

Contract No DE-AC36-99GO10337

Modification M110

**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, the award fee period is October 1 through September 30.
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 evaluation 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 the Office of Energy Efficiency and Renewable Energy's (EERE) Strategic Plans, Annual Operating Plans, etc., will

be aligned with the elements of the SOW, and will directly support EERE'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:

- Science and Technology- MRI will deliver high quality scientific and technological outcomes that advance DOE priorities and Program objectives.
- Leadership- MRI will lead NREL as an FFRDC to create opportunities that significantly advance the EERE mission while enhancing NREL's role as a recognized national and international asset.
- Technical and Scientific Viability- MRI will ensure the long-term viability of NREL by building and enhancing NREL's technical capabilities.
- Mission Support- MRI will manage and enhance NREL business and management systems, work processes, and capabilities to provide an effective and efficient work environment that enables the execution of NREL's mission.
- Environment, Safety, and Health- MRI will protect the safety and health of the NREL workforce, the community, and the environment.
- Outreach and Stakeholder Relations- MRI will build strong and productive relationships and alliances with stakeholders, advance awareness and support of the DOE renewable energy and energy efficiency mission, and advance math, science, technology, and engineering 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 negotiated between the Contractor and DOE and may change as agreed upon by the parties.

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 agreed upon by the parties.

- 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

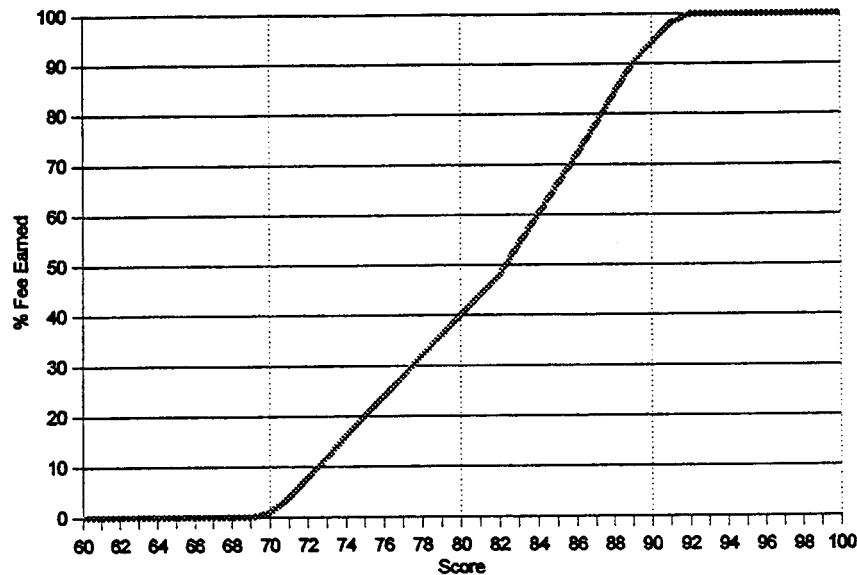
5.1 Total available fee will be determined in accordance with Clause H.9 "Fee and Performance" of this contract. Earned fee shall be calculated in accordance with the table below. For performance scores falling between the values given, the percentage of award fee shall be computed by linear interpolation 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 evaluation 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 business 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 business 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 business 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 DEAR 970.5215-1 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.