9.3	Roles and Responsibilities	16
9.4	Evaluation: Quality Performance Index.....	16
9.5	Cost Incentive Elements	16
9.5.1	Fixed Price Incentive Firm Target (FPIF)	16
9.5.2	Cost Plus Incentive Fee (CPIF).....	16
9.6	Adjustments	17
9.6.1	Adjustments to the Share Ratios based on Quality Performance Index Score	17
9.6.2	Adjustments to the Total Potential Fee/Profit based on QPI Score	17
9.7	Sample Incentive Fee Calculations.....	17
9.8	Data for Determining Underrun/Overrun Status for Interim Evaluations.....	20
9.9	Target Fee/Profit Amounts	20
9.10	Final Task Order Performance Evaluation	20
9.10.1	Final Quality Performance Index.....	20
9.10.2	Data for Determining Final Underrun/Overrun Shares	20
9.10.3	Final Task Order Payment	21
10.0	Award Fee Evaluation.....	21
10.1	Overview	21
10.2	Organization.....	21
10.3	Roles and Responsibilities	22
10.4	Expectations Letter	22
10.5	Award Fee Pool Amounts	22
10.6	Performance Criteria, Standards and Ratings	22
10.7	Calculation Methodology.....	22
10.8	Unearned Award Fee	23
11.0	Contractor Performance Assessment Report	23

11.1	Overview	23
11.2	Organization.....	23
11.3	Roles and Responsibilities	23
11.4	Process	24
12.0	Award Term Determination.....	24
12.1	Overview.....	24
12.2	Organization.....	25
12.3	Roles and Responsibilities	25
12.4	Evaluation Factors	25
12.5	Eligibility Requirements	26
	12.5.1 Award Term 1	26
	12.5.2 Award Term 2	26
	12.5.3 Award Term 3	27
12.6	Calculation Methodology.....	27
13.0	Performance Evaluation Integrity	28
14.0	Performance Evaluation/Incentive Plan Changes	29
15.0	Termination.....	29
16.0	Attachments	29
	Attachment 1 – Board Memberships	29
	Attachment 2 – Service Summary Item Performance Description, Weight and Surveillance Method	29

List of Exhibits

Exhibit 1. Integration and Alignment of the PE/IP Components.	2
Exhibit 2. IRES Performance Evaluation/Incentive Plan Organization.	3
Exhibit 3. Performance Evaluation Process Overview	10
Exhibit 4. Performance Evaluation Periods	11
Exhibit 5. Monthly Surveillance and Adjudication Process	13
Exhibit 6. Service Summary Items (SSIs) and Weighting Constraints	15
Exhibit 7. Sample Fixed Price Incentive Firm Calculation	18
Exhibit 8. Sample Cost Plus Incentive Firm Calculation	19
Exhibit 9. General Award Fee Performance Definitions	23
Exhibit 10. Sample Award Fee Calculation.....	22
Exhibit 11. IRES CPAR Development and Review Process	24
Exhibit 12. Award Term Determination Decision Points	25

1.0 Objective

The objective of this document is to outline the Integrated Research & Development for Enterprise Solutions (IRES) Performance Evaluation and Incentive Plan (PE/IP). The Plan is designed to align and integrate all facets of contractor performance, surveillance and incentive in an efficient and cohesive process.

This document serves as the Incentive Fee Performance Evaluation Plan, the Award Fee Plan, and the Award Term Plan. Capturing all plans under one document ensures all elements of the plans and the process are aligned, thus streamlining processes and minimizing the potential for contradictory performance assessments.

1.1 Concept

The task order quality assurance surveillance plan (QASP) data will be used to monitor contractor performance and provide documented evidence necessary in evaluating performance against the Service Summary Items (SSIs). The SSIs evaluations serve as the basis of the semi-annual task order performance evaluations and feedback, which, in turn, will feed the annual task order contractor performance assessment report (CPAR). The compilation of task order CPARs will ultimately determine the contractor's award term eligibility.

How these elements work together to provide effective contractor surveillance as well as adequate and fair rewards for contractor performance, is shown in Exhibit 1.

1.2 References

MDA Award Fee Policy 5010.07, September 8, 2009

MDA CPARS Manual, 5013.28-M October 24, 2013

DoD Guidance for the Contractor Performance Assessment Reporting System, December 2015

2.0 Introduction

The IRES PE/IP has six elements that provide comprehensive surveillance of contractor performance and incentivize the contractor to deliver quality products and services.

The six elements are:

1. ***Quality Assurance Surveillance Plan (QASP)***: The QASP identifies the minimum acceptable performance thresholds and the surveillance methodology for task order-specific products and services. Section 7.0 of this document provides details on the structure and surveillance techniques for the QASP.
2. ***Service Summary Items (SSI)***: SSIs are high level objective and measurable performance items established at both the contract and task order level. Successful accomplishment of SSIs will result in the contractor earning Quality Performance Indices (QPI) points. The ultimate goal of the contractor is to earn 100 QPI points per evaluation period. Section 8.0 of this document provides details on the SSI components and structure.

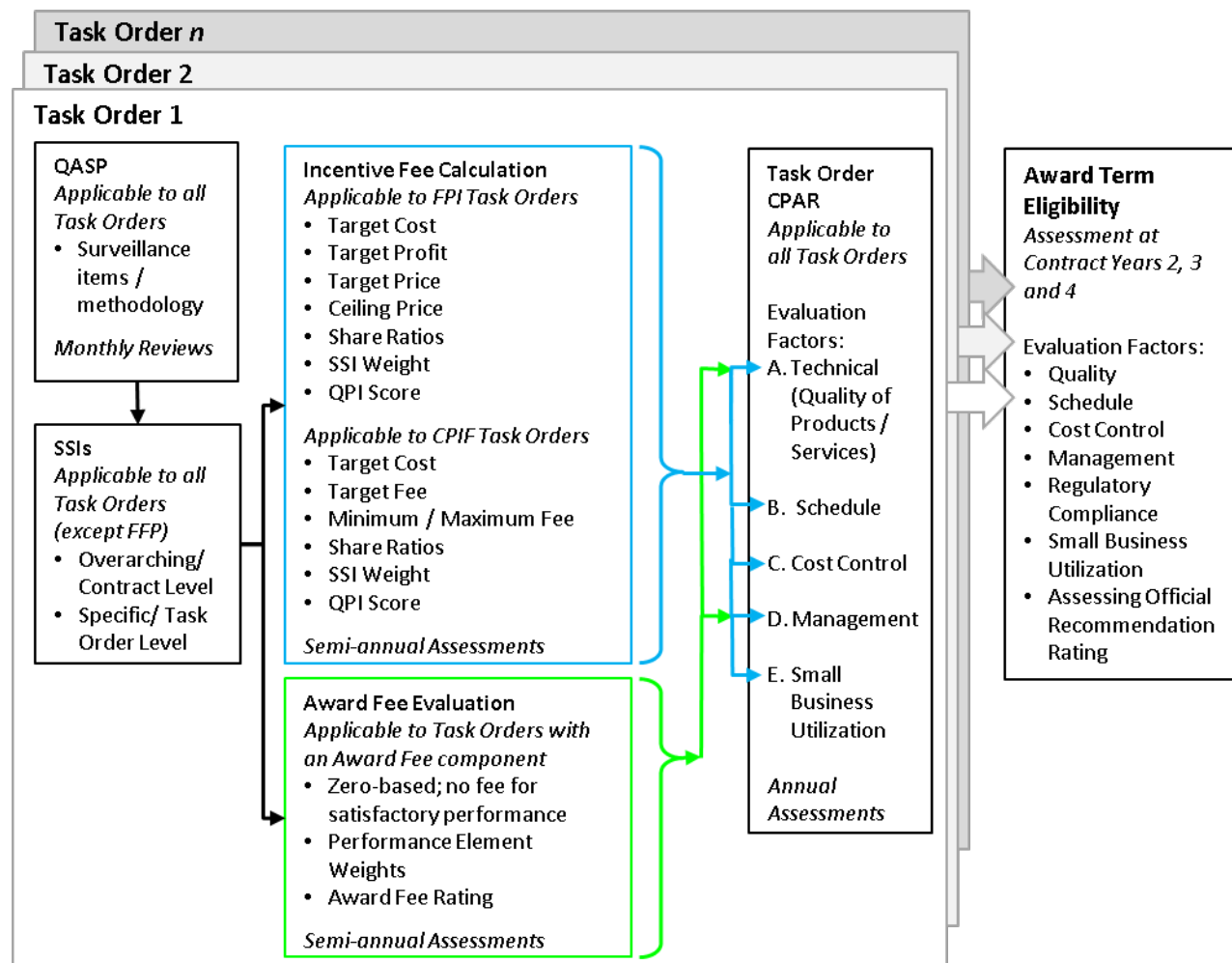


Exhibit 1. Integration and Alignment of the PE/IP Components.

3. **Predetermined, Formula-Type Incentives (Incentive Fee):**

All predetermined, formula-type incentives, as identified in Federal Acquisition Regulation (FAR) 16.402, are referred to as “incentive fee” throughout the remainder of this document. Incentive fee incorporates objective evaluation criteria for cost and performance (including delivery), motivating the contractor to effectively manage cost and achieve specific performance thresholds as identified by the SSIs. Fee earned is impacted by the successful delivery of the SSIs and the number of QPI points earned. Rather than having a separate pool for the performance incentive, this plan implements a scale whereby the target fee—after adjustments for overruns or underruns in accordance with FAR clause 52.216-10 or 52.216-16—is decremented for delivery of products and services below the specified performance levels. Section 9.0 provides details on the incentive fee structure, evaluation criteria, and calculation method.

4. **Award Fee:** Award fee incorporates subjective evaluation criteria, rewarding the contractor for performance that exceeds the established thresholds in a manner that provides benefit(s)

to the Government. Award fee is earned on a positive fee scale with a zero base fee whereby the available award fee pool for a period must be earned rather than decremented for non-performance. Note: if award fee is used in addition to the incentive fee, the award fee pool will be less than the target fee. Section 10.0 of this document provides details on the award fee structure, evaluation criteria, and calculation method.

