

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

1 OCTOBER 2020 THROUGH 30 SEPTEMBER 2021

CONTRACT DE-EM0001971

Revision 1 dated April 29, 2021

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 1-10) 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) and Contracting Officer Representative (COR) 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. The primary responsibilities of the CBFO Manager are to:

- a. Develop and establish the evaluation criteria and incorporate them into the PEMP.
- b. Assure appropriate coordination of performance expectations and the evaluation criteria with Headquarters (HQ) program and policy organizations.

- c. If required, submit the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
- d. If required, in conjunction with the CO and COR, coordinate major changes with the HCA and provide 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 Quality, Schedule, Cost Control, Management, and Regulatory Compliance. 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

33% of the available fee during FY2021 and are apportioned amongst the five weighted criteria as follows: (1) Quality – 20%; (2) Schedule – 15%; (3) Cost Control – 20%; (4) Management – 30%; and (5) Regulatory Compliance – 15%.

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., Quality, Schedule, Cost Control, Management, and Regulatory Compliance.), the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems.

Consideration of subjective criteria ratings will be given for COVID-19 impacts.

The FDO may directly reduce the subjective fee amount as a result of citations issued by the Mine Safety and Health Administration (MSHA) in the performance period.

The total fee available for the Subjective Criteria is 33% of the Total Available Fee, not to exceed (NTE) \$5,281,233 (33% of \$16,206,888). 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 Subjective Criteria and corresponding monetary amount. The following criteria are aligned with the evaluation criteria in the Contractor Performance Assessment and Reporting System (CPARS).

- (1) Quality (20% - \$1,056,247) – The Quality of the Contractor’s performance will be evaluated in the following areas including:
 - (i) Compliance and implementation of the prime contract requirements, and the quality and effectiveness of its implementing policies, plans, and procedures. This includes commitments made to DOE. The implementation of a DOE-approved Contractor Assurance System (CAS) in accordance with DOE policies and requirements as specified in the contract to ensure work is being performed safely, securely, and in compliance with all requirements; risks are being identified and managed; CAS requirements are flowed down to subcontractors; and systems of control are effective and efficient. The evaluation will include whether the CAS provides sufficient information for DOE to perform oversight verification of Contractor performance and to provide DOE a feedback process.
 - (ii) The quality of the issues management process defined as: effective and timely identification, management, correction, reporting and resolution of items/issues/deficiencies. The effective use of the electronic issues management systems (e.g., WIPP Forms, ICE issues, CARs, Devonway issues, etc.) for all open items/issues/deficiencies. The thoroughness of the response to items/issues/deficiencies to prevent recurrence, including the manner and adequacy of tracking, trending, and root cause/lessons learned analyses, reporting, and formal closure process. No corrective actions or condition reports (or equivalent) are open for longer than 1.5 years and 75% of corrective actions or condition reports are corrected

within 9 months. For conditions that require more than 9 months to adequately correct, CBFO COR approval is required. Canceling or closing corrective actions or condition reports without the necessary evidence and back-up to support the closure of the corrective action or condition report may result in DOE counting the item as open.

- (iii) The quality and effectiveness of all contractual deliverables, including, but not limited to regulatory submittals (e.g., reports, permit modification requests, planned change requests/notices, etc.), Safety Basis Documents, human resources deliverables, optimization plans, Security Plans, Baseline documents and associated risk management plans, etc.
 - (iv) The performance of Surveillance and Maintenance (S&M), work planning, and work control activities.
 - (v) The successfulness in meeting program or project quality objectives such as producibility, reliability, maintainability and inspectability to include material control, shop planning and control, and status.
 - (vi) Performance in maintaining and implementing an effective Quality Assurance program, with emphasis on NQA-1.
 - (vii) The development and use of high-quality media to effectively communicate WIPP-related information to stakeholders.
- (2) Schedule (15% - \$792,185) – The Contractor’s schedule performance will be evaluated in the following areas including:
- (i) Performance in managing the waste transportation schedule;
 - (ii) 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;
 - (iii) Timeliness of submitting Notifications of Contractual Changed Conditions;
 - (iv) Timeliness of submitting Baseline Change Proposals and Programmatic Change Requests to DOE;
 - (v) The timeliness of all submittals to DOE including Regulatory documents; contract documents such as Notifications of Contract Changed Conditions; and, project documents such as Baseline Change Proposals and Program Change Requests, to provide sufficient time for review, comment resolution, and revision in advance of document due dates or impacts to work. Submitted documents shall be of sufficient quality to not require significant re-work by DOE. 100% of deliverables must be provided on time to achieve at least a satisfactory rating;
 - (vi) The timeliness of completion of agreed upon Annual FY Integrated Performance Measurement Baseline (IPMB) field work, as applicable.
 - (vii) The timeliness of its response following requests for in-scope support or for information/reports. The minimization of deferred-maintenance on equipment or systems that are related to safety (regardless if they are accredited in the Safety Basis Documents or Technical Safety Requirements [TSRs]). In addition, the completion of repairs within 90 days to all system impairments on safety related systems.
 - (viii) The Contractor will be evaluated on the timeliness for completing TSR surveillances. 100% of all TSR surveillances must be completed prior to the end of its grace period AND 80% of all TSR surveillances must be completed prior to entering its grace period.

