

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. 0033	3. EFFECTIVE DATE 10/01/2013	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY EMCBC - Carlsbad U.S. Department of Energy Carlsbad Project Office P.O. Box 3090 Carlsbad NM 88221	CODE 03003	7. ADMINISTERED BY (If other than Item 6) EMCBC - Carlsbad U.S. Department of Energy Carlsbad Project Office P.O. Box 3090 Carlsbad NM 88221	CODE 03003
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) NUCLEAR WASTE PARTNERSHIP LLC Attn: Marty Gonzales Nuclear Waste Partnership 106 Newberry Street SW Aiken SC 29801		(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE 968993910	FACILITY CODE	X 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-EM0001971	10B. DATED (SEE ITEM 13) 04/20/2012
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS			

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended.  is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: H.25 Performance Evaluation and Measurement Plan
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not.  is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Tax ID Number: 94-1381538

DUNS Number: 968993910

The purpose of this modification is to incorporate the Performance Evaluation and Measurement Plan (PEMP) for the period October 1, 2013 through September 30, 2014 into the contract. The total available award fee for this period per Section B.2-2 is \$8,192,895. The attached PEMP is added to Section Part III, Section J, Attachment C of the contract.

Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) <b>FAROK SHARIF PROJECT MANAGER</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Vicki D. Snow
15B. CONTRACTOR/OFFEROR Exemption 6	15C. DATE SIGNED 11-18-2013
15D. UNITED STATES OF AMERICA Exemption 6	16C. DATE SIGNED 11/18/2013

NSN 754-010-0000  
Previous edition unusable

STANDARD FORM 30 (REV. 10-83)  
Prescribed by GSA  
FAR (48 CFR) 53.243

**CONTINUATION SHEET**

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
DE-EM0001971/0033

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NAME OF OFFEROR OR CONTRACTOR  
NUCLEAR WASTE PARTNERSHIP LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 10/01/2012 to 09/30/2017				

# **PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)**

## **AWARD FEE PLAN (AFP)**

**1 OCTOBER 2013 THROUGH 30 SEPTEMBER 2014**

**CONTRACT DE-EM0001971**

### **I. INTRODUCTION**

This Performance Evaluation and Measurement Plan (PEMP) provides a standard process for development, administration, and coordination of all phases of the fee determination process consistent with Section B.2 of the subject contract.

Fee determinations are not subject to the Disputes Clause of the 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 CBFO Manager as the FDO. The FDO determines the final performance fee amount based upon all the information furnished and assigns a final percent of performance fee amount that can be earned for the evaluation period. The FDO will notify the Carlsbad Field Office (CBFO) Contracting Officer (CO) in writing or via electronic correspondence of his/her final determination of that performance fee amount.
2. **CBFO Manager**  
The CBFO Manager or qualified designee will be the point of organizational authority within CBFO for: development and coordination of the PEMP (which includes the Annual Fee Plan (AFP); approval of minor changes to the PEMP; obtaining HCA approval of major changes, if required; performance monitoring; performance validation; performance reporting; and payment of fees related to PBIs. Primary responsibilities are:
  - a. Develops and establishes the evaluation criteria and incorporates them into the PEMP.
  - b. Assures appropriate coordination of performance expectations and the evaluation criteria with HQ program and policy organizations.
  - c. If required, submits the PEMP and/or the evaluation criteria for necessary HCA approval and headquarters reviews.

- d. If required, in conjunction with the CO and COR, coordinates major changes with the HCA and provides minor changes to performance expectations and the evaluation criteria to the HCA.

**3. CBFO CO**

- a. The CBFO CO is an advisor and negotiator in the development and establishment of the Evaluation Criteria and Fee amounts.
- b. The CBFO CO will forward the approved PEMP and/or the evaluation criteria to the Contractor through a contract modification.
- c. The CBFO CO will prepare a letter for the FDO's signature notifying the contractor of the amount of performance fee amount 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 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 paragraph H-10.
- 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 provisional 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 assigned area.
  - 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 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 amount are developed by the COR in consultation with CBFO Manager, the CO, TMs, and contractor personnel prior to obtaining HCA approval.

Approval by the CBFO COR, CO and the 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, 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 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.

