AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		47

2. AMENDMENT/MODIFICATION NUMBER	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQUISITION NUMBER	5. PROJECT NUMBER *(If applicable)*
P00100	See Block 16C		

6. ISSUED BY CODE 893032

EM-Carlsbad
EMCBC
U.S. Department of Energy
Carlsbad Project Office
P.O. Box 3090
Carlsbad NM 88221

7. ADMINISTERED BY *(If other than Item 6)* CODE 03003

EMCBC - Carlsbad
U.S. Department of Energy
Carlsbad Project Office
P.O. Box 3090
Carlsbad NM 88221

8. NAME AND ADDRESS OF CONTRACTOR *(Number, street, county, State and ZIP Code)*

SALADO ISOLATION MINING CONTRACTORS, LLC
Attn: Marty Gonzales
12011 SUNSET HILLS RD STE 110
Reston VA 201905919

CODE MHKNRXGKKTS6 FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NUMBER

☐ 9B. DATED *(SEE ITEM 11)*

☒ 10A. MODIFICATION OF CONTRACT/ORDER NUMBER
89303322DEM000077

10B. DATED *(SEE ITEM 13)*
07/11/2022

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 ACKNOWLEDGMENT 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 APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NUMBER 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 NUMBER 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)*
I.227 DEAR 970.5243-1 Changes (Jul 2009)

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.)*
See continuation page

Except as provided herein, all terms and conditions of the document referenced in Item 9A 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)*	
		Daniel D. Burke	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		DANIEL BURKE Digitally signed by DANIEL BURKE Date: 2026.08.27 09:55:36 -04'00' *(Signature of Contracting Officer)*	08/27/2026

Previous edition unusable

STANDARD FORM 30 (REV. 11/2016)
Prescribed by GSA FAR (48 CFR) 53.243

NAME OF OFFEROR OR CONTRACTOR
SALADO ISOLATION MINING CONTRACTORS, LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	UEI: MHKNRXGKKTS6 See Page 2. Payment: Period of Performance: 11/08/2022 to 09/30/2029				

The purpose of this modification is to incorporate the FY27 Performance Evaluation and Measurement Plan (PEMP) into the contract. The contract is modified in accordance with I.227 DEAR 970.5243-1 Changes (Jul 2009). The contract is revised as follows:

1. Section B, B.3 Transition Cost, Anticipated Funding, and Total Available Performance Fee, Tables B.1 and B.2 are replaced in their entirety with Modification Attachment 1 – SIMCO Revised Section B Tables;

2. Contract Section J, List of Attachments, Attachment J-3 Performance Evaluation and Measurement Plan is hereby revised to incorporate FY27 PEMP to the contract (Modification Attachment 2);
   *FAR references in the PEMP can be found in the Revolutionary FAR Overhaul at Revolutionary FAR Overhaul | Acquisition.GOV

3. In addition and if applicable, SIMCO may inform this office in writing of any PBIs that you determine to be unclear or subjective and provide proposed clarifying language, including a negative response, no later than October 31, 2026. Submittal of proposed clarifying language does not constitute acceptance by DOE. If necessary, conversations subsequent to the submittal may take place.

- End of Changes -

All other Contract Terms and Conditions remain unchanged and in full force and effect

Table B.1

CLIN Title	Performance Fee Cap Percentage (%)	Total Available Performance Fee	IDIQ Maximum Quantity
00001- Contract Transition 90 Days (PWS Section C.1)	N/A	N/A	
Base Period			
00002- Base Contract Period February 4, 2023 - September 30, 2026 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$45,762,477	
Option Periods			
00003- Option Contract Period October 1, 2026 – September 30, 2027 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$14,349,002	
00004- Option Contract Period October 1, 2027 – September 30, 2028 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$13,360,481	
00005- Option Contract Period October 1, 2028 – September 30, 2029 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$13,618,787	
00006- Option Contract Period October 1, 2029 – September 30, 2030 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$13,882,259	
00007- Option Contract Period October 1, 2030 – September 30, 2031 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$14,151,001	
00008- Option Contract Period October 1, 2031 – November 7, 2032 (PWS Sections: C.2, C.3, C.4, C.5.2, C.6, C.7)	6%	$14,425,117	
Capital Asset Projects			
00009- 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) February 4, 2023 – August 25, 2025 (PWS Section: C.5.1.1)	6%	$6,510,580	

00010- 15-D-412 Utility Shaft (US) project February 4, 2023 – July 22, 2025 (PWS Section: C.5.1.2)	6%	$5,055,173	
00011- 21-D-401 Hoisting Capability February 4, 2023 – September 30, 2026 (PWS Section: C.5.1.3)	6%	$1,178,163	
00012- Option- 21-D-401 Hoisting Capability October 1, 2026 – March 19, 2027 (PWS Section: C.5.1.3)	6%	$2,626,499	
00013- IDIQ Scope (PWS Section: C.8)	N/A	N/A	$100,000,000.00

Table B.2

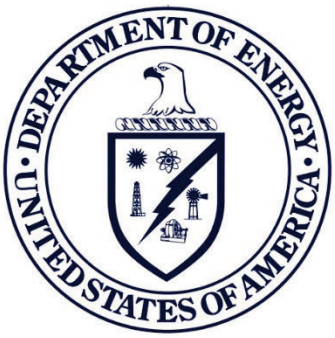
CLIN	Anticipated Funding*	Estimated Annual Fee Base**
00001- Contract Transition 90 Days	See Note below table.	N/A
Base Period		
00002- Base Contract Period February 4, 2023 – September 30, 2023	$163,700,802	$135,289,183
00002- Base Contract Period October 1, 2023 – September 30, 2024	$249,521,932	$206,215,350
00002- Base Contract Period October 1, 2024 – September 30, 2025	$254,415,118	$210,259,283
00002- Base Contract Period October 1, 2025 – September 30, 2026	$255,243,784	$210,944,129
Sub-CLIN (Funding from Other than CBFO)		
00002 -01 Base Contract Period February 4, 2023 – September 30, 2023	$78,214,084.71	N/A
00002-02 Base Contract Period October 1, 2023 – September 30, 2024	$60,964,699.59	N/A
00002-03 Base Contract Period October 1, 2024 – September 30, 2025	$ 32,848,002.57	N/A
00002-04 Base Contract Period October 1, 2025 – September 30, 2026	$	N/A
Option Periods		
00003- Option Contract Period October 1, 2026 – September 30, 2027	$289,373,739	$239,150,033
Sub-CLIN (for Funding from Other than CBFO)		

Sub-CLIN 00003-01 Option Contract Period October 1, 2026 – September 30, 2027	$	N/A
00004- Option Contract Period October 1, 2027 – September 30, 2028	$269,437,838	$222,674,687
Sub-CLIN (for Funding from Other than CBFO)		
Sub-CLIN 00004-01 Option Contract Period October 1, 2027 – September 30, 2028		N/A
00005- Option Contract Period October 1, 2028 – September 30, 2029	$274,647,038	$226,979,788
Sub-CLIN (for Funding from Other than CBFO)		
Sub-CLIN 00005-01 Option Contract Period October 1, 2028 – September 30, 2029		N/A
00006- Option Contract Period October 1, 2029 – September 30, 2030	$279,960,422	$231,370,990
Sub-CLIN (for Funding from Other than CBFO)		
Sub-CLIN 00006-01 Option Contract Period October 1, 2029 – September 30, 2030		N/A
00007- Option Contract Period October 1, 2030 – September 30, 2031	$285,380,074	$235,850,017
Sub-CLIN (for Funding from Other than CBFO)		
Sub-CLIN 00007-01 Option Contract Period October 1, 2030 – September 30, 2031		N/A
00008- Option Contract Period October 1, 2031 – November 7, 2032	$290,908,119	$240,418,624
Sub-CLIN (for Funding from Other than CBFO)		
Sub-CLIN 00008-01 Option Contract Period October 1, 2031 – November 7, 2032		N/A
Capital Asset Projects		
00009- 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) February 4, 2023 – September 30, 2023	$61,409,638	$50,765,301
00009- 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) October 1, 2023 to September 30, 2024	$41,111,172	$34,015,383
00009- 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) October 1, 2024 to August 25, 2025	$28,678,974	$23,728,983
00010- 15-D-412 Utility Shaft (US) project February 4, 2023 – September 30, 2023	$23,423,045	$19,363,050
00010- 15-D-412 Utility Shaft (US) project October 1, 2023 – September 30, 2024	$47,556,084	$39,302,250

