

**PERFORMANCE BASED CONTRACTING TEMPLATE
SOFTWARE DEVELOPMENT**

Desired Outcomes <i>(What do we want to accomplish as the end result of this contract?)</i>	Required Service <i>(What task must be accomplished to give us the desired result?)</i>	Performance Standard <i>(What should the standards for completeness, reliability, accuracy, timeliness, quality and/or cost be?)</i>	Monitoring Method <i>(How will we determine that success has been achieved?)</i>	Incentives/ Disincentives for Meeting or Not Meeting the Acceptable Quality Level <i>(What carrot or stick will best reward good performance or punish poor performance?)</i>
1) Enterprise architecture standards shall be met, along with functional requirements. A Successful operational capability demonstration (OCD) will be performed prior to full implementation.	All functional requirements shall be met; software delivered shall comply with enterprise architecture standards, including security.	All architectural requirements shall be met. Functional requirements shall be prioritized to allow for not more than 1% deviation for each requirement. OCD results will be analyzed in accordance with the QAP.	Review OCD test results and analyses to ensure that required functionality is provided. Obtain and analyze user feedback. Review documentation for enterprise architecture compliance.	Full payment for 100% compliance. If provided for in the contract, payment less than 100% may be made for less than full compliance if less than full functionality is accepted.
2) User guides and other documentation provided are accurate, complete, and easy to use.	Documentation shall meet agency requirements for accuracy, completeness, and ease of use.	95% of the documentation provided meets the stated standards.	Review documentation via independent verification and validation (IV&V) to ensure functions and operations are properly documented. Survey system administrator(s) for ease of use.	For each percent in excess of 95, the contractor shall receive an extension of the software support agreement for an additional 3-month period.
3) Interfaces with all system components are fully functional and seamless to the users.	Software provided shall be fully compatible with and integrated into the existing LAN and software suite.	100% compliance is required for customer satisfaction, performance, and utility.	Review system administration logs, noting any service interruptions; contact users ; conduct independent verification and validation (IV&V) tests using commercial performance tests.	Full payment shall be made for 100% compliance. Additional fees may be awarded if the contractor successfully re-engineers interfaces and improves baseline performance.

4) Software capable of performing the requisite functions shall be delivered in accordance with the stated schedule, including shorter-term milestones.	Delivery dates set forth in the contract are met or exceeded.	The stated delivery date shall be met unless the Government and the Contractor agree to a new completion date.	100% inspection.	For each week ahead of schedule the software and documentation are delivered, the contractor shall receive an additional fee of .5%. No additional fee will be paid for non-conforming deliverables.
5) All users and system administrators shall receive training appropriate for their intended use of the new software.	Data in existing files shall be transferred to the new system(s) with minimal loss of productivity and data.	95% of data transferred to new system suffers no conversion errors and is usable when new systems are made available.	Review user complaints/trouble tracking, noting errors due to data conversion, improper software function, programming problems, and/or user inexperience.	+/- .5% of total monthly price for each variance of +/- .5% variance from standard.
6) Training provided is appropriate for the users' needs, ranging from desktop users to system administrators.	Upon completion of training, each user is able to function at not less than an 85% level. (Full proficiency requires actual hands-on experience.)	75% of users trained can perform at the 85% proficiency level.	User surveys; proficiency tests; validated calls to and response by system administrators; audit of training course(s) by program manager.	Training class pricing may be adjusted by a percentage proportional to the stated performance standard. Maximum price paid shall be the CLIN price; minimum price shall be 75% of the CLIN price.