5. **Contractor Performance Assessment Report (CPAR):** The CPAR documents the contractor's performance for submission to the Department of Defense (DoD) Contractor Performance Assessment Reporting System (CPARS), providing current and accurate data on contractor performance for use in future source selections. Section 11.0 of this document provides an overview of the CPAR assessment methodology.
6. **Award Term:** The award term incentive affords the contractor an opportunity to earn additional periods of performance based on consistently delivering products and services that meet or exceed the requirements. Successful performance of the contractor in meeting or exceeding the award term criteria is a precursor to a unilateral Government decision to exercise the award term resulting in an extension of the ordering period. Section 12.0 of this document provides the award term eligibility criteria.

3.0 Organization

The IRES PE/IP organization is shown in Exhibit 2; memberships of the boards are provided in Attachment 1.

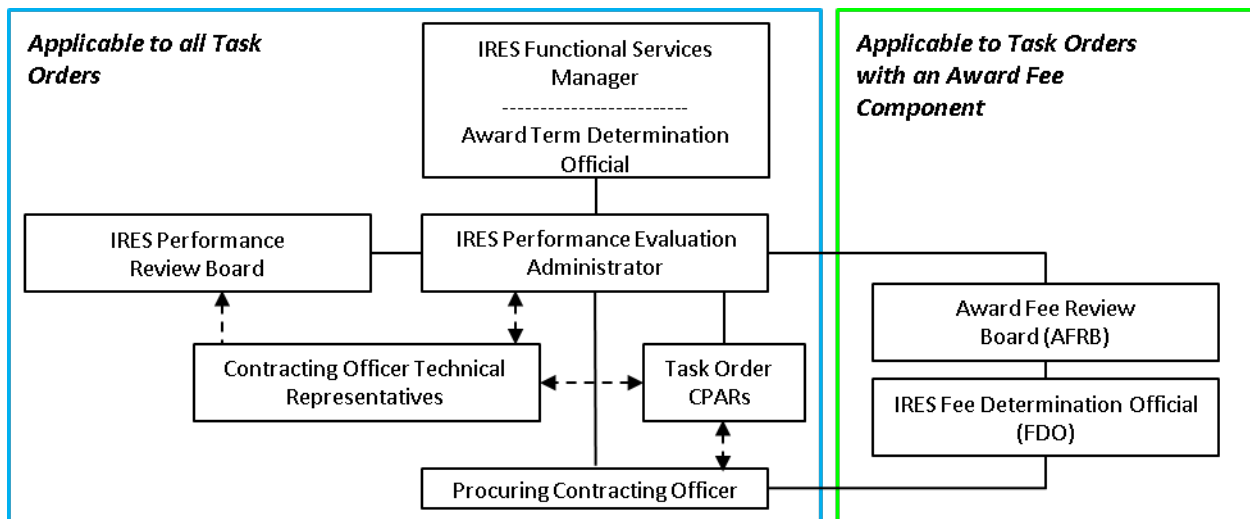


Exhibit 2. IRES Performance Evaluation/Incentive Plan Organization.

4.0 Roles and Responsibilities

4.1 IRES Functional Services Manager

The IRES Functional Services Manager is the CPAR Reviewing Official, Performance Review Board Chair, the Award Fee Review Board Chair and the Award Term Determining Official.

4.1.1 IRES CPAR Reviewing Official

The Reviewing Official (RO) provides the check-and-balance impartial review when there is disagreement between the Assessing Official (AO) and the contractor. The RO must review and sign the assessment when the contractor indicates non-concurrence with the CPAR.

The RO will:

- (1) Provide narrative comment that supplement the Assessing Official's comments, as necessary
- (2) Sign the CPAR (at this point, it is considered final and is posted in the CPARS and is available for source selection official use in the Past Performance Information Retrieval Systems (PPIRS))

4.1.2 Performance Review Board Chair

The Chair presides over the meeting and facilitates discussions to achieve Board consensus of evaluations, ratings and recommendations that are provided to the Functional Services Manager.

The Chair will:

- (1) **April and October** (annually): Convene the Performance Review Board meetings to:
 - (a) Review task order performance evaluation reports
 - (b) Recommend task order award fee rating (if applicable)
- (2) **July** (annually): Convene the Performance Review Board meeting to:
 - (a) Review expectations letter(s)
 - (b) Appoint IRES Performance Review Board for the next evaluation period
 - (c) Nominate Award Fee Review Board members for the next evaluation period
- (3) **October** (annually): Convene the Performance Review Board meeting to:
 - (a) Review applicable CPAR submissions;
 - (b) Make a recommendation to exercise/not exercise the Award Terms at the end of Contract Years 2, 3 and 4
- (4) **As Needed:** In consultation with the contracting officer, serve as the decision authority to resolve contractor disagreements with the COTR-scored SSIs

4.1.3 IRES Award Fee Review Board (AFRB) Chair

Applicable to task orders containing an award fee component.

The Chair presides over the meeting and facilitates discussions to achieve Board consensus of award fee ratings and recommendation to be presented to the Fee Determining Official (FDO).

The AFRB Chair will:

- (1) **April and October** (annually): Convene the AFRB meeting
- (2) **August** (annually): Present the expectations letter packages to the FDO for the upcoming award-fee period. Each task order package includes:
 - (a) 1 page expectations letter
 - (b) 7 page summary briefing (backup slides permitted)
- (3) **August** (annually): Present revised PE/IP and AFRB appointment letters to the FDO for the upcoming award-fee period
- (4) **October** (annually): Present award fee recommendations to the FDO
- (5) Ensure compliance with MDA Award Fee Directive

4.1.4 IRES Award Term Determining Official

The Award Term Determining Official (ATDO) is responsible for assessing and documenting the contractor's eligibility for the award terms.

The ATDO will:

- (1) Make a unilateral determination to exercise/not exercise the Award Terms at the end of Contract Years 2, 3 and 4
 - (a) Prepare a memorandum of record documenting the basis of the award term decision
 - (b) Instruct the procuring contracting officer to exercise the award term

4.2. IRES Performance Evaluation Administrator

Applicable to all task orders.

The IRES Performance Evaluation Administrator, a COR, is responsible for coordinating the actions required to execute this plan.

The Performance Evaluation Administrator will:

- (1) **Monthly:** Review/finalize COTR-developed surveillance reports
- (2) **March:** Prepare for mid-period performance evaluations
 - (a) Issue evaluation report forms to COTRs
 - (b) Schedule Performance Review Board 'Mid-period' Meeting
 - (c) Conduct customer satisfaction surveys
- (3) **April:** Administer the mid-period Performance Review Board Meeting
 - (a) Compile and distribute read-ahead
 - (b) Chair meeting in absence of the Functional Services Manager
 - (c) Finalize documentation for distribution to the contractor
- (4) **July:** Administer the Performance Review Board 'Expectations Letter' Meeting
 - (a) Schedule meeting
 - (b) Compile and distribute read-ahead
 - (c) Chair meeting in absence of the Functional Services Manager
 - (d) Finalize documentation for expectations letter package
- (5) **September:** Prepare for end-period performance evaluations
 - (a) Issue evaluation report forms to COTRs
 - (b) Schedule Performance Review Board 'End-period' Meeting
 - (c) Conduct customer satisfaction surveys
- (6) **October:** Administer the end-period Performance Review Board Meeting
 - (a) Compile and distribute read-ahead
 - (b) Chair meeting in absence of the Functional Services Manager
 - (c) Finalize documentation for distribution to the contractor or Award Fee process (if applicable)
- (7) **November:** Administer the Performance Review Board 'CPAR' Meeting
 - (a) Compile and distribute read-ahead
 - (b) Chair meeting in absence of the Functional Services Manager
 - (c) Finalize documentation for the PCO's (serving as the Assessing Official) release to the contractor
- (8) Accomplish Award Fee related activities:

- (a) Arrange briefings for expectations letters, AFRBs, and fee determination presentations
- (b) Provide a complete staff summary package in support of Award Fee briefings (to include: Expectations Letter, FDO Briefing, AFRB briefing, and Draft FDO Determination letter, CPARS input, and Task Order Performance Assessment Reports)
- (c) Draft the summary AFRB and FDO briefings
- (9) Accomplishing other actions required to ensure the smooth operation of the performance evaluation process
- (10) Serve as the Contractor Performance Assessment Reports (CPAR) Assessing Official Representative (AOR)
 - (a) Take the CPARS Overview (two hours) and Quality and Narrative Writing training
 - (b) Register task orders in the CPARS database
 - (c) Draft, coordinate and load task order CPARs into the CPAR system in accordance with the MDA CPAR manual
 - (d) Submit properly justified CPAR to the PCO (serving as the CPAR AO)

4.3 IRES Award Fee Determining Official

Applicable to task orders containing an award fee component.

The FDO for this contract is MDA/DA unless delegated. The FDO ensures the amount and percentage of Award Fee earned accurately reflects the contractor's performance.

The FDO will:

- (1) **September** (annually): Approve expectations letter package(s), to include:
 - (a) Signing the task order expectations letter(s)
 - (b) Signing/approving the appointment of AFRB members for the next period
 - (c) Approving the components of the award fee plan incorporated in this document
- (2) **October** (annually): Provide the contractor a written award fee decision that discusses contractor performance, specifies the amount of fee earned on each task order, and reiterates the areas of emphasis included in the expectations letter
 - (a) Ensure the award fee decision process is thorough and fair
 - (b) Determine the amount of fee earned
 - (c) Direct the Contracting Officer to make changes to the award fee plan as necessary

4.4 IRES Award Fee Review Board

Applicable to task orders containing an award fee component.

The Award Fee Review Board (AFRB) will review the Contractor's performance reports and the IRES Performance Review Board recommendations prior to making an award fee recommendation to the FDO. The AFRB will be provided a summary briefing of the task orders that have an award fee component; incentive fee/profit ratings will be included in the briefing.

The AFRB will:

- (1) **April** (annually): Review the task order performance reports and IRES Performance Review Board recommendations; recommend an award fee rating

- (2) **October** (annually): Review the task order performance reports and IRES Performance Review Board recommendations; recommend an award fee rating/amount for presentation to the Fee Determining Official

4.5 IRES Performance Review Board

Applicable to all task orders.