00010- 15-D-412 Utility Shaft (US) project October 1, 2024 – September, 30, 2025	$28,000,000	$23,167,200
00010- 15-D-412 Utility Shaft (US) project October 1, 2025 – September 30, 2026	$2,925,296	$2,420,390
00011- 21-D-401 Hoisting Capability February 4, 2023 – September 30, 2023	$12,819,214	$10,597,217
00011- 21-D-401 Hoisting Capability October 1, 2023 – September 30, 2024	$0	$0
00011- 21-D-401 Hoisting Capability October 1, 2024 – September 30, 2025	$7,500,604	$6,205,500
00011- 21-D-401 Hoisting Capability October 1, 2025 – September 30, 2026	$3,428,359	$2,833,333
00012-Option- 21-D-401 Hoisting Capability October 1, 2026 – March 19, 2027	$52,968,132	$43,774,983
IDIQ CLIN		
00013- IDIQ Scope	N/A	N/A

- End of Changes -

All other Contract Changes remain unchanged and in full force and effect



U.S. DEPARTMENT *of* ENERGY

Office of Environmental Management

Performance Evaluation and Measurement Plan (PEMP)

September 2026

Revision 0

PERFORMANCE EVALUATION AND MEASUREMENT PLAN

FOR

WASTE ISOLATION PILOT PLANT (WIPP)

SALADO ISOLATION MINING CONTRACTORS, LLC (SIMCO)

CONTRACT NO. 89303322DEM000077

PERIOD OF PERFORMANCE

OCTOBER 01, 2026, THROUGH SEPTEMBER 30, 2027

Approved by: Mark E. Bollinger

Digitally signed by Mark E. Bollinger
Date: 2026.08.26 07:29:38 -06'00'

Mark Bollinger, Manager, DOE Carlsbad Field Office — Date
Fee Determining Official

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INTRODUCTION

The purpose of this Performance Evaluation and Measurement Plan (PEMP) is to establish a standard process for development, administration, and coordination of all phases of the fee determination process for cost-plus award fee (CPAF) contracts for the Department of Energy's Office of Environmental Management (referred to "Government" hereafter). This PEMP is designed to motivate and reward excellent performance by utilizing a combination of incentives to encourage Contractor excellence while discouraging Contractor inefficiency and waste. This PEMP will provide the expectations for the evaluation period.

The PEMP is composed of two components: adjectival (referred to "subjective" hereafter) and objective fee. The subjective component is designed to ensure the other contract requirements (i.e., cost, schedule, safety, compliance, business systems, etc.) are not forgotten in the interest of achieving the objective fee component. The Government may evaluate the Contractor on any or all areas of performance within the contract. (See Exhibit 3 for examples) The objective fee also allows the Government flexibility to task its Contractors using a risk-based approach to better define discrete scopes of work with appropriate incentive structures to yield significant reductions in EM's environmental risk and financial liability. The objective fee component should be tied to specific actions within the Contractor's control (i.e., demolition, well installation, excavations, etc.) needed to demonstrate progress toward completion or specific metrics like quantity of waste shipped. Additionally, the Contractor must manage the funds allotted so that costs are incurred for the work executed and the fee earned is within their authorized spending levels per year.

ROLES AND RESPONSIBILITIES

Following are the roles and responsibilities of the federal staff administering the fee provisions of the contract and this PEMP.

ROLE	RESPONSIBILITIES
Fee-Determining Official (FDO)	• Designated Agency Official who reviews the recommendations of the Performance Evaluation Board (PEB) in determining the amount of fee to be earned by the Contractor for each evaluation period. • Determines the final performance fee amount earned for the evaluation period based upon all the information furnished. • Appoints the PEB Chair and Board. • Coordinates with the Contracting Officer's Representative(s) (CORs) and the Contracting Officer (CO) in development of the PEMP, performance monitoring, performance validation, and performance reporting. • Approves the PEMP and any changes to the PEMP, within his/her approval authority. • Reviews PEB recommendations and the Performance Evaluation Report (PER) to determine the final performance fee earned for each evaluation period. • Reviews the Technical Monitor's Performance Based Incentives (PBI) evaluations. • Notifies the Contractor, in writing, of the fee determination, their

ROLE	RESPONSIBILITIES
	strengths, areas for improvement, and future expectations. • Authorizes the CO to make the fee payment.
Contracting Officer (CO)	• Advises in the development and establishment of the PEMP. • Acts as the liaison between the Government and the Contractor. • Ensures that the entire process is conducted according to the requirements in the contract and PEMP. • Submits the PEMP and/or the evaluation criteria for necessary approval and Headquarters (HQ) reviews. • Coordinates major changes to performance expectations and the evaluation criteria. • Notifies the Contractor by contract modification of the approved PEMP and any revisions to the PEMP. • Unilaterally modifies the contract to reflect the FDO's final fee determination for the evaluation period, if applicable. The contract modification, which will reflect earned and unearned fee for the evaluation period.
Contract Officer's Representative (COR) **Alternate COR** **Federal Project Director (FPD)**	• Develops PBIs for inclusion in the PEMP. • Coordinates with the FDO to ensure performance expectations align with EM's annual priorities and Administration goals. • Monitors, evaluates, assesses and validates the Contractor's performance, and provides periodic feedback to the Contractor on their performance. • Performs periodic reviews of the Contractor to evaluate progress towards completion of requirements for PBIs. • Supports the CO and FDO 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. • Focuses on all work scope within the contract in its entirety. The FPD focuses on CAP related work scope. • Functions as the technical interface with the Contractor regarding performance. • Ensures the PER and associated scorecard are completed and submitted to HQ. • Prepares the FDO's letter for signature notifying the Contractor of the amount of performance fee earned by the Contractor, strengths and areas for improvement for the evaluation period. • Reviews the Technical Monitor's PBI evaluations.
Technical Monitors (TMs) **Performance Monitors** **Subject Matter Experts (SMEs)**	• Suggests PBIs for inclusion in the PEMP. • Gathers information, maintains written records, monitors, evaluates, assesses and validates the Contractor's performance against the criteria in the PEMP for their respective sections for both subjective and objective criteria. • Becomes knowledgeable of the contractual requirements and the evaluation process and criteria. • Prepares reports and/or information for the PEB/COR/FPD, as requested.
Performance Evaluation Board	• Comprised of the CO, CORs, ACORs (if COR is unavailable), and Attorney Advisor. The Attorney Advisor is non-voting. The CO and COR

ROLE	RESPONSIBILITIES
(PEB)	are voting members. • Documents the Contractor's performance against the evaluation factors with evidence that will support the PER. • Prepares the annual PER and associated scorecard based on the recommendations of the PEB, and considers any self-evaluations submitted by the Contractor. PER must include the subjective evaluation and objective (PBIs) evaluations, recommendation for fee ratings and percentages. • Reviews performance, monitors, evaluations, and consider the Contractor's self-evaluation report and/or recommendations.

PEMP DEVELOPMENT PROCESS

This PEMP is developed unilaterally by the federal Government team. The Government will collaborate with the Contractor for a mutual understanding of the performance expected in the PEMP while retaining unilateral authority. This collaboration approach will enhance communication, resulting in alignment of expectations and cooperation for achieving the Government's goals and objectives. The Government is ultimately responsible for identifying performance requirements.

The PEMP is composed of (1) a subjective component; (2) an objective fee (PBI) component; and (3) a super-stretch PBI component, if desired. The award fee serves as a tool to measure the Contractor's performance on the contract and provides impetus for continuous improvement. All available fee is at risk to not be earned depending on the Contractor's performance. The Government may evaluate the Contractor on any or all areas of performance within the contract as part of the subjective component. The details on the amount of fee available are identified in Exhibit 1, *Fee Summary*.

The PEMP shall be provided to the Contractor prior to the beginning of the first and each successive evaluation period. If there is not sufficient time for the PEMP to be provided to the Contractor in advance, as specified in the contract, the Contractor shall not be evaluated on its performance until one business day after the PEMP is received by the Contractor, unless the contract specifies otherwise.

This PEMP is the basis for the Government's evaluation of the Contractor's performance under the contract, and for presenting an assessment of that performance to the FDO. The Exhibits to this plan describe what the Contractor's performance will be measured against. The fee evaluation criteria and determinations are applicable only to the contract work authorized during the corresponding evaluation period.

Subjective Fee

The Government may evaluate the Contractor on any or all areas of performance within the contract. A significant element of any fee evaluation is the Contractor's demonstrated performance in meeting or exceeding the contract requirements. The Contractor shall accomplish the work in a safe and efficient matter. Subjective criteria are designed to incentivize Contractor

excellence in all areas of the contract. Evaluation of the subjective criteria involves a qualitative assessment of the Contractor's performance. The Contractor is expected to meet *minimum* ("Satisfactory") performance/contract requirement and strive to achieve Contractor Excellence ("Excellent") in the performance of work in all areas. Subjective criteria are further described in Exhibit 2, *Subjective Fee* and Exhibit 3, *Examples of Subjective Fee Evaluation Considerations*. See FAR 16.402 for more information. The subjective fee categories shown below cannot be changed and all the work or areas of improvement will fit into one of the following criteria.

Subjective Criteria
Quality of Products and Services
Schedule
Cost Control
Management (including safety management)
Regulatory Compliance
Small Business

Objective Fee - Performance Based Incentives

PBIs should be robust, align with the EM priorities and agenda, and accelerate the program. PBIs can be developed for different reasons. PBIs can serve to incentivize completion of scope. PBI scope is linked to objectives to enhance performance and improve quality, but not at the expense of minimum acceptable performance in other areas. PBIs are also developed to focus the Contractor on the Government's priorities for better alignment. PBIs are objective performance components that will be evaluated and verified for the applicable performance evaluation period in accordance with the specified completion criteria and due dates.

The FDO shall evaluate the Contractor's completion of PBIs against the pre-determined PBI completion criteria pursuant to FAR Subpart 16.4, *Incentive Contracts*. PBIs shall be tied to specific, measurable outcomes or milestones, with achievement directly correlating to earned fee. The Contractor can earn 100% of the objective fee for completion of the performance measure as specified in completion criteria. The subjective components do not apply to a specific PBI completion; only the specified completion criteria within the PBI are utilized to determine if a PBI has been met. The FDO may consider partial payment of fee for partial completion of identified criteria in any PBI.

Utilizing overtime must be justified by the Contractor and approved in writing by the CO, while maintaining consistency with FAR 52.222-2 as populated in the contract clause. Per FAR 22.104-2, overtime must be necessary to (1) meet essential delivery or performance schedules; (2) make up for delays beyond the control and without the fault or negligence of the Contractor; or (3) eliminate foreseeable extended production bottlenecks that cannot be eliminated in any other way. The Contractor justification must demonstrate how overtime benefits the Government especially for the primary purpose of achieving PBIs. Examples of benefits include, but are not limited to, critical path work that must be accomplished to maintain site completion date; cost savings due to acceleration; to make up time due to unforeseen weather conditions; etc.

PBIs are further described in Exhibit 4, *Performance Based Incentives*.

CHANGES TO PEMP

The PEMP can be changed unilaterally by the Government. Administrative changes include, but are not limited to, editorial clarifications, establishment of the total available fee pool, including valuation of objective and subjective components following contract negotiations or other minor changes not affecting fee criteria or processes. Non-administrative changes may include: reallocation of objective fee to the subjective fee pool for deleted or modified objective incentives; reallocation of subjective fee to the objective fee pool for new objective incentives; and increases or reductions in the total available fee pool; and/or addition or deletion of work scope to the contract.

The PEMP revisions for successive evaluation periods shall be provided to the contractor one business day prior to the beginning of the first and each successive evaluation period, unless the contract specifies otherwise. If the PEMP is not provided to the contractor within the required advance timeframe, performance evaluation shall be deferred until one business day after the contractor receives the PEMP, unless the contract specifies otherwise.

Changes to this PEMP will be documented by modification to the contract. The PEMP will reflect the available fee in Section B. Changes to the allocation of fee during the performance period should not be made to benefit or penalize the Contractor and the total fee amounts should not be modified unless there are increases or decreases to the contract estimated cost and fee amount. At the discretion of the Government, if a PBI is cancelled or modified, any fee associated with that PBI may be allocated to the subjective fee and/or another PBI(s) if done before the end of the performance period. If the PBI has been missed, the unearned fee cannot be reallocated.

EVALUATION PROCESS

Earned Fee Determination

The amount of fee earned by the Contractor is within the sole discretion of the FDO. All available fees are at risk and will be determined by the Contractor's performance. The FDO will consider the Contractor's performance for all contract work throughout the performance period, including work not specifically articulated as a PBI. This broad-based review ensures that satisfactory performance across all contractual obligations within the period of performance contributes to the final fee determination for the subjective component.

Evaluation Periods

Evaluation periods will be in accordance with this PEMP. The first and last evaluation periods of the contract may be shorter or longer than one year to align rating periods with the fiscal year, calendar year, or contract completion. Available fee dollars are fixed by the period of performance as shown in Exhibit 1 of this PEMP but may be adjusted by the CO to align with the total available fee in the contract Section B, if contract modifications are made. A determination of the performance score (percentage) and the associated fee earned for each

evaluation period will be made by the FDO and is final. The process for monitoring, assessing, and evaluating Contractor performance during each evaluation period is described below.

Evaluation Schedule and Contractor Self-Evaluation

The Contractor's performance should be evaluated on a quarterly basis to include the subjective and objective components to support the annual evaluation, unless otherwise specified in the contract. The Contractor may provide any self-evaluation information to be considered in the Government's quarterly performance evaluation to the COR and CO within ten (10) working days following the reporting quarter, to be considered. Informal feedback should be provided to the Contractor on performance on a quarterly basis.

The PEB should provide at least semi-annual feedback, and at other times as is deemed appropriate, to appraise the Contractor of its performance. The feedback will address specific areas where Contractor performance requires improvement or has exceeded standards. This feedback should be based upon the PEMP's evaluation factors.

For the annual evaluation, the Contractor shall furnish a self-assessment report within ten (10) calendar days after the expiration of each evaluation period, unless otherwise specified by the contract. The PEB will not submit its recommendation to the FDO until (1) the Contractor's self-evaluation report has been received and considered; (2) the ten-day period provided for submission of the report has expired. The self-evaluation report should be no more than 10 pages.

After the end of each evaluation period, the PEB will prepare a PER documenting its evaluation. This report shall include recommendations for a subjective rating and score (percentage) to be assigned to the Contractor's performance during the evaluation period. The PER must also address each PBI and how the PBI was met or was not met according to the performance requirements. The PER should also include any considerations given to the Contractor. The PER will not be provided to the Contractor. For any adjectival rating above "Satisfactory," the PER must include explicit examples demonstrating how the Contractor's performance exceeded the contract requirements and yielded clear benefits to the Government. Examples include: innovative approaches, exceptional quality, significant cost savings, or significant efficiencies beyond standard expectations. If applicable, deficiencies, corrective actions and effectiveness assessments must be documented also.

Evaluation Recommendations

The FDO will consider the recommendations from the following sources in determining the rating and percentage: (1) PEB, as provided in the PER; (2) self-evaluations provided by the Contractor; and (3) any other pertinent sources of information, which shall be documented by the FDO, if used. The FDO's determination of the Contractor's performance rating, percentages and PBI completion percentage is final. This determination of performance will be stated in a letter to the Contractor and the Contractor scorecard.

Award Fee Guidelines

Award fee shall not be earned if the Contractor's overall cost, schedule, and technical performance in the aggregate is below "Satisfactory". The PER is the basis for all award fee determinations and must be documented in the contract file to include, at a minimum, a determination that overall cost, schedule and technical performance in the aggregate is or is not at a "Satisfactory" level. The fee determination and the approach for determining the award fee are unilateral decisions made solely at the discretion of the Government.

CIRCUMSTANCES OUTSIDE THE CONTRACTOR'S CONTROL

For any of the subjective fee categories or PBIs, the Contractor may request payment of fee for missed metric/milestone(s) due to actions by the Government impacting Contractor performance or due to circumstances that are not reasonably the responsibility of the Contractor for consideration by the FDO. It is the Contractor's responsibility to furnish sufficient evidence demonstrating the situation is outside the Contractor's control. Failure to properly plan or notify the CO and FDO in a timely manner of issues; poor management of subcontractors; and failure to account for project risks are examples of circumstances that are not outside of the Contractor's control. The Contractor should ensure actions are taken to prevent delays. As an alternative to payment of fee within an annual performance period, the FDO may extend the PBI completion dates and defer decision until the PBI is complete within the identified period of performance. The Government is not obligated to either pay fee or extend the performance period upon request by the Contractor, but may, at the FDO's discretion.

UNEARNED FEE

Fee that is not earned due to nonperformance of the PBI requirements or under the subjective criteria, as set forth in the PEMP, shall not be returned to the fee pool, and shall be forfeited. The use of rollover of unearned award fee is prohibited (FAR 16.402-2(d)).

FEE PAYMENTS

Fee payments are provided to the Contractor through funding of the appropriate Contract Line-Item Number (CLIN) and are in addition to any other payments under this contract. Also reference contract Section B.5 Clause, *Provisional Payment of Performance Fee.*

TERMINATION FOR CONVENIENCE

If the contract is terminated for the convenience of the Government, the remaining fee payable for the current period may be available for equitable adjustment in accordance with the termination clause of the contract. The remaining fee for all periods after the termination shall not be considered earned and therefore shall not be paid.

EXHIBITS

The following Exhibits are a part of the PEMP:

Exhibit 1 Fee Summary
Exhibit 2 Subjective Fee
Exhibit 3 Examples of Subjective Fee Evaluation Considerations
Exhibit 4 Performance Based Incentives

EXHIBIT 1 – FEE SUMMARY

The Contractor is Salado Isolation Mining Contractors, LLC (herein after referred to as "SIMCO"). The effective date for this PEMP is October 1, 2026, through September 30, 2027. This contract is structured as a Cost-Plus Award Fee (CPAF) contract, utilizing a combination of objective and subjective fee.

The following schedule is calculated in accordance with the fee schedule as set forth in Section B of the contract. The available fee may change consistently with contract modifications. The available fee will be split 40% for Subjective and 60% Objective (PBIs).

Objective/PBIs	Fee (%)	Fee ($)
Waste Handling	68.7%	$6,999,402
Hoisting Capability	15.5%	$1,575,899
Mine Safety	2.0%	$200,000
Infrastructure Improvement	10.8%	$1,100,000
IT/Cybersecurity	3.0%	$310,000
Objective Fee Available		**$10,185,301**
Subjective	Fee (%)	Fee ($)
Quality of Products and Services	20%	$1,358,040
Schedule	18%	$1,222,236
Cost Control	25%	$1,697,550
Management (including safety management)	20%	$1,358,040
Regulatory Compliance	15%	$1,018,530
Small Business	2%	$135,804
Subjective Fee Available		**$6,790,200**
Total Fee Available	**100.00%**	**$16,975,501**

EXHIBIT 2 – SUBJECTIVE FEE

Subjective fee criteria differ from objective criteria because they are judgmental. The evaluation process serves as a tool to periodically measure the Contractor's performance on the contract and provides motivation for continuous improvement in areas other than PBIs. Criteria should motivate the Contractor toward excellent performance in the areas rated. See FAR 16.402 for more information.

The Government may evaluate the Contractor on any or all areas of performance. A significant element of any award fee evaluation is the Contractor's demonstrated performance in meeting or exceeding the contract requirements.

This PEMP is the basis for the Government's evaluation of the Contractor's performance, and for presenting an assessment of that performance to the FDO. The Award Fee evaluation criteria and determinations are applicable only to the contract work authorized during the corresponding evaluation period.

Criteria	**Fee Percentage**	**Award Fee Available ($)**
Quality of Products and Services	20%	$1,358,040
Schedule	18%	$1,222,236
Cost Control	25%	$1,697,550
Management (including safety management)	20%	$1,358,040
Regulatory Compliance	15%	$1,018,530
Small Business	2%	$135,804
Total	**100%**	**$6,790,200**

EXHIBIT 3 – EXAMPLES OF SUBJECTIVE FEE EVALUATION CONSIDERATIONS

The Government may evaluate the Contractor on any or all areas of performance. Below are examples of evaluation considerations for each criterion. This list is not exhaustive and only serves as examples.

Quality of Products and Services	**The Contractor will be evaluated on the quality and effectiveness of their contractual deliverables, performance, policies, plans, and procedures governing Contractor activities.** Examples include, but are not limited to: o Maintains effective processes to continuously improve as demonstrated by issue identification, evaluation, and analysis at an appropriate level commensurate with associated risks and hazards; methods demonstrate consideration of extent of condition and development and implementation of effective corrective action. o Produces quality documents that incorporate Technical, Environmental, Safety & Health, Security, and Quality Assurance (QA) requirements. o Delivers products of high quality consistent with applicable requirements. o Delivers services of high quality consistent with the contract and promulgated requirements. o Conforms to contract requirements, specifications and standards of good workmanship. o Meets or exceeds program/project quality objectives such as producibility, reliability, traceability, and maintainability. o Maintains and implements an effective Quality Assurance program, including Nuclear Quality Assurance. o Ensures implementing policies, plans, and procedures are clear and effective. o Implements QA program that effectively tracks assessment results and Non-Conformance Reports/Corrective Action Reports (NCR/CAR), including functional areas: Configuration Management, Training Programs, Conduct of Operations, Maintenance, Design Control, Contractor Assurance Systems (CAS), and Waste Handling. Robust causal analysis and lessons learned implemented for degradations. o Demonstrates the CAS Performance Indicators are improving, and the CAS is effective. o Identifies and resolves issues in a timely manner. o Ensures effectiveness of corrective actions (short term and long term) for non-compliances.

Schedule	**The Contractor will be evaluated on the effectiveness of managing schedules.** Examples include, but are not limited to: o Evaluates schedule performance index (SPI) for both discrete work and level of effort work, combined and individual. o Evaluates schedule variations and consideration of baseline changes. The status of overall and specific program/project performance against the approved baseline; the management and recovery of schedule variance; and the effectiveness of schedule variance mitigation strategies. o Ensures timeliness of completion of deliverables (i.e., regulatory and contract documents), milestones, delivery schedules, baseline and contract submittals (i.e., baseline changes, proposals, etc.) and administrative requirements (e.g., efforts that contribute to or affect the schedule variance). o Adhering to the required delivery schedule should include the Contractor's efforts that contribute to or affect schedule variance. o Addresses significance of scheduled events (e.g., design reviews), discuss causes, and assessment of the effectiveness of Contractor's corrective actions to recover schedule variance. o Ensures critical path(s) are understood and tracked. o Ensures all necessary actions are taken in a timely manner to ensure waste shipments, as applicable. o Ensures timeliness of field implementation related to safety documents such as Technical Safety Requirements and Documented Safety Analysis, including providing sufficient time for review, comment resolution, and revision in advance of document due dates or impacts to work. o Requesting extensions - frequency, magnitude, and justification. o Timely and effective communication (e.g., appropriate information, identification of issues) to the Government (FDO/CO). o Timeliness of completing scheduled Predictive, Preventative and Corrective Maintenance actions to maximize equipment availability. o Timeliness of submitting corrective action plans and implementation of corrective actions. o Timely closure of open NCRs, CARs, and issues that are the responsibility of the Contractor to close. o Timeliness of managing subcontract package reviews within the Procurement Threshold requirements, to include commodity vendors and commodity orders. o Proactive management of the supply chain to prevent or mitigate delays in mission accomplishment or work stoppages. o Timely resolution and closeout of subcontractor Request for Equitable Adjustments (REAs) and Engineering Change Notices (ECNs). o Minimization of deferred maintenance on equipment and systems.

Cost Control	**The Contractor will be evaluated on the effectiveness of managing costs.** Examples include, but are not limited to: o Evaluation of overall cost performance on an annual basis as measured against the current contract value and the approved Contractor Performance Baseline. o Evaluation of the cost performance index (CPI) for both discrete work and level of effort work, combined and individual. o Effectiveness and reliability in forecasting, managing, and controlling contract cost. Identification of cost growth or underruns and proposal of solutions. o Accuracy and reliability of Estimates at Completion and accruals. o Ability to manage cost within the annual funding provided without delaying scope. o Ability to perform tasks in the most cost-effective manner consistent with the approved baseline and effective use of resources. o Development of initiatives that result in tangible savings/avoidance to the Government directly or indirectly during the contract period and/or long-term. o The management of all obligated funds to preclude anti-deficiency. o Accurate project controls, cost estimating, budgeting and cost monitoring that allow for long range planning to control costs. o Development and implementation of cost mitigation strategies to recover cost variances. o Management and tracking of subcontractor costs and accruals. o Maintaining alignment between the contract value and baseline values. o Management of costs and accruals during continuing resolution. o Development of solid and reliable cost estimates.

