

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE		PAGE OF PAGES 1 22	
2. AMENDMENT/MODIFICATION NO. 0246		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
6. ISSUED BY EM-Carlsbad EMCBC U.S. Department of Energy Carlsbad Project Office P.O. Box 3090 Carlsbad NM 88221		CODE 893032		5. PROJECT NO. (If applicable) 03003	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Nuclear Waste Partnership LLC Attn: JAY HART 20501 SENECA MEADOWS PKWY SUITE 300 GERMANTOWN MD 20876		(x)		9A. AMENDMENT OF SOLICITATION NO.	
CODE 968993910		FACILITY CODE		9B. DATED (SEE ITEM 11)	
		x		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-EM0001971	
				10B. DATED (SEE ITEM 13) 04/20/2012	

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

**13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) H.25 Performance Evaluation and Measurement Plan

**E. IMPORTANT:** Contractor ☒ is not ☐ is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Payment:

OR for EMCBC

U.S. Department of Energy

Oak Ridge Financial Service Center

P.O. Box 5777

Oak Ridge TN 37831

Period of Performance: 10/01/2012 to 09/30/2020

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Wendy L. Bauer	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA /signature on file/ (Signature of Contracting Officer)	16C. DATE SIGNED 8/30/19

Previous edition unusable

The purpose of this unilateral modification is to incorporate the FY2020 Performance Evaluation and Measurement Plan. The performance baseline and fee amounts are based upon *Fiscal Year 2020 Integrated Performance Measurement Baseline Guidance dated July 25, 2019*; and are subject to change based upon the final Appropriations Act and approved baseline.

As a result of the above, the contract is modified as follows:

1. Modify Section B.2-2(a) Total Available Award Fee table as follows:

**From Modification 187:**

- (a) The total available award fee for the base period of the contract, beginning October 1 2012, and the option periods, if exercised, is shown below.

PERFORMANCE PERIOD	Fee Percent (%)	Total Available Award Fee	Total Fee Earned (Mod 49, 96, 138, 174, 182)
<b>Base Period</b>			
October 1, 2012 – September 30, 2013	7.5	\$ 8,192,895	\$7,892,519.32
October 1, 2013 – September 30, 2014	7.5	\$ 8,192,895	\$561,266
October 1, 2014 – September 30, 2015	7.5	\$13,665,946	\$11,714,118.44
October 1, 2015 – September 30, 2016	7.0	\$13,485,242	\$11,294,601.37
October 1, 2016 – September 30, 2017	7.0	\$11,948,286*	
<b>Option Period 1</b>			
October 1, 2017 – September 30, 2018	7.0	\$ 7,646,702	
October 1, 2018 – September 30, 2019	7.0	\$ 7,646,702	
October 1, 2019 – September 30, 2020	7.0	\$ 7,646,702	
<b>Option Period 2</b>			
October 1, 2020 – September 30, 2021	6.5	\$ 7,646,702	
October 1, 2021 – September 30, 2022	6.5	\$ 7,646,702	

\*Super-stretch incentives are not included in Total Available Award Fee Total

**To Modification 246:**

- (a) The total available award fee for the base period of the contract, beginning October 1 2012, and the option periods, if exercised, is shown below.

PERFORMANCE PERIOD	Fee Percent (%)	Total Available Award Fee	Total Fee Earned (Mod 49, 96, 138, 174, 209, 238)
<b>Base Period</b>			
October 1, 2012 – September 30, 2013	7.5	\$ 8,192,895	\$ 7,892,519.32
October 1, 2013 – September 30, 2014	7.5	\$ 8,192,895	\$ 561,266.00
October 1, 2014 – September 30, 2015	7.5	\$13,665,946	\$11,714,118.44
October 1, 2015 – September 30, 2016	7.0	\$13,485,242	\$11,294,601.37
October 1, 2016 – September 30, 2017	7.0	\$11,948,286*	\$10,744,708.20
<b>Option Period 1</b>			
October 1, 2017 – September 30, 2018	7.0	\$12,506,424*	\$10,790,810
October 1, 2018 – September 30, 2019	7.0	\$17,284,000*	
October 1, 2019 – September 30, 2020	7.0	\$17,622,385*	
<b>Option Period 2</b>			
October 1, 2020 – September 30, 2021	6.5	\$ 7,100,509	
October 1, 2021 – September 30, 2022	6.5	\$ 7,100,509	

\*Super-stretch incentives are not included in Total Available Award Fee Total

2. All other terms and conditions of this contract remain unchanged and in full force and effect.

# **PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)**

**1 OCTOBER 2019 THROUGH 30 SEPTEMBER 2020**

**CONTRACT DE-EM0001971**

**Revision 0 - August 30, 2019**

## **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. The primary responsibilities of the CBFO Manager are to:

- a. Develop and establish the evaluation criteria and incorporate them into the PEMP.
- b. Assure appropriate coordination of performance expectations and the evaluation criteria with Headquarters (HQ) program and policy organizations.

