

Responsible Office: NASA Headquarters Science Mission Directorate (SMD)]

**Subject: Evaluating, Approving, and Authorizing Award Fee  
and Award Term on the Prime Contract for JPL  
Operations**

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**NASA Headquarters  
Science Mission Directorate (SMD)**

**Office Work Instruction**

**Evaluating, Approving, and Authorizing Award  
Fee on Prime Contract for JPL Operations**

Approved by: (Original signed by Christopher J. Scolese)      Date: (5/5/2004)  
Christopher J. Scolese  
Deputy Associate Administrator for the Science Mission Directorate

## Subject: Evaluating, Approving, and Authorizing Award Fee and Award Term on the Prime Contract for JPL Operations

### DOCUMENT HISTORY LOG

STATUS (BASELINE/ REVISION/ CANCELED)	DOCUMENT REVISION	EFFECTIVE DATE	DESCRIPTION
Baseline		02/01/1999	<ul style="list-style-type: none"> <li>Initial "baseline" version of the OWI.</li> </ul>
Revision	A	05/10/1999	<ul style="list-style-type: none"> <li>Incorporates modifications responsive to NCRs #293, #300, #302, #308, #311, #315, #317, #319, and #324 from the NASA HQ ISO-9001 Pre-Assessment audit.</li> </ul>
Revision	B	11/16/1999	<ul style="list-style-type: none"> <li>Incorporates modifications by Process Owner to process flow in Section 5 and process description in Section 6.</li> <li>Clarifies that the deadlines in Section 6 are NMO <u>self-levied milestones</u>, not external mandatory requirements.</li> <li>Incorporates recent terminology and format standardization.</li> </ul>
Revision	C	05/01/2000	<ul style="list-style-type: none"> <li>Modifies the entry in Section 4 pertaining to the NASA/Caltech Prime Contract.</li> <li>Incorporates modifications by Process Owner to process flow in Section 5 (e.g., revised inputs and outputs) and process description in Section 6 (e.g., combining Steps 6.1 &amp; 6.2 and revised Action Officers).</li> </ul>
Administrative Change	C	05/02/2000	<ul style="list-style-type: none"> <li>Administrative Change to correct the title of a Quality Record (PAEB Recommendation Summary).</li> </ul>
Revision	D	05/16/2001	<ul style="list-style-type: none"> <li>Adds Table of Contents.</li> <li>Modifies Paragraph 2.3 to clarify the interaction between OIC's and Contract Performance Monitors (per observation from 05/05/2000 ISO 9001 external audit).</li> <li>Modified (old) Paragraph 3.3 to replace definition of "Award Fee Determination Report" with definition of "Performance Evaluation Debriefing".</li> <li>Modifies (old) Paragraph 3.13, Section 5, and Section 6 to change "Performance Monitors" to "Contract Performance Monitors" to clarify that they are from multiple NASA HQ Functional Offices.</li> <li>Incorporates new title of HCP3410-4B into Section 4.</li> <li>Incorporates url's for referenced documents into Section 4.</li> <li>Revises format of Section 5 and Section 6 (i.e., indicates process step numbers as integers, and gray-shades actions that are out-of-scope for NASA SMD Code SJ civil servants).</li> <li>Standardizes terminology among Section 5, Section 6, and Section 7.</li> <li>Deletes "FDO Incentive Award Decision" input to (old) Box #9 of flowchart in Section 5.</li> <li>Incorporates modifications by Process Owner to process description in (old) Steps #2, #9 and #10 and adds new Step #11 in Section 6.</li> </ul>
Revision	E	03/12/2003	<ul style="list-style-type: none"> <li>Incorporates reference document <u>SSE Management Handbook</u> into Section 4.</li> <li>Broadens scope of this OWI to be also applicable to all associated SMD activities at NASA HQ in Section 5 and Section 6.</li> <li>Clarifies distinction between "interim" and "final" performance evaluations in Section 5 and Section 6.</li> <li>Clarifies that APOC performance evaluation reports are provided to Code SP (instead of directly to PAEB) in Section 5, Section 6, and Appendix A.</li> <li>Incorporates results of NASA HQ organizational changes (e.g., <u>Assistant Administrators for Functional Offices</u>) into Appendix A.</li> <li>Establishes Performance Evaluation Plan (PEP) in Appendix A as the <u>official, configuration-managed</u> SMD document.</li> </ul>
Revision	F	5/5/04	<ul style="list-style-type: none"> <li>Added revised Performance Evaluation Plan (PEP) approved 10/24/03. Appendix A header includes PEP approval date.</li> <li>Revised document to address changes in new PEP.</li> </ul>

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**1. PURPOSE**

The purpose of this Office Work Instruction (OWI) is to define the process by which the Science Mission Directorate (SMD) evaluates, approves, and authorizes payment of award-fee amounts earned by the prime contractor under the prime contract for operation of the Jet Propulsion Laboratory (JPL).

**2. SCOPE AND APPLICABILITY**

- 2.1 This OWI describes a critical process in facilitating the successful management and administration of the JPL operations contract. It represents one of the core responsibilities of the Contracts Management Section of the NASA Management Office (NMO) for JPL.
- 2.2 A cost-plus-award fee contract is utilized for operation of JPL. Use of an award-fee structure provides NASA considerable leverage in favorably influencing both the program performance and business practices of the prime contractor at JPL. The award fee is administered per criteria contained in the Performance Evaluation Plan (PEP) for management of the Jet Propulsion Laboratory (see Appendix A to this OWI). This plan ensures complete, timely, and fair evaluations of JPL performance under the contract at regular intervals.
- 2.3 Members of the Performance Award Evaluation Board (PAEB) are appointed within 30 calendar days of contract award. PAEB members are appointed by the PAEB Chairman [Deputy Associate Administrator for the Science Mission Directorate], subject to approval by the Fee Determination Official (FDO) [Associate Administrator for The Science Mission Directorate]. The membership of the PAEB is drawn from NASA Headquarters senior officials of codes that perform functional oversight or sponsor programmatic tasks at JPL. The NMO Procurement Officer coordinates with the Officials in Charge (OIC's) of the cognizant NASA Headquarters organizations to ensure that they furnish an appropriate level of orientation and guidance to Contract Performance Monitors (CPM's) concerning preparation of assessments for award-fee determination purposes.
- 2.4 This OWI describes the award-fee process throughout the life of the JPL operations contract. It encompasses all facets of evaluating performance, approving award-fee amounts, and authorizing payment of the award fee earned under the contract. This process is followed for each year of the five-year

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performance term of the contract.

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**3. DEFINITIONS**

- 3.1 Administrative Point of Contact (APOC). A NASA Headquarters organization's representative tasked to consolidate that organization's award-fee inputs and furnish them to Code SP.
- 3.2 Award Fee (AF). Discretionary funds a contractor can earn based upon subjective Government evaluation of its contractual performance.
- 3.3 Code SP. Resources Management Division of the NASA Headquarters Science Mission Directorate.
- 3.4 Contract Performance Monitor (CPM). A NASA Headquarters organization specialist assigned to assess contractor performance (based upon personal observations and evaluation of current contractor data) for submission to that organization's APOC.
- 3.5 Fee Determination Official (FDO). The Associate Administrator for the Science Mission Directorate, who is responsible for determining the actual amount of award fee earned by the contractor and payable during each evaluation period.
- 3.6 Jet Propulsion Laboratory (JPL). NASA's only Federally Funded Research and Development Center (FFRDC). It conducts solar-system exploration.
- 3.7 NASA Management Office (NMO). The local NASA contracting authority for matters pertaining to operation of the Jet Propulsion Laboratory. The NMO is a division (i.e., Code SJ) of SMD.
- 3.8 OIC. Official in Charge.
- 3.9 SMD. NASA Headquarters Science Mission Directorate.
- 3.10 Performance Award Evaluation Board (PAEB). The PAEB is responsible for evaluating contractor performance against the criteria elements established in the Performance Evaluation Plan and any special areas of emphasis for the period under review. The PAEB provides the FDO and Performance Evaluation Board a detailed written evaluation of the Contractor's performance and a recommendation on the amount of award fee to be granted.

