



Dryden Flight Research Center
Edwards, California 93523-0273

DCP-A-004
Revision: A

Dryden Centerwide Procedure

CODE A

EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS

Electronically Approved by:
Associate Director

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 1 of 20

DOCUMENT HISTORY LOG

This page is for informational purposes and does not need to be retained with the document.

DATE APPROVED	ISSUE	PAGE	AMENDMENT DETAILS
9/29/98	Baseline		
See IDMS Document Master List	Revision A	All	Corrected spelling and grammatical mistakes. Changed Section 1 Scope to Purpose. Changed Coordinator to COTR and PEB Executive Secretary to PEB Secretary. Deleted Sections 3.8, 5, 6, 9 & 11. Clarified Appendix A.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 2 of 20

EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS

1. PURPOSE

This procedure establishes the process for administering award fee contracts and provides guidance in accomplishing the award fee performance evaluation process.

2. APPLICABLE DOCUMENTS

FAR 4.805 *Storage, Handling, and Disposal of Contract Files*

FAR 16.405-2 *Cost-Plus-Award-Fee Contracts*

NFS 1804.805 *Storage, Handling, and Disposal of Contract Files*

NFS 1816.405-2 *Cost-Plus-Award-Fee Contracts*

NASA Award Fee Contracting Guide

[DCP-A-001](#) *Using the Procurement System*

[DOP-A-009](#) *Transfer of Procurement Files to Closeout*

3. DEFINITIONS

3.1 Attorney/Advisor. The Chief Counsel, or a designee, shall provide the Performance Evaluation Board (PEB) advice or guidance, as requested.

3.2 Contracting Officer (CO). The CO shall advise the PEB on procurement matters pertinent to the performance of a contractor under Cost-Plus-Award-Fee (CPAF) contracts for which he/she has responsibility.

3.3 Contracting Officer's Technical Representative (COTR). The COTR is appointed by the CO and provides support to the CO through monitoring contractor performance and recommending corrective action. The COTR's responsibility inherently includes direct surveillance and evaluation of the contractor. The COTR serves as the coordinator for the PEB.

**ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS**

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 3 of 20

- 3.4 Fee Determination Official (FDO). A senior official appointed by the center director to review the PEB's assessment and determine the amount of award fee to be paid to the contractor.
- 3.5 Monitor. An individual with daily or frequent cognizance of the contractor's performance in one or more specific areas who shall provide the COTR periodic assessments of the contractor's strengths and weaknesses.
- 3.6 Performance Evaluation Board (PEB). For each CPAF contract, the Center director appoints a group of DFRC officials to the PEB. The PEB members shall be familiar with the type of work to be performed and shall devote enough time to adequately review contractor performance. Responsibilities of the members are to (i) approve an overall Performance Evaluation Plan for each CPAF contract to be evaluated, (ii) review the periodic evaluations and recommendations of the COTR, and (iii) recommend to the FDO award fees commensurate with contractor performance and other functions as dictated by applicable regulations and procedures. The PEB is composed of a Chairperson, Alternate chairperson, members and their alternates, and one ad hoc (nonvoting) member, i.e., the PEB secretary. PEB voting members shall not be appointed as a monitor.
- 3.7 PEB Secretary. The individual appointed to coordinate the overall administrative operations of the PEB in all phases of the award fee process.
- 3.8 Systemic Weaknesses. Weaknesses that indicate an inconsistency in the contractor's processes or a flawed approach that, left uncorrected, could cause future problems of a similar nature. Systemic problems represent a pattern or trend rather than a "one time" or "isolated" problem. Isolated problems, while they must be corrected, are not expected to pose a significant risk to future contract performance.

4. INSTRUCTIONS

This document establishes the procedures for administrating contracts that contain award fee provisions. The instructions are applied as outlined in Appendix A.

