

MWI 5116.1
REVISION L

EFFECTIVE DATE: August 18, 2020
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MARSHALL WORK INSTRUCTION

PS01

EVALUATION OF CONTRACTOR PERFORMANCE UNDER CONTRACTS WITH AWARD FEE PROVISIONS

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DOCUMENT HISTORY LOG

Status (Baseline/ Revision/ Change/ Revalidation/ Canceled)	Document Revision/ Change	Effective Date	Description
Baseline		5/14/99	Document converted from MSFC-P06.1-C04 to a Directive. Previous history retained in system as part of canceled or superseded ISO Document files.
Revision	A	8/18/99	Changes made to reflect new organizational codes. Replaced "chief engineer" with "chief engineer or systems engineer" at 1.5.1 and 7.2.14.
Revision	B	11/19/01	Document renumbered to comply with format required by MPG 1410.2. Section 2, Applicability, changed from "award fee contracts" to "incentive contractual instruments with award fee provisions." Section 3, Applicable Documents, deleted specific FAR/NFS references; added NPG 1441.1. Section 5, paragraphs 5.1, 5.3, 5.4, 5.5, 5.6 and 5.8, deleted responsibilities and clarified definitions; paragraph 5.2, deleted responsibilities and added definition. Section 6, 2d line, deleted "procedures" and added "provisions." Section 9, paragraph 9.1, revised to require disposition in accordance with NPG 1441.1; paragraph 9.2, deleted "Forms". Section 10, last sentence, added "Management" before "Department". Appendix A, 1.1 (now A.1.1), deleted "CPAF" and added "with award fee provisions" after "contract"; 1.6.1 (now A.1.6.1), added the statement that the FDO reviews the PEB's assessment and makes the final determination of the award fee to be paid to the contractor; 2.3 (now A.2.3) added the Web site address for the NASA Headquarters Award Fee Guide; 3.2 (now A.3.2), changed title to "REPORT SUBMITTAL", added requirement for original and 10 copies of the report; added requirement that reports be hand carried to the PEB Executive Secretary in an envelope marked "To be opened by the Addressee only," deleted the disks and CD-ROM as a method of submitting reports; deleted "3.3 Reports" and renumbered subsequent paragraphs; paragraph 4.2 (now A.4.2), added the requirement for original and 10 copies of the report; added requirement that the report be packaged in an envelope marked "To be opened by addressee only" and mailed or hand carried to the PEB Secretary; deleted the disks and CD-ROM as a method of submitting report; 5.2.2 (now A.5.2.2) deleted "Division" and added "Department," 5.3.2 (now A.5.3.2) deleted "Finance" and added "MSFC Accounting Operations Office (AOO). New A.10, added PEB responsibilities; New A.11, added Program/ Project Manager responsibilities;
Revision	C	5/13/02	Appendix A.3.2.2, added font size for written reports and changed number of pages to 10-12; A.4.2.1, added font size and page limitation; A.5.3.1 revised to reflect that the Procurement Office representative to whom the file is forwarded is the Director or Deputy Director; A.6.3.7.2 deleted "distribute copies" and added that after the D&F is approved by the FDO, a copy is forwarded to the CO for preparation of a modification; deleted A.10 and A.11 and included Responsibilities of the PEB and PM in A.9. Appendix A Table of Contents also revised to reflect this change. Changed A.9.2.5 to reflect that performance evaluation periods shall be coordinated with the PEB Executive Secretary in order to be included on the PEB calendar. Section A.12 deleted. Appendix B, Note 2, corrected "criterion" to read "subcriterion". Revised the Example, Coordinator's Work Sheet, to reflect calculations which changed the Numerical Score and Adjective Rating, and to reflect Award Fee Earned. Appendix D, revised the order of Appendix D charts; changed title of "Pre-Award Fee Evaluation Meeting Activities" chart by deleting the word "meeting,"

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			changed format and made editorial changes; changed format of “Performance Evaluation Process Major Steps,” changed “Major Steps” to “Events,” and made editorial revisions; changed title of “Performance Evaluation Scheduled Milestones” to “Performance Evaluation Process Time Line” and in last sentence deleted “Finance” and added “Accounting Operations Office.”
Revision	D	5/10/03	Updated Master List URL in footers. Section 3. Applicable Documents, and Section 10. Changed title of MWI 5100.1 Procurement Initiators Guide to read “Procurement Requisitioners Guide. A.1.5.1., deleted 2 nd & 3 rd sentences; A.1.5.2., added “and monitors” to the last sentence; A.5.2.2, deleted “Department” and deleted second sentence; Appendix D (continued), Performance Evaluation Process Time Line, changed last Event to read “. & forward to PS14/Data Entry (hand-carry is the preferred method).”; Changed “quality records” to “records in Section 9. Fixed some paragraph numbering in Appendix A.
Revision	E	6/28/2004	Throughout the document, revised NPG to reflect NPR. Paragraph 5.4 Fee Determination Official (FDO), revised to identify the FDO for Space Shuttle and Space Station contracts as the Deputy Associate Administrator for ISS and Shuttle Programs. Paragraph 12 Cancellation, revised from MWI 5116.1C dated May 13, 2002, to MWI 5116.1D dated May 10, 2003, and revised the Director’s name from A.G. Stephenson to David King.
Revision	F	10/15/2004	Throughout the document, denoted requirements with the verb “shall”. Throughout the document, revised references from MWI 5100.1 PRG to IPR, MPG to MPR and NPG to NPR. Throughout the document, deleted references to QS and replaced with QD and deleted references to ISO 9000. Throughout the document, revised references from MWI 5100.1 PRG to IPR, MPG to MPR and NPG to NPR. Throughout the document, revised wording to have gender-neutral language per NPR 1400.1 C, section 4.6. Throughout the document, replaced references to purchase request with procurement requisition. Revised 5.4 to delete reference to HQ Code M. Section 10. Personnel Training and Certification, deleted references to COTR training. Revised Cancellation MWI 5116.1E dated May 10, 2003, to MWI 5116.1F dated June 28, 2004, and revised the Ombudsman from Alex Roth to Robin N. Henderson. Revised 6.3 to include The PEB Secretary Responsibilities. Cancellation revised MWI 5116.1E dated May 10, 2003, to MWI 5116.1F dated June 28, 2004, and revised the Ombudsman from Alex Roth to Robin N. Henderson. Revised 6.3 to include The PEB Secretary Responsibilities. Revised definitions 6.3.1 through 6.3.9, 7.2.1 through 7.2.15 and 9.2.1 through 9.2.10. Added Appendix Z “Guidance”, and Appendix Z1 “Coordinators Worksheet Example.”
Revision	G	8/8/2005	Changed Revision F to Revision G. Throughout the document, revised references from Procurement Office to Office of Procurement. Throughout the document, made formatting, grammatical and renumbering revisions as appropriate. Throughout the document, revised to reflect organizational changes. Section 12, revised Cancellation Revision number and date.
Revision	H	10/11/2007	Made editorial, grammatical, numerical, and formatting corrections as needed. Revised Procurement Office to Office of Procurement, PS14 Data Entry to FPDS Data Entry, and organization to department. Added titles to identify directives and forms, and revised title for OWI 13. Revised wording to have gender-neutral language per NPR 1400.1, section 4.6. In 5. Definitions, added definitions for COTR, Contract Specialist, and D&F. In 5. Definitions, revised definition of FDO. In 6. Instructions, revised wording Appendix A, “Performance Evaluation Manual.” In 9. Records, added Retention Records, included PEB Minutes, and added Note addressing Training Records. In 9.3. Formats, clarified documents to be retained as part of the Official Contract File. In

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			12. Cancellation, revised revision and date. In A.2.3.2, revised reference from appointing official to coordinators and monitors. In A.2.3.3, added references to A.7.3.1 and A.3. In A.5.5 Corrective Action, added reference to Appendix E. In A.6.3.5, added reference to Appendix Z. In Appendix D, changed reference from Flow Charts to Flow Diagrams. In D.3, revised PS14 Data Entry to FPDS Data Entry. In Appendix Z, corrected mathematical error.
Revision	I	6/25/2008	Revised 2. Applicability statement to address the applicability of this directive to the Michoud Assembly Facility.
Revision	J	2/12/2009	Made editorial, grammatical, numerical, and formatting corrections as needed. Throughout the document, revised to incorporate Award Term requirements and to delete references to D&F. Throughout the document, revised to incorporate FDO/ TDO Performance and Award Determination requirements. In 3.7, added PIC 06-02 to Applicable Documents. In Appendices, revised to Appendix Z Guidance Example. In A.5.3.7, added NSSC address for submitting Award Fee contract modifications. In Appendix Z, revised Evaluation Factors and weights.
Revision	K	6/2/2015	Total rewrite to conform to the formatting requirements per MWI 1410.1, and to implement NFS revisions.
Change	1	2/22/2018	On 2/22/18, at the request of the OPRD, administrative changes were made to clarify business day at 5.1.1.3 and 5.2.1.22.a.(4), correct records retention wording in Appendix D.
Revision	L	8/18/2020	Made editorial, grammatical, numerical, and formatting corrections as needed. Throughout the document, revised to incorporate NASA Award Fee Contracting Guide (NAFCG) revisions to policy. Removed expired PIC's and updated NAFCG link. Center Titles in Human Resources and Legal Representation. In Appendix A, revised definitions. In Appendix B, updated Acronyms. In Appendix D, corrected Records language. In Appendix E, F, & H revised Titles. In Appendix F, changed Calendar days for Report delivery. In Appendix J, revised Calculations on Computation sheet.

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1. PURPOSE

To provide instructions for accomplishing the award fee and award term performance evaluation processes in an equitable and timely manner. It establishes the process for evaluating award fee contracts to meet documentation requirements generally described in MPR 5000.1

2. APPLICABILITY

2.1 This MWI applies to Center personnel, programs, projects, and activities, including contractors and resident agencies to the extent specified in their respective contracts or agreements. (“Contractors,” for purposes of this paragraph, include contractors, grantees, Cooperative Agreement recipients, Space Act Agreement partners, or other agreement parties.)

