

2. AMENDMENT/MODIFICATION NO. 0267	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY EM-Carlsbad EMCBC U.S. Department of Energy Carlsbad Project Office P.O. Box 3090 Carlsbad NM 88221	CODE 893032	7. ADMINISTERED BY (If other than Item 6) EMCBC - Carlsbad U.S. Department of Energy Carlsbad Project Office P.O. Box 3090 Carlsbad NM 88221	CODE 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.
		9B. DATED (SEE ITEM 11)
	x	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-EM0001971
		10B. DATED (SEE ITEM 13) 04/20/2012
CODE 968993910	FACILITY CODE	

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:
	D. OTHER (Specify type of modification and authority)
X	H.25 Performance Evaluation and Management Plan

E. IMPORTANT: Contractor is not is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
The purpose of this modification is to incorporate the FY2020 Performance Evaluation and Measurement Plan, Revision 1 dated August 3, 2020.

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

Payment:
OR for EMCBC
U.S. Department of Energy
Oak Ridge Financial Service Center
P.O. Box 5777
Oak Ridge TN 37831
Continued ...

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) SEAN DUNAGAN, PRESIDENT & PROJECT MANAGER	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Wendy L. Bauer
15B. CONTRACTOR/OFFEROR /signature on file/ <small>(Signature of person authorized to sign)</small>	15C. DATE SIGNED 8/12/20
16B. UNITED STATES OF AMERICA /signature on file/ <small>(Signature of Contracting Officer)</small>	16C. DATE SIGNED 08/12/2020

CONTINUATION SHEETREFERENCE NO. OF DOCUMENT BEING CONTINUED
DE-EM0001971/0267PAGE OF
2 24NAME OF OFFEROR OR CONTRACTOR
Nuclear Waste Partnership LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 10/01/2012 to 09/30/2020				

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

1 OCTOBER 2019 THROUGH 30 SEPTEMBER 2020

CONTRACT DE-EM0001971

DRAFT Revision 1 - ~~August 3, 2020~~ July 30, 2020

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) Deputy 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 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 (Criterion 4) as a result of citations issued by the Mine Safety and Health Administration (MSHA) in the performance period corresponding to five times the penalty amounts of those citations as cited in 30CFR100.3, *Determination of penalty amount; regular assessment* as shown on the Proposed Assessment and Statement of Account reports received from MSHA after each inspection. For FY2020, the FDO has agreed to apply the five times multiplier only for MSHA citations received after the date of this revision of the FY2020 PEMP. 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, not to exceed (NTE) \$4,405,596(25% of \$17,622,385). The maximum fee available for each of the following five subjective criteria is \$881,119 (20% of \$4,405,596).

- (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) Scheduled WIPP Plant availability to support TRU waste disposal operations and ability to overcome unplanned impacts to plant availability;
 - (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;
 - (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); and,
 - (viii) Performance in managing COVID-19 ramp down and ramp-up activities in response to Partial Stop Work Order. Maintaining continuity and resiliency with the contractor workforce during the COVID-19 pandemic period to ensure the availability of critical skills, ensuring a mobile ready state, and minimizing re-mobilization impacts.

- (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 development and execution of the approved performance measurement baseline and ad hoc schedules;
 - (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;
 - (xiv) Address Records Management findings (Contractor-related findings) raised by DOE EM and NARA Assessment, Contracting Officer letter dated April 7, 2020;
 - (xv) Contractor responsiveness to reviews, assessments, and inquiries from external organizations (e.g., Capital Asset Project Peer Reviews, Defense Nuclear Facility Safety Board Inquiries, Office of Enterprise Assessment reviews, etc.);
 - (xvi) Develop and implement an effective recovery plan for the SSCVS line item capital asset project to significantly improve the overall performance, including construction subcontractor management and oversight and timely resolution of the design/engineering changes;
 - (xvii) Demonstrate effective subcontract management, including award of subcontracts as scheduled, inclusion of all requirements, subcontractor audits, and subcontract administration. Contractor will monitor subcontractor performance to ensure compliance with all requirements including safety performance, regulatory compliance, project performance, small business subcontracting plans, Buy American Act, and applicable labor statutes; and,
 - (xviii) Overall effective management of the underground mine operations.
- (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 overall cost planning, cost controls, and cost estimating;
 - (ii) Clarity of and ability to trace costs and schedule relative to work schedule/technical progress;
 - (iii) Long range planning to control costs;
 - (iv) Completeness and accuracy of monthly, quarterly, annual and ad hoc program/ project status and cost reports;
 - (v) Implementation of corrective actions to ensure timely prevention and/or mitigation of negative cost/schedule trends; and,
 - (vi) Line Item Capital Asset Projects cost control performance (This subjective criterion will influence the objective measure in PBI Metric/Milestone 3 stated as "The overall project performance (Estimate at Completion \leq Contract Budget Base [PMB+MR]) must be maintained, otherwise only up to 50% of the individual PBI milestone fee can be earned.").

