

2. AMENDMENT/MODIFICATION NO. 0078 3. EFFECTIVE DATE 10/01/2014 4. REQUISITION/PURCHASE REQ. NO. 5. PROJECT NO. (If applicable) 1 2

6. ISSUED BY CODE 03003 7. ADMINISTERED BY (If other than Item 6) CODE
 EMCBC - Carlsbad
 U.S. Department of Energy
 Carlsbad Project Office
 P.O. Box 3090
 Carlsbad NM 88221

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

9A. AMENDMENT OF SOLICITATION NO. (x)
 9B. DATED (SEE ITEM 11)
 10A. MODIFICATION OF CONTRACT/ORDER NO. x
 DE-EM0001971
 10B. DATED (SEE ITEM 13)
 04/20/2012

CODE 968993910 FACILITY CODE

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).
 C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
 D. OTHER (Specify type of modification and authority)
 X H.25 Performance Evaluation and Measurement Plan

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.)
 The purpose of this modification is to incorporate the Performance Evaluation and Measurement Plan (PEMP) for the period October 1, 2014 through September 30, 2015 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 award document.
 Payment:
 OR for EMCBC
 U.S. Department of Energy
 Oak Ridge Financial Service Center
 P.O. Box 5777
 Oak Ridge TN 37831
 Continued ...

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

15A. NAME AND TITLE OF SIGNER (Type or print) Robert L. McQuinn, President and Project Manager
 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Vicki D. Snow

15B. CONTRACTOR/OFFEROR Exemption 6 (Signature of person authorized to sign)
 15C. DATE SIGNED 12/3/14
 16B. UNITED STATES OF AMERICA Exemption 6 (Signature of Contracting Officer)
 16C. DATE SIGNED 12/4/2014

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
DE-EM0001971/0078

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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)

ANNUAL FEE PLAN (AFP)

1 OCTOBER 2014 THROUGH 30 SEPTEMBER 2015

CONTRACT DE-EM0001971

December 1, 2014

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 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 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 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 clause H-10 Technical Direction.
- 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 CBFO 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 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 were developed by the COR in consultation with 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, 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.

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

IV. EVALUATION CRITERIA

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

1. Subjective Criteria

Subjective criteria have been established that include mission performance; 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 criteria may be adjusted on an annual basis. In addition, these criteria in Attachment 2 are not all-inclusive in the evaluation of the subjective portion of the PEMP. CBFO may consider other performance information and data when evaluating the contractor's performance for the subjective portion of the fee. The fee amount associated with the subjective component of the criteria will not exceed 25% of the available fee during any year of the contract and will be equally apportioned amongst the 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. Starting in FY 2015, the FDO may directly reduce the fee amount for ES&H performance as a result of citations issued by the Mine Safety and Health Administration (MSHA) in the performance period corresponding to the equivalent fine values of those citations as cited in 30CFR100 *Criteria and Procedures for Proposed Assessment of Civil Penalties*. MSHA or related safety performance recognition (such as mine rescue competition awards) will be considered in off-setting these reductions.

The total fee available from the Subjective Criteria is 25% of the Total Available Fee for FY 2015, NTE \$2,048,224 (25% of \$8,192,895).

- (1) **Mission Performance** – The Contractor's performance in progressing towards the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:
 - (i) WIPP Plant availability to recover the facility;
 - (ii) The extent to which Central Characterization Program waste characterization capability remains available to assigned sites; and
 - (iii) The degree of Contractor conformance with established schedules with an emphasis on U/G zone restoration such as "catch-up" roof bolting.

