



Department of Energy
Carlsbad Field Office
P. O. Box 3090
Carlsbad, New Mexico 88221
April 12, 2016

Mr. Phil Breidenbach,
President and Project Manager
Nuclear Waste Partnership, LLC
P.O. Box 2078
Carlsbad, NM 88220-2078

Subject: Contract DE-EM0001971 Nuclear Waste Partnership LLC - Award Fee Determination for the Period October 1, 2014 through September 30, 2015, and FY2015 Fee Determination Scorecard for Total Earned Award Fee and Performance Based Incentives

Dear Mr. Breidenbach:

After review of the Department of Energy - Carlsbad Field Office's (DOE-CBFO) performance evaluation report for the Nuclear Waste Partnership LLC (NWP) contract for the period October 1, 2014 through September 30, 2015, I have determined that of the \$3,416,486 award fee available, NWP earned fee of \$2,519,658.44 for this period. In making this decision, I have considered the contractor's performance in each of the four criteria evaluated from the Fiscal Year 2015 (FY2015) Performance Evaluation Measurement Plan (PEMP) with the following findings:

CRITERIA	PERFORMANCE WEIGHT	AVAILABLE AWARD FEE POOL	ADJECTIVAL RATING	PERFORMANCE SCORE	AWARD FEE EARNED
Mission Performance	25%	\$854,121.50	Good	75%	640,591.13
Management Performance	25%	\$854,121.50	Good	70%	597,885.05
Environment, Safety & Health Performance	25%	\$854,121.50	Good	75%	640,591.13
Cost Control Performance	25%	\$854,121.50	Good	75%	640,591.13
TOTAL FEE EARNED					2,519,658.44

Enclosed is the FY2015 Fee Determination Scorecard which provides the total amount of fee earned for both Award Fee and Performance Based Incentives. The Scorecard provides a summary of the contractor's achievements and areas for improvement that were considered in determining the amount of award fee earned. The scorecard will be posted to the WIPP web page.

Please contact Suzanne Hunt, Contracting Officer, at (575) 234-7525, if further information on this matter is needed.

Sincerely,

//original signed

Todd Shrader
Fee Determining Official

cc: w/enc.

S. Dunagan, CBFO	ED*
C. Gadbury, CBFO	ED
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*ED denotes electronic distribution

FY2015 Fee Determination Scorecard

Contractor: Nuclear Waste Partnership, LLC

Contract: DE-EM0001971

Award Period: October 1, 2014 through September 30, 2015

Basis of Evaluation: Performance and Evaluation Plan (PEMP) for FY2015

The FY2015 PEMP for this contract is available at: <http://www.wipp.energy.gov/NWPPayments/NWP.htm>

Award Fee Scorecard:

Subjective Fee (Award Fee) Criteria Summary Table

Criteria	Maximum Available Fee	Adjectival Rating	Fee Determined from Adjectival Ratings	
			Percentage	Fee Amount
1.0 Mission Performance	\$854,121.50	Good	75%	\$640,591.13
2.0 Management Performance	\$854,121.50	Good	70%	\$597,885.05
3.0 ES&H Performance	\$854,121.50	Good	75%	\$640,591.13
4.0 Cost Control	\$854,121.50	Good	75%	\$640,591.13
Total	\$3,416,486.00			\$2,519,658.44

Achievements:

- **Plant Availability** –WIPP Plant availability to recover the facility in FY2015 was high allowing NWP to make significant progress in WIPP site recovery. The 860 fans that provide the air ventilation rate saw an increase in their reliability. Other equipment that was in a degraded condition at the beginning of the year saw an increase in its health through maintenance actions that would allow for greater reliability in the future and availability to support plant operations.
- **Central Characterization Program (CCP) Characterization of Waste** – NWP maintained the capability for certification of TRU waste at generator sites, where assigned, even though shipments to WIPP were suspended for all of FY2015.
- **Schedule Conformance** – The schedule for catch-up bolting and underground restoration was maintained throughout this performance period.
- **Community Commitments** – The contractor has met all of its community commitments from the H.47 contract clause. It is evident that the contractor and its employees value working with the local communities in many different ways.
- **Receipt Inspections** – The contractor has maintained a quality assurance program that has identified non-conforming and suspect equipment material prior to receipt and has followed all items through disposition.
- **Products/Services** – The contractor has provided a risk model points-based system for identifying and evaluating issues with the delivery of products and services to ensure they comply with applicable requirements. An average risk score of below 25 for the fiscal year is considered to be Very Good. The average risk score was consistently below 20 for the entire fiscal year.
- **Work Planning and Control Improvements** – The contractor made steady progress on improving work planning and controls from issues identified from investigations of the causes of the two accident events in February 2014 and from follow-up assessments.
- **Annual Subcontracting Goals** – The contractor was diligent in achieving and exceeding all of the subcontracting goals. In particular, meeting the Hubzone subcontracting goal required significant effort since a reclassification of the southeast New Mexico area from being a Hubzone.
- **Information Resource Management** – Network server availability and the closing of Help Desk Calls exceeded the established reporting goals.
- **Environmental and Regulatory Compliance** - The contractor continues with a strong environmental

and regulatory compliance program that provides quality products on time.