2.2 This MWI applies to the Michoud Assembly Facility (MAF).

2.3 This MWI applies the following: all mandatory actions (i.e., requirements) are denoted by statements containing the term “shall.” The terms: “may” or “can” denote discretionary privilege or permission; “should” denotes a good practice and is recommended, but not required; “will” denotes expected outcome; and “are/is” denotes descriptive material.

2.4 This MWI applies the following: all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

[MPR 5000.1, Purchasing](#)

4. APPLICABLE DOCUMENTS AND FORMS

4.1 [Federal Acquisition Regulation \(FAR\)](#)

4.2 [NASA Federal Acquisition Regulation Supplement \(NFS\)](#)

4.3 [NASA Award Fee Contracting Guide \(NAFCG\)](#)

4.4 [MPD 1200.3, Power and Authority Directive for Marshall Space Flight Center \(MSFC\) Operations](#)

4.5 [MPR 1440.2, MSFC Records Management Program](#)

4.6 [MWI 5100.1, Initiating Procurement Requisitions](#)

4.7 [1441.1, NASA Records Retention Schedules \(NRRS\)](#)

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4.8 PS-OWI-12, Contract Delegations

4.9 [PS-OWI-13, Procurement Documents Closeout](#)

4.10 [PS-OWI-15, Simplified Acquisition Threshold \(SAT\) Procurement Process](#)

4.11 [OGE Form 278, Public Financial Disclosure Report](#)

4.12 [OGE Form 450, Executive Branch - Confidential Financial Disclosure Report](#)

4.13 [NASA Form 1098, Checklist for Contract Award File Content](#)

4.14 [NASA Form 1634, Contracting Officer's Representative \(COR\)/ Alternate COR Delegation](#)

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5. INSTRUCTIONS

The instructions for accomplishing the award term performance evaluation process is outlined in 5.1, “Award Term Performance Evaluation Process.” Application of the instructions outlined in 5.2 “Performance Evaluation Procedures” assures consistency in the evaluation mechanics employed with the MSFC program/project and mission services award fee process. Award fee training is outlined in 5.3, “Personnel Training and Certification.”

5.1 AWARD TERM PERFORMANCE EVALUATION PROCESS

5.1.1 For contracts which contain award term provisions, usage of 5.2, “Performance Evaluation Procedures” shall be made possible by replacing the word “fee” with “term” and “FDO” with “TDO” for the whole of 5.2. Further clarifications for 5.2 are as follows:

5.1.1.1 Section 5.2.1.17.a shall read: “The PEB shall determine the Conclusion and Award Term Recommendation containing the adjectival rating (also known as adjective rating) and numerical score, i.e., the score that shall determine if an award term is to be awarded to the contractor, for the TDO.”

5.1.1.2 Section 5.2.1.17.b.(4) shall read: “The TDO shall review the PEB Conclusion and Award Term Recommendation and make the final determination of the adjectival rating and numerical score, i.e., the score that shall determine if an award term is to be awarded to the contractor, in the TDO Performance Determination.”

5.1.1.3 Section 5.2.1.22.a.(4) shall read: “Within one (1) business day after receipt of the approved TDO Performance Determination, the CO shall execute an Award Term contract modification”.

NOTE: It is still recommended that Award Term contract modifications be processed and distribution made in a timely fashion.

5.1.2 Section 5.2.1.12.a shall read: “The appointed Monitor’s input in the evaluation of the contractor's performance is of prime importance and shall be reflected in the resulting Government Evaluation Report to the PEB and whether or not an award term is to be awarded to the contractor.”

5.1.2.1 Section 5.2.1.6.c and NOTE shall read: “Ensuring that negotiated award term lengths and scoring necessary to achieve award term success are in line with the amount of work remaining to be completed and/or the complexity of the work or event during the extended period of performance granted under a successful award term extension.

5.1.2.2 For program or project contracts, consideration shall also be given to penalty term periods to be applied prior to the end of the contract in cases of unsuccessful mission

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performance, overall unsatisfactory contract cost, and/or unsatisfactory schedule performance as appropriate.”

5.1.3 Usage of Appendix G, “Definitions of Ratings and Nomogram” shall be made possible by replacing the word “fee” with “term” for the whole of Appendix G. Further clarifications for Appendix G are as follows:

5.1.3.1 “Numerical Score and Award Fee Percentage” shall be replaced with “Numerical Score.”

5.1.3.2 Section G.3 shall read: “Any factor or sub-factor receiving an adjectival rating of Unsatisfactory (less than 50.0) shall be assigned zero (0.0) performance points for purposes of calculating the numerical score.”

5.1.3.3 Section G.4 shall read: “The contractor shall not be awarded an award term when the overall adjectival rating is “Unsatisfactory” resulting from a total numerical score of less than 50.0.”

5.1.4 Usage of Appendix E, “Typical PEB Organization Chart” shall be made possible by replacing the word “fee” with “term” and “FDO” with “TDO.”

5.1.5 Usage of Appendix F.1, “Pre-Award Fee Evaluation Activities Flow Diagram” shall be made possible by replacing the word “fee” with “term” and “FDO” with “TDO” for the whole of Appendix F. Further clarifications for Appendix F are as follows: The final process/block in the wire diagram listed in Appendix F.2, “Performance Evaluation Process Events Flow Diagram” specific to Accounting Operations is not applicable to the award term process and shall be omitted.

5.1.6 Usage of Appendix H, “Corrective Action Process for Contracts with Award Fee Provisions” shall be made possible by replacing the word “fee” with “term.”

5.1.7 Usage of Appendix J, “Example” shall be made possible by replacing the word “fee” with “term” for the whole of Appendix J. Further clarifications for Appendix J are as follows:

5.1.7.1 “Award Fee Dollars Available This Period” shall be clarified to state both the specific length of award term available during the evaluation period as well as the minimum numerical score required during the evaluation period for an award term to be awarded.

5.1.7.2 “Award Fee Dollars Earned This Period” shall be clarified to state if the numerical score earned was greater than or equal to the minimum numerical score required during this evaluation period for an award term to be awarded and also specifically state whether an award term was awarded as a result of the numerical score earned during the evaluation period.

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5.1.7.3 “NOTE: ...” shall read: “NOTE: Weight percentages do not represent a percentage of the available award term length. Award terms shall be awarded on an all-or-nothing basis and cannot be determined until the numerical score for total performance is calculated and applied against both the PEB Chairperson-approved nomogram and minimum numerical score required to earn the stated award term length.”

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5.2 PERFORMANCE EVALUATION PROCEDURES

This section outlines the procedures for evaluating the performance of a contractor for award fee under a contract with award fee provisions. The evaluation of contractor performance is to be expedited whenever feasible without sacrificing thoroughness and quality of documentation.

5.2.1 AWARD FEE PLAN

The Award Fee Plan identifies the procurement, the scoring system, weights, the organization, and the measurable factors, sub-factors, and criteria, as applicable, and the definitions of strengths and weaknesses (including significant strengths, significant weaknesses and observations).

5.2.1.1 PREPARATION

a. The Award Fee Plan shall be prepared by the COR in accordance with the provisions of this MWI, NFS SUBPART 1816.405, and the NASA Award Fee Contracting Guide (https://inside.nasa.gov/system/files/nasa_award_fee_contracting_guide.pdf) .

b. Preparation of the plan and any changes to a previously approved plan during contract performance shall be completed in coordination with the PEB Chairperson, PEB Executive Coordinator, CO, and others as appropriate before submitting the proposed plan for review and approval by the FDO. The approval authority may be delegated to the PEB Chairperson, in which case review and approval will be by the PEB Chairperson in lieu of the FDO.

5.2.1.2 REQUIREMENT

a. Award Fee Plans shall be customized to meet specific mission service or program/project objectives, yet be flexible to accommodate changes in emphasis or concerns during the contract period of performance.

b. The evaluation factors (sub-factors and criteria, if applicable) shall be selected based on those areas where high levels of performance are desired and attainable.

c. Implementation shall be tailored for each contract with award fee provisions to meet both NFS SUBPART 1816.405 and MSFC's award fee organization structure and to incorporate the MSFC-specific requirements noted below.

d. A Performance Evaluation Participants chart shall be appended to the plan. No names are to be shown. (See Appendix E for an example.)

e. NASA Form 1634 and a letter appointing the COR(s) and the Monitors shall be appended to the Award Fee Plan. (See PS-OWI-12)

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- f. All persons providing evaluation information shall be named in the appointment letter.
- g. The PEB Executive Coordinator shall be notified by memorandum immediately of any change(s) in appointment(s).

5.2.1.3 SUBMISSION

- a. Before the contract is awarded/definitized or immediately thereafter, the COR shall provide the proposed plan to the PM for program/project contracts, the PEB Chairperson and to the PEB Executive Coordinator for coordination and approval by the FDO unless approval authority has been delegated to the PEB Chairperson.
- b. In the event approval authority has been delegated to the PEB Chairperson, the COR shall provide the proposed plan to the PM for program/project contracts and to the PEB Executive Coordinator for coordination and approval by the PEB Chairperson.
- c. The plan shall be incorporated into the contract by reference.
- d. The contract shall contain sufficient language to permit the Government to make unilateral changes, as appropriate.

5.2.1.4 CHANGES

In the event there is a change(s) to the plan, the revised plan shall be presented to the PEB Executive Coordinator no later than thirty (30) calendar days in advance of the effective date of the change(s) to permit approval by the PEB Chairperson and receipt by the contractor prior to the effective date.

5.2.2 AREAS OF EMPHASIS (AOEs)

- 5.2.2.1 Program/project PEBs should use AOEs, which are prepared by the COR without PEB Chairperson approval. The PEB Chairperson may request the COR to prepare an AOE. In either case, AOEs shall be based on the established evaluation factors contained in the Award Fee Plan.
- 5.2.2.2 A copy of all correspondence dealing with AOEs shall be provided to the PEB Executive Coordinator.
- 5.2.2.3 AOEs shall not take precedence over the evaluation factors, but are used to more specifically define an area/activity within the factors that requires emphasis during an evaluation period due to its importance or due to its possible adverse impact.
- 5.2.2.4 The number of AOEs for each period shall be kept to an absolute minimum, and only significant events/activities/problem areas be selected.

