ATTACHMENT J-10

AWARD FEE PLAN

FOR

KENNEDY ENVIRONMENTAL AND ENVIRONMENTAL CONTRACT (KEMCON)

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SIGNATURE PAGE

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A. PURPOSE

The Award Fee Plan defines the evaluation process by which the Government will encourage and reward the Contractor for safe, high-quality, cost-effective performance in fulfilling the requirements of the Kennedy Environmental and Medical Contract (KEMCON); to provide flexibility for changes in management, business, and performance emphasis; and to promote effective communications and customer service. The Award Fee Plan complies with FAR 16.401 and NFS 1816.405. The process enables the Government to focus on successful outcomes, overall operational and cost performance, and to emphasize those aspects of critical milestone achievements essential to reach performance objectives. The process is a subjective assessment by the Government and may include consideration of predetermined objective performance criteria.

B. EVALUATION PROCESS

Performance evaluation and award fee will be determined annually in accordance with the KDP-KSC-P-2402, Award Fee Evaluation Process. The Award Fee Board (AFB) membership for the KEMCON is documented in KDP-KSC-P-2402. The AFB will review and consider the summary evaluation report prepared by the Contracting Officer's Representative (COR), and additional Contractor data, if any. The COR will be the focal point for the accumulation and development of performance evaluation reports, reviews, and presentations, as well as discussions with KEMCON management on award fee matters.

The Government will establish Areas of Emphasis (AOEs) to identify the performance elements of particular importance which are deserving of special attention during the evaluation period. The Government may use performance standards listed in Section J, Attachment J-13 and metrics initiated at contract startup as objective evidence of contract performance.

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

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

The Contractor's performance will be assessed by Government technical representatives throughout the evaluation period. The Government may formally assess the Contractor's overall performance at the mid-point of each evaluation period. In this case, the COR will communicate this assessment to the Contractor and AFB members. Contractor performance levels which require remedial

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attention, will be made known to the Contractor by the COR throughout the performance period.

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

C. EVALUATION FACTORS AND WEIGHTED SCORING

The Government will use two factors, Performance and Cost Control, to determine the Total Award Fee Score for each annual evaluation period. The Government may apply AOEs and metrics to the evaluation factors, as necessary, to assist in the subjective evaluation of contract performance.

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

Evaluation Factors:

1. Performance:

   The Government will evaluate major elements of Contractor performance, such as managerial and business performance, efficiency and effectiveness of operations, safety, quality, communications and customer support, and develop a performance evaluation score (PES). AOEs and metrics will be used to assist the Government in the subjective evaluation of contract performance, but they will not encompass the entire spectrum of performance that will be evaluated in determining the performance score. Other pertinent factors included under the contract and general factors bearing upon overall Contractor performance will be considered in the evaluation as the facts and circumstances of each period may require.

2. Cost Control:

   The Government will evaluate the Contractor's overall cost performance and develop a cost control evaluation score (CES). The predominant consideration of this factor will be a measurement of the contractor's performance against the negotiated estimated cost of the contract for the evaluation period. The evaluation will also consider the contractor's cost performance against the total negotiated estimated cost by Program, project, and customer for the evaluation period. The negotiated estimated cost will be adjusted to include the value of undefinitized change orders and may be adjusted to include the value for costs outside of the contractor's control.

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

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

Weighted Scoring:

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

Adjectival Rating	Numerical score	Description
Excellent	91 - 100	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Very Good	76 - 90	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Good	51-75	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Satisfactory	50	Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Unsatisfactory	Less than 50	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

The Government will score each evaluation factor 0-100 based on the performance evaluation and according to the ratings defined in the table above.

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

Total Award Fee Score = (Performance Numerical Score) x (75%)

+ (Cost Control Numerical Score) x (25%)

For example:

Evaluation Factor	Numerical score	Weighting
Technical Performance	90	75%
Cost Control	95	25%
Therefore, Total Award Fee Score = (90 x 0.75) + (95 x 0.25) = 91.25		

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

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

D. AWARD FEE PERFORMANCE DETERMINATION

The FDO shall make a final, unilateral performance score and award fee determination after consulting with the COR and AFB. Generally, the FDO will make the award fee determination within 40 calendar days from the end of the period being evaluated. The FDO’s unilateral determination shall not be subject to the clause of this contract entitled “Disputes” and there are no provisions for additional appeal rights. After receipt of the

FDO's Award Fee Determination Letter, the CO will promptly prepare a contract modification reflecting the award fee adjective rating, weighted evaluation score, and award fee earned.

E. PROVISIONAL PAYMENT OF AWARD FEE

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

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