#### **IV. EVALUATION CRITERIA**

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

##### **1. Subjective Criteria**

Subjective criteria have been established that include mission performance: management performance; Environment, Safety and Health (ES&H) performance; and cost control. Means to measure fulfillment of the criteria are provided in Attachment 2, Award Fee Performance Metrics. These may be adjusted on an annual basis. The fee amount associated with the subjective component of the criteria will not exceed 25% of the available fee during any year of the contract and will be equally apportioned amongst the four criteria. Areas within an evaluation criterion are not sub-criteria and will not be individually rated but considered in the overall evaluation for that particular evaluation criterion. If significant problems are identified in the evaluated performance for any particular criteria (i.e., mission performance: management performance; ES&H performance; or cost control), the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems. (25% of Available Fee for 2014, NTE \$2,048,224)

- (1) **Mission Performance – The Contractor's performance in completing the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:**
  - (i) **WIPP Plant availability to process and dispose TRU waste;**
  - (ii) **The extent to which Central Characterization Program waste characterization remains on schedule; and**
  - (iii) **The degree of Contractor conformance with established schedules.**
  
- (2) **Management Performance - The Contractor's effective and efficient control of all areas of effort including management and technical effort required to meet contract requirements are based on:**
  - (i) **Achieving the community commitments required by the contract;**
  - (ii) **Hardware delivered to WIPP is properly inspected upon receipt to ensure defective equipment or parts are not entered into the WIPP inventory;**
  - (iii) **Products/services delivered comply with DOE orders and applicable federal and state requirements, directives, regulations, and statutes, as well as the Contractor's program documents and procedures;**
  - (iv) **Prime Contract Compliance;**
  - (v) **Cost Estimating Excellence, to include timeliness, accuracy and complete proposals;**
  - (vi) **Work Control Planning;**
  - (vii) **Efficiency in Waste Emplacement;**
  - (viii) **Modifications to WIPP's regulatory envelope to improve efficiency and avoid the possibility of procedural violations; and**
  - (ix) **Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals.**
  
- (3) **ES&H Performance - The Contractor's performance to assess the following:**
  - (i) **Environmental and Regulatory Compliance;**

- (ii) Safeguards and Security;
  - (iii) The Contractor's safety program reflects a mature and effective safety culture;
  - (iv) Contractor's Environmental Management System;  
and
  - (v) Modifications to WIPP's regulatory envelope to improve efficiency and avoid the possibility of procedural violations.
- (4) Cost Control - The Contractor's cost control will be evaluated to assess:
- (i) Effectiveness of cost planning;
  - (ii) Timeliness and accuracy of cost reporting;
  - (iii) Clarity of and ability to trace cost relative to work schedule/technical progress;  
and
  - (iv) Effectiveness of cost reduction/cost avoidance initiatives.

## 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 (i.e., waste processing rate) or a milestone (i.e., completion of a task on or before a scheduled date).

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

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

The current PBIs can be found in Attachment 1 to this plan.

## 3. Minimal Performance Expectation

If the contractor receives a rating of "Unsatisfactory" for any of the four 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.

# 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 its performance. Performance evaluation will include, but not 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 Carlsbad Field Office Manager with input from DOE staff will determine the amount of Performance Based Incentive (PBI) fee earned. Within 30 calendar days of receipt of the Contractor's request for fee payment, 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 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 ACORs 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 subjective criteria evaluation, the following adjectival ratings will be used:

**EXCELLENT** Contractor has achieved all or almost all of the award-fee criteria (>90%) and has exceeded overall performance requirements of the contract as defined and measured against the award fee plan for the award fee evaluation period with no unsatisfactory performance.

**VERY GOOD** Contractor has achieved most of the award fee criteria and has met overall performance requirements of the contract as defined and measured against the award fee plan for the award fee evaluation period. All unsatisfactory performance identified during the period was considered minor in nature and has been addressed appropriately.

**GOOD** Contractor has achieved some of the award fee criteria and has met overall performance requirements of the contract as defined and measured against the award fee plan. Some unsatisfactory performance may have been identified for the award fee evaluation period, but it had limited

impact and has been addressed.

**SATISFACTORY** Contractor has met overall performance requirements of the contract as defined and measured against the criteria in the award fee plan 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 overall performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

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

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

Attachment 2 to this plan provides the Award Fee Table that will be used as the worksheet to document the subjective evaluation and determination of the rating.

**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. Fee will be given provisionally until final milestones are met.

Provisional fee may be drawable as of the 25th calendar day of each month based on one-twelfth of 60% of the total available fee allocated to the award fee.

