RATING PLAN

GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period:10/1/2005 through 9/30/2012*
Performance Incentive Short Title: TRU Waste Certification and Disposal at WIPP, Improving WIPP Site Material Condition, and Addressing Regulatory Constraints
Revision Number and Date: **Revision 8, 06/13/2012**

SECTION II – ACCOUNTING/PROJECT INFORMATION

Initial Budgeted Cost of Work Scheduled (BCWS) under this PM: Exemption 4

Maximum Available Incentive Fee Associated with this Measure: Exemption 4

CBFO Management Control Packages:

SECTION III – INCENTIVE INFORMATION

Incentive type:	Base ☒	Stretch ☐	Super Stretch ☐
Difficulty:	High ☒	Medium ☐	Low ☐
Duration:	Annual ☒	Multi-year	
Fee Payment type:	Completion ☒ **and**	Progress ☒	Provisional ☐

SECTION IV - PERFORMANCE MEASURE

Description:

Recognizing that accelerating and managing the safe disposal of TRU waste is CBFO's primary mission, this performance based incentive (PBI) represents a fee model in which earnings are at risk and the Contractor is paid for disposing of TRU waste in WIPP. In addition, to ensure that the Contractor stays focused on addressing specific TRU waste disposal acceleration issues, addressing WIPP site material condition issues, and completing confirmatory panel closure design testing, this PBI includes specific metrics and milestones containing additional earnings that the Contractor can be paid for as the metrics specify on a monthly or quarterly basis and/or when milestones are completed. The Contractor will earn fee for accelerated risk reduction based on cubic meters dispositioned and certified from the TRU waste inventory managed at the TRU waste generator sites by disposal in WIPP. This PBI has an added difficulty component due to the work necessary to be done by generator sites and due to the programmatic changes and requests to be approved by the regulators to achieve the desired results that is not always directly under the control of the Contractor or funded by the Contractor.

*Revision 8 of PBI #1 has resulted in a significant restructuring of the fee metrics and milestones. The previous revision (Revision 7) contained a number of fee metrics (Metrics 1, 2, 3, 5, 6, 7, and 8) that provided fee per cubic meter of waste that met certain criteria (e.g., waste certified by the Contractor, waste disposed by the Contractor, more cost effective disposal option, difficult waste, inefficient waste streams, partial characterization, etc.). These fee metrics were summed in the monthly invoices submitted by the Contractor to request the total fee earned for that period. As a result, the invoice submittal and review process become very cumbersome and inefficient as a result of different interpretations of the criteria. To resolve that inefficiency and align with the anticipated fee metrics in the PBI for the new WIPP M&O contract, fee Metrics 2, 3, 5, 6, 7, and 8 were removed and the fee rate for Metric 1 was increased and revised to be one composite metric for all waste that is disposed, regardless of the waste criteria. Metric 4 was deleted since the fee for first RH waste shipment to WIPP has been earned by the Contractor. The remainder of fee available to the Contractor to earn (Exemption 4 for the remainder of FY2012 (May 1, 2012 through September 30, 2012) under Revision 8 of PBI #1 was applied to new metrics and milestones that are in the best interest of the Government as shown below.

Fees will be earned under Revision 8 of PBI #1 as follows:

1. For cubic meters of TRU waste disposed of at WIPP and/or for completing the clean up and disposal of TRU waste from Small Quantity Sites (SQS).

2. For cubic meters of LANL TRU waste covered in the Framework Agreement that is certified in the WIPP Waste Data System (WDS) but not yet shipped to WIPP for disposal.
3. For cubic meters of SRS legacy TRU waste that is certified in WDS but not yet shipped to WIPP for disposal.
4. For removing from LANL a total of 800 cubic meters of TRU waste covered in the Framework Agreement. Additional fee can be earned for removing a total of 900 cubic meters.
5. For completing the following WIPP site maintenance and panel closure testing actions to improve the overall WIPP site material condition and support an improved panel closure design.
    a. Repair Exhaust Filter Building (EFB) [Bldg. 413] roof
    b. Repair Support Building [Bldg. 451] roof
    c. Repair Engineering Building [Bldg. 486] roof
    d. Repair Training Building [Bldg. 489] roof
    e. Refurbish 860A ventilation fan structure
    f. Refurbish 700A fan
    g. Refurbish 25-ton Cask Unloading Room (CUR) crane
    h. Replace Pump House air handling unit (AHU)
    i. Replace EFB AHUs
    j. Repair EFB plenum walls
    k. Replace Substation 3 transformer
    l. Replace CH Bay main HVAC damper and controls
    m. Refurbish HV02 supply duct and insulation on CH Bay roof
    n. Install Two New 6-ton CH Waste Handling cranes
    o. Upgrade U/G fiber optic network
    p. Replace five post indicator valves (PIVs 8, 11, 27, 35, and 36)
    q. Replace fuel dispensers
    r. Complete confirmatory testing for panel closure design.

In support of TRU waste characterization and disposal, improving WIPP site material condition, and completing panel closure testing, the following metrics and milestones shall be used to measure performance and determine fees earned by the Contractor under this Rating Plan element.

Metric 1: The Contractor's performance will be measured quarterly for its success in the safe and compliant certification at generator sites, transportation, and disposal of cubic meters of TRU waste at WIPP and/or the cleanup of TRU waste from SQS.

Most of the fee in Metric 1 can be earned by WTS for the compliant certification, transportation, and disposal of TRU waste at WIPP. This metric is a fee rate that is expressed as a unit fee amount per cubic meter of TRU waste successfully disposed in the WIPP repository. WTS can invoice for a total amount of TRU waste disposed at WIPP for a specific period (i.e., monthly or quarterly – see Section V) calculated by multiplying the total cubic meters disposed in that period by the fee rate specified below, as applicable.

For each cubic meter of CH waste disposed of at WIPP under Metric 1, a fee of [redacted] Exemption 4 *will be earned.*

For each cubic meter of RH waste disposed of at WIPP under Metric 1, a fee of [redacted] Exemption 4 *will be earned.*

In addition to the fee for TRU waste successfully disposed at WIPP as described above, fee for cleaning up TRU waste from SQSs can be earned by WTS based on two criteria: first for cleanup of the current TRU waste from the site and secondly for disposal of that waste at WIPP or another disposal option as determined by the SQS.

To earn fee for SQS clean up, WTS must perform meaningful work. This can include for example: provide documentation to DOE that demonstrates the waste has appropriate Acceptable Knowledge to be certified as TRU waste or for disposal, provide documentation to demonstrate that the waste was produced from defense related activities in accordance with DOE criteria, provide documentation demonstrating transportation of the waste from the SQS to a receiver site acceptable to DOE, and providing assistance in transportation of the waste from the SQS to the receiver site and from the receiver

site to the final disposal site. WTS must submit a work plan and description for CBFO approval for each initiative under this metric.

SQS fee earnings are as follows:

For each SQS with RH TRU Waste greater than 50 cubic meters in volume:
Completion of the cleanup will earn the Contractor Exemption 4 *fee.*
Completion of disposal will earn the Contractor Exemption 4 *fee.*

For each SQS with RH TRU Waste less than 50 cubic meters in volume:
Completion of the cleanup will earn the Contractor Exemption 4 *fee.*
Completion of disposal will earn the Contractor Exemption 4 *fee.*

For each SQS with no RH TRU waste and greater than 200 cubic meters of CH TRU waste:
Completion of the cleanup will earn the Contractor Exemption 4 *fee.*
Completion of disposal will earn the Contractor Exemption 4 *fee.*

For each SQS with no RH TRU waste and less than 200 cubic meters of CH TRU waste:
Completion of the cleanup will earn the Contractor Exemption 4 *fee.*
Completion of disposal will earn the Contractor Exemption 4 *fee*

The maximum amount of fee required to fund all elements under this metric during the term of the contract is Exemption 4

Metric 2: The Contractor performance will be measured for cubic meters of LANL TRU waste covered in the Framework Agreement that is certified in WDS but not yet shipped to WIPP for disposal.

For each cubic meter of LANL TRU waste covered in the Framework Agreement certified but not yet shipped to WIPP for disposal, a fee of Exemption 4 *will be earned.*

The maximum amount of fee available to WTS under this milestone during the remaining term of this contract is Exemption 4 *will be earned.*

Metric 3: The Contractor performance will be measured for cubic meters of SRS legacy TRU waste that is certified in WDS but not yet shipped to WIPP for disposal.

For each cubic meter of SRS legacy TRU waste certified but not yet shipped to WIPP for disposal, a fee of Exemption 4 *will be earned.*

The maximum amount of fee available to WTS under this milestone during the remaining term of this contract is Exemption 4

Milestone 4: The Contractor will complete the removal from LANL of a total of 800 cubic meters of TRU waste covered in the Framework Agreement.

For removing from LANL a total of 800 cubic meters of TRU waste covered in the Framework Agreement, the Contractor will earn Exemption 4 *As a stretch goal, the contractor will earn an additional $300,000 of fee by removing from LANL an additional 100 cubic meters of TRU waste covered in the Framework Agreement.*

The maximum amount of fee available to WTS under this milestone is Exemption 4

Milestone 5: The Contractor will complete the following WIPP site maintenance and panel closure design testing actions as follows:

a. Repair Exhaust Filter Building (EFB) Roof [Bldg. 413]
b. Repair Support Building Roof [Bldg. 451]

c. Repair Engineering Building Roof [Bldg. 486]
d. Repair Training Building Roof [Bldg. 489]
e. Refurbish 860A Ventilation Fan Structure
f. Refurbish 700A Fan
g. Refurbish 25-Ton Cask Unloading Room (CUR) crane
h. Replace Pump House Air Handling Unit
i. Replace all EFB Air Handling Units
j. Repair all EFB Plenum Walls
k. Replace Substation 3 transformer
l. Replace CH Bay Main HVAC Damper and Controls
m. Refurbish HV02 Supply Duct and Insulation on CH Bay Roof
n. Install Two New 6-ton CH Waste Handling Cranes
o. Upgrade U/G Fiber Optic Network
p. Replace Five Post Indicator Valves (PIVs 8, 11, 27, 35, and 36)
q. Replace fuel dispensers
r. Complete confirmatory panel closure testing.

The completion of all of the above maintenance and testing actions will earn the Contractor Exemption 4 *in fee.*

The maximum amount of fee available to WTS under this milestone is Exemption 4

SECTION V - PERFORMANCE REQUIREMENTS

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

None

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

Payment Metric 1: Each month TRU waste has been disposed of at WIPP, WTS will submit provisional requests for payment of 85% of the fee earned monthly, and the total fee earned will be finalized after the end of the applicable quarter, at which time the balance for the quarter will also be due. The request for payment shall document the total cubic meters of TRU waste disposed at WIPP. CBFO will verify the request submitted by the Contractor from information in the WIPP Waste Data System (WDS) database.

For SQS elements, WTS will submit a request for payment to CBFO, including documentation showing meaningful work performed by the contractor, after cleanup or disposal of all defense TRU waste at an SQS listed below is completed, based on the minimum quantities of waste contained in the waste inventory table on the next page. The table shall be updated by CBFO at the start of each fiscal year beginning with FY06 during the term of the contract for sites where work has not yet begun. CBFO will verify the request submitted by the Contractor from information in the WWIS database and/or verification and documentation from the generator sites. A site must have defense TRU waste for fee to be earned under this provision. TRU waste inventories for SQS as of 9/1/06 are as indicated below*:

Small Quantity Site	CH Volume (m^3)	RH Volume (m^3)
Argonne National Lab – IL	0	25
MFC at INL	0	305.6
Bettis Atomic Power Lab - NY	25	2.7
Framatome (AREVA) – WA	7.3	0

GE-VNC – CA		12.5
Knolls Atomic Power Laboratories - NY	Future D&D - TBD	3.1
Knolls Atomic Power Lab – NFS - TN	0	0
Lawrence Livermore National Lab - CA	162	0
NRD, LLC – NY		14.21
Nevada Test Site - NV	309	.42
Paducah Gaseous Diffusion Plant - OH	TBD	TBD
Sandia National Laboratories - NM	26.3	4.4
Separations Process Research Unit NY	50.1	0
USAMC	.21	

*Additional sites and their volumes of defense TRU waste may be added by mutual agreement.

Payment Metric 2: The Contractor will request a completion payment by submitting a letter report to CBFO that documents the volume of LANL TRU waste covered in the Framework Agreement that has been certified in WDS but not yet shipped to WIPP for disposal at the completion of fiscal year 2012. CBFO will verify the request submitted by the Contractor from information in the WIPP WDS database.

Payment Metric 3: The Contractor will request a completion payment by submitting a letter report to CBFO that documents the volume of SRS legacy TRU waste that has been certified but not yet shipped to WIPP for disposal at the completion of fiscal year 2012. CBFO will verify the request submitted by the Contractor from information in the WIPP WDS database.

Payment Milestone 4: The Contractor will request a completion payment by submitting a letter report to CBFO that documents the complete the removal from LANL a total of at least 800 cubic meters (or a stretch completion payment for removing at least 900 cubic meters of TRU waste covered in the Framework Agreement. CBFO will verify the request submitted by the Contractor from a verification of the total initial volume of CH TRU waste removed from LANL by the DOE TRU Waste Manager at LANL.

Payment Milestone 5: The Contractor will request a completion payment by submitting a letter report to CBFO that documents the completion of the following WIPP site maintenance and panel closure design testing actions:

a. Repair Exhaust Filter Building (EFB) Roof [Bldg. 413]
b. Repair Support Building Roof [Bldg. 451]
c. Repair Engineering Building Roof [Bldg. 486]
d. Repair Training Building Roof [Bldg. 489]
e. Refurbish 860A Ventilation Fan Structure
f. Refurbish 700A Fan
g. Refurbish 25-Ton Cask Unloading Room (CUR) crane
h. Replace Pump House Air Handling Unit
i. Replace EFB Air Handling Units
j. Repair EFB Plenum Walls
k. Replace Substation 3 transformer
l. Replace CH Bay Main HVAC Damper and Controls
m. Refurbish HV02 Supply Duct and Insulation on CH Bay Roof
n. Install Two New 6-ton CH Waste Handling Cranes
o. Upgrade U/G Fiber Optic Network
p. Replace Five Post Indicator Valves (PIVs 8, 11, 27, 35, and 36).
q. Replace fuel dispensers
r. Complete confirmatory testing for panel closure design.

CBFO will verify the request submitted by the Contractor by performing an assessment to verify completion of the above actions.

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 initial volume of the TRU waste as identified by the generator site.

Metric: A fee parameter used to calculate the amount of fee earned per unit of measure (i.e., cubic meters of TRU waste disposed or removed).

Milestone: A specific accomplishment that when successfully completed earns the Contractor a specific fee amount.

RH – Remote-Handled: Packaged TRU waste with an external surface dose rate that exceeds 200millirem per hour but is less than 1,000 rem per hour.

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.

WIPP: Waste Isolation Pilot Plant

WTS: Washington TRU Solutions, the Contractor

WDS: Waste Data System – The electronic database used to record and retain TRU waste characterization, certification, transportation, and WIPP disposal information.

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

None

GENERAL REQUIREMENTS:

To earn incentive fee under this Performance Incentive, the Contractor shall meet the specific completion criteria and expectations set forth in this Performance Incentive. The Contractor cannot earn fee for routine operations, 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.

Acceptable environmental, safety, and health (ES&H) performance for the entire Scope of Work for the contract is a pre-condition to earning 100% of the fee available under the contract.

A minimum level of performance for this PBI in any fiscal year is the disposal of 4,000 cubic meters of TRU waste at WIPP. Performance below that level in FY2012 may result in the HCA invoking provisions of the CPOF clause of the contract.

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Report, the document(s) that should be submitted/ data that should be available/ actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

Note: WTS will provide documentation to the Contracting Officer as follows:

Metric 1: (Completion Payment) Fee shall be payable per cubic meter of TRU waste disposed of at WIPP times the applicable fee per cubic meter (CH or RH) upon submittal quarterly of appropriate documentation from the WDS database. Fee shall be provisionally payable monthly,

based on 85% of the total fee earned for cubic meters of TRU waste inventory disposed at WIPP. The balance of the total fee earned will be due at the end of each quarter.

For SQS elements, fee shall be payable upon submittal of appropriate documentation supporting the cleanup of each SQS and/or the disposal of each SQS' waste at the applicable fee for sites completed. Documentation to support completion will be based on volumes contained herein or other data acceptable to the Contracting Officer. WTS must document the extent and scope of the meaningful work completed by WTS to achieve the result.

Metric 2: (Completion Payment) Fee shall be payable upon submission of documentation that shows the cubic meters of LANL TRU waste covered under the Framework Agreement that has been certified in WDS but not yet shipped to WIPP for disposal after the completion of fiscal year 2012.

Metric 3: (Completion Payment) Fee shall be payable upon submission of documentation that shows the cubic meters of SRS legacy TRU waste has been certified in WDS but not yet shipped to WIPP for disposal after the completion of fiscal year 2012.

Milestone 4: (Completion Payment) Fee shall be payable upon submission of documentation that proves that at least 800 cubic meters of LANL TRU waste covered under the Framework Agreement has been removed from LANL after the completion of fiscal year 2012.

Milestone 5: (Completion Payment) Fee shall be payable upon submission of documentation that proves that the following maintenance and panel closure design testing actions have been completed and CBFO verification of that work through an assessment has been completed.

a. Repair Exhaust Filter Building (EFB) Roof [Bldg. 413]
b. Repair Support Building Roof [Bldg. 451]
c. Repair Engineering Building Roof [Bldg. 486]
d. Repair Training Building Roof [Bldg. 489]
e. Refurbish 860A Ventilation Fan Structure
f. Refurbish 700A Fan
g. Refurbish 25-Ton Cask Unloading Room (CUR) crane
h. Replace Pump House Air Handling Unit
i. Replace EFB Air Handling Units
j. Repair EFB Plenum Walls
k. Replace Substation 3 transformer
l. Replace CH Bay Main HVAC Damper and Controls
m. Refurbish HV02 Supply Duct and Insulation on CH Bay Roof
n. Install Two New 6-ton CH Waste Handling Cranes
o. Upgrade U/G Fiber Optic Network
p. Replace Five Post Indicator Valves (PIVs 8, 11, 27, 35, and 36)
q. Replace fuel dispensers
r. Complete confirmatory testing for panel closure design.

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.)

The maximum available fee to be earned for PBI 1, Waste Disposal for the remainder of the contract is cited under clause B.2. (b) (3) for each fiscal year.

Fee that is not available to be earned and reduced from the award fee pool, if any, is not recoverable by the Contractor, including that specified for individual milestones.