5. APPENDICES, DATA, REPORTS, AND FORMS

5.1 Appendices

Appendix A – Performance Evaluation Information
Appendix B – Definition of Ratings and Nomogram

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 4 of 20

5.2 Formats

Performance Evaluation Plan
Monitor Report
PEB Report
Determination & Findings

6. MANAGEMENT SYSTEM RECORDS

The PEB Report and FDO's Determination & Findings are the management system records. These records are maintained in the contract file located in the Acquisition Management Office. Management System records are retired in accordance with the FAR 4.805 and NFS 1804.805.

7. PERSONNEL TRAINING AND CERTIFICATIONS

Award Fee training is provided on an as required/as needed basis. COTR training classes are scheduled by the DFRC Small Business Specialist and coordinated with the DFRC Personnel Office.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 5 of 20

APPENDIX A

PERFORMANCE EVALUATION INFORMATION TABLE OF CONTENTS

SECTION 1	PERFORMANCE EVALUATION PROCEDURES
SECTION 2	PERFORMANCE EVALUATION PLAN
SECTION 3	EVALUATION REPORT
SECTION 4	CONTRACTOR'S SELF-EVALUATION REPORT
SECTION 5	PERFORMANCE EVALUATION BOARD REPORT
SECTION 6	RESPONSIBILITIES OF THE PERFORMANCE EVALUATION BOARD SECRETARY
SECTION 7	RESPONSIBILITIES OF THE COTR
SECTION 8	APPOINTMENT AND RESPONSIBILITIES OF MONITORS
SECTION 9	RESPONSIBILITIES OF THE CONTRACTING OFFICER
SECTION 10	REALLOCATION OF UNEARNED AWARD FEE

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 6 of 20

1. PERFORMANCE EVALUATION PROCEDURES

1.1 PURPOSE

This section outlines the procedures for evaluating the performance of a contractor under a CPAF contract. (See FAR 16.405 and NFS 1816.405)

1.2 GENERAL

The evaluation of contractor performance shall be in accordance with the Award Fee Determination Plan (See Section 2) and the NASA Award Fee Contracting Guide. The evaluation shall be expedited wherever feasible. However, thoroughness and quality of documentation shall not be sacrificed.

1.3 MILESTONES

1.3.1 The individual milestones and total time for accomplishment of the performance evaluation process are identified in the award fee determination plan.

1.3.2 The CO shall coordinate the proposed contract award fee performance evaluation periods with the requiring activity prior to the finalization of the dates with the contractor.

1.3.3 The PEB secretary shall schedule the PEB meeting date and notify the Chairperson and PEB members following the evaluation period and when potential or actual problems are encountered that may affect the scheduled milestones.

1.4 CONVENING OF THE PEB

The PEB shall be convened at the direction of the Chairperson. At least three working days prior to the convening of the PEB, each member should be given the evaluation material to study and to prepare any questions that need to be answered during the PEB session.

1.5 PEB SESSIONS

1.5.1 Performance Evaluation Presentation. The responsible COTR shall make this presentation and may invite monitors to the presentation if deemed necessary. During this presentation, criteria and factor weights for future evaluation periods

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 7 of 20

should not be discussed. Contractor representatives shall not be present during this session.

1.5.2 Contractor's Self-Evaluation Presentation. The contractor may make an oral self-evaluation report to the PEB. The contractor is required to have the necessary personnel in attendance that are knowledgeable and capable of answering questions.

1.5.3 Executive Session. This session shall be a closed meeting conducted by the PEB Chairperson and is restricted to appointing voting and nonvoting PEB members.

1.6 PEB EVALUATION PROCESS

The PEB shall determine the award fee score (i.e. the numerical score, award fee percentage and adjective rating) for recommendation to the Fee Determination Official (FDO). The score assigned must be by PEB consensus. Each PEB member is given the opportunity to orally state his/her score. If consensus cannot be reached, the Chairperson shall make the final decision. The score will be recorded in the PEB report. The PEB will convert the numerical score to the award fee percentage and determine the award fee dollars.

1.7 PEB REPORT

Following each evaluation, the FDO and contractor shall be notified of the evaluation results via a PEB report. The report will include the rationale used in arriving at the award fee score.