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5.2.2.5 Each AOE shall be addressed in the Government Evaluation Report, Contractor Self-Evaluation Report, and oral presentations to the PEB, and be designated by the symbol (E) in the left margin of the page and presentation visuals.

5.2.2.6 If there is no significant input or finding on the AOE, the following statement shall be included: “Nothing noteworthy to report.”

5.2.3 CO FUNCTIONS

The CO shall:

5.2.3.1 Advise the PEB Chairperson (and the PS01 PEB Member if they are not the Chairperson) on procurement matters pertinent to the performance of a contractor under a contract with award fee provisions.

5.2.3.2 Coordinate proposed contract award fee performance evaluation periods with the PEB Chairperson, prior to the finalization of such dates with the contractor.

5.2.3.3 Ensure negotiated award fee is distributed by period in keeping with the amount of work to be completed and or the complexity of the work or event.

NOTE: For program or project contracts, consideration should be given to withholding a percent of the total award fee available until the end of the contract to be used for successful mission performance, overall contract cost, and schedule performance, as appropriate.

5.2.3.4 Prepare award fee contract COR delegations for the Procurement Officer’s signature.

5.2.3.5 Provide the signed COR delegation to the PEB Executive Coordinator.

5.2.3.6 Assist the COR with the preparation of the Award Fee Plan.

5.2.3.7 Provide a copy of the approved Award Fee Plan and this MWI to the contractor.

5.2.3.8 Coordinate with the PEB Executive Coordinator the number and timeframe of the performance evaluation periods required to be conducted so that they may be included on the PEB calendar.

5.2.3.9 If applicable, assist the COR in the selection of AOE’s and provide notification to the contractor.

5.2.3.10 Review the proposed evaluation factor weights and AOE’s for compatibility with the approved Award Fee Plan.

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5.2.3.11 Review and concur on the Government Evaluation Report, prior to PM approval.

5.2.3.12 Advise the contractor of the date set for the PEB evaluation meeting, coordinating the contractor's timely attendance at the PEB, obtaining the names and titles of the contractor representatives who plan to attend the PEB meeting, and providing those names and titles to the PEB Executive Coordinator.

5.2.3.13 Secure a location for the contractor to wait for their turn to brief the PEB and escort the contractor to the PEB at the appropriate time designated by the PEB Executive Coordinator.

5.2.3.14 Prepare the PEB Report transmittal letter to the contractor and furnish the transmittal letter, signed but undated, to the PEB Executive Coordinator on the day of the PEB evaluation.

5.2.3.15 Forward the transmittal letter and PEB Report to the contractor upon immediate receipt (the same day as received) from the PEB Executive Coordinator.

5.2.3.16 Provide the PEB Executive Coordinator the contractor's official response to the PEB Report, a copy of the award fee contract modification (after receipt of the FDO Performance Determination from the PEB Executive Coordinator), and a copy of all correspondence pertinent to each evaluation of the contractor's performance.

5.2.3.17 Attach a copy of the approved FDO Performance Determination to the award fee contract modification prior to submittal to the contractor.

5.2.3.18 Assure timely administration of the award fee process.

5.2.4 COR FUNCTIONS

This section outlines the duties of the COR and alternate COR. An alternate shall only serve in the required absence of the COR. The COR shall:

5.2.4.1 Complete the annual financial disclosure statement (OGE Form 278 or the OGE 450, as appropriate), identifying interests that may disqualify him/her for reasons of conflict of interest.

5.2.4.2 Direct surveillance and evaluation of the contractor.

5.2.4.3 Establish objectives and detailed procedures for the Award Fee Plan to include the frequency and type of meetings to be held with the contractor.

5.2.4.4 Prepare an Award Fee Plan prior to contract award, or immediately thereafter.

5.2.4.5 Furnish the original signed Award Fee Plan through the PM to the PEB Executive Coordinator for review and approval by the PEB Chairperson.

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- 5.2.4.6 Implement the Award Fee Plan after PEB Chairperson’s approval.
- 5.2.4.7 Verify that each individual nominated to serve as a Monitor or an alternate COR has filed an annual financial disclosure (OGE 278 or OGE 450, as appropriate) statement.
- 5.2.4.8 Issue appointment letters to Monitors (with approval of the PM).
- 5.2.4.9 Issue and sign appointment letters listing names of the individuals appointed as Monitors and their functions and provide copies of all appointment letters to the PEB Executive Coordinator for filing.
- 5.2.4.10 Instruct the Monitors to establish, publish, and disseminate the procedures and formats necessary for obtaining and evaluating data pertaining to contractor performance.
- 5.2.4.11 Prepare delegation instructions to the Monitors. Delegation instructions shall include, but not be limited to, the following:
- (a) Areas to be assessed.
 - (b) Sources of information to be used.
 - (c) Application of the scoring method to be used (only applicable to the COR).
- 5.2.4.12 Establish and maintain close communication with Monitors ensuring that the evaluation process is equitable and systematically performed.
- 5.2.4.13 Establish a system of monthly and quarterly performance reviews wherein the contractor's performance is evaluated by Monitors and, as necessary, by the CO and other appropriate persons.
- 5.2.4.14 Prepare and submit evaluation factor weights for review by the PM and approval by the PEB Chairperson thirty (30) calendar days prior to each evaluation period.
- 5.2.4.15 Following PM approval of AOE's and in conjunction with the CO, furnish the contractor the AOE's for the designated evaluation period, if applicable.
- 5.2.4.16 Provide a copy of the correspondence to the PEB Executive Coordinator. PEB Chairperson approval of the AOE's is not required.
- 5.2.4.17 Hold discussions of the AOE's with the contractor at the beginning of and during each evaluation period, as appropriate.

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NOTE: The COR should prepare and submit AOE's for review and approval by the PM no later than thirty (30) calendar days prior to each evaluation period. However, AOE's can be added or revised any time during the performance period.

5.2.4.18 Closely track contractor LOE activities.

5.2.4.19 Document award fee performance meetings with contractor.

5.2.4.20 Prepare the periodic Government Evaluation Report and obtain concurrence from the CO and the PM.

5.2.4.21 Furnish the approved Government Evaluation Report to the PEB Executive Coordinator for distribution to the PEB.

5.2.4.22 Prepare the oral presentation charts and present to the PEB (unless otherwise directed by the PM).

5.2.4.23 Identify to the PEB Executive Coordinator any problems in meeting the standard time spans identified in this manual and recommend a course of action for correction.

5.2.4.24 Invite the program/project ex officio members (senior management) to attend the Government's presentation to the PEB.

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

5.2.5 COR REPORTING

The COR shall:

5.2.5.1 Provide the Monitors with instructions related to reporting and writing findings.

5.2.5.2 Schedule submittal of Monitor inputs on contractor performance.

5.2.5.3 Apply adjectival ratings of contractor's performance based on the Monitors input. Refer to Appendix G for adjectival rating information.

5.2.5.4 Determine whether to include the Monitors' inputs in the preparation of the Government Evaluation Report.

5.2.5.5 Prepare and submit the Government Evaluation Report, prepare the oral presentation charts, and make the oral presentation to the PEB for its use in evaluating the contractor's performance (unless otherwise directed by the PM).

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5.2.5.6 Present an oral presentation to the PEB, based on the Government Evaluation Report, summarizing the contractor's performance strengths and weaknesses and any unusual actions/activities on the part of the Government and/or contractor that affected performance. (See 5.2.1.12(1))

5.2.6 PM FUNCTIONS

The PM shall:

5.2.6.1 Review and sign the Award Fee Plan prior to submission to the PEB Chairperson and/or contractor (where applicable).

5.2.6.2 Review AOE's, and evaluation factor weights prior to submission to the PEB Chairperson and/or contractor (where applicable).

5.2.6.3 Verify that Government Evaluation Reports comply with the Award Fee Plan prior to submission to the PEB Executive Coordinator.

5.2.6.4 Review and sign the Government Evaluation Reports prior to submission to the PEB Executive Coordinator.

5.2.7 MONITOR FUNCTIONS

This section provides specific instructions on the procedure that shall be followed by all Monitors preparing to evaluate contractor performance. The Monitor shall:

5.2.7.1 Complete the annual financial disclosure statement (OGE Form 278 or OGE Form 450) identifying interests that may disqualify him/her for reasons of conflict of interest.

5.2.7.2 Immediately notify the COR of any such potential conflict of interest.

NOTE: Refer to 5.2.1.8(i) for the Monitors delegation instructions.

Under the direction of the COR, work with the COR to establish plans/approaches for evaluating contractor performance during each award fee period, fully documenting detailed work files of all areas of the contractor's performance during each award fee period, and maintaining the work files for the life of the contract. This provides an audit trail from the Monitor through the FDO.

5.2.7.3 Include in this work file all documentation used in evaluating the contractor's performance. (See Appendix I for typical Monitor Evaluation Questions.)

5.2.7.4 Participate in periodic discussions and in presentations of the Government's Evaluation Report to the PEB, if requested by the COR.

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5.2.7.5 Make an oral presentation to the PEB, if requested by the COR.

5.2.8 REPORTING

This section describes the findings that shall be submitted by all Monitors assessing and contributing inputs to the COR for use in preparing the Government Evaluation Report.

5.2.8.1 The appointed Monitor's input in the evaluation of the contractor's performance is of prime importance and shall be reflected in the resulting Government Evaluation Report to the PEB and amount of award fee awarded the contractor.

5.2.8.2 The types and frequency of inputs to be submitted by the Monitor to the COR shall be contained in the specific instructions issued by the COR for each contract.

5.2.8.3 All Monitors shall provide a factual evaluation of each evaluation factor, sub-factor, and criteria, if used, in the respective areas assigned.

