I. INTRODUCTION

This Performance Evaluation and Measurement Plan (PEMP) contains a standard process for development, administration, and coordination of all phases of the fee determination process consistent with Section B.2 (Annual Fee Base – CLINS 1-10) of the subject contract.

II. ORGANIZATIONAL STRUCTURE AND DUTIES

The following organizational structure is established for administering the fee provisions of the contract.

A. Roles and Responsibilities

1. Fee Determination Official (FDO) – The Head of Contracting Activity (HCA) has appointed the Carlsbad Field Office (CBFO) Manager as the FDO. The FDO determines the final performance fee amount based upon all the information furnished and assigns a final percent of performance fee amount that can be earned for the evaluation period. The FDO will notify the Carlsbad Field Office (CBFO) Contracting Officer (CO) and Contracting Officer Representative (COR) in writing or via electronic correspondence of his/her final determination of that performance fee amount.

2. CBFO Manager

The CBFO Manager or qualified designee will be the point of organizational authority within CBFO for: development and coordination of the PEMP (which includes the Annual Fee Plan (AFP); approval of minor changes to the PEMP; obtaining HCA approval of major changes, if required; performance monitoring; performance validation; performance reporting; and payment of fees related to Performance Based Incentives (PBI)s. Primary responsibilities are:

a. Develops and establishes the evaluation criteria and incorporates them into the PEMP.
b. Assures appropriate coordination of performance expectations and the evaluation criteria with Headquarters (HQ) program and policy organizations.

c. If required, submits the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.

d. If required, in conjunction with the CO and COR, coordinates major changes with the HCA and provides minor changes to performance expectations and the evaluation criteria to the HCA.

3. CBFO CO

a. The CBFO CO is an advisor and negotiator in the development and establishment of the Evaluation Criteria and Fee amounts.

b. The CBFO CO will forward the approved PEMP and/or the evaluation criteria to the Contractor through a contract modification.

c. The CBFO CO will prepare a letter for the FDO’s signature notifying the contractor of the amount of performance fee that can be earned by the Contractor for the evaluation period.

d. The CBFO CO will unilaterally modify the contract to reflect the FDO’s final determination of performance fee amount that can be earned by the Contractor for the evaluation period. The modification will reflect earned and unearned fee and will be issued to the Contractor within 14 calendar days after the CBFO CO receives the FDO’s decision.

e. At the end of the rating period, after the determination of the award fee, the CBFO CO will notify the Contractor of the amount of total fee earned during the period. This notification will identify specific areas of strength or weakness in the Contractor’s performance.

4. CBFO COR

a. The CBFO COR is responsible for providing technical direction to the contractor in accordance with the contract clause H.10 Technical Direction – DEAR 952.242.70 (DEC 2000).

b. The CBFO COR provides performance oversight to ensure the products and services are delivered by the contractor in accordance with the terms and conditions of the contract, including quality.
c. The CBFO COR leads the technical component of the negotiation of the fee criteria and fee allocations with the contractor.

d. The CFBO COR appoints and works closely with the CBFO Technical Monitors (TMs) to evaluate performance against evaluation criteria and address any proposed modifications to these criteria.

e. The CBFO COR performs periodic reviews of the contractor to evaluate progress and completion payments, and recommends final fee.

f. The CBFO COR supports the CBFO CO and CBFO Manager by ensuring that all technical components of the work are closely monitored and that they have the information required to effectively accomplish their duties as defined by this plan.

5. CBFO Technical Monitors (TMs)

The TMs assist the COR in carrying out the following responsibilities as requested:

a. Develop the evaluation criteria related to their assigned areas.

b. Assist in negotiation of the evaluation criteria and fee allocations with the Contractor, if requested by the CO or COR.

c. Review the Contractor’s request for change to the evaluation criteria and recommend approval or disapproval.

d. Monitor, evaluate, assess and validate the Contractor’s performance against the PBIs in the PEMP.

6. CBFO Staff

a. As requested by the FDO, CO, COR, TMs, or supervisor, evaluate the performance of the contractor in areas specific to their oversight responsibilities.

b. Evaluate fee supporting documentation submitted by the Contractor and provide documentation of the evaluation to the appropriate TM, COR or CO.

c. Provide a recommendation regarding the request for fee payment submitted by the Contractor.

III. PEMP DEVELOPMENT PROCESS

While PEMP incentives may be unilaterally developed by the Department of Energy (DOE), a teaming approach between the CBFO and the Contractor provides significant benefits.
When incentives are developed jointly, performance expectations are better understood by the parties and tend to focus more on substantive outcomes. A teaming approach enhances communication and partnering between and among the parties, which results in greater trust, openness, alignment, and cooperation for achieving DOE’s goals and objectives.

The evaluation criteria and fee amounts were developed by the COR in consultation with the CBFO Manager, the CO, and TMs, as applicable. In addition, CBFO met with Contractor personnel to discuss the content of this PEMP. HCA approval was obtained.

Approval by the COR, CO and the CBFO Manager will be required for any changes to the evaluation criteria and fee allocation. If the change results in an increase in the fee amount(s), HCA approval is required. Any changes should be made by 31 March of the performance year to ensure that the contractor has ample opportunity to accomplish the work during the performance period. Changes to the allocation of fee during the performance period should not be made to benefit or penalize the contractor and the annual fee amount should not be modified unless there are substantial budget modifications (in accordance with Section B, Supplies or Services and Prices/Costs, of the contract). The contractor should be appropriately compensated for any performance toward abandoned or modified evaluation criteria. This includes when actions fall out of the control of the contractor and DOE cannot provide sufficient alternatives. The CBFO CO should provide at least 30 calendar days advance notice to the contractor of any changes to the evaluation criteria and fee allocation. At the discretion of DOE in consultation with the Contractor, if an evaluation criterion is cancelled or modified, any fee associated with that criterion may be allocated to another evaluation criterion or criteria.

The amount of fee earned by the Contractor is within the sole discretion of the FDO. The Contractor may express disagreement with the fee determination; however, the final amount of fee earned is the FDO’s unilateral decision. If the Contractor does not agree with the final decision of the FDO, the Contractor may dispute the assessment under the Disputes clause of this contract.

IV. EVALUATION CRITERIA

The performance fee amount will consist of 1) a subjective fee component and 2) an objective fee component. All earnable fee is at risk.

1. Subjective Criteria

Subjective criteria have been established that include mission performance; regulatory compliance; management performance; safety and health performance; and cost control. These subjective criteria may be adjusted on an annual basis. In addition, these criteria are not all-inclusive in the evaluation of the subjective portion of the PEMP. CBFO may consider other performance information and data when evaluating the contractor’s performance for the subjective portion of the fee. The fee amount associated with the subjective component of the criteria will not exceed 25% of the available fee during any year of the contract and will be equally apportioned amongst the five criteria.

