

PART III

**SECTION J – LIST OF DOCUMENTS, EXHIBITS AND OTHER
ATTACHMENTS**

ATTACHMENT 6

**PERFORMANCE EVALUATION AND
MANAGEMENT PLAN**

**PERFORMANCE EVALUATION AND MEASUREMENT PLAN
FOR
EVALUATING CONTRACTOR PERFORMANCE
AT THE
NATIONAL RENEWABLE ENERGY LABORATORY**

1.0 PERFORMANCE EVALUATION and MEASUREMENT PLAN

The Performance Evaluation and Measurement Plan (PEMP) governs assessment of Contractor performance for Contract No. DE-AC36-99GO10337 at the National Renewable Energy Laboratory (NREL). The PEMP describes system attributes including performance expectations, roles and responsibilities, and the process by which Contractor performance will be evaluated for purposes of determining fee earned by the Contractor.

2.0 REFERENCES AND DEFINITIONS

2.1 Definition of terms used within this PEMP are as follows:

- Evaluation Period - The October 1 through September 30 fiscal year
- Award fee period -A defined, discrete portion of an evaluation period. For purposes of this contract, each discrete award fee period is a six-month period in a fiscal year
- Critical Outcome - A long-term, strategic goal stated in terms of the results that are expected to be achieved in an area that is of significant importance in achieving the vision. It is a statement that captures the essence of the desired end state to be achieved
- Performance Objective - An attainable goal that when achieved, will lead toward the critical outcome
- Performance Indicator - The evidence of achievement of, or progress toward, a performance objective

3.0 CONTRACTOR SELF-ASSESSMENT

3.1 The Contractor is required to implement a comprehensive Self-Assessment Program in accordance with Section H-9 of the Contract. The Contractor shall submit a Self-Assessment 30 calendar days after each award fee period ends. This Self-Assessment shall address both the strengths and weaknesses of the Contractor's performance across all elements of the Statement of Work (SOW) and should address the agreed-upon critical outcomes, performance objectives, and performance indicators. Where deficiencies are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and to avoid their recurrence. The Fee Determining Official will review the Contractor's Self-Assessment as part of his/her evaluation of the Contractor's management during the award fee period. An unrealistic Self-Assessment will result in lower award fee determinations. The Contractor will not be penalized for a realistic Self-Assessment, although deficiencies noted by the Contractor may be reflected in the Department of Energy's (DOE) evaluation. The Self-Assessment submitted will not be the only basis for award fee determination.

4.0 PERFORMANCE MEASURES AND EVALUATION OF PERFORMANCE

4.1 Performance measures for this Contract will be derived from various sources including EE Strategic Plans, Annual Operating Plans, etc., will be aligned with the elements of the SOW, and will directly support the Office of Energy Efficiency and Renewable Energy's strategic goals and commitments.

4.2 Performance measures for this Contract shall consist of critical outcomes, performance objectives, and performance indicators.

Critical Outcomes - The Contractor is responsible for and will be assessed against all elements of the SOW. These elements may be changed by DOE if and when the SOW is modified. These elements are:

- **1.0 Science and Technology** – Conduct research, development, field verification and testing, technical analysis, and technical assistance efforts that advance viable energy technology options

from concept through application and span energy pathways from supply through conversion and delivery to end use.

- **2.0 Leadership** - Provide leadership that creates opportunities to enhance NREL's role as a recognized national and international asset
- **3.0 Laboratory Viability** – Ensure the long-term viability of the Laboratory by building and enhancing NREL's core scientific competencies and facility capabilities.
- **4.0 Mission Support** – Manage and enhance NREL business and management systems and work processes to provide an effective and efficient work environment that enables execution of NREL's mission.
- **5.0 Environment, Safety, and Health** – Protect the safety and health of the NREL workforce, the community, and the environment.
- **6.0 Outreach and Stakeholder Relations** – Provide leadership in building strong and productive relationships and alliances with stakeholders, advance awareness and support of the DOE renewable energy and energy efficiency missions, and advance math and science education.

Performance Objectives - The Contractor's success in achieving the critical outcomes will be judged, in part, on the Contractor's success in meeting established performance objectives. Performance objectives are generally negotiated between the Contractor and DOE and may change across award fee periods.

Performance Indicators – The Contractor's success in fulfilling a performance objective will be judged, in part, on the Contractor's success in meeting established performance indicators. Performance indicators are generally negotiated between the Contractor and DOE and may change as appropriate across the award fee periods.

- 4.3 DOE and the Contractor will work together to establish performance measures. Proposed Contractor performance measures are due annually to the Contracting Officer no later than August 15 . Should the Contractor and DOE not agree upon the performance measures, DOE will unilaterally establish measures in accordance with the terms of the Contract. The final annual Performance Measures and any revisions made to the Performance Measures during the evaluation period will be transmitted to the Contractor by letter from the Contracting Officer and will be considered as part of this contract.
- 4.4 Consistent with the 'award fee' nature of this Contract, evaluation of the Contractor's performance is substantially subjective and will be determined unilaterally by DOE.
- 4.5 The Contractor's success will be evaluated against the fulfillment of the SOW. Progress toward meeting performance objectives as evidenced by performance indicators is one factor considered by DOE in evaluation of the Contractor and will serve only to guide DOE's assessment of the Contractor's performance. Completion of individual tasks and/or activities do not, in and of themselves, constitute successful Contractor performance.
- 4.6 DOE expects the Contractor to perform at the highest levels of excellence; however, the standard anticipated level of score of a qualified, competent, and successful Contractor is Good. DOE encourages the Contractor to exceed this expectation through leadership, innovation, and resourcefulness across all elements of the SOW. Performance scores above the standard level will reflect the extent to which the Contractor's actions, in DOE's sole judgment, contribute to advancing NREL's mission and yield more efficient, effective, and economical operation of NREL.
- 4.7 DOE may use any information available in assessing the Contractor's performance.

5.0 CALCULATION OF EARNED AWARD FEE

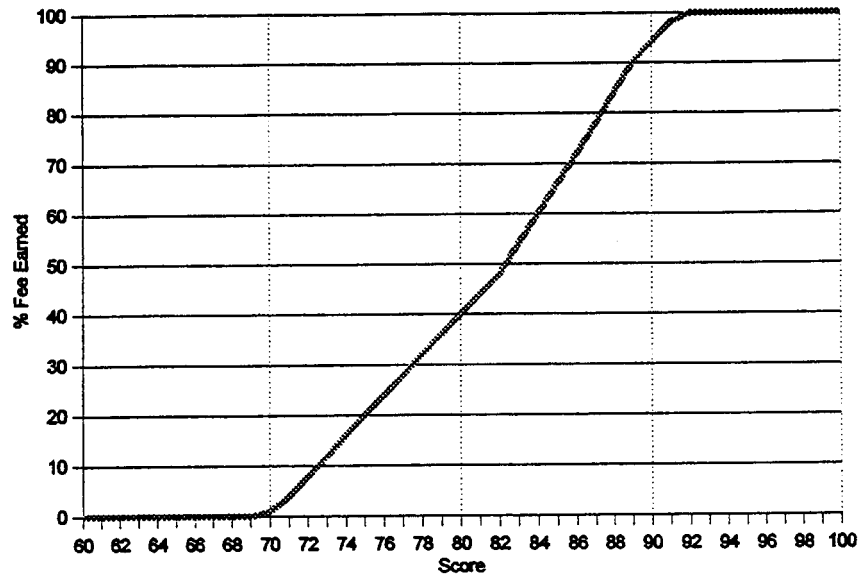
5.1 Total available fee will be determined in accordance with Clause H.9 “Fee and Performance” of this contract. Earned fee shall be calculated in accordance with the table below. For performance scores falling between the values given, the percentage of award fee shall be computed by linear interpolation between the above values. For purposes of computing the award fee, percentages shall be computed to the nearest tenth of a percent.

Adjectival Ratings and Fee Earned		
Adjective Score	Performance Score	Award Fee Earned (%)
Outstanding - Performance substantially exceeds expected levels of performance. Several significant* or notable** achievements exist. No notable deficiencies exist.	92-100	100
	91	98
	90	94
Excellent - Performance exceeds expected levels and some notable achievements exist. Although some notable deficiencies may exist, no significant deficiencies exist	89	90
	88	84
	<u>87</u>	78
	86	72
	85	66
	84	60
	<u>83</u>	54
	82	48
	81	44
	80	40
Good - Performance meets expected levels. Minimum standards are exceeded and "good practices" are evident in contract operations. Notable achievements or notable deficiencies may or may not exist.	79	36
	78	32
	<u>77</u>	28
	76	24
	75	20
	74	16
	<u>73</u>	12
	72	8
	71	4
	70	1
Marginal - Performance is less than expected. No notable achievements exist; however, some notable deficiencies exist, or any notable achievements exist which are more than offset by significant or notable deficiencies.	69	0
	68	0
	<u>67</u>	0
	66	0
	65	0
	64	0
	<u>63</u>	0
	62	0
	61	0
60	0	
Unsatisfactory - Performance is below minimum acceptable levels. Significant deficiencies causing severe impacts on mission capabilities exist. Performance at this level in any area mentioned in the Performance Evaluation Plan may result in a decision by the Fee Determining Official to withhold all award fee for the period.	59 and Below	0

* Significant - This term signifies a major event or sustained level of performance which, due to its importance, has a substantial impact on the Contractor's ability to carry out its mission.

** Notable - This term signifies an event or sustained level of performance which is of lesser importance than a "significant" event, but nonetheless deserves some recognition.

Fee Curve for the NREL Contract



6.0 CHANGE CONTROL

Changes to the Performance Evaluation and Measurement Plan can only be made upon approval of the Contracting Officer.

ATTACHMENT 1

FRAMEWORK OF THE PEMP AWARD FEE EVALUATION PERIOD

- 1) The Contractor submits the Self-Assessment to the Contracting Officer 30 calendar days from the end of the award fee period. The Executive Secretariat forwards the Contractor's Self-Assessment to individual Performance Monitors.
- 2) A preliminary (draft) Award Fee Performance Evaluation Report shall be issued to the Contractor approximately 5 calendar days following the PEB meeting by the PEB Chairperson through the Contracting Officer. The Contractor shall be afforded an opportunity to review this report within 5 calendar days after receipt of report and then meet with the DOE representatives to discuss this evaluation. As soon as feasible, upon conclusion of this discussion, the PEB shall prepare and submit the final Award Fee Performance Evaluation Report to the FDO for the award fee determination. If so desired, the Contractor may submit written comments to the FDO within 5 calendar days of meeting with DOE on the draft Report.
- 3) The Contracting Officer will authorize payment, via letter, of the amount of award fee which has been determined by the FDO for the applicable award fee period. Payment of fee, if any, must be authorized no later than 90 calendar days from the end of the award fee period. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined award fee amount in accordance with Clause I.100 Total Available Fee: Base Fee Amount and Performance Fee Amount (Dec 2000)
- 4) The evaluation of the Contractor's performance, the determination with respect to the entitlement of award fee or the amount thereof by the FDO, and implementation thereof by contract amendment shall be final and is not subject to the "Disputes" clause of this contract.