5.2.8.4 In addition to providing an evaluation based on the specific evaluation factors (sub-factors and criteria, if used) indicated by the COR, the Monitor's finding shall indicate where the contractor has taken initiative that is beneficial to the Government in such areas as: problem identification, implementation of corrective action, and identification of new requirements.

5.2.8.5 The Monitor shall use the adjectival rating definitions to determine the level in which the contractor has been performing during the period, unless otherwise instructed by the COR. (See Appendix G.)

5.2.8.6 The adjectival rating shall be supported with clearly-defined examples of strengths and weaknesses. These examples are based on continual evaluation and documentation throughout the evaluation period.

5.2.8.7 In all cases, the findings written by all Monitor(s) shall be substantiated by attaching supporting documentation as may be appropriate.

5.2.8.8 Inputs shall be submitted directly to the COR and not through organizational channels.

5.2.9 GOVERNMENT EVALUATION REPORT SUBMITTAL

This section provides instruction for the preparation of the Government Evaluation Report and oral presentation. The appointed COR shall prepare the Government Evaluation Report of the contractor's performance after completion of each evaluation period.

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5.2.9.1 This written report, to include one (1) electronically signed original, shall be emailed encrypted to the PEB Executive Coordinator.

5.2.9.2 Written reports and oral presentations shall be prepared and comply with the requirements of this MWI; the PEB Chairperson-approved Award Fee Plan and its evaluation factors, sub-factors and criteria; and the AOE's established for the specific period.

5.2.9.3 The written report and oral presentation shall be prepared for use of the PEB in formally evaluating the contractor's performance and establishing a recommendation to the FDO.

5.2.9.4 The COR, using the Monitors' inputs or findings, shall prepare the Government Evaluation Report which addresses the contractor's performance under each of the evaluation factors and AOE's.

5.2.9.5 The COR shall determine the significance of each strength, weakness or observation based on how the finding is written.

5.2.9.6 The report shall be at the evaluation factor level, unless sub-factors and additional criteria have been further detailed in the Award Fee Plan.

5.2.9.7 Written reports shall be prepared electronically, using font size 10-point or larger and be limited to fifteen (15) typewritten standard size pages.

5.2.9.8 The report shall include a summary section, the COR's Worksheet Evaluation Factor Rating Computations, and a section for each of the evaluation factors, sub-factors, and criteria. Photos, appendices, etc., are not desired; however, in the event the COR deems it necessary, five (5) additional pages of charts and/or graphical data may be included. Refer to Appendix J.

5.2.9.9 The oral presentation shall summarize the written Government Evaluation Report:

(a) The oral presentation shall follow the same format and sequence as the Government Evaluation Report.

(b) The oral presentation shall be limited to not more than thirty (30) minutes.

5.2.9.10 If circumstances warrant, the COR shall request additional time from the PEB Executive Coordinator at the time of report submittal.

5.2.9.11 The COR shall include their recommended assessment of the contractor's performance under the evaluation factors from the perspective of total contract management objectives.

5.2.9.12 The presentation and written report shall include all significant strengths, strengths, significant weaknesses, and weaknesses in order of importance, along with narratives for each evaluation factor (sub-factor and criteria, if used), and a proposed adjectival rating and numerical score of the contractor's performance. Observations may also be included only in the

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presentation, for evaluation factors (sub-factors and criteria, if used) that do not merit strength or weakness ratings, but still necessitate comments for evaluation purposes.

5.2.9.13 The report shall be results-oriented, contain specifics, and avoid generalities (e.g., milestones planned versus milestones accomplished, tests and dates planned versus tests and dates accomplished, and test results versus specifications or requirements).

5.2.9.14 The report shall not address activities a contractor is expected to accomplish as part of minimal acceptable performance. For example, timely submittal of information is no measure of performance unless quality and usefulness are addressed.

5.2.9.15 Both the report and oral presentation shall address all evaluation factors, sub-factors, criteria, and AOE, as applicable, for each evaluation period.

5.2.9.16 If there is no significant input to report on an AOE, refer to 5.2.1.5.f.

5.2.9.17 The Government Evaluation Report, routed through the CO and PM for concurrence, shall be furnished to the PEB Executive Coordinator no later than twenty (20) calendar days following completion of the period to be evaluated.

5.2.9.18 One (1) original (single sided), and twelve (12) copies (double sided) shall be furnished to the PEB Executive Coordinator at the PEB meeting prior to the presentation to the PEB. One (1) electronic copy for the oral presentation shall be provided by the presenter. PEB presentation charts shall be emailed to the PEB Executive Coordinator immediately following the PEB meeting.

5.2.9.19 The COR may request a copy of the Self-Evaluation Report from the PEB Executive Coordinator prior to the oral presentation, but only after the PEB Executive Coordinator has received the Government Evaluation Report.

5.2.10 CONTRACTOR SELF-EVALUATION REPORT SUBMITTAL

5.2.10.1 The Contractor Self-Evaluation Report shall adhere to the same requirements as the Government Evaluation Report.

5.2.10.2 The report shall include only an overall adjectival rating (no recommended numerical score).

5.2.10.3 The written Self-Evaluation Report, to include one (1) electronically signed original, shall:

5.2.10.4 Be prepared in an electronic copy using font size 10-point or larger, with a page limitation of fifteen (15) standard size pages (i.e., 8 ½" x 11").

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5.2.10.5 Be emailed encrypted to the PEB Executive Coordinator no later than twenty (20) calendar days after completion of the evaluation period.

5.2.10.6 One (1) original (single sided) and twelve (12) copies (double sided) shall be furnished to PEB Executive Coordinator at the PEB meeting prior to the presentation to the PEB. One (1) electronic copy of the oral presentation charts shall be emailed to the PEB Executive Coordinator immediately following the PEB meeting. An electronic copy for the oral presentation shall be provided by the presenter.

5.2.10.7 Assembly of the presentation charts shall be prepared by the most economical method available (single-staple format is preferred), in order to be easily shredded after use. Covers for the Self-Evaluation Report and oral presentation charts are not recommended. Binding of presentation charts is also not recommended.

5.2.10.8 The PEB Executive Coordinator shall have the option of making available a copy of the Self-Evaluation Report to the Government COR prior to the oral presentation, but only after the PEB Executive Coordinator has received the Government Evaluation Report.

5.2.11 PEB EXECUTIVE COORDINATOR FUNCTIONS

This section delineates the duties and authority assigned to the PEB Executive Coordinator. The PEB Executive Coordinator is responsive to the PEB Chairperson, FDO, and PEB Members for the duties assigned herein.

5.2.11.1 For Overall Operations, the PEB Executive Coordinator shall:

- (a) Provide guidance and assistance to the PEB Chairperson, FDO, members of the PEB, and to all Center elements involved in the award fee process.
- (b) Issue guidelines and instructions to Center elements involved in the award fee evaluation process.
- (c) Provide feedback of decisions and policies resulting from PEB proceedings to all CORs and COs.
- (d) Schedule the PEB meeting date and provide the PEB Chairperson(s), PEB Member(s), COs, and COR(s) with recommended courses of action when potential or actual problems are encountered which may affect the scheduled events.
- (e) Conduct PEB training classes and lessons-learned sessions for all persons involved in the award fee evaluation process.
- (f) Recommend procedures and changes to enhance effectiveness.

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(g) Develop and maintain PEB summary data.

5.2.11.2 For PEBs and Membership, the PEB Executive Coordinator shall:

- (a) Take action to establish a PEB when a contract with award fee provisions is awarded.
- (b) Prepare and submit to the FDO a prospective list of members for each PEB.
- (c) Prepare the management announcement on each PEB for review and approval by the FDO (in the case of larger, higher priority procurements, the HCA may approve the management announcement to establish the PEB membership).
- (d) Update or revising PEB memberships, as required.
- (e) Coordinate and confirm with the Office of the Chief Counsel (LS01) Legal Representative to ensure that each individual appointed to a PEB has been cleared to serve from a conflict of interest standpoint.

5.2.11.3 For the PEB Schedule, the PEB Executive Coordinator shall:

- (a) Establish dates for accomplishment of events in the award fee process.
- (b) Provide status of progress to the PEB Chairperson(s), including recommended courses of action when potential or actual problems arise.

5.2.11.4 For Award Fee Plans, the PEB Executive Coordinator shall:

- (a) Participate in the development of award fee evaluation factors, sub-factors, and/or criteria for each contract containing award fee provisions.
- (b) Review the Award Fee Plans for conformity with current policies and procedures, taking action with the originator to change/amend the Award Fee Plans, as necessary.
- (c) Review and analyze the Government Evaluation Report to ensure the evaluation and numerical scoring is adequately substantiated, documented, and in conformance with the Award Fee Plan.
- (d) Take action with the COR to change or amend the Government Evaluation Report, as necessary.

5.2.11.5 For the PEB Meetings and Documentation, the PEB Executive Coordinator shall:

- (a) Schedule PEB meetings for evaluation of contractor performance.

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(b) Resolve schedule conflicts with PEB Members and rescheduling evaluations with minimum impact to the evaluation process.

(c) Prepare the PEB Minutes of each PEB meeting.

(d) Prepare the PEB Report.

(e) Prepare the PEB Conclusion and Award Fee Recommendation.

(f) Prepare the FDO Performance Determination.

(g) Prepare the PEB evaluation portfolio.

5.2.11.6 For the FDO Performance Determination, the PEB Executive Coordinator shall:

(a) Review the contractor's reply to the PEB Report.

(b) Prepare the FDO Performance Determination and after approval by the FDO, forward a copy to the CO for issuance of award fee contract modification.

5.2.11.7 For Performance Evaluation Review and Analysis, the PEB Executive Coordinator shall:

(a) Ensure this MWI remains in compliance with FAR/NFS requirements and considers the guidance in the Award Fee Contracting Guide.

(b) Interpret policies and procedures governing award fee activities.

(c) Maintain current policies, procedures, and instructions on the award fee process and ensure prompt dissemination to ongoing PEBs and newly-appointed PEBs.

(d) Plan, create, and develop briefings, special studies, lessons learned, and presentations concerning contractor performance evaluations for use by Center management or higher authority.