Areas within an evaluation criterion are not sub-criteria and will not be individually rated but considered in the overall evaluation for that particular evaluation criterion. If significant
problems are identified in the evaluated performance for any particular criteria (i.e., mission performance; regulatory compliance; management performance; safety and health performance; and cost control), the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems. The FDO may directly reduce the fee amount for safety and health performance as a result of citations issued by the Mine Safety and Health Administration (MSHA) in the performance period corresponding to the equivalent fine values of those citations as cited in 30CFR100 Criteria and Procedures for Proposed Assessment of Civil Penalties. MSHA or related safety performance recognition (such as mine rescue competition awards) and other positive safety performance may also be considered by the FDO when determining if and how much fee may be reduced for MSHA citations.

The total fee available for the Subjective Criteria is 25% of the Total Available Fee for FY2019, not to exceed (NTE) $4,321,000 (25% of $17,284,000). The maximum fee available for each of the following five subjective criteria is $864,200 (20% of $4,321,000).

(1) Mission Performance – The Contractor’s performance in progressing towards the Waste Isolation Pilot Plant (WIPP) mission of characterizing, transporting and disposing of Transuranic (TRU) waste will be evaluated based on:

   (i) WIPP Plant availability to support TRU waste disposal operations in FY2019.
   (ii) Central Characterization Program waste characterization capability and availability at assigned sites;
   (iii) Performance in managing and continuous process improvement in TRU waste emplacement procedures and their implementation;
   (iv) Performance in managing the waste transportation schedule and providing adequate monitoring service for in route shipments;
   (v) Performance in managing the Centralized Procurement Program for Department of Transportation (DOT) Type A transportation assets;
   (vi) Availability of Nuclear Regulatory Commission (NRC) Type B transportation assets to support TRU waste shipments; and,
   (vii) Support and performance of stakeholder outreach and interaction along the transportation routes (i.e., communication with states/tribes and first responder, training, and roadshows).

(2) Regulatory Compliance - The Contractor’s adherence to all regulatory requirements:

   (i) Performance in Compliance Recertification Application requirements;
   (ii) Performance in WIPP Hazardous Waste Facility Permit (HWFP) requirements;
   (iii) Performance in DOE Hazard Category II Nuclear Facility requirements;
   (iv) Contractor’s Environmental Management System fosters continuous improvement;
   (v) Performance in TRU waste transportation requirements;
   (vi) Safeguards and Security Compliance Implementation and,
   (vii) Taking initiative to review the overall regulatory envelope for potential modifications that will improve efficiency.
   (viii) Compliance of all other regulatory requirements and permits.
   (ix) Maintain compliance to Cyber Security Requirements.
(3) Management Performance - The Contractor’s effective and efficient control of all areas of effort including management and technical effort required to meet contract requirements, including:

(i) Effective approach and timely completion of all requirements in the Contractor Human Resources Management areas;
(ii) Effective planning, i.e., adequate, quality, innovative, self-initiated and timely planning of activities; effective utilization of personnel; quality of responses;
(iii) Achieving the community commitments described in clause H.47 of the contract;
(iv) Maintaining a mature and effective Quality Assurance Program, including receipt inspections;
(v) Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals;
(vi) Performance in meeting Strategic Sourcing goals;
(vii) Information Resource Management that provides reliable information technology infrastructure along with timely software application development and deployment;
(viii) Contractor management encourages employees to self-report issues and concerns and ensure timely resolution of those issues and concerns;
(ix) Performance and continuous improvement in work planning and control;
(x) Effective management of facility and equipment Preventive Maintenance (PM) and aggressive reduction of non-PM facility mission and safety actions backlog;
(xi) Maintain positive public relations efforts to ensure continued overall program improvement initiatives are communicated effectively to stakeholders.
(xii) Timely submittal of complete subcontract consent packages and affiliate requests with no more than three mandatory corrections per package;
(xiii) Reducing the Level of Effort and increasing Discrete activities for performance measurement utilizing earned value techniques for operations activities, not including capital asset projects or general plant projects in the calculation;
(xiv) Performance on the amount of sole source procurements based upon the Balanced Scorecard criteria; and,
(xv) Effective use of Affiliates.

(4) Safety and Health Performance - The Contractor’s performance to manage or ensure the following:

(i) The Contractor’s safety programs reflect a mature and effective nuclear safety culture that fosters continuous improvement;
(ii) The contractor continues to mature the Contractor Assurance System, meeting DOE requirements;
(iii) Safe execution of work (e.g., mine safety, radiation control, industrial hygiene); and,
(iv) Maintaining a comprehensive Emergency Management Program.

(5) Cost Control - The Contractor’s cost control will be evaluated to assess:

(i) Effectiveness of cost planning;
(ii) Timeliness and accuracy of cost reporting;
(iii) Clarity of and ability to trace cost relative to work schedule/technical progress;
(iv) Effectiveness of cost reduction/cost avoidance initiatives;
(v) Cost estimating excellence, to include timeliness, accuracy and complete proposals;
(vi) Scheduling and tracking to support efficient operations;
(vii) Completeness and accuracy of monthly project status reports to CBFO to include the scope, schedule, cost for completion, key milestones and risks of milestone-related projects, validated through design reviews, construction site visits, operational awareness tours, and documentation reviews; and,
(viii) Support of the Office of Project Management Oversight and Assessment (PM) Earned Value Management System (EVMS) certification and closure of any identified corrective actions.

2. Objective Criteria

Performance Based Incentives (PBIs):
PBIs are typically characterized by objectively measurable evaluation of Contractor performance. Such incentives reflect specified criteria against which actual performance will be evaluated. In most cases, PBIs will be evaluated based on quantifiable measurements in the form of a metric (e.g., a unit processing rate) or a milestone (e.g., completion of a task on or before a scheduled date).

PBIs have specified fee allocated and payable upon completion of identified levels of work accomplished.

Annual PBIs will be measured and evaluated at the end of the fiscal year or on a schedule negotiated with the Contractor.

The current PBIs can be found on page 11, of Attachment 1, Performance Based Incentives.

3. Minimal Performance Expectation
If the contractor receives a rating of "Unsatisfactory" for any of the five subjective fee criteria, then the maximum fee the contractor can earn under each Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II, page 11 of Attachment 1, Performance Based Incentives.

The total fee available from the Objective Criteria is 75% of the Total Available Fee for FY2019, NTE $12,963,000 (75% of $17,284,000).

V. PERFORMANCE EVALUATION AND FEE DETERMINATION

A. Monitoring and Evaluation of Performance

1. Monitoring Performance: CBFO will monitor Contractor performance against the established subjective and objective evaluation criteria throughout the year and term
of the PBI(s). Performance feedback to contractor will be provided periodically throughout the year.

2. Evaluating Performance: Annually, the Contractor shall submit a self-assessment within 30 calendar days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor’s performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. The CBFO will review the Contractor’s self-assessment as part of the evaluation of the Contractor’s management during the period. An unrealistic self-assessment may result in lower performance fee amount determinations. Deficiencies noted by the Contractor may be reflected in the Government’s evaluation. The self-assessment itself will not be the basis for the performance fee determination.