- (ix) The timeliness of completing scheduled Preventative Maintenance (PM) actions, as specified in the contractors computerized maintenance management system (e.g., CHAMPS). Timeliness is defined as: 95% of all scheduled PMs must be completed on or ahead of schedule AND no more than 5% of scheduled PMs may be delayed/deferred or canceled without written concurrence from DOE.
 - (x) The timeliness of awarding subcontracts; and
 - (xi) The overall timeliness and effectiveness in executing the terms of the contract.
- (3) Cost Control (20% - \$1,056,247) - The Contractor's cost control performance will be evaluated in the following areas including:
- (i) Reduce FY2021 Carryover (FY2021 new budget authority plus FY2020 Carryover) in PBS CB-0020, CB-0080, CB-0081 and CB-0090 to no more than 8 weeks of average operational costs to account for funding allocation issues associated with Continuing Resolution. DOE expects the Contractor to manage its authorized and obligated funds across multiple fiscal years to maximize performance and accelerate schedule. The Contractor shall assume 100% fee for this calculation.
 - (ii) The management of all obligated funds to preclude anti-deficiency and shall include in all subcontracts the appropriate clauses to allow termination with minimal cost impacts to the project.
 - (iii) Long range planning to control costs.
 - (iv) Ability to accurately project the Estimates At Completion (EACs).
 - (v) Effectiveness/accuracy of the Earned Value Management System (EVMS) and operations activities cost reporting and the development and implementation of cost mitigation strategies to recover cost variances.
 - (vi) The overall cost performance on an annual basis as measured against the final contract value and Contract Performance Baseline (CPB). DOE may use any relevant information in this evaluation, (for example CPB, EVMS, use of MR, etc.). The actual costs for this performance period shall be within the baseline (CPB as of the end of the performance period) and the final contract value as of the end of the performance period.
 - (vii) The ability to stay within the agreed upon Annual IPMB for the work completed, as applicable.
 - (viii) The submittal of a DOE-approvable BCP for SSCVS re-baselining efforts by October 30, 2020.
 - (ix) The effectiveness in forecasting, managing, and controlling contract cost, including identification and notification to DOE of cost estimates exceeding available funding and implementing timely corrective actions.
 - (x) The proper use of Management Reserve (MR) (realizing risk – both positive and negative).
 - (xi) The management and recovery of cost variance.
 - (xii) The performance of tasks in the most cost-effective manner consistent with approved baselines, including if task performance was effective, timely and adequate.
 - (xiii) The overall and specific program/project cost performance against the approved baseline, and the effectiveness of program/project cost reporting and systems.

- (xiv) The overall effectiveness of cost controls in executing the terms of the contract.
- (4) Management Performance (30% - \$1,584,370) - The Contractor's management performance will be evaluated in the following areas including:
- (i) The effectiveness of business office programs, to include but not limited to Human Resources, Accounting, and Procurement.
 - (ii) The effectiveness of its program for talent development with a focus on developing the workforce for future mission needs.
 - (iii) Effective execution of the approved performance measurement baseline and ad hoc schedules.
 - (iv) Performance in meeting Strategic Sourcing goals.
 - (v) Information Resource Management that provides a secure, reliable, and efficient Information Technology infrastructure along with timely software application development and deployment.
 - (vi) Positive public relations are maintained to ensure the continued overall program improvement initiatives are communicated effectively to stakeholders and, support, and stakeholder outreach and interaction (i.e., communication with states/tribes and first responder, training, and roadshows) is maintained.
 - (vii) The responsiveness to reviews, assessments, and inquiries from external organizations (e.g., Capital Asset Project Peer Reviews, Defense Nuclear Facility Safety Board Inquiries, Office of Enterprise Assessment reviews, etc.).
 - (viii) The development and implementation of an effective recovery plan for the SSCVS line item capital asset project to significantly improve the overall performance, including construction subcontractor management and oversight and timely resolution of the design/engineering changes.
 - (ix) Overall effective management of the underground mine operations.
 - (x) The safety programs reflect a mature and effective safety culture that fosters an environment where workers are free to express concerns related to safety.
 - (xi) The Contractor has an effective safety and health program appropriately tailored for the uniqueness of mine operations, including maintaining safe underground conditions above a safety factor of 1.3.
 - (xii) Effectiveness of the Emergency Management Program including the development and implementation of a long-range plan to ensure that adequate number and capability of emergency response equipment (e.g., fire engines, ambulances, etc.) is available (maintained and operable) to respond to on-site emergencies at all times.
 - (xiii) Effective performance in Real Property Management.
 - (xiv) Demonstrate effective subcontract management, including subcontract administration and ensuring subcontracted work and staff are fully compliant with governing programmatic/project requirements. Contractor will monitor subcontractor performance to ensure compliance with all requirements including small business subcontracting plans, Buy American Act, and applicable labor statutes.