**ATTACHMENT 1**

**PERFORMANCE BASED INCENTIVES (PBIs)**

## Performance Based Incentives (PBIs)

### SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2013 through 9/30/2014  
Performance Incentive Short Title: TRU Waste Disposal at WIPP and Improving WIPP Site Material Condition

Revision Number and Date: Revision 0, 10/01/2013

### SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
<b>\$148,039,521</b>	<b>\$6,144,671</b>

CBFO Management Control Packages: NA

### SECTION III – INCENTIVE INFORMATION

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

### SECTION IV - PERFORMANCE MEASUREMENT

**Description:** Recognizing that managing the safe disposal of TRU waste is CBFO's primary mission, this PBI represents a fee model in which earnings are at risk and the Contractor is paid when specific cleanup results are achieved. In addition, to ensure that the Contractor stays focused on addressing specific Waste Isolation Pilot Plant (WIPP) site issues and improving the WIPP work control and maintenance programs, this PBI includes specific milestones containing additional earnings that the Contractor can be paid for when those metrics/milestones are completed. The Contractor may earn fee for accelerated risk reduction based on cubic meters disposed at WIPP. This PBI has an added difficulty component due to the work necessary to be done by generator sites and approvals from the regulators to achieve the desired results that is not under the direct control of the Contractor or funded by the Contractor. Fees will be earned as follows:

1. For cubic meters of TRU waste disposed in excess of 1,050 cubic meters CH and 5 cubic meters RH (prorated monthly\*).
2. For investments/reinvestments to complete additional DOE-directed work scopes that further the overall WIPP mission and improve the site material condition.
3. For improving the WIPP work control and maintenance programs.

The following metrics and milestones 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 quarterly for its success in the disposal of cubic meters of TRU waste.

- a. For each cubic meter of CH waste disposed at WIPP in excess of 1,050 cubic meters (prorated monthly\*), a fee of \$ 659 will be earned up to a maximum total of \$1,944,671 (approximately 4,000 cubic meters disposed).
- b. For each cubic meter of RH waste disposed at WIPP in excess of 5 cubic meters (prorated monthly\*), a fee of \$22,727 will be earned up to a maximum total of \$500,000 (approximately 27 cubic meters disposed).
- c. If at the end of the fiscal year, the total volume of CH and RH waste disposed exceeds 4,200 cubic meters, the Contractor will earn an additional \$200,000.

The maximum amount of fee required to fund all elements under Metric/Milestone 1 during fiscal year (FY) 2014 is \$2,644,671.

\* The prorated minimum thresholds vary by month based on projected waste shipments and historical trends and are as follows: Oct, Nov, Dec, Mar, Apr, May, Jun, Jul, Aug and Sep have minimum thresholds of 100 cubic meters of CH waste and .5 cubic meter of RH waste. For CH waste, Jan has a minimum threshold of 50 cubic meters and no minimum threshold for Feb due to the projected maintenance outage. For RH waste, there is no minimum threshold for the months of January or February due to the projected maintenance outage. The contractor may earn provisional fee for disposing of TRU waste in excess of these minimum thresholds. At the end of the year, the fee will be adjusted based on the actual waste volume disposed during the year (not to exceed the maximum fee specified for metric/milestone 1) and the provisional fee paid.

**Metric/Milestone 2:** As it is one of the stated objectives of DOE to improve the infrastructure and overall efficiency of the WIPP mission, the contractor will be directed to accomplish additional work scopes not included in the current waste disposition baseline. Such work scopes will be specifically identified and approved for execution by the DOE CO. The contractor will invest/reinvest \$ 5,000,000 (e.g. direct and indirect labor and equipment) into these activities. The contractor will utilize the "buy-back" list as modified in consultation with DOE to prioritize projects and activities to be incentivized. The contractor may group completed projects and activities and request fee payment on a quarterly basis. Fee will be earned on a sliding scale based on the actual cost of the work performed as validated by DOE. Project and activity completion will be verified and accepted by the DOE prior to payment. At the end of the fourth quarter, the final fee payment may be prorated based on the value of work completed from the buy-back list to account for projects in process and not yet completed. If DOE is unable to identify projects of sufficient value to enable the contractor to earn the fee set aside for this metric fee may be prorated to ensure that the contractor had the opportunity to earn all fee in this metric.