CBFO will perform evaluations of all subjective and objective evaluation criteria including validating the Contractor’s performance. Performance evaluations will include, but will not be limited to: physical walk-throughs, documentation of accomplishments, review of Contractor PBI invoices, and any other methods that can validate the established evaluation criteria. Validation is accomplished before payment of earned fee can be made. Validation of performance is documented by CBFO.

The FDO with input from DOE staff will determine the amount of PBI fee earned. This determination is purely discretionary, and is based solely on the judgment of the FDO. There is no minimum PBI fee that may be granted based on the FDO’s review. The review is qualitative, not quantitative and the Contractor will not necessarily be granted credit for its percentage complete of PBI milestones if those milestones are in fact, not 100% completed by the milestone dates (completion of any particular milestone will be determined by the DOE in accordance with the contract.) Within 30 calendar days of receipt of the Contractor’s request for fee payment for progress payments or for completion of PBI metrics, CBFO will either authorize payment of the invoice or return it to the Contractor for clarification or further information.

CBFO will conduct annual performance reviews which will be prepared 30 calendar days after receipt of the Contractor’s self-assessment. A late Contractor’s self-assessment may negatively impact the PEMP evaluation period. A consolidated report will be prepared by the COR with assistance from the Alternate COR(s) and input from the technical monitors and submitted to the FDO for determination of the final fee for the period. This consolidated report will include both an evaluation of the subjective criteria and an evaluation of the PBIs (including those completed earlier during the performance period).

For evaluating each subjective criterion (i.e. mission performance, regulatory compliance, management performance, safety and health performance, and cost control), the following adjectival ratings will be used:
**EXCELLENT**  Contractor has exceeded almost all of the performance requirements of the applicable criterion for the award-fee evaluation period.

**VERY GOOD**  Contractor has exceeded many of the performance requirements of the applicable criterion for the award-fee evaluation period. All unsatisfactory performance identified for the criterion during the period was considered minor in nature and has been addressed appropriately.

**GOOD**  Contractor has exceeded some of the performance requirements of the applicable criterion for the award-fee evaluation period. Some unsatisfactory performance may have been identified for the criterion during the award fee evaluation period, but it had limited impact and has been addressed.

**SATISFACTORY**  Contractor has generally met the performance requirements of the applicable criterion for the award-fee evaluation period. Any unsatisfactory performance has been or is in the process of being addressed.

**UNSATISFACTORY**  Contractor has failed to meet the performance requirements of the applicable criterion for the award-fee evaluation period.

The following is applied to the final adjectival rating(s) for the subjective evaluation criteria:

<table>
<thead>
<tr>
<th>Adjective Rating</th>
<th>Percentage of Subjective Component of Fee Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXCELLENT</td>
<td>91 to 100%</td>
</tr>
<tr>
<td>VERY GOOD</td>
<td>76 to 90%</td>
</tr>
<tr>
<td>GOOD</td>
<td>51 to 75%</td>
</tr>
<tr>
<td>SATISFACTORY</td>
<td>No Greater than 50%</td>
</tr>
<tr>
<td>UNSATISFACTORY</td>
<td>0%</td>
</tr>
</tbody>
</table>

Provisional fee may be requested and drawn by the 25th calendar day of each month up to one-twelfth (1/12th) of 60% of the total available fee allocated to the award fee.

PBI fee may be requested by and given to the Contractor provisionally until the applicable metric/milestone is met as described and allowed in the PBI section.
B. Fee Pool

Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited. Fee not awarded under the subjective criteria portion of this plan shall not be carried over to additional performance periods and will be forfeited.

At the discretion of DOE, if an evaluation criterion is cancelled or modified, any unearned fee may be allocated to another evaluation criterion or criteria. This reallocation requires review and approval by DOE Environmental Management Consolidated Business Center (EMCBC) and Headquarters (HQ). Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited.
PERFORMANCE BASED INCENTIVES (PBIs)

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1
Performance Period: 10/1/2018 through 9/30/2019
Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: Revision 1 (Mod 224), 10/29/2018

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB) Maximum Available Incentive Fee
Anticipated Funding: Associated with this Measure:
$355,937,692 $12,963,000 (75% of $17,284,000)

CBFO Management Control Packages: NA

SECTION III – INCENTIVE INFORMATION

Difficulty: High ☒ Medium ☐ Low ☐
Duration: Annual ☒ Multi-year ☐
Fee Payment type: Completion ☒ and Progress ☒ and Provisional ☒

SECTION IV - PERFORMANCE MEASUREMENT

Description: Recognizing that managing the safe disposal of TRU waste is CBFO’s primary mission, this PBI represents a fee model in which earnings are at risk and the Contractor is paid when specific WIPP operational and achievable programmatic results are achieved. This PBI has an added difficulty component due to the work that must be completed by generator sites and the approvals that must be granted from the regulators to achieve the desired results that are not under the direct control of the Contractor or funded by the Contractor. Fees will be earned for the following:

1. Improving safety in underground operations;
2. Increasing additional air supply ventilation flow rate in WIPP underground;
3. Make progress on mining Panel 8;
4. Make progress on WIPP line item capital asset projects;
5. General Plant Projects, infrastructure projects, and major maintenance activities to overcome degraded conditions;
6. Improvements in fire safety posture;
7. Radiological protection program improvements;
8. Full Columns of Waste for emplacement;
9. Certified waste streams ready for shipment;
10. Mining methods for future drifts and panel designs, and remote handled capabilities; and,
11. TRUPACT-III readiness for shipments.
Metric/Milestone 1: The Contractor will earn a maximum $1,981,600 in fee for improving safety in underground operations for underground conditions for the near and long term, completing panel closures to isolate nitrate salt bearing waste containers in Panel 6 and the entrance and exit drifts to Panels 1 and 2 to overcome ground conditions, and increasing compliance and responsiveness for MSHA citations closures as compared to the South-Central District.

A) The Contractor will earn a maximum $1,516,600 in fee for improving near term safe underground conditions in the following Core Areas of the Mine to support the WIPP mission:
1) W-30 and E-140 drifts from E-0 to S-2520;
2) W-170 drift from N-150 to S-2520;
3) All of Panel 7;
4) North Experimental (EXO) Area;
5) Air Intake Shaft Loop; and,
6) Alcoves.

To maintain the Core Areas of the Mine to support the WIPP mission in a safe condition, the following criteria must be met for the entire performance period:

- Safety Factor of greater than 1.3 in the Core Areas, as determined by the NWP Geotechnical Cognizant Engineer and verified by the CBFO Technical Monitor for this Metric/Milestone
- Installation an average of 75 roof bolts (long or short) per week in the Core Areas
- Scaling and meshing in the Core Areas for at least 3 of the shifts every week
- Priorities for ground control in the Core Areas are determined in bi-weekly ground control meetings and discussed with the CBFO Technical Monitor for this Metric/Milestone

B) The Contractor will earn a maximum $90,000 in fee for working towards improving long term safe underground conditions by establishing two 100 foot long Test Areas for different ground control support systems with a Test Plan that has received advisement from MSHA. One Test Area will be in a mutually agreed location in E-140 drift where the current roof is deformed that can be installed with very limited impact on the waste transport route (allowing continuation of emplacement). The second test area will be in another location in the WIPP underground. The Test Area will have extensometers and other devices to measure the salt creep rate as compared to the surrounding areas as outlined in the Test Plan. An Interim Analysis Report will be provided by June 30, 2019 to allow determination of need for a new Test Area using a different ground control support system (a third Test Area) for FY2020.