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**3. DEFINITIONS** (*concluded*)

- 3.11 Performance Evaluation Board (PEB). The PEB is responsible for receiving and evaluating recommendations of the PAEB and advising the FDO in determining final performance scores for each of the performance-evaluation factors contained in the Performance Evaluation Plan.
- 3.12 Performance Evaluation Debriefing (PED). A written report containing the FDO's determination of the amount of award fee earned and the basis for this determination.
- 3.13 Performance Evaluation Plan (PEP). The PEP serves as a roadmap for the process of administering the award-fee provisions of the JPL operations contract. The PEP is not a contractual document, but rather is an SMD tool for evaluating the adequacy of prime-contractor management of the Jet Propulsion Laboratory. The PEP ensures timely evaluation, approval, and subsequent payment of award-fee amounts earned by the prime contractor under the contract. The PEP also details the mechanics of soliciting, collecting, and reporting summary findings of JPL performance in a given award-fee evaluation period.

**4. REFERENCES**

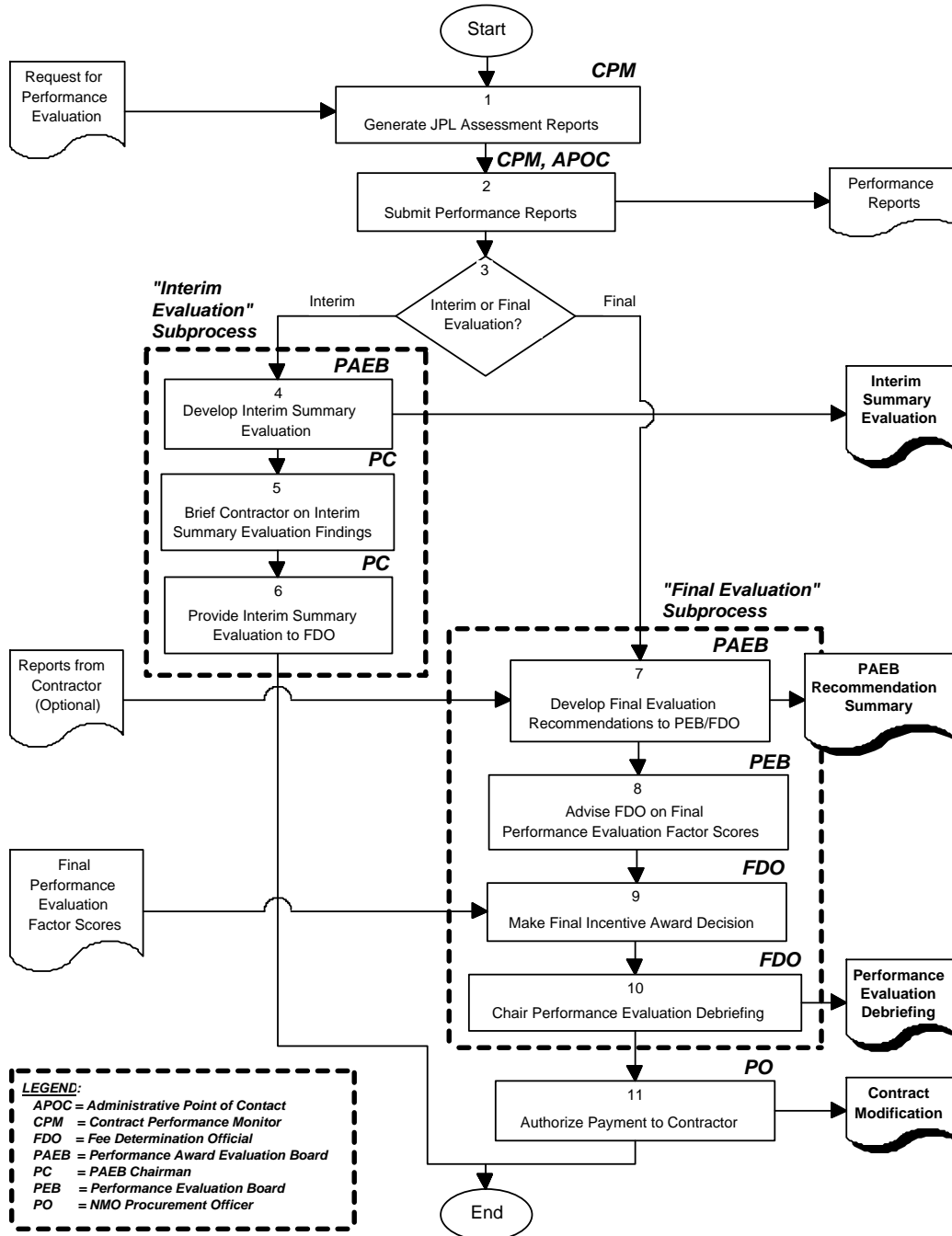
- 4.1 NAS7-1407 NASA/Caltech Prime Contract
- 4.2 NPR 1441.1 NASA Records Retention Schedules (NRRS)  
[[http://nodis3.gsfc.nasa.gov/library/lib\\_docs.cfm?range=1\\_\\_\\_](http://nodis3.gsfc.nasa.gov/library/lib_docs.cfm?range=1___)]
- 4.3 SSE MH2002 The Science Mission Directorate Enterprise Management Handbook  
[<http://spacescience.nasa.gov/admin/pubs/handbook/SMDHandbook.pdf>]

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## 5. FLOWCHART

[NOTE #1: Process steps are numbered in accordance with their corresponding step numbers in Section 6.]  
 [NOTE #2: "Quality records" are identified via bold-text titles and shadowing of the border of their symbols.]





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### 6. PROCEDURE

[NOTE: Deadlines cited in Section 6 are NMO self-levied goals, not external mandatory requirements.]

<u>STEP #</u>	<u>ACTION OFFICERS</u>	<u>DESCRIPTION</u>
1	Contract Performance Monitors	In accordance with the current Performance Evaluation Plan for Management of the Jet Propulsion Laboratory (see Appendix A of this OWI), the OIC-appointed Contract Performance Monitors (CPM's) implement a request for the Science Mission Directorate to generate JPL assessment reports, based upon personal observations and evaluation of performance data.
2	Contract Performance Monitors	Each CPM submits a completed performance report to the Administrative Point of Contact (APOC) within their NASA Headquarters organization. Each APOC consolidates their organization's performance reports and forwards the results to Code SP.
3		If the evaluation is for the "interim" category, proceed to Step #4. If the evaluation is for the "final" category, proceed directly to Step #7. <i>[Interim evaluations are conducted at the midpoint of each fiscal year of the performance term of the contract and cover the preceding six months. Final evaluations are conducted at the conclusion of each fiscal year of the performance term of the contract and cover the entire year.]</i>

#### **"Interim Evaluation" Subprocess**

4	PAEB	The PAEB develops an interim summary evaluation within 20 calendar days after the midpoint of the evaluation period.
5	PAEB Chairman	The PAEB Chairman briefs the contractor on the findings from the interim summary evaluation within 10 calendar days of the PAEB interim meeting.

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### 6. PROCEDURE *(concluded)*

<u>STEP #</u>	<u>ACTION OFFICERS</u>	<u>DESCRIPTION</u>
<b><u>“Interim Evaluation” Subprocess (concluded)</u></b>		
6	PAEB Chairman	The PAEB Chairman provides the interim summary evaluation to the Fee Determination Official (FDO) within 5 calendar days after the interim progress briefing to the contractor.
<b><u>“Final Evaluation” Subprocess</u></b>		
7	PAEB	The PAEB receives optional written self-evaluation reports from the contractor. The PAEB meets and formulates final evaluation recommendations and provides them to the PEB and the FDO within 25 calendar days after the end of the evaluation period.
8	PEB	The PEB advises the FDO of the final performance evaluation factor scores within 10 calendar days after the PAEB meeting.
9	Fee Determination Official	The Fee Determination Official reviews final performance evaluation factor scores recommended by the PEB and makes the final Incentive Award Decision within 10 calendar days after the PEB meeting.
10	Fee Determination Official	The Fee Determination Official chairs the debriefing of the award determination and notification of Special Areas of Emphasis to the Contractor within 45 calendar days after the end of an evaluation period.
11	NMO Procurement Officer	Upon receipt of the PED, the NMO Procurement Officer authorizes payment to the contractor (based upon contract modification) within 60 calendar days after the end of an evaluation period.