The maximum amount of fee available to fund all elements under Metric/Milestone 2 during FY2014 is \$1,000,000.

**Metric/Milestone 3:** The Contractor will earn fee by improving the WIPP work control and maintenance programs as measured by the following metrics:

- a. If the Contractor completes the revision of the 220 preventive maintenance (PM) procedures identified as critical to WIPP operations by April 30, 2014 (as tracked in the Primary PM List Spreadsheet), the Contractor will earn \$450,000. No fee will be earned for this measure if all 220 PM procedures have not been revised by April 30, 2014.
- b. If the Contractor reduces the backlog of PM actions (as tracked in the CHAMPS Database) by at least 10%, the Contractor will earn \$925,000 for the performance period. No fee will be earned until 95% of the PM actions scheduled for each quarter are complete and a 3% reduction in the overall PM action backlog is achieved. Fee will be prorated starting at 3% up to the actual percentage achieved.
- c. If the Contractor reduces the backlog of non-PM facility mission and safety actions (as tracked in the CHAMPS Database) by 10%, the Contractor will earn \$1,125,000 for the performance period. Fee will be prorated starting at 3% up to the actual percentage achieved.

The maximum amount of fee available to fund all elements under Metric/Milestone 3 during FY2014 is \$2,500,000.

## **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 four subjective fee criterion, then the maximum fee the contractor can earn under each Performance Based Incentive within the Objective Fee Component is 50% of the Maximum Available Incentive Fee specified in Section II of each Performance Based Incentive.

**Payment Metric/Milestone 1:** Each month TRU waste has been disposed, the Contractor will submit provisional requests for payment of 85% of the fee earned monthly as long as the monthly minimum waste volume threshold has been disposed that month. The contractor will submit a true-up invoice after the contractor exceeds the minimum waste volume threshold and quarterly true-up invoices will be submitted thereafter. The request for payment shall document the total cubic meters of TRU waste disposed. CBFO will verify the request submitted by the Contractor from information in the WIPP Waste Data System (WDS) database.

**Payment Metric/Milestone 2:** For completion of the incentivized activities, the Contractor will submit a request for completion or provisional payment earned under this metric. Prior to the first request for fee payment, the Contractor will obtain approval of a baseline schedule/plan of projects anticipated for the fiscal year from CBFO, based on available funds through appropriations and cost savings. CBFO will verify the request submitted by the Contractor by performing an assessment to verify completion of the activity. The Contractor may invoice for progress payments as long as the project can be clearly broken into segments. Projects may extend multiple years and be prorated appropriately for fee payment purposes. Fee schedules should be considered during the development of project cost, scope and schedule.

**Payment Metric/Milestone 3:** For completion of any of the metrics listed under Metric/Milestone 3, the Contractor will submit a request for completion payment. Prior to the first request for fee payment, the Contractor will obtain approval of a baseline schedule/plan of PM rewrite, backlogged PM actions, and backlogged non-PM actions anticipated for the fiscal year from CBFO. CBFO will verify the request submitted by the Contractor by performing an assessment to verify and validate the completion of the requested metrics. The assessment will consider weighted criteria based on work package complexity.

**Provisional Fee Payment for Metric/Milestone 2, Metric/Milestone 3:** Provisional fee shall be drawable as of the 25<sup>th</sup> calendar day of each month based on one-twelfth of 60% of the total available fee allocated to Metric 2 and Metric 3 as long as a prorated % of infrastructure projects, PM rewrites, PM actions, and non-PM actions have been completed, as applicable for each sub-Metric/Milestone in accordance with the approved schedule/plan.

### **DEFINITIONS:**

**CH – Contact-Handled:** Packaged TRU waste with an external surface dose rate that does not exceed 200 mrem per hour.

**Cubic Meters:** As used herein, cubic meters refer to the disposed volume of the TRU waste inventory as identified in WDS.

**Disposed:** Characterized/certified TRU waste emplaced at WIPP.

**RH – Remote-Handled:** Packaged TRU waste with an external surface dose rate that exceeds 200 mrem per hour but is less than 1,000 rem per hour unless the packaging is a "shielded container" (i.e. RH waste

packaged in a shielded container is considered RH waste for disposal purposes. The shielded container itself is not considered a component of the waste.)

**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.

**Waste Managed as TRU:** Waste, suspected of being TRU waste, being actively managed by the generator as TRU waste. After assay, some of this waste may be reclassified as Low-Level/Mixed Low-Level waste (LLW/MLLW).