C) The contractor will earn a maximum $150,000 in fee for the completion of EPA approved closures of the access drifts between Panels 9 and 10 and Panels 1 and 2. Completion will consist of the following activities:

1) For EPA approved closures for the access drifts between Panels 9 and 10 the contractor will earn a maximum $125,000 in fee including:
   a) Installation of in-bye bulkheads by August 15, 2019 for a maximum $50,000 in fee.
   b) Emplacement of 100 foot run-of-mine salt and out-bye bulkheads by September 30, 2019 for a maximum $75,000 in fee.

2) For EPA approved closures for the entrance and exit drifts for Panels 1 and 2 the contract will earn a maximum $25,000 in fee for Emplacement of 100 foot run-of-mine salt and out-bye bulkheads.

D) The contractor will earn a maximum $225,000 in fee for improvements in MSHA citation performance as compared to the South-Central District for the following Key Performance Indicators at the WIPP site (not including any oversight at the construction sites for the capital asset projects):
1) For Significant and Substantial (S&S) MSHA Citation Rates of 22% or less, the Contractor will earn a maximum $100,000 in fee.

2) For 60% of citations terminated by MSHA during the inspection period (i.e., when the MSHA inspector[s] start the inspection through the closeout briefing), the Contractor will earn a maximum $50,000 in fee.

3) For less than 20% repeat citations such as parking brakes, fire extinguishers, etc., the Contractor will earn a maximum $75,000 in fee. (Note: Does not include citations written with general titles such as for ground control.)

The maximum available fee for Metric/Milestone 1 is $1,981,600.

**Metric/Milestone 2:** The Contractor will earn a maximum $478,200 in fee for increasing ventilation in the WIPP underground.

A) The contractor will earn $8,300 for every 5,000 cubic feet per minute (CFM) increase in filtered air exhaust for the WIPP underground up to 30,000 CFM for a maximum $49,800 in fee.

B) After the initial 30,000 CFM increase in filtered exhaust is achieved, the contractor will earn $30,600 in fee for every 5,000 CFM increase in new air supply to the WIPP underground for a maximum $428,400 in fee and maximum of 70,000 CFM of new air supply to the WIPP underground and not an increase in re-circulation of already available air.

The maximum available fee for Metric/Milestone 2 is $478,200.

**Metric/Milestone 3:** The Contractor will earn a maximum $899,775 in fee for progress made in mining Panel 8 in FY2019. For every ton of salt mined from Panel 8, after 54,960 tons are mined since the restart of mining operations in FY2018, the Contractor will earn $23.25 per ton in fee up to a maximum total of $899,775 (equivalent to 93,660 tons mined since the restart of mining operations in FY2018 and 38,700 tons mined applied towards this metric/milestone for fee).

The maximum available fee for Metric/Milestone 3 is $899,775

**Metric/Milestone 4:** The Contractor will earn a maximum $3,800,000 in fee for completing the following activities for the line item capital asset projects (15-D-411 Safety Significant Confinement Ventilation System (SSCVS) project and 15-D-412 Utility Shaft (US) project). All schedule dates are subject to change based upon the realization of risks and opportunities and the scheduled reserve identified for those risks and opportunities documented by the appropriate Risk Management Plan for each project.

A) The contractor will earn a maximum $3,000,000 in fee on the 15-D-411 SSCVS project for:

1) The contractor will earn a maximum $2,000,000 in fee for completing construction activities on the critical path for the New Filter Building (NFB) and Salt Reduction Building (SRB) by completion of the concrete foundations for the NFB (Schedule ID: NFBBL9550) and SRB (Schedule ID SRBBL1800);

2) The contractor will earn a maximum $750,000 in fee for completing and/or make progress on long lead procurement equipment and receive through NWP quality assurance review, acceptance, and receipt of equipment in support of the construction contractor critical path schedule the following:

   a) The contractor will earn a maximum $50,000 in fee for receiving the 2 diesel generators on Site by April 1, 2019 (Schedule ID: GENBL2500);
b) The contractor will earn a maximum $250,000 in fee for inspecting the first 11 HEPA filter housings at the factory after all Quality/Inspection requirements have been completed and accepted by NWP by June 30, 2019 (Schedule ID: FHBL7100);

c) The contractor will earn a maximum $250,000 in fee for inspecting of the 6 Supply Fans at the factory after all Quality/Inspection requirements have been completed and accepted by NWP by July 15, 2019 (Schedule ID: AHBL5201); and,

d) The contractor will earn a maximum $200,000 in fee for conducting the first unit Deduster Acceptance/Performance Test at the factory by March 30, 2019 (Schedule ID when available);

3) The contractor will earn a maximum $250,000 in fee for completing or making progress on preparing for startup / readiness including updated System Description Documents, preliminary drafts of the Operating Procedures and Maintenance Procedures, and conduct operations and maintenance training on Salt Reduction System mockup (Schedule ID when available).

B) The contractor will earn a maximum $800,000 in fee on the 15-D-412 US project for:

1) The contractor will earn a maximum $250,000 in fee for awarding a subcontract and complete the construction of the North Access Road Bypass (NARB) (Schedule Activity ID UESBL-STE4400);

2) The contractor will earn a maximum $250,000 in fee for awarding the subcontract for the US Infrastructure work and complete construction activities on the critical path:
   a) Complete Membrane Installation on Salt Storage Pond 5 (Schedule ID: USI-G1210); and,
   b) Perform Group-Operated Air-Break (GOAB) Switch Tie-in to Existing XCEL Substation (Schedule ID: USI-G1640).

3) The contractor will earn a maximum $300,000 in fee for awarding a subcontract for the US shaft and drifts by July 31, 2019 (Schedule Activity ID US06070).

The maximum available fee for Metric/Milestone 4 is $3,800,000.

Metric/Milestone 5: The Contractor will earn a maximum $3,253,800 in fee for demonstrating the completion of activities and progress in General Plant Projects (GPP), infrastructure projects, and major maintenance activities to overcome the aging and degraded conditions at WIPP from the approved Consolidated Master Project List (CMPL) by the Contracting Officer Representative including the following:

A) Building 411 Fire Suppression System Upgrade design – the contractor will earn a maximum $272,000 in fee for competitively bidding the design for a compliant fire suppression system for the Waste Handling Building, place the contract and complete the design scope by the end of FY2019.

B) Electrical Substation Replacement – Based on the recently completed Sitewide Electrical Distribution survey, Substations 3 and 1 are in the worst condition and should be the first substations to be replaced. For FY2019, the contractor will earn a maximum $408,000 in fee for the procurement for the replacement of substations 3 and 1 awarded, vendor drawings approved and manufacturing commenced by June 30, 2019.