- c. If required, submit the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
- d. If required, in conjunction with the CO and COR, coordinate 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 20% 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 20% of the Total Available Fee, not to exceed (NTE) \$3,524,477 (20% of \$17,622,385). The maximum fee available for each of the following five subjective criteria is \$704,895 (20% of \$3,524,477).

- (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
  - (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) Implement and maintain a compliant Safeguards and Security Program;
  - (vii) Implement and maintain a compliant Cyber Security Program; and,
  - (viii) Performance in all other regulatory requirements and permits.
- (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 program for talent development with a focus on developing the workforce for future mission needs;
  - (iii) Effective execution and long range planning;
  - (iv) Achieving the community commitments described in clause H.47 of the contract;
  - (v) Maintaining a mature and effective Quality Assurance Program;
  - (vi) Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals;
  - (vii) Performance in meeting Strategic Sourcing goals;
  - (viii) Information Resource Management that provides a secure, reliable, and efficient Information Technology infrastructure along with timely software application development and deployment;
  - (ix) Contractor management encourages employees to self-report issues and concerns and ensure timely resolution of those issues and concerns;
  - (x) Performance and continuous improvement in work planning, work control, and maintenance programs;
  - (xi) Maintain positive public relations efforts to ensure continued overall program improvement initiatives are communicated effectively to stakeholders; and,
  - (xii) Implemented and effective partnering between CBFO and NWP;
  - (xiii) Address cyber security program issues raised in the DOE Office of Inspector General's Management Alert regarding Management of Cybersecurity Activities at the Waste Isolation Pilot Plant (DOE-OIG-19-44, dated August 2019) by the end of the first quarter of FY2020.
- (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 safety culture that fosters an environment where workers are free to express concerns related to safety;
  - (ii) The Contractor has a safety program and culture appropriately tailored for the uniqueness of mine operations;
  - (iii) The Contractor has an effective safety and health program;
  - (iv) The Contractor demonstrates a mature Contractor Assurance System; and,
  - (v) Maintaining a comprehensive Emergency Management Program.
- (5) Cost Control - The Contractor's cost control will be evaluated to assess:

- (i) Effectiveness of cost planning and cost estimating;
- (ii) Clarity of and ability to trace costs and schedule relative to work schedule/technical progress;
- (iii) Effectiveness of cost reduction/cost avoidance initiatives; and,
- (iv) Completeness and accuracy of monthly project status reports.

## 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 80% of the Total Available Fee, NTE \$14,097,908 (80% of \$17,622,385).

## 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 or partial PBI fee that must be granted based on the FDO's review. The review is qualitative, not quantitative and the Contractor will not necessarily be granted any fee 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.) It is within the FDO's discretion to grant no fee for incomplete milestone no matter what percent complete those milestones are at the milestone date. 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:

<b>EXCELLENT</b>	Contractor has exceeded almost all of the performance requirements of the applicable criterion for the award-fee evaluation period.
<b>VERY GOOD</b>	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.
<b>GOOD</b>	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.
<b>SATISFACTORY</b>	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.
<b>UNSATISFACTORY</b>	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:

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

Provisional fee may be requested and drawn by the 25<sup>th</sup> calendar day of each month up to one-twelfth (1/12<sup>th</sup>) 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.

## ATTACHMENT 1

### PERFORMANCE BASED INCENTIVES (PBIs)

#### SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2019 through 9/30/2020  
Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: **Revision 0 (Mod 246), 08/30/2019**

#### SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
<b>\$321,672,541</b>	<b>\$14,097,908 (80% of \$17,622,385)</b>

CBFO Management Control Packages: NA

#### SECTION III – INCENTIVE INFORMATION

Difficulty:	High <input checked="" type="checkbox"/>	Medium <input type="checkbox"/>	Low <input type="checkbox"/>
Duration:	Annual <input checked="" type="checkbox"/>	Multi-year <input type="checkbox"/>	
Fee Payment type:	Completion <input checked="" type="checkbox"/>	and	Progress <input checked="" type="checkbox"/> and Provisional <input checked="" type="checkbox"/>

#### 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. Completing a modernization plan to improve operations at WIPP;
2. Completing and progress on Mining Panel 8 and emplacing TRU waste in Panel 7;
3. Completing and progress on the WIPP line item capital asset projects;
4. Completing and progress on the General Plant Projects (GPP), infrastructure projects, and major maintenance activities to overcome degraded conditions at WIPP;
5. Progress on Underground Vehicle Fleet Replacement;
6. Progress in establishing additional Remote Handled Waste capability;
7. Completing and progress on certifying waste streams so they are ready for shipment; and
8. Progress on improving near-term safety of the mine.

