

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

ANNUAL FEE PLAN (AFP)

1 OCTOBER 2017 THROUGH 30 SEPTEMBER 2018

CONTRACT DE-EM0001971

August 1, 2018

I. INTRODUCTION

This Performance Evaluation and Measurement Plan (PEMP) contains a standard process for development, administration, and coordination of all phases of the fee determination process consistent with Section B.2 (Annual Fee Base – CLINS 1-11) of the subject contract.

II. ORGANIZATIONAL STRUCTURE AND DUTIES

The following organizational structure is established for administering the fee provisions of the contract.

A. Roles and Responsibilities

1. Fee Determination Official (FDO) – The Head of Contracting Activity (HCA) has appointed the Carlsbad Field Office (CBFO) Manager as the FDO. The FDO determines the final performance fee amount based upon all the information furnished and assigns a final percent of performance fee amount that can be earned for the evaluation period. The FDO will notify the Carlsbad Field Office (CBFO) Contracting Officer (CO) in writing or via electronic correspondence of his/her final determination of that performance fee amount.

2. CBFO Manager

The CBFO Manager or qualified designee will be the point of organizational authority within CBFO for: development and coordination of the PEMP (which includes the Annual Fee Plan (AFP); approval of minor changes to the PEMP; obtaining HCA approval of major changes, if required; performance monitoring; performance validation; performance reporting; and payment of fees related to Performance Based Incentives (PBI)s. Primary responsibilities are:

- a. Develops and establishes the evaluation criteria and incorporates them into the PEMP.

- b. Assures appropriate coordination of performance expectations and the evaluation criteria with Headquarters (HQ) program and policy organizations.
- c. If required, submits the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
- d. If required, in conjunction with the CO and COR, coordinates major changes with the HCA and provides minor changes to performance expectations and the evaluation criteria to the HCA.

3. CBFO CO

- a. The CBFO CO is an advisor and negotiator in the development and establishment of the Evaluation Criteria and Fee amounts.
- b. The CBFO CO will forward the approved PEMP and/or the evaluation criteria to the Contractor through a contract modification.
- c. The CBFO CO will prepare a letter for the FDO's signature notifying the contractor of the amount of performance fee that can be earned by the Contractor for the evaluation period.
- d. The CBFO CO will unilaterally modify the contract to reflect the FDO's final determination of performance fee amount that can be earned by the Contractor for the evaluation period. The modification will reflect earned and unearned fee and will be issued to the Contractor within 14 calendar days after the CBFO CO receives the FDO's decision.
- e. At the end of the rating period, after the determination of the award fee, the CBFO CO will notify the Contractor of the amount of total fee earned during the period. This notification will identify specific areas of strength or weakness in the Contractor's performance.

4. CBFO COR

- a. The CBFO COR is responsible for providing technical direction to the contractor in accordance with the contract clause H.10 Technical Direction – DEAR 952.242.70 (DEC 2000).
- b. The CBFO COR provides performance oversight to ensure the products and services are delivered by the contractor in accordance with the terms and conditions of the contract, including quality.

- c. The CBFO COR leads the technical component of the negotiation of the fee criteria and fee allocations with the contractor.
- d. The CFBO COR appoints and works closely with the CBFO Technical Monitors (TMs) to evaluate performance against evaluation criteria and address any proposed modifications to these criteria.
- e. The CBFO COR performs periodic reviews of the contractor to evaluate progress and completion payments, and recommends final fee.
- f. The CBFO COR supports the CBFO CO and CBFO Manager by ensuring that all technical components of the work are closely monitored and that they have the information required to effectively accomplish their duties as defined by this plan.

5. CBFO Technical Monitors (TMs)

The TMs assist the COR in carrying out the following responsibilities as requested:

- a. Develop the evaluation criteria related to their assigned areas.
- b. Assist in negotiation of the evaluation criteria and fee allocations with the Contractor, if requested by the CO or COR.
- c. Review the Contractor's request for change to the evaluation criteria and recommend approval or disapproval.
- d. Monitor, evaluate, assess and validate the Contractor's performance against the PBIs in the PEMP.

6. CBFO Staff

- a. As requested by the FDO, CO, COR, TMs, or supervisor, evaluate the performance of the contractor in areas specific to their oversight responsibilities.
- b. Evaluate fee supporting documentation submitted by the Contractor and provide documentation of the evaluation to the appropriate TM, COR or CO.
- c. Provide a recommendation regarding the request for fee payment submitted by the Contractor.

III. PEMP DEVELOPMENT PROCESS

While PEMP incentives may be unilaterally developed by the Department of Energy (DOE), a teaming approach between the CBFO and the Contractor provides significant benefits.

When incentives are developed jointly, performance expectations are better understood by the parties and tend to focus more on substantive outcomes. A teaming approach enhances communication and partnering between and among the parties, which results in greater trust, openness, alignment, and cooperation for achieving DOE's goals and objectives.

The evaluation criteria and fee amounts were developed by the COR in consultation with the CBFO Manager, the CO, and TMs, as applicable. In addition, CBFO met with Contractor personnel to discuss the content of this PEMP. HCA approval was obtained.

Approval by the COR, CO and the CBFO Manager will be required for any changes to the evaluation criteria and fee allocation. If the change results in an increase in the fee amount(s), HCA approval is required. Any changes should be made by 31 March of the performance year to ensure that the contractor has ample opportunity to accomplish the work during the performance period. Changes to the allocation of fee during the performance period should not be made to benefit or penalize the contractor and the annual fee amount should not be modified unless there are substantial budget modifications (in accordance with Section B, Supplies or Services and Prices/Costs, of the contract). The contractor should be appropriately compensated for any performance toward abandoned or modified evaluation criteria. This includes when actions fall out of the control of the contractor and DOE cannot provide sufficient alternatives. The CBFO CO should provide at least 30 calendar days advance notice to the contractor of any changes to the evaluation criteria and fee allocation. At the discretion of DOE in consultation with the Contractor, if an evaluation criterion is cancelled or modified, any fee associated with that criterion may be allocated to another evaluation criterion or criteria.

The amount of fee earned by the Contractor is within the sole discretion of the FDO. The Contractor may express disagreement with the fee determination; however, the final amount of fee earned is the FDO's unilateral decision. If the Contractor does not agree with the final decision of the FDO, the Contractor may dispute the assessment under the Disputes clause of this contract.

IV. EVALUATION CRITERIA

The performance fee amount will consist of 1) a subjective fee component and 2) an objective fee component. All earnable fee is at risk.