C) Fire Loop Replacement – the contractor will earn a maximum $1,332,800 in fee for the following activities:

1) The contractor will earn a maximum $816,000 in fee for awarding to a vendor Phases 1 & 2 of the replacement Fire Loop by the first quarter of FY2019 and the commencement of construction by February 2019;
2) The contractor will earn a maximum $70,000 in fee for the Phase 4 of the Fire Loop (Alarms) will be awarded by April, 2019;

3) The contractor will earn a maximum $338,000 in fee for the Phase 4 commenced by September 30, 2019; and,

4) The contractor will earn a maximum $108,800 in fee for the initiation of the Phase 3 scope will commence in FY2019 with the new line being constructed from the fire loop main header to Building 474. This section will be completed in FY2019.

D) Above Ground Airline Replacement – the contractor will earn a maximum $153,000 in fee for completing this activity. Due to the condition of the above grade airline header going from the replacement air compressor area to the Salt Shaft, a contract will be placed to install a new compressed air header from the 485 area to the bottom of the salt shaft. The replacement airline header piping will be installed in a near-surface, pre-fabricated box enclosure system for easier maintainability. Construction, installation and commissioning of the replacement airline will be complete by September 30, 2019.

E) Lightning Array System Replacement – the contractor will earn a maximum $170,000 in fee for completing this activity. A contract will be awarded for the design of a new lightning array throughout the WIPP site to provide the required lightning protection of all key equipment and personnel. The design will be completed in FY2019 and the bid package prepared to go out for tender for the fabrication and installation of the newly designed lightning array protection system by September 30, 2019.

F) Underground Substation Replacement – the contractor will earn a maximum $204,000 in fee for completing this activity. The procurement of the underground substation replacement will be completed, award of the contract for a vendor to supply the substation, all vendor drawings approved and manufacturing of the replacement substation commenced by September 30, 2019.

G) Salt Hoist Repair – the contractor will earn a maximum $442,000 in fee for completing this activity. The contractor will perform approximately $3.2M worth of contracted scope for non-intrusive/limited outage time work in FY2019. The scope of the work will be defined early in FY2019 and completed by September 30, 2019.

H) Public Address System Replacement Project - the contractor will earn a maximum $149,600 in fee for completing this activity. An Analysis of Alternatives to the Government Accountability Office’s Best Practices and a Conceptual Design will be complete by September 30, 2019.

I) The contractor will earn a maximum $122,400 in fee for the initiation of the following infrastructure projects in FY2019 after commencement and significant progress of the above GPPs, Infrastructure Projects, and major maintenance and repair activities:

1) Site Network Infrastructure Project – Core and Distribution – the contractor will earn a maximum $88,400 in fee for the procurement process completed and subcontract awarded for the installation of the single core fiber-optic wiring and the initiation of the installation of the already existing hardware components by September 30, 2019; and,

2) Central Monitoring Room (CMR) Modifications – the contractor will earn a maximum $34,000 in fee for the contract awarded for the design of the necessary CMR modifications and the commencement of long lead procurements by July 31, 2019.

The maximum available fee for Metric/Milestone 5 is $3,253,800.
**Metric/Milestone 6:** The Contractor will earn a maximum $150,000 in fee for improving the fire safety posture at WIPP to include:

A) For completing the installation of the fire suppression system in the Underground Oil Storage Bay, the contractor will earn a maximum $114,000 in fee by completing by March 31, 2019; and,

B) For completing fire impairments 21144 (Building 474A), 21146 (Building 474C), and 21147 (Building 474E) where the sprinkler systems failed and the water is turned off, and 21182 (474 Area) where the fire water line needs to be restored consistent with the Phase 3 Fire Loop Project Design, the contractor will earn a maximum $36,000 in fee.

The maximum available fee for Metric/Milestone 6 is $150,000.

**Metric/Milestone 7:** The Contractor will earn a maximum $376,625 in fee for Radiation Protection Program improvements that include:

A) The contractor will perform radiological abatement in Room 3 of Panel 7 except Room 3’s portion of the exhaust drift S-2180 by reducing from an Airborne Radioactivity Area and or High Contamination Area to a Contamination Area.

B) The contractor will replace the ageing Health Physics Record System (HPRS) Dosimetry Database with a new system that relies on current technology. Once the system is replaced, ensure that all records data is successfully transferred to a secure server that is backed up to prevent loss of historical records.

C) The contract will procure and implement an electronic Radiological Survey Database that relies on current technology where the information is retrievable and that it is backed up to prevent loss of records.

The maximum available fee for Metric/Milestone 7 is $376,625.

**Metric/Milestone 8:** The Contractor will earn a maximum $1,030,000 in fee for progress made in emplacing TRU waste. For every full column of TRU waste containers emplaced in Panel 7 (see the Definitions Section for the definition of “full column of TRU waste containers”), the Contractor will earn $2,000 per full column of waste in fee up to a maximum total of $1,030,000 (equivalent to 515 full columns of waste).

The maximum available fee for Metric/Milestone 8 is $1,030,000.

**Metric/Milestone 9:** The contractor will earn a maximum $680,000 in fee for completing Chemical Compatibility Evaluation (CCE) approval and initial Basis of Knowledge (BoK) approval for 10 waste streams determined by the National TRU Program to meet program priorities. $68,000 in fee will be earned for completion of each CCE and BoK approval for each waste stream.

The maximum available fee for Metric/Milestone 9 is $680,000.

**Metric/Milestone 10:** The Contractor will earn a maximum $103,000 in fee to ensure progress is made on future repository needs and improvements in remote handled (RH) waste handling, packaging, and disposal the following activities will measure progress and performance including:

A) The Contractor will earn a maximum $35,000 in fee for completing the following activities by September 30, 2019 associated with developing designs and mining methods for drifts and panels including:
1) Conceptual Design completion by January 31, 2019;

2) Final Design completion for Peer Review by September 20, 2019; and,

3) Initiate the Peer Review of the Final Design and Numerical Analysis by September 30, 2019.

B) Contractor will earn a maximum $68,000 in fee on progress for development & testing of additional shielded container assemblies;

1) Fabrication of the gamma shielding prototypes SC-30G2, SC-30G3, SC-55G1 & SC-55-G2;


4) Development of the NRC drop test plan for the SC-30G2, SC-30G3, SC-55G1 & SC-55-G2; and,


The maximum available fee for Metric/Milestone 10 is $103,000.

Metric/Milestone 11: The Contractor will earn a maximum $210,000 in fee for TRUPACT-III shipments including:

A) Completing Certificate of Compliance required maintenance on all 6 fleet TRUPACT-III packages to allow shipments to commence by August 1, 2019; and,

B) Completion of WIPP Site readiness to accept and process TRUPACT-IIIIs including on hand trained and proficient staffing, maintenance and operations procedures complete, changes to support documentation, completion of a Contractor Readiness Review with a CBFO Shadow Review, and approval to commence TRUPACT-III waste shipments and receipt by the Contractor Startup Approval Authority by September 30, 2019.