- (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) Develop adequate corrective actions and implement effective corrective action closures to address Judgments of Needs from the Accident Investigation Reports on the Underground Salt Haul Truck Fire Event of February 5, 2014 and the Radiological Release Event of February 14, 2014 and prevent recurrence.
 - (ii) Achieving the community commitments described in clause H.47 of the contract;
 - (iii) Hardware delivered to WIPP is properly inspected upon receipt to ensure defective equipment or parts are not entered into the WIPP inventory;
 - (iv) 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;
 - (v) Prime Contract Compliance;
 - (vi) Work Planning and Control improvements to effectively operate a Nuclear HazCat 2 facility;
 - (vii) Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals.
 - (viii) Subcontracting packages submitted to CBFO in a timely manner that are of at least adequate quality.
 - (ix) Information Resource Management
- (3) **ES&H Performance** - The Contractor's performance to assess the following:
- (i) Environmental and Regulatory Compliance;
 - (ii) Safeguards and Security Compliance and Implementation;
 - (iii) The Contractor's safety programs reflects a mature and effective nuclear safety culture that fosters continuous improvement;
 - (iv) Contractor's Environmental Management System that fosters continuous improvement;
 - (v) Modifications to WIPP's regulatory envelope to improve efficiency and support WIPP recovery efforts; and
 - (vi) Safety Management Programs Refurbishment to implement a strong nuclear safety culture; and
 - (vii) Contractor assurance program works with the CBFO oversight program to assure timely and effective closures.
- (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;
 - (iv) Effectiveness of cost reduction/cost avoidance initiatives.
 - (v) Cost Estimating Excellence, to include timeliness, accuracy and complete proposals;
 - (vi) Scheduling and tracking to support efficient operations; and

(vii) IPABS information is updated and accurate.

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 Attachment 1 to this plan.

The total fee available from the Objective Criteria is 75% of the Total Available Fee for FY2015, NTE \$6,144,671 (75% of \$8,192,895).

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 evaluation 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 CBFO 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 for progress payments or for completion of PBI metrics, CBFO will either authorize payment of the invoice or return it to the Contractor for clarification or further information.

CBFO will conduct annual performance reviews which will be prepared 30 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 PEMP 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 PEMP 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 PEMP. 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 PEMP 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 PEMP 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%

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.

ATTACHMENT 1

PERFORMANCE BASED INCENTIVES (PBIs)

Performance Based Incentives (PBIs)

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2014 through 9/30/2015
Performance Incentive Short Title:

Revision Number and Date: Revision 0, 9/12/2014

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
\$150,906,146	\$6,144,671

CBFO Management Control Packages: NA

SECTION III – INCENTIVE INFORMATION

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

SECTION IV - PERFORMANCE MEASUREMENT

Description: Recognizing that managing the safe disposal of TRU waste is CBFO's primary mission, but that mission was suspended due to the Underground Fire and Radiological Release Events of February 2014, this PBI represents a fee model in which earnings are at risk and the Contractor is paid when specific WIPP recovery results are achieved including: maintenance backlog reductions, equipment register improvements, and timely resolution of fire impairments. In addition, to ensure that the Contractor stays focused on TRU waste certification to support TRU waste site cleanup, this PBI includes specific milestones containing additional earnings that the Contractor can be paid when those metrics/milestones are completed. The Contractor may earn fee for accelerated risk reduction based on cubic meters certified to establish backlogs of certified TRU waste during the period that WIPP is not available for disposal. 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 as follows:

1. For the completion and progress of WIPP site recovery and upgrade/revitalization activities (e.g., Interim (skid-mounted), supplemental, and permanent underground ventilation systems, Panel 6 initial closure, Room 7 of Panel 7 closure, etc.) that improve the site material condition and support extended future WIPP operations.
2. For cubic meters of TRU waste certified in excess of 500 cubic meters CH and 5 cubic meters RH during the performance period.
3. For reducing preventive and corrective maintenance backlogs.
4. For addressing equipment register issues.
5. For correcting fire impairments in a timely manner.
6. For developing a CBFO-approved Performance Measurement Baseline of the WIPP Recovery Plan.
7. For cost control/cost savings initiatives.

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 will earn fee by performing the following:

- a. For completing installation, testing and turnover operations of the Interim (skid-mounted) underground ventilation system by April 30, 2015 (based on the April 2015 date stated in the CBFO WIPP Recovery Plan, Rev. 0), a fee of \$550,000 will be earned. For completion of this activity

- beyond April 30, 2015, the fee will be decremented from the \$550,000 fee amount. For completion of this activity from May 1, 2015 through July 3, 2015 (based on the scheduled date in the interim PMB), the fee will be decremented on a linear sliding scale down to \$440,000 (80% of \$550,000), For completion of this activity from July 4, 2015 through September 30, 2015, the fee will be decremented on a different linear sliding scale down to \$123,000 (~22% of \$550,000). For completion of this activity beyond September 30, 2015, the contractor will earn no fee.
- b. For completing construction and installation, testing and turnover operations of the supplemental underground ventilation system by August 6, 2015, 2015, a fee of \$550,000 will be earned. For completion of this activity beyond August 6, 2015, the fee will be decremented from the \$550,000 fee amount. For completion of this activity from August 7, 2015 through September 30, 2015, the fee will be decremented on a linear sliding scale down to \$440,000 (80% of \$550,000), For completion of this activity beyond September 30, 2015, the contractor will earn no fee.
 - c. For completion of initial Panel 6 closure per the plan submitted to New Mexico Environment Department (NMED) by February 28, 2015, a fee of \$350,000 will be earned. For completion of this activity beyond February 28, 2015, the fee will be decremented from the \$350,000 fee amount. For completion of this activity from February 28, 2015 through April 30, 2015 (based on two months after the 100% target goal), the fee will be decremented on a linear sliding scale down to \$280,000 (80% of \$350,000), For completion of this activity from April 30, 2015 through August 30, 2015, the fee will be decremented on a different linear sliding scale down to \$2,300 (~0.7 % of \$350,000). For completion of this activity beyond August 30, 2015, the contractor will earn no fee.
 - d. For completion of the closure of Room 7 of Panel 7 by June 30, 2015 (based on the schedule date from the September 30, 2014 version of the interim PMB), a fee of \$266,878 will be earned. For completion of this activity beyond June 30, 2015, the fee will be decremented from the \$266,878 fee amount. For completion of this activity from July 1, 2015 through September 1, 2015 (based on two months after the 100% target goal), the fee will be decremented on a linear sliding scale down to \$213,502 (80% of \$266,878), For completion of this activity from September 2, 2015 through September 30, 2015, the fee will be decremented on a different linear sliding scale down to \$199,502 (~75% of \$266,878). For completion of this activity beyond September 30, 2015, the contractor will earn no fee.

The maximum amount of fee available to fund all elements under Metric/Milestone 1 during fiscal year (FY) 2015 is \$1,716,878.

Metric/Milestone 2: The Contractor's performance will be measured for its success in the certification of cubic meters of TRU waste from TRU waste sites.

- a. *For each cubic meter of CH waste certified in excess of 500 cubic meters, a fee of \$294.12 will be earned up to a maximum total of \$500,000 (1,700 cubic meters certified).*
- b. *For each cubic meter of RH waste certified in excess of 2.5 cubic meters, a fee of \$10,000 will be earned up to a maximum total of \$250,000 (25 cubic meters certified).*
- c. *If at the end of the fiscal year, the total volume of CH and RH waste certified exceeds 2,227.5 cubic meters, the Contractor will earn an additional \$150,000.*

The maximum amount of fee required to fund all elements under Metric/Milestone 2 during FY 2015 is \$900,000.

Metric/Milestone 3: The Contractor will earn fee by performing the following:

- a. *If the Contractor reduces the backlog of PM actions (as tracked in the CHAMPS Database) by at least 10%, the Contractor will earn \$750,000 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.*
- b. *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 \$950,000 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 FY2015 is \$1,700,000.

Metric/Milestone 4: The Contractor will earn fee by performing the following:

- a. If the Contractor addresses 100% of equipment register issues identified in a baseline equipment register issues list for the performance period, the Contractor will earn \$727,793.*
- b. If the Contractor addresses 90% of equipment register issues identified in a baseline equipment register issues list for the performance period, the Contractor will earn \$ 300,000.*
- c. If the Contractor addresses 80% of equipment register issues identified in a baseline equipment register issues list for the performance period, the Contractor will earn \$50,000.*

The maximum amount of fee available to fund all elements under Metric/Milestone 4 during FY2015 is \$727,793.

Metric/Milestone 5: The Contractor will earn fee by performing the following. Note: *The performance period may be extended if equipment replacement, redesign or modification is required.*

- a. If the Contractor corrects every fire impairment within 30 days of discovery of each fire impairment throughout the performance period, the Contractor will earn \$900,000.*
- b. If the Contractor corrects every fire impairment within 60 days of discovery of every fire impairment throughout the performance period, the Contractor will earn \$300,000.*
- c. If the Contractor corrects every fire impairment within 90 days of discovery of each fire impairment throughout the performance period, the Contractor will earn \$50,000.*

The maximum amount of fee available to fund all elements under Metric/Milestone 5 during FY2015 is \$900,000.

Metric/Milestone 6: The Contractor will earn \$200,000 by submitting for approval of the interim performance measurement baseline (PMB) for the NWP Recovery Plan by October 27, 2014 and supporting DOE approval by December 31, 2014. The interim PMB will include a milestone date for the completion of the corrective actions specified on the corrective action plans for the Underground Salt Haul Truck Fire Event on February 5, 2014 and the Radiological Release Event on February 14, 2014. For every month the Contractor does not receive CBFO approval on the PMB, the fee amount will be reduced by \$125,000.

The maximum amount of fee available to fund all elements under Metric/Milestone 6 during FY2015 is \$200,000.

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: For completion of the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. Prior to the first request for fee payment, the Contractor will obtain approval of the interim PMB schedule from the CO. CBFO will verify the request submitted by the Contractor by performing an assessment to verify completion of the activities. The Contractor may invoice for progress payments as long as the activity can be clearly broken into segments as concurred by the CO. Fee schedules should be considered during the development of activity cost, scope and schedule.

Payment Metric/Milestone 2: After the minimum annual waste volume thresholds are met, the Contractor will submit monthly progress payments for 85% of the fee earned monthly and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also be due. The request for payment shall document the total cubic meters of TRU waste certified at TRU waste sites. CBFO will verify the request submitted by the Contractor from information in the WIPP Waste Data System (WDS) database and confirmation from DOE oversight at the applicable TRU waste site.

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 of 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.

Payment Metric/Milestone 4: Prior to the first request for fee payment, the Contractor will work with CBFO to develop a baseline of the condition of the equipment register that identifies the issues and obtain approval of the baseline from the CBFO COR. After that baseline has been approved, for completion of Metric/Milestone 4, the Contractor will submit a request for completion payment to 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 the complexity of the equipment register issue(s) addressed.

Payment Metric/Milestone 5: For completion of this metric/milestone to address fire impairments in a timely manner, the Contractor will submit a request for the applicable completion payments on a semi-annual basis (i.e., 50% of the applicable fee amount on April 1, 2015 and October 1, 2015). CBFO will verify the request submitted by the Contractor by performing an assessment that will summarize DOE monitoring of the progress on correct fire impairments throughout the performance period to verify completion of this metric/milestone.

Payment Metric/Milestone 6: For completion of this metric/milestone to develop and submit the PMB by October 27, 2014 and supporting DOE approval by December 1, 2014 the Contractor will submit a request for the applicable completion payment after the PMB has received CBFO approval. CBFO will verify the request submitted by the Contractor by performing an assessment to verify completion of this metric/milestone.

DEFINITIONS:

Certified: TRU waste certified for WIPP disposal

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 certified 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

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. The CO may award reduced fee for late performance.