2. AWARD FEE DETERMINATION PLAN (AFDP)

2.1. PURPOSE

The AFDP identifies (i) the procurement, (ii) the performance standards (against which the contractor's performance will be evaluated), (iii) the scoring system, and (iv) the organization.

2.2 REQUIREMENT

The AFDP must be tailored to meet the specific mission or program/project objectives, yet be flexible to accommodate changes in emphasis or concerns during the contract period of performance. The performance standards should be selected based on those areas where high levels of performance are desired and attainable.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 8 of 20

2.2.1 Preparation

The preparation of the AFDP is the responsibility of the COTR who shall develop the plan in accordance with the provisions of this document. Preparation of the plan shall be completed in coordination with the PEB secretary, CO, and others as appropriate before submitting the proposed plan for review and approval.

2.2.2 Submission

The proposed plan shall be delivered to the PEB secretary for coordination and approval of the PEB. The plan shall be incorporated into the contract by reference. The contract shall contain sufficient language to permit unilateral changes as appropriate.

2.2.3 Changes

Changes to the plan shall be initiated at least 30 days in advance of the effective date of the changes in order to permit approval by the PEB and receipt by the contractor prior to the effective date.

2.3. GENERAL

See the NASA Award Fee Contracting Guide for general guidance. Implementation will be tailored for each contract with award fee provisions.

2.3.1 COTR and Monitor Functions

The COTR shall list the names of individuals appointed as monitors and their respective area(s) of responsibility. The appointing official shall ensure that each individual appointed has filed an annual financial disclosure statement. Each individual is required to report financial or other interests that could disqualify him/her for reasons of conflict of interest and to ensure that the COTR is aware on any such potential conflicts.

The COTR and monitors shall be responsible for (i) establishing plan/approaches for evaluating contractor performance during each award period, (ii) fully documenting all areas of the contractor's performance during each award fee period, and (iii) maintaining work files for the life of the contract. Included in the work files should be all documentation used in evaluating the contractor's performance.

**ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
 ARE FOR REFERENCE ONLY
 THIS SITE IS UPDATED EVERY 30 DAYS**

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 9 of 20

2.3.2 Reporting

This section describes the report to be submitted by the monitors to the COTR for use in preparing the evaluation report to the PEB.

Monitor's Report Narrative. Specific instructions shall be issued to the monitors by the COTR detailing (i) the structure of the report, (ii) the specific supporting documents required as referenced, (iii) the frequency of reports, and (iv) the type of reporting required.

Oral Presentation. Oral presentations by the monitors to the PEB are required only when requested by the COTR. An oral presentation based on the monitor(s) narrative report(s) may be presented to the PEB by the COTR. The COTR's oral presentation should summarize the contractor's performance, strengths & weaknesses, and any unusual actions/activities on the part of contractor that affected performance.

3. EVALUATION REPORT

The COTR shall prepare an evaluation report of the contractor's performance after completion of each evaluation period. Hard copy of the written reports shall be submitted to the PEB secretary. Written reports and oral presentations shall be prepared and shall comply with the requirements of this procedure and the PEB approved AFDP. The PEB will utilize the reports in establishing a recommendation to the FDO.

- 3.1 The COTR prepares the Evaluation Report, which shall address the contractor's performance under each of the criteria and areas of emphasis. The COTR shall use the monitor's inputs and his/her personal assessment under the evaluation criteria in preparing the report.
- 3.2 The written report shall include a summary section and a section for each of the evaluation criteria. Oral presentations shall summarize the written report and be limited to not more than 40 minutes with an additional 20 minutes for discussion.
- 3.3 The report shall be results oriented, contain specifics, and avoid generalities. Both the report and oral presentation must address all applicable performance standards in the AFDP as approved by the PEB for each evaluation period. The presentation and written report shall include significant strengths and weaknesses in order of importance, and a proposed adjective and numerical rating of the contractor's performance.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 10 of 20

3.4 The Evaluation Report, routed through the PM for concurrence, shall be furnished to the PEB secretary as promptly as possible but no later than ten calendar days following completion of the period to be evaluated.

