

2. AMENDMENT/MODIFICATION NO. P00049	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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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
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) SALADO ISOLATION MINING CONTRACTORS, LLC Attn: Marty Gonzales 12011 SUNSET HILLS RD STE 110 Reston VA 201905919	(x)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	x	10A. MODIFICATION OF CONTRACT/ORDER NO. 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 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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: H.23 DOE-H-7014 Stds K'er Perf Eval, I.227, DEAR 970.5243-1 Chgs, FAR 43.103(a)(3) mutual agre of parties
	D. OTHER (Specify type of modification and authority)

**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.)

UEI: MHKNRXGKKT56

In accordance with Contract Clause H.23 DOE-H-7014 Standards of Contractor Performance Evaluation (SEP 2017), Contract Clause I.227, DEAR 970.5243-1 Changes (Jul 2009) and FAR 43.103(a)(3) mutual agreement of the parties, the purpose of this modification is to: incorporate the Fiscal Year 2025 (FY25) Performance Evaluation and Measurement Plan (PEMP) at contract section J, J-3.

Payment:  
Period of Performance: 02/04/2023 to 11/07/2026

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) <b>Mike Rocha, Baseline Integration Manager</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Daniel D. Burke
15B. CONTRACTOR/OFFEROR  <i>(Signature of person authorized to sign)</i>	16B. UNITED STATES OF AMERICA  <i>(Signature of Contracting Officer)</i>
15C. DATE SIGNED <b>09/24/2024</b>	16C. DATE SIGNED 09/24/2024

**PERFORMANCE EVALUATION AND MEASUREMENT PLAN  
WASTE ISOLATION PILOT PLANT (WIPP) MANAGEMENT AND OPERATING (M&O)  
CONTRACT 89303322DEM000077  
October 1, 2024, through September 30, 2025  
Revision 0, dated 9/12/2024**

**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 for the WIPP M&O contract consistent with Section B.3 Transition Cost, Anticipated Funding, and Total Available Performance Fee. This PEMP will provide the expectations for the evaluation period. Criteria are provided on how fee will be earned for the evaluation period. The WIPP M&O Contractor (hereafter referred to as the Contractor) must manage the funds allotted so that the work executed, and fee earned is within their authorized spending levels per year.

**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)/Carlsbad Field Office (CBFO) Manager**

- a. The Head of Contracting Activity (HCA) has appointed the CBFO Manager as the FDO. The FDO determines the final performance fee amount earned for the evaluation period based upon all the information furnished.
- b. The FDO will coordinate with the CBFO Assistant Manager of the Office of the National Transuranic (TRU) Program Waste Certification and Disposal (ONTPWCD), the Contracting Officer's Representative(s) (CORs) and the Contracting Officer (CO) in the development of the PEMP; performance monitoring; performance validation; approval of minor changes to the PEMP; and performance reporting.

**2. WIPP M&O Contract CO**

- a. The CO is an advisor in the development and establishment of the PEMP.
- b. The CO will ensure appropriate coordination of performance expectations and the evaluation criteria with Headquarters (HQ) program and policy organizations. The CO will coordinate with the Environmental Management Consolidated Business Center (EMCBC) to submit the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
- c. The CO, if required, in conjunction with the COR and Capital Asset

Projects (CAP) Federal Project Director (FPD), will coordinate major changes to performance expectations and the evaluation criteria with the HCA through the EMCBC.

- d. The CO will forward the approved PEMP, including the evaluation criteria and available fee amounts to the Contractor through a contract modification.
  - e. The CO will prepare a letter for the FDO's signature notifying the Contractor of the amount of performance fee earned by the Contractor for the evaluation period. This notification will identify specific areas of strengths and areas for improvement in the Contractor's performance.
  - f. The CO will unilaterally modify the contract to reflect the FDO's final determination of the amount of performance fee earned by the Contractor for the evaluation period. The modification, which will reflect earned and unearned fee for the evaluation period, will be issued to the Contractor within 14 calendar days after the CO receives the FDO's decision.
3. WIPP M&O Contract COR(s) and Line Item Capital Asset Projects (CAP) Federal Project Director (FPD)
- a. The COR(s) monitor, evaluate, assess and validate the Contractor's performance against subjective evaluation criteria.
  - b. The COR(s) perform periodic reviews of the Contractor to evaluate progress towards completion of requirements for Performance Based Incentives (PBIs).
  - c. The COR(s) support 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.
  - d. The COR(s) focuses on all non-CAP related work scope in its entirety. The Line-Item CAP FPD focuses on Line-Item CAP related work scope. The COR functions as the technical interface with the Contractor regarding performance on non-Line-Item CAP related work scope. The Line-Item CAP FPD supports the COR(s) in interfacing with the Contractor regarding performance on Line-Item CAP related work scope, as needed.
  - e. The COR is responsible for preparing the annual performance evaluation report and associated scorecard based on the recommendations of the Award Fee Evaluation Board.
4. Technical Monitors (TM)
- a. Monitor, evaluate, assess and validate the Contractor's performance against the criteria in the PEMP for their respective sections.