ATTACHMENT 2

AWARD FEE PERFORMANCE METRICS

AWARD FEE METRICS

Period of Performance: 1 October 2014 – 30 September 2015

Item	Criteria Description	Evaluation Criteria
1	Mission Performance – The Contractor’s performance in progressing towards the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:	
1.1	WIPP plant availability to recover the facility.	VERY GOOD performance is defined as maintaining an average 90% plant availability to support recovery efforts 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 capability remains available to assigned sites.	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 with an emphasis on U/G zone restoration such as “catch-up” roof bolting.	VERY GOOD performance is based on the use of the Recovery Plan schedule, Contract Performance Period (CPP) and Lifecycle (LC) Baselines and other established schedules to control projects or activities identified by the CBFO COR. Schedule performance meets or exceeds projections, especially in key recovery activities such as U/G zone restoration and “catch-up” roof bolting.
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:	
2.1	Develop adequate corrective actions and implement effective corrective action closures to address Judgments of Needs from the Accident Investigation Reports on the Underground Salt Haul Truck Fire Event of February 5, 2014 and the Radiological Release Event of February 14, 2014 and prevent recurrence	VERY GOOD performance is 95% of the corrective actions are timely and effective as determined by the CBFO effectiveness reviews.
2.2	Achieving the community commitments described in clause H.47	Measure against the Contractor Community Commitment Plan. VERY GOOD performance is 90% compliance with commitments and schedules.

Item	Criteria Description	Evaluation Criteria
2.3	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.
2.4	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.
2.5	Prime Contract Compliance	VERY GOOD performance is based on: <ul style="list-style-type: none"> • The Contractor establishes a schedule of contract deliverables and meets those deliverables on schedule. • The Contractor responds to Contracting Officer and Contracting Officer's Representative letters of direction as defined in the letters.
2.6	Work Planning and Control improvements to effectively operate a Nuclear HazCat 2 facility	VERY GOOD performance is defined as the NWP Work Control function achieving satisfactory ratings on the external assessment(s) in FY2015.
2.7	Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals.	VERY GOOD performance is based on meeting all goals in the FY2015 subcontracting plan.
2.8	Subcontracting packages submitted to CBFO in a timely manner that are of at least adequate quality.	VERY GOOD performance is based on 85% of subcontract packages (including affiliate packages) associated with recovery activities and 95% of subcontract packages not associated with recovery being submitted within the following timeframes and with no rework required. <ul style="list-style-type: none"> • Packages ≤\$1M submitted for CBFO review no later than 30 calendar days prior to planned start date. • Packages >\$1M but ≤\$25M are submitted for CBFO review no later than 60 calendar days prior to planned start date. • Packages >\$25M are submitted for CBFO review no later than 90 calendar days prior to planned start date.

Item	Criteria Description	Evaluation Criteria
2.9	Information Resource Management	<p>VERY GOOD performance is based on</p> <ul style="list-style-type: none"> • network servers are available for the WIPPNet population during core hours of 8 AM to 5 PM on normal work days with a 99.00% monthly average • 85% of Help Desk calls closed within one (1) month. • a 5% decrease in the number of backlog TARP items per month or no more than a total of 5% TARP backlog items.
3	ES&H Performance - The Contractor's performance in environmental and regulatory compliance and safety and health is based on:	
3.1	Environmental and Regulatory Compliance	<p>VERY GOOD performance is based on no more than three Notices 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. Excludes events prior to FY2015.</p>
3.2	Safeguards and Security Compliance and Implementation	<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> <ul style="list-style-type: none"> • 90% success in meeting required response times for IOSC reporting in accordance with DOE Order 470.4B – Safeguards and Security Program Operations; 30 days or less for casual analysis and submittal of corrective action plans; implementation and closure of corrective actions within approved corrective action plan schedules. • 90% fulfillment of protective force positions with fully trained and qualified personnel. • Consistent monthly briefing consisting of expenditure of funds, accountability reports and incident reports; a quarterly briefing self-assessment results and special projects; all followed up by a written report.
3.3	The Contractor's safety program reflects a mature and effective nuclear safety culture that fosters continuous improvement.	<p>VERY GOOD performance is based on the Contractor's successful</p> <ul style="list-style-type: none"> • Completion of ISM Verification with no major issues with ISM Core Expectations resulting in approval by the CBFO Manager. • Maintenance of VPP Star status • Submittal of Safety Basis documents with some minor technical and non-technical errors on schedule supporting the Recovery interim Performance Measurement Baseline (PMB).

Item	Criteria Description	Evaluation Criteria
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 registrations 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 support WIPP recovery efforts 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.
3.6	Safety Management Programs Refurbishment to implement a strong nuclear safety culture.	VERY GOOD performance is based on satisfactory results on all safety management programs implementation verification reviews (IVR).
3.7	Contractor assurance program works with the CBFO oversight program to assure timely and effective closures.	VERY GOOD performance is based on 95% of identified issues are on schedule and have effectively resolved the issue.
4	Cost Control - The Contractor's performance in cost control, cost reporting, cost estimation, will be evaluated to assess:	
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.

Item	Criteria Description	Evaluation Criteria
4.5	Cost Estimating Excellence	<p>VERY GOOD performance is defined as:</p> <ul style="list-style-type: none"> • The Contractor maintains CPP and LC baselines and performs with cumulative overruns less than two percent at year-end. • CBFO-approved annual aggregate projects completed within +/- 20 % of the total CBFO Change Control Board approved cost estimates.
4.6	Scheduling and tracking to support efficient operations.	<p>VERY GOOD performance is defined as the Contractor managing resources through a schedule to drive efficient operations and clearly distinguishing that performance from level-of-effort work.</p>
4.7	IPABS information is updated and accurate.	<p>VERY GOOD performance is 95% of the information provided to DOE for input into IPABS is accurate, current and timely to meet HQ requested timelines.</p>

ATTACHMENT 3

AWARD FEE TABLE

Period of Performance: 1 October 2014 – 30 September 2015

Item		Justification	Rating
1	Mission Performance – The Contractor’s performance in progressing towards the WIPP mission of characterizing and disposing of TRU waste will be evaluated based on:	Overall -	
1.1	WIPP plant availability to recover the facility.		
1.2	The extent to which CCP waste capability remains available to assigned sites.		
1.3	The degree of Contractor conformance with established schedules with an emphasis on U/G zone restoration and catch-up roof bolting.		
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:	Overall -	
2.1	Develop adequate and corrective actions and implement effective correction action closures to address Judgments of Needs from the Accident Investigations Reports on the Salt Haul Truck Fire Event of February 5, 2014 and the Radiological Release Event of February 14, 2014 and prevent recurrence.		

2.2	Achieving the community commitments described in clause H.47.		
2.3	Hardware delivered to WIPP is properly inspected upon receipt to ensure defective equipment or parts are not entered into the WIPP inventory.		
2.4	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.		
2.5	Prime Contract Compliance		
2.6	Work Planning and Control improvements to effectively operate a Nuclear HazCat 2		
2.7	Performance in meeting annual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan goals.		
2.8	Subcontracting packages submitted to CBFO in a timely manner that are of at least adequate quality.		
2.9	Information Resource Management		
3	ES&H Performance - The Contractor's ES&H performance is based on the following:	Overall -	

3.1	Environmental and Regulatory Compliance		
3.2	Safeguards and Security Compliance and Implementation		
3.3	The Contractor's safety program reflects a mature and effective nuclear safety culture that fosters continuous improvement.		
3.4	The Contractor's Environmental Management System reflects continual improvement		
3.5	Modifications to WIPP's regulatory envelope to improve efficiency and support WIPP recover efforts and avoid the possibility of procedural violations will be needed throughout the operational lifetime.		
3.6	Safety Management Programs Refurbishment to implement a strong nuclear safety culture.		
3.7	Contractor assurance program works with the CBFO oversight program to assure timely and effective closures.		
4	Cost Control - The Contractor's cost control will be evaluated to assess:	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.		
4.5	Cost Estimating Excellence		

4.6	Scheduling and tracking to support efficient operations; and		
4.7	IPABS information is updated and accurate.		

SUMMARY TABLE

Item	Rating	Summary
Mission Performance		
Management Performance		
ES&H Performance		
Cost Control		
Overall		

FEE PERCENTAGE AWARDED:

Comments: