

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.

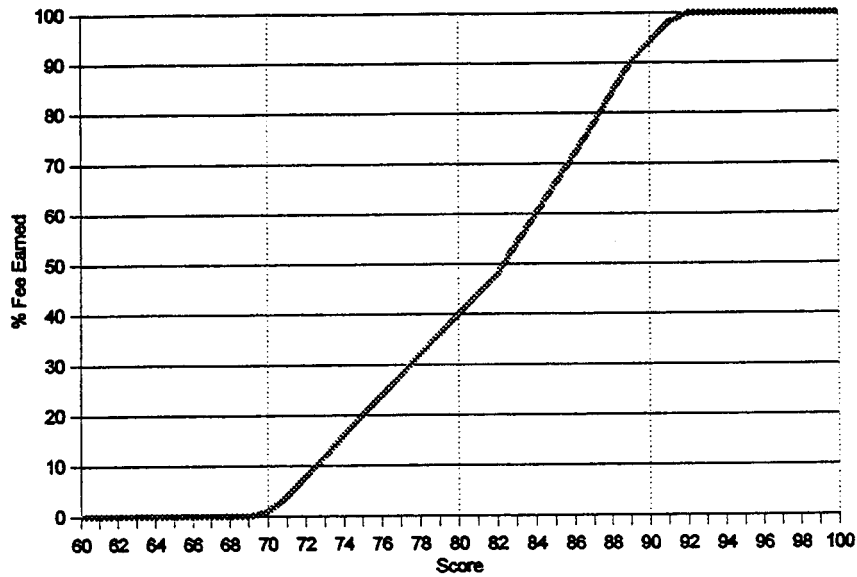
5.0 CALCULATION OF EARNED AWARD FEE

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
	87	78
	86	72
	85	66
	84	60
	83	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
	77	28
	76	24
	75	20
	74	16
	73	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
	67	0
	66	0
	65	0
	64	0
	63	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.

7.0 NREL LEADERSHIP ACTION PLAN FOR OPT PRIORITIES

**NREL Leadership Action Plan
for OPT Priorities
03-27-02**

The following plan addresses key actions and outcomes that NREL will take prior to the end of fiscal year 2002. These actions are focused on providing leadership that advances the mission and priorities of the Office of Power Technologies by integrating programs, enhancing their impact, and providing technical leadership that supports formulating sound strategies. The outcomes of these actions will be reported in the self assessment under the Leadership critical outcome. A new performance indicator will be added to the Laboratory's performance management plan for the second half of the fiscal year as shown below. The actions reflected in this plan include immediate actions as well as those that will be completed in the second half of the year. These are over and above the tasks that have already been defined in program annual operating plans (AOPs).

NREL's actions to strengthen and integrate its analysis capabilities are addressed in a separate plan titled *Building a World Class Analysis Capability NREL Strategy and Action Plan* that was updated in December 2001. Progress against the analysis action plan will be reported under the Laboratory Viability Critical Outcome and Performance Objective 3.1.

Critical Outcome 2.0: Leadership -- Provide leadership through NREL's role as a Federally Funded Research and Development Center (FFRDC) that creates opportunities to significantly advance the EERE mission while enhancing NREL's role as a recognized national and international asset.

Performance Indicator (New) PI 2.1.3 Progress in implementing agreed upon leadership actions that addresses key OPT priorities.

Task 1.0: Integrate and Enhance the Impact of the DER Program

The objective NREL will provide enhanced support to the DER office including strategic support in formulating and implementing a broad strategy for DER and hybrid systems. Specifically, NREL will consolidate individual DER projects into a single program and provide assistance to DOE in developing and positioning the program for expanded impact.

Integration: The thermally-activated projects, the systems integration and interconnections work, the new thermal storage effort, and DER communications activities will be combined into a single program and AOP managed by the DER Technology Manager (TM). The TM will serve as the lead interface with responsibility to the DER Office for all technical efforts within this program. In addition, the TM will integrate NREL efforts to bring new ideas to the table in the planning process so that these are presented in the context of the overall program goals. NREL will take the following actions to integrate the DER program activities:

- Meet with DER Office Director to clarify scope of integration and propose the NREL approach
- Establish a program management structure and communicate the new management plan to management and staff at NREL
- Transition TM from dual assignment to focus on TM role
- The NREL TM and technical lead for the thermally-activated research will work with the DOE lead to revise and align the scope of work for FY02 to be consistent with the available funding and DOE priorities.
- Develop an integrated FY03 AOP that includes all elements of the program.

Impact. NREL will provide strategic support in formulating and implementing a broad strategy for DER and hybrid systems. Specific actions that will be taken include:

- NREL will work with NETL and the natural gas and renewable industries to develop a plan to address the priority R&D needs that were identified at the earlier DER/Hybrid Workshops.
- NREL will hold policy forum focused on DER and communicate the results to educate policy makers on the national benefits of DER technologies and the policy issues.
- NREL will complete the initial design concepts for the Systems Interconnection Test Laboratory. Briefings and information materials will be provided to the DER Office and others in OPT that explain the programmatic needs for testing and how the facility will fill the need.
- NREL will develop the natural gas service infrastructure to the site following receipt of all necessary approvals. This service will support testing hybrid systems as well as provide the fuel for basic services in the future such as water and space heating.