Management	**The Contractor will be evaluated on the effectiveness of managing programs and projects**. Examples include, but are not limited to: o Evaluation on how programs and projects are managed effectively. o Demonstrate management commitment to site mission by providing experienced, dedicated professionals committed to partnering in safe mission delivery and effectively utilizing corporate reach back. o Effectiveness of senior managers and providing leadership to workforce. o Application of lessons learned from other site Contractors, EM complex Contractors and/or other Government/commercial sites. o Effectiveness of field operations. o Effectiveness of the Contractor Human Resources Management. o Implementation of the Community Commitment Plan, if applicable. o Setting and communicating priorities and a vision for the site that is consistent with the contract and the Government's established mission and vision statements. o Establishing and maintaining operational excellence and a strong safety culture. o Effective Key Personnel management, including performance in selecting, retaining, supporting, and replacing, when necessary, key personnel, and overall ability of the Key Personnel to work together along with individual position performance. o Effective problem identification and resolution (e.g., reasonable and cooperative behavior to include timely identification of issues and responsiveness to customers). o Effective risk management practices, including the identification and management of risks. o Demonstrate effective subcontract management, including award of subcontracts as scheduled, inclusion of all requirements, subcontractor audits, subcontract administration and subcontractor field oversight. Contractor will monitor subcontractor performance to ensure compliance with all requirements including Buy American Act and applicable labor statutes. o Providing a secure, reliable, and efficient Information Technology and Cybersecurity infrastructure along with timely software application development and deployment. o Effective partnering relationships with regulators, stakeholders, and site entities. o Maintaining a positive public relationship. o The responsiveness to reviews, assessments, inspections, and inquiries from external organizations. o Effectiveness of the Safety Management Program ▪ Including Radiological Control, Hazardous Materials, Waste Management, Surveillance & Maintenance, Operational Safety, Conduct of Operations, Nuclear Facility Maintenance, Fire Protection, Emergency Management, etc. ▪ Evaluation of Total Recordable Cases and Days Away, Restricted or Transferred rates against EM goal. o Support safety and reliability through implementation of an effective Conduct of Maintenance Program in accordance with Nuclear Facility Maintenance Management Program. o Evaluation of Safety Basis documentation and events. o Supports all Long-Range Planning and Life Cycle Baseline development, including infrastructure maintenance planning. o Demonstrates the ability to proactively develop and maintain award-ready infrastructure project packages aligned with site needs and funding expectations. o Ensures all business systems are compliant and approved, as required including earned value management, accounting, procurement, etc.

	o Establish and actively maintain Performance Objectives, Measures, and Commitments (POMC) process utilizing key metrics and performance improvement goals to drive continuous performance improvement in alignment with ISMS expectations.
Regulatory Compliance	**The Contractor will be evaluated on the effectiveness of meeting regulatory requirements and commitments.** Examples include, but are not limited to: o Compliance with reporting requirements in the contract terms and conditions. o Compliance with all applicable DOE Orders, Policies, and Standards; Executive Orders; Federal Codes and Regulations; and applicable local, state and federal regulations. o Performance against implementing and maintaining a compliant Cyber Security (including maintaining complete and accurate Plan of Action and Milestones, as applicable), Emergency Management and Safeguards and Security Programs. o Performance against 10 CFR 851 (Worker Safety and Health) requirements. o Performance against other site regulatory requirements (e.g., Agreed Orders, Negotiated Settlements, Toxic Substance Control Act, Federal Facility Compliance Agreement, Federal Facility Agreement, Permits, and Site Management Plan). Includes resolution of regulatory inspection noncompliances from State or Federal regulatory agencies in a timely manner.
Small Business	**The Contractor will be evaluated on the effectiveness of utilization and management of small businesses.** Examples include, but are not limited to: o Contractor will monitor subcontractor performance to ensure compliance with all requirements including small business subcontracting plans, Buy American Act, and applicable labor statutes. o Administration and effectiveness of meeting small businesses goals, as specified in the contract.

SUBJECTIVE FEE CATEGORIES OF PERFORMANCE RATING

Evaluation of performance begins at the contract level. If the requirements (cost, schedule and technical) are being met, then the Contractor starts at "Satisfactory". Higher ratings may be achieved if requirements are exceeded and documented. The following subjective ratings will be assigned for subjective criterion (FAR 16.402-2, Table 16-1)

EXCELLENT **91% - 100%**	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. ▪ *Performance Definition*: Performance is of the highest quality that could be achieved under the contract. ▪ *Deficiencies/Weaknesses*: There are no areas of deficiencies or problems encountered during the evaluation period that impacted the overall level of performance.
VERY GOOD **76% - 90%**	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. ▪ *Performance Definition*: Performance is of high quality and approaching the best that could be performed by the Contractor. ▪ *Deficiencies/Weaknesses*: A few minor problems are experienced during the evaluation period without impacting the overall level of performance. Corrective actions have been identified and deemed effective.
GOOD **51% - 75%**	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. ▪ *Performance Definition*: Performance is completed much better than the minimum required performance. Areas of deficiency and minor problems are more than offset by areas of good performance. ▪ *Deficiencies/Weakness*: Minor problems are encountered during the evaluation period and identified without impacting the overall level of performance. Corrective actions have been identified and deemed effective.
SATISFACTORY **No greater than 50%**	Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. ▪ *Performance Definition*: Performance is the minimum required level to meet the contract requirements. ▪ *Deficiencies/Weaknesses:* Problem areas are identified to support the rating. Corrective actions have been identified and deemed effective.
UNSATISFACTORY **0%**	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. ▪ *Performance Definition*: Performance does not meet minimum contract requirements. ▪ *Deficiencies/Weakness*: Areas of noncompliance/nonperformance are identified to support the rating.

EXHIBIT 4 - PERFORMANCE BASED INCENTIVES

PBIs should be robust, align with the EM priorities and agenda, and accelerate the program. PBIs can be developed for different reasons. PBIs can serve to incentivize completion of scope. PBIs can be linked to objectives to enhance performance and improve quality. PBIs are also developed to focus the Contractor on the Government's priorities for better alignment. PBI preference is for distinct deliverables that are mission-focused, on critical path, and preferably fieldwork-oriented that advances the mission. PBIs should be aggressive but achievable. Sub-PBIs or Interim PBIs can also be developed to provide additional detail or to ensure progress toward an end state.

PBI NO	PBI TITLE	PBI (60%) Allocation	SUB PBI NO	SUB PBI TITLE	Incentive Fee ($)
1	Waste Handling	$6,999,402	1.A	TRU Waste Emplacement	$6,529,402
			1.B	CPP Commodities SCA and SWB	$140,000
			1.C	HalfPACT Delivery/In-Service	$330,000
2	Hoisting Capability	$1,575,899	2.A	Award CD-3A Long Lead Procurements	$1,339,514
			2.B	Commercial Buildings	$236,385
3	Mine Safety	$200,000	3.A	Underground Check-in, Check-out System Upgrade	$20,000
			3.B	New Bolter	$100,000
			3.C	Underground Refuge/Safe Haven Station	$80,000
4	Infrastructure Improvement	$1,100,000	4.A	Waste Hoist Controls	$300,000
			4.B	Waste Shaft Sump Conveyance and Chairing	$600,000
			4.C	Waste Handling Building CH Cranes	$200,000
5	IT/Cybersecurity	$310,000	5.A	Digital Data Transfer Database for CCP Records	$40,000
			5.B	Zero Trust Architecture (ZTA) Implementation	$100,000
			5.C	Artificial Intelligence Implementation, Integration, and Utilization	$130,000
			5.D	Electronic Information System	$40,000
				TOTAL	**$10,185,301**

Note: The completion dates identified in PBIs 3.B, 3.C, 4.A, and 4.B are based on the annual Long Maintenance period starting in January 2027. There is a high likelihood that the start date for the annual Long Maintenance period will be delayed until April 2027, requiring these dates to be revised accordingly. A firm schedule, along with due dates, will be established prior to issuance of the PEMP to the Contractor.

<table>
<tr><th colspan="3">PERFORMANCE INCENTIVE</th></tr>
<tr><td colspan="3">Section I - General Information</td></tr>
<tr><td colspan="2">Full Title: TRU Waste Emplacement</td><td>PBI Number: 1.A
Rev: 0
Date: 10/1/2026</td></tr>
<tr><td colspan="3">Section II - Accounting Information</td></tr>
<tr><td>Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established</td><td colspan="2">Maximum Available Fee Allocated to this Incentive: $6,529,402</td></tr>
<tr><td>Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established</td><td colspan="2">Work Breakdown Structure (WBS) Element No(s). Not yet established</td></tr>
<tr><td colspan="3">Incentive Information</td></tr>
<tr><td colspan="3">Degree of Difficulty: High ☒ Medium ☐ Low ☐</td></tr>
<tr><td colspan="3">Performance Expectation and Measurement</td></tr>
<tr><td colspan="3">1. Performance Objective:
The Contractor shall receive 250 total TRU waste shipments during FY27. This PBI supports and accelerates EM’s mission to safely dispose of TRU waste, reduces waste inventories at generator sites, advances national cleanup commitments, ties fee earning directly to completed shipment receipt, and increases total shipments by 10 from the baseline. In addition, this PBI incentivizes shipments from LANL and establishes a certification program of TRU waste at Hanford and Pu-ICE from SNL. To be completed by September 30, 2027.

This PBI provides value to the Government by encouraging reliable and sustained WIPP receiving operations that support increased TRU waste disposition above the baseline, mission execution, and national cleanup. The incentives promote proactive planning, site maintenance, schedule readiness, generator-site coordination, and disciplined documentation. This aligns contractor fee earning with safe, compliant, and verifiable mission results.

2. Completion Criteria:

1. The Contractor receives up to 250 total TRU waste shipments during FY27.
2. The Contractor receives and documents eligible LANL shipments during FY27, up to the first 60 LANL shipments.
3. The Contractor shall implement the WIPP certified program, as demonstrated by successfully completing the certification audit and EPA baseline inspection at Hanford for TRU waste.
4. The Contractor shall implement the WIPP certified program, as demonstrated by successfully completing the certification audit and EPA baseline inspection at SNL for Pu-ICE.

3. Completion Documentation:</td></tr>
</table>

1. All shipments counted toward this incentive are supported by auditable receipt records and occurred no later than September 30, 2027.
2. Shipments counted toward generator-site-specific incentives are clearly traceable to the applicable generator site and shipment category.
3. FY27 shipment receipt log showing all TRU waste shipments received.
4. Sequential shipment count identifying shipments 1 through 250.
5. Documentation identifying shipments 201 through 250 as fee-bearing shipments under this PBI.
6. Generator-site records identifying LANL shipments.
7. Waste receipt records, transportation records, manifests, or equivalent auditable documentation for each counted shipment.
8. Monthly or final summary report showing total shipments received, fee-bearing shipments, LANL shipments.
9. Documentation of successfully passing the waste certification audit and EPA baseline inspection at Hanford for TRU waste and SNL for Pu-ICE.
10. Management certification that shipment counts are accurate, complete, and supported by auditable records.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $10,000 per shipment received numbered 1-200, by September 30, 2027, up to a maximum of $2,000,000.

2. $57,588.04 per shipment received numbered 201- 250, by September 30, 2027, up to a maximum of $2,879,402.

3. $12,500 additional per each of the first 60 LANL shipments received by September 30, 2027, up to a maximum of $750,000.

4. $450,000 for successfully completing and passing the certification audit and EPA baseline inspection at Hanford for TRU waste, by September 30, 2027.

5. $450,000 for successfully completing and passing the certification audit and EPA baseline inspection at SNL for Pu-ICE, by September 30, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Centralized Procurement Program Commodities: Shielded Container Assembly (Bulk) and Standard Waste Boxes	**PBI Number**: 1.B **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $140,000
Project Baseline Summary (PBS)/Work	**Work Breakdown Structure (WBS)**

Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Element No(s).** Not yet established

Incentive Information

Degree of Difficulty: High ☒ Medium ☐ Low ☐

Performance Expectation and Measurement

1. Performance Objective:

The Contractor shall provide technical engineering, contracting and QA services to complete the first lot fabrication and delivery of at least fifteen (15) SCA-55G1's and/or SCA-55G2's, and delivery of two hundred forty (240) Standard Waste Boxes (SWBs) from their Centralized Procurement Program (CPP).

Utilizing the Contractor's bulk SCA order will be a cost savings to the government, over the use of annual small quantity orders, by lowering the per unit fabrication cost due to bulk order efficiencies. Delivery of SWBs will ensure both the WIPP and generator sites shipping requirements are met.

2. Completion Criteria:

1. The Contractor shall deliver two hundred and forty (240) SWBs to designated generator sites (as directed by CBFO) by September 30, 2027.

2. The Contractor shall deliver fifteen (15) SCA-55G1s and/or SCA-55G2's to designated generator sites (as directed by CBFO) by September 30, 2027.

3. Completion Documentation:

Procurement documentation including technical evaluations, cost/price analysis, source selection documents, transportation company manifest, receiving documentation – generator site email notification of receipt and acceptance of SCA(s) and SWBs that demonstrate successful completion of the Performance Objectives. An invoice will be submitted to CBFO with completion documentation, on a "per SCA and per SWB delivery" basis for up to fifteen SCAs and two hundred and forty (240) SWBs.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $291.66 for each SWB that is successfully delivered to a designated generator site (as directed by CBFO) by September 30, 2027, up to a maximum of $70,000.

2. $4,666.66 for each SC-55G1 or SC-55G2 that is successfully delivered to a designated generator site (as directed by CBFO) by September 30, 2027, up to a maximum of $70,000.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: HalfPACT Delivery/In-Service	**PBI Number**: 1.C **Rev:** 0

	Date: 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $330,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall provide technical engineering, contracting and QA services to complete fabrication, assembly, delivery, functional testing, and place in-service at WIPP up to five (5) HalfPACTs.

Additional fabricated HalfPACTs will support EM's goal of accelerating disposal of remote-handled transuranic (RH-TRU) waste operations at WIPP through use of the Shielded Container Assemblies (SCAs) payloads.

2. Completion Criteria:

Delivery to Nuclear Filter Technology-Engineered Products Division (NFT-EPD) in Carlsbad, NM, and successful functional testing of up to five (5) HalfPACTs, by September 30, 2027.

3. Completion Documentation:

Procurement documentation including technical evaluations, cost/price analysis, source selection documents, Holtec milestone invoices/payments, transportation company manifest, documentation/results of successful functional test conducted by NFT-EPD and written acceptance of HalfPACT(s) that demonstrate successful completion of the Performance Objectives. An invoice will be submitted to CBFO with completion documentation, on a "per HalfPACT delivery" basis for up to five (5) HalfPACTs.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $24,000 for each of a total of five (5) HalfPACTs that is successfully delivered to and functionally tested at NFT-EPD in Carlsbad, NM., by September 30, 2027, up to a maximum of $120,000.

2. $42,000 for each of a total of five (5) HalfPACTs that is successfully placed in-service at WIPP, by September 30, 2027, up to a maximum of $210,000.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Hoisting Capability - Award CD-3A Long Lead Procurements	**PBI Number**: 2.A **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $1,339,514
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall award contracts for procurement of the complete Utility Shaft hoist system including the hoist, controls, and head frame and the complete Air Intake Shaft hoist system including the hoist, controls, and head frame, by 12/31/2026.

The HC project and associated infrastructure will provide safe, efficient, and reliable hoisting for mined salt, equipment, and personnel, to allow the WIPP facility to continue to operate more efficiently and safely to meet EM's extended TRU waste disposal mission. As described in recent GAO reports, the aging infrastructure at WIPP is in need of replacement, which includes the hoist which is over 100 years old and will not endure additional lifecycle requirements due to the corrosive mine environment, the Southwestern US environmental conditions, obsolescence, and age. This PBI is the critical path activity that is necessary for project completion.

2. Completion Criteria:

Awarded contracts for the complete Utility Shaft hoist system and the Air Intake Shaft hoist system.

3. Completion Documentation:

Awarded contracts for the complete Utility Shaft hoist system and the Air Intake Shaft hoist system.

Earnings Schedule:

The Contractor shall earn fee as described below:

$1,339,514 will be earned if completed by the indicated date. The available fee will be reduced by 1/60 for each day that the due date is not met, with zero fee being earned if completed 60 or more days after the due date.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Hoisting Capability - Commercial Buildings	**PBI Number**: 2.B **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $236,385
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall complete 90% design and reviews, and award contracts, for all hoisting project commercial buildings (i.e., US hoist house, AIS hoist house, warehouse, covered laydown storage, and admin building) by 3/30/2027.

The HC project and associated infrastructure will provide safe, efficient, and reliable hoisting for mined salt, equipment, and personnel, to allow the WIPP facility to continue to operate more efficiently and safely to meet EM's extended TRU waste disposal mission. As described in recent GAO reports, the aging infrastructure at WIPP is in need of replacement, which includes the hoist which is over 100 years old and will not endure additional lifecycle requirements due to the corrosive mine environment, the Southwestern US environmental conditions, obsolescence, and age. This PBI is the critical path activity that is necessary for project completion.

2. Completion Criteria:

90% design and reviews completed, and awarded contracts, for all hoisting project commercial buildings

3. Completion Documentation:

90% design report and awarded contracts

Earnings Schedule:

The Contractor shall earn fee as described below:

$236,385 will be earned if completed by the indicated date. The available fee will be reduced by 1/60 for each day that the due date is not met, with zero fee being earned if completed 60 or more days after the due date.

PERFORMANCE INCENTIVE

Section I - General Information	
Full Title: Underground Check-in, Check-out System Upgrade	**PBI Number**: 3.A **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $20,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☐ Low ☒	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall complete the changeover, implementation, and operational acceptance of a new (new procurement) underground check-in/check-out system that digitally records employee entry and exit activity. The system will be fully implemented, placed into service, and capable of producing auditable digital records for underground personnel accountability no later than May 30, 2027.

Implementation of an electronic underground check-in, check-out system to replace the current mechanical token accountability system will improve underground personnel safety, accountability, emergency response readiness, and reporting transparency.

2. Completion Criteria:

1. The new underground check-in/check-out system has been procured, installed, configured, and placed into service.
2. The system digitally records underground personnel entry and exit activity.
3. The system provides retrievable digital record keeping for underground personnel accountability, reporting, and historical review.
4. Applicable users have been trained on the system.
5. The system has completed operational acceptance testing.
6. The system is formally accepted for underground use no later than date in performance objective.

3. Completion Documentation:

1. System procurement and installation records.
2. Configuration and implementation of documentation.
3. Operational acceptance test results.
4. Sample digital check-in/check-out reports demonstrating personnel entry/exit tracking and historical record retrieval.
5. Training records for applicable users.
6. Formal acceptance or turnover documentation showing the system has been placed into service.

7. Management certification that the system is operational and meets the completion criteria by date in performance objective.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $2,000 - System procurement, installation, and configuration completed, by March 1, 2027. The available fee will be reduced by 20% per week beyond March 1, 2027.

2. $3,000 - Operational testing completed, and digital record retrieval demonstrated, by May 1, 2027. The available fee will be reduced by 20% per week beyond May 1, 2027.

3. $3,000 - User training completed and system placed into service. The available fee will be reduced by 20% per week beyond May 30, 2027.

4. $12,000 - Final acceptance package submitted and approved. The available fee will be reduced by 20% per week beyond May 30, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: New Bolter	**PBI Number**: 3.B **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $100,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall procure, commission, put into service, and demonstrate successful daily use (workdays) for two weeks a new bolter with a Tier 4 diesel engine and safety features that reduces or eliminates rotating steel hazards, by July 31, 2027.

This new bolter will have the benefits of a Tier4 diesel engine to improve air quality, and other features to reduce or eliminate rotating steel hazards, resulting in less exposure to risk for the workers (increased safety margin), which will improve underground ground-control capability, reduce worker exposure to mechanical and air-quality hazards, support reliable mining operations, and improve equipment availability for mission-critical underground work.

2. Completion Criteria:

Successful daily use (workdays) of a new Bolter for a minimum of two weeks that meets the Performance Objectives.

3. Completion Documentation:

Procurement documentation for the new Bolter, and final performance report on successful demonstration of two weeks (workdays) of daily use. Daily use evidenced by photographs, resource loaded schedule, and bolter hours used.

Earnings Schedule:

The Contractor shall earn fee as described below:

$100,000 will be earned for successful daily use (workdays) of a new Bolter for a minimum of two weeks that meets the Performance Objectives by the identified date. The available fee will be reduced by 20% for each week beyond July 31, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Underground Refuge/Safe Haven Station	**PBI Number**: 3.C **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $80,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall design, install and demonstrate a refuge station near the Shaft 5 area or design and install a means of egress that allows workers to accommodate or egress up to 145 personnel in the event of an underground emergency that meets compliance with MSHA regulations or a variance from such, by April 1, 2027.

Installation of an Underground Refuge/Safe Haven Station enhances underground emergency preparedness, improves worker protection, supports compliance with applicable safety requirements, supports more efficient underground operations by allowing more personnel to safely remain underground during a waste hoist outage, provides an alternative safety measure to aging equipment reliability issues, and reduces operational risk and downtime during underground events or emergencies.

2. Completion Criteria:

Successful demonstration of an Underground Refuge/Safe Haven Station that meets the Performance Objectives.

3. Completion Documentation:

Procurement documentation for the Underground Refuge/Safe Haven Station, and final report of successful demonstration of performance that meets the Performance Objective.

Earnings Schedule:

The Contractor shall earn fee as described below:

$80,000 will be earned for successfully meeting the Performance Objectives by the identified date. The available fee will be reduced by 20% for each week beyond April 1, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Waste Hoist Controls	**PBI Number**: 4.A **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $300,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☒ Medium ☐ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall complete design, procurement, installation, site acceptance testing, commissioning, closeout, and turnover to operations for the Waste Hoist Controls Project within the 183-calender-day planned long maintenance outage window.

This PBI provides value to the Government by ensuring TRU waste shipping can resume from the long maintenance outage and improving Waste Hoist Controls consistent with GAO-25-107333 and GAO-26-107957's focus on aging infrastructure, long-term maintenance planning, and mission risk reduction, while supporting worker safety and health, environmental compliance, and mission continuity.

2. Completion Criteria:

1. Procurement activities necessary to support project execution have been completed.
2. Installation and refurbishment activities necessary to support operational use have been completed.

3. Site acceptance testing and commissioning have been completed with acceptable results.
4. The project has been formally closed out and turned over to operations.

3. Completion Documentation:

1. Procurement records for applicable equipment, materials, and services.
2. Completed or approved Work Control Documents.
3. Installation and refurbishment records.
4. Site acceptance testing and commissioning results.
5. Project closeout documentation.
6. Formal turnover-to-operations or management certification showing the project has been completed and accepted by date in the performance objective.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $30,000 - Design acceptance approved, by January 1, 2027. The available fee will be reduced by 20% per week beyond January 1, 2027.

2. $30,000 - Procurement complete and onsite, by April 1, 2027. The available fee will be reduced by 20% per week beyond April 1, 2027.

3. $240,000 - Complete Waste Hoist Controls (Site acceptance testing, commissioning, and turnover to operations). The available fee will be reduced by 20% per week beyond the 183-calender-day long maintenance outage.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Waste Shaft Sump Conveyance and Chairing Refurbishment Design and Installation	**PBI Number**: 4.B **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $600,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☒ Medium ☐ Low ☐	
Performance Expectation and Measurement	
1. Performance Objective: The Contractor shall complete design, procurement, installation, site acceptance testing, commissioning, closeout, and turnover to operations for the Waste Shaft Sump Conveyance and Chairing Refurbishment Minor Construction Project within the 183-calender-day planned long maintenance outage window.	

This PBI provides value to the Government by ensuring TRU waste shipping can resume from the long maintenance outage and improving waste shaft sump conveyance reliability consistent with GAO-25-107333 and GAO-26-107957's focus on aging infrastructure, long-term maintenance planning, and mission risk reduction, while supporting worker safety and health, environmental compliance, and mission continuity.

2. Completion Criteria:

1. Procurement activities necessary to support project execution have been completed.
2. Installation and refurbishment activities necessary to support operational use have been completed.
3. Site acceptance testing and commissioning have been completed with acceptable results.
4. The project has been formally closed out and turned over to operations.

3. Completion Documentation:

1. Procurement records for applicable equipment, materials, and services.
2. Completed or approved Work Control Documents.
3. Installation and refurbishment records.
4. Site acceptance testing and commissioning results.
5. Formal turnover-to-operations documentation or management certification showing the project has been completed and accepted by the date in performance objective.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $60,000 - Design acceptance approved, by January 1, 2027. The available fee will be reduced by 20% per week beyond January 1, 2027.

2. $60,000 - Procurement complete and onsite, by April 1, 2027. The available fee will be reduced by 20% per week beyond April 1, 2027.

3. $480,000 - Complete Waste Shaft Sump Conveyance and Chairing Refurbishment project (Site acceptance testing, commissioning, and project closeout and turnover to operations). The available fee will be reduced by 20% per week beyond the 183-calender-day long maintenance outage.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Waste Handling Building CH Cranes	**PBI Number**: 4.C **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $200,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control	**Work Breakdown Structure (WBS) Element No(s).** Not yet established

Document No. Not yet established	

Incentive Information

Degree of Difficulty: High ☐ Medium ☒ Low ☐

Performance Expectation and Measurement

1. Performance Objective:

The Contractor shall complete design, procurement, installation, site acceptance testing, commissioning, closeout, and turnover to operations for the Waste Handling Building CH Cranes within the 183-calender-day planned long maintenance outage window.

This PBI provides value to the Government by ensuring TRU waste shipping can resume following the long maintenance outage and upgrading Waste Handling Building CH Cranes (4 cranes) consistent with GAO-25-107333 and GAO-26-107957's focus on aging infrastructure, long-term maintenance planning, and mission risk reduction, while supporting worker safety and health, environmental compliance, and mission continuity.

2. Completion Criteria:

1. Procurement activities necessary to support project execution have been completed.
2. Installation and refurbishment activities necessary to support operational use have been completed.
3. Site acceptance testing and commissioning have been completed with acceptable results.
4. The project has been formally closed out and turned over to operations.

3. Completion Documentation:

1. Procurement records for applicable equipment, materials, and services.
2. Completed or approved Work Control Documents.
3. Installation and refurbishment records.
4. Site acceptance testing and commissioning results.
5. Formal turnover-to-operations documentation or management certification showing the project has been completed and accepted by date in the performance objective.

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $20,000 - Design acceptance approved, by January 1, 2027. The available fee will be reduced by 20% per week beyond January 1, 2027.

2. $20,000 - Procurement complete and onsite, by April 1, 2027. The available fee will be reduced by 20% per week beyond April 1, 2027.

3. $160,000 - Waste Handling Building CH Cranes (Site acceptance testing, commissioning, and project closeout and turnover to operations). The available fee will be reduced by 20% per week beyond the 183-calender-day long maintenance outage.

PERFORMANCE INCENTIVE

Section I - General Information

Full Title: Digital Data Transfer Database for CCP Records	**PBI Number**: 5.A **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $40,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall develop a digital data transfer database for Central Characterization Program (CCP) records to establish the capability of electronically capturing and transmitting characterization/certification data from CCP field activities to CCP project office and provide full read access to the Carlsbad Field Office (CBFO) Office of the National TRU Program Waste Certification and Disposal (ONTPWCD), by September 1, 2027.

This PBI is the first phase of a multi-year project that will eliminate human error and increase the efficiency of TRU waste characterization/certification by moving from a hand recorded, hard copy paper record keeping process to a digital transfer of the records. This PBI provides value to the Government by reducing operational time and cost through elimination of human error in record keeping by going from a manual data transfer process to a digital one, which supports the CBFO mission to safely, compliantly, and efficiently dispose of defense-related TRU waste.

The second phase of this project will involve making the digital data transfer database accessible through a site portal on WIPPnet from the field using desktops, laptops, and tablets at each of the TRU waste generator sites across the U.S. The second phase of the project is not achievable in FY2027 due to challenges in cyber security and safeguards of information to transfer data across the various firewalls at the TRU waste generator sites and CBFO/WIPP. Therefore, the second phase is projected to be incentivized in FY28 or later, depending on the scope, difficulty and breadth of the second phase of the project.

2. Completion Criteria:

The Contractor successfully develops and demonstrates a digital data transfer database for CCP records that has the capability of electronically capturing and transmitting characterization/certification data from CCP field activities to CCP project office and provides full read access to CBFO-ONTPWCD, by September 1, 2027.

3. Completion Documentation:

Successful demonstration of a digital data transfer database for CCP records that has the capability of electronically capturing and transmitting characterization/certification data from CCP field activities to CCP project office and provides full read access to CBFO-ONTPWCD, by September 1, 2027.

Earnings Schedule:

The Contractor shall earn fee as described below:

$40,000 will be earned for successfully developing and demonstrating a digital data transfer database for CCP records that has the capability of electronically capturing and transmitting characterization/certification data from CCP field activities to CCP project office and provides full read access to CBFO-ONTPWCD, by September 1, 2027. The available fee will be reduced by 25% per week beyond September 1, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Zero Trust Architecture (ZTA) Implementation	**PBI Number**: 5.B **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $100,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall transition the WIPP systems security posture and infrastructure from a legacy network-perimeter defense model to a comprehensive Zero Trust Architecture (ZTA). This transition must ensure that no user, device, application, or service is implicitly trusted by default, and that every access request is explicitly authenticated, authorized, and continuously validated prior to being granted access, by September 1, 2027.

This PBI gets WIPP into regulatory compliance and increases security. Drivers to meet these incentives are President Trump's *Cyber Strategy for America*, Executive Order 14028, *Improving the Nation's Cybersecurity*, and the Office of Management and Budget Memorandum M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*.

2. Completion Criteria:

Network Segmentation & Micro-segmentation implementation

- Implement micro-segmentation and software-defined networking
- Create network architectures that adhere to ZTA principles

Privileged Access Management (PAM)
- Implement comprehensive PAM solution to secure, control, and monitor all privileged access across the organization
- Enforce principles of least privilege
- Incorporation of just-in-time (JIT) access
- Managing and rotating privileged credentials and access
- Continuous active monitoring and auditing of privileged sessions

3. Completion Documentation:

- Configuration and change management documentation
- System and application logs verified to be adhering to ZTA principles

Earnings Schedule:

The Contractor shall earn fee as described below:

$100,000 will be earned for the completion and successful demonstration of implementing and fully maturing ZTA infrastructure and configurations by September 1, 2027. The available fee will be reduced by 25% per week beyond September 1, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Artificial Intelligence Implementation, Integration, and Utilization	**PBI Number**: 5.C **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $130,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	

1. Performance Objective:

The Contractor shall design, deploy, monitorization, and govern the in-house developed Artificial Intelligence (AI) and Machine Learning (ML) platforms to increase business process efficiencies, generate insights, produce predictions based on data collection, business intelligence, and/or provides prescriptive recommendations that lead to data informed decisions.

This PBI gets WIPP into regulatory compliance and increases operational efficiency. Drivers to meet these incentives are Office of Management and Budget Memorandum M-25-21,

Accelerating Federal Use of AI through Innovation, Governance, and Public Trust and June 2, 2026, Executive Order, *Promoting Advanced Artificial Intelligence Innovation and Security*.

2. Completion Criteria:

1. Identify capabilities of AI
2. Present use cases to management for review
3. Integrate the in-house AI system with internal data sources
4. Completed proof-of-concept testing and capabilities

3. Completion Documentation:

1. Proposed use cases
2. Demonstration of capability
3. Summary documentation of AI integration project

Earnings Schedule:

The Contractor shall earn fee as described below:

1. $30,000 will be earned for Presentation for use cases of AI to CBFO by December 31, 2026. The available fee will be reduced by 25% per week beyond December 31, 2026.

2. $100,000 will be earned for successful implementation, demonstration of capabilities, and approval by CBFO, by September 1, 2027. The available fee will be reduced by 25% per week beyond September 1, 2027.

PERFORMANCE INCENTIVE	
Section I - General Information	
Full Title: Integration of electronic records from Electronic Information System (EIS) to Electronic Document and Records Management System (EDRMS).	**PBI Number**: 5.D **Rev:** 0 **Date:** 10/1/2026
Section II - Accounting Information	
Budgeted Cost of Work Scheduled (BCWS) under this Incentive: Not yet established	**Maximum Available Fee Allocated to this Incentive:** $40,000
Project Baseline Summary (PBS)/Work Authorization (WA) (Directive) (D)/Program Control Document No. Not yet established	**Work Breakdown Structure (WBS) Element No(s).** Not yet established
Incentive Information	
Degree of Difficulty: High ☐ Medium ☒ Low ☐	
Performance Expectation and Measurement	
1. Performance Objective:	

Identify a candidate Electronic Information System (EIS) that is currently either 1) producing paper records or 2) requires manual transfer of electronic records to the Electronic Document and Records Management System (EDRMS), by September 1, 2027.

This PBI gets WIPP into regulatory compliance and increases operational efficiency. Achieving a fully automated, born-digital ingest process directly supports compliance with OMB/NARA Memorandums M-19-21, Transition to Electronic Records and M-23-07, Update to Transition to Electronic Records. Additionally, by automatically routing records from an EIS into an ERMS, the risk of information being lost during system decommissioning is eliminated. Finally, the automation of this process frees records management personnel and IT staff from performing tedious, manual data-entry and transfer tasks, allowing them to focus on higher-value activities like governance, compliance auditing, and security.

2. Completion Criteria:
By September 1, 2027, develop and deploy, an automated, direct system-to-system integration between the EIS and the EDRMS, demonstrating that records remain born-digital throughout their lifecycle and successfully transfer to the EDRMS.

3. Completion Documentation:
Deliver a System Validation Report demonstrating that records remain born-digital throughout their lifecycle and successfully transfer to the EDRMS.

Earnings Schedule:

The Contractor shall earn fee as described below:

$40,000 will be earned for successfully meeting the Performance Objectives by the identified date. The available fee will be reduced by 25% for each week beyond September 1, 2027.

PBI Certification of Completion:

The certificate of completion (see below) for PBI(s) shall include supporting documentation specified in the PBI(s) such as acceptance/test reports, shipping manifest or other proof of completion, along with the amount of fee being requested. The *Certification of Completion* shall be delivered to the Government for each PBI or multiple PBSs with the Contractor's self-assessment for each PBI. If multiple PBIs, then each one shall be identified. If the Contractor determines that the *Certificate of Completion* submitted is incomplete or requires an update, the Contractor shall immediately notify the Government and resubmit a revised *Certificate of Completion* along with the updated associated revised documentation attached. The certification may be executed by any person authorized to bind the Contractor with respect to the following:

Certification of Completion

"I certify performance completion of PBI #_____. This certification of completion is made in good faith; the supporting data are accurate and complete to the best of my knowledge and belief; the amount requested accurately reflects the amount of fee for which the Contractor believes is correct; and I am duly authorized to certify the PBI completion on behalf of the Contractor."

Signature _____ Date _____

Title _____