1. Subjective Criteria

Subjective criteria have been established that include mission performance; regulatory compliance; management performance; safety and health performance; and cost control. These subjective criteria may be adjusted on an annual basis. In addition, these criteria are not all-inclusive in the evaluation of the subjective portion of the PEMP. CBFO may consider other performance information and data when evaluating the contractor's performance for the subjective portion of the fee. The fee amount associated with the subjective component of the criteria will not exceed 25% of the available fee during any year of the contract and will be equally apportioned amongst the five criteria.

Areas within an evaluation criterion are not sub-criteria and will not be individually rated but considered in the overall evaluation for that particular evaluation criterion. If significant

problems are identified in the evaluated performance for any particular criteria (i.e., mission performance; regulatory compliance; management performance; safety and health performance; and cost control), the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems. The FDO may directly reduce the fee amount for safety and health performance as a result of citations issued by the Mine Safety and Health Administration (MSHA) in the performance period corresponding to the equivalent fine values of those citations as cited in 30CFR100 *Criteria and Procedures for Proposed Assessment of Civil Penalties*. MSHA or related safety performance recognition (such as mine rescue competition awards) and other positive safety performance may also be considered by the FDO when determining if and how much fee may be reduced for MSHA citations.

The total fee available for the Subjective Criteria is 25% of the Total Available Fee for FY2018, not to exceed (NTE) \$3,126,606 (25% of \$12,506,424). The maximum fee available for each of the following five subjective criteria is \$625,321.20 (20% of \$3,126,606).

- (1) Mission Performance – The Contractor’s performance in progressing towards the Waste Isolation Pilot Plant (WIPP) mission of characterizing, transporting and disposing of Transuranic (TRU) waste will be evaluated based on:
 - (i) WIPP Plant availability to support TRU waste disposal operations in FY2018.
 - (ii) Central Characterization Program waste characterization capability and availability at assigned sites;
 - (iii) Performance in managing and continuous process improvement in TRU waste emplacement activities;
 - (iv) Performance in managing the waste transportation schedule and providing adequate monitoring service for in route shipments;
 - (v) Performance in managing the Centralized Procurement Program for Department of Transportation (DOT) Type A transportation assets;
 - (vi) Availability of Nuclear Regulatory Commission (NRC) Type B transportation assets to support TRU waste shipments; and,
 - (vii) Support and performance of stakeholder outreach and interaction (i.e., communication, training, and roadshows).

- (2) Regulatory Compliance - The Contractor’s adherence to all regulatory requirements:
 - (i) Performance in Compliance Recertification Application requirements;
 - (ii) Performance in WIPP Hazardous Waste Facility Permit (HWFP) requirements;
 - (iii) Performance in DOE Hazard Category II Nuclear Facility requirements;
 - (iv) Contractor’s Environmental Management System fosters continuous improvement;
 - (v) Performance in TRU waste transportation requirements;
 - (vi) Safeguards and Security Compliance Implementation and,
 - (vii) Taking initiative to review the overall regulatory envelope for potential modifications that will improve efficiency.

- (3) Management Performance - The Contractor's effective and efficient control of all areas of effort including management and technical effort required to meet contract requirements, including:
- (i) Effective approach and timely completion of all requirements in the Contractor Human Resources Management areas;
 - (ii) Effective planning, i.e., adequate, quality, innovative, self-initiated and timely planning of activities; effective utilization of personnel; quality of responses;
 - (iii) Achieving the community commitments described in clause H.47 of the contract;
 - (iv) Maintaining a mature and effective receipt inspection program;
 - (v) Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals;
 - (vi) Performance in meeting Strategic Sourcing goals;
 - (vii) Information Resource Management that provides reliable information technology infrastructure along with timely software application development and deployment;
 - (viii) Contractor management encourages employees to self-report issues and concerns as required by applicable program documents, procedures, and training;
 - (ix) Performance and continuous improvement in work planning and control to effectively operate a Hazard Category II Nuclear Facility;
 - (x) Effective management of facility and equipment Preventive Maintenance (PM) and aggressive reduction of non-PM facility mission and safety actions backlog; and,
 - (xi) Maintain positive public relations efforts to ensure continued overall program improvement initiatives are communicated effectively to stakeholders, e.g., communicate progress in reducing contamination in the underground (U/G) and intent to extend WIPP lifecycle.
- (4) Safety and Health Performance - The Contractor's performance to manage or ensure the following:
- (i) The Contractor's safety programs reflect a mature and effective nuclear safety culture that fosters continuous improvement;
 - (ii) Contractor assurance program works with the CBFO oversight program to assure contractor programs meet or exceed DOE orders and results in prioritized, timely and effective closure of issues;
 - (iii) Safe execution of work;
 - (iv) Maintaining a comprehensive Emergency Management Program in Compliance with DOE Order 151.1C, Comprehensive Emergency Management System; and,
 - (v) Sustainment and continuing improvement in emergency management program effectiveness.
- (5) Cost Control - The Contractor's cost control will be evaluated to assess:
- (i) Effectiveness of cost planning;
 - (ii) Timeliness and accuracy of cost reporting;

- (iii) Clarity of and ability to trace cost relative to work schedule/technical progress;
- (iv) Effectiveness of cost reduction/cost avoidance initiatives;
- (v) Cost estimating excellence, to include timeliness, accuracy and complete proposals;
- (vi) Scheduling and tracking to support efficient operations;
- (vii) DOE reporting information is updated and accurate;
- (viii) Completeness and accuracy of monthly project status reports to CBFO to include the scope, schedule, cost for completion, key milestones and risks of milestone-related projects, validated through design reviews, construction site visits, operational awareness tours, and documentation reviews; and,
- (ix) Support of the Office of Project Management Oversight and Assessment (PM) Earned Value Management System (EVMS) certification and closure of any identified corrective actions.

2. Objective Criteria

Performance Based Incentives (PBIs):

PBIs are typically characterized by objectively measurable evaluation of Contractor performance. Such incentives reflect specified criteria against which actual performance will be evaluated. In most cases, PBIs will be evaluated based on quantifiable measurements in the form of a metric (e.g., a unit processing rate) or a milestone (e.g., completion of a task on or before a scheduled date).

PBIs have specified fee allocated and payable upon completion of identified levels of work accomplished.

Annual PBIs will be measured and evaluated at the end of the fiscal year or on a schedule negotiated with the Contractor.

The current PBIs can be found in Attachment 1, Performance Based Incentives.

