

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. 0119	3. EFFECTIVE DATE 10/01/2015	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)	CODE
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.	
CODE 968993910 FACILITY CODE		9B. DATED (SEE ITEM 11)	
		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 Measurement Evaluation 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.)

The purpose of this modification is to incorporate the Performance Evaluation and Measurement Plan (PEMP) for the period October 1, 2015 through September 30, 2016 into the contract. The total available award fee in the FY16 PEMP is \$12,322,281. The attached PEMP is added to Section Part III, Section J, Attachment C of the contract award document. The contract performance baseline for the attached FY16 PEMP is based on the House budget for FY16 and may be subject to change based on the final Appropriations Act.

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) James A. Blankenhorn, Deputy Project Manager	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Vicki D. Snow
15C. DATE SIGNED 11/6/15	16C. DATE SIGNED 11/9/2015

Exemption 6

Exemption 6

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

ANNUAL FEE PLAN (AFP)

1 OCTOBER 2015 THROUGH 30 SEPTEMBER 2016

CONTRACT DE-EM0001971

October 22, 2015

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 PBLs 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.

CBFO has developed a procedure on PEMP development that follows process in this PEMP and guidance from the HCA. This management procedure "Performance Evaluation and Measurement Plan Development, Reporting, and Fee Determination" (CBFO MP5.8, Revision 0) was developed to provide the process that CBFO will use for all issues related to the PEMP. It lays out the roles and responsibilities of the CO, COR, CBFO Manager, FDO, TM, and the Performance Evaluation Board. It also includes the responsibilities of the Environmental Management Consolidated Business Center (EMCBC) and HCA on the approval process. The procedure defines how the fee pool and fee base is determined, how the subjective measures and objective measures are developed, monitored, status, and reporting are accomplished, and the process for validating and closing the measures. The procedure also provides the process for any proposed change to a subjective or objective measure. The procedure provides the process for PEMP evaluation and Fee Determination and any Conditional Payment of Fee.

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. These subjective criteria may be adjusted on an annual basis. In addition, these criteria are not all-inclusive in the evaluation of the subjective portion of the PEMP. CBFO may consider other performance information and data when evaluating the contractor's performance for the subjective portion of the fee. The fee amount associated with the subjective component of the criteria will not exceed 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 2016, NTE \$3,080,570.25 (25% of \$12,322,281).

- (1) **Mission Performance** – The Contractor’s performance in progressing towards the WIPP mission of characterizing, transporting and disposing of TRU waste will be evaluated based on:
 - (i) WIPP Plant availability to support recovery.
 - (ii) The extent to which Central Characterization Program waste characterization capability remains available to assigned sites;
 - (iii) The degree of Contractor conformance with established baseline schedules with an emphasis on readiness activities to support commencement of TRU waste emplacement;
 - (iv) The performance of the Contractor managing the waste transportation schedule and providing adequate monitoring service for in route shipments.
 - (v) The performance of the Contractor managing the Centralized Procurement Program for Type A transportation assets;
 - (vi) Availability of Type B transportation assets through maintenance of Nuclear Regulatory Commission Certificates of Compliance and physical maintenance and repair to support TRU waste shipments; and,
 - (vii) Support and performance of stakeholder outreach and interaction (i.e. training and roadshows).

- (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. This includes:
 - (i) Implement effective corrective action closures to address Judgments of Needs from the Accident Investigation Board 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 do not enter 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) Provide effective Contractor Human Relations Management.
 - (vi) Work Planning and Control improvements to effectively operate a Hazard Category 2 Nuclear 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 is of at least adequate quality;

- (ix) Information Resource Management providing a reliable information technology infrastructure along with timely software application development and deployment;
 - (x) Contract costs and schedule management to baseline. Thorough assessment of variances and implementation of effective corrective actions. Adequate monthly progress reports on baseline management.
 - (xi) The reduction and elimination of preventive maintenance (PM) backlog and greater than 90% of equipment PMs being executed before the grace period expires; and,
 - (xii) Overall reduction of non-PM facility mission and safety actions backlog.
- (3) ES&H Performance - The Contractor's performance to manage the following:
- (i) Environmental and Regulatory Compliance;
 - (ii) Safeguards and Security Compliance and Implementation;
 - (iii) The Contractor's safety programs reflect 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) Contractor assurance program works with the CBFO oversight program to assure timely and effective closures; and,
 - (vii) Safe execution of work
- (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) DOE reporting 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 FY2016, NTE \$9,241,710.75 (75% of \$12,322,281).