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### 7. QUALITY RECORDS

RECORD IDENTIFICATION	OWNER	LOCATION	MEDIA: ELECTRONIC OR HARDCOPY	NPR 1441.1 SCHEDULE NUMBER AND ITEM NUMBER	RETENTION/ DISPOSITION
Interim Summary Evaluation (of JPL performance)	NMO Procurement Officer	NMO Central File System	Hardcopy	Schedule 5, Item 1A1a	Destroy 6 years and 3 months after final payment.
PAEB Recommendation Summary	NMO Procurement Officer	NMO Central File System	Hardcopy	Schedule 5, Item 1A1a	Destroy 6 years and 3 months after final payment.
Performance Evaluation Debriefing	NMO Procurement Officer	NMO Central File System	Hardcopy	Schedule 5, Item 1A1a	Destroy 6 years and 3 months after final payment.
Contract Modification (authorizing payment of award fee)	NMO Procurement Officer	NMO Central File System	Hardcopy	Schedule 5, Item 1A1a	Destroy 6 years and 3 months after final payment.

[NOTE #1: These "quality records" are identified in Section 5 ("Flowchart") of this OWI via bold-text titles and shadowing of the border of their symbols.]

[NOTE #2: In accordance with NPR 1441.1 NASA Records Retention Schedules, "... installations' office of primary responsibility will maintain one official record copy ...; reference copies may be maintained for related work". Therefore, the "Retention" and "Disposition" aspects of quality records apply only to the one official record copy of each quality record.]

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**APPENDIX A: Performance Evaluation Plan (PEP) for Management  
of the Jet Propulsion Laboratory**

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**PERFORMANCE EVALUATION PLAN (PEP)  
FOR MANAGEMENT OF THE JET PROPULSION LABORATORY**  
Contract No. NAS7-03001 with the California Institute of Technology

**Contents**

- I. Introduction
- II. Organizational Structure for Award Fee and Award Term Administration
- III. Evaluation Requirements
- IV. Method for Determining the Award Fee Amount and the Award Term

**Attachments**

- A Initial Performance Periods and Maximum Available Award Fee for Each Performance Period
- B Performance Evaluation Factors and Subfactors (Award Fee Criteria)
- C Evaluation Criteria for Performance Evaluation Factor No. 1
- D Evaluation Criteria for Performance Evaluation Factor No. 2
- E Evaluation Criteria for Performance Evaluation Factor No. 3
- F Award Fee Adjectives and Scoring Ranges
- G Award Term
- H Actions and Schedules for Determining the Award Fee Amount and the Award Term
- I Subfactors (Award Fee Criteria)
- J General Instructions for Contract Performance Monitors (CPMs)
- K Changes in Performance Evaluation Plan (PEP) Coverage

APPROVED BY:

\_\_\_\_\_  
(Signature)

(10/24/03)  
(Date)

Christopher J. Scolese  
Deputy Associate Administrator, Science Mission Directorate

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## I. Introduction

1. This plan covers the administration of the award fee and award term provisions of Contract No. NAS7-03001 between the National Aeronautics and Space Administration (NASA or Government) and the California Institute of Technology (Caltech or Contractor).
  - a. The Contract is the sponsoring agreement between NASA and Caltech, a private nonprofit educational institution, which establishes the relationship for the operation of the Jet Propulsion Laboratory (JPL) Federally Funded Research and Development Center (FFRDC). The Contract is the only document that constitutes the sponsoring agreement between the parties.
  - b. The effective date of this Contract is October 1, 2003.
2. The following matters, among others are covered in the Contract:
  - a. The Contractor performs work in accordance with the Contract, Section C (Description/Specification/Work Statement). The Contractor performs work that is designated in task orders issued by the Contracting Officer using procedures set forth in Contract Clause G-6 (Task Order Procedure). The general areas of such work for which the Contractor is encouraged to maintain its expertise to provide a quick response capability, are described in Contract Clause C-1 (Description of Work). The Contractor is also required to operate various NASA-owned Research and Development facilities.
  - b. The initial period of performance of this Contract is from October 1, 2003 through September 30, 2008. This period of performance may be increased or decreased in set increments as set forth in Clause H-54, (Award Term" of the NAS7-03001 Contract.
  - c. The estimated cost of performing the Contract is stated in task orders to be issued during the Contract period, as set forth in Clause B-2, (Estimated Cost and Award Fee).
  - d. The available award fee is \$22,000,000 for each annual performance period. As the Contract has an initial five-year period of performance, the total available award fee for this initial period is therefore \$110,000,000. In that Clause H-54, (Award Term) of the NAS7-03001 Contract allows for extension or decrease to the five year initial period of performance of the Contract in

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three or nine month increments based on procedures set forth in this clause, the final award fee period of the Contract may be for a period of less than one year. The award fee pool for each full year extension to the contract performance period will be \$22,000,000 (unless the estimated Contract New Obligational Authority for that particular year falls outside the range agreed to in Clause B-2 (h), at which point the award fee pool will be appropriately renegotiated). The award fee pool for the final period of performance of less than one year will be the annual amount prorated to reflect the final period of performance (three months equals one quarter of the award fee pool, six months equals one-half of the award fee pool, nine months equals three-fourths of the award fee pool).

- e. The estimated cost, award fee, and contract term are subject to equitable adjustments arising from changes or other Contract modifications.
- f. The award fee payable and the award term will be determined periodically by the Fee Determination Official (FDO) in accordance with this PEP.
- g. Award fee and award term determinations are not subject to the Disputes Clause of the Contract [(FAR 52.233-1, "Disputes" (July 2002), Alternative 1 (December 1991) incorporated by reference at Contract Clause I-1)].
- h. The FDO may unilaterally change the award fee criteria and the provisions of this plan, as covered in Attachments I and K, respectively, and not otherwise requiring mutual agreement under the Contract, provided the Contractor receives notice of the changes in accordance with the notification provisions set forth in Attachment I or K, as applicable. In no event will a change to the award fee criteria or PEP apply retroactively to the Contractor.

## II. Organizational Structure for Award Fee and Award Term Administration

The following organizational structure is established for administering the award fee and award term provisions of the Contract.

- 1. Fee Determination Official (FDO)
  - a. The FDO is the Associate Administrator for the Science Mission Directorate. The Associate Administrator for the Science Mission Directorate may delegate the FDO responsibilities.

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- b. Primary FDO responsibilities are:
  - (1) Determining the award fee earned and payable for each performance period as addressed in Part IV of this plan;
  - (2) Determining the award term earned for each performance period, as derived from the award fee evaluation results for the same period;
  - (3) Determining the factors, factor weightings, and award fee criteria;
  - (4) Revising this plan, as appropriate and;
  - (5) Meeting with the Contractor at the midpoint and after the end of each performance period to conduct a Performance discussion.
  
- 2. Performance Evaluation Board (PEB)
  - a. The Chair of the PEB is the Deputy Associate Administrator for the Science Mission Directorate, or other senior NASA Headquarters Official as designated by the FDO.
  
  - b. Primary responsibilities of the PEB are:
    - (1) Receiving (via the PPEs and NMO) and evaluating recommendations of the award fee process participants, along with the summary report and proposed ratings from the NMO, and advising the FDO in determining the midpoint adjectival ratings and final performance scores for each performance evaluation factor.
    - (2) As requested by the FDO, participating in post-determination discussions with the Contractor on Contract performance in designated areas.
    - (3) Receiving (via the PPEs and NMO) and evaluating recommendations of the Enterprise and Functional Codes in setting the award fee criteria for successor performance periods, and recommending to the FDO a set of criteria for these periods.
    - (4) Considering proposed changes to this plan and recommending those changes it determines to be appropriate for adoption by the FDO.