3. Minimal Performance Expectation

If the contractor receives a rating of "Unsatisfactory" for any of the five subjective fee criteria, then the maximum fee the contractor can earn under each Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II, page 11 of Attachment 1, Performance Based Incentives..

The total fee available from the Objective Criteria is 75% of the Total Available Fee for FY2018, NTE \$9,379,818 (75% of \$12,506,424).

V. PERFORMANCE EVALUATION AND FEE DETERMINATION

A. Monitoring and Evaluation of Performance

1. Monitoring Performance: CBFO will monitor Contractor performance against the established subjective and objective evaluation criteria throughout the year and term of the PBI(s). Performance feedback to contractor will be provided periodically throughout the year.

2. **Evaluating Performance:** Annually, the Contractor shall submit a self-assessment within 30 calendar days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. The CBFO will review the Contractor's self-assessment as part of the evaluation of the Contractor's management during the period. An unrealistic self-assessment may result in lower performance fee amount determinations. Deficiencies noted by the Contractor may be reflected in the Government's evaluation. The self-assessment itself will not be the basis for the performance fee determination.

CBFO will perform evaluations of all subjective and objective evaluation criteria including validating the Contractor's performance. Performance evaluations will include, but will not be limited to: physical walk-throughs, documentation of accomplishments, review of Contractor PBI invoices, and any other methods that can validate the established evaluation criteria. Validation is accomplished before payment of earned fee can be made. Validation of performance is documented by CBFO.

The Fee Determination Official (FDO) with input from DOE staff will determine the amount of Performance Based Incentive (PBI) fee earned. This determination is purely discretionary, and is based solely on the judgment of the FDO. There is no minimum PBI fee that may be granted based on the FDO's review. The review is qualitative, not quantitative and the Contractor will not necessarily be granted credit for its percentage complete of PBI milestones if those milestones are in fact, not 100% completed by the milestone dates (completion of any particular milestone will be determined by the DOE in accordance with the contract.) Within 30 calendar days of receipt of the Contractor's request for fee payment for progress payments or for completion of PBI metrics, CBFO will either authorize payment of the invoice or return it to the Contractor for clarification or further information.

CBFO will conduct annual performance reviews which will be prepared 30 calendar days after receipt of the Contractor's self-assessment. A late Contractor's self-assessment may negatively impact the PEMP evaluation period. A consolidated report will be prepared by the COR with assistance from the Alternate COR(s) and input from the technical monitors and submitted to the FDO for determination of the final fee for the period. This consolidated report will include both an evaluation of the subjective criteria and an evaluation of the PBIs (including those completed earlier during the performance period).

For evaluating each subjective criterion (i.e. mission performance, regulatory compliance, management performance, safety and health performance, and cost control), the following adjectival ratings will be used:

EXCELLENT	Contractor has exceeded almost all of the performance requirements of the applicable criterion for the award-fee evaluation period.
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VERY GOOD	Contractor has exceeded many of the performance requirements of the applicable criterion for the award-fee evaluation period. All unsatisfactory performance identified for the criterion during the period was considered minor in nature and has been addressed appropriately.
GOOD	Contractor has exceeded some of the performance requirements of the applicable criterion for the award-fee evaluation period. Some unsatisfactory performance may have been identified for the criterion during the award fee evaluation period, but it had limited impact and has been addressed.
SATISFACTORY	Contractor has generally met the performance requirements of the applicable criterion for the award-fee evaluation period. Any unsatisfactory performance has been or is in the process of being addressed.
UNSATISFACTORY	Contractor has failed to meet the performance requirements of the applicable criterion for the award-fee evaluation period.

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

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

Provisional fee may be requested and drawn by the 25th calendar day of each month up to one-twelfth (1/12th) of 60% of the total available fee allocated to the award fee.

PBI fee may be requested by and given to the Contractor provisionally until the applicable metric/milestone is met as described and allowed in the PBI section.

B. Fee Pool

Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited. Fee not awarded under the subjective criteria portion of this plan shall not be carried over to additional performance periods and will be forfeited.

At the discretion of DOE, if an evaluation criterion is cancelled or modified, any unearned fee may be allocated to another evaluation criterion or criteria. This reallocation requires review and approval by DOE Environmental Management Consolidated Business Center (EMCBC) and Headquarters (HQ). Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited.

ATTACHMENT 1

PERFORMANCE BASED INCENTIVES (PBIs)

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2017 through 9/30/2018
Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: Revision 1 (Mod 214), 8/01/2018

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
\$257,441,000	\$9,379,818 (75% of \$12,506,424)

CBFO Management Control Packages: NA

SECTION III – INCENTIVE INFORMATION

Difficulty:	High <input checked="" type="checkbox"/>	Medium <input type="checkbox"/>	Low <input type="checkbox"/>
Duration:	Annual <input checked="" type="checkbox"/>	Multi-year <input type="checkbox"/>	
Fee Payment type:	Completion <input checked="" type="checkbox"/>	and Progress <input checked="" type="checkbox"/>	and Provisional <input checked="" type="checkbox"/>

SECTION IV - PERFORMANCE MEASUREMENT

Description: Recognizing that managing the safe disposal of TRU waste is CBFO's primary mission, this PBI represents a fee model in which earnings are at risk and the Contractor is paid when specific WIPP operational and achievable programmatic results are achieved. This PBI has an added difficulty component due to the work that must be completed by generator sites and the approvals that must be granted from the regulators to achieve the desired results that are not under the direct control of the Contractor or funded by the Contractor. Fees will be earned for the following:

1. Address aging and degraded infrastructure at the WIPP and in the NTP, complete activities associated with Remote-Handled (RH) waste recommendations, mining methods, and panel design efforts.
2. Make progress on mining Panel 8.
3. Make progress on stabilizing underground conditions through ground control activities.
4. Mitigate contaminated areas in and around Panel 7 and provide improved respiratory equipment to workers working in Airborne Radioactivity Areas (ARAs) in the underground.
5. Emplace TRU waste.
6. Make progress on the WIPP line item capital asset projects to allow concurrent waste emplacement, mining, and maintenance activities underground.
7. Complete the temporary closure of the South End of the mine.
8. Complete key waste certification activities to build the backlog of certified TRU waste available for shipment to and disposal at WIPP.
9. Complete WIPP receipt of Type I waste containers stored on the surface at Waste Control Specialists by December 31, 2017.
10. Complete catch-up bolting and floor milling in the E-300 drift.
11. Improve MSHA citation performance.
12. Complete legacy fire impairments and fire protection issues.