The maximum available fee for Metric/Milestone 11 is $210,000.

SECTION V - PERFORMANCE REQUIREMENTS

DEFINE COMPLETION: Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documents/data against which completion documentation should be compared.

Minimal Performance Expectation

If the contractor receives a rating of “Unsatisfactory” for any of the five subjective fee criterion, then the maximum fee the contractor can earn under each Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II of each Performance Based Incentive.

Circumstances Outside of the Contractor’s Control

For any of the metric/milestones described below, the contractor may request payment of fee for missed metric/milestone(s) due to circumstances outside of its control. CBFO will conduct an assessment to confirm or refute the claim by the contractor and submit the assessment, along with the contractor’s request, to the CBFO Fee Determining Official for a determination of fee eligible/non-eligible for payment.
Payment Metric/Milestone 1: For completion of activities for improving safety in underground operations for safe underground conditions for the near and long term, completing panel closures to isolate nitrate salt bearing waste containers in Panel 6 and the entrance and exit drifts to Panels 1 and 2 to overcome ground conditions, and increasing compliance and responsiveness for MSHA citations closures as compared to the South-Central District.

A) For successful completion of the ground control metrics through FY2019, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

- Notes from each bi-weekly ground control meeting will capture the decisions made on ground control priorities in discussion with the CBFO Technical Monitor;
- Monthly Operational Awareness entries made by the CBFO technical monitor; and,
- The fee request will include a list of all ground control activities completed in FY2019 with the following information:
  - Safety Factor calculations throughout the performance period;
  - Number of long or short bolts installed in the Core Areas per week;
  - Number of shifts per week that Scaling and Meshing was performed throughout the performance period;
  - Calculation of the area newly prohibited areas of the mine in FY2019 compared to the total square footage of the active area of the mine;
  - Prohibited areas that were established and recovered; and,
  - Areas of the mine that are newly prohibited in FY2019 will result in a percentage reduction of the prohibited area compared to the total square footage of the active area of the mine. Areas of the mine that are prohibited and recovered to meet the mission will result in an offset of any lost fees associated with the FY2019 prohibited areas.

B) The two Test Areas using two different ground control support systems will require a completed Test Plan that has received advisement by the Mine Safety and Health Administration and will be provided to the CBFO Technical Monitor. One Test Area will be in a mutually agreed location in the E-140 drift. Data from the extensometers and other measurement devices in the Test Area and surrounding area will be provided to the CBFO Technical Monitor on a monthly basis. An Interim Analysis Report will be provided to the CBFO Technical Monitor by June 30, 2019.

C) For successful completion of panel-closure metrics through FY 2019, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

1) Access drifts between Panels 9 and 10 (E-300, E-140, W-30, and W-170):
   a) Visual verification of the installation of in-bye bulkheads in drifts;
   b) Visual verification of the installation of 100 foot run-of mine salt in drifts; and,
   c) Visual verification of the installation of out-bye bulkheads in drifts; and,

2) Entrance and Exit drifts for Panels 1 and 2 (S-1600, S-1950, S-2180, and S-2520):
   a) Visual verification of the installation of 100 foot run-of mine salt in drifts; and,
   b) Visual verification of the installation of out-bye bulkheads in drifts.

D) For improvements in MSHA citation performance, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment of the work which will include verification of the following criteria:
1) Substantial and Significant (S&S) MSHA Citation Rate of 22% or less;

2) Greater than or equal 60% of the MSHA citations are terminated by MSHA within the inspection period (i.e., when the MSHA inspector[s] start the inspection through the closeout briefing); and,

3) Less than or equal to 20% of the MSHA citations are repeated such as failure to apply parking brakes and/or wheel chocks to carts/vehicles or failure to inspect fire extinguishers within the prescribed period as indicated on the tag (not to include general citations such as ground control violations).

Payment Metric/Milestone 2: For completion of increasing air flow to the WIPP underground.

A) Increasing the filtered exhaust air flow rate by up to 30,000 CFM nominal, the volumetric flow rates of incoming Air Intake Shaft and Waste Shaft inlet air flow rates, and existing Exhaust Shaft exhaust flow rate will be analyzed to determine the Salt Handling Shaft exhaust flow rate to determine if there is an increase in additional filtered exhaust volumetric flow rate. When additional filtered exhaust flow rate is achieved, the amount measured at the AIS, Waste Handling Shaft, and Exhaust Shaft will be provided to the CBFO Technical Monitor to verify the achievement of this metric.

B) Increasing the additional inlet air volumetric flow rate to the WIPP underground. This work scope needs to increase the maximum new air ventilation flow rate up to 70,000 CFM nominal and not a temporary flow rate increase that can be removed or by recirculating already available air in the underground. Volumetric flow rates of incoming Air Intake Shaft and Waste Shaft inlet air flow rates, and existing Exhaust Shaft exhaust flow rate will be analyzed to determine the Salt Handling Shaft exhaust flow rate to determine if there is an increase in additional inlet air volumetric flow rate. When additional inlet flow rate is achieved, the amount measured at the AIS, Waste Handling Shaft, and Exhaust Shaft will be provided to the CBFO Technical Monitor to verify the achievement of this metric.

Payment Metric/Milestone 3: For each month that salt rock has been mined in Panel 8, after 54,960 tons are mined since the restart of mining operations in FY2018, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also be due. The request for payment shall document the tons of salt mined in Panel 8 for a total of 93,660 tons since the restart of mining in FY2018 or 38,700 tons of salt above the 54,960 tons in the FY2018 Performance Based Incentive 1 Metric/Measure 2. CBFO will verify the request submitted by the Contractor by performing assessments, which will include a review of the monthly Panel 8 salt rock removal reports, to validate completion of the requested activities.

Payment Metric/Milestone 4: For completion and progress on the critical path for the line item capital asset project’s incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone on a quarterly basis. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

A) For the 15-D-411 SSCVS project:

1) Completion of construction progress on the NFB and SRB will include the documented evidence of the completion and records of monthly progress status meetings with the CBFO Federal Project Director (FPD), and completion of schedule activity ID that will be verified by a walk-down of areas, visual inspection, and acceptance of completion by CBFO Quality Assurance and Construction oversight through an assessment;

2) Completion and progress of receipt of long lead procurement equipment in support of the
construction contractor critical path schedule will include factory acceptance testing, quality assurance documentation on manufacture, quality assurance oversight reports and surveillances of manufacture, and receipt inspection at WIPP construction site. The schedule for delivery will be based upon the construction contractor’s need for delivery to keep the construction contractor on schedule for completion with no NWP caused schedule delays. Completion includes records of monthly progress status meetings with the CBFO Federal Project Director (FPD) and acceptance of completion by CBFO Quality Assurance oversight through an assessment; and,

3) Completion of progress on preparing for startup / readiness includes: completion of near final drafts of the System Design Descriptions to DOE_STD-3024-2011 guidance awaiting final red-line drawing approvals for completion and completed in time to support Documented Safety Analysis development; Fire Hazard Analysis updated draft to include SSCVS design and structures, systems, and components; Documented Safety Analysis development on schedule; operating and maintenance procedures for all SSCVS SSCs developed to final draft awaiting final red-line drawing approvals in NWP formatted documents; and, conduct operations and maintenance training on the Salt Reduction System. Completion includes records of monthly progress status meetings with the CBFO Federal Project Director (FPD) and acceptance of completion by CBFO Quality Assurance and Construction oversight through an assessment.