**Metric/Milestone 1:** The Contractor will earn a maximum of \$50,000 in fee for development and delivery of a modernization plan, including a Rough Order Magnitude estimate and schedule, by March 31, 2020 for inclusion in the FY2021 and FY2022 budget requests. The modernization plan is to take advantage of technological changes in waste processing, waste handling, control systems, mining, maintenance, work control activities, and others since WIPP was constructed, including evolution of Remote Handling equipment / modernization, energy efficiency and affirmative procurement goals, and worker safety and health advancements and improvements.

The maximum available fee for Metric/Milestone 1 is \$50,000.

**Metric/Milestone 2:** The Contractor will earn a maximum of \$6,222,908 in fee for progress toward Panel 7 closure and Panel 8 readiness in FY2020. Mining progress will be tracked through weekly surveys by geotechnical personnel along with companion emplacement progress of TRU waste containers emplaced in Panel 7. The total number of columns of TRU waste containers projected to be emplaced by the end of FY2020 will be agreed-to by September 30, 2019 through a Contracting Officer Letter.

- A. The Contractor will earn a maximum of \$5,453,694 to complete mining Panel 8 by August 1, 2020 (Does not include outfitting of Panel 8 needed to start waste emplacement);
- B. The Contractor will earn a maximum of \$769,214 for the emplacement of full columns of TRU waste containers in Panel 7.

The maximum available fee for Metric/Milestone 2 is \$6,222,908.

**Metric/Milestone 3:** The Contractor will earn a maximum of \$4,200,000 in fee for completion of the following construction activities of the line item capital asset project 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) project and completion of the drifts for the 15-D-412 Utility Shaft (US) project). All schedule dates include Contractor Schedule Margin and are subject to change based upon the realization of risks and opportunities and the application of DOE held schedule contingency identified for those risks and opportunities documented by the appropriate Risk Management Plan for each project.

- A. The Contractor will earn a maximum of \$3,000,000 in fee for completion of the 15-D-411 SSCVS project activities as follows:
  - 1. SRB & NFB tilt up panel walls installed by January 16, 2020 [Schedule IDs: SRBBL2999, Install Precast and NFBBL1370, Grids 29 & 'T' SE Precast Wall Panels Erect/Grout] - \$1,500,000
  - 2. NFB drilled piers installed by May 27, 2020 [Schedule ID: NFBBL15AA, Install Concrete Miscellaneous (NON PVS) Drilled Piers @ NFB South Elevation] - \$1,500,000.
- B. The Contractor will earn a maximum of \$1,200,000 in fee for completion of the 15-D-412 Utility Shaft project activities as follows:
  - 1. Complete NARB and USI and close out both projects by March 30, 2020 [Schedule IDs: NARB-M1060 and A1410] - \$600,000
  - 2. Receive Hybrid Bolter by February 20, 2020 [Schedule ID: UESBL-DRF6690] - \$300,000
  - 3. Excavate/Muck/Set Liner/Place Concrete/Concrete Cure Shaft Excavation 50-100 ft by July 10, 2020 – Schedule ID: UESBL-SE1200 - \$300,000

The maximum available fee for Metric/Milestone 3 is \$4,200,000.

**Metric/Milestone 4:** The Contractor will earn a maximum of \$1,200,000 in fee for completion/progress of

the following priority 1 and 2 General Plant Projects (GPP), major maintenance activities, and major items of equipment from the baseline of Consolidated Master Project List (CMPL) items (approved by the Contracting Officer Representative, dated September 14, 2018) to overcome the aging and degraded conditions at WIPP excluding projects separately identified in other metric/milestones.FY2020. Any changes to the CMPL will be through a Contracting Officer Letter

1. Complete the CMR Upgrade project [Schedule ID: CMR-1570]; closeout project by May 22, 2020 - \$250,000;
2. Complete the Lightning Array project and have the system certified [Schedule ID: LAU-2480], close the subcontract and reconcile all costs by December 31, 2019 - \$200,000;
3. Receive delivery of the replacement underground substation and complete the installation and turnover to Operations [Schedule ID: USR-1930]; turn the system over for Operations and exit outage of substations by March 31, 2020 – \$400,000;
4. Complete the current Salt Hoist repairs and close out the project by March 31, 2020. [Schedule ID: SHR-2480] - \$350,000.