Task 2.0: Integrate the Solar Program and Strategy

The objectives of this task are to support formulation of the integrated Solar strategy, produce an NREL program/project management construct that supports implementation of the integrated strategy, and integrated and enhance communications with DOE management and with external stakeholders.

Integrated Strategy Formulation and Integration: NREL will:

- Participate with Sandia in helping DOE develop an integrated strategy for the Solar Program.
- Take steps in FY02 to integrate analysis and communications efforts across PV, CSP, and Solar Buildings
- Develop an integrated FY03 Solar Energy Program AOP that exhibits effective utilization of NREL in-house capabilities, subcontracted efforts, and public-private partnerships and encompass the efforts of Sandia.
- Develop an effective program/project management interface between NREL and the restructured DOE Solar Energy Program that supports implementing the AOP and provides DOE with an integrated interface to NREL capabilities. The interface with Sandia and the solar industries will also be considered in developing the options. In addition, the role of the NCPV and SunLab will be examined in light of the integrated strategy. The options will be discussed with DOE prior to implementation.

- Support OPT in preparing a detailed plan for launching a robust zero energy building R&D effort in FY03.

Solar Communications: NREL will enhance its participation in and contributions to the DOE's Office of Solar Energy Technologies Solar Outreach and Communications Team efforts. Specifically, NREL will:

- Implement an integrated Solar Energy Program support effort to DOE HQ for the Million Solar Roofs Initiative. This will include efforts at both NREL and Sandia Labs in the areas of photovoltaics, solar buildings, outreach and communications. This effort will be closely coordinated with IREC and DOE Regional Support Offices.
- Compile a list of electronic newsletters, review and revise electronic communication approaches as needed.
- Meet with the Solar Program to review and revise (if necessary) the slate of solar documents planned to be produced.

In addition, NREL will ensure that communications between the DOE Solar Program and the Laboratory is timely and that the Laboratory is responsive to DOE by establishing a process for coverage of phone calls of key managers and reinforcing the need for a timely response.

Task 3.0 Advance the Integrated Bioenergy Strategy

The objective of this task is to align NREL's bioenergy activities with DOE's bioenergy directions and provide a stronger foundation for an integrated and expanded Bioenergy Program.

Specifically, NREL will:

- Identify, with stakeholders, the specific technoeconomic and other analyses required to establish the benefits of an integrated, multiproduct approach through biorefineries.
- Form an initial external review panel and hold first review.
- Propose an approach to ensure regular, effective communication between the Bioboard and National Bioenergy Center.

Task 4.0 Hydrogen Vision and Roadmap

As DOE formulates its strategy for the accelerated development of the science, technology, and infrastructure to support the vision of a hydrogen economy an expanded and restructured Hydrogen Program will be required to meet the challenge. In support of this, NREL will:

- Provide technical leadership through active participation in the Hydrogen Roadmap workshops and the overall process in areas where NREL has established technical expertise in conventional and renewable hydrogen science, infrastructure and systems development.
- Provide senior technical leadership to advise and support DOE as it formulates its strategy. This will include identifying and providing appropriate technical leadership through dedicated detailee assignments through the NREL Washington Office as well as in Golden.
- Through its internal initiative, NREL will develop and share with DOE white papers that identify the
 - science, technology and infrastructure developments needed to realize a hydrogen economy
 - proposed role and value that NREL can bring to DOE in addressing these science, technology, and infrastructure development needs, and
 - analyses needed to establish a strong foundation for an expanded Hydrogen Program.

Task 5.0 Support DOE-DOI Efforts to Expand Use of Renewables on Federal Lands

The objective of this task is to provide technical support to DOE and other agencies in addressing NEP actions related to this area.

Task 6.0 Increase Geothermal Program Impact

The objective of this task is to enhance the management and impact of the Geothermal Program. NREL will focus its efforts in two key areas:

Program Management and Communication: NREL will provide timely information to DOE for evaluation and assure that milestones are met on or ahead of schedule. Specifically, NREL will

- Review the current list of R&D milestones with DOE, reach agreement on scheduled completion, and document agreements in an Annual Operating Plan
- Document, in writing, the completion of milestones as they occur.

Task 7.0 General Leadership and Management

The objectives of the actions identified in this task are to assess and modify management systems as needed to enhance NREL's ability to support OPT and improve communications. Actions will be taken in the following areas:

Review of National Centers: NREL will develop information that will enable DOE and the Laboratory to decide the directions that need to be taken with the three national centers to enhance their effectiveness in supporting OPT priorities. Specific actions include:

- Benchmark the value of the National Centers against other NREL R&D Centers. Dimensions of value will include contribution to the program mission; responsiveness and support to DOE; cost of doing business; value to the industry; relevance to EE-1 nine priorities, S-1 priorities, and the National Energy Plan.
- Use an external review team to conduct an independent review of NCPV, NWTC, and NBC.