5.2.12 PEB FUNCTIONS

PEB members shall evaluate the contractor's overall performance for the award fee evaluation period which will lead to an award fee amount based upon their recommended adjectival rating and numerical score to the FDO. It is important that the PEB objectively evaluate a contractor's performance according to the evaluation factors, sub-factors, and criteria as stated in the Award Fee Plan, as well as recommend appropriate changes in the Award Fee Plan to reflect program or project evolution.

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5.2.13 CONVENING OF THE PEB

5.2.13.1 The PEB shall be convened at the direction of the PEB Chairperson.

5.2.13.2 The PEB Executive Coordinator shall provide each Member an electronic PEB Booklet containing the evaluation material, a minimum of three (3) calendar days prior to the convening of the PEB.

5.2.13.3 Each Member of the PEB shall study the documents and prepare questions that require answers during the PEB session.

5.2.14 PEB SESSIONS

The PEB has specific sessions each time a contractor's performance is evaluated. The PEB Board is comprised of FDO appointed PEB members. Each PEB member will attend each PEB Session. Each PEB Session shall have a quorum of voting members in attendance. In the event there is not a quorum, the PEB will be rescheduled. The PEB Sessions are:

5.2.14.1 Government Performance Evaluation Presentation Session

The appointed COR shall make this oral presentation and has the option to bring Monitors to the presentation as deemed necessary so questions by the PEB Members can be expeditiously answered.

- (a) Attendees shall be kept to a minimum.
- (b) Contractor representatives shall not be present during this session.

5.2.14.2 Contractor's Self-Evaluation Presentation Session

The contractor shall make an oral Self-Evaluation Report to the PEB.

- (a) The contractor is encouraged to have contractor personnel in attendance who are knowledgeable and capable of answering questions in an expeditious manner; however, attendees shall be kept to a minimum.
- (b) Government Coordinators and Monitors shall not be present during this session unless otherwise directed by the PEB Chairperson.

5.2.14.3 PEB Executive Session

This session shall be a closed meeting conducted by the PEB Chairperson and restricted to PEB Executive Coordinator and voting PEB Members unless otherwise directed by the PEB Chairperson.

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5.2.15 PEB EVALUATION PROCESS

5.2.15.1 The PEB shall determine the Conclusion and Award Fee Recommendation containing the adjectival rating and numerical score (i.e., the amount of award fee to be paid to the contractor, for the FDO).

5.2.15.2 The adjectival rating and numerical score shall be assigned during the PEB Executive Session by PEB consensus.

- (a) Each voting PEB Member shall be given the opportunity to state their recommended adjectival rating and numerical score, as well as provide supporting rationale for the basis of their evaluation.
- (b) In the event that a voting PEB Member or the Alternate is unable to attend the PEB Executive Session, their evaluation and recommended adjectival rating and numerical score shall be submitted, in writing, to the PEB Chairperson and PEB Executive Coordinator in advance of the PEB Executive Session.
- (c) If an adjectival rating and numerical score consensus cannot be reached, the PEB Chairperson shall make the final decision.
- (d) The FDO shall review the PEB Conclusion and Award Fee Recommendation and make the final determination of the adjectival rating and numerical score (i.e., the amount of award fee to be paid to the contractor, in the FDO Performance Determination).
- (e) The FDO shall provide an executive summary presentation to a NASA Headquarters, independent panel, comprised of the NASA Associate Administrator, NASA Deputy Associate Administrator, Applicable Mission Directorate Associate Administrator or Deputy (unless FDO for the acquisition), Assistant Administrator for Procurement or Deputy, and Applicable Center Director or Deputy (unless FDO for the acquisition) on all of NASA's most significant contracts for design and development programs and projects, with a life-cycle of \$1 billion or more or otherwise designated by the NASA Associate Administrator.

5.2.15.3 The PEB Executive Coordinator shall report the findings of the PEB concerning the contractor's self-evaluation, to the COR for consideration in future evaluations.

5.2.16 PEB MINUTES SUMMARY

PEB Minutes shall be in three parts to coincide with the three PEB sessions.

5.2.16.1 The PEB Minutes shall reflect the results of the evaluation process outlined above including all significant discussion points or questions and answers arising during deliberations.

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5.2.16.2 The PEB Minutes shall include the rationale used in arriving at the consensus award fee adjectival rating and numerical score. It is not necessary for the PEB Minutes to reflect the major strengths and weaknesses considered by the PEB since these are included in the PEB Report.

5.2.16.3 The PEB Minutes shall include action items assigned by the PEB Chairperson.

5.2.17 PEB REPORT

Following each performance evaluation, the contractor shall be notified of the results derived by the PEB.

5.2.17.1 The results shall be conveyed via the PEB Report.

5.2.17.2 The PEB shall prepare its report after a formal assessment of the Government Evaluation Report and oral presentation and the Contractor's Self-Evaluation Report and oral presentation.

5.2.17.3 The PEB Report shall provide the official adjectival rating and numerical score recommendation as to the award fee earned (See Appendix G).

5.2.17.4 The PEB Report shall include a narrative of the contractor's performance for the period.

5.2.17.5 The PEB report shall consist of a sufficient number of concise statements of strengths and weaknesses against each evaluation factor, sub-factor, or criteria to substantiate the award fee position.

5.2.18 TRANSMITTAL LETTERS

5.2.18.1 All transmittal letters shall reference the period of evaluation, the PEB Report, and the number of days (five (5) calendar days) allocated for review and reply by the contractor.

5.2.18.2 The numerical score shall not be included in the transmittal letter.

5.2.18.3 The original transmittal letter, electronically signed but undated, shall be furnished to the PEB Executive Coordinator within one (1) calendar day following the evaluation of the contractor.

5.2.18.4 When directed by the PEB Chairperson, extraordinary accomplishment and/or performance of grave concern shall be made in an Impact Letter, Letter of Concern, or Letter of Excellence.

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The types of transmittal letters are:

- (a) CO Letter. A brief letter to the contractor transmitting the PEB report for the period shall be prepared and electronically signed by the CO.
- (b) Impact Letter. A letter to transmit the PEB report and communicate positive and/or negative feedback on contractor performance for the period. The PEB Chairperson shall be responsible for directing the content of this letter and shall electronically sign upon completion.
- (c) Letter of Concern. A letter to transmit the PEB report as well as communicate feedback on contractor performance of grave concern for the period and may communicate the need for corrective action. The PEB Chairperson shall be responsible for directing the content of this letter and shall electronically sign upon completion.
- (d) Letter of Excellence. A letter electronically signed by the FDO to transmit the PEB report and communicate extraordinary accomplishment (a performance score of 100%) for the period. The contents of this letter shall be directed by the PEB Chairperson.

5.2.19 PROCESSING OF PERFORMANCE EVALUATION PORTFOLIO

5.2.19.1 The PEB evaluation portfolio, when completed, shall include:

- (a) The original signed FDO Performance Determination.
- (b) The original signed PEB Report.
- (c) A copy of the signed and dated transmittal letter submitting the PEB Report to the contractor.
- (d) The original signed PEB Conclusion and Award Fee Recommendation.
- (e) The original signed PEB Minutes.
- (f) The original signed copy of the Government Evaluation Report and a copy of the COR's oral presentation charts.
- (g) The original signed copy of the Contractor's Self-Evaluation Report and a copy of the contractor's oral presentation charts.
- (h) Other material germane to the PEB's evaluation.

5.2.19.2 Upon completion of the PEB evaluation portfolio, the following functions shall be performed:

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(a) The PEB Executive Coordinator shall forward the portfolio to the requiring organization's PEB voting member, the PEB Chairperson, and the FDO for review.

(b) After FDO review and approval, the PEB Executive Coordinator shall date-stamp the original transmittal letter and provide the CO both the dated transmittal letter and a copy of the PEB Report to forward to the contractor within one (1) calendar day.

(c) The contractor's official response shall be furnished to the PEB Executive Coordinator within five (5) calendar days of receipt.

(d) The contractor's official response shall be provided on official company letterhead and be signed by an authorized representative.

(e) The official response shall state Acceptance or Exception to the adjectival rating and/or numerical score.

5.2.20 CONTRACTOR RESPONSE TO PEB ASSESSED RATING

5.2.20.1 Contractor Acceptance of PEB Assessed Rating:

(a) Upon contractor acceptance of the PEB adjectival rating and numerical score, the PEB Executive Coordinator shall furnish a copy of the FDO Performance Determination to the CO for their use in preparing the contract modification to reflect award fee earned by the contractor for the respective evaluation period.

(b) The CO should coordinate with the MSFC Lead Cost/Price Analyst to verify the earned award fee calculations.

(c) The CO shall provide the PEB Executive Coordinator a copy of the completed contract modification reflecting the earned award fee and copies of any correspondence pertinent to each evaluation.

(d) Within one (1) calendar day after receipt of the approved FDO Performance Determination, the CO shall execute an Award Fee contract modification.

5.2.20.2 Contractor Exception to PEB Assessed Rating

In the event the contractor takes exception to the PEB adjectival rating and/or numerical score, the contractor shall:

(a) State in writing unequivocally its exception to the adjectival rating and/or numerical score.

(b) Ensure the exception is signed by a manager at a level above the contractor's PM.

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- (c) Identify the specific area(s) of contention.
- (d) Furnish additional information in writing, pointing out the alleged discrepancies.
- (e) Submit the exception on company letterhead signed by an authorized representative to the CO no later than five (5) calendar days after the date of the transmittal letter.
- (f) Appear before the PEB, if requested by the Chairperson, to present the additional information and answer questions.

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

- (a) The CO shall furnish the original copy of the contractor's exception to the PEB Executive Coordinator who will then make and distribute copies to the PEB Chairperson and the appointed COR.
- (b) The PEB Chairperson shall review and determine the validity of the contractor's exception.
- (c) The following actions shall be taken in the event the PEB Chairperson reconvenes the PEB:
 - (1) The CO and the COR reviews the PEB Report and the contractor's exception, prepare a reply to the PEB, and provide the PEB Executive Coordinator one (1) electronically original signed copy, and one (1) editable electronic copy.
 - (2) The PEB Executive Coordinator distributes to each PEB member a copy of the PEB Report, the contractor's exception and the COR 's reply to the exception, and schedules a PEB Executive Session to assess the additional information from both parties.
 - (3) The PEB reviews information furnished by both parties.
 - (4) If needed, the PEB may request additional information or clarification, or presentations, from one or both parties and revise the PEB Report as necessary.
 - (5) When requested by the FDO or when the PEB Chairperson deems necessary, the PEB Chairperson (and/or PM if directed by the Chairperson) briefs the FDO with regard to the contractor's exception and the COR's reply, as well as any changes made to the PEB Report.
 - (6) The FDO reviews the information provided by the PEB Chairperson (and/or the PM) and makes a final determination as to the adjectival rating and numerical score for the contractor's performance during the respective evaluation period.
 - (7) Upon receipt of the final FDO determination, the CO shall notify the contractor within the same business day.

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(8) Within five (5) calendar days of the final FDO determination, the contractor shall provide a letter of acceptance or acknowledgment of receipt signed by an authorized representative on official company letterhead.

(9) The FDO Performance Determination and the related award fee contract modification shall be processed without further consideration.

NOTE: Contractor comments without a stated exception to the assessed adjectival rating and/or numerical score should not constitute a requirement to reconvene the PEB to further consider the rating and/or hear arguments by the contractor and the appointed COR.

5.2.21 CORRECTIVE ACTION (See Appendix H)

5.2.21.1 MSFC has traditionally implemented corrective action of systemic weaknesses under the award fee system via the assessment of weaknesses. Effective with all award fee periods beginning on or after February 1, 1998, a more formal method for closing systemic weaknesses was implemented.

5.2.21.2 For all weaknesses or significant weaknesses set forth in the PEB Report, which are determined by the Government or the contractor to involve a systemic problem, the transmittal letter referenced in paragraph 5.2.1.20, includes a requirement for the contractor to submit a Corrective Action Plan. The Government may require the contractor to submit a Corrective Action Plan, notwithstanding whether, the weakness or significant weakness is considered a systemic problem.

5.2.21.3 The Corrective Action Plan shall, for all such weaknesses or significant weaknesses, include:

- (a) A description of each weakness or significant weakness.
- (b) Determination of the root cause of the weakness or significant weakness.
- (c) Action required to correct the weakness or significant weakness.
- (d) How to prevent recurrences.
- (e) The schedule for completion of the action.

5.2.21.4 The contractor shall submit the Corrective Action Plan to the CO within thirty (30) calendar days of the date of the transmittal letter or the final FDO determination.

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5.2.21.5 The COR shall provide the PEB Executive Coordinator a copy of the acceptable Corrective Action Plan.

5.2.21.6 The PEB Executive Coordinator shall provide the PEB Chairperson a copy of the acceptable Corrective Action Plan.

5.2.21.7 The COR shall document and maintain oversight of each corrective action to verify compliance, implementation, completion and effectiveness; and coordinate all activities related to such weaknesses or significant weaknesses. When appropriate, this should be coordinated with the cognizant SMA representative.

5.2.21.8 Upon completion of all corrective action(s) set forth in the plan, the COR shall:

- (a) Document the completion and effectiveness of the corrective action(s).
- (b) Furnish a copy of the documentation to the PEB Executive Coordinator.

5.2.21.9 The PEB Executive Coordinator shall provide the PEB Chairperson and CO a copy of the documentation.

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5.3 AWARD FEE TRAINING AND CERTIFICATION

5.3.1 Award fee training shall be conducted on an as required/as needed basis by the PEB Executive Coordinator.

NOTE: Training records are maintained by the Office of Human Resources in System for Administration, Training, and Educational Resources for NASA (SATERN).

5.3.2 Training requests shall be coordinated with PS60/Source Selection Office.

5.3.3 The COR shall be required to obtain training as described in MWI 5100.1.

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6. CANCELLATION

MWI 5116.1K-1, Evaluation of Contractor Performance Under Contracts with Award Fee Provisions, dated June 2, 2015.

Electronically approved by

Jody Singer
Director

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APPENDICES

APPENDIX A DEFINITIONS

APPENDIX B ACRONYMS

APPENDIX C VERIFICATION MATRIX

APPENDIX D RECORDS

APPENDIX E TYPICAL PEB ORGANIZATION CHART

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APPENDIX A

DEFINITIONS

CO. A person, appointed in accordance with the FAR/NFS, with the sole authority to enter into, administer, and/or terminate Government contracts and make related determinations and findings within the limits of their certificates of appointment.

COR. A qualified Government employee appointed by the CO to act as their technical representatives in managing the technical aspects of a particular contract. These individuals are appointed to provide continuous evaluation of a contractor's performance under an award fee arrangement and are recommended based on their training, qualifications, and experience commensurate with the duties and functions to be delegated and the nature of the contract.

FDO. An individual, senior to the PEB membership, appointed by the HCA. In certain instances, the HCA and the FDO may be the same individual.

Finding. Input provided by a Monitor for the Government Evaluation Report that is used in the contractor evaluation detailing a strength and/or a weakness of contractor performance.

Input. Feedback provided by a Monitor addressing contractor performance.

Legal Representative/Advisor. The Chief Counsel, or a designee, appointed as an advisor to the PEB.

Monitor. Individuals appointed to provide continuous evaluation of the contractor's performance in specific areas. The Monitors include, but are not limited to, the COR, alternate(s), and, appointed technical representatives, but also includes all functional representatives with contract administration responsibilities such as CO, Office of Procurement representatives (including Small Business representative), SMA representative, and Property.

Observation. A noteworthy experience, service, act, concern, or potential issue that falls outside of the range of positive or negative, that may or may not be part of the Award Fee Plan but should be mentioned. Observations should be used infrequently in presentations only. Most events should commonly fall inside the range of positive or negative (strength or weakness).

PEB Members. A group of senior officials, appointed by the FDO, to evaluate a contractor's overall performance for the award fee evaluation period which leads to a recommended award fee adjectival rating and numerical score to the FDO and recommend changes, if any, to the FDO. The PEB is composed of a Chairperson or Alternate Chairperson, Members or their Alternates, and an ex officio (non-voting) member (i.e., the PEB Executive Coordinator). PEB voting members cannot serve as a COR or Monitor.

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PEB Executive Coordinator (previously known as Executive Secretary). An individual appointed to coordinate the overall administrative operations of the PEB in all phases of the award fee process.

Performance Determination. A special form of written approval by a FDO or TDO that specifies their decision regarding the numerical score and adjectival rating actually earned by the contractor according to the award fee and/or award term provisions of a contract.

Program or Project Manager (PM). An official that has overall management of a project(s).

Quorum. A majority of the PEB membership to include the requiring organization’s representative.

Strength. Accomplishment beyond the expected work level of fulfilling the contract requirements. Something that earns recognition from those both inside and outside the program, project or service. Work used as an example for other development efforts to follow.

Significant Strength. Accomplishment exceeding even the best expectations. An Innovation that positively impacts the entire project, plan, or service. Work that enables significant cost and/or schedule savings to the program, project, or service to the Government.

Systemic Weaknesses. Weaknesses that indicate an inconsistency in the contractor’s processes or a flawed approach that, left uncorrected, could cause future problems of a similar nature. Systemic problems are not “one time” or “isolated” problems that, while they have to be corrected, are not expected to pose a significant risk to future contract performance.

Significant Weakness. An unmet expectation that has significant negative impact to cost, schedule, or technical performance of the contract. A failure that endangers the overall success of the effort, project, plan, or service. Something that elicits negative response from the upper echelons of NASA or the public and therefore reflects poorly on the Project Office, MSFC, or the Program.

TDO. An individual, senior to the PEB membership, appointed by the HCA. In certain instances, the HCA and the TDO may be the same individual. For contracts involving both award fee and award term provisions, the FDO and TDO is the same individual. For delegations of authority for the FDO and TDO, refer to MPD 1200.3.

Weakness. An unmet expectation that did not live up to normal expected contract performance. Something that impacts negatively the work of other elements within the project, plan, or service. Work needing remedial activity or recovery efforts in order to get the effort back on track.

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APPENDIX B

ACRONYMS

AOE	Areas of Emphasis
CO	Contracting Officer
COR	Contracting Officer's Representative (previously known as COTR)
FAR	Federal Acquisition Regulation
FDO	Fee Determination Official
FPDS	Federal Procurement Data System
LOE	Level-of-Effort
HCA	Head of the Contracting Activity
MAF	Michoud Assembly Facility
MPD	Marshall Policy Directive
MPR	Marshall Procedural Requirements
MWI	Marshall Work Instruction
MSFC	Marshall Space Flight Center
NAFCG	NASA Award Fee Contracting Guide
NFS	NASA FAR Supplement
NPR	NASA Procedural Requirements
NRRS	NASA Records Retention Schedules
NLT	No Later Than
OGE	Office of Government Ethics
OWI	Organizational Work Instruction
PEB	Performance Evaluation Board
PM	Program or Project Manager
SMA	Safety and Mission Assurance
SAT	Simplified Acquisition Threshold
TDO	Term Determination Official

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APPENDIX C

VERIFICATION MATRIX

NONE.

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APPENDIX D

RECORDS

D.1 The Government Evaluation Report, Contactor Self-Evaluation Report, PEB Conclusion and Award Fee Recommendation, PEB Minutes, PEB Report, Transmittal Letter, FDO Performance Determination and other germane material are records and will be maintained by the PEB Executive Coordinator for duration of the applicable Award Fee Contracts, after which they are consolidated with the applicable official contract file for transfer to the closeout Contract Specialist/Contracting Office.

D.1.1 Retention Schedule.

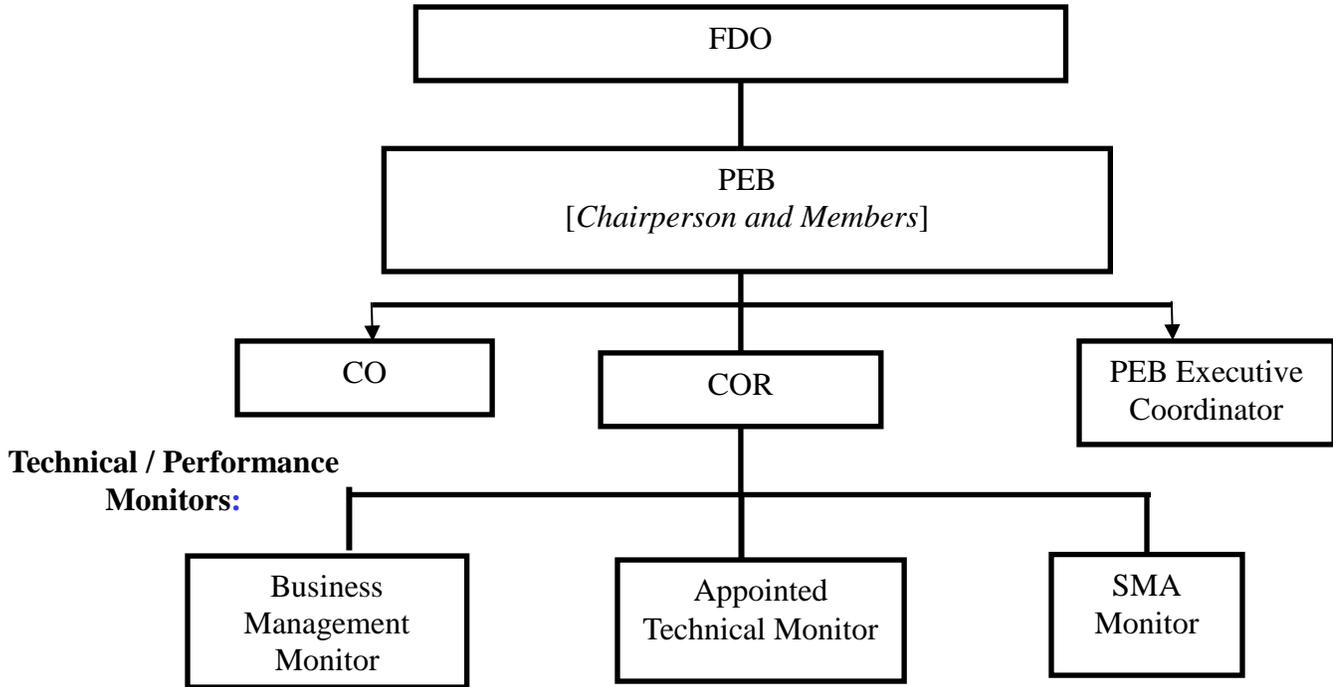
D.1.1.1 Office of Procurement records retention requirements are set forth in accordance with FAR Subpart 4.8, Storage, handling, and disposal of contract files, NFS SUBPART 1804.8, Government Contract Files, and NRRS 1441.1, Schedule 5.

D.1.1.2 The retention period for the disposal of contract files (including acquisitions below the SAT) is six (6) years after final payment or cancellation, NRRS 5/1/A.

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APPENDIX E

E.1 Typical MSFC Performance Evaluation Participants Chart



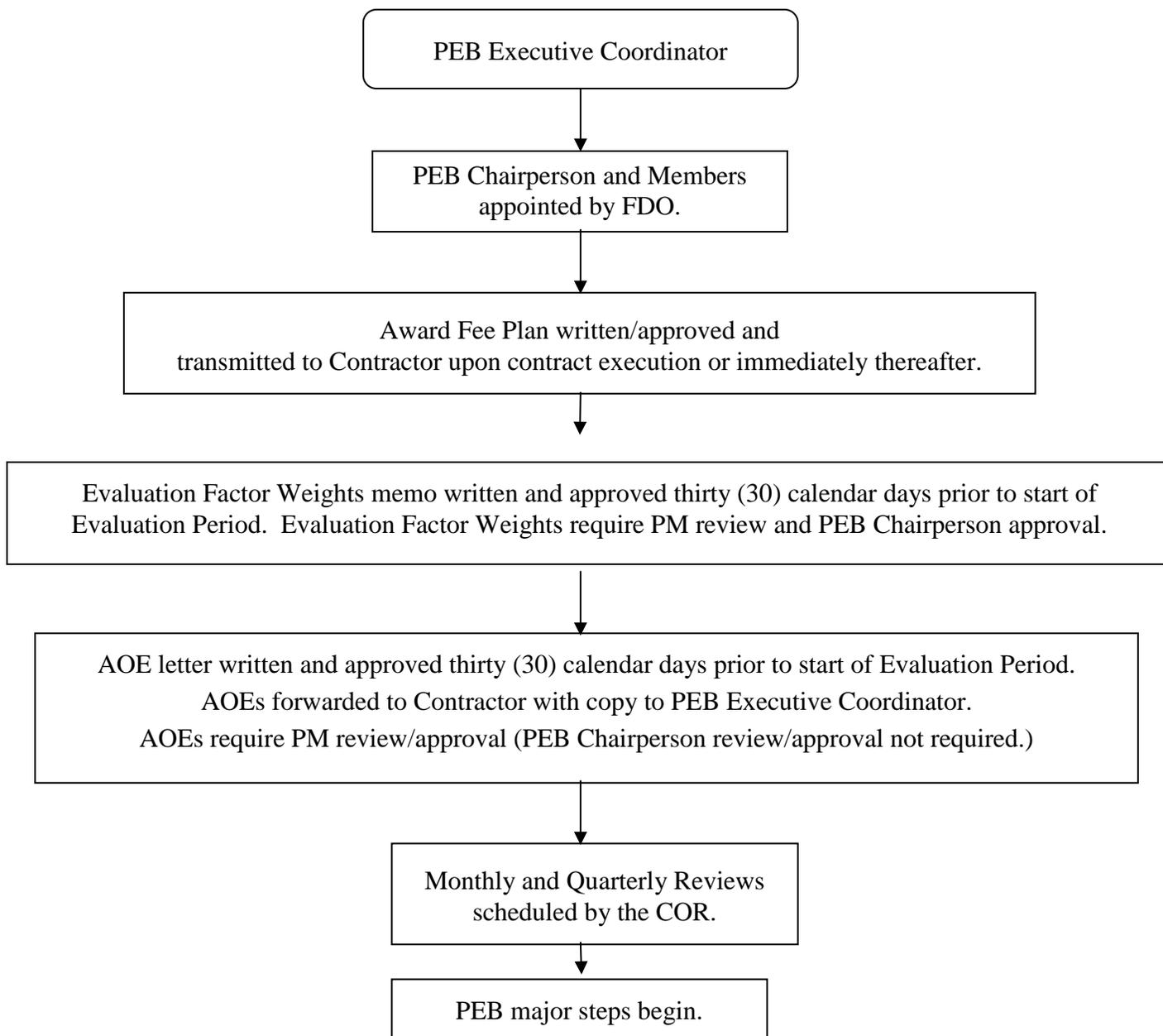
NOTE: Monitor blocks will vary according to evaluation factors, sub-factors, etc.
Refer to 5.1 for Award Term Process.

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APPENDIX F
PERFORMANCE EVALUATION PROCESS EVENTS AND TIMELINE

Appendix F sets forth the individual events and total time for accomplishment of the performance evaluation process.

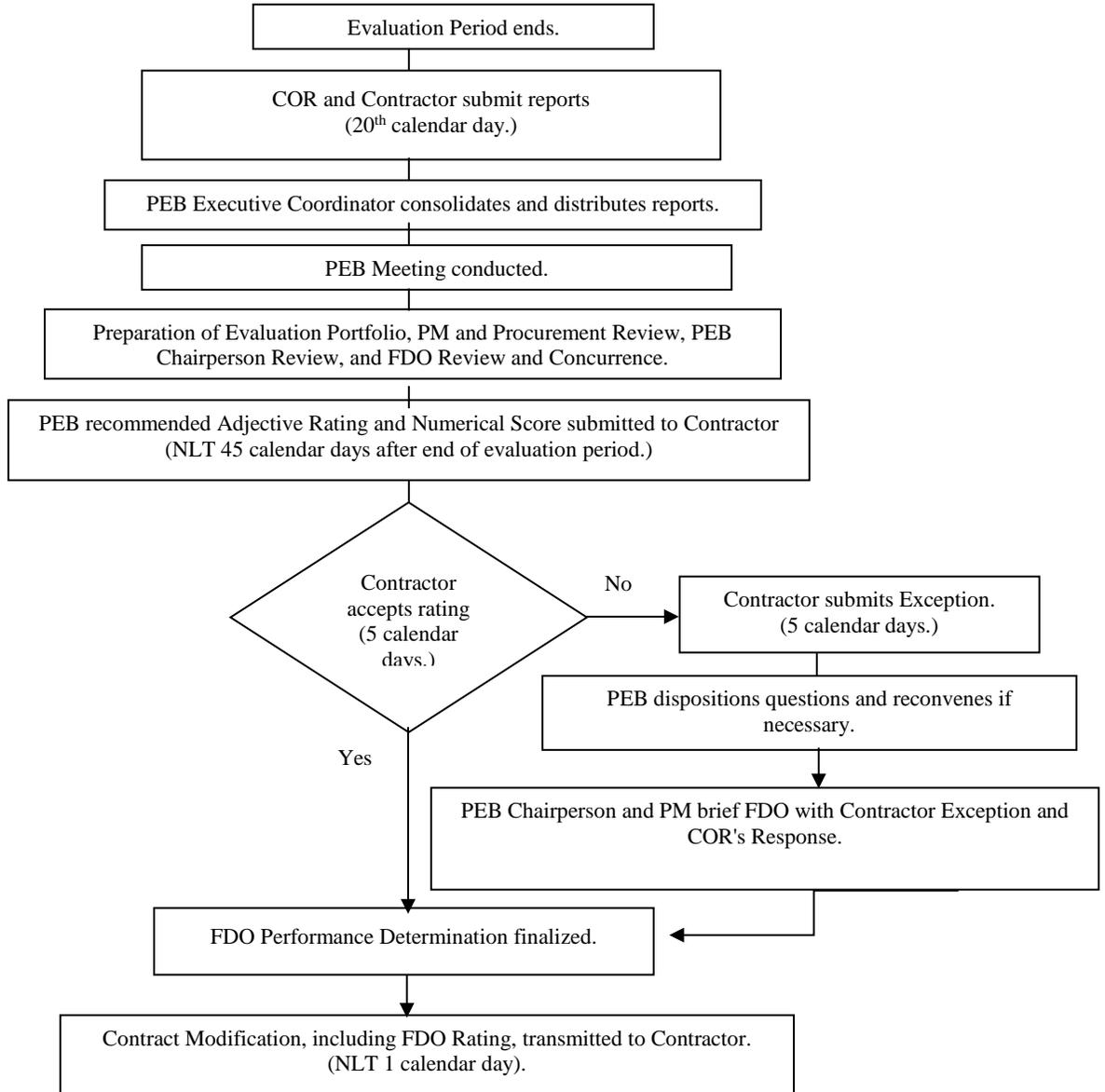
F.1 Pre-Award Fee Evaluation Activities Flow Diagram



