

ATTACHMENT J-6
Award Term Option Plan

I. Introduction to Award Term Option Plan

This Award Term Option plan is the basis for the NEACC's rating 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 period, a two-year option, and one 1 year option, 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. The Award Term Option will be considered based on the contractor's performance assessed within Attachment **J-4A**, *Service Level Method*, Attachment **J-4B**, *Service Level Matrix*, and Attachment **J-4C**, *Service Level Surveillance Plan*. It is important to note that the Government is not required to exercise an 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. Whether the Government exercises a potential award term option or not, it will follow 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. Rating decisions and determinations on whether an opportunity for an award term option is earned are unilateral decisions at the sole discretion of 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)

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- a. The ATODO is the NASA Agency CIO or designee.
 - b. Primary ATODO responsibilities are as follows:
 - (1) Determine the rating and award term option earned for each rating period as addressed in Appendix A.
 - (2) Changing the matters covered in this plan as addressed in Part V.
2. Award Term Evaluation Board (ATEB)
- a. The following are designated to serve on the NEACC ATEB:
 - (1) Chair - The Chair of the ATEB is the NEACC Director, 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 ATEB in performing its functions:
 - (a) Contracting Officer's Representative (COR)
 - (b) Contracting Officer (CO)
 - (c) NEACC Technical Monitors (TM)
 - b. Primary responsibilities of the ATEB are:
 - (1) Conducting annual ratings of contractor performance and submitting a Award Term Evaluation Board Report (ATEBR) covering the ATEB's findings and recommendations for each interim and award term option rating period, as addressed in Part IV.
 - (2) Recommending changes to the Award Term Option Plan (ATOP) that the ATEB determines appropriate for adoption by the ATODO, as addressed in Part V.

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III. Evaluation Requirements

The applicable rating 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

IV. Method for Determining Award Term Option

The ATEB will recommend the rating for each 12-month interim or final rating 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. Technical Monitors will be designated to oversee performance in each of the functional areas reflected in the PWS. Technical Monitors will obtain performance information for their functional area based on the surveillance methods identified in contract Attachment **J-4C**, *Service Level Surveillance Plan*, Attachment **J-4B**, *Service Level Matrix*, 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 Technical Monitor 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. Technical Monitors 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 ATEB 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.

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These discussions will address strong and weak points, significant issues, problems and concerns, and any other matters deemed pertinent to effective contract performance.

4. Technical Monitors 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 ATEB.
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 ATEB. 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-rating that addresses perceived strengths and weaknesses, significant issues, accomplishments, problems, and concerns applicable to the period being evaluated. The self-rating is limited to 10 pages.
7. After the end of each interim rating period, the ATEB will meet to consider all the performance information provided by the COR. The Technical Monitors, other Government personnel, and the Contractor, as appropriate, may be asked to attend the ATEB meeting to answer questions or provide any additional details of contract performance.
8. After the ATEB members decide that they have sufficient information, all participants except the ATEB shall be excused from the meeting. The ATEB will then determine the score and adjective rating for the performance rating factors detailed in Appendix C and any designated emphasis areas.
9. For rating periods in which a potential award term option determination is made, the ATEB will include the performance score(s) and rating(s) from the preceding interim, if applicable, rating 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 ATEB will summarize its findings and recommendations in the Award Term Evaluation Board Report (ATEBR).
10. The ATEB will prepare and submit the ATEBR package for the interim rating periods to the ATODO for determination of the interim rating period's adjectival rating and numerical performance score. The report will include a ATEB recommended adjectival rating and a numerical performance score with supporting documentation.
11. The contractor will be notified of the preliminary rating and recommended rating and score for the interim rating 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 ATEB for the interim rating periods. The

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submission or presentation of this additional information shall be coordinated through the COR.

12. For rating periods in which an award term option is available, the ATEB will submit a consolidated ATEBR 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 rating 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 ATEB for the award term option rating period. The submission or presentation of this additional information shall be coordinated through the COR.
14. The ATODO will consider the recommendations of the ATEB, 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 rating 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 ATEB will forward the original ATEBR(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 a rating 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 rating period.
 - b. Changes to this plan that are applicable to a current rating 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 rating areas 15 calendar days prior to the start of a new rating period, the most recently approved rating criteria and weights will be used.

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2. Steps to Change Plan Coverage

Action	Timeframe
COR drafts proposed change(s)	Ongoing
COR submits recommended change to ATEB through the CO	NLT 30 calendar days before the end of the current rating period
ATEB provides CO with decision	NLT 20 calendar days before the end of the current rating period
CO provides written notification to Contractor	NLT 15 calendar days before the end of the current rating 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 rating period, the COR will submit recommended changes, if any, applicable to the next rating period for approval by the ATEB Chair with appropriate comments and justification.
- c. Prior to the beginning of each rating 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 rating period.
- d. This plan may be changed at any time during the rating 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.