The IRES Performance Review Board is a twelve (12) person panel that consists of the chair, the IRES Performance Evaluation Administrator (vice chair) and a cross section of IRES Procuring Contracting Officer (PCOs), Contracting Officer Representatives (CORs), Contracting Officer Technical Representatives (COTRs), and two contractor representatives*, and others as appointed by the IRES Performance Review Board Chair. Board members will be appointed by the Performance Review Board Chair for each 12-month evaluation period. A minimum of eight (8) government members, one (1) of which must be the chair or vice chair, are required to conduct business.

*Note: The contractor representatives are non-voting members of the Performance Review Board.

The IRES Performance Review Board will assemble four times annually to review performance evaluation reports, expectations letters and CPAR documentation. The board will ensure evaluations are consistent with the surveillance plans.

The IRES Performance Review Board will:

- (1) **April** (annually): Assemble to review mid-period performance evaluation reports. This is approximately a 6 hour meeting that may be conducted over two sessions provided that the same board members attend.
 - (a) Determine the rating/Quality Performance Index (QPI) points for the contract-level Service Summary Items (SSIs)
 - (b) Ensure that the Quality Performance Index (QPI) points awarded by the COTR are in accordance with the SSIs defined in the task orders and this plan
 - (c) Serve as the first order adjudicator to resolve contractor disputes of the COTR-scored SSIs and resulting incentive fee earned
- (2) **July** (annually): Assemble to review task order expectations letter packages. This is approximately a 2 hour meeting.
 - (a) Review task order expectations letter and briefing
 - (b) Review and update the IRES Performance Evaluation Plan
 - (c) Nominate Performance Review Board members for the next evaluation period
- (3) **October** (annually): Assemble to review end-period evaluation reports. This is approximately a 6 hour meeting that may be conducted over two sessions provided that the same board members attend.
 - (a) Determine the rating/Quality Performance Index (QPI) points for the contract-level Service Summary Items (SSIs)
 - (b) Ensure that the Quality Performance Index (QPI) points awarded by the COTR are in accordance with the SSIs defined in the task orders and this plan
 - (c) Serve as the first order adjudicator to resolve contractor disputes of the COTR-scored SSIs and resulting incentive fee earned

- (d) Determine, via voting, the recommended task order award fee ratings (if applicable)
- (4) **November** (annually): Assemble to review applicable CPAR submissions. This is approximately a 2 hour meeting.
 - (a) Ensure the task order CPAR submissions are consistent with the performance evaluations
 - (b) Make a recommendation to exercise/not exercise the Award Terms at the end of Contract Years 2, 3 and 4; approximately 2 hours

4.6 Procuring Contracting Officer

Applicable to all task orders.

The Procuring Contracting Officer (PCO) is the binding authority between the contractor and Government. The PCOs will modify the contract/task orders to reflect the decisions of the Performance Review Board, Award Fee Determining Official and Award Term Determining Official.

The PCO will:

- (1) Serve as the CPAR Assessing Official (AO)
 - (a) Take the CPARS Overview (two hours) and quality and narrative writing training
 - (b) Ensure overall contract execution, review, sign, and process the CPAR
 - (c) Ensure performance input from program management, technical, functional, quality assurance, contracting and other end users of the product or service is included in the evaluation
 - (d) Ensure CPARs are of the highest quality; all ratings are clearly supported with comprehensive comments and examples
 - (e) Release CPAR to the Contractor
- (2) Execute incentive fee contract actions to authorize payment of interim/final incentive fee earned within five (5) business days after receipt of Performance Review Board Chair's decision memorandum
- (3) Execute award fee contract actions to authorize payment of award fee earned within five (5) business days after receipt of the FDO decision memorandum
- (4) Execute award term contract actions to exercise the award terms within five (5) business days after receipt of the Award Term Determining Official decision memorandum

4.7 Contracting Officer Representatives / Contracting Officer Technical Representatives

Applicable to all task orders.

Contracting Officer Representatives (CORs) and Contracting Officer Technical Representatives (COTRs) serve as the primary performance monitors, providing the day-to-day surveillance of the contractor's performance. The CORs focus primarily on the business systems, and the COTRs focus primarily on the technical products. The combination of COR / COTR expertise provides a comprehensive surveillance team to develop the artifacts detailed below. Surveillance is the foundation of the performance evaluation process.

CORs / COTRs will:

- (1) **Monthly:** Conduct surveillance in accordance with the task order QASP and maintain written records of the contractor's performance that provide specific examples where performance is below or exceeds contract requirements. Participate in monthly feedback meetings with the contractor.
- (2) **April** (annually): Submit the mid-period performance evaluation report that documents the contractor's overall performance, significant accomplishments, areas for improvement, and goals.
 - (a) Recommend and defend, with data, the QPI score(s)
 - (b) Provide substantiating comments that demonstrate that the contractor exceeded performance thresholds in a manner that may result in earning award fee (if applicable)
 - (c) Brief the task order performance evaluation report to the IRES Performance Review Board and support the boards' discussion resulting in scoring recommendation(s)
- (3) **July** (annually): Submit the task order expectations letter and briefing identifying expectations and special focus areas. The COR/COTR may seek contractor's participation in drafting of the letter.
- (4) **October** (annually): Submit the end-period performance evaluation report that documents the contractor's overall performance, significant accomplishments, areas for improvement, and goals.
 - (a) Recommend and defend, with data (if necessary), the QPI score(s)
 - (b) Provide substantiating comments that demonstrate that the contractor exceeded performance thresholds in a manner that may result in earning award fee (if applicable)
 - (c) Brief the task order performance evaluation report to the IRES Performance Review Board and support the boards' discussion resulting in scoring recommendation(s)
- (5) **November** (annually): Coordinate on the annual task order CPAR input within five (5) business days of tasking
- (6) Take annual performance evaluation refresher training.

4.8 General Counsel

Applicable to all task orders.

MDA/GC will:

- (1) Advise the Performance Review Board and AFRB on legal issues relating to board recommendations
- (2) Advise the Functional Services Manager on the legal sufficiency of incentive fee, award fee, and Award Term determinations
- (3) Review contract clauses for legal sufficiency and advise MDA/DAC accordingly

4.9 Contractor Leadership

Applicable to all task orders.

Contractor leadership will be non-voting members of the IRES Performance Review and the Award Fee Review Boards.

5.0 Process Overview

To minimize the administrative burden of executing the performance evaluation process, an integrated process has been developed, as shown in Exhibit 3.

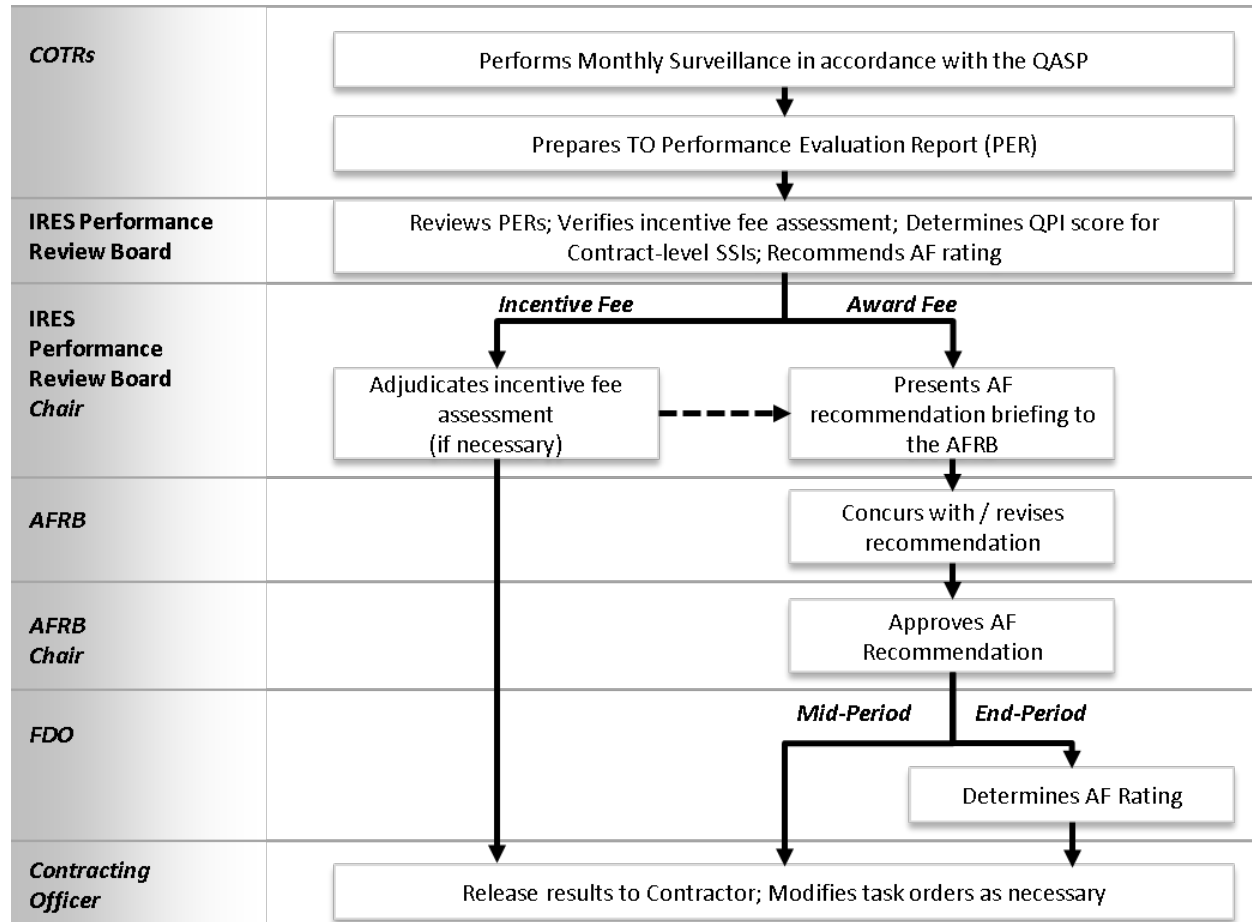


Exhibit 3. Performance Evaluation Process Overview

6.0 Evaluation Periods

All performance assessments will be conducted semi-annually in accordance with the schedule presented in Exhibit 4.