Metric/Milestone 1.a: The Contractor will earn \$1,285,000 in fee for completing FY2018 planned scopes of work associated with the following funded activities (total funding level of \$9,129,266) to address aging and degraded WIPP and NTP Infrastructure

- i. Scopes of Work associated with Phase I of the Fire Loop Project (Consolidated Master Project List [CMPL] priority 1 item)
 - a) Award subcontract and remove the connex containers in the NE corner of the WIPP site (includes completion of all supporting Engineering Change Notices (ECNs) and Work Packages). A payment of \$200,000 may be earned by the Contractor for completion of these activities by July 20, 2018 (Schedule activity FLP-3180).
 - b) Provide the Fire Loop Construction Subcontract evaluation of bids (Tab 06 of PUR Index) received to CBFO by September 30, 2018, the Contractor may earn \$50,000.
 - c) Provide elements of the Fire Loop Construction Subcontract PUR package (PUR Index Tabs 02, 03, 04, 05, 12, 13, 14, 15, 16, 17, 18, 19, and 20) to CBFO for approval by September 30, 2018. Payment of \$150,000 may be earned by the Contractor toward completion of Schedule activity FLP-2510.

- ii. Scopes of Work associated with Plant Air Compressor Replacement in Building 485 (CMPL priority 1 item)
 - a) Award subcontract and complete Building 485 equipment demolition, as indicated:
 - 1) Complete mechanical demo by April 18, 2018 (schedule activity PAR-2760a) for a payment of \$80,000.
 - 2) Complete piping demo by April 25, 2018 (schedule activity PAR-2760b) for a payment of \$80,000.
 - 3) Complete electrical demo May 2, 2018 (schedule activity PAR-2760c) for a payment of \$80,000.
 - b) Complete all ECNs and Work Packages for new compressor installation.
 - 1) Complete ECN for new compressor installation by August 16, 2018 (schedule activity PAR-3120) for a payment of \$40,000.
 - 2) Develop work control documents and complete Unreviewed Safety Question (USQ) review/approval for new compressor installation by September 13, 2018 (schedule activity PAR-3455) for a progress payment of \$40,000.
 - c) Award new compressors installation subcontract by May 17, 2018 (schedule activity PAR-3340) for a payment of \$20,000.
 - d) Complete concrete pour of pad for the new air receivers by September 14, 2018 (schedule activity PAR-3680) for a payment of \$260,000.

- iii. Scopes of work associated with Salt Hoist 2.4 kV Switch (CMPL priority 1 item)
 - a) Complete all ECNs and Work Packages for removal of old unit and installation of new unit by April 19, 2018 (schedule activity 2.4KvA-3080) for a payment of \$120,000
 - b) Specify and issue purchase order for new 2.4kV switch by May 24, 2018 (schedule activity 2.4KvA-3300) for a payment of \$20,000.
 - c) Purchase and install new unit by September 10, 2018 (schedule activity 2.4KvA-3470) for a payment of \$110,000.

- iv. Scopes of work associated with increasing the nominal flow rate on the Supplemental Ventilation System to 150,000 cubic feet per minute from 130,000 cubic feet per minute for increasing underground exhaust flow rate through salt shaft for a maximum total of \$35,000 by September 15, 2018 and decreasing by \$345 per day to September 30, 2018. This work scope needs to increase

the maximum exhaust ventilation flow rate up the salt shaft by 20,000 cubic feet per minute nominal and not a temporary flow rate increase that can be removed or by recirculating already available air in the underground.

Metric/Milestone 1.b: The Contractor will earn \$200,000 in fee for completing the following activities by September 30, 2018 associated with RH Waste Recommendations and Mining Methods and Panel Design:

- i. Determine the optimum Shielded Container Assembly (SCA) and Removable Lid Container (RLC) ratio for known waste inventory. The contractor will earn \$35,000 for completion of this activity.
- ii. Evaluate needed RLC processing alternatives to determine which option is optimum in combination with SCA use. The contractor will earn \$35,000 for completion of this activity.
- iii. Establish a subcontract and oversee the development of a pre-conceptual geotechnical study necessary to confirm the concept of a yieldable pillar design for the expansion of the mine and future panel design. The contractor will earn \$35,000 for completion of this activity.
- iv. Based on the outcome of the pre-conceptual geotechnical study, establish a subcontract for conceptual design of the new drifts and panels. The contractor will earn \$25,000 for award of the subcontract.
- v. Develop the regulatory strategy and schedule necessary for mining of the new drifts and panels. The contractor will earn \$35,000 for completion of this activity.
- vi. Evaluate and reissue the scope and schedule to complete W-30 as an alternate waste transport path to Panel 7 in light of WIPP Reopening and facility change and upgrades (e.g. capital projects). The contractor will earn \$35,000 for completion of this activity.

These are completion milestones. No PBI fee will be paid for partial completion on this metric/milestone unless the FDO, in his or her sole discretion, otherwise approves an exception. CBFO may direct a return of fee (claw-back) for documents (i.e., subcontracts, ECNs, work documents, studies, determinations, evaluations, strategies, schedules, etc.) received and fee payments made for any of the milestones above that CBFO determines to be of inadequate quality.

The maximum available fee for Metric/Milestone 1 is \$1,485,000.

Metric/Milestone 2: The Contractor will earn fee for progress made in mining Panel 8 in FY2018. For every ton of salt mined from Panel 8, the Contractor will earn \$7.30 in fee up to a maximum total of \$401,208 (equivalent to 54,960 tons).

The maximum available fee for Metric/Milestone 2 is \$401,208.

Metric/Milestone 3: The Contractor will earn \$2,500,000 in fee for completing the maintenance of safe underground conditions in the following Core Areas of the Mine to support the WIPP mission:

- W-30 and E-140 drifts from E-0 to S-2520
- W-170 drift from N-150 to S-2520
- All of Panel 7
- North Experimental (EXO) Area
- Air Intake Shaft Loop

To maintain the Core Areas of the Mine to support the WIPP mission in a safe condition, the following criteria must be met for the entire performance period:

- Safety Factor of greater than 1.3 in the Core Areas, as determined by the NWP Geotechnical Cognizant Engineer and verified by the CBFO Technical Monitor for this Metric/Milestone
- Installation of an average of 55 roof bolts (long or short) per week in the Core Areas
- Scaling and meshing in the Core Areas for at least 3 of the shifts every week
- Priorities for ground control in the Core Areas are determined in bi-weekly ground control meetings and concurred by the CBFO Technical Monitor for this Metric/Milestone

This is a completion milestone. No PBI fee will be paid for partial completion on this metric/milestone unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 3 is \$ 2,500,000

Metric/Milestone 4: The Contractor will earn \$300,000 in fee for improving work conditions, worker safety, and efficiencies in radiological areas in and around Panel 7 by completing the following activities.