4. CONTRACTOR SELF-EVALUATION REPORT

4.1 PURPOSE

The Contractor Self-Evaluation Report, if required, shall adhere to the same requirements as the Evaluation Report, except the report shall include only an overall adjective rating (no recommended score).

4.2 REPORT SUBMITTAL

A hard copy of the written report shall be submitted to the PEB Secretary, no later than 10 calendar days after completion of the evaluation period. Copies of the report shall be furnished to the PEB prior to the contractor's oral presentation to the PEB.

5. PERFORMANCE EVALUATION BOARD REPORT

5.1 PURPOSE

The PEB Report provides the contractor the PEB's assessment of its performance and the award fee adjective recommendation of the PEB.

5.2 REQUIREMENTS

The PEB shall prepare a report after a formal assessment of the Evaluation Report, oral presentation and any contractor self-evaluation. The PEB Report shall provide the official adjective recommendation as to the fee earned, and shall include a brief narrative on the contractor's performance for the period.

5.2.1 The report will consist of a number of statements of strengths and weaknesses against each performance standard in the AFDP to substantiate the award fee position.

5.2.2 Transmittal Letter. A brief letter for transmitting the report to the contractor is the responsibility of the CO. The letter shall reference the period of evaluation, the report, and the number of days (5 calendar days) allocated for review and reply. Only when there is extraordinary accomplishment and/or performance of

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 11 of 20

grave concern or at the direction of the PEB shall specific reference be made to performance.

5.3 PROCESSING OF PERFORMANCE EVALUATION FILE

5.3.1 The PEB evaluation file shall include (i) the PEB Report, (ii) a copy of the Evaluation Report and oral presentation charts, (iii) a copy of the contractor's Self-Evaluation Report, (iv) the original, signed but undated, CO letter transmitting the PEB report to the contractor, and (v) other material germane to the PEB's evaluation. The file shall be forwarded for review to (i) the PEB Chairperson, (ii) the Acquisition Management Office's representative on the PEB, (iii) the responsible Program/Project Manager, if a voting member of the PEB, and (iv) the FDO. After the reviews, the CO will transmit the file to the contractor.

5.3.2 The CO shall furnish the PEB Secretary a signed and dated copy of the transmittal letter when it is forwarded to the contractor. The contractor's reply shall be furnished to the PEB secretary immediately upon receipt. Award Fee contract modifications shall be prepared and forwarded to Finance for payment one day after receipt of approved Determinations & Findings (D&F).

5.4 CONTRACTOR EXCEPTION TO PEB ASSESSED RATING

5.4.1 Should a contractor take exception to the PEB adjectival rating, the contractor shall:

- a. State in writing its exception to the adjective rating. A manager at a level above the contractor's Program or Project Manager shall sign the exception.
- b. Identify the specific area(s) of contention.
- c. Furnish additional information in writing pointing out the alleged discrepancies.
- d. Appear before the PEB, if requested, to present the additional information and answer questions.

5.4.2 Upon receipt of the contractor's written exception to the rating, the following actions shall be taken.

- a. The CO shall furnish a copy of the contractor's exception to the PEB Chairperson and the responsible COTR.
- b. The PEB Chairperson and COTR will review the PEB Report and the contractor's exception, and prepare a reply to the PEB.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 12 of 20

- c. The PEB secretary will distribute to the PEB members (i) the report, (ii) the contractor's exceptions, and (iii) the contractor's reply to the exceptions. Schedule a PEB session to assess the additional information from both parties.
- d. Depending on the circumstances and information, the PEB may revise its report.

5.5 CORRECTIVE ACTION

5.5.1 In keeping with the DFRC's ISO initiative, effective October 1, 1998, a more formal method for closing major weaknesses will be implemented. A requirement for the contractor to submit a corrective action plan will be annotated in the transmittal letter provided to the contractor. The corrective action plan for such weaknesses, includes the following:

- a description of each major weakness,
- the determination of the root cause,
- an explanation of how recurrences will be prevented,
- an action plan required to correct the weakness, and
- the schedule for completion of the action(s).

5.5.2 The COTR shall maintain oversight for each corrective action to verify compliance, implementation, and completion.

5.5.3 Upon completion of all corrective actions, the COTR shall document the completion and effectiveness of the corrective action.

6. RESPONSIBILITIES OF THE PERFORMANCE EVALUATION BOARD SECRETARY

6.1 GENERAL

6.1.1 Provide guidance and assistance to the Chairperson and members of the PEB.

6.1.2 Issue the instructions for the Center elements involved in the award fee process.

6.1.3 Arrange for all PEB meetings.

6.2 PEBs and MEMBERSHIP

6.2.1 Act to establish a PEB when a contract with award fee provisions is awarded.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 13 of 20

6.2.2 Prepare and submit to the PEB Chairperson a list of members for the PEB.

6.2.3 Prepare the management announcement on each PEB for review and approval by the Center Director.

6.3 PERFORMANCE EVALUATION PLANS

6.3.1 Participate in the development of award fee criteria.

6.3.2 Review the Performance Evaluation Plans for conformity with current policies and procedures.

6.3.3 Review the Evaluation Report to ensure the evaluation is adequately substantiated and documented in accordance with the plan.

6.4 PEB MEETINGS AND DOCUMENTATION

6.4.1 Schedule the PEB meetings for evaluation of contractor performance.

6.4.2 Resolve schedule conflicts.

6.4.3 Prepare the minutes of each PEB meeting.

6.4.4 Prepare the PEB Report.

6.5 DETERMINATION AND FINDINGS (D&F)

6.5.1 Review the contractor's reply to the PEB Report.

6.5.2 Prepare the D&F.

6.6 PERFORMANCE EVALUATION REVIEW AND ANALYSIS

6.6.1 Interpret policies and procedures governing award fee activities.

6.6.2 Maintain current policies, procedures, and instructions on the award fee process.

6.6.3 Develop briefings and presentations concerning contractor performance evaluations for use by Center management or higher authority.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 14 of 20

7. RESPONSIBILITIES OF THE COTR

7.1 PURPOSE

This section outlines the responsibilities of the COTR and his/her alternate. An alternate may serve only in the required absence of the COTR.

7.2 RESPONSIBILITIES OF THE COTR

7.2.1 Establish objectives to be included in the Performance Evaluation Plan.

7.2.2 Prepare a Performance Evaluation Plan prior to contract award.

7.2.3 After PEB approval, the COTR will implement the Performance Evaluation Plan.

7.2.4 Issue appointment letters to monitors and the alternate when used (with approval of the responsible program manager). Verify that each individual nominated to serve as monitors or an alternate have filed an annual financial disclosure statement.

7.2.5 The PEB shall furnish to the contractor the criteria minus the weights, and the areas of emphasis, if applicable, for the designated evaluation period. Weights are not furnished to the contractor. Discussions of the evaluation criteria and areas of emphasis should be held with the contractor at the beginning and during each evaluation period, as appropriate.

7.2.6 Establish and disseminate to monitors the procedures and formats necessary for obtaining and evaluating data pertaining to contractor performance.

7.2.7 Maintain close liaison with monitors and ensure that the evaluation process is equitable and systematically performed.

7.2.8 Establish a system of periodic, at least quarterly, performance reviews wherein the contractor's performance is evaluated by monitors and, as necessary, by the CO and other appropriate persons.

7.2.9 Document award fee performance meetings with the contractor.

7.2.10 Prepare the periodic Evaluation Report and furnish it to the PEB Secretary for distribution to the PEB.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 15 of 20

7.2.11 Retain all documents to substantiate the evaluation of the contractor and the proposed score for each performance period.

7.3 REPORTS

7.3.1 The COTR shall provide the monitors with instructions related to reporting of the performance evaluation.

7.3.2 The Monitors' reports on contractor performance shall be submitted as scheduled by the COTR. The monitors shall apply only adjective ratings of the contractor's performance unless otherwise instructed.

7.3.3 The COTR shall consider the monitors' inputs in the preparation of his/her report.

7.3.4 The COTR shall prepare and submit the Evaluation report and make the oral presentation to the PEB for its use in evaluating the contractor's performance.

8. APPOINTMENT AND RESPONSIBILITIES OF THE MONITORS

8.1 APPOINTMENT

8.1.1 The COTR (with approval of the responsible program manager) shall issue appointment letters to as many monitors as deemed necessary to provide full coverage in evaluating contractor performance. The PEB secretary shall be furnished copies of all appointment letters.

8.1.2 Each monitor shall immediately bring to the attention of the COTR any interest or involvement, financial or otherwise, that could result in or create the appearance of a conflict of interest.

8.2 RESPONSIBILITIES

The monitor is responsible for providing a factual evaluation of each criterion, sub-criterion, and factor, if used, in the respective areas assigned. The monitor shall apply an adjective rating only, unless otherwise instructed by the COTR. The adjective rating must be supported with clearly defined examples of strengths and weaknesses. These examples should be based on continual evaluation and documentation throughout the evaluation period.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 16 of 20

8.3 SUPPORT TO COTR

The monitor shall participate, as required by the COTR, in periodic discussions and in presentations of the Evaluation Report to the PEB.

8.4 REPORTS

8.4.1 The types and frequency of reports to be submitted by the monitor to the COTR shall be contained in the specific instructions issued by the COTR for each contract. Reports shall be submitted directly to the COTR and not through organizational channels.

8.4.2 In all cases, the reports by the monitor(s) shall be substantiated by attaching any appropriate supporting documentation. In addition to providing an evaluation based on the specific performance criteria (sub-criteria, and factors, if used) indicated by the COTR, the monitor's report should indicate where the contractor has taken initiative in such areas as problem identification, implementation of corrective action, and identification of new requirements, any of which could result in benefits to the government.

9. RESPONSIBILITIES OF THE CONTRACTING OFFICER

- 9.1 Advise the PEB on procurement matters pertinent to the performance of a contractor under a contract with award fee provisions.
- 9.2 Ensure the negotiated award fee is distributed by period in keeping with the amount of work to be completed and/or the complexity of the work or event. For program/project contracts, consideration should be given to withholding a percent of the total award fee available until the end of the contract. The fee withheld would be available for successful mission performance and overall contract cost and schedule performance as appropriate.
- 9.3 Prepare for the Procurement Officer's signature all COTR delegations that include award fee coordinator responsibilities.
- 9.4 Assist the COTR with the preparation of the Performance Evaluation Plan. Following PEB approval of the plan, provide the contractor a copy of the plan.
- 9.5 Coordinate with and provide the requiring activity the length of performance evaluation periods.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 17 of 20

- 9.6 Assist in the timely selection of and the notification to the contractor of the PEB approved criteria, sub-criteria/factors, if used, and, when appropriate, the areas of emphasis applicable to each evaluation period prior to the beginning of each period.
- 9.7 Advise the contractor of the date set for the PEB evaluation meeting and obtain for the PEB Secretary the names and titles of the contractor representatives who plan to attend the PEB meeting.
- 9.8 Prepare the letter for transmitting the PEB Report to the contractor. Furnish the letter, signed but undated, to the PEB Secretary one day after the PEB evaluation. Forward the PEB Report to the contractor upon receipt from the PEB Secretary.
- 9.9 Provide the PEB Secretary (i) the contractor's reply to the PEB Report, (ii) a copy of the award fee modification, after the execution of the D&F, and (iii) a copy of all correspondence pertinent to each evaluation of a contractor's performance. A copy of the approved D&F shall be attached to the AWARD FEE modification before transmittal to the contractor.
- 9.10 Assure timely administration of the award fee process for which the CO has responsibility.

10. REALLOCATION OF UNEARNED AWARD FEES

10.1 PURPOSE

The purpose of this section is to address the possibility of reallocating unearned award fees to key events and/or special milestone/activities for Program/Project contracts only.

10.2 GENERAL

- 10.2.1 The reallocation of some portion of unearned award fees to future events or activities may be considered as a means of motivating a contractor at some later time. However, the automatic reallocation of unearned award fees shall be carefully considered as it could reduce the effectiveness of the incentive in the individual award fee periods. The reallocation of the entire unearned award fee is discouraged.
- 10.2.2 Unearned award fees may be reallocated to a separate award fee pool for possible later award when determined in the best interest of the government, but then only when stipulated by the provisions of a particular contract. Reallocation of unearned award fees, the amount to be made available, and the criteria under which the unearned award fees may be earned shall be solely at the discretion of

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 18 of 20

the Government. Any unearned award fee reallocated shall be available only once for potential award.

10.3 APPLICATION

- 10.3.1 The application of reallocated unearned award fees shall be specifically described in the Performance Evaluation Plan. Proposed specific application(s) of the reallocated fees shall be approved by the PEB. This shall be accomplished at the same time evaluation criteria and weights are established for the given evaluation period.
- 10.3.2 Unearned award fees shall not be reallocated to the periodic award fee pools but to those events/activities that are significantly key to the success of the program or project, and to those events/activities that can be totally separated from the periodic evaluation.

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 19 of 20

APPENDIX B

DEFINITION OF RATINGS AND NOMOGRAM

ADJECTIVE RATING	DEFINITION	EFFICIENCY RATING AND AWARD FEE PERCENTAGE
Excellent	Of exceptional merit; exemplary performance in a timely, efficient, and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance.	91.0 - 100
Very Good	Very effective performance, fully responsive to contract requirements accomplished in a timely, efficient, and economical manner for the most part; only minor deficiencies.	81.0 - 90.0
Good	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.	71.0 - 80.0
Satisfactory	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.	61.0 - 70.0
Poor/ Unsatisfactory	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.	LESS THAN 61.0

NOTES:

1. As a benchmark for evaluation, in order to be rated Excellent, the contractor must be under cost, on or ahead of schedule, and have provided excellent technical performance.
2. If a significant weakness is identified under a criterion, that criterion shall not receive a score higher than 80 with a rating of Good. However, an Excellent or Very Good rating may still be assigned the overall rating provided the scores in the other criteria add up to 81 or higher.

ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
ARE FOR REFERENCE ONLY
THIS SITE IS UPDATED EVERY 30 DAYS

Dryden Centerwide Procedure Code A		
EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS	DCP-A-004	Revision: A
		Page 20 of 20

APPENDIX B

EXAMPLE

COTR'S WORK SHEET
CRITERIA RATING COMPUTATIONS

CONTRACTOR _____
 CONTRACT _____
 PERIOD OF PERFORMANCE _____

<u>EVALUATION CRITERIA</u>	<u>WEIGHT</u>	<u>NUMERICAL RATING</u>	<u>NUMERICAL SCORE</u>
<u>TECHNICAL PERFORMANCE</u>	25%	X 20	= 5.0
<u>S&MA PERFORMANCE</u>	20%	X 30	= 6.0
<u>SCHEDULE PERFORMANCE</u>	20%	X 25	= 5.0
<u>PROJECT MANAGEMENT</u>	15%	X 60	= 9.0
<u>COST CONTROL</u>	<u>20%</u>	X 80	= <u>16.0</u>
TOTAL WEIGHT:	<u>100%</u>	TOTAL NUMERICAL SCORE:	<u>41.0</u>

ADJECTIVE RATING: UNSATISFACTORY

AWARD FEE AVAILABLE THIS PERIOD: \$130,000

NOTE: WEIGHTS ARE NOT PERCENTS AND DO NOT REPRESENT A PERCENTAGE OF THE AVAILABLE FEE DOLLARS. THE PERCENT OF AVAILABLE AWARD FEE FOR PAYMENT CANNOT BE DETERMINED UNTIL THE NUMERICAL SCORE FOR TOTAL PERFORMANCE IS CALCULATED AND APPLIED AGAINST THE PEB-APPROVED NOMOGRAM.

**ALL DOCUMENTS ON THIS SITE
<http://www.dfrc.nasa.gov/DMS/dms.html>
 ARE FOR REFERENCE ONLY
 THIS SITE IS UPDATED EVERY 30 DAYS**