



U.S. Department of Energy (DOE)

**National Nuclear Security Administration (NNSA)
Production Office**

**Protective Force Services Contract
Award Fee Plan**

June 29, 2012

**Contract No.: TBD
Evaluation Period: TBD**

Award Fee Plan
Performance Goals, Measures, Criteria and Metrics

This Award Fee Plan as prepared in accordance with FAR 16.401 under Contract No. (TBD) has been coordinated and approved.

Concur:

**TBD, NNSA Production Office
Contracting Officer**

Date

Concur:

**TBD, NNSA Production Office
Assistant Manager for Safeguards and Security**

Date

APPROVED BY:

**Steve Erhart
Manager, NNSA Production Office**

Date

AWARD FEE PLAN CONTRACT NO. XXX-XXX-XXX

TABLE OF CONTENTS

I.	INTRODUCTION	4
II.	RESPONSIBILITY STRUCTURE FOR AWARD FEE ADMINISTRATION.....	4
III.	METHOD OF DETERMINING AWARD FEE	6
IV.	CHANGES IN PLAN COVERAGE	7
V.	PERFORMANCE RATING TABLE	8
VI.	PERFORMANCE OBJECTIVES AND MEASURES	10

**AWARD FEE PLAN
CONTRACT NO. TBD**

I. INTRODUCTION

- A. This Award Fee Plan covers the administration of the award fee provisions of Contract No. XXX-XXX-XXX effective (1st Day after Transition Period), with (Contractor Name). It provides the standardization necessary to assure effective development, administration, and coordination of all phases of the award fee determination process. In the event of a conflict between this Plan and the contract, the contract takes precedence.
- B. The following matters, among others, are covered in the contract:
1. The Contractor is required to provide the necessary personnel to assist the Department of Energy's (DOE), National Nuclear Security Administration's (NNSA) Production Office by performing multi-disciplinary protective force security services for the Pantex Plant, Y-12 National Security Complex to include the Central Training Facility.
 2. The term of the contract is from (contract start date) through (contract end date).
 3. Zero percent of the available fee is established as a base fee. The award fee accounts for 100 percent of the available fee established within the contract. The available fee pool may be subject to an equitable adjustment in the event of funding changes or other contract modifications.
 4. Award fee unearned in one period will not be rolled over to a subsequent award fee period.
 5. Provisional award fee payments will be made under this contract during the basic contract period and the option period, pending the determination of the amount of fee earned for an evaluation period.
 6. The Contractor's performance will be evaluated on an annual basis with feedback on performance on a semi-annual basis.
 7. The award fee earned and payable will be determined at the conclusion of each specific evaluation period by the Fee Determination Official (FDO).
 8. The Contracting Officer (in coordination with the FDO) may unilaterally change the content of this AFP, providing the Contractor receives notice of the changes 30 calendar days prior to the beginning of the evaluation period to which the changes apply.

II. RESPONSIBILITY STRUCTURE FOR AWARD FEE ADMINISTRATION

The following responsibility structure is established for administering the award fee provisions of the contract.

A. Fee Determination Official (FDO)

Primary FDO responsibilities are:

1. Determine the award fee earned and payable for each evaluation period as addressed in Section III, Method of Determining Award Fee.
2. Approve changes to this plan as addressed in Section V, Changes in Plan Coverage.

B. Contracting Officer

Primary CO responsibilities are:

1. Support the Award Fee Evaluation Board (AFEB) in monitoring, evaluating, and assessing the Contractor's performance against the performance objectives and measures set forth in this AFP.
2. Concur on the AFP and any significant changes thereto.
3. Ensure that the award fee and contract incentives process is managed consistent with applicable acquisition regulations.
4. Meet with the Contractor periodically during each evaluation period to include holding a mid-term feedback session on the Contractor's performance relative to the established performance objectives and measures.
5. Submit an Award Fee Report (AFR) to the FDO. Any minority opinions received will be included as an attachment to the report.
6. Issue the award fee amount determination as authorized by the FDO.

C. AFEB: Chaired by the Assistant Manager(s) for Safeguards and Security (AMSS) and Co-chaired by the contract COR(s).

Primary responsibilities of the AFEB are:

1. Monitor, evaluate, and assess the Contractor's performance against the performance objectives and measures set forth in this AFP.
2. Develop an AFR discussing the Contractor's performance and containing a recommendation of award fee earned for each evaluation period. The AFR shall include an appendix of all minority opinions.
3. Develop and coordinate proposed changes to the AFP and recommend those changes to the FDO for incorporation in the AFP.

III. METHOD OF DETERMINING AWARD FEE

The method for monitoring, evaluating, and assessing Contractor performance during the period, as well as for determining the award fee earned, is described below.

Within 10 calendar days after the end of each evaluation period, the Contractor may provide a written self-evaluation of performance. The self-evaluation shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence.

At the end of each evaluation period, the AFEB shall evaluate the Contractor's performance in the major areas identified in this AFP based upon performance objectives and measures set forth and stated below. The AFEB will also consider any other appropriate performance information it has obtained. The AFEB will prepare the AFEB report for the period and submit it to the FDO. The report will include a recommended award fee amount to be paid with supporting documentation to include all minority opinions.

The major performance areas are weighted as follows:

- **Performance Objective #1: (50%) Duties and Training:** Provide a paramilitary protective force (PF) operations and other security services at Pantex/Y-12 facilities for the protection of special nuclear material (SNM), classified material, personnel and property. Provide a PF that is trained and qualified to implement protection strategies to prevent the theft, diversion, or sabotage of SNM and/or classified matter through the development and implementation of a formal training program.
- **Performance Objective #2: (20%) Program Management:** Provide program management through implementation of effective administration; performance and operational assurance; and planning and operations in accordance with contract requirements, DOE/NNSA directives, and applicable local, state and federal requirements.
- **Performance Objective #3: (30%) Cost Management:** Evaluate existing processes and develop innovative and creative proposals which lead to efficiencies, cost savings, improved performance, and more effective communication to ensure high quality work performance that supports the cost and quality goals of the contract in a budget constrained environment.

The FDO may consider all available information including: the AFR, information originating from day-to-day operations, the Contractor's optional self-evaluation, and his/her own observations in determining the amount of award fee earned during the period. NNSA will use its best efforts to determine the award fee earned and issue an award fee determination letter (AFDL) to the Contractor within 75 calendar days of the end of the evaluation period. A copy of the AFR will also be provided to the Contractor with the AFDL.

IV. CHANGES IN AFP COVERAGE

A. Right to Make Unilateral Changes

Any matters covered in this AFP may be changed unilaterally by the FDO at any time during the term of the contract. Notification of such changes shall be provided to the Contractor at least 30 calendar days prior to the date the changes take effect. The changes will be made without formal modification of the contract.

B. Method for Changing AFP Coverage

The method to be followed for changing AFP coverage is described below.

1. Personnel involved with the award fee process are encouraged to recommend changes in AFP coverage with a view toward changing performance areas, motivating higher performance levels, or improving the award fee determination process.
2. Prior to the end of each evaluation period, the AFEB will submit to the FDO for approval any proposed changes applicable to the next evaluation period, or inform the FDO that no changes are recommended for the next period.
3. A minimum of 30 calendar days before the beginning of each evaluation period, the FDO will notify the Contractor in writing of any changes, or that there are no changes. If the Contractor is not provided with the notification within 30 calendar days before the beginning of the next period, the existing AFP coverage will continue in effect for the next evaluation period, unless the Contractor agrees to accept the proposed changes.

V. AWARD FEE - PERFORMANCE RATING TABLE

(Significant criteria will be identified at time of AFP issuance.)

Adjectival Rating & Award Fee Pool Available to be Earned	Definition
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 AFP for the award-fee evaluation period.
Very Good 81 – 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 AFP for the award-fee evaluation period.
Good 71 – 80%	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 AFP for the award-fee evaluation period.
Satisfactory 50 – 70%	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 AFP for the performance evaluation period.
Unsatisfactory 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 AFP for the award-fee evaluation period.

NOTE: Management judgment is essential in evaluating the Contractor's performance. NNSA expects the Contractor to exercise due diligence in the conduct of all contract activities. It is expected that management systems will be in place and enforced to assure that effective procedures are developed and implemented. The Contractor's failure to oversee, through acts of commission or omission, the conduct of its operations, employees, and subcontractors, which potentially or actually causes property damage, losses, endangers the safety, health or environment, or compromises the ability of NNSA to carry out its mission, will be weighed heavily in the performance ratings. By the same standard, the performance ratings will not be adversely affected if the Contractor raises safety or security issues for resolution. Furthermore, the performance ratings will not be adversely affected if the Contractor stops an activity that is deemed unsafe even though the Contractor's action may appear to be contrary to NNSA direction.

While it is recognized that the basis for determination of the award fee shall be the evaluation by the Government, in accordance with the AFP, the FDO may also consider any information available, which relates to the Contractor's performance of contract requirements.

In order for the Contractor to receive all earned award fee under the contract in an evaluation period, the Contractor must meet the minimum requirements in the following paragraphs. If the Contractor does not meet the minimum requirements, the FDO may make a unilateral determination to reduce the evaluation period's earned award fee.

- A. Meet all DOE/NNSA Order requirements, as they apply to the contract.
- B. Minimum requirements for Environmental, Safety & Health (ES&H) Program. The Contractor shall maintain NNSA approval of a Safety Management System (SMS) in accordance with contract clauses in Section H (NNS-H-1033) and Section I (DEAR 970.5223-1) of the contract, entitled "*Integration of Environment, Safety and Health into Work Planning and Execution.*" The minimal performance requirements of the system are set forth in the approved SMS Description Document. If the Contractor fails to maintain approval of the SMS or fails to achieve the minimum performance requirements of the system during the evaluation period, the FDO or designee, at his/her sole discretion, may reduce any otherwise earned award fee by an amount up to the amount earned.
- C. Minimum requirements for catastrophic event. For the purposes of this AFP, a "catastrophic event" is defined as an event that occurs as a result of the Contractor's acts or failure to act and causes substantial harm or an imminent danger to the environment or the health and safety of employees or the public. Examples of such an event would include a fatality, hazardous material exposure exceeding regulatory limits, an event that causes significant damage to the environment, or an event that causes grave damage to national security. If, in the performance of this contract, there is a catastrophic event, the FDO or his/her designee, at his/her sole discretion, may reduce any otherwise earned fee for the evaluation period by an amount up to the amount earned. In determining any diminution of fee, the FDO will consider whether willful misconduct and/or negligence contributed to the occurrence and will take into consideration any mitigating circumstances presented by the Contractor or other sources.

Although the performance objectives are divided into separate and distinct areas, with a percentage of the available award fee assigned to each area, in the event the Contractor's performance is considered unacceptable in any aspect, whether or not specifically identified in the AFP, the FDO may, at his/her discretion, withhold a portion or the entire award fee for the evaluation period as he/she deems appropriate. The FDO may also determine that performance within a specific area, or in general, exceeds expectations and appropriately approve a higher award fee for the evaluation period than the amount proposed by the AFEB.

Provisional award fee payments will be made under this contract during the basic contract period and the option period, pending the determination of the amount of fee earned for an evaluation period. The total amount of award fee available in an evaluation period that will be paid provisionally is 50% of the evaluation period award fee pool.

Provisional award fee payments will be superseded by the final award fee evaluation for that period. If provisional payments exceed the final evaluation score, the Contractor will either credit the next payment voucher for the amount of such overpayment or refund the difference to the Government, as directed by the CO.

If the CO determines that the Contractor will not achieve a level of satisfactory performance commensurate with the provisional rate, payment of provisional award fee will be discontinued or reduced in such amounts as the CO deems appropriate. The CO will notify the Contractor in writing if it is determined that such discontinuance or reduction is appropriate.

Unless discontinued or reduced due to CO determination, provisional award fee payments will be made on a monthly pro-rata basis for 12 months prior to the first award fee determination by the Government. Thereafter, provisional award fee payments will be made on a monthly pro-rata basis prior to each subsequent annual evaluation period.

VI. PERFORMANCE OBJECTIVES AND MEASURES

The following are potential performance measures that support the performance objectives. These will be established during the Transition Period and provided to the Contractor. The NNSA will assign an adjectival rating for each performance objective based on the Contractor's performance as it relates to the performance measures.

Performance Objective #1:

Objective Weight: 50 Percent

Duties and Training: Provide paramilitary PF operations and other security services at NNSA facilities for the protection of special nuclear material (SNM), classified material, personnel and property. Provide a PF that is trained and qualified to implement protection strategies to prevent the theft, diversion, or sabotage of SNM and/or classified matter through the development and implementation of a formal training program.

[NOTE: The measures are to be further defined during the transition period of the contract for the above objective.]

Performance Measures:

Performance measures may include, but are not limited to the following:

- Ability to provide trained and qualified PF personnel to include supervisors
- Protection of national security interest from malevolent acts
- Maintenance and currency of PF orders and procedures
- Professional Development
- Implementation of an approved annual training plan
- Firearms safety and training programs
- Physical fitness program
- Range Operations

Performance Objective #2:

Objective Weight: 20 Percent

Program Management: Provide program management through implementation of effective administration; performance and operational assurance; and planning and operations in accordance with contract requirements, DOE/NNSA directives, and applicable local, state and federal requirements.

[NOTE: The measures are to be further defined during the transition of the contract for the above objective.]

Performance Measures:

Performance measures may include, but are not limited to the following:

- Integrated and coordinated executive direction
- Business functions such as: contract administration, small business participation plan and subcontracting plan goal achievement
- Integration of safety into management and work practices at all levels
- Implementation of a Quality Assurance program
- Property management
- Implementation of a contractor assurance program
- Performance testing
- Reporting and responding to Incidents of Security Concerns
- Development and implementation of tactics designed to mitigate applicable threats
- Development and implementation of security procedures, plans and directives in support of mission requirements
- Provide appropriate PF personnel for security-related activities
- Development and coordination of applicable agreements with local, state and federal law enforcement agencies

Performance Objective #3:

Objective Weight: 30 Percent

Cost Management: Evaluate existing processes and develop innovative and creative proposals which lead to efficiencies, cost savings, improved performance, and more effective communication to ensure high quality work performance that supports the cost and quality goals of the contract in a budget constrained environment.

[NOTE: The measures are to be further defined during the transition of the contract for the above objective.]

Performance Measures:

Performance measures may include, but are not limited to the following:

- Timely submission of accurate financial information
- Development of improved safeguards and security processes leading to efficiencies and cost savings.
- Timely identification and notification of emerging funding issues
- Timely submission and processing of Requests for Equitable Adjustments
- Identification and implementation of innovative cost efficiencies through streamlined operations