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 Fee Determination Official (FDO) with input from DOE staff will determine the amount of Performance Based Incentive (PBI) fee earned. This determination is purely discretionary, and is based solely on the judgment of the FDO. There is no minimum PBI fee that may be granted based on the FDO's review. The review is

qualitative, not quantitative and the Contractor will not necessarily be granted credit for its percentage complete of PBI milestones if those milestones are in fact, not 100% completed by the milestone dates (completion of any particular milestone will be determined by the DOE in accordance with the contract.) 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 exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

VERY GOOD Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in 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 exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. 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 cost, schedule, and technical performance requirements of the contract in the aggregate 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 cost, schedule, and technical performance requirements of the contract in the aggregate 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:

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

Provisional fee may be requested and drawn by the 25th calendar day of each month up to one-twelfth of 60% of the total available fee allocated to the award fee.

PBI fee may be requested by and given to NWP provisionally until the applicable metric/milestone is met as described and allowed in the PBI section.

The Award Fee Table in Attachment 2 is used as a worksheet to help determine the overall earned fee.

B. Fee Pool

Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited. Fee not awarded under the subjective criteria portion of this plan shall not be carried over to additional performance periods and will be forfeited.

At the discretion of DOE, if an evaluation criterion is cancelled or modified, any unearned fee may be allocated to another evaluation criterion or criteria. This reallocation requires review and approval by DOE EMCBC and HQ. Fee which is not earned due to nonperformance of the performance incentive requirements set forth in the PEMP shall not be returned to the fee pool, but shall be forfeited.

ATTACHMENT 1

PERFORMANCE BASED INCENTIVES (PBIs)

Performance Based Incentives (PBIs)

SECTION I – GENERAL INFORMATION

Performance Incentive Number: CBFO-PBI #1 Performance Period: 10/1/2015 through 9/30/2016
Performance Incentive Short Title:

Revision Number and Date: **Revision 0, DRAFT**

SECTION II- ACCOUNTING/PROJECT INFORMATION

Contract Performance Baseline (CPB)	Maximum Available Incentive Fee
Anticipated Funding:	Associated with this Measure:
\$ 227,939,000	\$ 9,241,710.75 (75% of 12,322,281)

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 and achievable programmatic results are achieved including: underground safety and ventilation system reliability improvements, establishing and maintaining a CBFO-approved Recovery Performance Measurement Baseline, maintenance backlog reductions, and site material condition improvements. 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.
2. For cubic meters of TRU waste certified in excess of 60 cubic meters CH and 3 cubic meters RH during the performance period.
3. For implementation of a Material Condition and Aging Management Program (MCAMP).
4. For upgrade/revitalization activities that improve the site material condition and support extended future WIPP operations.
5. For continuing the Safety Significant Confinement Ventilation System capital asset project and Exhaust Shaft and Drift capital asset project with a ready for certification earned value management system (EVMS) for Critical Decision 2/3.
6. For leading, developing, peer reviewed, and a regulatory strategy for implementation of the methodology and process for determining actual waste volume versus the disposed waste container volume for disposed TRU waste in the underground and future TRU waste for disposal.
7. For implementing a graded approach for earned value techniques in budget and execution planning. The following metrics and milestones shall be used to measure performance and determine fees earned by the Contractor under this Rating Plan element. All calculations are performed using calendar days.
8. For the Contractor developing an overarching vision and strategy for WIPP to achieve its operational lifetime through FY 2050 with both near term and long term operational activities and projects.