- b. The Technical Monitors will provide input to the COR to support his/her overall evaluation of the Contractor's performance.
- c. TMs may include, but are not limited to, the following:

<b>Technical Monitors</b>
NTP Certification Division Director
NTP Operations Division Director
Site Operations and Infrastructure Division Director
Safety Programs Division Director
Safety Systems Oversight Division Director
Quality Assurance Division Director
Facility Oversight Division Director
Environmental Regulatory Compliance Division Director
Budgets and Contracts Division Director
Information Technology Division Director

**III. PEMP DEVELOPMENT PROCESS**

While PEMP incentives may be unilaterally developed by the U.S. Department of Energy (DOE), a teaming approach between the DOE 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 the DOE's goals and objectives. However, DOE reserves the right to issue the PEMP unilaterally consistent with the contract.

Changes to the allocation of fee during the performance period should not be made to benefit or penalize the Contractor and the fee amounts should not be modified unless there are budget modifications (in accordance with Section B.3, Transition Cost, Anticipated Funding, and Total Available Performance Fee, of the contract). This includes when actions fall out of the control of the Contractor and DOE cannot provide sufficient alternatives by allocating the fee to another PBI. At the discretion of DOE, if a PBI is cancelled or modified, any fee associated with that PBI may be allocated to another PBI(s). However, unearned fee shall not be rolled over. This does not obligate DOE to compensate the Contractor for partially completed PBIs, but will encourage the FDO to consider events outside the control of the Contractor when making fee determinations.

Approval by the CBFO Manager and the EM Office of Acquisition Management, with concurrence from the CBFO Assistant Manager of the Office of National TRU Program Waste Certification & Disposal, Contracting Officer's Representative (COR) and CO are required for any changes to the PEMP, other than administrative changes.

The amount of fee earned by the Contractor is within the sole discretion of the FDO.

**IV. EVALUATION CRITERIA**

The performance fee amount will consist of 1) a subjective fee component and 2) an

objective fee component. All available fee is at risk. Performance evaluation will be conducted in accordance with H.23 of the contract.

**A. Subjective Criteria: Award Fee Criteria**

Subjective criteria have been established that include Quality, Schedule, Cost Control, Management, and Regulatory Compliance. DOE may consider other related performance information and data when evaluating the Contractor's performance for the subjective portion of the fee. Safety is inherent to performance of work at all DOE facilities and adherence to safe and compliant execution of work scope is a key component under the evaluation of all the subjective criteria.

Areas for consideration 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.

The total fee available for the Subjective Criteria is 30% of the Total Available Fee. The maximum fee available for each of the following five subjective criteria is specified below next to each criterion as a percentage of the total fee available for the award fee (subjective) criteria.

Attachment 1 provides the adjectival ratings and their definitions used in the evaluation of the award fee (subjective) criteria. Attachment 2, Subjective Criteria, provides example factors that will be taken into consideration for evaluation.

1. Quality (20%)
2. Schedule (20%)
3. Cost Control (20%)
4. Management (25%)
5. Regulatory Compliance (15%)

These five (5) award fee (subjective) criteria are aligned with the evaluation categories in the Contractor Performance Assessment and Reporting System (CPARS). However, Small Business Subcontracting is established as a separate evaluation criterion in CPARS. Subcontracting evaluation criteria are captured within the Management award fee criteria in this PEMP.

