



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

May 1, 2017

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 (NWP) – Award Fee Determination for the Period of October 1, 2015 through September 30, 2016 and Fiscal Year 2016 (FY2016) 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 NWP contract for the period of October 1, 2015 through September 30, 2016, I have determined that of the \$3,371,310 award fee available, NWP earned fee of \$2,739,189.37 for this period. In making this decision, I have considered the contractor's performance in each of the four criteria evaluated from the FY2016 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%	\$842,827.50	Very Good	90%	\$758,544.75
Management Performance	25%	\$842,827.50	Good	75%	\$632,120.62
Environment, Safety & Health Performance	25%	\$842,827.50	Very Good	90%	\$758,544.75
Cost Control Performance	25%	\$842,827.50	Good	70%	\$589,979.25
TOTAL FEE EARNED					\$2,739,189.37

Enclosed is the FY2016 Fee Determination Scorecard which provides the total amount of fee earned for both Award Fee (Subjective) and Performance Based Incentives (Objective). 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.

Mr. Phil Breidenbach

-2-

May 1, 2017

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

Sincerely,

//signature on file//

Todd Shrader
Fee Determining Official

Enclosure

cc: w/enclosure

J. Carswell, CBFO

*ED

D.C. Gadbury, CBFO

ED

W. Mackie, CBFO

ED

S. Hunt, CBFO

ED

S. Foster, CBFO

ED

T. Reynolds, NWP

ED

K. Donovan, NWP

ED

CBFO M&RC

*ED denotes electronic distribution

FY2016 Fee Determination Scorecard

Contractor: Nuclear Waste Partnership, LLC (NWP)
Contract: DE-EM0001971
Award Period: October 1, 2015 through September 30, 2016
Basis of Evaluation: Performance and Evaluation Plan (PEMP) for FY2016

The FY2016 PEMP for this contract is available at: <http://www.wipp.energy.gov/NWPpavments/NWP.htm>

Award Fee Scorecard:

Subjective Fee (Award Fee) Criteria Summary ³

Criteria	Maximum Available Fee	Adjectival Rating	Fee Determined from Adjectival Ratings	
			Percentage	Fee Amount
1.0 Mission Performance	\$842,827.50	Very Good	90%	\$758,544.75
2.0 Management Performance	\$842,827.50	Good	75%	\$632,120.62
3.0 ES&H Performance	\$842,827.50	Very Good	90%	\$758,544.75
4.0 Cost Control	\$842,827.50	Good	70%	\$589,979.25
Total	\$3,371, 310.00			\$2,739,189.37

Achievements:

- The contractor maintained the availability of the Waste Isolation Pilot (WIPP) at a high enough level and completed activities in fiscal year (FY)2016 to support recovery and readiness to resume transuranic (TRU) waste disposal operations in FY2017.
- The Centralized Characterization Project (CCP) Characterization Equipment Availability rate for FY2016 was 98.9% even though some of the equipment was aging.
- The contractor exceeded the performance requirements with regard to the issuing and conforming to the transuranic (TRU) waste transportation schedule.
- Nuclear Waste Partnership, LLC (NWP) completed 143 corrective action closures to address Judgments of Needs from the Accident Investigation Board Reports on the Underground Salt Haul Truck Fire Event of February 5, 2014 and the Radiological Release Event of February 14, 2014.
- The contractor exceeded Department of Energy (DOE) subcontracting goals for Small Disadvantaged Business, Women Owned Small Business, Veteran Owned, and Service Disabled Veteran Owned. Contractor also achieved 1.91% of 8(a) procurements without having a mandatory DOE goal.
- During the FY2016 performance period, NWP has been successful in reducing the Preventive Maintenance (PM) and non-PM maintenance backlog and overall age of required maintenance actions.
- The contractor and its subcontractor (Regulatory Environmental Services [RES]) has continued to provide reports as required to meet Environmental Protection Agency (EPA) Compliance in a timely manner, including the Annual Change Report and has supported DOE/EPA technical exchanges and the recent EPA Annual Inspection.
- Notable performance was observed in NWP's development of training and awareness for Insider Threat/Active Shooter preparedness and response.
- During FY2016, NWP initiated a number of programs intended to improve and mature the safety culture at WIPP.

- The WIPP Documented Safety Analysis (DSA) Rev. 5 was submitted by NWP and approved by the Carlsbad Field Office (CBFO) and DOE-EM in FY2016. It is the first DSA in the DOE complex to comply with the new Standard (DOE-STD-3009-2014) and was implemented by NWP and verified by DOE in less than 30 days.
- During FY2016, NWP initiated "Time Outs" per the WIPP Stop Work procedure and held "Time Out of the Week" recognition lunches which encouraged workers in the effective use of this procedure.
- NWP's Critique/Fact Finding Process implementing a no fault atmosphere has been used for review of events and issues to develop timely corrective actions and communicate lessons learned.
- The contractor developed a contractor process for assisting DOE in the FY2018 Integrated Priority List (IPL) for budgeting, delivering all IPL deliverables ahead of schedule and with no re-work, providing quick and accurate answer to questions during the busy 2 weeks of IPL development.
- NWP implemented Earned Value Management System (EVMS) reporting during FY2016, incorporating the standard Integrated Program Management Reports (IPMR) reports for the Capital Asset Projects.
- NWP developed and revised program management tools to ensure clarity of tracing costs to work schedules and technical progress.
- The contractor provided excellent training for readiness for EVMS implementation to their control account managers and other personnel.

