Department of Defense Healthcare Management System Modernization (DHMSM) Program

Attachment 15: Award Term Plan

DHMSM Program Management Office
DoD Healthcare Management Systems (DHMS) Program Executive Office

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1 Introduction

Department of Defense (DoD) Healthcare Management System Modernization (DHMSM) is a tailored Major Automated Information System (MAIS) program established to acquire and field a configurable and scalable modernized Electronic Health Record (EHR) System. DHMSM will address the current state of the Military Health System (MHS), where multiple healthcare legacy systems and data stores, developed over decades, are in need of modernization to ensure and enable sustainability, flexibility, and interoperability, for improved continuity of care. In order to ensure success in these endeavors, DHMSM is utilizing a variety of incentives.

The award term is one tool for assessing and incentivizing the quality of the DHMSM contractor's performance. This plan describes the Government's criteria and process to assess the contractor's performance and determine the amount of award term earned. The award term determinations and the methodology for determining the award term are unilateral decisions made solely at the discretion of the Government. If the Government awards the entire award term, the total contract ordering period will not exceed ten (10) years.

2 Organization

The award term organization consists of the Term Determining Official (TDO); an Award Term Review Board (ATRB) which consists of a chairperson, the Contracting Officer (KO), a recorder, other functional area participants, and advisor members; and the Performance Monitors. The TDO, ATRB membership, and Performance Monitors are listed in Appendix I.

3 Responsibilities

a) **Term Determining Official.** The Program Executive Officer (PEO) Defense Healthcare Management System (DHMS) will serve as the TDO. The TDO reviews the recommendation(s) of the ATRB, considers all pertinent data, and determines the earned award term for each evaluation period. The TDO appoints the ATRB Chairperson. The TDO may make unilateral changes to this plan within 60 days prior to the beginning of an evaluation period.

b) **Award Term Review Board.** ATRB members review the performance monitors' evaluations of the contractor's performance, consider all pertinent data, and arrive at an earned award term recommendation to the TDO. The ATRB may also recommend changes to this plan.

c) **ATRB Recorder.** The ATRB recorder is responsible for coordinating the administrative actions required by the Performance Monitors, the ATRB and the TDO.

d) **Contracting Officer.** The KO is the liaison between contractor and Government personnel and controls any changes that are approved by the TDO to the Award Term Plan. Also, the KO modifies the contract ordering period if necessary to reflect the decision by the ATRB for award term.

e) **Performance Monitors.** Performance Monitors maintain written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Monitors prepare interim and end-of-period evaluation reports as directed by the ATRB.

4 Award Term Processes

a) **Award Term Structure.** The base ordering period of this contract is two (2) years with two (2) three (3) year optional ordering periods. An award term may be earned by the contractor for each evaluation period for an overall rating for that period above Satisfactory.

During the base ordering period, the Government will monitor and evaluate the contractor's performance to assess contract compliance and provide feedback to the contractor on areas where it could improve in order to earn the award term provided for in the contract. The period of performance that the Government will evaluate for purposes of determining award term earned will be on an annual basis starting in Year 3, assuming that optional ordering period 2 is exercised.

Interim evaluations will take place at the mid-point of each evaluation year to provide feedback to the contractor. Any unearned award is lost and cannot be moved into subsequent evaluation periods.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Award Term (24 Months)
Evaluation Period 1		Eval Period 2	Eval Period 3	Eval Period 4	Eval Period 5	Eval Period 6		

b) **Available Award Term Points.** The earned award term points will be based on the contractor's performance rating during each annual, evaluation period, as described in Table 1. A rating, as defined in Appendix II, will be assigned for each criterion. A maximum of four points can be earned for each criterion. Once points are assigned, a weighted average of the criteria, using the weightings below, will be calculated to arrive at an overall score. The overall score will be used to determine the number of months earned for that evaluation period. The number of months earned by a particular overall score is defined in Table 2. The award term earned in each period will be cumulative. It is possible to earn negative months in an individual evaluation period, but the total cumulative months earned will be no less than zero. For example, if the contractor earns three (3) months of award term in Year 3, then loses four (4) months in Year 4, the

cumulative total would be zero. If the contractor then earned four (4) months in Year 5, the cumulative total earned would be four (4) months. While the contractor can earn up to 5 (5) months in an individual evaluation period, the total cumulative award term earned will not exceed 24 months.* Overall scores below the threshold value will earn the number of months corresponding to the next lowest level (scores will not be rounded up). For example, if the contractor receives an overall score of 2.8, the contractor would earn two (2) months in that period.

Table 1

Rating	Points
Unsatisfactory	0
Marginal	1
Satisfactory	2
Very Good	3
Exceptional	4

Table 2

Overall Score	Months
0.00	-4
0.50	-3
1.00	-2
1.50	-1
2.00	0
2.50	2
3.00	3
3.50	4
4.00	5*

The board will review the contractor's self-assessment and other sources of Government generated data to assign a rating and associated award term points for each evaluation period. For a particular annual evaluation period, the Government will assess the quality of the contractor's performance during that evaluation period only. Potential sources of data include:

- Performance Reports (Including Contractor Performance Assessment Reports System (CPARS) input, surveys, or other means of feedback)
- Results of the Quality Assurance Surveillance Plan (QASP) activities
- Contract Data Requirement List (CDRL) submissions under individual task orders and contractor reports received during the period

- Defense Contract Audit Agency (DCAA), Defense Contract Management Agency (DCMA) reports and/or other special audits/inspections
- Individual Subcontracting Report (ISR) or SF294/Summary Subcontracting Report (SSR)

c) Evaluation Criteria.

Evaluation Criteria	Award Term Weighting
Quality of Product or Service	30% of Total
Schedule	30% of Total
Cost Control	25% of Total
Business Relations	5% of Total
Management of Key Personnel	5% of Total
Utilization of Small Business	5% of Total

1. Quality of Product or Service

   Assesses the contractor's conformance, during the evaluation period, to contract requirements, specifications and standards of good workmanship and how successfully the contractor meets program quality objectives such as reliability and maintainability.

2. Schedule

   Assesses the timeliness of the contractor against the completion of the contract, task orders, milestones, delivery schedules, and administrative requirements (e.g., efforts that contribute to or affect the schedule variance).

3. Cost Control (not applicable to Firm-Fixed-Price effort)

   Assesses the contractor's effectiveness in forecasting, managing, and controlling contract cost.

4. Business Relations

   Assesses the integration and coordination of all activity needed to execute the contract, specifically the timeliness, completeness and quality of problem identification, corrective action plans, proposal submittals, the contractor's history of reasonable and cooperative behavior (to include timely identification of issues in controversy), customer satisfaction, and timely award and management of subcontracts.

5. Management of Key Personnel

   Assesses the contractor's performance in selecting, retaining, supporting, and replacing, when necessary, key personnel.

6. Utilization of Small Business

   Assesses compliance with all terms and conditions in the contract relating to Small Business participation (including FAR 52.219-8, Utilization of Small Business Concerns and FAR 52.219-9, Small Business Subcontracting Plan, when required). Assesses any small business participation goals which are stated separately in the contract. Assesses achievement on each individual goal stated within the contract or subcontracting plan, including good faith effort if the goal was not achieved.

d) Interim Evaluation Process. The ATRB Recorder notifies each ATRB member and performance monitor 30 calendar days before the midpoint of the evaluation period. Performance monitors submit their evaluation reports to the ATRB 15 calendar days after this notification. The ATRB Chairperson determines the interim evaluation results and notifies the contractor of the strengths and weaknesses for the current evaluation period. At this time, the ATRB may also recommend any changes to the award term plan for TDO approval. The KO may also issue letters at any other time when it is deemed necessary to highlight areas of Government concern.

e) End-of-Period Evaluations. The ATRB Recorder notifies each ATRB member and performance monitor (30) calendar days before the end of the evaluation period. Performance monitors submit their evaluation reports to the ATRB 15 calendar days after the end of the evaluation period. At this point, the ATRB will allow the contractor to present their self-assessment and address any known areas of deficiencies and to highlight areas of exceptional performance. The ATRB Chairperson prepares its evaluation report and recommendation of earned award term. The ATRB Chairperson briefs the evaluation report and recommendation to the TDO. The TDO determines the individual criterion ratings, the overall rating, and earned award term months for the evaluation period within 45 calendar days after each evaluation period. The KO informs the contractor of the individual criterion ratings, the overall rating, and the earned award term months for the evaluation period.

f) Contractor's Self-Assessment. The contractor's self-assessment is submitted to the KO within five (5) days after the end of the evaluation period. This written assessment of the contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the ATRB in evaluating the contractor's performance. Upon end-of-period evaluations, the contractor will be allowed to present its self-assessment to the ATRB. The contractor's self-assessment may not exceed 20 pages.

5 Award Term Plan Change Procedure

The TDO may unilaterally change this plan 60 days prior to the beginning of an evaluation period. In addition, the contractor may recommend changes to the plan no later than five (5) days prior to the beginning of the new evaluation period. The contractor will be notified of changes to the plan by the KO, in writing, before the start of the affected evaluation period. Changes to this plan that are proposed for an on-going evaluation period will be incorporated by the mutual consent of both parties.

6 Appendices

I. Appendix: Award Term Organizational Structure and Associated Board Members

TERM DETERMINING OFFICIAL	*Program Executive Officer, DHMS*
AWARD TERM REVIEW BOARD CHAIR	*Program Manager, DHMSM*

AWARD TERM REVIEW BOARD MEMBERS:

Deputy Program Director	*Deputy Program Manager, DHMSM*
Contracting Officer	*Procuring Contracting Officer, DHMSM*
Legal Counsel	*Legal Counsel, DHMSM*
*Financial Management Staff Member	*Assistant Program Manager, DHMSM*
*APM for Functional	*Assistant Program Manager, DHMSM*
*APM for Deployment	*Assistant Program Manager, DHMSM*
*APM for Test and Evaluation	*Assistant Program Manager, DHMSM*
*APM for Segment I	*Assistant Program Manager, DHMSM*
*APM for Segment II	*Assistant Program Manager, DHMSM*
*APM for Systems Engineering	*Assistant Program Manager, DHMSM*

**Will also serve as Performance Monitors*

II. Appendix: Award Term Rating Definitions

Evaluation Ratings Definitions (Excluding Utilization of Small Business)		
Rating	**Definition**	**Note**
Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor was highly effective.	To justify an Exceptional rating, identify multiple significant events and state how they were of benefit to the Government. A singular benefit, however, could be of such magnitude that it alone constitutes an Exceptional rating. Also, there should have been NO significant weaknesses identified.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor was effective.	To justify a Very Good rating, identify a significant event and state how it was a benefit to the Government. There should have been NO significant weaknesses identified.
Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor recovered from without impact to the contract. There should have been NO significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be assessed a rating lower than Satisfactory solely for not performing beyond the requirements of the contract.
Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.	To justify Marginal performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the Government. A Marginal rating should be supported by referencing the management tool that notified the contractor of the contractual deficiency (e.g., management, quality, safety, or environmental deficiency report or letter).
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.	To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an Unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the management tools used to notify the contractor of the contractual deficiencies (e.g., management, quality, safety, or environmental deficiency reports, or letters).

Evaluation Ratings Definitions Utilization of Small Business		
Rating	**Definition**	**Note**
Exceptional	Exceeded all negotiated subcontracting goals or exceeded at least one goal and met all of the other negotiated subcontracting goals for the current period. Had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service disabled veteran owned small business (SDVOSB). Complied with FAR 52.219-8, Utilization of Small Business Concerns. Exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program. Went above and beyond the required elements of the subcontracting plan and other small business requirements of the contract. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify an Exceptional rating, identify multiple significant events and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes an Exceptional rating. Ensure that small businesses are given meaningful, innovative work directly related to the project, rather than peripheral work, such as cleaning offices, supplies, landscaping, etc. Also, there should have been no significant weaknesses identified.
Very Good	Met all of the negotiated subcontracting goals in the traditional socio-economic categories (SB, SDB and WOSB) and met at least one of the other socio-economic goals (HUBZone, VOSB, SDVOSB) for the current period. Had significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met or exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program. Endeavored to go above and beyond the required elements of the subcontracting plan. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify a Very Good rating, identify a significant event and state how they were a benefit to small business utilization. Ensure that small businesses are given meaningful, innovative work directly related to the project, rather than peripheral work, such as cleaning offices, supplies, landscaping, etc. There should be NO significant weaknesses identified.
Satisfactory	Demonstrated a good faith effort to meet all of the negotiated subcontracting goals in the various socio-economic categories for the current period. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met any other small business participation requirements included in the contract. Fulfilled the requirements of the subcontracting plan included in the contract. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.	To justify a Satisfactory rating, there should have been only minor problems, or major problems the contractor has addressed or taken corrective action. There should have been NO significant weaknesses identified. A fundamental principle of assigning ratings is that contractors will not be assessed a rating lower than Satisfactory solely for not performing beyond the requirements of the contract.

Marginal	Deficient in meeting key subcontracting plan elements. Deficient in complying with FAR 52.219-8, Utilization of Small Business Concerns, and any other small business participation requirements in the contract. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Failed to satisfy one or more requirements of a corrective action plan currently in place; however, does show an interest in bringing performance to a satisfactory level and has demonstrated a commitment to apply the necessary resources to do so. Required a corrective action plan.	To justify Marginal performance, identify a significant event that the contractor had trouble overcoming and how it impacted small business utilization. A Marginal rating should be supported by referencing the actions taken by the government that notified the contractor of the contractual deficiency.
Unsatisfactory	Noncompliant with FAR 52.219-8 and 52.219-9, and any other small business participation requirements in the contract. Did not submit Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate or timely manner. Showed little interest in bringing performance to a satisfactory level or is generally uncooperative. Required a corrective action plan.	To justify an Unsatisfactory rating, identify multiple significant events that the contractor had trouble overcoming and state how it impacted small business utilization. A singular problem, however, could be of such serious magnitude that it alone constitutes an Unsatisfactory rating. An Unsatisfactory rating should be supported by referencing the actions taken by the government to notify the contractor of the deficiencies. When an Unsatisfactory rating is justified, the contracting officer must consider whether the contractor made a good faith effort to comply with the requirements of the subcontracting plan required by FAR 52.219-9 and follow the procedures outlined in FAR 52.219-16, Liquidated Damages-Subcontracting Plan.