The maximum available fee for Metric/Milestone 4 is \$1,200,000.

**Metric/Milestone 5:** The Contractor will earn a maximum of \$1,000,000 in fee for procurement of core underground mining equipment (core underground mining equipment, to be replaced will consist of mobile equipment necessary for safe and compliant mining methods, to be identified, and inventoried and agreed-to by September 30, 2019 through a Contracting Officer Letter) utilizing battery electric / Tier IV final vehicles.

The maximum available fee for Metric/Milestone 5 is \$1,000,000.

**Metric/Milestone 6:** The Contractor will earn a maximum of \$500,000 in fee for progress in establishing additional Remote Handled waste capability as follows: Submit an amendment application to the NRC to allow use of the SC-30G2, SC-30G3, SC-55G1 and SC-55G2 as authorized payload containers for a maximum of \$500,000 in fee in FY2020.

The maximum available fee for Metric/Milestone 6 is \$500,000.

**Metric/Milestone 7:** The Contractor will earn a maximum of \$500,000 in fee for completing Chemical Compatibility Evaluation (CCE) approvals and initial Basis of Knowledge (BoK) approvals by September 30, 2020. The Contractor will earn a maximum of \$250,000 in fee in FY2020 for 10 waste streams as directed by CBFO Contracting Officer letter, based on input from the Office of the National TRU Program, to meet program priorities. \$50,000 in fee will be earned for completion of each CCE and BoK approval for each waste stream.

The maximum available fee for Metric/Milestone 7 is \$500,000.

**Metric/Milestone 8:** The Contractor will earn a maximum of \$425,000 in fee for improving near term safe conditions in previously agreed upon core areas of the mine with demonstrated priority on Geotechnician-identified priority areas of concern:

- Maintain a safety factor greater than 1.3 in the core areas (including installation of approximately 65 bolts per week)
- Utilizing input from newly formed Expert Panel, evaluate current ground control metrics and revise accordingly by December 31, 2019.

The maximum available fee for Metric/Milestone 8 is \$425,000.

## 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 Metric/Milestone 1, the Contractor will submit a request for a completion payment earned based upon the submittal of the completed modernization plan, including a Rough Order Magnitude estimate and schedule, that takes advantage of technological changes in waste processing, waste handling, control systems, mining, maintenance, work control activities, and others since WIPP was constructed, including evolution of Remote Handling equipment / modernization, energy efficiency and affirmative procurement goals, and worker safety and health advancements and improvements. CBFO will perform a review/assessment to validate the adequacy and quality of the delivery of the Modernization Plan for payment of fee.

**Payment Metric/Milestone 2:** For completion or progress in mining Panel 8, the Contractor will submit a request for payment earned based on completion or progress of Panel 8 mining. The Contractor may submit requests for payment for completing mining per room(s) starting with room 5 (room completion is defined as "rough cut." See definition of "rough cut" in the Definitions section below).

The CBFO Contracting Officer (CO) will notify NWP of the agreed-to total number of columns of TRU waste containers projected to be emplaced by the end of FY2020 by September 30, 2019 through a Contracting Officer Letter. For progress in emplacing TRU waste in Panel 7, the Contractor will submit a request for payment earned based on the number of full columns of TRU waste emplacements completed per month or quarter but no more frequently than monthly. CBFO will perform assessments to validate completions.

**Payment Metric/Milestone 3:** For completion or progress associated with the line item capital asset project's incentivized activities, the Contractor will submit a request for payment earned based on the activities completed by Schedule ID specified below. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the following activities:

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

1. SRB & NFB tilt up panel walls installed by January 16, 2020 [Schedule IDs: SRBBL2999, Install Precast and NFBBL1370, Grids 29 & 'T' SE Precast Wall Panels Erect/Grout]
2. NFB drilled piers installed by May 27, 2020 [Schedule ID: NFBBL15AA, Install Concrete Miscellaneous (NON PVS) Drilled Piers @ NFB South Elevation].

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

1. Complete NARB and USI and close out both projects by March 30, 2020 [Schedule IDs: NARB-M1060 and A1410]
2. Receive Hybrid Bolter by February 20, 2020 [Schedule ID: UESBL-DRF6690]
3. Excavate/Muck/Set Liner/Place Concrete/Concrete Cure Shaft Excavation 50-100 feet by July 10, 2020 [Schedule ID: UESBL-SE1200].