- (xv) Demonstrate proactive communication with Corporate Official and parent companies to identify project issues early and resolve by briefing CBFO Management on a quarterly basis regarding performance issues and mitigative/corrective actions.
- (xvi) Maintain scheduled WIPP Plant availability (systems and equipment are operable) to support TRU waste disposal operations and ability to overcome unplanned impacts to plant availability.
- (xvii) Maintain Central Characterization Program waste characterization capability (e.g., Non-Destructive Examination, Non-Destructive Assay, Flammable Gas Analysis, etc.) and availability (systems and equipment are operable) at assigned sites.
- (xviii) Performance in managing and continuous process improvement in TRU waste emplacement procedures and their implementation.
- (xix) Performance in providing adequate monitoring service for in route shipments.
- (xx) Performance in managing the Centralized Procurement Program for Department of Transportation (DOT) Type A transportation assets.
- (xxi) Maintain availability (maintenance current and available for use) of Nuclear Regulatory Commission (NRC) Type B transportation assets to support TRU waste shipments.
- (xxii) Performance in managing COVID-19 ramp-up activities in response to Partial Stop Work Order. Maintaining continuity and resiliency with the contractor workforce during the COVID-19 pandemic period to ensure the availability of critical skills, ensuring a mobile ready state, and minimizing re-mobilization impacts.
- (xxiii) The implementation of ISMS and Environmental Management Systems (EMS). DOE's verification of the Contractor's ISMS/EMS must result in no Significant Conditions Adverse to Quality (SCAQ).
- (xxiv) Implemented and effective partnering between CBFO and NWP; the effectiveness of senior managers with regard to overall contract management, effectiveness of support to DOE, providing leadership to the work force, responsiveness to concerns/issues and ensuring an overall positive safety and performance culture. Qualification, performance, effectiveness and availability of Key personnel will be considered.
- (xxv) The effectiveness in coordinating with and applying lessons learned from one site to the other or other DOE/Commercial site when implementing similar operations/activities.
- (xxvi) The effectiveness of coordination with the CBFO Program Participants (i.e., CTAC, SNL-CPG, LANL-CO) and the TRU Waste generator sites.
- (xxvii) The ability to achieve and maintain DART and TRC rates below the EM DART and TRC goals.
- (xxviii) The ability to achieve at least 85% of the DOE approved Performance Objectives, Measures, and Commitments (POMCs).
- (xxix) The performance in executing design on schedule and on budget with no significant quality issues, partnering with CBFO to achieve a balance of cost and schedule risk through effective acquisition approaches and processes in obtaining CD-1 on the Hoisting Capability Capital Asset Project.
- (xxx) The overall effectiveness of their Management approach to execute the terms of the contract.

- (xxxi) Demonstrate effective use of domestic suppliers of PPE and achieving on-time-delivery of PPE.
- (5) Regulatory Compliance (15% - \$792,185) – The Contractor’s regulatory performance will be evaluated in the following areas:
 - (i) Performance against Compliance Recertification Application requirements.
 - (ii) Performance against WIPP Hazardous Waste Facility Permit (HWFP) requirements (Notices of violation (NOVs) are not acceptable).
 - (iii) Performance against DOE Hazard Category II Nuclear Facility requirements.
 - (iv) Contractor’s Environmental Management System fosters continuous improvement.
 - (v) Performance against TRU waste transportation requirements.
 - (vi) Performance against implementing and maintaining a compliant Safeguards and Security Program.
 - (vii) Performance against implementing and maintaining a compliant Cyber Security Program.
 - (viii) Performance against all other regulatory requirements (e.g., Executive Orders, DOE Policies, DOE Orders, DOE Standards, Federal regulations, applicable State and Local regulations/statutes, permits, etc.).
 - (ix) Performance against 10 CFR 851 (Worker Safety and Health) requirements, which includes compliance with MSHA requirements.
 - (x) Business/Accounting system/practices are in compliance with all applicable regulations (DOE Polices, Orders, Standards, FAR, etc.).