Contract Year	Evaluation period	Start Date*	End Date*	Notes
1	Period # 1a – Mid-Period	1 Feb 2017	31 Jul 2017	IPMR first report through Jun data
Base	Period # 1b – End-Period	1 Aug 2017	31 Jan 2018	IPMR month ending Jul through Dec data
CPAR Assessment 1		1 Feb 2017	31 Jan 2018	Results of Evaluation Periods 1a and 1b
2	Period # 2a – Mid-Period	1 Feb 2018	31 Jul 2018	IPMR month ending Jan through Jun data
Base	Period # 2b – End-Period	1 Aug 2018	31 Jan 2019	IPMR month ending Jul through Dec data
CPAR Assessment 2		1 Feb 2018	31 Jan 2019	Results of Evaluation Periods 2a and 2b
Award Term 1 Assessment [Period 6 eligibility]		1 Aug 2017	31 Jul 2019	Results of CPAR Evaluations 1 and 2
3	Period # 3a – Mid-Period	1 Feb 2019	31 Jul 2019	IPMR month ending Jan through Jun data
Base	Period # 3b – End-Period	1 Aug 2019	31 Jan 2020	IPMR month ending Jul through Dec data
CPAR Assessment 3		1 Feb 2019	31 Jan 2020	Results of Evaluation Periods 3a and 3b
Award Term 2 Assessment [Period 7 eligibility]		1 Oct 2019	31 Aug 2020	Results of CPAR Evaluation Period 3
4	Period # 4a – Mid-Period	1 Feb 2020	31 Jul 2020	IPMR month ending Jan through Jun data
Base	Period # 4b – End-Period	1 Aug 2020	31 Jan 2021	IPMR month ending Jul through Dec data
CPAR Assessment 4		1 Feb 2020	31 Jan 2021	Results of Evaluation Periods 4a and 4b
Award Term 3 Assessment [Period 8 eligibility]		1 Oct 2020	31 Aug 2021	Results of CPAR Evaluation Period 4
5	Period # 5a – Mid-Period	1 Feb 2021	31 Jul 2021	IPMR month ending Jan through Jun data
Base	Period # 5b – End-Period	1 Aug 2021	31 Jan 2022	IPMR month ending Jul through Dec data
CPAR Assessment 5		1 Feb 2021	31 Jan 2022	Results of Evaluation Periods 5a and 5b
6	Period # 6a – Mid-Period	1 Feb 2022	31 Jul 2022	IPMR month ending Jan through Jun data
AT	Period # 6b – End-Period	1 Aug 2022	31 Jan 2023	IPMR month ending Jul through Dec data
CPAR Assessment 6		1 Feb 2022	31 Jan 2023	Results of Evaluation Periods 6a and 6b
7	Period # 7a – Mid-Period	1 Feb 2023	31 Jul 2023	IPMR month ending Jan through Jun data
AT	Period # 7b – End-Period	1 Aug 2023	31 Jan 2024	IPMR month ending Jul through Dec data
CPAR Assessment 7		1 Feb 2023	31 Jan 2024	Results of Evaluation Periods 6a and 6b
8	Period # 8a – Mid-Period	1 Feb 2024	31 Jul 2024	IPMR month ending Jan through Jun data
AT	Period # 8b – End-Period	1 Aug 2024	31 Jan 2025	IPMR month ending Jul through last report
CPAR Assessment 8 [Final Assessment]		1 Feb 2024	31 Jan 2025	Results of Evaluation Periods 8

* Start/end dates to be updated before award

Exhibit 4. Performance Evaluation Periods

Task orders may cross several performance evaluation periods. Incentive fee will be apportioned, and award fee will be allocated, to the period that the work is expected to be performed in. If the planned work schedule changes, the procuring contract officer will:

- Re-align the award fee to the appropriate period.
- Re-apportion the incentive fee to the appropriate period for interim disbursements (note: incentive fee will be apportioned for interim payout only; final cost data will be used to reconcile incentive fee earned).

Note: Fee associated with task orders that start less than 60 days prior to the start of an evaluation period will automatically be allocated into the next evaluation period.

7.0 Quality Assurance Surveillance Plan

7.1 Overview

The objective of establishing task order Quality Assurance Surveillance Plan (QASP) is to ensure that quality products and services are delivered in accordance with the task order requirements.

The QASP is an internal Government document used to determine if the contractor's performance meets the performance standards contained in the task orders. The QASP provides the detailed process for a continuous oversight process:

- What will be monitored
- How monitoring will take place
- Who will conduct the monitoring
- How monitoring efforts and results will be documented

The QASP is based on the premise of prevention, rather than detection of issues, by:

- Providing the contractor with timely, objective performance feedback on how well the Contractor is performing; and
- Identifying areas where improvements are needed.

7.2 Purpose

The contractor is responsible for implementing processes and delivering performance that meets the standards specified in the task order PWS. It is the Government's responsibility to be objective, fair and consistent in evaluating contractor performance.

The task order QASP is a living document; providing flexibility in the QASP is required to allow for an increase or decrease in the level of surveillance necessary based on contractor performance.

Bottom line, the QASP should facilitate early identification and resolution of performance issues to minimize impact on mission performance.

7.3 Authority

Authority for issuance/use of a QASP is provided under Part 46 of the Federal Acquisition Regulation, Inspection of Services clauses, which provides for inspection, acceptance and documentation of the service(s) called for in the contract or order. This acceptance is to be executed by the procuring contracting officer or a duly authorized representative.

7.4 Organization

The Contracting Officer Technical Representative (COTR) has primary responsibility for providing task order surveillance. The Procuring Contracting Officer, IRES Performance Evaluation Administrator and the IRES Performance Review Board provide oversight to ensure reviews are consistent with the plan.

7.5 Roles and Responsibilities

Reference Section 4.0 for Government roles and responsibilities.

Contractor Role and Responsibilities. The contractor shall develop and maintain a quality program to ensure services are performed in accordance with commonly accepted commercial practices for this task. The contractor shall develop and implement procedures to identify and prevent defective services from recurring.

7.6 Monthly Surveillance Process

The monthly surveillance and adjudication process is shown in Exhibit 5.

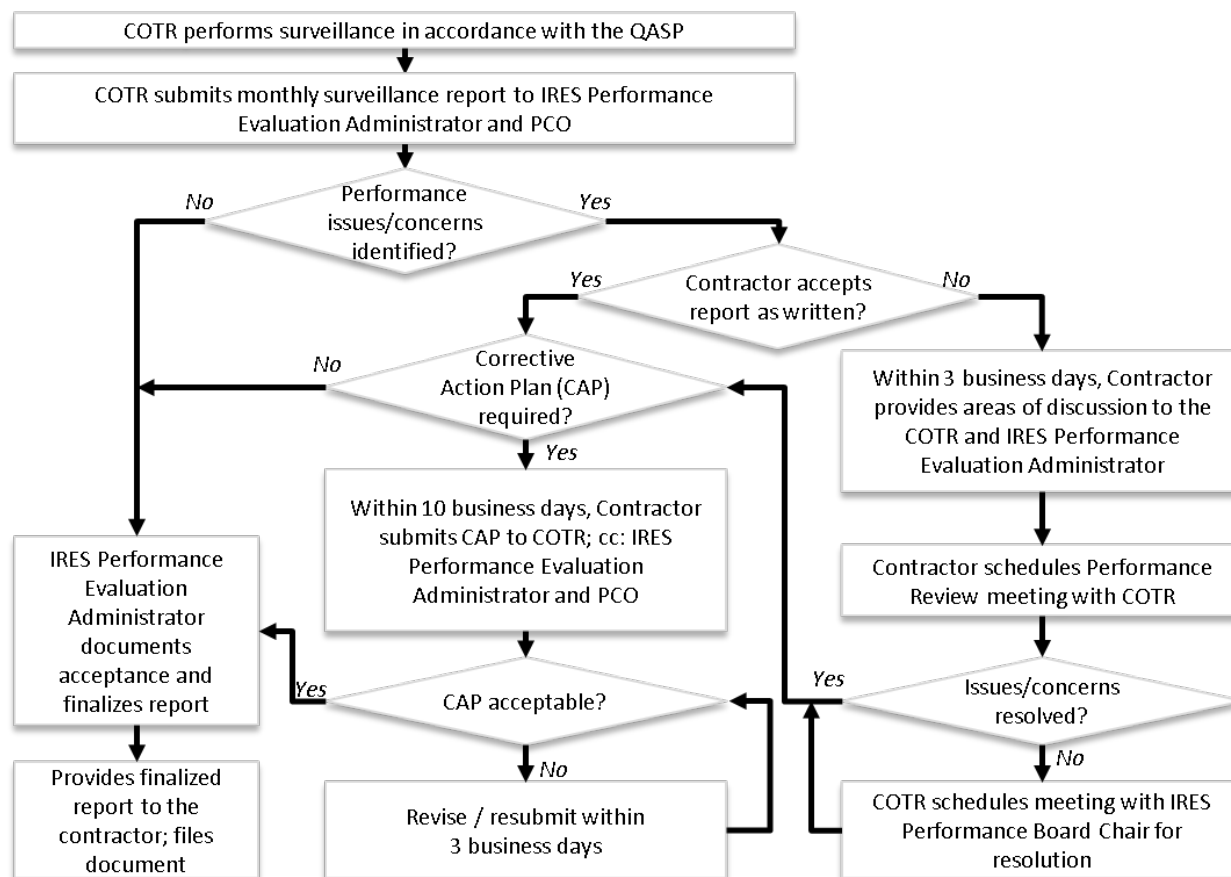


Exhibit 5. Monthly Surveillance and Adjudication Process

7.6.1 Performance Review Meetings

If necessary or desired by the COTR or Contractor team, monthly meetings will be conducted to discuss QASP results, metrics, and the relevance/potential impact to performance. These meetings may also be used to review and adjust the QASP.

7.6.2 Acceptance/Certification of Reports

The Contractor has three (3) business days to identify and document concerns, issues or discrepancies to the IRES Performance Evaluation Administrator. If the concerns, issues or discrepancies cannot be resolved, the IRES Performance Evaluation Administrator will elevate the report to the Chair. The Chair is the final adjudication official. If the Contractor has no issues, the report is considered accurate and final as provided to the Contractor.

7.7 Surveillance Methods

Various methods exist to monitor performance. The COTR shall use the surveillance methods listed below in the administration of the task order QASP.