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, 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, NTE \$13,216,787 (75% 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:

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:

Adjective Rating	Percentage of Subjective Component of Fee Earned
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 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: 10/1/2019 through 9/30/2020
 Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: **Revision 1 (Mod 2xx), 07-30-2020**

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
\$321,672,541	\$13,216,787 (75% of \$17,622,385)

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;
8. Progress on improving near-term safety of the mine; and,
9. Progress on developing and implementing response procedures and plans for nonconformance conditions that could significantly delay waste processing.

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 September 30, 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 412 full columns (\$1,867.02 per full column) of TRU waste containers in Panel 7 (Full columns and fee per column were adjusted due to COVID-19 impacts as of 4/30/2020).

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

Metric/Milestone 3: The Contractor will earn a maximum of \$3,990,000 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 shaft and drifts for the 15-D-412 Utility Shaft (US) project). All schedule dates associated with the Schedule IDs herein 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. The overall project performance (Estimate at Completion ≤ Contract Budget Base [PMB+MR]) must be maintained, otherwise only up to 50% of the individual PBI milestone fee can be earned.

- A. The Contractor will earn a maximum of \$2,790,000 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] - \$1,395,000.
 - 2. NFB drilled piers installed by May 27, 2020 [Schedule ID: NFBBL15AA, Install Concrete Miscellaneous (NON PVS) Drilled Piers @ NFB South Elevation] - \$1,395,000.
- 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 to a depth of at least 100 feet by August 10, 2020– [Schedule ID: UESBL-SE1200] - \$300,000.

The maximum available fee for Metric/Milestone 3 is \$3,990,000.

Metric/Milestone 4: The Contractor will earn a maximum of \$1,000,000 in fee for completion/progress by September 30, 2020, of the following General Plant Projects (GPP), major maintenance activities, and major items of equipment to overcome the aging and degraded conditions at WIPP.

- A. Complete Plant Air Recapitalization Project to earn \$200,000.
- B. Complete the Lightning Array project to earn \$100,000.
- C. Complete the procurement of Salt Hoist head frame repairs and commence work to earn \$50,000.
- D. Make progress on the Fire Water Loop Recapitalization Phases 1 & 2 project by completing the assembly and installation of storage tanks and pouring pump house walls to earn \$250,000.
- E. Make progress on the Site Network Fiber Optic Upgrade by completing the Final Design with Professional Engineer Stamp to earn \$50,000.
- F. Complete project activities for the 700C fan restart decision to earn \$350,000.

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

Metric/Milestone 5: The Contractor will earn a maximum of \$200,000 in fee for procurement of the replacement or retrofit of the following core underground equipment.

Equipment #	Equipment Description	Replacement/Retrofit	Type
52-H-008A	CH Transporter	Replacement	Tier 4 Final
52-H-008D	CH Transporter	Retrofit	Tier 4 Final
52-H-008E	CH Transporter	Retrofit	Tier 4 Final
74-U-004	Lube Truck	Replacement	Tier 4 Final
52-H-035A	Forklift 13T	Replacement	Tier 4 Final
52-H-035B	Forklift 18T	Replacement	Tier 4 Final
74-H-046	Forklift 6T	Replacement	6 Ton Electric
74-H-048	Forklift 4T	Replacement	4 Ton Electric
74-U-147	Lift Truck	Replacement	Tier 4 Final
74-U-146	Hybrid Roof Bolter	Replacement	Tier 4 Final
74-G-089	Air Compressor	Replacement	Electric

The maximum available fee for Metric/Milestone 5 is \$200,000.

Metric/Milestone 6: The Contractor will earn a maximum of \$200,000 in fee for progress in establishing additional Remote Handled waste capability by September 30, 2020, as follows: Prepare an amendment application to the NRC to allow use of the Shielded Container Assemblies (SCAs) SC-30G2, SC-30G3, SC-55G1 and SC-55G2 as authorized payload containers. The application will be submittal ready with the exception of data tied to completion of drop tests. In addition to a submittal ready application with the exception of drop test data, the Contractor will provide a resource-loaded schedule that reflects the Contractor's (NWP's) required activities, necessary resources, and durations to complete and submit the SCA amendment application to the NRC after the drop tests and associated tests are completed to earn the maximum available fee.

The maximum available fee for Metric/Milestone 6 is \$200,000.

Metric/Milestone 7: The Contractor will earn a maximum of \$900,000 in fee for completing Chemical Compatibility Evaluations (CCE) and initial Basis of Knowledge (BoK) documents for the following 18 waste streams by September 30, 2020. \$50,000 in fee will be earned for completion of CCE and BoK documents for each of waste streams A through N. For waste streams O through R, the Contractor will earn a maximum of \$50,000 per waste stream upon submittal of CCE and BoK documents to derivative classifiers.

- A. ID-HFEF-S3000-RP
- B. ID-HFEF-S5000-RP
- C. ID-HFEF-S5400-RH
- D. SR-KAC-HET
- E. SR-KAC-HET-A
- F. SR-W026-772-HET
- G. SR-SDD-HET-A
- H. SR-SDD-HOM-A
- I. SR-SDD-HOM-B
- J. SR-SWMF-HET-A
- K. SR-SWMF-HET-B
- L. SR-W027-235F-HEPA
- M. SR-W027-235F-HET
- N. SR-W027-235F-HOM-A
- O. OR-NBL-CH-HET
- P. OR-NFS-CH-HOM-A
- Q. OR-GENR-CH-HET
- R. OR-LWT-CH-HET

The maximum available fee for Metric/Milestone 7 is \$900,000.

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 (See definition of core areas) 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.

Metric/Milestone 9: The Contractor will earn a maximum of \$228,879 in fee for developing DRAFT response procedures and Contractor pre-approved Response Plans for resolution of anticipated nonconformance conditions as bulleted below (e.g. breached container, elevated radiological surveys and container deformation/potential pressurization). The contractor will earn fee for this metric/milestone when the DRAFT procedures and Contractor-reviewed and approved response plans are submitted to CBFO, completion of mock-up demonstrations of the response procedures and response plans, and store-stocking materials (e.g., over-pack containers, etc.) needed to implement the procedures and plans for the nonconformance conditions (bulleted below) by September 30, 2020. The Contractor will earn \$228,879 in fee for completing the activities listed above for all of the following nonconformance conditions that could significantly delay waste processing without these procedures/plans:

- Receipt of waste payload container (i.e., 55-gallon drum, 100-gallon drum, Standard Waste Box [SWB], Ten Drum Overpack [TDOP], or Standard Large Box [SLB-2]) with degraded surface (See definition of degraded surface);
- Receipt of deformed/over-pressurized waste payload container;
- Receipt of waste payload container with elevated radioactive measurements (Radiological Work Permit (RWP) exceedance, WAC PE-Ci limits exceedance);
- Receipt of waste payload container with Discrepancy from Waste Data System (WDS) and WAC.

The maximum available fee for Metric/Milestone 9 is \$228,879.

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 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 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 associated with the following activities, the Contractor will submit a request for payment earned based on the completed activities. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the following activities:

- A. For completion or progress in mining Panel 8 by September 30, 2020, the Contractor will submit a request for payment earned based on completion or progress of Panel 8 mining (Does not include outfitting of Panel 8 needed to start waste emplacement). The request will include mine maps showing the status of 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).
- B. 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 through review of waste emplacement reports from the Waste Data System 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 tilt up panel walls installed – The Contractor shall provide documentation that the SRB tilt up panel walls have been installed or progress was made by January 16, 2020 [Schedule IDs: SRBBL2999, Install Precast]. This documentation will include high quality photographs with captions of the installed walls and both the Contractor's Project Subcontractor Technical Representative (PSTR) records and subcontractor's records documenting the progress of the SRB walls construction.
2. NFB drilled piers installed – The Contractor shall provide documentation that the NFB drilled piers were installed or the progress was made by May 27, 2020 [Schedule ID: NFBBL15AA, Install Concrete Miscellaneous (Non-Permanent Ventilation System or "NON PVS") Drilled Piers @ NFB South Elevation]. The documentation will include high quality photographs with captions of the installed piers and the Contractor's PSTR records and CAA records documenting the progress of the NON-PVS Drilled Piers at 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] – The Contractor shall provide project close out documentation verifying that both the NARB and USI projects have been completed and closed out. This documentation will be high quality photographs with captions of the completed NARB and open for traffic, along with the subcontractor's closed out work packages/records. For the USI project, close-out documentation will include high quality photographs with captions of the final electrical tie-ins into the new substations installed west of the existing WIPP Site and North of the Shaft #5 location, along with the Contractor's Start-up documentation approving that the electrical systems can be powered and operated.
2. Receive Hybrid Bolter by February 20, 2020 [Schedule ID: UESBL-DRF6690] – The Contractor shall provide documentation that the US Project Hybrid Bolter has been received by the Contractor and accepted by the Contractor's Quality Assurance (QA) Department. Once the Hybrid Bolter has been received at the WIPP Site, Contractor QA will attend and document the final testing at the fabrication facility in Huntington, WV and perform and document the inspection of the Bolter to verify the specifications for the Bolter have been met. The inspection report will be the evidence of acceptance by Contractor Quality Assurance, Engineering, and Operations Departments.
3. Excavate/Muck/Set Liner/Place Concrete/Concrete Cure Shaft Excavation to a depth of at least 100 feet by August 10, 2020 [Schedule ID: UESBL-SE1200]. The Contractor shall provide documentation that the Shaft and Drifts contractor has completed at least the first 100 feet of the Shaft #5 excavation and that the concrete liner has been installed to a minimum of 100 feet below top of grade. This documentation will be high quality photographs with captions showing the concrete liner is at a minimum of 100 feet below existing grade and the Contractor's PSTR records verifying the depth achieved, and the subcontractor's records verifying achieved depths.

Payment Metric/Milestone 4: For completion of the CMPL work scopes by September 30, 2020, the Contractor will submit a request for a completion payment earned based on the activities completed as specified below. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the following activities:

- A. Complete Plant Air Recapitalization Project - The Contractor shall provide the completed and signed off commissioning documentation that the new compressor system is fully functioning to the design performance specifications and that the system has been turned over and accepted by the Contractor's Quality Assurance, Engineering, and Operations Departments with approved operations and maintenance procedures.
- B. Complete the Lightning Array Project – The Contractor shall supply the certification from the licensing company verifying the complete WIPP Site Lightning Protection system meets all certification requirements.
- C. Complete the procurement of Salt Hoist head frame repairs and commence work – The Contractor shall provide the awarded subcontract for the remaining repairs of the Salt Hoist headframe, the structural integrity report for the Salt Hoist head frame, and work control documentation providing evidence that the work has commenced. Photographs will be high quality with captions.
- D. Make progress on the Fire Water Loop Recapitalization Phases 1 & 2 project by completing the assembly and installation of storage tanks and pouring pump house walls – The Contractor shall provide the approved Purchase Order for two 200,000 gallon water storage tanks, the QA approved Commercial Grade Dedication (CGD) documentation verifying the water storage tanks meet the Safety Significant Functional Classification, completed work control documents showing storage tank installations, and all QA documentation for the pump house compaction tests and concrete strength tests. Photographs will be high quality with captions.
- E. Make progress on the Site Network Fiber Optic Upgrade by completing the Final Design with Professional Engineer Stamp – The Contractor shall provide verification that the Contractor's Engineering Department has approved the 100% design with Professional Engineer Stamp for the new Site Network Fiber Optic Upgrade and also the approved construction work package verifying that construction of the new fiber line installation has commenced. Photographs will be high quality with captions.
- F. Complete project activities for the 700C fan restart decision – The Contractor shall provide evidence that the preparations for the restart of 700C fan including all hardware and control system modifications, cold testing, and CBFO/ Consortium for Risk Evaluation with Stakeholder Participation (CRESP) concurrence on hot testing with no mitigating actions (fixative or salt removal) are complete. Photographs will be high quality with captions.

Payment Metric/Milestone 5: For the replacement or retrofitting of underground equipment as identified in Metric/Milestone 5 with battery electric or Tier 4 final engines, the Contractor will submit a request for completion/progress payment(s) earned. Procurement of core underground equipment will be verified by CBFO during the performance of an assessment by reviewing applicable objective evidence including a copy of the subcontract/purchase order issued for the acquisition and comparing it to list of equipment in Metric/Milestone 5 specifying the type, description, number of equipment and whether each piece of equipment will be replaced or retrofitted.

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 for the new payload containers (SC-30G2, SC-30G3, SC-55G1 and SC-55G2 shielded containers) ready for submittal to the NRC with the exception of data tied to completion of drop tests. The application will entail the following with exception of item 2 as item 2 is almost wholly supported by the data generated from the post drop test results and impending post drop test shielding analysis.

New SCA Designs

1. CH-TRAMPAC Global - Add new shielded container assembly configurations as authorized payload container types.
2. CH-TRU Payload Appendices (CPA) - Add appendices for new shielded container assembly configurations.
3. CH-TRAMPAC Section 3.1 and SAR Chapter 6.0- New criticality evaluations for new SCA designs. Need to consider worst conditions with respect to payload container properties used in any new criticality evaluation, even if establishing payload FGE limit only (e.g., the presence of additional lead/steel may increase the reactivity slightly and should be evaluated).

The application will be submittal ready with the exception of data tied to completion of drop tests. In addition to a submittal ready application with the exception of drop test data, the Contractor will provide a resource-loaded schedule that reflects the Contractor's (NWP's) required activities, necessary resources, and durations to complete and submit the SCA amendment application to the NRC after the drop tests and associated tests are completed to earn the maximum available fee. Photographs of the test containers will be high quality with captions. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

Payment Metric/Milestone 7: For completion of the CCE and BoK documents for waste streams A through N in Metric/Milestone 7 or for submittal of CCE and BoK documents to derivative classifiers for waste streams O through R in Metric/Milestone 7, the Contractor will submit request(s) for completion payment(s) for the applicable waste streams earned under this metric/milestone, including copies of the CCE and BoK documents. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

Payment Metric/Milestone 8: For progress in improving near term safety ensuring viability of the mine, the Contractor will submit a request for completion payment earned under this metric/milestone, including mine maps showing the calculated safety factors and prohibited areas (with durations of the prohibited areas) in the core areas of the mine throughout the fiscal year. CBFO will perform assessments to validate completion of this metric/milestone.

Payment Metric/Milestone 9: For completion or progress of DRAFT response procedures and Contractor- reviewed and approved response plans submitted to CBFO, completion of mock-up demonstrations of the response procedures and response plans, and store-stocking materials (e.g., over-pack containers, etc.) needed to implement the procedures and plans for each of the bulleted nonconformance conditions by September 30, 2020, the Contractor will submit a request for completion payment earned under this metric/milestone. The fee request shall include copies of DRAFT response procedures, Contractor-approved response plans, attendance sheets of mock-up demonstrations of the conditions described in Metric/Milestone 9 using qualified operators, high quality photographs with captions of the mock-up demonstrations, and store stock lists of materials listed in the response procedures and response plans.

DEFINITIONS:

Catch-Up Bolting: Bolting in areas in the underground 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 0 (Zero)-E 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
- 0 (Zero)-E & E-140 North of N-150

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

Degraded Surface of Waste Container: This definition applies to MM 9. The degraded conditions could include observable loss of metal due to oxidation (e.g. rust), breaching (hole or open area), denting, creasing, crackling, gouging of the metal, or damage that affects Container closure.

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.

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

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

CBFO Management Control Packages: N/A

SECTION III – INCENTIVE INFORMATION

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"/>

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 (or other work mutually agreed to by CBFO and the Contractor). 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 the Contractor 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 the Contractor) 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 the Contractor 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.