- a. The Contractor will earn \$150,000 for completing the radiological assessment, contamination mitigation/source reduction (as needed), and down-posting of the W-30 drift between S-1950 and S-2520 to a Radiological Buffer Area (RBA) to allow for uncontaminated secondary egress and establishment of a worker lunchroom.
- b. The Contractor will earn \$50,000 for providing additional options for improved respiratory equipment (e.g., Powered Air Purifying Respirator with hood and hard hat, half-face respirator, etc.) to improve work efficiencies, increase worker vision and reduce heat stress risk while conducting work activities where respiratory protection is required.
- c. The Contractor will earn \$100,000 for completing the radiological assessment, contamination mitigation/source reduction (as needed), and down-posting of the entry into Panel 7 inlet drift (S-520) up to the entrance of Room 5 from an Airborne Radiological Area to a Contamination Area for tours, observations, and visual inspections without the need for respirators. (Note: If intrusive activities such as bolting or scaling are required, the area may require re-posting as an ARA until those intrusive activities are complete and radiological assessment supports down-posting from an ARA again.)

These are completion milestones. No PBI fee will be paid for partial completion on these metrics/milestones unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 4 is \$300,000.

Metric/Milestone 5: The Contractor will earn fee for progress made in emplacing TRU waste. For every full column of TRU waste containers emplaced in Panel 7 in FY2018 (See the Definitions Section for the definition of "full column of TRU waste containers"), the Contractor will earn \$2,901.87 in fee up to a maximum total of \$1,253,610 (equivalent to 432 full columns of waste).

The maximum available fee for Metric/Milestone 5 is \$1,253,610.

Metric/Milestone 6: The Contractor will earn fee for completing the following activities for the line item capital asset projects from the Fiscal Year 2018 Execution Year Planning Guidance for Management and Operating Contractor– Nuclear Waste Partnership, LLC, of June 28, 2017 for Capital Asset Projects 15-D-411 and 15-D-412. All schedule dates are subject to change based upon the realization of risks and opportunities and the scheduled reserve identified for those risks and opportunities documented by the appropriate Risk Management Plan for each project.

- a. For the 15-D-411 Safety Significant Confinement Ventilation System project, complete long-lead procurements (Schedule activities NFBBL0395CA Generators, NFBBL0391CA Filter Housings, NFBBL0389CA Exhaust Fans) by January 31, 2018 to earn \$570,000 in fee. For completion of the long-lead procurements after January 31, 2018, the fee will be decremented \$9,500 per day late.
- b. For the 15-D-411 Safety Significant Confinement Ventilation System project, start construction, (i.e., NWP has started schedule activity NFBBL0430A Start Grade/Excavation for Construction and completed schedule activity NFBBL0370EE30 Perform Construction for OHTL [overhead transport line]) by July 10, 2018 to earn \$900,000 in fee. For starting construction (as defined above) after July 10, 2018, the fee will be decremented \$15,000 per day late.
- c. For the 15-D-412 Utility Shaft project, start construction on the North Access Bypass Road (Schedule activity BPR-1020 Clear & Grub/Perform Mass Excavation/Rough Grading) by

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September 5, 2018 to earn \$315,000 in fee. For starting construction (Schedule activity BPR-1020) after September 5, 2018, the fee will be decremented \$12,600 per day late.

- d. For the 15-D-412 Utility Shaft project, start construction, (Schedule activity UES-10000 Site General Site Contractor) by July 16, 2018 to earn \$315,000 in fee. For starting construction (Schedule activity UES-1000) after July 16, 2018, the fee will be decremented \$5,250 per day late.

These are completion milestones. No PBI fee will be paid for partial completion on these metrics/milestones unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 6 is \$2,100,000.

Metric/Milestone 7: The Contractor will earn \$100,000 in fee for completing the temporary closure of the South End of the Mine (between the S-2750 and S-2520 drifts in drifts E-300, E-140, W-30, and W-170) by September 30, 2018.

This is a completion milestone. No PBI fee will be paid for partial completion on this metric/milestone unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 7 is \$100,000.

Metric/Milestone 8: The Contractor will earn fee for completing Chemical Compatibility Evaluation (CCE) review requests AND the revision of the corresponding Acceptable Knowledge (AK) Summary Report to match the CCE review request for each of the following waste streams in FY2018.

- a. SR-W027-FB-PRE86C
- b. ID-SDA-SLUDGE
- c. ID-SDA-SOIL
- d. ID-SDA-DEBRIS
- e. ID-SRP-S3000
- f. SR-W027-773-HET
- g. OR-REDC-CH-HET

\$85,715 in fee will be earned for completion of the CCE review request AND the revised AK Summary Report to match the CCE review request for each waste stream up to a total maximum of \$600,000.

These are completion milestones. No PBI fee will be paid for partial completion on these metrics/milestones unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 8 is \$ 600,000.

Metric/Milestone 9: The Contractor will earn fee for progress in certifying and shipping the remaining Type I TRU waste stored at WCS (surface stored waste) by December 31, 2017 to meet the required DOE deadline from the Texas Commission on Environmental Quality (TCEQ). For each container of Type I TRU waste (as categorized on October 1, 2017) that is received at WIPP between October 1, 2017 and December 31, 2017, the Contractor will earn \$1,293 in fee up to a maximum of \$75,000 (equivalent to 58 total containers).

The maximum available fee for Metric/Milestone 9 is \$ 75,000.

Metric/Milestone 10: The Contractor will earn fee for completing catch-up bolting in the E-300 drift from S-2520 to the base of the Exhaust Shaft. This will include floor milling to allow the roof bolters to gain access to the back in E-300, where needed. For completing this work by September 30, 2018, the Contractor will earn \$100,000.

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This is a completion milestone. No PBI fee will be paid for partial completion on this metric/milestone unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 10 is \$100,000.