- a. **Direct Observation.** Can be performed periodically or through 100% surveillance.
- b. **Management Information System (MIS).** Evaluates outputs through the use of management information reports. Best used for general surveillance and may need to be supplemented by periodic inspections.
- c. **Periodic Inspection.** Uses a comprehensive evaluation of selected outputs. Inspections may be scheduled [Daily, Weekly, Monthly, Quarterly, or annually] or unscheduled, as required.
- d. **User Survey.** Combines elements of validated user complaints and random sampling. Random survey is conducted to solicit user satisfaction. Appropriate for high quantity activities that have historically been satisfactory. May also generate periodic and 100% inspections.
- e. **Validated User/Customer Complaints.** Relies on the user of the service to identify deficiencies. Complaints are then investigated and validated. Highly applicable to services provided in quantity and where quality is highly subjective.
- f. **100% Inspection.** Evaluates all outputs. Most applicable to small quantity, but highly important services. May be used where there are written deliverables and stringent requirements such as tasks required by law, safety, or security.
- g. **Periodic Sampling.** Variation of random sampling. However, sample is only taken when a deficiency is suspected. Good follow-up to MIS analysis. Sample results are applicable only for the specific work inspected. Since sample is not entirely random, it cannot be applied to total activity performance.
- h. **Random Sampling.** Designed to evaluate the outputs of the award requirement by randomly selecting and inspecting a statistically significant sample. Highly recommended for large quantity repetitive activities with objective and measurable quality attributes.

8.0 Service Summary Items

8.1 Overview

Although the contract allows for the flexibility of any contract type and incentive structure at the task order level, with appropriate approval, cost plus incentive fee (CPIF) and fixed price incentive firm (FPIF) are the anticipated predominant contract types. Task orders with an award fee component will also include an incentive fee component. Service Summary Items (SSIs) capture the performance elements of the contract and task order that will impact the fee earned. Exhibit 6 provides the service summary items and minimum weighting constraints applicable to all incentive task orders issued under the IRES contract; SSI descriptions, performance thresholds and surveillance methods are provided in Attachment 2.

SSIs 1 through 4 are common and required on all task orders and will be assessed at the contract level (i.e., all task orders will receive the same rating for these SSIs). The Performance Review Board is responsible for assigning the ratings for SSIs 1 through 4.

SSI 5 (through *n*) [Technical Performance] will capture the specific task order Service Summary Items deemed essential to successful (satisfactory) execution of the task order. COTRs for the specific task orders are responsible for defining and assigning ratings for SSI 5 through *n*.

Service Summary Items will be incorporated into Section 4 of every incentive task order.

SSI #	Title	Descriptions	Weight
SSI 1	Integration	Task order activities / requirements are coordinated / deconflicted with other task orders to meet negotiated schedules. Contract / Task order schedules provides a realistic performance baseline that allows for early identification and mitigation of risk.	10%
SSI 2	Small Business Utilization	On track to meet or exceed all goals established in the Small Business Participation and Commitment Plan.	5%
SSI 3	Customer Satisfaction	'Customer' is defined as any service provider or user of the products and services delivered under the task order.	5%
SSI 4	CDRL / Proposal Timeliness	CDRLs, proposals and milestones are delivered / accomplished in accordance with the agreed to timeline and specifications.	5%
SSI 5	Technical Performance	To be developed / defined using the performance measures proposed by the contractor.	No greater than 75%

Exhibit 6. Service Summary Items (SSIs) and Weighting Constraints

8.2 Corrective Plan Responses for Unsatisfactory QPI Ratings

In the event the contractor receives of a QPI rating in the unacceptable range in any SSI, the Contractor shall, no later than ten (10) calendar days subsequent to notification thereof, submit a formal plan of action for remedy of the deficiencies, omissions, or non-compliances noted to the PCO, with a copy to the Government Functional Services Manager and Task Order Lead.

8.3 QPI Corrective Action Reports (CAR)

In the event a task order receives a cumulative QPI rating less than 50, a CAR will be issued. In the event two (2) or more task orders receive unsatisfactory QPI rating less than 50 within an evaluation period (reference exhibit 4), all task order QPI ratings will be reduced by 5 percentage points.

9.0 Incentive Fee and Quality Performance

9.1 Overview

The goal of using incentive fee is to reward the contractor for efficiently delivering quality products and services. Efficiency is measured by providing the products and services for less than the target cost; quality is measured by providing the products and services at the specified performance level. Rather than having a separate pool for the performance incentive, this plan

implements a scale whereby the target fee—after adjustment for overruns or underruns—is decremented for delivery of products and services below the specified performance levels.

9.2 Organization

The organization that provides oversight of performance on incentive fee task orders includes: IRES Performance Evaluation Administrator, Contracting Officer Technical Representatives, and the IRES Performance Board.

9.3 Roles and Responsibilities

Reference Section 4.0 for Government roles and responsibilities.

Contractor Role and Responsibilities. The contractor may identify two members to serve on the board; contractor representatives are non-voting members to the IRES Performance Review Board, and is encouraged to participate in all Performance Review Board meetings.

9.4 Evaluation: Quality Performance Index

The target fee—after adjustment for overruns or underruns—will be adjusted to reflect the Quality Performance Index (QPI) score. The QPI system allocates 100 points to the SSIs according to the relative importance of the specific tasks in the Task Order Performance Work Statements (PWS).

At the end of each performance evaluation period, the Performance Review Board will score the contract-level SSIs and the Contracting Officer Technical Representative will score the task order technical SSIs. The Performance Review Board will scrutinize the scoring to ensure compliance with the evaluation plan and task order QASP. SSI weights are subject to the constraints described in Exhibit 6.

9.5 Cost Incentive Elements

9.5.1 Fixed Price Incentive Firm Target (FPIF)

The primary negotiated elements of FPIF task orders and task order line items are as follows:

- **Target Cost:** The negotiated estimated cost. Note: the target cost will be the sum of the Services/Solutions and Expensed Contractor Acquired Property (CAP) contract line item numbers (CLINs) (e.g., task order [TO] CLINs x001 + x002 + x003 + x004).
- **Target Profit:** The amount of profit the contractor will earn if the contractor delivers required products and/or services at the target cost.
- **Target Price:** The sum of target cost and target profit.
- **Ceiling Price:** The maximum that may be paid to the contract, except for any adjustment under other contract clauses.
- **Profit Adjustment Formula / Share Ratios:** The formula that is used to adjust profit based on the variance of the final negotiated cost from the target cost.

9.5.2 Cost Plus Incentive Fee (CPIF)

The primary elements of CPIF task orders and task order line items are as follows:

- **Target Cost:** The negotiated estimated cost. Note: the target cost will be the sum of the Services/Solutions and Expensed CAP CLINs (e.g., TO CLINs x001 + x002 + x003 + x004).

- **Target Fee:** The amount of fee the contractor will earn if the contractor delivers required products and/or services at the target cost.
- **Total Target Cost + Fee:** The sum of target cost and target fee.
- **Minimum Fee:** The minimum fee that will be earned regardless of actual cost incurred.
- **Maximum Fee:** The maximum fee that will be earned regardless of actual cost incurred.
- **Fee Adjustment Formula / Share Ratios:** The formula that is used to adjust fee based on the variance of the final total allowable cost from the target cost.

Note: Expensed CAP CLINs X002, X003, and/or X004) were created as an accounting mechanism designed to provide MDA better visibility and linkage of budget, obligation and expenditure data on contractor acquired property (hardware, software, and facilities-related equipment). Given the Agency's need for this level of visibility/linkage, as well as the need to include these costs as an integral component of the cost and performance incentive, the target costs associated with these line items (CLINs X002, X003, and X004) will be added to the target cost of the Services/Solutions line item (CLIN X001) for the purpose of administering the incentive. The target profit/fee associated with these line items (CLINs X002, X003, and X004) will be included in the target profit/fee of the Services/Solutions line item (CLIN X001) for the purpose of administering the incentive.

9.6 Adjustments

9.6.1 Adjustments to the Share Ratios based on Quality Performance Index Score

To incentivize the contractor to efficiently deliver quality products and services, the share ratio will be increased in the contractor's favor by 5% if the contractor receives a QPI score of 90 or greater (e.g., negotiated share ratio is 50% government/50% contractor for both underruns and overruns; in the event of a QPI score of 91, the underrun share ratio will be = 45% government/55% contractor and the overrun share ratio will be 55% government/45% contractor).

If the QPI score is less than 50, the share ratio will be increased in the government's favor by 5% (e.g., negotiated share ratio is 50% government/50% contractor for both underruns and overruns; in the event of a QPI score less than 50, the underrun share ratio is 55% government/45% contractor and the overrun share ratio is 45% government/55% contractor).

Share ratio adjustments will be determined upon calculation of the Final Quality Performance Index (paragraph 9.10.1).

9.6.2 Adjustments to the Total Potential Fee/Profit based on QPI Score

The total potential fee/profit will be adjusted by multiplying the negotiated target fee/profit plus or minus underrun/overrun share amount by the quality performance index (QPI); a QPI score of 100 means no adjustment is necessary, the contractor earns target fee plus/minus underrun/overrun shares.

9.7 Sample Incentive Fee Calculations

Exhibit 7 provides sample calculations for fixed price incentive firm (FPIF) task orders and Exhibit 8 provides sample calculations for cost plus incentive fee (CPIF) task orders, illustrating how the QPI score impacts the fee earned.