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 starting on page 14, 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 on page 14, in Section II of Attachment 1, Performance Based Incentives.

The overall project performance (Estimate at Completion \leq Contract Budget Base [PMB+MR]) must be maintained, otherwise only up to 50% of the individual PBI metric/milestone 2 fee can be earned.

The total fee available for the Objective Criteria is 67% of the Total Available Fee, NTE \$10,925,655 (67% of \$16,206,888).

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 FDO with input from CBFO staff will determine the amount of PBI fee earned. This determination is purely discretionary, and is based solely on the judgment of the FDO. There is no minimum or partial PBI fee that must be granted based on the FDO's review. The review is qualitative, not quantitative and the Contractor will not necessarily be granted any fee for its percentage complete of PBI metrics/milestones if those metrics/milestones are in fact, not 100% completed by the metric/milestone dates (completion of any particular metric/milestone will be determined by the DOE in accordance with the contract.) It is within the FDO's discretion to grant no fee for incomplete metrics/milestones no matter what percent complete those metrics/milestones are at the metric/milestone dates. Within 30 calendar days of receipt of the Contractor's request for fee payment for progress payments or for completion of PBI metrics/milestones, 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. Quality, Schedule, Cost Control, Management, and Regulatory Compliance), 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.
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.

PERFORMANCE BASED INCENTIVES (PBIS)

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2020 through 9/30/2021

Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: **Revision 1, 04-14-2021**

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
\$287,864,142	\$10,925,655 (67% of \$16,206,888)

CBFO Management Control Packages: NA

SECTION III – INCENTIVE INFORMATION

Difficulty: High Medium Low
 Duration: Annual Multi-year
 Fee Payment type: Completion and Progress and Provisional

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. Completing high priority WIPP operational activities;
2. Completing and progress on the WIPP line item capital asset projects;
3. Completing and progress on the General Plant Projects (GPP), infrastructure projects, and major maintenance activities to overcome degraded conditions at WIPP;
4. Completing and progress on high priority National TRU Program (NTP) activities.

Metric/Milestone 1: The Contractor will earn a maximum of \$4,800,000 in fee for completion of the following high priority WIPP operational activities in FY2021.

- A. The Contractor will earn a maximum of \$1,250,000 to complete the meshing, mining, and bolting of Panel 8, and commence outfitting by September 30, 2021.
- B. The Contractor will earn a maximum of \$800,000 for the emplacement of 400 full columns (\$2,000 per full column) of TRU waste containers in Panel 7.
- C. The Contractor will earn a maximum of \$300,000 for completion of 700-C fan restart by July 31, 2021 and continued operation through September 30, 2021.
- D. The Contractor will earn a maximum of \$250,000 to complete removal of legacy Enriched Xenon-136 Observatory (EXO) structures and restore ground control safety factor to 1.3 or greater in the East-300 drift between the North-1100 and North-1400 drifts.
- E. The Contractor will earn a maximum of \$350,000 for completing the replacement/refurbishment of underground Bulkheads 308 and 309.
- F. The Contractor will earn a maximum of \$200,000 for re-establishment of the underground and surface horizontal and vertical control points beyond Panel 8 including the control station traverses, horizontal control stations, vertical control benchmarks, and as-mined surveying and plan and profile generation.
- G. The Contractor will earn a maximum of \$150,000 for completing the deployment and placing into unrestricted service (following any testing/commissioning) of LIDAR 3-D laser scanning capability to improve surveying efficiency and supplement mine ground monitoring and ground safety. Upon completion of deployment, the LIDAR 3-D laser scanning capability shall meet all performance parameters agreed to between NWP and DOE as of September 1, 2020.
- H. The Contractor will earn a maximum of \$1,300,000 for replacement of the core underground equipment or capability as specified in Table 4 of the *WIPP Isolation Pilot Plant Hazard Abatement Plan – NO₂*, Revision 9 (not applicable to already procured/replaced equipment or capability). For the procurement of four pieces of battery-electric equipment from Table 4 guaranteeing delivery to the WIPP site by April 30, 2022, the Contractor will earn \$400,000. For the procurement of an additional four pieces of battery-electric equipment from Table 4 guaranteeing delivery to the WIPP site by April 30, 2022, the Contractor will earn an additional \$900,000. To earn any of this fee, at least two pieces of equipment must replace Getman Haul Trucks. The equipment must include charging units that are cross-compatible. Any non-compatibility must be approved by the DOE COR. It is recognized that the Contractor may be required to use funds from multiple years, based on current budget targets, to complete the procurement of these items. The Contractor is required to gain approval from DOE regarding the spend plan for this equipment procurement (including how carryover and new budget authority are allocated) no later than October 30, 2020.
- I. The Contractor will earn a maximum of \$200,000 for completing the deployment and placing into unrestricted service (following any testing/commissioning) of the Devonway program for Contractor Assurance elements, including the migration of historical data from the existing contractor and DOE issues management/corrective action systems

(e.g., WIPP Forms, ICE issues, CARs,) and taking the existing issues management/corrective action systems out of service. Upon completion of deployment, the Devonway program shall meet all performance parameters agreed to between NWP and DOE as of September 30, 2020.

The maximum available fee for Metric/Milestone 1 is \$4,800,000.

Metric/Milestone 2: The Contractor will earn a maximum of \$2,100,000 in fee for completion of the following construction activities of the line item capital asset projects 15-D-411 Safety Significant Confinement Ventilation System (SSCVS) and 15-D-412 Utility Shaft (US) project. The overall project performance (Estimate at Completion [EAC] ≤ Contract Budget Base (CBB) [Performance Measurement Baseline {PMB} plus Management Reserve {MR}]) must be maintained, otherwise only up to 50% of the individual PBI metric/milestone fees can be earned. All schedule dates include Contractor Schedule Margin and are subject to change based upon the realization of risks and opportunities and the application of DOE held schedule contingency identified for those risks and opportunities documented by the appropriate Risk Management Plan for each project.

- A. Completion of SSCVS New Filter Building Slab on Grade by September 21, 2021 will earn the contractor \$250,000.
- B. Complete manufacturing of all 22 SSCVS HEPA Filter Units, including successful pressure testing and painting [complete all related work activities through Schedule ID: FH11134 – ZBA Painting Unit 22]. If the work is completed by April 20, 2021, the contractor will earn \$300,000 (100%) of fee available for this element. The fee will be reduced incrementally for each day of slippage through May 18, 2021 where the contractor will earn \$150,000 (50%) of fee available for this element. No fee will be awarded after May 18, 2021.
- C. Complete manufacturing and QA inspections (including documentation of acceptance) of four SSCVS Exhaust Fans and place into a ready-to ship state [complete all related work activities through Schedule ID: AH22287 ZBA – Standard Tests G-006 (last fan)]. If the work is completed by July 31, 2021, the contractor will earn \$150,000 (100%) of fee available for this element. The fee will be reduced incrementally for each day of slippage through September 30, 2021 where the contractor will earn \$75,000 (50%) of fee available for this element. No fee will be awarded after September 30, 2021.
- D. US project Fire Water Loop completed by February 17, 2021 [Schedule ID: FWL005 - Fire Water Loop Project Completion] will earn the contractor \$600,000 in fee;
 - Acceleration Opportunity: If the Contractor accelerates completion of this element (D) by 15 days, the Contractor can earn an additional \$50,000. If the Contractor accelerates completion of this element by another 15 days (30 days total) the Contractor can earn an additional \$100,000 (\$150,000 total). If the Contractor accelerates completion of this element by another 15 days (45 days total) the Contractor can earn an additional \$150,000 (\$300,000 total).
- E. Complete Utility Shaft Plenum installation, ductwork installation to the surface, grout the ductwork, and complete shaft lining from 55' BGE to bottom of temporary collar to earn \$500,000 by September 20, 2021 [Schedule ID: 13.001 Plenum Installation and Schedule ID: 13.002 Duct Installation (13.002 defined as seven pieces of duct installed to the surface minus above ground sections including the 45 degree elbow and the section that is mounted on the ground surface) and 12.004 Shaft Lining 31.1 ft to Collar Completions].

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

Metric/Milestone 3: The Contractor will earn a maximum of \$2,900,655 in fee for completion/progress by September 30, 2021 of the following General Plant Projects (GPP), major maintenance, and major items of equipment activities to overcome the aging and degraded conditions at WIPP.

- A. Progress on the Fire Loop Phases 1 & 2 upgrade by completing the pump house installation, North Loop, West Loop and South Loop backfill and compaction by August 15, 2021 to earn \$300,000 (100%). The fee will be reduced incrementally for each day of slippage through September 30, 2021 where the contractor will earn \$150,000 (50%) of fee available for this element.
- B. Progress on Fire Loop Phase 4 with the end of construction (including completion of all punch list items) by August 15, 2021 to earn \$300,000 (100%). The fee will be reduced incrementally for each day of slippage through September 30, 2021 where the contractor will earn \$150,000 (50%) of fee available for this element.
- C. Complete the subcontractor factory acceptance testing and shipment to the WIPP Site of the surface Electrical Substations 1 & 3 by June 30, 2021 to earn \$200,000
- D. Award the contract for the Phase 3 Fire Loop project and commence construction by September 30, 2021 to earn \$75,000.
- E. Complete the Public Address System design and authorize to start field work by September 30, 2021 to earn \$50,000.
- F. Complete the Salt Hoist Head Frame Refurbishment project by June 1, 2021 without impacting any shipments from Waste Control Specialists (WCS) to earn \$400,000.
- G. Complete the Compressed Air Trunk Line project by April 1, 2021 to earn \$300,000 (100%). The fee will be reduced incrementally for each day of slippage through September 30, 2021 where the contractor will earn \$50,000 (17%) of fee available for this element.
- H. Complete the procurement of Building 411/412 Safety Significant Fire Suppression System Installation and commence construction by September 30, 2021 to earn \$50,000.
- I. Complete the Site Network Fiber Optic Upgrade project by June 1, 2021 to earn \$200,000 (100%). The fee will be reduced incrementally for each day of slippage through September 30, 2021 where the Contractor will earn \$50,000 (25%) of fee available for this element.
- J. Complete the Salt Pocket refurbishment design by September 30, 2021 to earn \$100,000.
- K. Complete Central Monitoring Room Improvements project by March 31, 2021 to earn \$400,000 (100%). The fee will be reduced incrementally for each day of slippage through June 30, 2021 where the contractor will earn \$200,000 (50%) of fee available for this element.
- L. Complete the Salt Pond 2 salt removal project by September 30, 2021 to earn \$50,000.
- M. Complete the Change Room project by September 30, 2021 to earn \$100,000 in fee.
- N. Complete the Underground Substation Replacement project, including installation, commissioning, placing into service, and turnover to operations by February 15, 2021 to earn \$375,655 (100%). The fee will be reduced incrementally for each day of slippage through May 30, 2021 where the contractor will earn \$187,828 (50%) of fee available for this element.

The maximum available fee for Metric/Milestone 3 is \$2,900,655.

Metric/Milestone 4: The Contractor will earn a maximum of \$1,125,000 in fee for completion of the following National TRU Program high priority activities:

- A. Complete any corrective actions from the completed drop tests necessary to support a complete submittal of the application(s), submit the application(s) to the NRC by February 28, 2021 for the new Shielded Container Assemblies (SCAs) SC-30G2, SC-30G3, SC-55G1 and SC-55G2 and develop a submittal ready Permit Modification Request (PMR) to the New Mexico Environment Department (NMED) and a submittal ready Planned Change Request (PCR) to the Environmental Protection Agency (EPA) by September 30, 2021 for the use of the SCAs at WIPP for submittal to the NMED and EPA in FY2022 to earn \$125,000.
- B. Complete all actions required for WIPP to declare readiness to receive Los Alamos National Laboratory (LANL) waste shipments from WCS. This will include completion of enhanced Acceptable Knowledge (AK) (e.g., CCE, BoK) for all Type 1 waste, modification of WIPP Safety Basis Documents to facilitate the safe and compliant loading, shipping, handling and emplacement of all Type 1 waste containers, and facilitate transfer to WIPP of the lone WCS surface stored SWB by July 31, 2021. This comprehensive effort to maximize likelihood of removing this waste from WCS earns \$500,000.
- C. Complete Chemical Compatibility Evaluations (CCE) and initial Basis of Knowledge (BoK) documents for the following 10 waste streams by September 30, 2021. The Contractor will earn a maximum of \$50,000 per waste stream for completion of the CCE and BoK documents for waste streams 1 through 10 listed below. Changes to the waste stream list are considered minor changes to this PEMP.
 - 1) OR-GRSC-CH-HET
 - 2) OR-GRSC-CH-HOM
 - 3) OR-W1A-CH-HET
 - 4) OR-W1A-CH-SOIL
 - 5) OR-PuBe-CH-HOM
 - 6) OR-TDYN-CH-HET
 - 7) OR-IFEL-CH-HET
 - 8) SR-MD-HET
 - 9) SR-MD-SOIL
 - 10) SR-KAC-PuOx

The maximum available fee for Metric/Milestone 4 is \$1,125,000.

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 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 of each Performance Based Incentive.

Circumstances Outside of the Contractor's Control

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: For completion of Metric/Milestone 1, the Contractor will submit a request for payment earned based upon the completed activities. The fee request submitted by the Contractor will include the applicable objective evidence documentation for verification of the completion/progress claimed by the Contractor. This documentation will include high quality photographs with captions, procurement records, design records, and both the Contractor's Project Subcontractor Technical Representative (PSTR) records and subcontractor's records, documenting the status of each of the projects, as applicable. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the following activities:

- A. Complete the meshing, mining, and bolting of Panel 8, and commence outfitting of Panel 8. Completion documented by ground control maps.
- B. Emplacement of 400 full columns (\$2,000 per full column) of TRU waste containers in Panel 7. For progress in emplacing TRU waste in Panel 7, the Contractor will submit a request for payment earned based on the number of full columns of TRU waste emplacements completed per month or quarter but no more frequently than monthly. CBFO will perform assessments through review of waste emplacement reports from the Waste Data System to validate completions.
- C. Complete the 700-C fan restart by July 31, 2021 and continued operation through September 30, 2021.
- D. Legacy EXO structures removed from installed location and ground control restored to S.F. of 1.3 or greater in the East-300 drift between the North-1100 and North-1400 drifts.
- E. Completing the replacement/refurbishment of underground Bulkheads 308 and 309
- F. Re-establishment of the underground and surface horizontal and vertical control points beyond Panel 8 including the control station traverses, horizontal control stations, vertical control benchmarks, and as-mined surveying and plan and profile generation
- G. Deployment and placing into unrestricted service (following any testing/commissioning) of the use of LIDAR 3-D laser scanning capability to improve surveying efficiency and supplement mine ground monitoring and ground safety. Upon completion of deployment, the LIDAR 3-D laser scanning capability shall meet all performance parameters agreed to between NWP and DOE as of September 1, 2020.
- H. Procurement of battery-electric equipment from Table 4 guaranteeing delivery to the WIPP site by April 30, 2022.

- I. Deployment and placing into unrestricted service (following any testing/commissioning) of the Devonway program for Contractor Assurance elements, including the migration of historical data from the existing contractor and DOE issues management/corrective action systems (e.g., WIPP Forms, ICE issues, CARs,) and taking the existing issues management/ corrective action systems out of service. Upon completion of deployment, the Devonway program shall meet all performance parameters agreed to between NWP and DOE as of September 1, 2020.

Payment Metric/Milestone 2: For completion or progress associated with the line item capital asset project's incentivized activities, the Contractor will submit a request for payment earned based on the activities completed by Schedule ID specified below. The fee request submitted by the Contractor will include the applicable objective evidence documentation for verification of the completion/progress claimed by the Contractor. This documentation will include high quality photographs with captions, procurement records, design records, final approved commissioning records, operational approval records and both the Contractor's Project Subcontractor Technical Representative (PSTR) records and subcontractor's records, documenting the status of each of the projects, as applicable. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the following activities and the dates of completions:

- A. SSCVS New Filter Building Slab on Grade Completed - The contractor shall provide documentation showing the status of the New Filter Building Slab on Grade completed.
- B. HEPA Filter Units Completed – The contractor shall provide documentation showing the status of all 22 HEPA Filter Units completed [Schedule ID: FH11134 - ZBA Painting Unit 22] - All 22 units completed including pressure testing approval and painted].
- C. Exhaust Fans Completed – The contractor shall provide documentation showing the status of four Exhaust Fans [Schedule ID: AH22287 ZBA – Standard Tests G-006 (last fan) - All four fans completed and ready to be shipped with all QA documentation approved by NWP QA].
- D. US Fire Water Loop – The Contractor shall provide documentation showing the status of US Fire Water Loop [Schedule ID: FWL005, Fire Water Loop Project Completion].
- E. The Contractor shall provide documentation showing the status of completion of all project activities through the referenced Schedule IDs [Schedule ID: 13.001 Plenum Installation and Schedule ID: 13.002 Duct Installation (13.002 defined as seven pieces of duct installed to the surface minus above ground sections including the 45 degree elbow and the section that is mounted on the ground surface) and 12.004 Shaft Lining 31.1 ft to Collar Completions] to include work package completions.

Payment Metric/Milestone 3: For completion of the of the following General Plant Projects (GPP), major maintenance, and major items of equipment activities, the Contractor will submit a request for a completion/progress payment earned based on the activities completed as specified below. The fee request submitted by the Contractor will include the applicable objective evidence documentation for verification of the completion/progress claimed by the Contractor.

This documentation will include high quality photographs with captions, procurement records, design records, and both the Contractor's Project Subcontractor Technical Representative (PSTR) records and subcontractor's records, documenting the status of each of the projects, as applicable. CBFO will verify the request submitted by the Contractor by performing assessments to validate the status of each the following activities as of the date of the submitted fee request:

- A. Progress on the Fire Loop Phases 1 & 2 upgrade by completing the pump house installation, North Loop, West Loop, and South Loop backfill and compaction
- B. Progress on Fire Loop Phase 4 with the end of construction (including completion of all punch list items)
- C. Complete the subcontractor factory acceptance testing and shipment to the WIPP Site of the surface Electrical Substations 1 & 3
- D. Award the contract for the Phase 3 Fire Loop project and commence construction
- E. Complete the Public Address System design and authorize to start field work
- F. Complete the Salt Hoist Head Frame Refurbishment project without impacting shipments from WCS
- G. Complete the Compressed Air Trunk Line project
- H. Complete the procurement of Building 411/412 Safety Significant Fire Suppression System Installation and commence construction
- I. Complete the Site Network Fiber Optic Upgrade project
- J. Complete the Salt Pocket refurbishment design
- K. Complete Central Monitoring Room Improvements project
- L. Complete the Salt Pond 2 salt removal project
- M. Complete the Change Room project
- N. Complete the installation of the Underground Substation Replacement, perform commissioning and complete turnover to operations

Payment Metric/Milestone 4: For completion of Metric/Milestone 4, the Contractor will submit a request for payment earned based upon the following completed activities. The fee request submitted by the Contractor will include the applicable objective evidence documentation for verification of the completion/progress claimed by the Contractor. This documentation will include high quality photographs with captions, application records, test records, and permit records, as applicable. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

- A. For progress in establishing additional Remote Handled waste capability, the Contractor will submit a request for completion payments earned based on completion of any corrective actions from completed drop tests necessary to support a complete submittal of the application (s), and submit the application(s) to the NRC by February 28, 2021 for authorization of new payload containers Shielded Container Assemblies (SCAs) SC-30G2, SC-30G3, SC-55G1 and SC-55G2 by September 30, 2021. For progress in establishing additional Remote Handled waste capability, the Contractor will submit a request for completion payments earned based on developing a submittal ready Permit Modification Request (PMR) to the New Mexico Environment Department (NMED) and a submittal ready Planned Change Request (PCR) to the Environmental Protection Agency (EPA) for the use of the SCAs at WIPP by September 30, 2021 to be submitted in FY2022.

- B. For progress in completing all actions required for WIPP to declare readiness to receive LANL Type 1 waste shipments from WCS, including completion of enhanced AK (e.g., CCE, BOK) and modification of WIPP Safety Basis Documents to facilitate safe and compliant loading, shipping, handling and emplacement of the waste containers, and facilitate transfer to WIPP of the lone WCS surface stored SWB by July 31, 2021.
- C. For completion of the CCE and BoK documents for waste streams 1 through 10 listed in MM 4.C, the Contractor will submit request(s) for completion payment(s) for the applicable waste streams earned under this metric/milestone, including copies of the CCE and BoK documents.

DEFINITIONS:

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 0 (Zero)-E to S-2520
- W-170 drift from N-150 to S-2520
- All of Panel 7
- North Experimental (EXO) Area
- Air Intake Shaft Loop
- Alcoves (Maintenance Shop, UG Services only)
- E-300 drift.
- Panel 8
- 0 (Zero)-E & E-140 North of N-150

Degraded Surface of Waste Container: This definition applies to MM 9. The degraded conditions could include observable loss of metal due to oxidation (e.g. rust), breaching (hole or open area), denting, creasing, crackling, gouging of the metal, or damage that affects Container closure.

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 7-packs of 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: 10/1/2020 through 9/30/2021

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)

Maximum Available Incentive Fee

Anticipated Funding:

Associated with this Measure:

N/A (Super Stretch)

\$ 6,700,000

CBFO Management Control Packages: N/A

SECTION III – INCENTIVE INFORMATION

Incentive type: Base Stretch Super Stretch

Difficulty: High Medium Low

Duration: Annual Multi-year

Fee Payment type: Completion Progress Provisional

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) or as associated with the replacement of underground diesel equipment with battery electric or low emissions equipment.

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 (or as associated with the replacement of underground diesel equipment with battery electric or low emissions equipment or other work mutually agreed to by CBFO and the Contractor).

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 (or as associated with the replacement of underground diesel equipment with battery electric or low emissions equipment or other work mutually agreed to by CBFO and the Contractor). For every \$1.00 that is saved from this Metric/Milestone and is used to fund work scope identified as unfunded in the CMPL (or as associated with the replacement of underground diesel equipment with battery electric or low emissions equipment or other work mutually agreed to by CBFO and the Contractor), 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 the Contractor under this metric during the term of the contract covered by this rating plan is: \$6,700,000. 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 as associated with the replacement of underground diesel equipment with battery electric or low emissions equipment or other work mutually agreed to by CBFO and the Contractor) 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 the Contractor 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.