Metric/Milestone 11: For improvements in MSHA citation performance the contractor will earn \$450,000 for the following Key Performance Indicators:

- a. For Significant and Substantial (S&S) MSHA Citation Rates of 22% or less, the Contractor will earn \$250,000.
- b. For 60% of citations terminated by MSHA during the inspection period (i.e., when the MSHA inspector[s] start the inspection through the closeout briefing), the Contractor will earn \$100,000.
- c. For less than 25% repeat citations such as parking brakes, fire extinguishers, etc, the Contractor will earn \$100,000. (Note: Does not include citations written with general titles such as for ground control.)

The maximum available fee for Metric/Milestone 11 is \$ 450,000.

Metric/Milestone 12: For completing the following fire impairments and fire protection issues, the contractor may earn up to \$15,000. However, before the contractor can earn any fee from this metric/milestone, NWP must satisfactorily complete the following fire impairments and issues as a pre-condition:

- Fire impairment 21389 (Building 468 - Bell/visual 466-FA-073-001 not working when fire system is in alarm)
- Fire impairment 21392 (Building 453 - Duct detector failed annual detector test)
- Fire impairment 21553 (Underground, Salt Shaft/Air Intake Drift - Trouble alarm did not clear on fire alarm panel)
- Fire protection issue (Building 918 – Install plug and restore water to northwest side of site)

After all of the above fire impairments and issues are completed, the contractor can earn fee for completing the following activity:

- a. For completing the installation of fire suppression systems on the Lube Oil Truck in the underground with readiness testing in the next fiscal year, the contractor will earn \$15,000 in fee.

These are completion milestones. No PBI fee will be paid for partial completion on these metrics/milestones unless the FDO, in his or her sole discretion, otherwise approves an exception.

The maximum available fee for Metric/Milestone 12 is \$15,000.

SECTION V - PERFORMANCE REQUIREMENTS

DEFINE COMPLETION: *Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documents/data against which completion documentation should be compared.*

Minimal Performance Expectation

If the contractor receives a rating of "Unsatisfactory" for any of the five subjective fee criterion, then the maximum fee the contractor can earn under each Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II of each Performance Based Incentive.

Circumstances Outside of the Contractor's Control

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For any of the metric/milestones described below, the contractor may request payment of fee for missed metric/milestone(s) due to circumstances outside of its control. CBFO will conduct an assessment to confirm or refute the claim by the contractor and submit the assessment, along with the contractor's request, to the CBFO Fee Determining Official for a determination of fee eligible/non-eligible for payment.

Payment Metric/Milestone 1.a: For completion of the following aging and degraded WIPP and NTP Infrastructure project work scopes, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

- The completed work scope must be in accordance with the applicable engineering change, work planning and control, procurement requirements and are consistent with the project work scope descriptions in the latest CMPL approved by the COR. Copies of closed work packages will be provided as evidence of completion.
- The Contractor point of contact (POC) for each project will provide the status of the project to the CBFO Technical Monitor for this Metric/Milestone no less than once per month until completion.

Payment Metric/Milestone 1.b: For completion of the following activities associated with RH Waste Recommendations and Mining Methods and Panel Design, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

- i. A report submitted to CBFO that determines the optimum Shielded Container Assembly (SCA) and Removable Lid Container (RLC) ratio for known waste inventory with applicable adequate data and information that substantiates the conclusions in the report.
- ii. A report submitted to CBFO that documents the evaluation of the needed RLC processing alternatives to determine which alternative is optimum in combination with SCA use, including the recommended preferred alternative with applicable adequate data and information to substantiate the conclusions in the report.
- iii. An awarded subcontract and documentation of the Contractor's oversight of the subcontractor that develops a completed pre-conceptual geotechnical study submitted to CBFO that is necessary to confirm the concept of a yieldable pillar design for the expansion of the mine and future panel design.
- iv. An awarded subcontract that is based on the outcome of the completed pre-conceptual geotechnical study and documentation of the Contractor's oversight of the subcontractor for conceptual design of the new drifts and panels.
- v. A plan submitted to CBFO that includes a regulatory strategy and schedule necessary for mining of the new drifts and panels.
- vi. A plan submitted to CBFO that includes the scope and schedule to complete W-30 as an alternate waste transport path to Panel 7 in light of the WIPP reopening and facility change and upgrades (e.g. capital asset projects).

Payment Metric/Milestone 2: For each month that salt rock has been removed from Panel 8, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also be due. The request for payment shall document the tons of salt removed from Panel 8. CBFO will verify the request submitted by the Contractor by performing assessments, which will include a review of the monthly Panel 8 salt rock removal reports, to validate completion of the requested activities.

Payment Metric/Milestone 3: For successful completion of the ground control metrics through FY2018, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

These validations will include the following criteria:

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- The CBFO Technical Monitor or designee for this Metric/Milestone was present at all of the bi-weekly ground control meetings as shown by attendance lists included in the fee request and concur on the ground control priorities.
- Notes from each bi-weekly ground control meeting will capture the decisions made on ground control priorities with CBFO Technical Monitor concurrence.
- The fee request will include a list of all ground control activities completed in FY2018 with the following information:
 - Safety Factor calculations throughout the performance period
 - Number of long or short bolts installed in the Core Areas per week
 - Number of shifts per week that Scaling and Meshing was performed throughout the performance period
 - Calculation of the area newly prohibited areas of the mine in FY2018 compared to the total square footage of the active area of the mine
 - Prohibited areas that were established and recovered
 - Areas of the mine that are newly prohibited in FY2018 will result in a percentage reduction of the prohibited area compared to the total square footage of the active area of the mine. Areas of the mine that are prohibited and recovered to meet the mission will result in an offset of any lost fees associated with the FY2018 prohibited areas.
- Monthly Operational Awareness entries made by the CBFO technical monitor

Payment Metric/Milestone 4: For completion of contamination mitigation activities in Panel 7 to include Rooms 1, 2, and 3, and the entrance and exit drifts of Panel 7 to the W-170 drift, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

- a. A completed radiological assessment report submitted to CBFO of the radiological conditions of the W-30 drift between S-1950 and S-2520, complete with a summary of the contamination/airborne radioactivity survey results and contamination mitigation activities that supports the down-posting of the area to an RBA. The results of a walk-down of the RBA performed by the CBFO Technical Monitor or a CBFO technical oversight person documented in an Operational Awareness (OA) entry in the Issues Collection and Evaluation (ICE) System.
 - b. Verifications that the new respirator options are implemented in the WIPP Respiratory Protection Program, applicable training courses, and prescribed on Radiological Work Permits for work in Airborne Radioactivity Areas. Those verifications will be documented in Operational Awareness entries in the ICE System.
 - c. A completed radiological assessment report submitted to CBFO of the radiological conditions of Panel 7 inlet drift (S-2520) up to the entrance of Room 5, complete with a summary of the contamination/airborne radioactivity survey results and contamination mitigation activities that supports the down-posting of the area from an ARA to a CA, allowing periodic up-posting to an ARA for intrusive activities, as applicable, provided that a plan to monitor and down-post again to a CA exists, when the conditions support the down-posting. The results of a walk-down of the CA performed by the CBFO Technical Monitor or a CBFO technical oversight person documented in an Operational Awareness (OA) entry in the ICE System.
- Evidence of meetings between the NWP POC and the CBFO Technical Monitor to provide a status of the progress made towards completing these Metrics/Milestones.
 - OA entries made by the CBFO Technical Monitor or a CBFO technical oversight person documenting this oversight of these Metrics/Milestones.

Payment Metric/Milestone 5: For each month that TRU waste has been emplaced in Panel 7, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the

quarter will also be due. The request for payment shall document the number of full columns of TRU waste emplaced (See definition of "full column of TRU waste emplaced" in the Definitions section). CBFO will verify the request submitted by the Contractor by performing assessments, which will include review of the monthly TRU waste emplacement reports and Waste Data System (WDS) verification. There will be no penalties for dunnage shipped as part of a TRU waste package.

Payment Metric/Milestone 6: For completion of the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

6.a – Completion of long-lead procurements for the 15-D-411 Safety Significant Confinement Ventilation System project by January 31, 2018 which will include the documented evidence of the completion and records of monthly progress status meetings with the CBFO Federal Project Director (FPD).

6.b – Starting construction of the 15-D-411 Safety Significant Confinement Ventilation System (Schedule Activity NFBBL0430A) project by April 18, 2018 which will include the documented evidence of the start of construction and records of monthly progress status meetings with the CBFO FPD.

6.c – Starting construction of the North Access Bypass Road (Schedule Activity BPR-1020) by September 5, 2018 which will include the documented evidence of the start of construction and records of monthly progress status meetings with the CBFO FPD.

6.d – Starting construction of the 15-D-412 Exhaust Shaft project (Schedule Activity UES-1000) by July 16, 2018 which will include the documented evidence of the start of construction and records of monthly progress status meetings with the CBFO FPD.

Payment Metric/Milestone 7: For completion of the temporary closure of the South End of the Mine, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the completion of the following activities in E-300, E-140, W-30, and W-170 between S-2750 and S-2520 to claim completion of the temporary closure of the South End of the mine (most of the work was completed in drifts E-140, W-30, and W-170 in August 2017 so the focus of this metric/milestone is completion of the temporary closure in E-300 and the final activities in the other three drifts):

- A line of roof bolts near S-2750 to prevent propagation of a roof fall extending north of S-2750 in each of the drifts listed above.
- Installation of cribbing in accordance with the approved design in each of the drifts listed above.
- Installation of brattice cloth to block airflow
- Monthly Operational Awareness entries made by the CBFO Technical Monitor

Payment Metric/Milestone 8: For completion of CCE review request and corresponding AK Summary Report to match the CCE for each identified waste stream, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities. These validations will include the following criteria:

- The Contractor has completed the CCE review request and corresponding AK Summary Report to match the CCE for each identified waste stream in accordance with the Contractor's procedure CCP-TP-005, *CCP Acceptable Knowledge Documentation*.
- CBFO will verify the request using CBFO procedure MP 4.15, *Review of TRU Waste Acceptable Knowledge Documents*.

Payment Metric/Milestone 9: For each month that Type I TRU waste containers (as categorized on October 1, 2017) are received at WIPP between October 1, 2017 and December 31, 2017, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also

be due. The request for payment shall document the number of Type I TRU waste containers (as categorized on October 1, 2017) received at WIPP. CBFO will verify the request submitted by the Contractor by performing assessments, which will include review of the monthly TRU waste emplacement reports and verification in WDS.

Payment Metric/Milestone 10: For completion of catch-up bolting and floor milling in E-300, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment of the work.

Payment Metric/Milestone 11: For improvements in MSHA citation performance, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment of the work which will include verification of the following criteria:

- a. Substantial and Significant (S&S) MSHA Citation Rate of 22% or less, the Contractor will earn \$250,000.
- b. Greater than or equal 60% of the MSHA citations are terminated by MSHA within the inspection period (i.e., when the MSHA inspector[s] start the inspection through the closeout briefing).
- c. Less than or equal to 25% of the MSHA citations are repeated such as failure to apply parking brakes and/or wheel chocks to carts/vehicles or failure to inspect fire extinguishers within the prescribed period as indicated on the tag (not to include general citations such as ground control violations).

Payment Metric/Milestone 12: For completion of activities in Metric/Milestone 12, the Contractor will submit a request for completion payment earned under this metric/milestone. The contractor must provide objective evidence of the completion of the pre-condition activities before any fee is paid. CBFO will verify the requests submitted by the Contractor by performing an assessment to verify that the activities were satisfactorily completed.

DEFINITIONS:

Catch-Up Bolting: Bolting in areas in the U/G that have not been bolted since the February 2014 events. Once bolting is finished in one of these areas and is in normal maintenance mode, it is no longer a catch-up bolting area/activity.

Core Areas of the Mine to Support the WIPP Mission: For ground control purposes, these areas are the following locations in the underground:

- W-30 and E-140 drifts from E-0 to S-2520
- W-170 drift from N-150 to S-2520
- All of Panel 7
- North Experimental (EXO) Area
- Air Intake Shaft Loop

Dunnage: An empty TRU waste container.

Full Column of TRU Waste Containers: A stack of approved TRU waste containers emplaced in a panel in the underground equivalent to the height of a stack of three 55-gallon drums. Approved waste containers are 55-gallon drums, 100-gallon drums, Standard Waste Boxes (SWBs), Ten Drum Over Packs (TDOPs), and Standard Large Boxes-II (SLB-II) containing TRU waste. Dunnage containers are allowed to be considered a part of the full column of waste if they arrived in the shipment to WIPP (such as a dunnage 55-gallon drum which is part of a 7-pack of drums to stay within weight limitations for the shipment). For shielded containers, three assemblies emplaced is equivalent to a full column of TRU Waste Containers, because they are not stacked due to weight considerations.

Ground Control: The use of a designed support system that is installed and maintained to support the back, side wall, or floor in places in the underground where persons work or travel in the performance of their assigned tasks. The purpose of ground control activities is to provide a safe underground work place. The primary method of ground control is the installation of roof bolts, but also involves the removal of hazardous ground whether from the roof, walls, or floor through scaling, milling, meshing, and mining and involves the mitigation of broken bolts.