Conditions / Assumptions			
Target Cost	\$	1,000,000	
Ceiling Price	\$	1,200,000	
Target Profit	\$	100,000	
Under Target Share Ratio (Government / Contractor)		50 / 50	
Over Target Share Ratio (Government / Contractor)		50 / 50	
QPI Score = 100%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	55.0%		
Overrun Share Ratio, Contractor			45.0%
Underrun Cost Share	\$ 55,000		
Overrun Cost Share			\$ (45,000)
Target Profit	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Profit	\$ 155,000	\$ 100,000	\$ 55,000
QPI Score Adjustment Applied to Total Potential Profit	\$ 155,000	\$ 100,000	\$ 55,000
Ceiling Price Adjustment	Not Applicable	Not Applicable	Not Applicable
Total Final Price	\$ 1,055,000	\$ 1,100,000	\$ 1,155,000
Final Contract Profit	17.2%	10.0%	5.0%
QPI Score = 80%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	50.0%		
Overrun Share Ratio, Contractor			50.0%
Underrun Cost Share	\$ 50,000		
Overrun Cost Share			\$ (50,000)
Target Profit	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Profit	\$ 150,000	\$ 100,000	\$ 50,000
QPI Score Adjustment Applied to Total Potential Profit	\$ 120,000	\$ 80,000	\$ 40,000
Ceiling Price Adjustment	Not Applicable	Not Applicable	Not Applicable
Total Final Price	\$ 1,020,000	\$ 1,080,000	\$ 1,140,000
Final Contract Profit	13.3%	8.0%	3.6%
QPI Score = 45%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	45.0%		
Overrun Share Ratio, Contractor			55.0%
Underrun Cost Share	\$ 45,000		
Overrun Cost Share			\$ (55,000)
Target Profit	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Profit	\$ 145,000	\$ 100,000	\$ 45,000
QPI Score Adjustment Applied to Total Potential Profit	\$ 65,250	\$ 45,000	\$ 20,250
Ceiling Price Adjustment	Not Applicable	Not Applicable	Not Applicable
Total Final Price	\$ 965,250	\$ 1,045,000	\$ 1,120,250
Final Contract Profit	7.3%	4.5%	1.8%

Exhibit 7. Sample Fixed Price Incentive Firm Calculation

Conditions / Assumptions			
Target Cost	\$	1,000,000	
Target Fee	\$	100,000	
Minimum Fee	\$	50,000	
Maximum Fee	\$	200,000	
Under Target Share Ratio (Government / Contractor)		50 / 50	
Over Target Share Ratio (Government / Contractor)		50 / 50	
QPI Score = 100%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	55.0%		
Overrun Share Ratio, Contractor			45.0%
Underrun Cost Share	\$ 55,000		
Overrun Cost Share			\$ (45,000)
Target Fee	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Fee	\$ 155,000	\$ 100,000	\$ 55,000
QPI Score Adjustment Applied to Total Potential Fee	\$ 155,000	\$ 100,000	\$ 55,000
<i>Minimum / Maximum Fee Adjustment</i>	Not Applicable	Not Applicable	Not Applicable
Total Final Price	\$ 1,055,000	\$ 1,100,000	\$ 1,155,000
Final Contract Fee Percent Earned	17.2%	10.0%	5.0%
QPI Score = 80%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	50.0%		
Overrun Share Ratio, Contractor			50.0%
Underrun Cost Share	\$ 50,000		
Overrun Cost Share			\$ (50,000)
Target Fee	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Fee	\$ 150,000	\$ 100,000	\$ 50,000
QPI Score Adjustment Applied to Total Potential Fee	\$ 120,000	\$ 80,000	\$ 40,000
<i>Minimum / Maximum Fee Adjustment</i>	Not Applicable	Not Applicable	\$ 10,000
Total Final Price	\$ 1,020,000	\$ 1,080,000	\$ 1,150,000
Final Contract Fee Percent Earned	13.3%	8.0%	4.5%
QPI Score = 45%	Under-run	On Cost	Over-run
Actual Contractor Cost	\$ 900,000	\$ 1,000,000	\$ 1,100,000
Cost Underrun	\$ 100,000		
Cost Overrun			\$ 100,000
Adjustments to Shared Fee based on QPI Score			
Underrun Share Ratio, Contractor	45.0%		
Overrun Share Ratio, Contractor			55.0%
Underrun Cost Share	\$ 45,000		
Overrun Cost Share			\$ (55,000)
Target Fee	\$ 100,000	\$ 100,000	\$ 100,000
Total Potential Fee	\$ 145,000	\$ 100,000	\$ 45,000
QPI Score Adjustment Applied to Total Potential Fee	\$ 65,250	\$ 45,000	\$ 20,250
<i>Minimum / Maximum Fee Adjustment</i>	Not Applicable	\$ 5,000	\$ 29,750
Total Final Price	\$ 965,250	\$ 1,045,000	\$ 1,150,000
Final Contract Fee Percent Earned	7.3%	5.0%	4.5%

Exhibit 8. Sample Cost Plus Incentive Firm Calculation

9.8 Data for Determining Underrun/Overrun Status for Interim Evaluations

The most recent contractor's cost performance report (IPMR) data posted as of the close of the evaluation period will be used to determine the cumulative cost performance index (CPI) and schedule performance index (SPI). The average of the six-month cumulative CPI and SPI will be used to determine the contractor's underrun/overrun status for an evaluation period. The sum of the Services/Solutions and Expensed CAP CLINs x001 + x002 + x003 will be used in the six-month cumulative SPI/CPI calculation.

Calculation:

$$Status = \frac{CPI_{6\text{ month cum}} + SPI_{6\text{ month cum}}}{2}$$

A 6 month cumulative CPI/SPI average of 0.95 to 1.05 will be considered to be on cost.

9.9 Target Fee/Profit Amounts

In order to accomplish interim fee/profit pay-outs, target cost and target fee/profit will be allocated to the evaluation periods defined in Exhibit 4 of this document.

Interim fee/profit pay-outs will be adjusted in accordance with paragraph 9.6.2 and 9.8 of this document. For example, assuming a CPI/SPI average of 0.95 to 1.05:

- QPI assessment 1 score = 100; interim fee/profit = target fee/profit invoiced until the next performance assessment
- QPI assessment 2 score = 90; interim fee/profit = 90% of target fee/profit invoiced until the next performance assessment
- QPI assessment 3 score = 80; interim fee/profit = 80% target fee/profit invoiced until the next performance assessment

9.10 Final Task Order Performance Evaluation

9.10.1 Final Quality Performance Index

The final task order performance evaluation will be the average of all QPI ratings assessed on task order; all ratings and all evaluation periods are equally weighted.

Calculation:

$$TO\ Final\ QPI\ Rating = \frac{QPI\ Rating\ 1 + QPI\ Rating\ 2 + QPI\ Rating\ n}{n}$$

9.10.2 Data for Determining Final Underrun/Overrun Shares

The final QPI rating will be determined upon contractor submission and Government acceptance of the final Wide Area Workflow (WAWF) receiving report (or equivalent). The final underrun/overrun status will be based on actual allowable cost of work performed; the final underrun/overrun share calculation will be consistent with calculation methodology applied for interim determinations, Section 9.5.

9.10.3 Final Task Order Payment

The total final price on all FPIF task orders is subject to adjustments in accordance with FAR 52.216.16, *Incentive Price Revision—Firm Target*, and performance assessments conducted in accordance with the IRES Performance Evaluation and Incentive Plan. The fee payable under all CPIF task orders is subject to adjustments in accordance with FAR 52.216.10, *Incentive Fee*, and performance assessments conducted in accordance with the IRES Performance Evaluation and Incentive Plan.

10.0 Award Fee Evaluation

10.1 Overview

The award fee evaluation works with/complements the incentive fee component. AF will only be used with other contract types (e.g., CPIF/AF, FPIF/AF, and FFP/AF) and will not be the predominant contract (or CLIN) type. The AF pool will not exceed 50% of the combined incentive fee/profit. The objective measures of the incentive fee ensure the Government is delivered acceptable or better products and services; but not all task order requirements can be objectively incentivized. The subjective measures of the award fee incentivizes the contractor to deliver products and services that are of exceptional quality and of value to the Government that cannot be objectively measured.

The methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government (reference the Federal Acquisition Regulation (FAR) Subpart 16.4).

The contractor may receive award fee for task orders receiving evaluative ratings of Good or higher. Task orders receiving an evaluation of satisfactory or less will result in zero award fee; satisfactory performance is rewarded with incentive fee.

Award fee is earned on a positive fee scale with a zero base fee whereby the available award fee pool for a period must be earned rather than decremented for non-performance. The plan emphasizes rewarding results and provides the contractor an incentive to exceed contract requirements that are deemed beneficial to the Government.

Award fee elements and weights will be defined by stakeholders and COTRs prior to task order start.

At any time prior to the start of an evaluation period (reference Exhibit 4), the Government may unilaterally modify the evaluation areas and weights, the evaluation criteria and standards, or the evaluation periods. Once an evaluation period has commenced, changes in the evaluation areas and weights, the evaluation criteria and standards, or the evaluation period will be made only upon mutual agreement between the Government and the contractor.

10.2 Organization

The award fee organization includes: IRES Performance Evaluation Administrator, Contracting Officer Technical Representatives, the IRES Performance Board, the Award Fee Review Board, and the Fee Determining Official.

10.3 Roles and Responsibilities

Reference Section 4.0 for Government roles and responsibilities.

Contractor Role and Responsibilities. The contractor program manager is a non-voting member of the Award Fee Review Board. The contractor will also assist in the development of the task order-level and contract-level expectations letter and briefing.

10.4 Expectations Letter

Task Order-Level Expectations Letter: a letter, developed by the COTR and COR, detailing expectations of performance for the next award fee period. The expectations letter(s) will be signed by the FDO and presented to the contractor no later than 15 calendar days prior to the start of the period. The expectations letter will:

- Contain criteria that clearly define MDA's expectations of the Contractor.
- Identify special focus areas for the applicable award fee period.
- Outline the percentage of total AF that will be available for each performance element and sub-element.

10.5 Award Fee Pool Amounts

Each time a task order with an award fee component is implemented on this contract, the award fee pool amount will be designated. A minimum of forty percent (40%) of the award fee pool will be reserved for the final evaluation period. The remainder of the award fee pool amount will be distributed to the evaluation periods defined in Section 6.0 based on anticipated performance of the associated work.

10.6 Performance Criteria, Standards and Ratings

Contractor performance for award fee will be assessed in each of the evaluation elements identified in Section 10.9. A percentage point rating is used by performance monitors and the AFRB to make their recommendation to the FDO. General performance definitions and percent of award fee pool eligible for award are provided in Exhibit 9.

10.7 Calculation Methodology

Exhibit 9 provides a sample calculation for award fee.

Assumptions

Total Task Order Award Fee, entire period of performance = \$100,000

4 year period of performance

Evaluation Period	Period 1	Period 2	Period 3	Period 4	Total Pool / Earned
AF Pool	\$ 15,000	\$ 15,000	\$ 30,000	\$ 40,000	\$ 100,000
AF Rating	50	90	70	70	
Performance Standard	Satisfactory	Excellent	Good	Good	
AF Earned	\$ -	\$ 13,500	\$ 21,000	\$ 28,000	\$ 62,500

Exhibit 9. Sample Award Fee Calculation

10.8 Unearned Award Fee

Unearned award fee cannot be rolled over to subsequent evaluation periods. Excess award fee funding will be deobligated from the award fee line items.

Performance Standard Rating	AF Rating	Award Fee Pool Eligible	Rating Definition
Unsatisfactory	0	0%	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 AF plan and expectations letter for the AF evaluation period.
Satisfactory	1 - 50	0%	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 AF plan and expectations letter for the AF evaluation period.
Good	51 - 75	51%-75%	Contractor has exceeded some of the significant AF 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 AF plan and expectations letter for the AF evaluation period.
Very Good	76 - 90	76%-90%	Contractor has exceeded many of the significant AF 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 AF plan and expectations letter for the AF evaluation period.
Excellent	91 - 100	91%-100%	Contractor has exceeded almost all of the significant AF 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 AF plan and expectations letter for the AF evaluation period.
Performance Standard Rating will be rounded to the nearest whole number. Percentage of award fee pool earned will be rounded to 1 decimal place; actual award fee dollars earned will be rounded to nearest whole dollar.			

Exhibit 10. General Award Fee Performance Definitions

11.0 Contractor Performance Assessment Report

11.1 Overview

The Contractor Performance Assessment Report (CPAR) assesses a contractor's performance, both positive and negative, and provides a record on a given contract during a specified period of time.

Interim Contractor Performance Assessment Reports (CPARs) for each task order will be loaded into the DoD CPAR System (CPARS) annually. A final CPAR for each task order will be prepared and entered into CPARS within 90 days after final determination of SSI and award fee ratings (reference Sections 9 and 10).

11.2 Organization

The organization responsible for completing the task order CPARs consist of: IRES Performance Evaluation Administrator (serving as the Assessing Official Representative (AOR)), Contracting Officer Technical Representatives, Procuring Contracting Officer (serving as the Assessing Official (AO)), IRES Functional Services Manager (serving as the Reviewing Official (RO)), and the Contractor.

11.3 Roles and Responsibilities

Reference Section 4.0 for Government roles and responsibilities.

Contractor Role and Responsibilities. The contractor shall identify a representative that has the corporate authority to review, provide comments, sign and complete the CPAR in the CPARS database.

11.4 Process

The process to develop and review task order CPARs is shown in Exhibit 11.

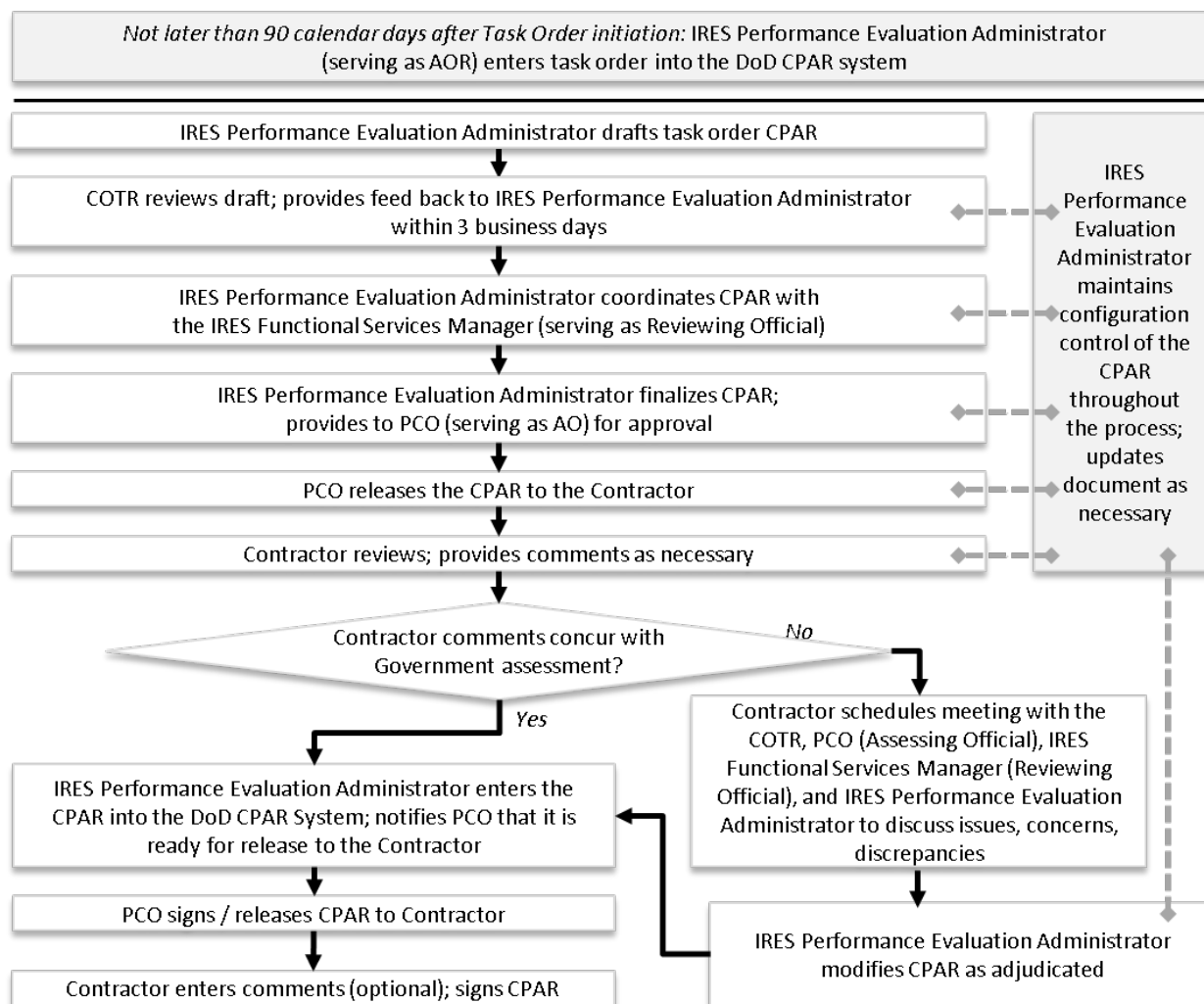


Exhibit 11. IRES CPAR Development and Review Process

12.0 Award Term Determination

12.1 Overview

Successful performance of the contractor in meeting the award term criteria may result in earning up to three one-year award terms.

These award terms are not part of the contract until the Award Term Determining Official (ATDO) unilaterally determines eligibility and need. The Government has no obligation to place orders during the award terms; the award terms do not have a guaranteed minimum ordering value. All ATDO determinations pertaining in any way to the procedure, process, and/or decision/determination shall not be subject to the “disputes” clause nor reviewed by any board of contract appeal, court, or other judicial entity. If the contractor achieves the required ratings, the Government may unilaterally extend the ordering period. The award term determination decision points and resulting ordering periods are shown in Exhibit 12.

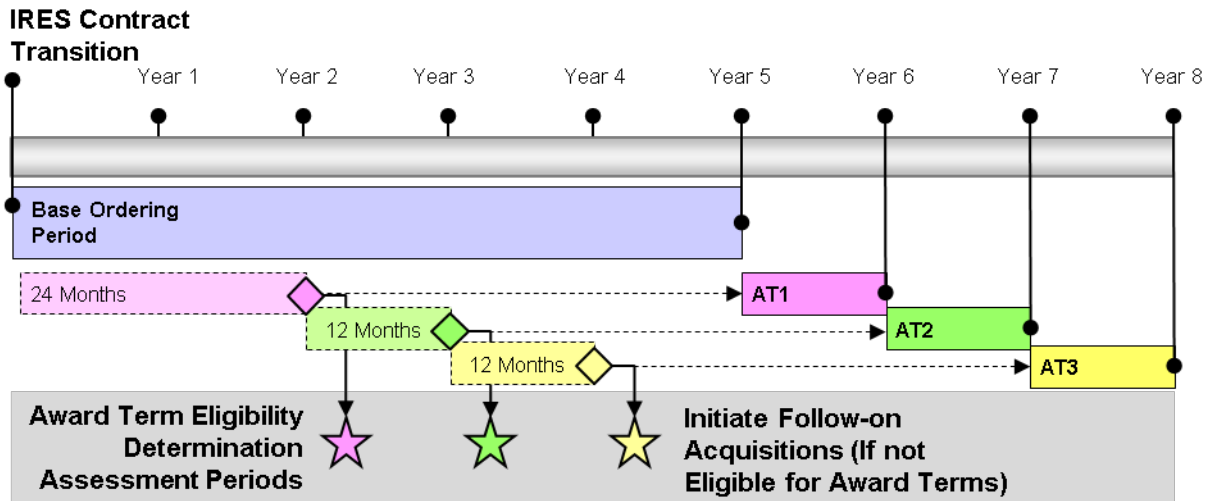


Exhibit 12. Award Term Determination Decision Points

12.2 Organization

The organization responsible for supporting the award term determination consists of: IRES Performance Evaluation Administrator, IRES Performance Evaluation Review Board, Procuring Contracting Officer and the Award Term Determining Official (ATDO).

12.3 Roles and Responsibilities

Reference Section 4.0 for Government roles and responsibilities.

12.4 Evaluation Factors

The award term evaluation and recommendation, as determined by the ATDO, shall be based upon task order CPAR documentation. The CPAR data from eligible task orders will be compiled, ratings quantified and averaged, resulting in an award term rating for three factors:

- Factor 1 = CPAR evaluation factors: quality; schedule; cost control; management; and regulatory.
- Factor 2 = CPAR evaluation factor: small business utilization
- Factor 3 = CPAR assessing official recommendation (Given what I know today about the Contractor's ability to execute what they promised in their proposal, I

definitely [**WOULD/WOULD NOT**] award to them today given that I had a choice.)

All task orders are equally weighted, ensuring performance on all task orders, regardless of magnitude, contributes to the ATDO determination.

12.5 Eligibility Requirements

The contractor meeting or exceeding the eligibility requirements for all factors is a precursor to a unilateral Government decision to exercise the award term; failure to meet/exceed a factor will render the contractor ineligible for the award term.

12.5.1 Award Term 1

Assessment Period:	Contract year 1 and 2 (includes transition period)
Assessment Data:	All task order CPARs released to the contractor between contract inception and the end of contract year 2 plus 45 days.
Decision Point:	Contract year 2 end plus 60 days
Eligibility Requirements:	<p>Factor 1: An average score of 3.0 or above on CPAR evaluation factors: quality; schedule; cost control; management and regulatory</p> <p>Factor 2: An average score of 3.0 or above on CPAR evaluation factor small business utilization</p> <p>Factor 3: An average score of 3.5 or above on CPAR assessing official recommendations</p>
Performance Period Earned:	Contract year 6

Note: If performance does not meet award term 1 eligibility requirements, the contractor may still earn award term 2 if their performance over the award term 2 assessment period meets/exceeds award term 2 eligibility requirements. In the case of award term 1 not being exercised and award term 2 being exercised, the performance period for award term 2 will be contract year 6.

12.5.2 Award Term 2

Assessment Period:	Contract year 3
Assessment Data:	All task order CPARs released to the contractor between the end of contract year 2 plus 46 days and the end of contract year 3 plus 45 days. CPARs used in determining eligibility for award term 1 will not be used in determining eligibility for award term 2.
Decision Point:	Contract year 3 end plus 60 days

Eligibility Requirements:

Factor 1:	An average score of 3.25 or above on CPAR evaluation factors: quality; schedule; cost control; management and regulatory
Factor 2:	An average score of 3.25 or above on CPAR evaluation factor small business utilization
Factor 3:	An average score of 3.75 or above on CPAR assessing official recommendations

Performance Period Earned: Contract year 7

Note: The contractor must meet eligibility requirements for either award term 1 or award term 2 to be eligible for award term 3.

12.5.3 Award Term 3

Assessment Period: Contract year 4

Assessment Data: All task order CPARs released to the contractor between the end of contract year 3 plus 46 days and the end of contract year 4 plus 45 days. CPARs used in determining eligibility for award term 2 will not be used in determining eligibility for award term 3.

Decision Point: Contract year 4 end plus 60 days

Eligibility requirements:

Factor 1:	An average score of 3.5 or above on CPAR evaluation factors: quality; schedule; cost control; management and regulatory compliance
Factor 2:	An average score of 3.5 or above on CPAR evaluation factor small business utilization
Factor 3:	An average score of 4.0 or above on CPAR assessing official recommendations

Performance Period Earned: Contract year 8

12.6 Calculation Methodology

To determine the average rating of the task order CPARs for Factors 1 and 2, the following schema will be used to convert the adjectival rating to numeric values:

N/A	=	Not Applicable; not included in assessment
Unsatisfactory	=	0
Marginal	=	2
Satisfactory	=	3
Very Good	=	4
Exceptional	=	5

To determine the average rating of the task order CPARs for Factor 3, following schema will be used to convert the assessing officials' recommendation to numeric values:

Definitely Would Not = 0

Definitely Would = 5

Factor 1 rating = Sum of task order ratings on CPAR evaluation factors: quality; schedule; cost control; management and regulatory divided by number of task orders assessed.

$$\frac{\sum CPAR \left[\begin{array}{c} \text{Quality} + \\ \text{Schedule} + \\ \text{Cost Control} + \\ \text{Management} + \\ \text{Regulatory Compliance} \end{array} \right] ratings}{\text{Total Number of Task Orders CPAR Factors Assessed}}$$

Factor 2 rating = Sum of task order ratings on CPAR evaluation factor small business utilization divided by number of task orders assessed.

$$\frac{\sum CPAR [\text{Small Business Utilization}] ratings}{\text{Total Number of Task Orders Assessed}}$$

Small Business Utilization rating definitions:

Unsatisfactory	Marginal	Satisfactory	Very Good	Exceptional
Contractor fails to meet the small business (SB) goal in the SB Participation and Commitment Plan.	Contractor meets the SB goal, but meets less than 25% of the SB subcategory goals in the SB Participation and Commitment Plan.	Contractor meets the SB goal, and meets greater than 25% but less than 50% of the SB subcategory goals in the SB Participation and Commitment Plan.	Contractor meets the SB goal and meets 50% or more of the SB subcategory goals in the SB Participation and Commitment Plan.	Contractor exceeds the SB goal and exceeds 50% or greater of the SB subcategory goals in the SB Participation and Commitment Plan.

Factor 3 rating = Sum of task order CPAR assessing official recommendations divided by number of task orders assessed.

$$\frac{\sum CPAR [\text{Assessing Official Recommendation}] ratings}{\text{Total Number of Task Orders Assessed}}$$

13.0 Performance Evaluation Integrity

Every effort will be made to ensure the performance evaluation process is reasonable and fair. The written records of the IRES Performance Evaluation Administrator, Contracting Officer Technical Representatives, the IRES Performance Board, the Award Fee Review Board, the Fee Determining Official, and the Award Term Determining Official, and the inputs from other pertinent sources, provide the checks and balances necessary to ensure evaluation integrity.

14.0 Performance Evaluation/Incentive Plan Changes

The Government may unilaterally change any internal Government processes and responsibilities described in this plan at any time. The Government may unilaterally modify the overarching evaluation and incentive approach/process, including the evaluation periods, as well as task order award fee evaluation areas/weights by providing written notice to the Contractor prior to the beginning of an evaluation period (reference Exhibit 4). Any modification of the overarching evaluation and incentive approach/process, including the evaluation periods, as well as task order incentive or award fee evaluation areas/weights after the start of the evaluation period requires mutual agreement of the contracting parties.

Award term eligibility criteria cannot be modified, but they may be clarified as determined necessary by the Government.

This plan will be reviewed annually by the IRES Performance Review Board's July meeting.

15.0 Termination

In the event of termination for convenience of this contract or a task order, the evaluation period in which termination occurs will end at the termination date and the Performance Evaluation/Incentive process will be conducted normally as at the end of a period.

In the event of a termination for default, fee is payable only to the extent earned through the last period prior to termination.

16.0 Attachments

Attachment 1 – Board Memberships

Attachment 2 – Service Summary Item Performance Description, Weight and Surveillance Method

Attachment 1 – Board Memberships

Performance Review Board

Voting Members

- IRES Functional Services Manager (Chair)
- IRES Performance Review Board Administrator (Vice Chair)
- Contracting Officers Representative (COR) (2 CORs to be appointed)
- Procuring Contracting Officer (PCO) (2 PCOs to be appointed)
- Contracting Officers Technical Representative (COTR) (6 COTRs to be appointed)

Non-voting, Contractor Representatives

- Program Manager
- Deputy Program Manager

Advisors

- General Counsel, MDA/GC
 - IRES PCOs and CORs not directly appointed to the board
 - MDA/DOV representative
-

Award Fee Review Board

Voting Members

- IRES Functional Services Manager (Chair)
- IRES Performance Review Board Administrator
- Stakeholder Representatives (one each)

Non-voting, Contractor Representatives

- Program Manager
- Deputy Program Manager

Advisors

- General Counsel, MDA/GC
- IRES PCOs
- IRES Performance Review Board Administrator
- MDA/DOV Representative

Attachment 2 – Service Summary Item Performance Description, Weight and Surveillance Method

SSI #	Title	Description	Performance Threshold UNACCEPTABLE	Performance Threshold ACCEPTABLE	Performance Threshold OBJECTIVE	Weight	Assessment Method
SSI 1	Integration	Task order activities / requirements are coordinated / deconflicted with other task orders to meet negotiated schedules. Contract / Task order schedules provides a realistic performance baseline that allows for early identification and mitigation of risk.	The integrated master schedule (IMS) is not resource loaded and critical path does not identify external task order or contract dependencies.	The IMS is resource loaded but critical path does not identify external task order or contract dependencies.	The IMS is resource loaded and critical path identifies external task order and contract dependencies	10% 10 QPI	EVM Program Analyst: review of the task order schedule(s) and the IMS.
			QPI Score = 0	QPI Score = 5	QPI Score = 10		
SSI 2	Small Business Utilization	On track to meet or exceed all goals established in the Small Business (SB) Participation and Commitment Plan.	Contractor fails to meet the SB goal in the SB Participation and Commitment Plan.	Contractor meets the SB goal, and meets greater than 25% but less than 50% of the SB subcategory goals in the SB Participation and Commitment Plan.	Contractor meets the SB goal and meets 50% or more of the SB subcategory goals in the SB Participation and Commitment Plan.	5% 5 QPI	COR: Review of Task Order 2000 – CDRL C012
			QPI Score = 0	QPI Score = 2.5	QPI Score = 5		
SSI 3	Customer Satisfaction	'Customer' is defined as any service provider or user of the products and services delivered under the task order.	Customer surveys result in product and service rating of 1.5 or less out of a possible 5.0.	Customer surveys result in product and service rating greater than 1.5 but less than 4.0 out of a possible 5.0.	Customer surveys result in product and service rating of 4.0 or higher out of a possible 5.0.	5% 5 QPI	COR: Customer Survey: twice annually prior to performance evaluations (mid and final)
			QPI Score = 0	QPI Score = 2.5	QPI Score = 5		
SSI 4	CDRL, Proposal and Milestone Timeliness	CDRLs, proposals and milestones are delivered / accomplished in accordance with the agreed to timeline and specifications.	85% or less of CDRLs proposals, and milestones are delivered or accomplished in accordance with agreed to time line and in accordance with SF1423, Data item Description (DID) and / or request for proposal specifications.	Greater than 85% but less than 95% of CDRLs proposals, and milestones are delivered or accomplished in accordance with agreed to time line and in accordance with SF1423, DID, and / or request for proposal specifications.	95% or more of CDRLs proposals, and milestones are delivered or accomplished in accordance with agreed to time line and in accordance with SF1423, DID, and / or request for proposal specifications.	5% 5 QPI	Data manager: 100% Inspection: CDRL / Proposal delivery / milestone accomplishment record.
			QPI Score = 0	QPI Score = 2.5	QPI Score = 5		
SSI 5 – SSI n	Technical Performance 5 – n	* to be specified in the Task Order Service Summary Item Table.	*	*	*	75% 75 QPI	*