CBFO will perform assessments to validate completions.

**Payment Metric/Milestone 4:** For completion of the CMPL work scopes, the Contractor will submit a request for a completion payment earned based on the activities completed by Schedule ID specified below.

1. Complete the CMR Upgrade project [Schedule ID: CMR-1570]; closeout project by May 22, 2020.
2. Complete the Lightning Array project and have the system certified [Schedule ID: LAU-2480] and close the subcontract and reconcile all costs by December 31, 2019.
3. Receive delivery of the replacement underground substation and complete the installation and turnover to Operations [Schedule ID: USR-1930] and turn the system over for Operations and exit outage of substations by March 31, 2020.
4. Complete the current Salt Hoist repairs and close out the project by March 31, 2020. [Schedule ID: SHR-2480].

CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

**Payment Metric/Milestone 5:** The CBFO Contracting Officer (CO) will notify NWP of the number and type of core underground mining equipment to acquire to earn fee under this metric/milestone in a letter by September 30, 2019. The Contractor will submit requests for progress made in acquiring a fleet of core underground mining equipment (battery electric/Tier 4F final vehicles) during this performance period. Procurement of core underground mining equipment will be verified by CBFO during the performance of an assessment by reviewing applicable objective evidence such as a copy of the subcontract/purchase order issued for the acquisition and comparing it to the CO letter specifying the type and number of equipment allowed for the Contractor to earn fee. Receipt of equipment will be verified by physical verification of the equipment on-site at WIPP specified in the aforementioned CO letter. The amount of fee earned for each procurement will be solely at the discretion of the FDO.

**Payment Metric/Milestone 6:** For progress in establishing additional Remote Handled waste capability, the Contractor will submit a request for completion payments earned based on applications submitted to the NRC authorizing the new payload containers (SC-30G2, SC-30G3, SC-55G1 and SC-55G2 shielded containers). CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

**Payment Metric/Milestone 7:** The CBFO Contracting Officer will notify NWP of waste streams meeting the criteria in a letter, after prior discussion with NWP, issued by September 30, 2019. The Contracting Officer may revise the approved waste streams through the fiscal year based upon input from the CBFO Office of 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 approved CCE and

approved BoK.

**Payment Metric/Milestone 8:** For progress in improving near term safety ensuring viability of the mine as shown below, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will perform assessments to validate completion and progress. The amount of fee earned for each of the below metrics shall be solely at the discretion of the FDO and will not necessarily reflect a percentage of completion of the entire milestone.

- A) Safety factor calculations throughout the performance period;
- B) Number of long or short bolts installed in the Core Areas per week.

## 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 (Maintenance Shop, UG Services only)
- E-300 drift.
- Panel 8
- O-E & E-140 North of N-150

**CMPL:** Consolidated Master Project List approved by CBFO GPPs, Major Maintenance projects, and Major Items of Equipment.

**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 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.

**Rough Cut:** A term used to describe a preliminary phase of mining waste disposal rooms and panels. When the "Rough Cut" of a room or panel is complete, that means the initial mining lower horizon, the initial mining upper horizon, and the re-mine to Clay G are complete. Rough cut does not include rib trimming or floor trimming. To put these terms in context, see the Weekly Progress Map for Panel 8 provided by the Contractor.

**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.

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

None

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**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.

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**SECTION VI - EARNINGS SCHEDULE**

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*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.

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## SECTION I – GENERAL INFORMATION

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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

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## SECTION II – ACCOUNTING/PROJECT INFORMATION

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Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
<b>N/A (Super Stretch)</b>	<b>\$ 10,000,000</b>

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CBFO Management Control Packages: N/A

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## SECTION III – INCENTIVE INFORMATION

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Incentive type:	Base <input type="checkbox"/>	Stretch <input type="checkbox"/>	Super Stretch <input checked="" type="checkbox"/>
Difficulty:	High <input checked="" type="checkbox"/>	Medium <input type="checkbox"/>	Low <input type="checkbox"/>
Duration:	Annual <input type="checkbox"/>	Multi-year <input checked="" type="checkbox"/>	
Fee Payment type:	Completion <input type="checkbox"/>	Progress <input checked="" type="checkbox"/>	Provisional <input type="checkbox"/>

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## SECTION IV - PERFORMANCE MEASUREMENT

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### 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.*

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## SECTION V - PERFORMANCE REQUIREMENTS

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

None.

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**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

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

None.

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**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.

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## SECTION VI - EARNINGS SCHEDULE

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*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.