**WIPP:** Waste Isolation Pilot Plant

**WDS:** WIPP Waste Data System

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

None

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**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.

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**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.)*

Not Applicable

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. The CO may award reduced fee for late performance.

**ATTACHMENT 2**

**AWARD FEE PERFORMANCE METRICS**

**AWARD FEE METRICS**

**Period of Performance: 1 October 2013 – 30 September 2014**

<b>Item</b>	<b>Criteria Description</b>	<b>Evaluation Criteria</b>
<b>1</b>	<b>Mission Performance – The Contractor’s performance in completing the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:</b>	
1.1	WIPP plant availability to process and dispose TRU waste.	VERY GOOD performance is defined as maintaining an average 97% plant availability throughout the year. This assumes the Contractor has adequate funding to maintain or replace aging equipment per priorities mutually established with CBFO.
1.2	The extent to which CCP waste characterization remains on schedule.	VERY GOOD performance is defined as characterization of 95 percent of waste volumes available for CCP to characterize during the performance period.
1.3	The degree of Contractor conformance with established schedules.	VERY GOOD performance is based on use of the Contract Performance Period (CPP) and Lifecycle (LC) Baselines to control projects or activities identified by the CBFO COR. Schedule performance meets or exceeds projections.
<b>2</b>	<b>Management Performance - The Contractor’s effective and efficient control of all areas of effort including management and technical effort required to meet contract requirements.</b>	
2.1	Achieving the community commitments required by the contract.	Measure against the Contractor Community Commitment Plan. VERY GOOD performance is 90% compliance with commitments and schedules.
2.2	Hardware delivered to WIPP is properly inspected upon receipt to ensure defective equipment or parts are not entered into the WIPP inventory.	VERY GOOD performance is based on Contractor identifying and documenting at least 97% of defects for supplier-provided equipment/items received before the equipment/items are installed at the WIPP Site or delivery/use at generator sites.
2.3	Products/services delivered comply with DOE orders and applicable federal and state requirements, directives, regulations, and statutes, as well as the Contractor’s program documents and procedures.	VERY GOOD performance is based on a NWP risk evaluation of issues identified as conditions adverse to quality over a reporting period with an average score of less than 25 points, with criteria to include such things as compliance, operational impact, and past corrective actions.

Item	Criteria Description	Evaluation Criteria
2.4	Prime Contract Compliance	<p>VERY GOOD performance is based on:</p> <ul style="list-style-type: none"> <li>• The Contractor establishes a schedule of contract deliverables and meets those deliverables on schedule.</li> <li>• The Contractor responds to Contracting Officer letters or direction in a timely manner.</li> </ul>
2.5	Cost Estimating Excellence	<p>VERY GOOD performance is defined as:</p> <ul style="list-style-type: none"> <li>• The Contractor maintains CPP and LC baselines and performs with cumulative overruns less than two percent at year-end.</li> <li>• CBFO-approved annual aggregate projects completed within +/- 20 % of the total CBFO Change Control Board approved cost estimates.</li> </ul>
2.6	Work Control Planning	<p>VERY GOOD performance is defined as the NWP Work Control function achieving satisfactory ratings on the external assessment(s) in FY2014.</p>
2.7	Efficiency in waste emplacement is continuously evaluated and improvement possibilities identified and proposed.	<p>VERY GOOD performance is based on proposing different concepts (e.g. packaging, handling, emplacement) for both CH and RH TRU waste, with a goal towards lowering costs and improving the final placement density in the underground.</p>
2.8	Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals.	<p>VERY GOOD performance is based on meeting all goals in the FY14 subcontracting plan.</p>
<p><b>3 ES&amp;H Performance - The Contractor's performance to assess the following:</b></p>		
3.1	Environmental and Regulatory Compliance	<p>VERY GOOD performance is based on no more than one Notice of Violation received; preparation and submittal to CBFO of technically accurate and complete regulatory-related contract required reports and documents; permit modification requests, and planned change requests and notices, on submittal of required deliverables (annual and semi-annual) at least two weeks prior to the scheduled submittal due date.</p>
3.2	Safeguards and Security	<p>VERY GOOD is based on earning a Satisfactory Composite Site Rating and Satisfactory Ratings for all Safeguards and Security Topical and Sub-Topical Elements.</p>

Item	Criteria Description	Evaluation Criteria
3.3	The Contractor's safety program reflects a mature and effective safety culture.	<p>VERY GOOD performance is based on the Contractor's successful</p> <ul style="list-style-type: none"> <li>• Completion of ISM Verification with no major issues with ISM Core Expectations resulting in approval by the CBFO Manager.</li> <li>• Maintenance of VPP Star status</li> </ul>
3.4	The Contractor's Environmental Management System reflects continual improvement to WIPP's environmental performance	VERY GOOD performance is based on the contractor's successful maintenance of ISO 14001 registration of the WIPP EMS and on successful completion of at least 80% of the current FY EMS Objectives and Targets.
3.5	Modifications to WIPP's regulatory envelope to improve efficiency and avoid the possibility of procedural violations will be needed throughout the operational lifetime.	VERY GOOD performance is based on routinely evaluating the regulatory requirements and proposing at least three regulatory changes (with regulatory defined as New Mexico Environment Department, EPA, and NRC) to the regulatory envelope that would, if implemented, result in making the project's regulatory compliance efforts simpler, less costly, and less constraining, without impacting safety or protection of human health and the environment.
<b>4 Cost Control - The Contractor's cost control will be evaluated to assess:</b>		
4.1	Effectiveness of cost planning.	VERY GOOD performance is based on effective and efficient utilization of all monetary resources in accordance with DOE priorities to meet and exceed customer expectations as demonstrated by uncosted/uncommitted carryover of no more than 8% of total funding at year-end.
4.2	Timeliness and accuracy of cost reporting.	VERY GOOD performance is based on 90% of the monthly WIPP Project Status Reports being available, accurate and complete within 20 working days of the calendar month-end.
4.3	Clarity of and ability to trace cost relative to work schedule/technical progress.	VERY GOOD performance is based on 100% of the costs being reported being tied directly to the WBS and CPB. 95% of programmatic changes are accurate, complete and submitted at least one week prior to the Baseline Change Control meeting.
4.4	Effectiveness of cost reduction/cost avoidance initiatives.	VERY GOOD performance is based on cumulative to date progress against the approved plan that implements the proposal commitment to realize a 15% reduction in annual operating costs for the baseline work scope by year 5 of the contract.

**ATTACHMENT 3**

**AWARD FEE TABLE**

**AWARD FEE TABLE**

**Period of Performance: 1 October 2013 – 30 September 2014**

Item		Justification	Rating
1	<b>Mission Performance – The Contractor’s performance in completing the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:</b>	Overall -	
1.1	WIPP plant availability to process and dispose TRU waste.		
1.2	The extent to which CCP waste characterization remains on schedule.		
1.3	The degree of Contractor conformance with established schedules.		
2	<b>Management Performance - The Contractor’s effective and efficient control of all areas of effort including management and technical effort required to meet contract requirements are based on:</b>	Overall -	
2.1	Achieving the community commitments required by the contract;		
2.2	Hardware delivered to WIPP is properly inspected upon receipt to ensure defective equipment or parts are not entered into the WIPP inventory		
2.3	Products/services delivered comply with DOE orders and applicable federal and state requirements, directives,		
2.4	Prime Contract Compliance		

2.5	Cost Estimating Excellence		
2.6	Work Control Planning		
2.7	Efficiency in waste emplacement		
2.8	Performance in meeting annual Small, Small Disadvantaged and		
3	<b>ES&amp;H Performance - The Contractor's ES&amp;H performance is based on the following:</b>	Overall -	
3.1	Environmental and Regulatory Compliance		
3.2	Safeguards and Security		
3.3	The Contractor's safety program reflects a mature and effective safety culture.		
3.4	The Contractor's Environmental Management System reflects continual improvement		
3.5	Modifications to WIPP's regulatory envelope		
4	<b>Cost Control - The Contractor's cost control will be evaluated to assess:</b>	Overall -	
4.1	Effectiveness of cost planning.		
4.2	Timeliness and accuracy of cost		

4.3	Clarity of and ability to trace cost relative to work schedule/technical progress.		
4.4	Effectiveness of cost reduction/cost avoidance initiatives.		

**SUMMARY TABLE**

<b>Item</b>	<b>Rating</b>	<b>Summary</b>
Mission Performance		
Management Performance		
ES&H Performance		
Cost Control		
<b>Overall</b>		

FEE PERCENTAGE AWARDED:

Comments: