

PERFORMANCE EVALUATION AND MEASUREMENT PLAN

FY2022 - OCTOBER 01, 2021 THROUGH MARCH 31, 2022

CONTRACT DE-EM0001971

Revision 0 dated August 31, 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.2-2(a) Total Available Award Fee table (CLINS 1-13) 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 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 6-month Fee Plan (FP); 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 (PBIs). The primary responsibilities of the CBFO Manager are to:

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

- 3) If required, submit the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.
- 4) 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

- 1) The CBFO CO is an advisor and negotiator in the development and establishment of the PEMP, including the evaluation criteria and available fee amounts.
- 2) The CBFO CO will forward the approved PEMP, including the evaluation criteria and available fee amounts to the Contractor through a contract modification.
- 3) The CBFO CO will prepare a letter for the FDO's signature notifying the Contractor of the amount of performance fee earned by the Contractor for the evaluation period. This notification will identify specific areas of strengths and areas of improvement in the Contractor's performance.
- 4) The CBFO CO will unilaterally modify the contract to reflect the FDO's final determination of the amount of performance fee earned by the Contractor for the evaluation period. The modification, which will reflect earned and unearned fee for the evaluation period and will be issued to the Contractor within 14 calendar days after the CBFO CO receives the FDO's decision.

4. CBFO COR

- 1) 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).
- 2) 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.
- 3) The CBFO COR leads the technical component of the negotiation of the fee criteria and fee allocations with the Contractor.
- 4) 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.
- 5) The CBFO COR performs periodic reviews of the Contractor to evaluate progress towards completion of requirements for Performance Based Incentives (PBIs) and recommends final fee.

- 6) 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 TMs

The on and off-site TMs assist the COR in carrying out the following responsibilities as requested:

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

6. CBFO Staff

- 1) As requested by the FDO, CO, COR, TMs, or supervisor, evaluate the performance of the Contractor in areas specific to their oversight responsibilities.
- 2) Evaluate fee supporting documentation submitted by the Contractor and provide documentation of the evaluation to the appropriate TM, COR or CO.

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 December 31, 2021 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 fee amounts 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 by allocating the fee to another evaluation criterion or criteria. 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. This reallocation requires concurrence by the DOE Environmental Management Consolidated Business Center (EMCBC) and approval by the EM HCA.

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.

A. Subjective Criteria

Subjective criteria have been established that include Quality, Schedule, Cost Control, Management, and Regulatory Compliance. These subjective criteria may be adjusted on a semi-annual basis. In addition, these criteria are not be all-inclusive in the evaluation of the subjective portion of the PEMP. CBFO may consider other related 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 30% of the available fee during FY2022 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 fee 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 otherwise earned 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 30% of the Total Available Fee, not to exceed (NTE) \$2,200,000 (30% of \$7,311,193). 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% - \$440,000) – The Quality of the Contractor’s performance will be evaluated in the following areas including:
 - 1) 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.
 - 2) 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.
 - 3) 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.
 - 4) The performance of Surveillance and Maintenance (S&M), work planning, and work control activities.
 - 5) 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.

- 6) Performance in maintaining and implementing an effective Quality Assurance program, with emphasis on NQA-1.
 - 7) The development and use of high-quality media to effectively communicate WIPP-related information to stakeholders.
2. Schedule (15% - \$330,000) – The Contractor’s schedule performance will be evaluated in the following areas including:
- 1) Performance in managing the waste transportation schedule;
 - 2) 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;
 - 3) Timeliness of submitting Notifications of Contractual Changed Conditions;
 - 4) Timeliness of submitting Baseline Change Proposals and Programmatic Change Requests to DOE;
 - 5) 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;
 - 6) The timeliness of completion of the approved Integrated Performance Measurement Baseline (IPMB) field work, as applicable.
 - 7) The timeliness of the Contractor’s 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 a timely manner to all system impairments on safety related systems.
 - 8) 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 the grace period AND 80% of all TSR surveillances must be completed prior to entering the grace period.
 - 9) The timeliness of completing scheduled Preventative Maintenance (PM) actions, as specified in the Contractor’s computerized maintenance management system (e.g., CHAMPS). Timeliness is defined as: 95% of all scheduled PM actions 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.

- 10) The timeliness of awarding subcontracts.
- 11) The timeliness of review and closure of SSCVS construction work packages.
3. Cost Control (20% - \$440,000) - The Contractor's cost control performance will be evaluated in the following areas including:
 - 1) Reduce FY2022 Carryover (FY2022 new budget authority plus FY2021 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.
 - 2) 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.
 - 3) Long range planning to control costs.
 - 4) Ability to accurately project the Estimates at Completion (EACs).
 - 5) 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.
 - 6) The overall cost performance on a semi-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.
 - 7) The ability to stay within the approved IPMB for the work completed, as applicable.
 - 8) 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.
 - 9) The proper use of Management Reserve (MR) (realizing risk – both positive and negative).
 - 10) The performance of tasks in the most cost-effective manner consistent with approved baseline, and effectiveness of program/project cost reporting and systems.

4. Management Performance (30% - \$660,000) - The Contractor's management performance will be evaluated in the following areas including:
 - 1) The effectiveness of business office programs, include but is not limited to Human Resources, Accounting, and Procurement.
 - 2) The effectiveness of the Contractor's program for talent development with a focus on developing the workforce for future mission needs.
 - 3) Effective execution of approved baseline and ad hoc schedules.
 - 4) Performance in meeting Strategic Sourcing goals.
 - 5) Information Resource Management that provides a secure, reliable, and efficient Information Technology infrastructure along with timely software application development and deployment.
 - 6) Positive public relations are maintained to ensure the continued overall program improvement initiatives are communicated effectively to stakeholders and stakeholder support outreach and interaction (i.e., communication with states/tribes and first responder, training, and roadshows) is maintained.
 - 7) 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.).
 - 8) Overall effective management of the underground mine operations.
 - 9) The safety programs reflect a mature and effective safety culture that fosters an environment where workers are free to express concerns related to safety.
 - 10) 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 1.5.
 - 11) Effectiveness of the Emergency Management Program including the development and implementation of a long-range plan to ensure that an 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.
 - 12) Effective performance in Real Property Management.
 - 13) 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.

- 14) Demonstrate proactive communication with the 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.
- 15) 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.
- 16) 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.
- 17) Performance in managing and continuous process improvement in TRU waste emplacement procedures and their implementation.
- 18) Performance in providing adequate monitoring service for in route shipments.
- 19) Performance in managing the Centralized Procurement Program for Department of Transportation (DOT) Type A transportation assets.
- 20) Maintain availability (maintenance current and available for use) of Nuclear Regulatory Commission (NRC) Type B transportation assets to support TRU waste shipments.
- 21) 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).
- 22) 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.
- 23) The effectiveness in coordinating with and applying lessons learned from one site to the other or other DOE/Commercial sites when implementing similar operations/activities.
- 24) The effectiveness of coordination with the CBFO Program Participants (i.e., CTAC, SNL-CPG, LANL-CO) and the TRU Waste generator sites.
- 25) The ability to achieve and maintain DART and TRC rates below the EM DART and TRC goals.

- 26) The ability to achieve at least 85% of the DOE approved Performance Objectives, Measures, and Commitments (POMCs).
 - 27) The overall effectiveness of the Contractor's Management approach to execute the terms of the contract.
 - 28) Demonstrate effective use of domestic suppliers of PPE and timely delivery of PPE.
5. Regulatory Compliance (15% - \$330,000) – The Contractor's regulatory performance will be evaluated in the following areas:
- 1) Performance against Compliance Recertification Application requirements.
 - 2) Performance against WIPP Hazardous Waste Facility Permit (HWFP) requirements (Notices of violation (NOVs) are not acceptable.
 - 3) Performance against DOE Hazard Category II Nuclear Facility requirements.
 - 4) Contractor's Environmental Management System fosters continuous improvement.
 - 5) Performance against TRU waste transportation requirements.
 - 6) Performance against implementing and maintaining a compliant Safeguards and Security Program.
 - 7) Performance against implementing and maintaining a compliant Cyber Security Program.
 - 8) 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.).
 - 9) Performance against 10 CFR 851 (Worker Safety and Health) requirements, which includes compliance with MSHA requirements.
 - 10) Business/Accounting system/practices are in compliance with all applicable regulations (DOE Policies, Orders, Standards, FAR, etc.).

B. 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.

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.

C. 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 the 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 70% of the Total Available Fee, NTE \$5,111,193 (70% of \$7,311,193).

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:** 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 final fee determination. 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 toward and completion of requirements 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 semi-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 evaluation of the Contractor's management during the 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 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 concurrence by the DOE Environmental Management Consolidated Business Center (EMCBC) and approved by the EM HCA. 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: 10/01/21 – 03/31/22

Performance Incentive Short Title: WIPP and NTP Incentives

Revision Number and Date: Revision 0, 08/31/2021

SECTION II – ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated est. Funding: \$130,000,000	Associated with this Measure:
	\$5,111,193 (70% of \$7, 311,193)

CBFO Management Control Packages: N/A

SECTION III – INCENTIVE INFORMATION

Difficulty:	High	X	Medium		Low	
Duration:	Annual		Multi-year		Semi-annual	X
Fee Payment Type:	Completion	X	and Progress	X	and Provisional	X

SECTION IV – PERFORMANCE MEASUREMENT AND PERFORMANCE REQUIREMENTS

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

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

Metric/Milestone 1: The Contractor will earn a maximum of \$1,960,193 in fee for completion of the following high priority WIPP operational activities during the first six months of FY2022.

- A. The Contractor will earn a maximum of \$100,000 to complete the Panel 8 outfitting and submittal of certification for emplacement by March 31, 2022.
- B. The Contractor will earn a maximum of \$1,024,000 for the emplacement of TRU waste containers from a total of 208 shipments by March 31, 2022. The Contractor will earn \$5,000 per shipment of TRU waste emplaced through 160 shipments. After emplacing 160 shipments of TRU waste, the Contractor will earn \$5,600 per shipment of waste emplaced for up to the next 48 shipments of waste emplaced by March 31, 2022. No considerations will be given for maintenance issues or weather impacts.
- C. The Contractor will earn a maximum of \$336,193 for the procurement of a battery-electric roof bolter by November 30, 2021, guaranteeing delivery to the WIPP site by September 30, 2022 and by performing a power feasibility study and determining the load requirements, system upgrades, and modifications for the implementation of a battery-electrical fleet in the WIPP Underground with a scheduled completion by March 31, 2022.
- D. The Contractor will earn a maximum of \$500,000 for completion of rough-cut mining S-700, S-850, and S-1000 drifts from W-170 to W-1300, including crosscuts at W-620, W-960, and W-1300 by March 31, 2022. Progress will be pro-rated based on tons of salt mined at a rate of \$8.27 per ton of salt mined up to a maximum of 60,458 tons (equivalent to 4,563 linear feet).

Payment Metric/Milestone 1: For completion of Metric/Milestone 1 activities above, 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 activities, as applicable. For Metric/Milestone 1.D, the Contractor may submit a request for payment on a quarterly basis with the number of tons of salt mined. CBFO will verify the requests submitted by the Contractor by performing assessments to validate completion of the activities.

The maximum available fee for Metric/Milestone 1 is \$1,960,193.

Metric/Milestone 2: The Contractor will earn a maximum of \$795,000 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] \leq Total Allocated Budget (TAB) [Contract Budget Base (CBB) plus implemented Over Target Baseline (OTB)]), shall be met in order to earn 100% of the individual PBI metric/milestone fee. In the event EAC is greater than TAB, only up to 50% of the individual PBI metric/milestone fees may be earned. All schedule dates may be 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.

* When the BCPs are approved and a determination is made to revert from an OTB/OTS, the overall project performance will be measured as (Estimate at Completion [EAC] ≤ Contract Budget Base (CBB) [Performance Measurement Baseline {PMB} plus Management Reserve {MR}]).

- A. SSCVS - Completion of the Salt Reduction Building shell by December 31, 2021 will earn the contractor \$220,000 (100%) of fee available for this element. No fee may be awarded after December 31, 2021. For purposes of this PBI, completion of the shell includes installation of all precast wall panels (2, A, 13, E), precast columns and beams, precast roof panels (7" and 8"), and the mechanical access platforms/mezzanine deck (Activity ID: Precast80, Precast60, Precast30, and C03AFINJ02S06000000D).
- B. SSCVS - Complete installation of precast roof panels (L-M interior, L-M exterior) and roof beams (L-M) on the New Filter Building (Activity ID: Precast140, Precast130, Precast120) by March 29, 2022 will earn the contractor \$140,000 (100%) of fee available for this element. No fee may be awarded after March 29, 2022.
- C. US - Complete the exhaust stack subproject including all project activities leading up to the final activity (Activity ID: ES06, Project Completion) by February 25, 2022 will earn the contractor \$185,000 (100%) of fee available for this element. No fee may be awarded after February 25, 2022.
- D. US - By March 31, 2022, complete Cold Commission of the Galloway Winches (Activity ID 16.0015R – Cold Commissioning Galloway Winches) to earn \$150,000 and complete Install Galloway (Activity ID: 16.0021R – Install Galloway) to earn an additional \$100,000.

Payment Metric/Milestone 2: For completion or progress associated with the line item capital asset project's incentivized activities identified in Metric/Milestone 2, the Contractor will submit a request for payment earned based on the activities completed by Schedule ID specified above. 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 activities and the dates of completions described above.

The maximum available fee for Metric/Milestone 2 is \$795,000.

Metric/Milestone 3: The Contractor will earn a maximum of \$1,250,000 in fee for completion/progress by March 31, 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. Completion of the Fire Water Loop Phase 1 & 2 south section and being tied into the Utility Shaft by December 31, 2021, Schedule ID: FLP-11685, will earn the contractor

\$300,000 of fee available for this metric/milestone.

- B. Completion of the surface excavations, fiber installation and backfill for the PA System upgrade by February 1, 2022, Schedule Activity ID: PA-SI-1020, will earn the contractor \$200,000 of fee available for this element.
- C. Completion of the installation of 1500 linear feet of fire water piping and tie-in one building to the recapitalized fire suppression water loop for the Phase 3 Fire Water Loop Project by March 31, 2022, will earn \$400,000 of fee available for this metric/milestone.
- D. Receipt of the new above ground fuel tanks and the completion of the concrete apron that supports the new fuel tanks by March 31, 2022, will earn the contractor \$250,000 of fee available for this element. Schedule Activity IDs will be identified once both of these subcontracts have been placed and the vendor schedule submitted and approved by NWP no later than December 31, 2021.
- E. Completion of the procurement award, subcontractor schedule delivery, and commencement of work to the schedule to design an Indoor Firing Range at WIPP by March 31, 2022, will earn \$100,000. Benchmark the design of the firing range at Paducah, incorporating lessons learned.

Payment Metric/Milestone 3: For completion/progress of the above General Plant Projects (GPP), major maintenance and repair projects, and major items of equipment (MIE) project activities specified in Metric/Milestone 3, the Contractor will submit a request for a completion/progress payment earned based on the activities completed/progress made as specified above. 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.

The maximum available fee for Metric/Milestone 3 is \$1,250,000.

Metric/Milestone 4: The Contractor will earn a maximum of \$1,106,000 in fee for completion of the following National TRU Program high priority activities:

- A. Complete SRS SLB2 shipments prior to expiration of NRC exemption on December 31, 2021 to earn \$150,000.
- B. Complete 5 waste stream approvals with associated Acceptable Knowledge documents, including Chemical Compatibility Evaluations (CCE) and Basis of Knowledge for Oxidizing Chemicals (BOK) documents, as approved by the CBFO COR, by March 31, 2021 to earn \$250,000.
- C. Maintain 8-week backlog of shippable waste (monthly rolling average, 10 scheduled shipments/week) through the first quarter of FY2022 to earn \$150,000.

- D. Maintain 13-week backlog of shippable waste (monthly rolling average, 10 scheduled shipments/week) through the second quarter of FY2022 to earn \$250,000.
- E. Complete and issue the Acceptable Knowledge Summary Report (AKSR) revision for the Idaho National Laboratory (INL) Accelerated Retrieval Project (ARP) waste streams (Sludge, Soil, and Debris) and subsequent CCE and initial BOK documents to allow certification of the packaged ARP waste to earn \$306,000.

Payment Metric/Milestone 4: For completion of Metric/Milestone 4 activities, the Contractor will submit a request for payment earned based upon the completed activities described above. The fee request submitted by the Contractor will include the applicable objective evidence documentation for verification of the completion/progress claimed by the Contractor. CBFO will verify the request submitted by the Contractor by performing assessments to validate completion of the requested activities.

The maximum available fee for Metric/Milestone 4 is \$1,106,000.

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 the Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II of the 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.

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 unfilled accessible areas of Panel 7
- Air Intake Shaft Loop
- Alcoves (Maintenance Shop, UG Services only)
- E-300 drifts from N-1400 to S-2520
- Panel 8
- 0 (Zero)-E & E-140 drifts North of N-150

Dunnage: An empty TRU waste container.

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 V – 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.