B) For the 15-D-412 US project:

1) Completion of construction of the North Access Road Bypass will be the turnover of the constructed roadway for use by public access traffic with all signage and painting of road surfaces completed. Completion includes records of monthly progress status meetings with the CBFO Federal Project Director (FPD) and acceptance of completion by CBFO Quality Assurance and Construction oversight through an assessment;

2) Completion of progress on U. S. infrastructure work on the critical path schedule includes the completion of schedule activities for the membrane for Salt Storage Pond 5 and GOAB tie-in to the XCEL substation. Completion will be verified by a walk-down of areas, visual inspection, and acceptance of completion by CBFO Quality Assurance oversight through an assessment. Completion includes records of monthly progress status meetings with the CBFO Federal Project Director (FPD) and acceptance of completion by CBFO Quality Assurance and Construction oversight through an assessment; and,

3) Completion includes the procurement package approval for the US shaft and drifts subcontract package to CBFO for review no later than May 15, 2019 to allow an award by July 31, 2019. Completion includes records of monthly progress status meetings with the CBFO Federal Project Director (FPD).

Payment Metric/Milestone 5: For completion of the following GPP and Infrastructure project work scopes, the contractor will submit a request for a completion payment earned under this metric/milestone on a quarterly basis. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. No fee will be earned for proposed projects that are not on the approved CMPL. These validations will include the following criteria:

- The completed work scope must be in accordance with the applicable engineering change, work planning and control, procurement requirements and are consistent with the project work scope descriptions in the latest CMPL approved by the COR. Copies of closed work packages or closure documentation will be provided as evidence of completion.
- The Contractor point of contact (POC) for each project will provide the status of the project to the CBFO Technical Monitor for this Metric/Milestone no less than once per month until completion.

Payment Metric/Milestone 6: For completion of activities the Contractor will submit a request for completion payment earned under this metric/milestone. The contractor must provide objective evidence
of the completion of the pre-condition activities before any fee is paid. CBFO will verify the requests submitted by the Contractor by performing an assessment to verify that the activities were satisfactorily completed. The contractor will provide the Impairment Clearance Data Sheet and associated email generated by the Fire Protection Engineers database confirming the impairment clearance.

Payment Metric/Milestone 7: CBFO will verify the reduction in radiological conditions in Room 3 of Panel except Room 3’s portion of the exhaust drift S-2180 from an Airborne Radioactivity Area and or High Contamination Area to a Contamination Area after the Room 3 floor has been leveled for waste emplacement. After this time, Room 3 can be temporarily re-established as an Airborne Radioactive Area or High Contamination Area if need due to ground control actions to maintain safe conditions. This verification will include observation of activities, review of survey logs, requesting sample locations to be tested, and review of removal of the physical radiological postings and barriers. CBFO will review and verify the operation of the HPRS Dosimetry Database, retrieve a random sample of historical records to verify the transfer of the records, and review the manufacturer manual, and work packages for the equipment to ensure the proper installation of both the hardware and software to meet DOE requirements. CBFO will review and verify the operation of the electronic Radiological Survey Database, retrieve a random sample of surveys to verify the adequate retention of survey data, and review the manufacturer manual, and work packages for the equipment to ensure the proper installation of both the hardware and software to meet DOE requirements.

Payment Metric/Milestone 8: For each month that TRU waste has been emplaced in Panel 7, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also be due. The request for payment shall document the number of full columns of TRU waste emplaced (see definition of “full column of TRU waste emplaced” in the Definitions section). CBFO will verify the request submitted by the Contractor by performing assessments, which will include review of the monthly TRU waste emplacement reports and Waste Data System (WDS) verification. There will be no penalties for dunnage shipped as part of a TRU waste package.

Payment Metric/Milestone 9: The CBFO Contracting Officer will notify NWP of waste streams meeting the criteria in a letter after prior discussion with NWP. The CBFO Contracting Officer will provide approval letters for waste streams. The Contracting Officer may revise the approved waste streams through the fiscal year based upon input from the National TRU Program. For completion of CCE review request and corresponding initial BoK for each identified waste stream, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria: The approved CCE and approved BOK.

Payment Metric/Milestone 10: Progress on future needs of the repository for mining methods, drift and panel design, and RH capabilities will be evaluated against the below activities:

A) For completion of the following activities associated with Additional Panels and Remote Handled Capabilities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

1) A copy of the Conceptual Design Report;

2) A copy of the Final Design Report; and,

3) Documentation of the Contractor’s initiation of the Peer Review (e.g. transmittal letter to CBFO for forwarding to peer reviewer; NWP subcontract to third party for peer review)
B) For completion of the following activities associated with Additional Panels and Remote Handled Capabilities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

1) An awarded subcontract for fabrication of the gamma shielding prototypes;

2) Documentation of the Contractor’s oversight of the subcontractor that performed the DOT testing; and,

3) Documentation of the Contractor’s oversight of the subcontractor that performed the NRC drop testing.

Payment Metric/Milestone 11: CBFO will validate that all preparations (maintenance activities and shipment certifications) for all 6 fleet TRUPACT-IlIs are accomplished that will allow shipments to commence by August 1, 2019. CBFO will validate that all required changes to WIPP Site documentation (DSA, maintenance procedures, operating procedures, etc.) has been accomplished. CBFO will validate that maintenance activities on TRUPACT-III equipment at WIPP has been accomplished and is ready for service. CBFO will validate that NWP has trained and qualified staffing on hand to perform TRUPACT-III waste receipts. CBFO will validate that NWP has achieved approval by the Startup Approval Authority to start TRUPACT-III waste shipments by August 31, 2019 with closure of all Pre-Start Findings from a Readiness Review.

DEFINITIONS:

Catch-Up Bolting: Bolting in areas in the U/G that have not been bolted since the February 2014 events. Once bolting is finished in one of these areas and is in normal maintenance mode, it is no longer a catch-up bolting area/activity.

Core Areas of the Mine to Support the WIPP Mission: For ground control purposes, these areas are the following locations in the underground:
- W-30 and E-140 drifts from E-0 to S-2520
- W-170 drift from N-150 to S-2520
- All of Panel 7
- North Experimental (EXO) Area
- Air Intake Shaft Loop
- Alcoves

Dunnage: An empty TRU waste container.

Full Column of TRU Waste Containers: A stack of approved TRU waste containers emplaced in a panel in the underground equivalent to the height of a stack of three 7-packs of 55-gallons drums. Approved waste containers are 55-gallon drums, 100-gallon drums, Standard Waste Boxes (SWBs), Ten Drum Over Packs (TDOps), and Standard Large Boxes-II (SLB-II) containing TRU waste. Dunnage containers are allowed to be considered a part of the full column of waste if they arrived in the shipment to WIPP (such as a dunnage 55-gallon drum which is part of a 7-pack of drums to stay within weight limitations for the shipment). For shielded containers, three assemblies emplaced is equivalent to a full column of TRU Waste Containers, because they are not stacked due to weight considerations.

Ground Control: The use of a designed support system that is installed and maintained to support the back, side wall, or floor in places in the underground where persons work or travel in the performance of their assigned tasks. The purpose of ground control activities is to provide a safe underground work environment.
place. The primary method of ground control is the installation of roof bolts, but also involves the removal of hazardous ground whether from the roof, walls, or floor through scaling, milling, meshing, and mining and involves the mitigation of broken bolts.

**TRU:** Transuranic Waste. Radioactive waste containing isotopes with an atomic number greater than 92, concentrations greater than 100 nanocuries per gram, and a half-life of greater than 20 years.

**TECHNICAL BOUNDARY CONDITIONS:** (Fundamental technical assumptions that must be maintained in order to accomplish the work scope associated with this Performance Measure.)

None

**GENERAL REQUIREMENTS:**

To earn award fee under this PBI, the Contractor shall meet the specific completion criteria and expectations set forth in this Performance Incentive. The objectives defined in the metrics and milestones above must be accomplished. The Contractor shall support obtaining necessary regulatory approvals to accomplish the metrics by preparing appropriate submittals with good quality, promptly responding to regulator requests for added information and coordinating the preparation of response material, coordinating hearing preparation as needed, and coordinating implementation of approved regulatory changes.

**SECTION VI - EARNINGS SCHEDULE**

List percent of PM fee available for completion of each Element, and the schedule by which the fee may be earned. (Schedule identifies point(s) at which fee may be earned - does not define completion.)

See above in Section IV.

Fee that is not earned will be reduced from the award fee pool and is not recoverable by the Contractor, including that specified for individual milestones. If the milestone dates for the required activities cannot be met by the Contractor, the dates by which the activities must be completed may be revised prior to the milestone date at the discretion of the Contracting Officer with input from CBFO staff.
SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #2  Performance Period: 10/1/2017 through 9/30/2020
Performance Incentive Short Title: WIPP Super-Stretch Cost Savings/Cost Sharing Incentive
Revision Number and Date: Revision 0 (Mod 186), 8/31/17

SECTION II – ACCOUNTING/PROJECT INFORMATION

<table>
<thead>
<tr>
<th>Contract Performance Baseline (CPB)</th>
<th>Maximum Available Incentive Fee</th>
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<tbody>
<tr>
<td>N/A (Super Stretch)</td>
<td>$ 10,000,000</td>
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</tbody>
</table>

CBFO Management Control Packages: N/A

SECTION III – INCENTIVE INFORMATION

Incentive type: Base [ ] Stretch [ ] Super Stretch [x]
Difficulty: High [x] Medium [ ] Low [ ]
Duration: Annual [ ] Multi-year [x]
Fee Payment type: Completion [ ] Progress [x] Provisional [ ]

SECTION IV - PERFORMANCE MEASUREMENT

Description:

Recognizing that managing the safe disposal of TRU waste is CBFO’s primary mission, this Performance Based Incentive (PBI) represents a fee model in which earnings are at risk and the Contractor is paid when specific measures, to apply cost control measures to save and avoid costs, identify better cost and program/project performance measurement, and find more efficient ways of executing the mission to result in the best value to the Government.

Recognizing that ensuring the WIPP Facility infrastructure is adequate to complete this mission is a priority for the CBFO, this Super Stretch PBI provides the Contractor payment upon completion of specific scopes of infrastructure projects that fell below the CBFO-approved target baseline as identified in the Consolidated Master Project List (CMPL).

The Contractor will earn incentive fee under this PBI for identifying cost savings or mutually agreed and documented cost avoidance that results in cost savings that is used to fund work in the CMPL.

The following metric shall be used to measure performance and determine fees earned by the Contractor under this Rating Plan element.

Metric/Milestone 1: The Contractor's performance will be measured for identifying cost savings or mutually agreed and documented cost avoidance that results in cost savings from the CBFO-approved target baseline that is used to fund work in the CMPL. For every $1.00 that is saved from this Metric/Milestone and is used to fund work scope identified as unfunded in the CMPL, a fee target of $0.20 will be earned, with the specific fee associated with each project or discreet work scope set prior to the work commencing.

The maximum amount of fee available to NWP under this metric during the term of the contract covered by this rating plan is: $ 10,000,000. This fee must be funded from the savings described in this PBI.
SECTION V - PERFORMANCE REQUIREMENTS

PREVIOUS GATEWAY: Describe previous gateway (if applicable) that must be completed before fee can be paid under this performance measure.

None.

DEFINE COMPLETION: Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documents/data against which completion documentation should be compared.

Payment Metric/Milestone 1: For funding and completing discrete scopes of work associated with projects identified in the CMPL (or other work mutually agreed to by CBFO and NWP) from cost savings or mutually agreed and documented cost avoidance, the Contractor will submit a request for payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by validating the cost savings/cost avoidance and completion of the work. The proposed work (including estimated budget) to be performed under this PBI is to be mutually agreed to by CBFO and NWP prior to the start of the work and documented in a Contracting Officer’s letter to the Contractor.

DEFINITIONS:

CMPL: Consolidated Master Project List – A list generated by the Contractor that consists of high priority projects to address aging and degraded infrastructure at WIPP and used by the NTP.

NWP: Nuclear Waste Partnership LLC, the WIPP Management and Operating Contractor

WIPP: Waste Isolation Pilot Plant

TECHNICAL BOUNDARY CONDITIONS: (Fundamental technical assumptions that must be maintained in order to accomplish the work scope associated with this Performance Measure.)

None.

GENERAL REQUIREMENTS: To earn incentive fee under this Performance Incentive, the contractor shall meet the specific completion criteria and expectations set forth in this Performance Incentive.

The fee for each project or work scope will be set upon initial agreement of the project or work to be completed. (Multiple individual or discrete projects are allowed). Significant safety, quality, or performance issues arising during the completion of the work can result in a lower fee as determined by the Fee Determining Official. The fee is earned once the project or work scope is completed.

SECTION VI - EARNINGS SCHEDULE

List percent of PM fee available for completion of each Element, and the schedule by which the fee may be earned. (Schedule identifies point(s) at which fee may be earned - does not define completion.)

This Super Stretch incentive is an incentive to motivate the Contractor to identify savings by achieving efficiencies in the overall performance on the contract and applying those savings to critical WIPP infrastructure needs. The associated fee is not funded in the contract. In order to earn the Super Stretch incentive for Metric/Milestone 1, the Contractor must perform the additional work necessary to achieve the incentive within contract funding amounts. The work at the WIPP facility must be performed within the funding limits established for the base contract funding. The Contractor must identify and document savings sufficient for the related fee.

Fee allocated to a Super Stretch incentive is not considered a part of the Total Available Fee pool.

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