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4. Areas of Special Emphasis (ASE)

The Government may identify performance areas within the rating criteria that require more focused attention. No later than 10 calendar days prior to the start of a new rating 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
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 ATEB	NLT 20 calendar days after eval. period ends
ATEB meets (Interim and ATO Determinations)	NLT 40 calendar days after eval. period ends
Notification of preliminary rating	NLT 2 calendar days after ATEB 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

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APPENDIX A
Evaluation Periods and Available Award Term Periods

	Award Term Option Determination Date	Criteria	Award Term Option	If Award Term Option is not earned...
1	4/30/19	Average score of 91 or higher for the first three years of the contract, 02/01/16 – 01/31/19 (Base Period + Year One of Option Period One)	02/01/21-01/31/22	Initiate SEB activities starting on 5/1/19 (approximately 21 months from contract completion)
2	4/30/20	Award of ATO #1 and score of 91 or higher for contract year four, 02/01/19 - 01/31/20 (Year Two of Option Period One)	02/01/22-01/31/23	Initiate SEB activities starting on 5/1/20 (approximately 21 months from contract completion)
3	4/30/21	Award of ATO #2 and score of 91 or higher for contract year five, 10/01/19 - 09/30/20 (Option Period Two)	02/01/23-01/31/24	Initiate SEB activities starting on 5/1/21 (approximately 21 months from contract completion)

Notes:

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

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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.

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APPENDIX C

Performance Categories, Evaluation Criteria, and Performance Rating Worksheet.

Service Level Description		Minimum Service Level Standard	Percent of Performance Fee Available	Monthly Measurement Window	Semi-annual Measurement Window	Potential Award Term Option Evaluation Points
1	Subjective Satisfaction Rating		40%			40
1.1/1.2	Subjective Satisfaction Rating	Average composite score of 3.0 on the Technical Monitor and Business Mgmt Surveys			✓	
2	Applications Maintenance		30%			30
2.1	Application Availability					
2.1.1	Tier 1 Applications	99.80%	10%	✓		
2.1.2	Tier 2 Applications	99.50%	2%	✓		
2.2	Application Security Compliance					
2.2.1	Application Security Findings Compliance	99%	2%		✓	
2.2.2	Application Security Annual Deliverables	99%	1%		✓	
2.3	Incident Resolution Time					
2.3.1	Severity 1 - Resolved within 4 Hours	99%	5%	✓		
2.3.2	Severity 2 - Resolved within 8 Primary Business Hours	98%	3%	✓		
2.3.3	Severity 3 - Resolved within 24 Primary Business Hours	96%	1%	✓		
2.3.4	Severity 4 - Resolved within 8 Business Days	94%	1%	✓		
2.4	Master Data - On-Time Completion Rates					
2.4.1	Master Data Emergency - Resolved within 1 Business Day	99%	1%	✓		
2.4.2	Master Data Changes - Resolved within 2 Business Days (excluding Master Data Emergency & Master Data - Exceptions)	98%	1%	✓		
2.4.3	Master Data - Exceptions Resolved within 8 Business days.	96%	1%	✓		
2.5	Applications Maintenance On-Schedule Delivery	99%	2%	✓		
3	Applications Enhancement		30%			30
3.1	Applications Enhancement On-Schedule Delivery	98%	14%	✓		
3.2	Application Enhancement On-Schedule Delivery for Strategic Initiatives	98%	16%		✓	
Total			100%			

Evaluation Criteria

Throughout the Award Term Option rating period the contractor will be receiving monthly and semi-annual performance ratings detailed in Attachment **J-4C**, *Service level Surveillance Plan* and Appendix C of this document. These two documents will be used as the basis for evaluating the contractors’ eligibility for each of the award term options.

The Award Term Options will be calculated on an annual basis and will consist of a cumulative score for Section 1- Subjective Satisfaction Rating and Section 2 - Applications Maintenance, and Section 3- Applications Enhancement. For Section 1, the contractor has the ability to score 40 points. Points for Section 1- Subjective Satisfaction Rating are based on the Subjective Satisfaction Ratings performed during the evaluation period. Additionally, the Award Term option will be determined by the contractor’s success in meeting each of the monthly and semiannual Service Level Standards for Section 2- Application Maintenance and Section 3- Application Enhancement. Each section is worth 2.5 points each month for a total of 30 points for the 12 month award term option evaluation period. For months that the semi-annual elements

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are measured, the potential Award Term Option points is still 2.5 points; there will just be the additional elements that must be met in order to achieve the 2.5 points for that month. In order for the contractor to receive credit for a given month they must have successfully met the SLS standard for all sub elements in that section.

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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 rating 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.