

NASA SHARED SERVICES CENTER (NSSC)

AWARD TERM OPTION PLAN

CONTRACT:

SERVICE PROVIDER:

EFFECTIVE DATE:

APPROVAL:

Award Term Option Determination Official (ATODO)

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I. Introduction to the Award Term Option Plan

This Award Term Option plan is the basis for the NSSC's evaluation of the contractor's performance and for presenting an assessment of that performance to the Award Term Option Determining Official (ATODO). It describes the specific criteria and procedures used to assess the contractor's performance and to determine the amount of additional performance periods, if any, the contractor may earn.

1. Actual Award Term Option determinations and the methodology for determining whether the contractor may earn any additional performance periods are unilateral determinations made solely at the discretion of the Government.
2. This contract contains a two-year base ordering period and three 1-year option periods, with the potential for the contractor to earn three additional 1-year award term option periods via the award term option provisions of this plan.
3. It is important to note that the Government is not required to exercise an earned award term option merely because the contractor has earned it. The Government retains the unilateral right to exercise any award term option period and will do so only if there is a continuing need for the services performed under this contract, sufficient funding is available and the contractor's performance continues to be at the excellent performance level. Any potential award term option earned will or will not be exercised in accordance with FAR 52.217-9 Option to Extend the Term of the Contract.
4. Any award term option period earned, up to three, will be provided to the contractor through contract modification and is in addition to the base performance period and option periods included in this contract. Award term option periods earned will be determined by the ATODO based upon review of the contractor's performance against the criteria set forth in this plan.
5. Evaluation decisions and determinations on whether an opportunity for an award term option is earned are unilateral decisions by the Government and are not subject to the Disputes clause of the contract.

II. Organizational Structure and Responsibilities for Award Term Option Administration

The following organizational structure is established for administering the award term option provisions of the contract:

1. Award Term Option Determination Official (ATODO)
 - a. The ATODO is the NSSC Executive Director.
 - b. Primary ATDO responsibilities are as follows:

- (1) Determine the evaluation rating and award term option earned for each evaluation period as addressed in Appendix A. The award term option evaluation period will be comprised of successive 12-month interim evaluations which will be averaged to obtain the final award term option rating and score.
- (2) Changing the matters covered in this plan as addressed in Part V.

2. Performance Evaluation Board (PEB)

a. The following are designated to serve on the NSSC PEB:

- (1) Chair - The Chair of the PEB is the Director of Service Delivery, or delegate.
- (2) Voting members (Other voting members may be appointed by the Chair as appropriate)
 - (a) Director, Business and Administration, or delegate
 - (b) Procurement Officer, or delegate
- (3) The following non-voting members shall assist the PEB in performing its functions:
 - (a) Contracting Officer's Representative (COR)
 - (b) Contracting Officer (CO)
 - (c) NSSC Counsel

b. Primary responsibilities of the PEB are:

- (1) Conducting annual evaluations of contractor performance and submitting a Performance Evaluation Board Report (PEBR) covering the PEB's findings and recommendations for each interim and award term option evaluation period, as addressed in Part IV.
- (2) Recommending changes to the Award Term Option Plan (ATOP) that the PEB determines appropriate for adoption by the ATODO, as addressed in Part V.

3. Performance Monitors

- a. A Performance Monitor (PM) will be assigned to each performance area covered by the PWS.
- b. Each PM will be responsible for complying with the General Instructions for Performance Monitors, Appendix D, and any specific instructions of the COR or PEB Chair, as addressed in Part IV. Primary PM responsibilities are:
 - (1) Monitoring, evaluating, and assessing contractor performance in assigned functional areas.
 - (2) Preparing a Performance Monitor Report (PMR) for their assigned functional area that serves as the basis for preparation of a single, comprehensive PMR by the COR for the PEB, or others as appropriate.
 - (3) Recommending appropriate changes to this plan for consideration, as addressed in Part V.

III. Evaluation Requirements

The applicable evaluation requirements are attached as indicated below:

<u>Requirement</u>	<u>Appendix</u>
Evaluation Periods and Available Award Term Periods	A
Grading Table	B
Performance Categories, Evaluation Criteria, and Weighted Performance Rating Worksheet	C
General Instructions for Performance Monitors	D
Performance Requirements Summary	Contract Section J-3

IV. Method for Determining Award Term Option

The PEB will recommend the evaluation rating for each 12-month interim or final evaluation period, and the ATODO will determine the award term option earned at the end of each award term option performance period in accordance with Appendix A. The method to be followed in monitoring, evaluating, and assessing contractor performance during the period, as well as for determining the award term option earned, is described below. Part VI summarizes the principle actions and schedules involved.

1. PMs will be designated to oversee performance in each of the functional areas reflected in the PWS. PMs will obtain performance information for their functional area based on the surveillance methods identified in contract Attachment J-3, Performance Requirements Summary (PRS), Quality Assurance Surveillance Plan (QASP), or other surveillance methods, as appropriate. The CO, in coordination with the COR, may change monitor assignments at any time without advance notice to the contractor. The CO will notify the contractor promptly of all such monitor assignments and changes.
2. The COR will ensure that each PM receives the following:
 - a. A copy of this plan and any changes made in accordance with Section IV.
 - b. Appropriate orientation and guidance.
 - c. Specific instructions applicable to the monitor's assigned performance area.
3. PMs will evaluate and assess contractor performance and discuss the results with contractor management, in accordance with Appendix D, entitled General Instructions for Performance Monitors, and any specific instructions and guidance furnished by the COR or PEB Chair. Regularly scheduled quarterly meetings will be conducted between appropriate Government oversight personnel and contractor management personnel in order to discuss all significant aspects of contract performance. These discussions will address strong and weak points, significant issues, problems and concerns, and any other matters deemed pertinent to effective contract performance.
4. PMs will prepare and submit formal annual Performance Monitor Reports (PMR's) to the COR in accordance with Appendix D. These reports will address and fully substantiate strong and weak points and all significant issues, problems, and concerns that should be brought to the attention of the PEB.
5. The COR will consider the input reflected in the PMR's and compile a consolidated PMR that addresses technical performance and program management to be presented to the PEB. This report will also reflect the COR's personal perspective based on contractor input, personal observations, and dialogue with appropriate Government and contractor personnel.
6. The contractor may prepare and submit a written self-evaluation that addresses perceived strengths and weaknesses, significant issues, accomplishments, problems, and concerns applicable to the period being evaluated. The self-evaluation is limited to 10 pages.
7. After the end of each interim evaluation period, the PEB will meet to consider all the performance information provided by the COR. The PMs, other Government personnel, and the Contractor, as appropriate, may be asked to attend the PEB meeting to answer questions or provide any additional details of contract performance.

8. After the PEB members decide that they have sufficient information, all participants except the PEB shall be excused from the meeting. The PEB will then determine the score and adjective rating for the performance evaluation factors detailed in Appendix C and any designated emphasis areas.
9. For evaluation periods in which a potential award term option determination is made, the PEB will include the performance score(s) and rating(s) from the preceding interim, if applicable, evaluation period(s) along with the score and rating for the current interim period to develop a score and rating for the total period designated for the determination of an award term option. The PEB will summarize its findings and recommendations in the Performance Evaluation Board Report (PEBR).
10. The PEB will prepare and submit the PEBR package for the interim evaluation periods to the ATODO for determination of the interim evaluation period's adjectival rating and numerical performance score. The report will include a PEB recommended adjectival rating and a numerical performance score with supporting documentation.
11. The contractor will be notified of the preliminary evaluation and recommended rating and score for the interim evaluation periods. Within 5 business days of notification of the preliminary rating and score, the contractor may provide additional information for consideration by the ATODO and the SEB for the interim evaluation periods. The submission or presentation of this additional information shall be coordinated through the COR.
12. For evaluation periods in which an award term option is available, the PEB will submit a consolidated PEBR that covers the entire award term option determination period to the ATODO for use in determining the award term option earned. The report will include an adjectival rating and a recommended numerical performance score with supporting documentation.
13. The contractor will be notified of the preliminary evaluation and recommended rating and score for award term option determination period. Within 5 business days of notification of preliminary rating and score, the contractor may provide additional information for consideration by the ATODO and the SEB for the award term option evaluation period. The submission or presentation of this additional information shall be coordinated through the COR.
14. The ATODO will consider the recommendations of the PEB, any information provided by the contractor, and other pertinent information in determining whether the award term option will be earned for the period. The ATODO's determination of award term option earned and the basis for this determination will be stated in the Award Term Option Determination Letter (ATODL). For the interim evaluation periods, the ATODO's determination of the adjectival rating and performance score will be stated in an Interim Evaluation letter.

15. The contractor will be notified in writing by the Contracting Officer (CO) for each of the ATODO's determination.
16. The PEB will forward the original PEBR(s) to the CO for the official file.

V. Award Term Option Plan Changes

1. Right to Make Unilateral Changes
 - a. The Government may unilaterally make changes to this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the Contracting Officer (CO), in writing, no later than 15 calendar days before the start of the affected evaluation period.
 - b. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties via a bi-lateral modification.
 - c. Unless the CO gives the contractor specific written notice of any changes to evaluation areas 15 calendar days prior to the start of a new evaluation period, the most recently approved evaluation criteria and weights will be used.
2. Steps to Change Plan Coverage

The following is a summary of the principal actions involved in changing plan coverage.

Action	Timeframe
COR drafts proposed change(s)	Ongoing
COR submits recommended change to PEB through the CO	NLT 30 calendar days before the end of the current evaluation period
PEB provides CO with decision	NLT 20 calendar days before the end of the current evaluation period
CO provides written notification to Contractor	NLT 15 calendar days before the end of the current evaluation period
CO issues modification incorporating revised plan	NLT 10 calendar days after next performance period begins

3. Method for Changing Plan Coverage

The method to be followed for changing the plan coverage is described below:

- a. Personnel involved in the administration of the award term provisions of the order are encouraged to recommend plan changes with a view toward changing management emphasis, motivating higher performance levels or improving the

award term determination process. Recommended changes should be sent to the COR for consideration and drafting.

- b. Prior to the end of each evaluation period, the COR will submit recommended changes, if any, applicable to the next evaluation period for approval by the PEB Chair with appropriate comments and justification.
- c. Prior to the beginning of each evaluation period, the CO will notify the contractor in writing of any changes to be applied during the next period. If the contractor is not provided with this notification at least 15 calendar days before the beginning of the next period, then the existing plan will continue in effect for the next evaluation period.
- d. This plan may be changed at any time during the evaluation period, provided that:
- e. the Government submits the changes to the contractor in writing and
- f. the contractor agrees in writing to accept the changes.
- g. Both the Government and the contractor shall agree on the date that the changes will be effective and a bilateral modification will be issued incorporating the changes.

4. Areas of Special Emphasis (ASE)

The Government may identify performance areas within the evaluation criteria that require more focused attention. No later than 10 calendar days prior to the start of a new evaluation period, the CO will notify the contractor of any ASEs for that period.

VI. Summary of Actions/Timeframes for Interim Evaluations and Award Term Option Determinations

Action	Timeframe
Unilateral changes to ATO Plan	NLT 15 calendar days prior to next eval. period
Areas of Special Emphasis (ASE)	NLT 10 calendar days prior to next eval. period
PMs submit PMRs to COR	NLT 7 calendar days after eval. period ends
Contractor Self-assessment	NLT 10 calendar days after eval. period ends
COR submits consolidated PMR to SEB	NLT 20 calendar days after eval. period ends
PEB meets (Interim and ATO Determinations)	NLT 40 calendar days after eval. period ends
Notification of preliminary rating	NLT 2 calendar days after PEB meets
Contractor presents additional information	NLT 5 calendar days after notification
Final Interim Performance Evaluations	NLT 60 calendar days after eval. period ends
Final Award Term Option Determinations	NLT 60 calendar days after eval. period ends

APPENDIX A
Evaluation Periods and Available Award Term Periods

Award Term Option		Criteria	Award Term Option Determination Date
1	10/01/20-09/30/21	Average score of 91 or higher for first three years of the contract, 10/01/15 - 09/30/18 (Base Period + Option Year one)	11/30/18
2	10/01/21-09/30/22	Award of ATO #1 and a score of 91 or higher for 10/01/18 - 09/30/19 (Option Year Two)	11/30/19
3	10/01/22-09/30/23	Award of ATO #2 and a score of 91 or higher for 10/01/19 - 09/30/20 (Option Year Three)	11/30/20

Notes:

1. Award Term Option 1 evaluation period – The evaluation period to earn an opportunity for the first award term option spans three years (base and first option period). The evaluation will consist of three 12-month interim evaluations and one consolidated evaluation that covers the entire three-year period. The contractor must have an average score of 91 or higher over the three-year period to be considered for award term option 1.
2. Award Term Option 2 evaluation period - The evaluation period to earn an opportunity for the second award term option spans one year (second option period). The evaluation will consist of one, 12-month consolidated evaluation that covers the entire one-year period. The contractor must have earned an opportunity for award term option 1 and have a score of 91 or higher over the one-year period to be considered for award term option 2.
3. Award Term Option 3 evaluation period - The evaluation period to earn an opportunity for the third award term option spans one year (third option period). The evaluation will consist of one, 12-month consolidated evaluation that covers the entire one-year period. The contractor must have earned an opportunity for award term option 2 and have a score of 91 or higher over the one-year period to be considered for award term option 3.

APPENDIX B
Award Term Option Grading Table

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

APPENDIX C

Performance Categories, Evaluation Criteria, and Performance Rating Worksheet

Performance Categories

TECHNICAL (Objective)

Performance Category	Evaluation Points
SLI Performance (39 SLIs)	45
Performance Measures (95 performance measures)	30
Total Points	75

MANAGEMENT (Subjective)

Performance Category	Evaluation Points
Program Management and Control	15
Small Business and Socioeconomic Subcontracting Performance	5
Continuous Improvement Initiatives	5
Total Points	25

Evaluation Criteria for Technical Performance

Description of Factor: The Technical Performance factor is used to objectively measure the success of the contractor in meeting or exceeding Service Level Indicators (SLI) and Performance Measures set forth in contract Attachment J-3, *Performance Requirements Summary*.

Basis or Standard for Measuring Performance: The effectiveness of the contractor’s overall technical performance will be evaluated based on a pass/fail determination for each SLI and performance measure. All SLIs and performance measures are tracked and reported monthly and each will be evaluated as pass, which indicates that it met or exceeded the metric, or fail, which means it did not meet the metric. Interim evaluations will evaluate the previous 12-month’s metric performance by adding up the total of fail metrics and dividing that by the total number of metrics to determine a pass percentage. This will be done separately for SLIs and Performance Measures. SLIs or performance measures that did not have any activity are excluded from the calculation. SLIs or performance measures that did not meet the requirements due to factors outside the contractor’s control are also excluded from the calculation. The resulting accuracy percentages will be applied to total possible points to derive the overall recommended score for technical performance (see worksheet example below).

For the Award Term Option 1, the performance over the entire three-year period will be averaged to form the basis for the Award Term Option Determination. For Award Term Option 2 and 3,

one-year of performance will be averaged for each respective evaluation period to form the basis for the Award Term Option Determinations.

Evaluation Criteria for Program Management Performance

Description of Factor: The Program Management Performance factor is used to subjectively measure the contractor's success in overall program management.

Basis or Standard for Measuring Performance: The effectiveness of the contractor's overall program management performance will be evaluated based on: Program Management and Control which includes things such as the quality and accuracy of the DRDs and reports that are submitted, the contractor's willingness to communicate and cooperate with its Government partners, functional program management (non-metric), effective and efficient management of its subcontracting team and accuracy in accounting for and tracking transactions for transactional services and segregation of level of effort support from transactional support. The other two evaluation areas are progress towards meeting small business and socioeconomic subcontracting goals and the contractor's efforts in initiating and implementing continuous improvement ideas and projects. Each of these three elements will be assigned a subjective percentage between 0% - 100%, which will be applied to the total possible points. These scores will be totaled to develop the overall recommended score for program management performance (see worksheet example below).

For the Award Term Option 1, the performance over the entire three-year period will be averaged to form the basis for the Award Term Option Determination. For Award Term Option 2 and 3, one-year of performance will be scored for each respective evaluation period to form the basis for the Award Term Option Determinations.

Example of Performance Scoring Worksheet

Evaluation Period: xx/xx/xx - xx/xx/xx

	Total	Total	Total	Objective	Possible	Numerical
Technical Performance	Possible	Fail	Pass	Percentage	Points	Score
SLIs	39	1	38	97.4%	45	43.8
Performance Measures	95	5	90	94.7%	30	28.4
Total Technical Performance Score					75	72.2
				Subjective	Possible	Numerical
Program Management				Percentage	Points	Score
Management and Control				95%	15	14.25
Socioeconomic				96%	5	4.8
Continuous Improvement				95%	5	4.75
Total Program Management Performance Score					25	23.8
Total Numerical Score (Technical + Program Management)						96
Adjective Rating						Excellent

Methodology for Technical Performance Scoring:

1. Total Possible – Total number of SLI and performance measures available for measure during evaluation period.
2. Total Fail – Total number of SLIs or performance measures that did not meet required metric.
3. Total Pass – Total number of SLIs or performance measures that met the required metric.
4. Objective Percentage – Total Pass/Total Possible to determine percentage
5. Possible Points – Technical performance is valued at 75 points with 45 points allotted to SLIs and 30 points to performance measures.
6. Numerical Score – Objective Percentage X Possible Points = Numerical Score.
7. Total Technical Performance Score – Numerical Scores for SLIs and performance measures added together.

Methodology for Program Management Performance Scoring:

1. Subjective Percentage – Subjective rating between 0% - 100% assigned for each of the three elements.
2. Possible Points – Program Management performance is valued at 25 points with 15 allotted to Program Management and Control, 5 points for socioeconomic goals and 5 for continuous improvement.

3. Numerical Score - Subjective Percentage X Possible Points = Numerical Score.
4. Total Program Management Performance Score – Numerical Scores for Program Management and Control, Socioeconomic Goals and Continuous Improvement added together.

Summary Scoring:

1. Total Numerical Score – Technical and Management Numerical Scores added together
2. Adjective Rating – Rating from the grading table that matches the Total Numerical Scores.

APPENDIX D

General Instructions for Performance Monitors

1. Monitoring and Assessing Performance

- a. Performance Monitors will conduct all assessments in an open, objective, and cooperative spirit so that a fair and accurate evaluation is obtained. This will ensure that the contractor receives accurate and complete information from which to plan improvements in performance. Positive performance accomplishments should be emphasized just as thoroughly as deficiencies.
- b. Performance Monitors will monitor, assess and evaluate contractor performance in assigned areas including the review and validation of metrics, where applicable. Any deficiencies noted during monitoring should be sent to the COR as soon as possible so that corrective action can take place.
- c. Performance Monitors will discuss assessments with contractor management noting any observed accomplishments and deficiencies prior to submitting their PMR to the COR. This affords the contractor an opportunity to clarify possible misunderstandings regarding areas of poor performance and to correct or resolve deficiencies.
- d. Performance Monitors must remember that contacts and visits with contractor personnel are to be accomplished within the context of official contractual relationships. Monitors will avoid any activity or association that might cause, or give the appearance of, a conflict of interest.
- e. Performance Monitor discussions with contractor personnel are not to be used as an attempt to instruct, to direct, to supervise, or to control these personnel in the performance of the contract. The role of each area monitor is to monitor, assess, and evaluate—the Performance Monitor shall not manage the contractor's effort.

2. Performance Evaluation Reports

- a. Performance Monitors must remain fully cognizant of the minimum requirements for acceptable performance as addressed in contract Section J-3. Furthermore, Performance Monitors must ensure that these requirements are understood by any other Government point of contact (POC) who provides input to the PM concerning contractor performance. The PM and POC shall maintain a working familiarity with the grading table as reflected in Appendix B, for it is critical that the adjective ratings and grades be assigned in strict accordance with corresponding descriptions.

- b. Performance Monitors shall prepare semi-annual Performance Monitor Reports (PMR's) in a format to be determined by the COR and submit them to the COR for review and consolidation into a single PMR for the PEB. Performance Monitor Reports shall include an evaluation for each function contained within the PM's functional area.