

## **Attachment O Performance Incentives**

### **Description of Performance Incentives**

Performance incentives are intended to encourage timely completion of all major deliverables and milestones. For the purposes of this contract, the State has set the maximum possible incentive at \$250,000.

To encourage an appropriate balance of project schedule and quality, incentives are based on:

1. Schedule milestones
2. State project team satisfaction surveys
3. State customer satisfaction surveys

The State wants a successful project with an appropriate balance of quality and schedule and anticipates disbursing the full incentive amount. The State recognizes the pressure on schedule in a fixed price environment and intends to work collaboratively to help the contractor achieve a high quality and project that stays on schedule, but will not sacrifice quality to achieve schedule dates.

### **Milestone Incentives (50%)**

Fifty percent of the total available incentives are allocated to schedule milestone incentives.

During contract negotiations, and based upon the proposed project schedule, specific milestones will be assigned as "incentive" milestones and the incentives known as "milestone incentives." The number of milestone incentives shall be five or less. The value of milestones incentives may vary and will be established during contract negotiations.

During project start-up, the project baseline will be established, and milestone dates from this baseline shall be the dates used to determine whether milestone-based incentives have been earned.

### **State Project Team Satisfaction Incentives (25%)**

Twenty-five percent of the total available incentives are allocated to State project team satisfaction incentives.

Following each incentive milestone, a satisfaction survey, administered by the State, will be completed by each member of the State project team who worked on the project since the previous incentive milestone. Each satisfaction incentive will have a prorated maximum value based on the proportional value of the corresponding milestone incentive. A satisfaction incentive may be earned whether or not a milestone incentive was earned.

Average satisfaction of the project team is calculated by summing the average score for each project team member survey response and dividing by the number of responses.

The average satisfaction, multiplied by the satisfaction incentive value, shall be the earned incentive.

Proposed survey questions are shown below. Offerors may propose alternate questions during contract negotiations.

**Instructions:**

1. Respond to each question.
2. Choose a score of -5 (lowest) through 10 (highest) using the scale below.
3. Use only integer scores.
4. Each question is assumed to begin with the words "How satisfied are you with the..."

**Scoring Scale:**

n/a	Enter "n/a" only if a question is not applicable. Examples for clarification:
	1. You are taking the survey but the Testing Manager has not yet joined the team. Enter "n/a."
	2. Your direct experience with the Testing Manager is non-existent or so limited that you have insufficient information to evaluate expertise or performance. Enter "n/a."
	3. Your direct experience with the Project Manager is non-existent or limited, but the project communications, project documents, and knowledge of project status give you sufficient information to have an opinion. Enter a numeric score.
10	Excellent, very little room for improvement
9	Excellent, but some room for improvement
8	Very good
7	Good
6	Above average
5	Normal, average, as expected
4	Below average
3	Poor
2	Very poor
1	Extremely poor, though of some value to the project
0	No value to the project
-1	Slightly negative value to the project
-3	Significant negative value to the project
-5	Extremely detrimental to the success of the project

**Survey Questions:**

Question (How satisfied are you with...)	Score
Expertise and performance of contractor project director?	
Expertise and performance of contractor project manager?	
Expertise and performance of Systems and Interfaces Development, and Data Conversion Manager?	
Expertise and performance of Testing Manager?	
Expertise and performance of Communications and Stakeholder Manager?	
Expertise and performance of Process Change Manager?	
Expertise and performance of other contractor project staff?	
Contractor's management of the project and its resources?	
Value of meetings and meeting materials?	
Quality of written documents?	
Level of collaboration between the contractor and State staff?	
Overall quality of contractor's work?	
Total:	
Number of responses:	
Average (divide total by number of responses):	

## State Customer Satisfaction Incentives (25%)

Twenty-five percent of the total available incentives are allocated to State customer satisfaction incentives.

Six months after the final phase cutover to the new solution, a satisfaction survey, administered by the State, will be offered to all users of the new TAS.

Average satisfaction of all customers is calculated by summing the average score for each customer survey response and dividing by the number of responses.

The average satisfaction, multiplied by the satisfaction incentive value, shall be the earned incentive.

Proposed survey questions are shown below. Offerors may propose alternate questions during contract negotiations.

### Instructions:

1. Respond to each question.
2. Choose a score of -3 (lowest) through 10 (highest) using the scale below.
3. Use only integer scores.
4. Each question is assumed to begin with the words "How satisfied are you with the..."

### Scoring Scale:

n/a	Enter "n/a" only if you do not use the new TAS or feel you have insufficient information to evaluate.
10	Excellent, very little room for improvement.
9	Excellent, but some room for improvement
8	Very good
7	Good
6	Above average
5	Normal, average, as expected
4	Below average
3	Poor
2	Very poor
1	Extremely poor, but some value to the State
0	No value to the State
-1	Slightly negative value to the State
-3	Significant negative value to the State

### Survey Questions:

Question (How satisfied are you with...)	Score
How well the solution handles needed business rules.	
Ease of use of the system.	
Security of confidential information.	
Availability of the system.	
Improvement over previous method used to report time.	
Training on how to use the new system.	
Communication throughout the project.	
Communication during conversion.	
Ease of transition to the new system.	
Lack of problems with the new system.	
Total:	
Number of responses:	
Average (divide total by number of responses):	