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APPENDIX F (Continued)

F.2 Performance Evaluation Process Events Flow Diagram



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APPENDIX F (Continued)

F.3 Performance Evaluation Process Timeline

<u>Calendar Days</u>	<u>Event</u>
20*	Submission of Contractor Self-Evaluation and Government Evaluation Reports
2	Consolidate and Distribute Evaluation Reports
3	PEB Member Review of Evaluation Reports
1	PEB Meeting
2	Preparation of Evaluation Portfolio and PEB Report
2	PM and Procurement Review and Concurrence
2	PEB Chairperson Review and Concurrence
1	FDO Review and Concurrence
5	Contractor's Review and Acceptance of or exception to PEB Report
½	FDO Performance Determination finalized
½	FDO Performance Determination forwarded to CO
1	CO definitizes Contract Modification and forwards to PS14/FPDS Data Entry

*Starting at the end of the Performance Evaluation period.

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APPENDIX G

DEFINITIONS OF RATINGS AND NOMOGRAM

AWARD-FEE ADJECTIVAL RATING	AWARD-FEE POOL AVAILABLE TO BE EARNED	DEFINITION
<u>Excellent</u>	91% - 100%	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
<u>Very Good</u>	76% - 90%	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
<u>Good</u>	51% - 75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
<u>Satisfactory</u>	No greater than 50%	Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
<u>Unsatisfactory</u>	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

G.1 As a benchmark for evaluation, in order to be rated Excellent, the contractor should be under cost, on or ahead of schedule, and have provided excellent technical performance.

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G.2 If a significant weakness is identified under an evaluation factor or sub-factor, that evaluation factor should not receive a numerical score higher than 75.0 with an adjectival rating of Good. However, an Excellent or Very Good adjectival rating may still be assigned the overall adjectival rating provided the numerical scores in the other evaluation factors total 76.0 or higher.

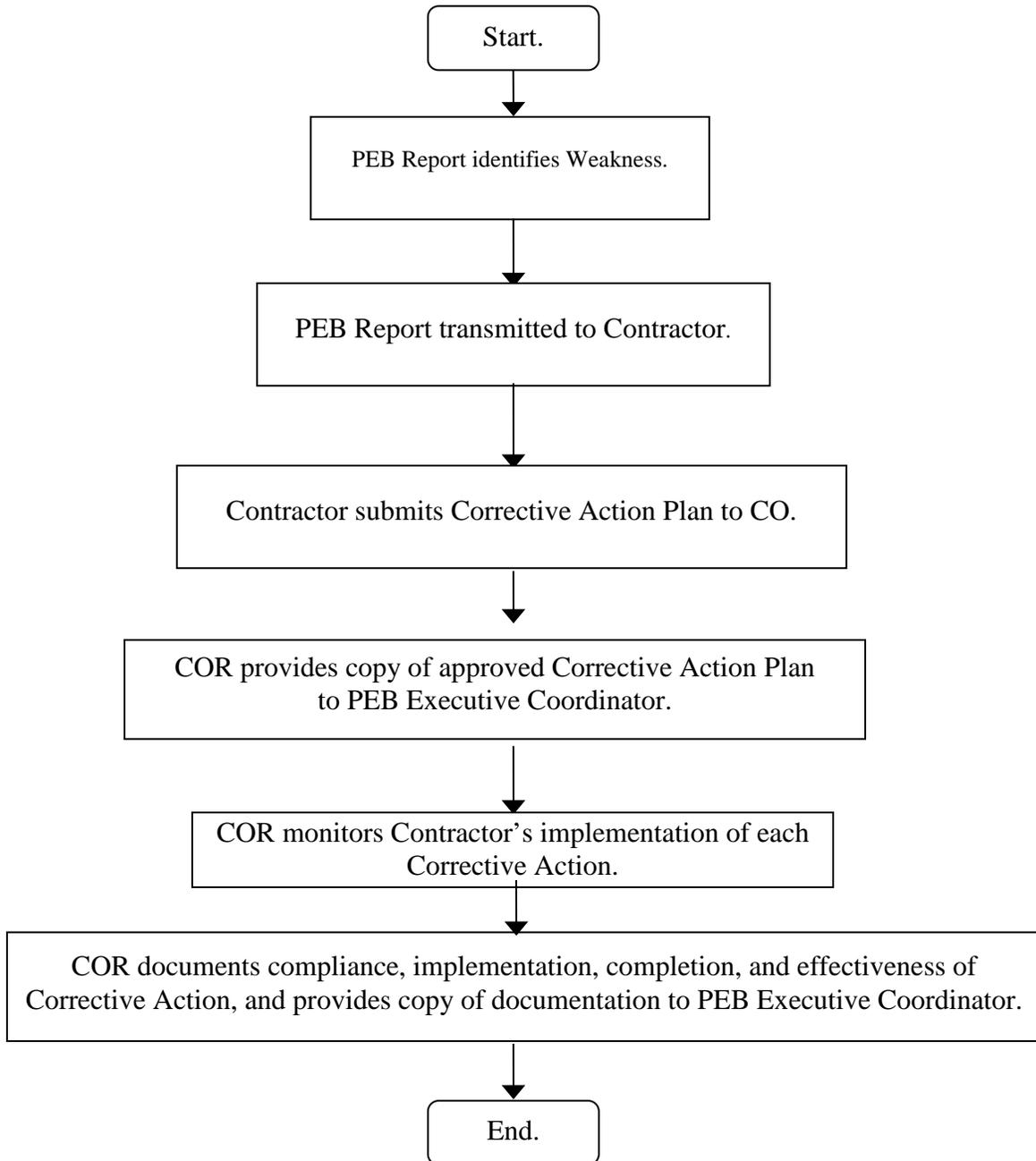
G.3 Any factor or sub-factor receiving an adjectival rating of Unsatisfactory (less than 50.0) should be assigned zero (0.0) performance points for purposes of calculating the numerical score and award fee percentage.

G.4 The contractor should not be paid any award fee when the overall adjectival rating is “Unsatisfactory” resulting from a total numerical score of less than 50.0.

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APPENDIX H

H.1 CORRECTIVE ACTION PROCESS FOR CONTRACTS WITH AWARD FEE PROVISIONS



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APPENDIX I

TYPICAL MONITOR EVALUATION QUESTIONS

- What (in the Monitor's area) was the Contractor supposed to do during the period?
- What did the Contractor actually accomplish?
- How critical were the efforts accomplished, or not accomplished?
- What was the impact of any efforts completed early or late?
- How critical was the time frame involved?
- How well did the Contractor perform the tasks that were accomplished?
- Were any Government-directed changes made, and if so, how did the Contractor respond?
- Did any obstacles arise which impacted Contractor performance?
- If obstacles arose, what corrective actions were implemented?
- How effective were any corrective actions (if needed)?
- Did the Contractor efficiently and effectively use its available resources (e.g., personnel and facilities) to improve performance?
- Has the Contractor's performance been clearly assessed in regard to all tasks and specific objectives/AOEs?
- For Level-of-Effort (LOE) activities (if applicable), what did the Contractor accomplish for the dollars spent?

(Remember: LOE accomplishments should be rewarded, not LOE dollars spent)

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APPENDIX J

EXAMPLE

COR'S WORKSHEET
EVALUATION FACTOR RATING COMPUTATIONS
CONTRACTOR
CONTRACT
PERIOD OF PERFORMANCE

<u>EVALUATION FACTORS*</u>	<u>WEIGHT</u>	<u>NUMERICAL RATING</u>	<u>NUMERICAL SCORE</u>
<u>TECHNICAL PERFORMANCE</u>	35%	X 90	= 31.5
<u>BUSINESS MANAGEMENT</u>	30%	X 88	= 26.4
<u>SMALL BUSINESS GOALS</u>	10%	X 95	= 9.5
<u>COST CONTROL</u>	25%	X 86	= 21.5
TOTAL WEIGHT:	100%	TOTAL NUMERICAL SCORE:	88.9
		ADJECTIVAL RATING:	VERY GOOD*

AWARD FEE DOLLARS AVAILABLE THIS PERIOD: \$3,430,000

<u>AWARD FEE DOLLARS</u>	\$3,430,000
<u>EARNED THIS PERIOD</u>	x 0.889
	\$3,049,270

NOTE: EACH FACTOR MAY INCLUDE SUB-FACTORS, EACH OF WHICH WOULD HAVE ASSIGNED WEIGHTS.

NOTE: WEIGHT PERCENTAGES DO NOT REPRESENT A PERCENTAGE OF THE AVAILABLE FEE DOLLARS. THE PERCENT OF AVAILABLE AWARD FEE FOR PAYMENT CANNOT BE DETERMINED UNTIL THE NUMERICAL SCORE FOR TOTAL PERFORMANCE IS CALCULATED AND APPLIED AGAINST THE NOMOGRAM.

* In accordance with the Definitions of Ratings and Nomogram in Appendix G.