**B. Objective Criteria: Performance Based Incentives (PBIs):**

PBIs are an objectively measurable evaluation of Contractor performance. 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 are typically payable upon full completion of identified levels of work accomplished, but partial fee may be awarded for demonstrated progress toward a specific objective. PBIs will be measured and evaluated at the end of each fiscal year (in the same timeframe as the subjective criteria). Payment for fully completed PBI sub-sections (e.g., 4.1, but not 4.1.I) may be requested. While the Contractor may request early evaluation of PBIs upon full completion, early evaluations are not final until the end of year evaluation is complete. All fee remains provisional per

**Post-award - CUI//SP-PROCURE**

Section B.5 of the contract until the end of the year evaluation is complete and the FDO has made a final decision. The total fee available for the PBIs is targeted at 70% of the Total Available Fee.

C. Fee Pool Distribution:

	<b>Total Fee Available (Section B)</b>	<b>Award Fee (30%) Allocation</b>	<b>PBI (70%) Allocation</b>
Base Work (Operations and Maintenance)	\$12,615,557	\$3,784,667	\$8,830,890
Safety Significant Confinement Ventilation System (SSCVS) CAP	\$1,423,739	\$427,122	\$996,617
Utility Shaft (US) CAP	\$1,390,032	\$417,010	\$973,022
Hoisting CAP	\$372,330	\$111,699	\$260,631
<b>Total</b>	<b>\$15,801,658</b>	<b>\$4,740,497</b>	<b>\$11,061,160</b>

PBI	PBI Category	PBI (70%) Allocation (\$)	PBI Roll-up	PBI Title	Incentive Fee (\$)
1	Operations and Maintenance	\$5,623,166	1.1	General Shipments	\$4,610,997
			1.2	New Shielded Container	\$281,158
			1.3	Shipping Fleet Maintenance	\$281,158
			1.4	100-Gallon Overpacks	\$168,695
			1.5	NTP Shipping Plans	\$281,158
2	Capital Asset Projects	\$2,230,270	2.1	SSCVS Startup	\$996,617
			2.2	Utility Shaft	\$973,022
			2.3	Hoisting Capability	\$260,631
3	Infrastructure	\$2,207,722	3.1	Salt Pocket Loading Pocket Refurbishment	\$772,703
			3.2	Plant Chiller Replacement	\$220,772
			3.3	Mine Sustainment Plan	\$551,931
			3.4	Mission Critical Equipment	\$441,544
			3.5	CPP Database	\$110,386
			3.6	Monitor Well Network Upgrade	\$110,386
4	Security	\$1,000,000	4.1	Cyber Security - Zero Trust	\$500,000

			4.2	Security Modernization	\$500,000
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**V. PERFORMANCE EVALUATION**

Monitoring and Evaluation of Performance

DOE will monitor Contractor performance against the established subjective evaluation criteria throughout the evaluation period. Attachment 1 provides the adjectival ratings used by DOE. Attachment 2 contains the five subjective evaluation categories and the types of performance related information that the TMs are to consider as part of their evaluation.

Performance feedback to the Contractor will be provided quarterly throughout the year.

The Contractor may submit a self-assessment within ten calendar days after the end of each quarter throughout the evaluation period for consideration by CBFO (See Section IV). Any self-assessment that is submitted for consideration shall not exceed two pages per subjective criteria (10 pages total). Any self-assessment received after this time may not be considered in CBFO’s evaluation. The Contractor is also required to comply with the mid-year and end-year self-assessment requirements of Section H.23 of the contract. Additionally, the Contractor may submit a summary of its evaluation against the PBIs for which the Contractor requests payment. This summary shall not exceed five pages in total and shall include both fully and partially completed PBIs, including the reason the PBIs were not completed as defined in the PEMP.

**VI. FEE DETERMINATION**

A. Notification of Completing PBI Milestones

The Contractor shall notify the CO and the COR after completion of a PBI in writing and shall make available sufficient information for DOE to confirm the successful completion of the PBI. Notification of completions (including demonstration of completion – e.g., documentation or physical verification, photos, etc.) by e-mail or delivery of physical documents may be submitted at any time after completion. Notification must be submitted no later than October 15<sup>th</sup> of each year to be considered in that year’s fee determination. Requests for fee award based on partial completion of PBIs prior to the end of the evaluation period (each FY) will not be considered, unless specifically allowed in the PBI description. DOE’s fee determination regarding completed PBIs throughout the evaluation period remains provisional until the final fee determination is made by the FDO at the end of the evaluation period. The fee determination for subjective (award fee) and objective (PBI) criteria becomes final at the end of the rating period, unless noted otherwise.