Areas for Improvement:

- Conformance to the schedules for the activities leading to readiness was not always maintained.
- There were documented issues during this reporting period related to the contract required monitoring of enroute shipments and the inadequate staffing of Central Monitoring Room (CMR) Operators to continuously perform this responsibility.
- It appears that the contractor's issue management risk score rating system can mask poor quality products and services. NWP needs to compare their overall risk scores to the feedback from CBFO oversight reports to get a better indication of the delivery of quality products and services.
- The contractor continues to submit subcontracting packages to CBFO of less than adequate quality and in a manner that is not timely.
- There is a high amount of Information Technology (IT) development backlog (418 days per person within the IT development group).
- In FY2016, NWP missed a number of Hazardous Waste Facility Permit (HWFP) required inspections.
- The citations issued during the Mine Safety and Health Administration (MSHA) inspections per quarter increased in the second and third quarters and remained steady in the fourth quarter of FY2016. There were a total of 60 citations issued to WIPP in FY2016. Several of the citations were repeat violations and a number of the 60 citations were of higher significance.
- NWP needs to improve the timeliness of the closure of issues with adequate corrective actions.
- NWP has not completely implemented a contractor assurance system (CAS) that provides evidence to assure that work is being performed safely, securely, and in compliance with all requirements; risks are being identified and managed; and that systems of control are effective and efficient in accordance with DOE Order 226.1B.

- Several underground (U/G) workers that wear double personal protective equipment (PPE) were not adequately trained on NWP's heat stress mitigation program.
- Several NWP miners came to CBFO to address ground control issues because they felt NWP management were not addressing their concerns.
- The contractor had not implemented any lapel air monitoring or battery-powered air sampling by the end of September 30, 2016 to adequately characterize the radiological airborne conditions to support the down-posting of selected areas in the U/G from a Contamination Area/Airborne Radioactivity Area to a Radiological Buffer Area in FY2017.
- The NWP Project Integration group management did not effectively influence necessary cost planning with the Control Account Manager (CAM), or planning ownership levels to provide a timely and accurate submittal of final planned FY2017 costs in the Performance Measurement Baseline (PMB).
- The contractor made minimal progress in implementing a cost reduction/avoidance program, which without the program, DOE cannot assess the impacts associated with cost reduction/avoidance.
- Throughout the performance period, the contractor struggled to provide meaningful scheduling and tracking information due to a high percentage of level of effort (LOE) activities.
- The contractor needs to continue improvement in cost estimating performance.

Objective Fee (Performance Based Incentives [PBI]) Criteria Summary Table

Metric	Title	Maximum Available Fee	Fee Earned
1	For the completion and progress of WIPP site recovery including readiness activities.	\$4,670,000.00	\$4,223,880.00
2	For completing the enhanced Acceptable Knowledge process for 6 CH TRU waste streams and for characterizing RH TRU waste during the performance period.	\$550,000.00	\$550.00.00
3	For implementation of a Material Condition and Aging Management Program (MCAMP).	\$1,043,932.00	\$910,532.00
4	For upgrade/revitalization activities that improve the site material condition and support extended future WIPP operations.	\$1,700,000.00	\$1,596,000.00
5	For continuing the Permanent Ventilation System capital asset projects (Safety Significant Confinement Ventilation System and Exhaust Shaft and Drifts) with a certifiable earned value management system (EVMS) to support Critical Decision 2/3.	\$900,000.00	\$900,000.00
6	This metric/milestone to develop a strategy to ensure future TRU waste inventory can be disposed at WIPP was removed as an objective PBI and added as a subjective measure to the award fee Mission Performance criterion of the FY 2016 PEMP in Rev. 1.	N/A	N/A
7	For implementing a graded approach for earned value techniques in budget and execution planning.	\$250,000.00	\$125,000.00
8	For the Contractor developing an overarching vision and strategy for WIPP to achieve its operational lifetime through FY 2050 with both near term and long term operational activities and projects.	\$250,000.00	\$250,000.00
9	For the radiological down-posting of Panel 7 from a High Contamination Area to a Contamination Area.	\$750,000.00	\$0
Totals		\$10,113,932.00	\$8,555,412.00

Overall (Subjective and Objective) Fee Earned

PEMP Fee Type	Fee Amount/Range
Objective Criteria (PBI) Fee Earned	\$8,555,412.00
Subjective Criteria Award Fee Earned	\$2,739,189.37
TOTAL FEE EARNED	\$11,294,601.37