- **Safeguards and Security Compliance** – The contractor has met all initial requirements for reporting Incidences of Security Concerns.
- **Safety Programs reflecting mature Nuclear Safety Culture** – The contractor has made significant progress on improving the safety programs from the corrective actions from the two accident events that are reflecting a maturing nuclear safety culture with continuous improvements.
- **Environmental Management Systems** – The contractor is maintaining a very good Environmental Management System that is striving for improvements in sustainability.
- **Regulatory Envelope** – The contractor has prepared numerous modifications of high quality to the regulatory envelope at WIPP from recovery corrective actions.
- **Contractor Assurance System** – The contractor reduced the average number of days that a fire impairment was open from 233 days to between 37 and 51 days which is more than a four times reduction during FY2015.
- **Mine Rescue Competition Results** – The WIPP Mine Rescue Teams (Blue Team and Red Team) were successful at the five competitions they participated in during FY2015. In two of those competitions, the Blue Team placed first overall.
- **Effectiveness of Cost Planning** – The contractor has made significant improvement in the effectiveness of cost planning with the re-establishment of Activity Based Cost (ABC) estimate sheets for budget planning purposes and bringing on additional resources of experienced cost estimators and planners.
- **Cobra Cost Processor** – The contractor has installed and implemented a cost processor to improve the accuracy of cost estimating, tracking, and reporting.

Areas for Improvement:

- **Plant Availability** - NWP did not develop a metric with established methodology, baseline, and agreement with CBFO to measure the entire WIPP availability until July 2015. The metric did not take into account all planned maintenance outages and activities and all Recovery PMB activities and items that would lead to Plant Availability and only focused on the availability to perform work in the underground. The interim ventilation system (IVS) and supplemental ventilation system (SVS) projects were delayed in FY2015. An installed IVS and SVS would have established a greater ventilation flow rate that would have allowed a greater Plant Availability to perform work.
- **Schedule Conformance** – The schedule for the IVS and SVS was not maintained and has led to a significant slip in the Recovery PMB for increased ventilation rate in the underground. The contractor had 18 delinquent corrective actions to address the Accident Investigation Reports from the February 2014 events by the end of the performance period. Other activities in the Recovery PMB that required procurements did not maintain schedule.
- **Corrective Action Plan Development and Implementation** – The contractor did not provide sufficient objective evidence of closure of all of the corrective actions it submitted as complete in FY2015. In addition, the contractor was delinquent on 18 of the closure of corrective actions.
- **Prime Contract Compliance** – The contractor did not adequately comply with contract requirements for managing changes and extensions to subcontracts in FY2015. The contractor exceeded the ceiling limits on contract original awards. The threshold for affiliate packages of \$25,000 was not maintained and was exceeded on a number of occasions. Many subcontracts required sole-source extensions due to the delay in procurement actions for follow on contracts and open competition.
- **Subcontracting Packages of Adequate Quality** – The contractor consistently provided subcontracting packages of poor quality with only small improvements made late in the fiscal year. Several subcontracting packages were significantly delayed and required expedited DOE review to keep Recovery PMB activities continuing. Several comments by DOE reviewers were not acted upon.
- **Information Resource Management** – The Technology Action Request Process backlog continued to increase during the performance period. With the exception of one month in FY2015, the

backlog increased month over month for a final year-to-date average of 3.23%. The goal was 5% decrease in the TARP backlog for the fiscal year.

- **Contractor Assurance System** –The small number of self-assessments by the contractor in FY2015 was inadequate to measure performance.
- **Safe Execution of Work** – The contractor continues to have challenges in the safe execution of work. Recent improvements in the nuclear safety culture are slowly being realized in the safe execution of work with added attention to stop work and correcting procedures prior to work execution.
- **Mine Safety and Health Administration (MSHA) Citations** – In FY2015, MSHA issued a total of 61 citations (23 of these were categorized as Significant & Substantial).
- **Clarity and Ability to Trace Cost to Work Schedule / Technical Progress** – The contractor struggled to adequately trace performance for cost and schedule.
- **Effectiveness of Cost Reduction / Cost Avoidance Initiatives** – No objective evidence was provided that any cost avoidance or cost reduction process was in place during this fiscal year.
- **Scheduling and Tracking to Support Efficient Operations** – Planning around the availability of critical resources was not apparent. Many scheduled items were not completed on time or did not have realistic schedules developed to support the activities.

Objective Performance Based Incentive (PBI) Scorecard:

Metric	Title	Maximum Available Fee	Fee Earned
1	For the completion and progress of WIPP site Recovery (i.e., Interim (skid-mounted), supplemental, and permanent underground ventilation systems, Panel 6 initial closure, Room 7 of Panel 7 closure, etc.)	\$4,450,000	\$3,810,000
2	For cubic meters of TRU waste certified in excess of 500 cubic meters CH and 2.5 cubic meters RH during the performance period	\$253,348	\$253,348
3	For reducing preventive and corrective maintenance backlogs	\$550,000	\$550,000
4	For addressing equipment register issues	\$500,000	\$500,000
5	For upgrade/revitalization activities that improve the site material condition and support extended future WIPP operations (e.g., correcting fire impairments in a timely manner)	\$3,546,112	\$3,131,112
6	For developing a CBFO-approved Performance Measurement Baseline of the WIPP Recovery Plan	\$200,000	\$200,000
7	For submittal of a Conceptual Design Report and all documents to achieve CD-1 approval for the Permanent Ventilation System Capital Asset Project	\$750,000	\$750,000
Total	Maximum Available PBI Fee	\$10,249,460	\$9,194,460

Total Fee Scorecard

PEMP Fee Type	Maximum Available Fee	Fee Amount	Percentage of Maximum Available Fee
Objective Criteria (PBI) Fee Earned	\$10,249,460.00	\$9,194,460.00	89.7%
Subjective Criteria (Award Fee)	\$3,416,486.00	\$2,519,658.44	73.75%
TOTAL FEE	\$13,665,946.00	\$11,714,118.44	85.7%