Develop and Communicate Strategic Opportunities: Many of the preceding tasks are focused on developing new opportunities, identifying science and technology needs to support roadmaps, and identifying the analyses required to establish a credible foundation for new programs or initiatives. In addition, NREL has several internal initiatives focused on identify and developing strategic opportunities as well as internal research projects (DDRD) that are exploring new concepts. NREL will be more aggressive in sharing proposed strategies, opportunities, and issues with OPT. The specific actions associated with this task include:

- Conduct regular briefings with OPT on topics that are products of the tasks above or are being incubated in internal NREL initiatives.
- Identify potential opportunities in natural gas and brief OPT
- Identify potential opportunities in electricity and restructuring
- Provide an overview of the relevant DDRD projects and their relevance to the OPT mission.
- Devote a portion of the regular meetings with OPT to reviewing status on the action plan and previewing upcoming major events. Interim reports on issues of importance should be communicated to OPT, as appropriate.

Provide D.C.- Based Support: NREL will work with OPT to identify needs and opportunities for providing technical staff support to OPT through its D.C. office. NREL is currently reviewing the structure of the office in order to identify how to provide higher value and greater flexibility with the mandate ceilings on staffing. Specific actions that will be taken include:

- Restructure the D.C. Office
- Define job qualifications and DOE requirements and make a recommendation to OPT regarding permanent or detail assignments that could add value in supporting OPT priorities.

Coordinate Nevada Activities: NREL will facilitate coordination with the multiple OPT programs that have activities located in Nevada, work to integrate those to align with program R&D missions and look for opportunities for to leveraging the full set of Nevada activities, including line items. Specific actions will include:

- Maintaining regular interactions with Nevada constituencies;
- Providing technical and coordinating assistance; and
- Providing ongoing communications and strategic advice to OPT regarding the status of activities and emerging opportunities and issues.

Complete Priority Products: NREL will complete priority products requested by OPT that are not included in program annual operating plans. These include:

- Completing the renewable resource maps that will be placed on display in the EE-1 conference room
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In addition, NREL executive management will work with OPT to identify key program deliverables that have high visibility (such as reports to Congress and NEP milestones) and ensure that these are given executive management attention and review.

Integration of Communication Products: OPT has indicated a desire to integrate and perhaps consolidate communications products, particularly newsletters. To support OPT in that effort (in addition to the communications integration noted above in Task 2.0), NREL will work with the appropriate OPT program managers to

- Provide OPT with a list of current newsletters, their objectives, and intended audiences
- Develop suggestions on how to restructure newsletters or other communication products around a common set of principles and critical communication priorities.

Schedule

Milestone	Completion Date
Task 1.0 - Distributed Energy Resources	
Consolidate DER projects under the responsibility of a single NREL TM	03-01-02
Develop Draft Integrated DER AOP for FY03	09-30-02
Plan to Address R&D Needs Identified in Renewable/Gas Workshops	06-30-02
Policy Forum with DER Focus Held	03-15-02
Brief OPT on Completed Conceptual Design for DER Systems Integration Test Laboratory	03-31-02
Task 2.0 - Solar Program Integration	
Participate in Developing an Integrated Solar Strategy	02-15-02
Develop Draft Integrated Solar AOP for FY03	09-30-02
Develop and Implement an Effective Program Management Interface	06-30-02
Provide Recommendations for Revising the Slate of Solar Communication Products and Electronic Newsletters	04-15-02
Input to the Detailed ZEB Planning Approach and Activity Spreadsheet	02-22-02
Implement Process to Ensure Phone Coverage and Response	03-01-02
Task 3.0 - Bioenergy Strategy Integration	
Technoeconomic Analyses Identified	07-31-02
Form Review Panel and Hold First Review	08-31-02
Propose Communication Approach between Bioboard and Nat'l Bioenergy Ctr	02-28-02
Task 4.0 – Hydrogen Vision and Roadmap	
White Paper Identifying S&T Gaps	06-30-02
White Paper Proposing NREL Role and Value	08-31-02
White Paper Identifying Existing and Needed Analyses	09-30-02
Task 5.0 – Renewables on Federal Lands	
Task 6.0 – Geothermal Program	
FY02 R&D Milestone Schedule Revised	02-28-02
Milestone Completion Documented	Ongoing
Task 7.0 – General Leadership/Management	
Benchmark Study of National Centers Initiated	03-31-02
Independent Review of National Centers Held	07-31-02
Monthly Briefings Held with OPT	Ongoing
D.C. Office Restructuring Completed	03-31-02
Renewable Resource Maps Delivered	02-15-02
NCCTI Products Delivered	Various

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.