TRU: Transuranic Waste. Radioactive waste containing isotopes with an atomic number greater than 92, concentrations greater than 100 nanocuries per gram, and a half-life of greater than 20 years.

TECHNICAL BOUNDARY CONDITIONS: (Fundamental technical assumptions that must be maintained in order to accomplish the work scope associated with this Performance Measure.)

None

GENERAL REQUIREMENTS:

To earn award fee under this PBI, the Contractor shall meet the specific completion criteria and expectations set forth in this Performance Incentive. The objectives defined in the metrics and milestones above must be accomplished. The Contractor shall support obtaining necessary regulatory approvals to accomplish the metrics by preparing appropriate submittals with good quality, promptly responding to regulator requests for added information and coordinating the preparation of response material, coordinating hearing preparation as needed, and coordinating implementation of approved regulatory changes.

SECTION VI - EARNINGS SCHEDULE

List percent of PM fee available for completion of each Element, and the schedule by which the fee may be earned. (Schedule identifies point(s) at which fee may be earned - does not define completion.)

See above in Section IV.

Fee that is not earned will be reduced from the award fee pool and is not recoverable by the Contractor, including that specified for individual milestones. If the milestone dates for the required activities cannot be met by the Contractor, the dates by which the activities must be completed may be revised prior to the milestone date at the discretion of the Contracting Officer with input from CBFO staff.

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #2 Performance Period: 10/1/2017 through 9/30/2020
Performance Incentive Short Title: WIPP Super-Stretch Cost Savings/Cost Sharing Incentive
Revision Number and Date: Revision 0 (Mod 186), 8/31/17

SECTION II – ACCOUNTING/PROJECT INFORMATION

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

CBFO Management Control Packages: N/A

SECTION III – INCENTIVE INFORMATION

Incentive type:	Base <input type="checkbox"/>	Stretch <input type="checkbox"/>	Super Stretch <input checked="" type="checkbox"/>
Difficulty:	High <input checked="" type="checkbox"/>	Medium <input type="checkbox"/>	Low <input type="checkbox"/>
Duration:	Annual <input type="checkbox"/>	Multi-year <input checked="" type="checkbox"/>	
Fee Payment type:	Completion <input type="checkbox"/>	Progress <input checked="" type="checkbox"/>	Provisional <input type="checkbox"/>

SECTION IV - PERFORMANCE MEASUREMENT

Description:

Recognizing that managing the safe disposal of TRU waste is CBFO's primary mission, this Performance Based Incentive (PBI) represents a fee model in which earnings are at risk and the Contractor is paid when specific measures, to apply cost control measures to save and avoid costs, identify better cost and program/project performance measurement, and find more efficient ways of executing the mission to result in the best value to the Government.

Recognizing that ensuring the WIPP Facility infrastructure is adequate to complete this mission is a priority for the CBFO, this Super Stretch PBI provides the Contractor payment upon completion of specific scopes of infrastructure projects that fell below the CBFO-approved target baseline as identified in the Consolidated Master Project List (CMPL).

The Contractor will earn incentive fee under this PBI for identifying cost savings or mutually agreed and documented cost avoidance that results in cost savings that is used to fund work in the CMPL.

The following metric shall be used to measure performance and determine fees earned by the Contractor under this Rating Plan element.

Metric/Milestone 1: *The Contractor's performance will be measured for identifying cost savings or mutually agreed and documented cost avoidance that results in cost savings from the CBFO-approved target baseline that is used to fund work in the CMPL. For every \$1.00 that is saved from this Metric/Milestone and is used to fund work scope identified as unfunded in the CMPL, a fee target of \$0.20 will be earned, with the specific fee associated with each project or discreet work scope set prior to the work commencing.*

The maximum amount of fee available to NWP under this metric during the term of the contract covered by this rating plan is: \$ 10,000,000. This fee must be funded from the savings described in this PBI.

SECTION V - PERFORMANCE REQUIREMENTS

PREVIOUS GATEWAY: *Describe previous gateway (if applicable) that must be completed before fee can be paid under this performance measure.*

None.

DEFINE COMPLETION: *Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documents/data against which completion documentation should be compared.*

Payment Metric/Milestone 1: For funding and completing discrete scopes of work associated with projects identified in the CMPL (or other work mutually agreed to by CBFO and NWP) from cost savings or mutually agreed and documented cost avoidance, the Contractor will submit a request for payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by validating the cost savings/cost avoidance and completion of the work. The proposed work (including estimated budget) to be performed under this PBI is to be mutually agreed to by CBFO and NWP prior to the start of the work and documented in a Contracting Officer's letter to the Contractor.

DEFINITIONS:

CMPL: Consolidated Master Project List – A list generated by the Contractor that consists of high priority projects to address aging and degraded infrastructure at WIPP and used by the NTP.

NWP: Nuclear Waste Partnership LLC, the WIPP Management and Operating Contractor

WIPP: Waste Isolation Pilot Plant

TECHNICAL BOUNDARY CONDITIONS: (Fundamental technical assumptions that must be maintained in order to accomplish the work scope associated with this Performance Measure.)

None.

GENERAL REQUIREMENTS: To earn incentive fee under this Performance Incentive, the contractor shall meet the specific completion criteria and expectations set forth in this Performance Incentive.

The fee for each project or work scope will be set upon initial agreement of the project or work to be completed. (Multiple individual or discrete projects are allowed). Significant safety, quality, or performance issues arising during the completion of the work can result in a lower fee as determined by the Fee Determining Official. The fee is earned once the project or work scope is completed.

SECTION VI - EARNINGS SCHEDULE

List percent of PM fee available for completion of each Element, and the schedule by which the fee may be earned. (Schedule identifies point(s) at which fee may be earned - does not define completion.)

This Super Stretch incentive is an incentive to motivate the Contractor to identify savings by achieving efficiencies in the overall performance on the contract and applying those savings to critical WIPP infrastructure needs. The associated fee is not funded in the contract. In order to earn the Super Stretch incentive for Metric/Milestone 1, the Contractor must perform the additional work necessary to achieve the incentive within contract funding amounts. The work at the WIPP facility must be performed within the funding limits established for the base contract funding. The Contractor must identify and document savings sufficient for the related fee.

Fee allocated to a Super Stretch incentive is not considered a part of the Total Available Fee pool.

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