B. Circumstances Outside of the Contractor’s Control

For any of the PBIs described in Attachment 3, the Contractor may request payment of fee for missed metric/milestone(s) due to actions by DOE impacting Contractor performance or due to circumstances that are not reasonably the responsibility of the Contractor for consideration by the FDO. Failure to properly plan for, notify CBFO in a timely manner of issues, and manage project risks is not a circumstance

outside of the Contractor's control. The Contractor should ensure proper posture was taken to prevent delays. As an alternative to payment of fee within an annual performance period, the FDO may extend the completion dates and defer decision until the PBI is complete. DOE is not obligated to either pay fee or extend the performance period upon request by the Contractor, but may, at the FDO's sole discretion, do so in the interests of fairness.

**C. CBFO Award Fee Evaluation Board**

The CBFO Evaluation Board will consist of the following voting members:

CBFO Deputy Manager – Chairperson  
Office of Environment, Safety, Health, & Quality Assurance (QA) Assistant Manager  
Office of NTP Waste & Certification & Disposal Assistant Manager  
Office of Business Operations Director  
Line-Item Capital Asset Projects Federal Project Director(s)

The following individuals will serve in an advisory capacity:

WIPP M&O Contracting Officer  
Legal Counsel  
WIPP M&O COR(s)  
WIPP Chief of Staff

The COR(s) will be responsible for the following:

1. Write end of Period of Performance (POP) evaluations in the Performance Evaluation Report (PER) with Board/Manager scoring
2. Gather Award fee narrative summary sheets of quarterly performance evaluations in coordination with TMs and CAP FPD for each subjective category (No scores/rating) for final PER
3. Gather completed summary sheets of Performance Based Incentives (PBIs) evaluations for (Minor Construction Projects (MCP) and CAPs) from FPD and TMs for PER to forward to FDO
4. Receive and review all Contractor provided self-assessments.
5. Providing a short presentation to the board, if requested.

**D. Minimal Performance Expectation**

If the Contractor receives a rating of "Unsatisfactory" for any of the five subjective fee criteria, then the total maximum fee the Contractor can earn is 50% of available award fee (subjective), as determined by the FDO.

In accordance with FAR 16.401, award fee shall not be earned if the Contractor's overall cost, schedule, and technical performance, in the aggregate, is below satisfactory.

**E. FDO Determination**

The FDO, with input from the CBFO Evaluation Board, will determine the amount of overall fee earned (subjective and objective). This determination is purely discretionary and is based solely on the judgment of the FDO. If a PBI is not 100% complete, it is



within the FDO's discretion to award partial fee. If the FDO decides to award partial fee for an incomplete PBI, based on demonstrated progress towards completion of the specified deliverable or objective, there is no obligation to act similarly for other incomplete PBIs. There is no minimum or partial PBI fee that must be awarded.

**F. 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. DOE will re-distribute unearned fee to specified projects work as cost dollars and the Contractor will not be able to earn fee on that additional scope.

**Attachment 1 – ADJECTIVAL RATINGS**

For evaluating each subjective criterion (i.e. Quality, Schedule, Cost Control, Management, and Regulatory Compliance), the following adjectival ratings will be used:

- EXCELLENT** 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.
- VERY GOOD** 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.
- GOOD** 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.
- SATISFACTORY** 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
- UNSATISFACTORY** 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.

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

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

**Attachment 2 - SUBJECTIVE CRITERIA**

**Quality (20%)**

Assess the Contractor's conformance to contract requirements, specifications and standards of good workmanship. Assess how the Contractor meets program/project quality objectives such as producibility, reliability, and maintainability. Assess the Contractor's management of the quality control programs, as well as the work itself. Assess the Contractor's ability to maintain quality control, address and review comments, identify and correct deficient work, and provide overall quality performance. The following items are examples of what will be considered for evaluation, but are not all-inclusive:

- QA Program – SIMCO maintains and implements an effective Quality Assurance program, with emphasis on Nuclear Quality Assurance (NQA)-1. SIMCO ensures compliance with and implementation of the prime contract requirements. The Contractor's implementing policies, plans, and procedures are clear and effective.
- Assessments – SIMCO QA effectively tracks assessment results, trending metrics and NCR/CAR closeout timeliness within the CCP program and the following high-risk functional areas at the WIPP site: Configuration Management, Training Programs, Conduct of Operations, Maintenance, Design Control, Contractor Assurance Systems, and Waste Handling. Assessment results and timeliness are improved, or robust causal analysis and lessons learned implemented for degradations.
- NCR/Corrective Action – SIMCO metrics and surveillance show timely (avg <180 days) closure, and appropriate grading of open NCRs, CAR's, and WIPP issues.
- Graded Approach – SIMCO provides evidence that the WIPP QAPD graded approach requirements are being flowed down into all affected functional area processes. SIMCO QA is able to demonstrate effective implementation via risk assessment results, document reviews, audits, and subsequent corrective action, if needed
- CAS System – SIMCO provides evidence that CAS feedback, trending, management assessments, system health assessments, and lessons learned are being utilized by SIMCO QA/CAS to adapt and modify annual audit risk, scope, and schedule. CAS feedback including, trending, management assessments, and lessons learned are used to initiate process improvement plans and execution outside of the CAR or issues management systems.
- Overall Quality – SIMCO QA/CAS organizations demonstrate that submitted work products, deliverables, operations, and construction activities are of high quality (no technical errors and limited editorial errors)

**Schedule (20%)**

Assess the timeliness of the Contractor against the completion of task orders, milestones, delivery schedules, and administrative requirements (e.g., efforts that contribute to or affect the schedule variance). This evaluation of the Contractor's adherence to the required delivery schedule should include the Contractor's efforts during the evaluation period that contribute to or affect schedule variance. Also, address significance of scheduled events (e.g., design reviews), discuss causes, and assess the effectiveness of Contractor corrective actions to recover schedule variance. The following items are examples of what will be considered for evaluation, but are not all-inclusive:

- Performance in coordinating and managing eight-week rolling schedules for TRU waste shipments. This is a rolling eight-week schedule detailing the quantities and times for shipments to WIPP from all of the generator sites across the complex, and between generator sites. It also covers all movement of empty equipment and roadshows.
- Ensure all necessary actions are taken in a timely manner to ensure waste availability to fill the shipping pipeline.
- 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.
- The timeliness of all submittals to DOE including Regulatory documents; contract documents such as Notifications of Contract Changed Conditions; project documents such as Baseline Change Proposals and Programmatic Change Requests, and safety documents such as Technical Safety Requirements to provide sufficient time for review, comment resolution, and revision in advance of document due dates or impacts to work. The frequency, magnitude, and justification for deliverable and document extension requests will be considered.
- The timeliness of the Contractor's response following DOE requests for in-scope support or for information/reports.
- The timeliness of completing scheduled Preventative Maintenance (PM) actions.
- The timeliness of review and closure of current and future CAPs and MCP project construction work packages, and adherence to the approved baseline schedule.
- The timeliness of managing subcontract package reviews within the Procurement Threshold requirements, to include commodity vendors and commodity orders.
- Proactive management of the supply chain to prevent or mitigate delays in mission accomplishment or work stoppages.

**Cost Control (20%)**

Assess the Contractor's effectiveness in forecasting, managing, and controlling contract cost. If the Contractor is experiencing cost growth or underrun, discuss the causes and Contractor-proposed solutions for the cost overruns or underruns. In addition, the extent to which the Contractor demonstrates a sense of cost responsibility, through the efficient use of resources, in each work effort should be assessed. The following items are examples of what will be considered for evaluation, but are not all-inclusive:

- The management of all obligated funds to preclude anti-deficiency.
- Demonstration of all efficiencies and real cost savings/avoidance, and how these savings were used to benefit DOE.
- Accurate project controls, cost estimating, budgeting and cost monitoring that allow for long range planning to control costs.
- Effectiveness/accuracy of the Earned Value Management System (EVMS) and operations activities cost reporting as well as the development and implementation of cost mitigation strategies to recover cost variances.
- The ability to stay within the approved Performance Measurement Baseline (PMB) for the work completed, as applicable.

**Management (25%)**

The following items are examples of what will be considered for evaluation, but are not all-inclusive:

- Setting and communicating priorities and a vision for WIPP that is consistent with the contract and DOE established mission and vision statements.
- Establishing and maintaining operational excellence and a strong safety culture.
- Timely and effective communication (e.g., appropriate information, identification of issues) to DOE.
- Effective Key Personnel management, including performance in selecting, retaining, supporting, and replacing, when necessary, key personnel, and overall ability to work together along with individual position performance.
- Effective problem resolution (e.g., reasonable and cooperative behavior to include timely identification of issues and responsiveness to customers).
- Effective risk management practices.
- The effectiveness and timeliness of corrective action implementation.
- Meeting subcontracting goals, effectively managing subcontracts, and timely resolution and closeout of subcontractor REAs and ECNs.
- 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 small business subcontracting plans and DOE goals, Buy American Act, and applicable labor statutes.
- Cyber Security and Information Resource Management that provides a secure, reliable, and efficient Information Technology infrastructure along with timely software application development and deployment.
- Positive public relations are maintained.
- The responsiveness to reviews, assessments, inspections, and inquiries from external organizations.
- An effective safety and health program appropriately tailored for the uniqueness of nuclear and underground operations, including maintaining safe underground ground control conditions above a safety factor of 1.5.
- Effectiveness of the Emergency Management Program - SIMCO will complete all corrective actions issued by the EA-33 2024 Emergency Management Assessment within the timeframes established in corrective action plan. SIMCO will ensure the 2024 Emergency Exercise at WIPP includes scenarios which will demonstrate correction of and compliance to requirements of the all of the Findings identified by the EA-33

Assessment.

- Effective partnering relationships with regulators, stakeholders, and DOE generator sites.
- Demonstrate effective use of domestic suppliers of personal protective equipment (PPE) and achieving on-time-delivery of PPE.
- Demonstrate proactive communication with Corporate Official and parent companies to identify project issues early and resolve.

**Regulatory Compliance (15%)**

Assess compliance with all terms and conditions in the contract relating to applicable regulations and codes. Consider aspects of performance such as compliance with financial, environmental, safety, and labor regulations, as well as any other reporting requirements in the contract terms and conditions. The following items are examples of what will be considered for evaluation, but are not all-inclusive:

- Performance against Compliance Recertification Application requirements.
- Performance against WIPP Hazardous Waste Facility Permit (HWFP) requirements.
- Performance against the Environmental Management System.
- Performance against TRU waste transportation requirements.
- Performance against implementing and maintaining a compliant Safeguards and Security Program.
- Performance against 10 CFR 851 (Worker Safety and Health) requirements, which includes compliance with Mine Safety and Health Administration (MSHA) requirements.
- Performance against all other DOE and regulatory requirements (e.g., Executive Orders, DOE Policies, DOE Orders, DOE Standards, Federal regulations, applicable State and Local regulations/statutes, permits, etc.).



**Attachment 3 - PERFORMANCE BASED INCENTIVES (PBIs)**

**PBI 1 Operations and Maintenance – (\$5,623,166)**

- 1.1 General Shipments\*** (\$4,610,997) – The Contractor will support the National TRU Program to schedule shipment receipt and emplacement of certified TRU waste. The allocation of shipments will be based on LANL certified waste shipments being the highest priority, and then to achieve Idaho National Laboratory (INL) shipments at a level of 55% or more of the total TRU waste shipments for the evaluation period.
- I. The contractor will earn \$8,679.52 for each shipment receipt up to 425 shipments based off of expected generator site production and the planned WIPP shipping outages. (\$3,688,797 total available)
  - II. Maintain priority such that full shipments of LANL certified waste are shipped to WIPP within one month of LANL notifying WIPP of their availability. (\$461,100)
  - III. Due to the priority of receiving shipments from LANL, an additional \$11,527.50 will be earned for each of the first 40 shipments received from LANL. (\$461,100)

\*Identified as a Priority #2 on the “EM CY24 Mission & Priorities” list

- 1.2 New Shielded Container** (\$281,158) - The Contractor shall establish the process to ship, receive and emplace one of the new Shielded Container designs used for shipping RH waste in the CH HalfPACT to support RH shipping needs for the TRU waste complex. In order to earn fee, the Contractor must successfully receive and emplace a container of any design (30G2, 30G3, 55G1, or 55G2) from any of the certified shipping sites by September 30, 2025.
- 1.3 Shipping Fleet Maintenance** (\$281,158) - Ensure adequate TRUPACTs and HalfPACTs remain certified to support shipments in FY25. 10% of this PBI fee will be reduced for each shipment that is missed in a given week due to the unavailability of containers.
- 1.4 100-Gallon Overpacks** (\$168,695) - Approve the required thermal and nuclear safety analysis required for submittal of non-steel Type A containers to the Nuclear Regulatory Commission (NRC). The Contractor shall earn fee as follows:
- I. **Perform NCT/HAC Thermal analysis of Non-Steel 100-Gallon Type 7A Payloads.**  
Build the required thermal models and complete the full thermal scoping analysis of the non-steel payload assembly for both the TRUPACT-II & HalfPACT NRC licensed Type B Packages to verify if the 100-Gallon non-steel payloads can meet the regulatory requirements for both Normal Conditions of Transport and Hypothetical accident conditions required per Title 10 Code of Federal Regulations Part 71.71 & 71.73 by June 30, 2025. (\$84,348)
  - II. **Perform Underground Fire Analysis of Non-Steel 100-Gallon Type 7A Payloads.**  
Perform the required under ground fire analysis to assess the results of the 100-Gallon non-steel payload assemblies when subjected to the worst-case underground fire scenario parameters detailed in the currently approved WIPP Documented Safety Analysis (DSA) by September 30, 2025. (\$84,348)

## Post-award - CUI//SP-PROCURE

**1.5 NTP Shipping Plans** (\$281,158) – Deliver the two plans detailed in the National TRU Waste Management Plan, a 1-year shipping plan (Tactical Plan) and a 3-year shipping plan (Operational Plan). To earn fee, the Contractor must:

- I. Deliver the first 1-year strategic shipping plan by December 30, 2024, for implementation during the 2nd quarter FY25, and deliver a 3-year strategic shipping plan by March 31, 2025. The plans shall be integrated with each site generator and submitted to CBFO by the due dates stated above. (\$70,289.50 for each delivered plan)
- II. Develop 10 new TRUCON codes, 40 new Acceptable Knowledge Assessments (new AKA or addendums) and 30 new BOK evaluation memos (addendums or exemptions) to support shipping across the complex at a rate specified in the latest revision of the National TRU Waste Management Plan (NTWMP) for FY2025. Submit to DOE by July 31, 2025. (\$140,579)

### **PBI 2 Capital Asset Projects – (\$2,230,270)**

**2.1 Safety Significant Confinement Ventilation System (SSCVS) Startup\*** (\$996,617) - The Contractor shall:

- I. Complete all contractor readiness activities including contractor readiness assessment and be ready for the DOE RA to start no later than 15 March 2025. Fee will be reduced and pro-rated on a weekly basis with no fee earned if contractor delays start of DOE RA beyond 15 May 2025. (\$709,923)
- II. Successfully complete SSCVS Elbow installation, IVR implementation, and mine re-balancing by 30 September 2025. (\$286,694)

\*Identified as a Priority #1 on the "EM CY24 Mission & Priorities" list

**2.2 Utility Shaft (US) Startup** (\$973,022) - The Contractor shall:

- I. Successfully complete the US project shaft and drifts by April 30, 2025, to include final mine bulkhead installation, stripping of sinking services, removal of hoists and headframe, and installation of the permanent concrete collar and shaft cover. Removal of surface foundations, office removal, and subcontractor demobilization are not required to achieve this PBI. (\$243,255)
- II. Successfully complete the US project startup testing of the shaft and drift systems and achieve shafts and drifts operational status by July 31, 2025. (\$729,766)

**2.3 Hoisting Capability** (\$260,631) -

The Contractor shall:

Develop and submit the draft preliminary design package elements by September 30, 2025, to support CD-2 development.

**PBI 3 Infrastructure – (\$2,207,722)**

**3.1 Salt Shaft Loading Pocket Refurbishment** (\$772,703) - Complete the Salt Shaft Loading Pocket Refurbishment project in less than 18 weeks to control impacts to shaft return to use.

**3.2 Plant Chiller Replacement** (\$220,772) -

The Contractor shall:

- I. Procure and receive one plant chiller with a capacity/capability to sufficiently meet all Waste Hoist cooling needs. The addition of this plant chiller shall increase the capacity of cooling for the Waste Hoist and/or associated systems. (\$66,232)
- II. Install, test, and demonstrate successful operability of new plant chiller by September 30, 2025. (\$154,540)

**3.3 Mine Sustainment Plan** (\$551,931) - The Contractor shall develop and submit a quality and comprehensive 10-year plan of the WIPP mine to include detailed metrics and milestones by April 30, 2025, to include:

- An executable plan for rehab and/or ground control of all critical areas that must be maintained for mission support for the life of the site, including E-140, E, 300, etc.
- A mine production plan necessary to support waste emplacement assuming 475 shipments per year for planning purposes.
- Critical mobile equipment replacement plan (continuous miners, bolter, trucks, transporters, A plan etc.)
- Plan should be fully aligned with Hoisting Capability Project
- Plan for critical and quality of life facilities in the underground to support maintenance, parts availability, etc.
- Predictive maintenance plan using fixed instrumentation
- Mine projects (bulkheads, overcasts, closures, etc). necessary for the life of the site.
- Mine Stability by Design plan proposal for mine beyond W2300 to gain more inherent stability of openings to reduce ground control concerns.
- A ventilation plan for the mine detailed with changes required in the next ten years to maintain a safe working environment throughout the life of the facility.