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- (5) Presenting, via the PEB chair, proposed award fee criteria and changes to the PEP to the Contractor for its review and comment, and transmitting approved award fee criteria and PEP changes through the Contracting Officer to the Contractor.
- c. The PEB Executive Officer and Contracts Advisor serve as full members to the PEB. A quorum to conduct any PEB action is comprised of the PEB Chair and representatives from the Office of Earth Science, Office of Safety and Mission Assurance and the Office of Management Systems.
- d. Performance Evaluation Board (PEB) Composition (Principal or Delegate):
- Chair: Deputy Associate Administrator for the Science Mission Directorate
- Executive Officer: Director - NASA Management Office at JPL
- Contracts Advisor: Procurement Officer - NASA Management Office at JPL
- Chief Information Officer
- Assistant Administrator for Diversity and Equal Opportunity Programs
- Assistant Administrator for Infrastructure, Management, and Headquarters Operations
- Associate Administrator for Education
- Associate Administrator for Safety and Mission Assurance
- e. In addition to the above composition, the FDO may appoint additional or replacement PEB members at any time in the award fee cycle.
- f. Other interested Headquarters organizations will have the opportunity to participate in the process by submitting award fee criteria and evaluation reports through NMO, and by attending PEB meetings.

3. NASA Management Office (NMO)

- a. Primary responsibilities of NMO are:

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- (1) Report to and support the Performance Evaluation Board (PEB) Chair;
  - (2) Solicit, collect and organize evaluation information and data from NASA Primary Performance Evaluators (PPEs), other NASA Contractor Performance Monitors and non-NASA reimbursable sponsors concerning Contractor performance;
  - (3) Receive the Contractor Self-Assessment, if submitted, and distribute to all participants in the Performance Evaluation Process.
  - (4) Recommend summary performance scores for each of the performance evaluation factors specified in Attachments C, D, and E, based on the inputs gathered from NASA and non-NASA participants;
  - (5) Prepare a summary written evaluation of the Contractor's performance, based on inputs from participants. The summary will include proposed strengths and weaknesses for the applicable performance factors, drawn from the inputs;
  - (6) Prepare the award fee briefing to the FDO, which will include summary statements of strengths and weaknesses drawn from the inputs to the PEB, and a recommendation on the adjective rating and resulting award fee to be granted;
  - (7) Maintain overall responsibility for award fee administration, including the maintenance and execution of the processes for creating award fee criteria and PEP changes;
  - (8) Ensure that the entire award fee process is conducted according to guidelines laid out in this plan and the award fee determinations of the FDO; and
  - (9) Provide Contractor monitoring and evaluation orientation and guidance to Primary Performance Evaluators and Contractor Performance Monitors, including distribution to these participants of all pertinent documents and changes to those documents.
4. Primary Performance Evaluators (PPE)
- a. PPEs are individuals at the HQ Division Director level or above who are selected by the PEB member from their HQ organization, and in fact may be the PEB member, depending on the organization. The number of PPEs per Enterprise or Functional Office will be determined by the FDO in consultation

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with that organization, based on the amount of activity that the organization supports at JPL.

- b. PPEs are responsible for gathering and reviewing award fee criteria and performance evaluation inputs from the Contractor Performance Monitors (CPMs) in their organizations, as well as from other designated organizational representatives that have no internal PEB member or PPE, but have a recognized need to provide input on JPL performance.
- c. PPEs are also responsible for providing a summary evaluation from their organization to NMO, based on award fee factor descriptions and associated general performance criteria in Attachments C-E of this plan, as well as the specific sub-factors which are developed for every performance period in accordance with the process set forth in Attachment I of this plan. The PPE summary evaluations will be provided for both the midpoint and final evaluation.

#### 5. Contractor Performance Monitors (CPM)

- a. Officials in Charge (OIC) of organizations sponsoring tasks or providing oversight of functional or outreach activities at JPL will designate CPMs that are responsible for evaluating programmatic, institutional, and/or outreach performance.
- b. Each monitor will be responsible for complying with the General Instructions for Contractor Performance Monitors - Attachment J, and any specific instructions of the PEB and FDO. Primary CPM responsibilities are:
  - (1) Monitoring and assessing Contractor performance in assigned areas.
  - (2) Preparing a Performance Monitor Report for submission to the designated Primary Performance Evaluators tasked with compiling inputs for submission to NMO at the midpoint and at the end of each performance period.

### III. Evaluation Requirements

The applicable evaluation requirements are attached as indicated below.

Requirement

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Initial Performance Periods and Maximum Available Award Fee for Each Performance Period	A
Performance Evaluation Factors and Subfactors (Award Fee Criteria)	B
Evaluation Criteria for Performance Evaluation Factor No. 1	C
Evaluation Criteria for Performance Evaluation Factor No. 2	D
Evaluation Criteria for Performance Evaluation Factor No. 3	E
Award Fee Adjectives and Scoring Ranges	F
Award-Term	G
Actions and Schedules for Determining the Award Fee Amount and the Award Term	H
Subfactors (Award Fee Criteria)	I
General Instructions for Contractor Performance Monitors (CPMs)	J
Changes in Performance Evaluation Plan (PEP) Coverage	K

The percentage weights indicated in Attachments B through E are guidelines to be used as tools in assessing performance. The percentage weights' purpose is to provide indicators of NASA's relative priorities and guidance in arriving at a general assessment of the Contractor's performance, as well as to assist the FDO in determining the amount of award fee earned. In the interest of fairness and of maintaining the utility of the factors, NASA will not change or disregard the factors or their weighting without notifying the Contractor in accordance with Attachment K to this Plan. Nevertheless, the FDO retains discretion to judge the contractor's overall performance and the relative importance and performance impacts resulting therefrom. In no way do the percentage weights in Attachments B-E imply an arithmetical precision to any judgmental determination of the Contractor's overall performance and amount of award fee earned.

#### IV. Method For Determining the Award Fee Amount and the Award Term

Prior to each performance period, the FDO will determine the award fee criteria and make any changes to the PEP. This PEP also includes a process whereby changes to the award fee criteria may be made at the midpoint of a performance period. The FDO will determine the award fee and award term earned for each performance

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period within 45 days after the end of each performance period. The method to be followed in monitoring and assessing Contractor performance during the period, as well as for determining the award fee amount and award term, is described below. Attachment H summarizes the principal activities and schedule targets involved.

1. NMO with the assistance of Headquarters Code S, will ensure that each PPE and CPM receives a copy of this plan along with any changes or updates made in accordance with Attachment K, a copy of the applicable award fee criteria including any changes approved in accordance with Attachment I, and appropriate orientation and guidance.
2. CPMs will monitor and evaluate Contractor performance in accordance with the General Instructions for Contract Performance Monitors, Attachment J, and specific instructions and guidance furnished by NMO, the PEB, and/or the FDO.
3. CPMs will submit Performance Monitor Reports to the PPEs within their organization, or otherwise designated for their input. The PPEs will utilize inputs from CPMs and the Contractor to develop and provide a consolidated evaluation report to NMO at the midpoint and conclusion of each performance period. The PPE report will provide NMO an evaluation of performance against each award fee criterion within the organization's purview, and will provide a recommended adjectival and numerical rating of the Contractor's performance in the assigned evaluation factor(s).
4. NMO will utilize the PPE and CPM inputs to formulate recommendations to the PEB on the NASA-Wide Performance Evaluation Factor scores to be included in the draft midpoint NASA-Wide Performance Evaluation Report.
5. At the midpoint of each performance period, the PEB will convene to consider and discuss inputs from the sources outlined above, in order to come up with a recommendation to the FDO regarding performance evaluation under each of the performance factors. The PEB will discuss the CPM and consolidated PPE reports and other performance information with PPEs, CPMs and/or other personnel, as deemed appropriate.
6. The PEB Chair will conduct a discussion of progress with the Contractor within 30 days after the midpoint of each performance period. These discussions will be supplemented by a written assessment of progress.
7. The Contractor will be afforded an opportunity to submit an assessment of its

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performance at the end of the performance period. The Contractor assessment will be aligned to NASA's evaluation factors and award fee criteria. The Contractor shall submit a hard copy and 20 CD-ROM copies in Microsoft Word of any such self-assessment to the NMO no later than ten workdays prior to the end of each performance period. The PEB Chair will distribute the self-assessment to the PPEs for consideration in their review of Contractor performance. The Contractor will also be provided the opportunity to supplement this assessment with an oral presentation regarding Contract performance to the PEB. This presentation will be scheduled the same day as the PEB meeting described below. The Contractor assessment and any presentation delivered will be considered by the PEB and FDO in NASA's evaluation of the Contractor's performance.

8. At the end of each performance period, NMO will prepare the draft Performance Evaluation Report (PER) for the performance period and submit the draft PER to the PEB and FDO for use in determining the award fee earned. The report will be based on the inputs from PEB Members, PPEs and CPMs, as well as the Contractor self-assessment, and will include a recommended adjectival rating for each performance evaluation factor and recommended performance scores for each factor and overall performance, with supporting documentation.
9. At the end of each performance period, the PEB will convene to consider and discuss inputs from the sources outlined above, in order to come up with a recommendation to the FDO regarding performance evaluation scores for each of the performance factors and a recommended overall performance adjective rating. The PEB will discuss the draft PER and PPE and CPM reports and other performance information with PPEs, CPMs and/or other personnel, as deemed appropriate.
10. The PEB may request additional, performance information from award fee participants or other units or personnel involved in observing Contractor performance, as appropriate. If requested by the PEB or FDO, CPMs will make oral presentations to the PEB and/or FDO.
11. The FDO will consider the recommendations of the PEB and any other pertinent information in determining the amount of award fee and award term earned for each performance period. The amount of award fee earned and to be paid to the Contractor for a performance period will be determined by using the final award fee numerical score for that period, as determined by the FDO, as the percentage of the available fee that will be awarded. However, if the numerical

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score is less than 61, no award fee will be earned for that period. After the FDO has determined the final award fee score for a performance period, the award term earned for the period will be based on the period's assigned award fee score and computed in accordance with Attachment G. The FDO's determination of the amount of award fee and award term earned will be reflected in the final PER prepared by NMO reflecting PEB and FDO decisions. .

12. Following the Award Fee determination, the FDO will meet with the Contractor no later than 45 days after the end of each performance period to conduct a Performance Award discussion, including communication of the award fee to be paid, reviews of strengths and weaknesses for each performance factor, and notice of the award term awarded. As requested by the FDO, the PEB Chair, PEB members, CPMs and other personnel involved in performance evaluation will attend the meeting and participate in discussions.
13. The earned award fee and award term will be incorporated into the Contract through a unilateral Contract modification issued by the Contracting Officer within 60 days of the FDO's determination for that period.



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**Attachment A to the PEP for Contract No. NAS7-03001  
with the California Institute of Technology**Initial Performance Periods and Maximum Available Award Fee for Each Performance  
Period

<u>Period Number</u>	<u>Start Date</u>	<u>End Date</u>	<u>Maximum Available Award Fee</u>
1	10/1/03	9/30/04	\$22,000,000
2	10/1/04	9/30/05	\$22,000,000
3	10/1/05	9/30/06	\$22,000,000
4	10/1/06	9/30/07	\$22,000,000
5	10/1/07	9/30/08	\$22,000,000



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**Attachment B to the PEP for Contract No. NAS7-03001  
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## Performance Evaluation Factors and Subfactors (Award Fee Criteria)

The performance factors to be evaluated are identified below along with their currently established relative weights.

<u>Area No.</u>	<u>Brief Factor Identification</u>	<u>Factor Weight</u>	<u>See Attachment</u>
1	Programmatic	65	C
2	Institutional	25	D
3	Outreach	10	E

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**Attachment C to the PEP for Contract No. NAS7-03001  
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Evaluation Criteria for Performance Evaluation Factor No. 1

[Factor Identification Per Attachment B]

Factor Weight 65

Description of Factor: Programmatic, Scientific and Engineering Performance

Evaluation Criteria: Specific sub-factors (award fee criteria) are to be developed for every performance period in accordance with the process set forth in Attachment I of this plan. These sub-factors represent major areas of emphasis during the performance period and, therefore, the contractor's full success in achieving most, or all, of the performance targets set forth under the sub-factors will contribute heavily towards achieving a high score for the factor. However, it is also noted that performance under the factor is still dependent on overall performance in meeting customer requirements and successful performance of specific task assignments and organizational management responsibilities not specifically identified under the sub-factors. Therefore, the following general performance criteria for this factor are set forth below and will also contribute to the determination of the overall score for the factor:

- (1) Scientific and technological achievements on NASA programs and approved task order work sponsored by others
- (2) Degree to which advanced planning of missions, projects and tasks meets the sponsor's requirements for programmatic content, fiscal constraints and schedule requirements;
- (3) Degree to which assigned missions, projects and tasks achieve agreed upon objectives. This element will include programmatic objectives, cost and schedule performance, risk management and re-balancing within overall mission constraints;
- (4) Achievement of solutions to technical challenges confronting work assigned to JPL, especially challenges requiring development of unique and innovative solutions; and
- (5) Quality and responsiveness of support provided to HQ and NASA centers on programmatic and technical issues, and adherence to crSMD-cutting technical and management requirements. This element also includes assessment of JPL management's coordination and issue resolution acrSMD

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multiple task orders.

- (6) Degree to which assigned missions, projects and tasks recognize and address their institutional requirements and impacts, e.g., NEPA, unique facility requirements, etc.

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**Attachment D to the PEP for Contract No. NAS7-03001  
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Evaluation Criteria for Performance Evaluation Factor No. 2

[Factor Identification Per Attachment B]

Factor Weight 25

Description of Factor: Institutional Management Performance

Evaluation Criteria: Specific sub-factors (award fee criteria) are to be developed for every performance period in accordance with the process set forth in Attachment I of this plan. These sub-factors represent major areas of emphasis during the performance period and, therefore, the contractor's full success in achieving most, or all, of the performance targets set forth under the sub-factors will contribute heavily towards achieving a high score for the factor. However, it is also noted that performance under the factor is still dependent on overall performance in meeting customer requirements and successful performance of specific task assignments and organizational management responsibilities not specifically identified under the sub-factors. Therefore the following general performance criteria for this factor are set forth below and will also contribute to the determination of the overall score for the factor:

- (1) Ensuring cost-effective operation of the FFRDC, including control and effective management of allocated direct (burden) costs;
- (2) Degree to which business and administrative practices satisfy contract requirements (e.g., safety, security, public affairs, procurement, property, funds management, equal opportunity);
- (3) Timeliness, accuracy and completeness of work relating to operating a government owned and federally funded research and development center;
- (4) Development of innovative initiatives, more cost-effective business practices; and
- (5) Degree to which Contractor sustains its responsibilities as an FFRDC, including operation in the public interest and disclosure of its affairs as an FFRDC to its primary sponsor (NASA).

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**Attachment E to the PEP for Contract No. NAS7-03001  
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Evaluation Criteria for Performance Evaluation Factor No. 3

[Factor Identification Per Attachment B]

Factor Weight 10

Description of Factor: Support to Outreach Initiative Programs

Evaluation Criteria: Specific sub-factors (award fee criteria) are to be developed for every performance period in accordance with the process set forth in Attachment I of this plan. These sub-factors represent major areas of emphasis during the performance period and, therefore, the contractor's full success in achieving most, or all, of the performance targets set forth under the sub-factors will contribute heavily towards achieving a high score for the factor. However, it is also noted that performance under the factor is still dependent on overall performance in meeting customer requirements and successful performance of specific task assignments and organizational management responsibilities not specifically identified under the sub-factors. Therefore the following general performance criteria for this factor are set forth below and will also contribute to the determination of the overall score for the factor:

- (1) Quality and effectiveness of efforts to achieve technology transfer to benefit the public, including other federal agencies, state and local government, and the private sector;
- (2) Achievements in meeting National socio-economic goals identified by NASA, such as small and small disadvantaged business subcontracting, educational outreach programs, and women-owned business subcontracting; and
- (3) The NASA/JPL Education Program's contribution to the Agency's commitment to achieving full participation of individuals and organizations from diverse populations in the science, mathematics, engineering and technology communities.
- (4) The NASA/JPL Education Program's contributions to the Agency's total portfolio of education programs including programs being undertaken through the NASA Education Enterprise as well as through the Agency's scientific and technical Enterprises.

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**Attachment F to the PEP for Contract No. NAS7-03001  
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Award Fee Adjectives and Scoring Ranges

<u>Adjectival</u>	<u>Range of Perf. Points</u>	<u>Description</u>
Excellent	(100-91)	Of exceptional merit; exemplary performance in a timely, efficient and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	(90-81)	Very effective performance, fully responsive to contract requirements; contract requirements accomplished in a timely, efficient and economical manner for the most part; only minor deficiencies.
Good	(80-71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	(70-61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/ Unsatisfactory	(less than 61)	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.

Any factor receiving a grade of "Poor/Unsatisfactory" (less than 61) will be assigned zero performance points for purposes of calculating the award fee amount. The Contractor will not be paid any award fee when the total award fee score is "Poor/Unsatisfactory" (less than 61).

The award fee evaluation adjectival ratings, procedures, factors, factor weightings, and award fee criteria described in Appendix A and Attachments B through E, above are applicable to all Contract performance periods until changed in accordance with

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Attachment K.

Determination of the amount of award fee actually earned will be determined by taking the award fee score, if 61 or above, and using that score as the percentage of the available fee to be awarded.

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**Attachment G to the PEP for Contract No. NAS7-03001  
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Award Term

Increases or decreases to the period of performance are based on each performance period's award fee evaluation and final award fee score determined separately under this Contract. The following matrix reflects the positive or negative award term earned as a result of award fee evaluation determinations falling within each of the indicated adjectives. \*

<u>Award Fee (AF) Adjectival Rating</u>	<u>Range of Performance Points</u>	<u>Change to the Period of Performance</u>
Excellent	(100-91)	The period of performance is extended nine months.
Very Good	(90-81)	The period of performance is extended three months.
Good	(80-71)	No extension or decrease in the period of performance
Satisfactory	(70-61)	The period of performance is decreased three months.
Poor/Unsatisfactory Performance	(less than 61)	The period of performance is decreased nine months.

\* Full procedures are set forth in Clause H-54, (Award Term) of the NAS7-03001 Contract.

Note: If the period of performance for the contract is extended so that the overall contract performance period is at least ten years (i.e., 5-year basic plus 5 additional years through operation of the award term provision), the award term provision of the contract under Contract Clause H-54 will, at that time, become inoperable and of no further effect.



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**Attachment H to PEP for Contract No. NAS7-03001  
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Actions and Schedules for Determining the Award Fee Amount and the Award Term

The following is a summary of the principal actions involved in determining the award fee and award term for each performance period.

<b><u>Action</u></b>	<b><u>Schedule Targets</u></b>
1. FDO appoints PEB Members and approves the number of PPEs per Enterprise and Functional Office.	NLT 60 days prior to the start of the first performance period and as necessary thereafter.
2. OICs appoint PPEs and CPMs	NLT 50 days prior to the start of the first performance period and as necessary thereafter.
3. NMO provides contractor monitoring and evaluation orientation and guidance to PPEs and CPMs	NLT 45 days prior to the start of the first performance period and ongoing thereafter.
4. CPMs submit any proposed changes to the PEP through their PPEs and PEB members to the PEB Chair for consideration.	NLT 45 days prior to the start of each performance period.
5. The PEB Chair reviews proposed PEP changes, discusses the changes with the proposing organization and other interested parties, and forwards recommended changes to the FDO for approval. PEB Chair then provides written notification of FDO-approved changes to the Contractor, and revised PEP is distributed.	NLT 30 days prior to the start of the performance period.
6. PPEs, working with CPMs, develop up to 8 recommended Award Fee Criteria for the upcoming performance period, and submit them to NMO.	NLT 30 days prior to the start of each performance period.

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**Action****Schedule Targets**

- |   |  |
|---|--|
| 7. NMO provides a consolidated list of PPE-recommended draft criteria to the Contractor for review and comment.   | NLT 21 days prior to the start of the performance period.                  |
| 8. PEB reviews PPE-recommended draft award fee criteria and Contractor comments and provides a final set of recommended criteria to the FDO for approval.   | NLT 7 days prior to the start of the performance period.                   |
| 9. FDO approves the set of award fee criteria to be used during the upcoming performance period and transmits these to NMO Contracting Officer for forwarding to Contractor; CPMs are also provided a copy of approved criteria applicable to the period. | NLT the start of the performance period.                                   |
| 10. CPMs assess performance.  | Ongoing after start of the first performance period.                       |
| 11. NMO issues a call letter for evaluations and inputs on Contractor performance.  | NLT 30 days prior to the end of each midpoint or final performance period. |
| 12. Contractor may submit optional self-assessment of its performance to the NMO for distribution to PEB, PPEs and CPMs.  | NLT the 10 days prior to the end of each performance period.               |
| 13. CPMs submit Performance Reports to PPEs.  | NLT the 7 days prior to the midpoint and end of performance period.        |
| 14. PPEs review Contractor self-assessment if submitted, review and consolidate CPM Performance Reports and submit PPE Performance Reports to NMO.  | NLT the last day in each performance period.                               |

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**Action****Schedule Targets****FOR MIDPOINT EVALUATIONS ONLY:**

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|--|---|
| 15. CPMs submit any proposed changes to the award fee criteria and/or PEP to their PPEs, who forward these proposed changes to the PEB Chair for consideration.  | NLT 45 days prior to the midpoint of each performance period. |
| 16. PEB chair discusses any proposed changes to the award fee criteria and/or the PEP with all interested Enterprise and Functional Offices, and then approves and forwards agreed changes to the FDO. | NLT 30 days prior to the midpoint of each performance period. |
| 17. FDO approves and PEB chair presents any award fee criteria and/or PEP changes to the Contractor. CPMs are also provided a copy of updated criteria applicable to the period                        | NLT 21 days prior to the midpoint of each performance period. |
| 18. CO provides written notification of any award fee criteria and/or PEP changes to the Contractor.   | Prior to the midpoint of each performance period.             |
| 19. NMO submits consolidated NASA-Wide draft Midpoint Performance Evaluation Report and briefing charts to the PEB.  | NLT 19 days after the midpoint of each performance period.    |
| 20. PEB meets and reviews NASA-Wide draft Midpoint Performance Evaluation Report and briefing charts, agrees to any required revisions and approves submission of the report and briefing to the FDO.  | NLT 20 days after the midpoint of each performance period.    |
| 21. PEB Chair provides the summary   | NLT 29 days after the midpoint of                             |

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Midpoint Performance Evaluation Report to the FDO for approval. each performance period.

22. PEB Chair conducts a midpoint discussion of performance with the Contractor. NLT 30 days after the midpoint of the performance period.

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**Action****Schedule Targets****FOR FINAL EVALUATIONS ONLY:**

- |   |  |
|---|--|
| 23. Based on the PPE Performance Reports submitted, NMO formulates recommendations to the PEB on the final NASA-Wide Performance Evaluation Factor scores to be included in the draft NASA-Wide Performance Evaluation Report. Draft PEB briefing charts are prepared.              | NLT 29 days after the end of the performance period. |
| 24. PEB meets to discuss the NASA-Wide Performance Evaluation Report and final recommended Performance Evaluation scores. If the Contractor requests an optional self-assessment briefing, it is presented to the PEB on the same day as, and prior to, the PEB evaluation meeting. | NLT 30 days after the end of the performance period. |
| 25. PEB Chair provides the NASA-Wide Performance Evaluation Report and briefing to the FDO and advises the FDO during his/her determination of the final Performance Evaluation of Factor and Overall Adjective Ratings and Scores.   | NLT 40 days after the end of the performance period. |
| 26. FDO makes the final award fee decision, and debriefs the Contractor with requested support from those involved in the award fee process.  | NLT 45 days after the end of the performance period. |
| 27. FDO sends award fee determination and resulting award term computation to the Contractor and Contracting Officer.   | NLT 45 days after the end of the performance period. |

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**Action**

**Schedule Targets**

28. Contracting Officer issues a unilateral Contract modification to implement the award fee decision and effectuate payment to the Contractor. This modification also makes any changes to the period of performance as a result of the award term computation.

NLT 60 days after the end of the performance period.

The PEB will establish lists of subsidiary actions and schedules as necessary to meet the above schedules.

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**Attachment I to the PEP for Contract No. NAS7-03001  
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## Subfactors (Annual Award Fee Criteria)

1. Process for Identifying Annual Award Fee Criteria
  - a. PPEs are responsible for submitting all proposed award fee criteria to NMO NLT 30 days prior to the beginning of the performance period. It is up to the PPEs to manage the CPMs within their purview to ensure that the CPMs identify and propose award fee criteria for each performance period to their PPE in sufficient time to enable the PPE to review and consolidate the proposed criteria and submit them to NMO on time.
  - b. Each PPE may forward up to a maximum of 20 specific award fee criteria to NMO. Note that award fee criteria should reflect the areas of performance that NASA desires to emphasize for the coming period. Performance in areas not covered by a specific criterion, as well as overall performance, will also be considered in evaluating Contractor performance during the period. Therefore, every program, project and/or activity at JPL does not need to be covered by a criterion during each period.
  - c. NLT 21 days prior to the start of the performance period, NMO will provide a consolidated list of PPE-recommended draft criteria to the Contractor for review and comment. In responding to the notice of proposed criteria, the Contractor may also suggest additional or alternate criteria. The Contractor will submit its written response to NMO within 10 calendar days of receipt of the list of PPE-recommended criteria. As a result of communications with the Contractor, the PEB Chair may recommend changes to the award fee criteria prior to final approval by the FDO. However, while NASA values the contributions of the Contractor in regard to the award fee process, the FDO continues to retain unilateral authority to determine the factors, factor weightings and award fee criteria.
  - d. The PEB Chair will review the PPE-recommended award fee criteria for appropriateness and discuss the criteria with each proposing PPE to the extent necessary to ensure that the proposing organizations clearly understand the meaning, intent, and implications of using each criterion to grade, and/or provide incentives for Contractor performance.

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- e. The PEB will review PPE-recommended award fee criteria and Contractor comments and, NLT 7 days prior to the start of the performance period, provide a set of recommended criteria to the FDO for review and approval.
  - f. The PEB Chair will then discuss the set of PEB-recommended award fee criteria with the FDO prior to the start of the performance period to which the criteria apply. The PEB Chair and FDO will add to or limit the award fee criteria as they determine to be appropriate. The FDO will approve the set of award fee criteria to be used during the upcoming performance period prior to the start of the performance period. The set of approved criteria will be distributed to all interested parties prior to the beginning of the performance period.
2. Changes to the Annual Award Fee Criteria
    - a. Necessary and appropriate changes to the FDO-approved award fee criteria for the period, if any, will be identified and proposed by the PPEs to the PEB Chair no later than 45 days prior to the midpoint of the performance period.
    - b. If changes to the FDO-approved criteria are required during the performance period, the PEB Chair will present any such changes to the Contractor a minimum of 21 days prior to the midpoint of the performance period.
    - c. The PEB Chair will discuss any changes to the award fee criteria with the FDO, and the FDO will approve the changes to the set of award fee criteria, prior to the midpoint of the performance period. Any FDO-approved changes to the award fee criteria for the current performance period will be provided to the Contractor and all other interested parties prior to the midpoint of the performance period and will be applicable in accordance with Attachment I, paragraph 3.e. below.
  3. Notification to the Contractor
    - a. The PEB Chair will provide the FDO-approved award fee criteria, applicable to the next performance period, to the Contractor prior to the start of that performance period.
    - b. The Contracting Officer will also provide formal written notification of the award fee criteria, (applicable to the next performance period), to the Contractor prior to the start of the next performance period.



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- c. Any Contractor questions about the award fee criteria during a performance period should be directed to the NMO Procurement Officer.
  - d. In accordance with Attachment I, Paragraph 2 above, NASA will not change the award fee criteria after the midpoint of the performance period.
4. General Guidance for Writing Annual Award Fee Criteria
- a. Award fee criteria should be as specific and measurable as possible. Specific and measurable criteria will assist the CPMs in evaluating Contractor performance and assist the Contractor in understanding NASA's expectations and the manner in which its performance will be evaluated.
  - b. Where feasible, quantitative or objective measures are preferred over qualitative or subjective ones. Quantitative measures should be used whenever the effectiveness or efficiency of the given performance can be unequivocally measured. Sufficient information or experience must be available to permit the identification of realistic and relevant standards against which quantitative measurements may be compared. For the relatively small number of performance areas where quantitative or objective measurement is not practicable or the best indicator of the Contractor's performance, qualitative standards may be used. However, these qualitative standards should be crafted as carefully as possible to ensure that the desired performance is effectively communicated to the Contractor and the final evaluation is fair and reflects an accurate and objective judgment of the Contractor's performance.
  - c. To the greatest extent practicable, award fee criteria should be:
    - 1. Performance based, focusing on the outcome of Contractor performance and not the internal Contractor process itself; and
    - 2. Tied to:
      - (a) JPL deliverables during the performance period (launch readiness, major hardware deliverables, etc.), focusing on deliverables over which JPL has control, as opposed to externally driven or impacted events;

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- (b) Clearly defined levels of support for a specific business process (IFMP implementation, compliance with the NAS7-03001 terms and conditions, etc.), adherence to applicable safety and environmental regulations and practices; and/or
- (c) Specific outreach activities (technology transfer activities, national socio-economic goals, etc.).
- d. Award fee criteria should be relevant and applicable to the performance period being evaluated. This does not mean that the award fee criteria have to change every performance period. However, the award fee criteria should be reviewed for applicability prior to the start of (and during) every performance period. This PEP also includes a process by which the award fee criteria are reviewed for potential changes prior to the midpoint of each performance period.
- e. The maximum fee should be attainable by the contractor. To be a credible and effective motivator, an award fee contract should provide the contractor with a reasonable opportunity to earn the maximum award fee available. Although a reasonable opportunity generally does not mean absolute perfection in all pSMDible performance areas, the contractor's performance should be outstanding in virtually all areas in order to earn at or near the maximum fee.
- f. Each award fee criterion will be placed in a priority factor group by the FDO, in consultation with the PEB chair and PEB members as desired. While all of the criteria approved by the FDO will have been screened to ensure that they are important to NASA, the priority factor groups will provide an indication of the relative prioritization of the criteria within the approved list.
- g. A sample award fee criteria format is as follows:

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### JPL ANNUAL AWARD FEE CRITERIA FOR FY 20XX

Fee Element #	Description	Rationale	Expected Date Complete	Satisfactory Performance Standard	Excellent Performance Standard	Priority Factor
SZ-1	SIRTF Launch Readiness and Operations	Final Great Observatory, critical part of Origins Program	9/30/03	Ready for launch, all critical systems operational, initial science data returned.	Ready for launch, all systems fully operational, science operations are on originally planned timeline.	High
SM-1	MER Launch Readiness and Operations	Next great step in Mars program strategy of following water, FY 03 opportunity great for rovers	9/30/03	Both spacecraft ready for launch within window, all critical systems operational in cruise, no mission-critical anomalies	Both spacecraft ready for launch within window,, all systems operational in cruise, no mission-affecting anomalies	High
B-1	Cost performance	Agency budgets are extremely tight, and all increases have to come out of content	9/30/03	Total cost of all JPL activities is within 110% of initial FY 03 guidance.	Total cost of all JPL activities is within 105% of initial FY 03 guidance, and no single mission exceeds 10% growth in life-cycle cost.	
SN-1	JIMT Mission Studies	Flagship mission with strong support from senior management	2/28/03	Mission Studies completed	Mission Studies completed and all documentation collected and archived with data access given to those who need it.	C

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**Attachment J to the PEP for Contract No. NAS7-03001  
with the California Institute of Technology**

## General Instructions for Contractor Performance Monitors (CPMs)

## 1. Monitoring and Assessing Performance

- a. CPMs will conduct assessments in an open and objective spirit so that a fair and accurate evaluation of the Contractor is obtained. This will ensure that the Contractor receives accurate and complete information from which to plan improvements in performance. Positive performance accomplishments should be emphasized just as readily as negative ones.
- b. Evaluations must be conducted exclusively by NASA or other Federal civil service personnel, and evaluation reports must not be developed through consultation with Contractor employees or Contractor affiliates. The CPM may, at his or her discretion, discuss his/her view of certain Contractor activities with Contractor personnel, to ensure complete understanding of the evaluation and assessment process and to afford the Contractor an opportunity to clarify pSMDible misunderstandings regarding areas of perceived poor performance. The Contractor self-assessment, if submitted, will be made available to CPMs to aid in their evaluation.
- c. CPMs must remember that contacts and visits with Contractor personnel are to be accomplished within the context of official contractual relationships. CPMs will avoid any activity or association that might cause, or give the appearance of, a conflict of interest.
- d. Evaluations of program performance are normally based on such factors as the CPMs' observations and knowledge of the quality of the Contractor's work and the Contractor's adherence to elements of the task plan and task order, such as delivery schedule, cost estimate, and technical approach. Award fee criteria should be crafted to make it as easy as pSMDible to make an objective assessment of Contractor performance, and to minimize the subjectivity of the process.
- e. The role of the CPM is to monitor, assess and evaluate the Contractor's effort.
- f. Evaluations of Institutional Management and Outreach performance should include, if available, the following procedures and information sources:

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- (1) Periodic functional reviews necessary for providing certification that capabilities, operations, and procedures within a functional area (for example, acquisitions or financial management) meet established standards;
- (2) Staff visits and spot checks by Agency Functional/Outreach Managers;
- (3) NMO oversight of the facility and contractor operations, including but not limited to property management, education and outreach, technology commercialization, environmental management, security, worker safety, institutional planning, subcontracting, and records management;
- (4) Information and data provided by NMO;
- (5) Evaluations of specific incidents based on JPL's role in the incident and their response;
- (6) Ad hoc evaluations to assess functional capability and compliance with NASA guidelines, directives, and policies that are incorporated into or otherwise made applicable by the prime Contract;
- (7) Reviews and audits performed by the General Accounting Office, NASA Office of Inspector General, the Defense Contract Audit Agency, and other Federal agencies and assigned external auditors;
- (8) Information and data provided by other Federal agencies (for example, the Department of Labor, the Occupational Safety and Health Administration, Environmental Protection Agency, Department of Energy, and the General Services Administration); and
- (9) Evaluation of certain programs by NASA (or other Federal) civil service personnel based on analysis of business data provided by JPL.

## 2. Documenting Evaluation and Assessment

Evaluations and assessments conducted and discussions with Contractor personnel will be documented as follows: For objective, performance-based criteria, data should be readily available to document that the Contractor has met a particular criterion. If necessary, that data should be specifically requested in the task plan governing the work. CPMs should also keep notes of the Contractor's performance

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through the performance period on an “as it occurs” basis, with specific reference to strengths and weaknesses in applicable program, institutional management, or outreach areas. Notes should document, where practicable, important contacts with Contractor, as well as key performance-based issues addressed. CPMs are encouraged to resolve these issues with the Contractor as they arise, to enhance the probability that the criteria will be achieved.

### 3. Evaluation and Assessment Reports

At the midpoint and end of each performance period, CPMs will prepare a formal Performance Monitor Report, in a format prescribed by the Chair of the PEB, and submit it to the designated PPE for their respective organization. Reports will include:

- a. An assessment of the Contractor’s strengths and weaknesses within the factor or subfactor (annual award fee criteria) performance area. The following guidance should be followed when writing comments:
  - (1) Comments should be directed towards a Contractor division or office as appropriate, but should not list Contractor employees by name.
  - (2) Comments should be very specific, so the Contractor can use this information to maintain or improve performance.
  - (3) Comments should define all acronyms and technical terms listed.
  - (4) Comments should not list performance problems that were out of the control of the Contractor. However, comments concerning the positive or negative response by the Contractor, which resulted in significant mitigation or aggravation of the situation may be appropriate in certain circumstances.
  - (5) Comments should be limited to the performance period under evaluation. The CPM should also consider whether each award fee criterion was added at the beginning of the performance period or at the midpoint. Changes to the award fee criteria shall not apply retroactively to the Contractor.
  - (6) Comments should reflect a performance-based analysis, wherever pSMDible, focusing on the outcome of the Contractor performance and not the internal Contractor process itself, unless a specific process or standard operation is mandated by the contract or applicable law (e.g., NRC requirements, OSHA

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standards).

(7) The comments should be limited to no more than a paragraph for each subfactor, unless a significant performance shortfall needs to be documented. Note that such documentation could also be provided as an attachment, as opposed to including it in the text of the evaluation itself.

- b. Assignment of a proposed adjectival rating based on the definitions as detailed in Attachment F. The assigned score must be consistent with written comments; in particular, very high and very low scores require adequate justification.

The PPE for each organization will consolidate Code inputs into a single submission, the PPE Performance Report, to be furnished to NMO. This PPE Performance Report will include both a proposed numerical score and adjectival rating assigned by the PPE for each applicable factor. The PPE's proposed scores for subfactors (annual award fee criteria) will be rolled up into the PPE's recommended score for each applicable factor. NMO will further consolidate the PPE submissions into a single document, the draft NASA-Wide Performance Evaluation Report. In preparing the PPE Performance Report and the recommended ratings and numerical scores, the PPE will determine the manner in which the individual CPM assessments reflect upon the Contractor's overall performance. In preparing its further consolidation into the NASA-Wide Report, NMO will also determine the manner in which the several PPE reports contribute to and reflect upon an evaluation of the Contractor's overall performance. The NASA-Wide Report, including the PEB-approved versions of the Performance Monitor Reports, will be provided to the Contractor as part of the Award Fee debriefings.

#### 4. Oral Reports/Presentations

CPMs may be required to make oral reports and presentations of their evaluations and assessments to the PEB and/or FDO, as required by the PEB.



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### **Attachment K to the PEP for Contract No. NAS7-03001 with the California Institute of Technology**

#### Changes in Performance Evaluation Plan (PEP) Coverage

The process for making changes in PEP coverage is as follows:

#### 1. Right to Make Unilateral Changes

- a. NASA may unilaterally revise this PEP and the award fee criteria prior to the beginning or midpoint of a performance period, to redirect emphasis. Except as otherwise provided in the PEP, such unilateral changes are to take effect at the beginning of the next performance period or at the next midpoint of a performance period and are to be provided to the Contractor in writing 30 days prior to taking effect. NASA will seek input, whenever practical, from the Contractor prior to implementing changes to the PEP. The Contracting Officer will provide formal written notification of the FDO-approved changes to the PEP and/or its associated award fee criteria in accordance with the timelines set forth herein. Note however, these unilateral changes will be made without formal modification to the Contract since the PEP is not incorporated into the Contract. Changes to the PEP include changes to the factor weightings. All interested parties at NASA Headquarters and at NASA Centers will also be notified by NMO of any changes immediately following approval.
- b. In no event will a change to this PEP apply retroactively to the Contractor.

#### 2. Steps to Changing PEP Coverage

- a. Personnel involved in the administration of the award fee provisions of the Contract are encouraged to recommend appropriate changes to the PEP and award fee criteria with a view toward: responding to changes in NASA and program priorities; changing management emphasis; increasing communication with the Contractor; motivating higher performance levels; and, improving the award fee process. Recommended changes should be sent to the organization's PEB member (or the designated PEB member for organizations without a member) no later than 45 days prior to the start of a performance period or 45 days prior to the midpoint of a performance period. Items b., c., and d. below should be accomplished in sufficient time to permit timely notification of proposed changes to the Contractor 30 days in advance of the intended date for implementation of the changes (i.e., prior to the start of the next performance period or second-half of the current period).



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- b. PEB Members will forward recommended changes to the PEP to the PEB Chair. The PEB Chair will then review and discuss these recommendations with the proposing Enterprise or Functional Office, and other HQ organizations likely to be affected by the change.
  - c. The PEB Chair will submit the PEB's recommended changes, if any, for review and approval by the FDO with appropriate comments and justification.
  - d. The PEB chair will discuss any PEP changes with the Contractor prior to implementation of the changes. The purpose of this discussion is to obtain Contractor input on the changes and to ensure that the Contractor understands the changes. If this dialogue with the Contractor results in any proposed revisions to the content of the approved changes, the PEB Chair will discuss these with the FDO and obtain the FDO's approval of the revised change(s) to the PEP. The final, approved PEP for the period will be provided to all interested parties at the same time as the Contractor is notified of any changes.
3. Notification to the Contractor
- a. Before the beginning of each performance period, and prior to the midpoint of a performance period, the Contracting Officer will notify the Contractor in writing of any changes to be applied during the next performance period, or for the last half of the performance period following the midpoint evaluation.
  - b. If the Contractor is not provided with timely notification under paragraph.a, then the existing PEP will continue in effect until the earlier of the next performance period or midpoint of a performance period.