**3.4 Mission Critical Equipment** (\$441,544) - The Contractor shall ensure Mission Critical Equipment is maintained to support a minimum of 425 shipments in FY25. 5% of this fee will be reduced for each shipment this is below 425 that is attributable to any lack of Mission Critical Equipment. In addition, SIMCO must develop and demonstrate a tracking system to measure and report operational availability of the MCE.

**3.5 Central Procurement Program (CPP) Commodities Purchasing Improvements** (\$110,386) - The Contractor shall establish or improve logistics supply chain management tools for commodities supplied through the Central Procurement Program (CPP). The tools and associated reporting must provide transparency to DOE and facilitate a more efficient and effective commodities ordering process. The Contractor shall analyze the information provided by the tools and deliver a standardized report to establish the baseline requirements for the procurement process and present the report at the September Executive Meeting by September 30, 2025.

- 3.6 Monitoring Well Network Upgrade** (\$110,386) – To support environmental monitoring requirements under 40 CFR 191/194 and the Hazardous Waste Facility Permit Attachment L, the Contractor shall develop a workplan including, scope, schedule, regulatory and scientific strategy for locating, designing, construction, and testing of six additional monitoring wells in the Culebra Dolomite Formation, including acquisition of InSAR data by September 30, 2025.

**PBI 4 Security – (\$1,000,000)**

- 4.1 Cybersecurity - Zero Trust Stronghold** (\$500,000) - The Contractor shall establish a centralized, enterprise-wide doctrine for cybersecurity risk management that coordinates and aligns the organization with the principles and pillars of Zero Trust Architecture. The Contractor shall:

- I. **Establish a centralized, enterprise-wide monitoring process for Cybersecurity** – Implement the capability by September 30, 2025, for continuous monitoring, to include network user and asset validation, that ensures specific privileges and attributes are enforced throughout WIPP network environments and incorporate risk considerations. (\$150,000)
- II. **Implement encryption for Data in Transit (DIT)** – Deliver the system by September 30, 2025, that provides the capability of encrypting data in transit (DIT). This system will render network transmitted data (e.g., web application traffic) unreadable while moving between devices and networks, thereby maintaining privacy and protection from unauthorized access (attacks). (\$250,000)
- III. **Updated System Baseline** – Update the security system Baseline to identify document, and harden deployed perimeter and internal assets by September 30, 2025. (\$100,000)

- 4.2 Security Modernization** (\$500,000) - The Contractor shall:

- I. **Security Modernization Plan:** Deliver a resource loaded Security Modernization Plan to update the physical footprint of the WIPP Site area to support the life of the facility by April 30, 2025. The approach to preparing this plan shall be based on developing a fully integrated plan, that leads to the most cost effective and efficient results, while meeting all security and project management requirements. The plan shall incorporate the entire Design Basis Threat Implementation Plan, and all existing and planned site area structures. Quarterly progress and status briefings to CBFO are required, with ODFSA approval of the plan by September 30, 2025. (\$100,000)
- II. **Design Basis Threat Implementation:** Complete Phases I & II of the approved Design Basis Threat Implementation Plan. This includes design completion, procurement, installation, and all construction of security systems, components, facility upgrades, and full implementation of security procedures for special operations. Phase I and II work can be executed concurrently:
  - a. Completion of Design Basis Threat Phase I work by July 31, 2025, to include all approvals, procurement, installation, and demonstration of operational readiness. (\$100,000)
  - b. Completing all procurement documents and procurements (if funding available)

necessary to complete Phase II of the Design Basis Threat Implementation Plan, by September 30, 2025. (\$100,000)

- III. **Site Secure Communications:** Procure, install, implement, and demonstrate operability of secure communications up to the Secret Restricted Data (SRD) level at the WIPP facility. Means of communication, document storage, and information transmission are to follow DOE standards and comply with DOE O 470.6 (Chg. 1), *Technical Security Program*.
  - a. Successful demonstration of a compliant secure communication capability by September 30, 2025. (\$200,000)