Metric/Milestone 1: The Contractor will earn fee for WIPP site recovery activities by performing the following:

- a. For completion of implemented safety management program improvements through an effectiveness review by the contractor with no issues that impact the approved baseline start date of the Contractor ORR (June 13, 2016), \$1,000,000 fee will be earned. For delay of the start of the Contractor ORR from the approved baseline start date, the fee will be decremented \$12,500/day. For Completion after September 30, 2016 the contractor will earn no fee.
- b. For implementation and integration of the Learning Management System into the WIPP Training Program and populated with NWP employee training data for use by the employees who have need to use the data for support of the readiness reviews by December 31, 2015, the contractor will earn \$100,000 in fee.
- c. For implementing the DOE approved Documented Safety Analysis (DSA) Revision 5 within 60 calendar days from contractor receipt of approved DOE Safety Evaluation Report (SER), \$1,200,000 of fee will be earned. For completion of implementation beyond 60 calendar days from contractor receipt of approval of the DOE SER, the fee will be decremented \$12,500 each day on a linear sliding scale up to 120 calendar days from contractor receipt of approval of the DOE SER. For completion beyond 120 calendar days, the fee will be decremented \$15,200 each day on a linear sliding scale until September 30, 2016. Completion after September 30, 2016 will earn no fee.
- d. 1) For completion of the Contractor Readiness Review by the approved baseline date (July 8, 2016), the contractor will earn \$500,000 in fee. For completion beyond the approved baseline date (July 8, 2016), the fee will be decremented \$8,333.33 each day on a linear sliding scale until September 30, 2016. Completion after September 30, 2016 will earn no fee.
2) For completion of actions resulting from the Contractor Readiness Review with declaration of readiness for the start of the DOE Readiness Review within 30 days from the completion of the Contractor Readiness Review, the contractor will earn \$1,100,000 in fee.
- e. For implementing corrective actions from the Phase 2 accident investigation report on the radiological release, the contractor will implement an enhanced container review process for CBFO funded sites (and for those sites where CCP is present) by September 30, 2016, \$100,000 of fee will be earned.
- f. For installation of 8 safe haven chambers for personnel safety in the underground with implementing procedures, safety documents updated, trained personnel, and turned over to operations by September 30, 2016, \$160,000 of fee will be earned. (Provisional fee in the amount of \$25,000 can be earned as each chamber is turned over to operations.)
- g. For completion of catch-up bolting and ground control in the contaminated area by September 30, 2016, such that access is maintained to switch station 5, Panel 7, and the three remaining lateral drifts (E-170, E-300, W-30), the contractor will earn \$450,000 in fee. 50% or \$225K of fee will be earned upon completion of switch station 5 and panel 7 catch-up bolting and \$225K will be earned for completion of catch-up bolting in the three lateral drifts. (Does not include areas in the drifts that require additional mining.) This effort is in parallel to maintaining the normal ground control program in other areas of the underground.

The maximum amount of fee available to fund all elements under Metric/Milestone 1 during fiscal year (FY) 2016 is \$4,610,000.

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 that are funded by CBFO.

- a. For each cubic meter of CH waste certified in excess of 60 cubic meters, a fee of \$583.33 will be earned up to a maximum total of \$70,000 (180 cubic meters certified).
- b. For each cubic meter of RH waste certified in excess of 3 cubic meters, a fee of \$16,666.66 will be earned up to a maximum total of \$100,000 (9 cubic meters certified).
- c. If at the end of the fiscal year, the total volume of CH and RH waste certified exceeds 189 cubic meters, the Contractor will earn an additional \$100,000.

The maximum amount of fee required to fund all elements under Metric/Milestone 2 during FY 2016 is \$270,000.

Metric/Milestone 3: Develop a Material Condition and Aging Management Program (MCAMP) and evaluate recommendations from the CBFO Infrastructure Improvement Plan for the WIPP Program (CBFO-15-3553, Rev. 0) Sections 5 and 7 by performing the following:

- a. Develop and implement a MCAMP at WIPP following the actions in Section 5 of CBFO Infrastructure Improvement Plan for the WIPP Program (CBFO-15-3553), Rev. 0. A fee of \$500,000 will be earned for the completion of 100% of the four activities listed below. For each activity that fails to meet its milestone date for completion and success criteria, the available fee for this measure will be reduced by \$125,000.
 1. Develop a risk based MCAMP plan with a prioritized list of activities for assets and success criteria by January 31, 2016 for CBFO approval;
 2. Implement the MCAMP plan for assets with high risk and complete material condition assessments of the assets with high risk by May 31, 2016
 3. Update CMMS database for repair needs and deferred maintenance from material condition assessments from the MCAMP for all assets with high risk and from the Facility Information Management System (FIMS) condition assessment survey by June 30, 2016; and,
 4. Complete FY 2016 MCAMP activities in CBFO Infrastructure Improvement Plan for the WIPP Program (CBFO-15-3553), Revision 0, by September 30, 2016.
- b. Complete the following actions from Section 7 of CBFO Infrastructure Improvement Plan for the WIPP Program (CBFO-15-3553), Rev. 0:
 1. Evaluate Institute of Nuclear Power Operations, AP-913, Equipment Reliability Process Description for inclusion in WIPP Nuclear Maintenance Management Plan and provide CBFO a recommendation by December 31, 2015, a fee of \$25,000 will be earned.
 2. Provide a recommendation to CBFO on the replacement and/or upgrade of CHAMPS, the Computerized Maintenance Management Program (CMMS) by December 30, 2015 and develop an Execution Plan for approval by CBFO by February 29, 2016. Based on approval of the Execution Plan by DOE within 30 days from submittal by the contractor, the contractor will earn \$275,000 fee for meeting all milestones and deliverables in accordance with the Execution Plan.
- c. Provide a list of Systems Description Documents (SDD) that require revisions as determined by DSATSR Revision 5 to CBFO by December 1, 2015. For completion of the revision of the "Pre-Start" SDDs to conform to DOE-STD-3024-2011 prior to the start of the Contractor Readiness Review a fee of \$100,000 will be earned.
- d. From the functional classification determinations by DSATSR Revision 5, as described in the listed SDDs from Milestone 3.c, perform the graded approach evaluation to determine the proper Management Level, quality assurance requirements, and inspection requirements. This information will be entered into the graded approach database (GADB), the ML and the Master Equipment List (MEL) databases. For any item ordered during the year that has a unique manufacturer and cataloged part number identifier or a unique WIPP equipment number and is found not to exist in the GADB, the contractor shall perform a management level determination and fully populate the database for that item. The contractor will track the number of new entries in the GADB during each month of the year and report as a trend. The number of items in the GADB shall be tracked as a percentage of the total number of items in the Master Equipment List (MEL). For completion of this measure, the contractor will earn \$100,000 fee.

The maximum amount of fee available to fund all elements under Metric/Milestone 3 during FY2016 is \$1,000,000.

Metric/Milestone 4: The Contractor will earn fee for infrastructure improvements, revitalization and upgrade activities that improve the site material condition and support extended future WIPP operations by performing the following.

- a. For the 5 projects listed below, a monthly project status report will be provided to CBFO to include the scope, schedule, cost for completion, key milestones and risks. A total fee of \$600,000 will be earned for completion of the 5 projects by September 30, 2016. The fee will be distributed equally amongst the projects and the fee for individual projects may be earned upon completion.
 1. Backup generator at Skeen Whitlock Building that supplies emergency power to the whole building and the new Emergency Operations Center (EOC).
 2. Underground notification system for personnel evacuation that will provide immediate notification based on an alternatives analysis and selected scope.
 3. IT activities (treated as one project) to support facility improvements that include:
 - i. Installation of 12 network switches and turned over to operations to replace obsolete switches
 - ii. Completion of design for the Central Monitoring System
 - iii. Completion of 10 digital signage (employee information Kiosks) and turned over to operations
 - iv. Completion of installation of a mobile monitoring camera at the location where waste will be emplaced upon resumption of waste emplacement activities.
 - v. Complete design for an Emergency Communications Network at Skeen Whitlock Building EOC, and WIPP on-site EOC for voice, data, essential records storage, and video.
 4. Design, installation, and turned over to operations a portable evaporative cooler to support mining and maintenance crews habitability conditions
 5. For completion of the redesign of the entire surface and subsurface fire detection and suppressions systems to alleviate current system degradation issues and fire impairments and support future mission work.
- b. Planning for surface storage capability. Complete a needs analysis, an alternatives analysis, regulatory strategy such as National Environmental Policy Act and Hazardous Waste Facility Permit, and a conceptual design for a surge capacity storage capability. This storage shall include a general TRU waste stream storage capability, a security sensitive material storage capability, and a potential suspect TRU waste container isolation capability. Documents shall be the equivalent level of development as for a critical decision 1 and ready for approval by CBFO by September 30, 2016. Provide monthly status report of planning effort to CBFO on a monthly basis. For completing this work by September 30, 2016, the contractor will earn a fee of \$311,710.75.
- c. For completing FIMS Improvement Needs from Section 6 of the CBFO Infrastructure Improvement Plan for the WIPP Program (DOE/CBFO-15-3553, Rev. 0), a fee of \$600,000 will be earned for the following activities and milestone dates. For each missed milestone date and completion of activity, the fee earned on this measure will be reduced by \$50,000.
 1. Develop FIMS Improvement Plan by October 31, 2015.
 2. Perform 50% condition assessment surveys by May 31, 2016.
 3. Input repair needs and deferred maintenance from the 50% condition assessment surveys due on May 31, 2016 into the CMMS and FIMS by June 30, 2016.
 4. Update Replacement Plant Value (RPV) for the 50% completed condition assessment surveys in FIMS by June 30, 2016.
 5. Perform remaining 50% of condition assessment surveys by August 31, 2016.
 6. Input repair needs and deferred maintenance from the remaining 50% of condition assessment surveys due on August 31, 2016 into the CMMS and FIMS by September 30, 2016.
 7. Update Replacement Plant Value (RPV) for the remaining 50% of completed condition assessment surveys in FIMS by September 30, 2016.
 8. Determine the frequency of FIMS condition assessment surveys for assets as part of the MCAMP by September 30, 2016.
 9. Complete all FIMS Improvement Plan actions by September 30, 2016.
- d. For development of a Warehousing Management Program that ensures the proper warehousing and storage of personal property, to include warehousing and storage of personal property that require general and special controls (environmental, loss, or hazardous properties) and accountability and submit for approval to CBFO by March 31, 2016. (Assumes receipt of approval within 30 days of

submittal.) Complete agreed upon activities from the Warehousing Management Program for fiscal year 2016 activities by September 30, 2016, \$200,000 amount of fee will be earned.

The maximum amount of fee available to fund all elements under Metric/Milestone 4 during FY2016 is \$1,711,710.75.

Metric/Milestone 5: The Contractor will earn fee for progress made on the Safety Significant Confinement Ventilation capital asset project and the Exhaust Shaft and Drifts capital asset project for Critical Decision 2/3 as follows:

- a. For declaring the Earned Value Management System (EVMS) to be compliant with EIA/ANSI-748C by June 30, 2016, the contractor will earn \$300,000 in fee after DOE concurrence.
- b. For declaring the Earned Value Management System (EVMS) to be ready for Certification Assessment by DOE by September 30, 2016, the contractor will earn \$300,000 in fee after DOE concurrence.
- c. For completing the following deliverables in preparation of CD-2/3 for the safety significant confinement ventilation and exhaust shafts and drifts capital asset projects, the contractor will earn a total of \$300,000 in fee (\$150,000 for each deliverable, which can be invoiced at the time of completion).
 1. Provide "Notice to Proceed" to execute the procurement contract for preliminary design for the building/ventilation system by May 13, 2016.
 2. Perform a 60% design review for the building ventilation system by September 16, 2016.

The maximum amount of fee available to Metric/Milestone 5 during FY2016 is \$900,000.

Metric/Milestone 6: The Contractor will earn fee for leading an integrated project team of TRU waste characterization and packaging experts to develop a methodology and process for determining actual waste volume versus the disposed waste container volume for disposed TRU waste in the underground and future TRU waste for disposal. A peer review evaluation of the methodology must be performed by June 30, 2016. The contractor will earn \$200,000 in fee for providing the results of the study and an implementation strategy for using the revised volume calculation approach to account for WIPP emplacement (to include communications, regulatory, etc.) by September 30, 2016.

The maximum amount of fee available to fund all elements under Metric/Milestone 6 during FY2016 is \$200,000.

Metric/Milestone 7: The Contractor will earn fee for implementing a graded approach for earned value techniques across the work breakdown structure in budget planning for FY 2018 integrated priority list development for cost and schedule estimates, and for FY 2017 execution year planning for cost and schedule estimates and baseline management. The contractor will provide Project Controls System Description and ABC sheets built to the CAM evaluation of needs for FY18 for implementing a graded approach to earned value techniques in budget planning and baseline management for approval by CBFO by February 28, 2016. (Note: This requires contractor budget targets to be provided by January 30, 2016). For completion of these activities the contractor will earn \$250,000 in fee.

The maximum amount of fee available to fund all elements under Metric/Milestone 7 during FY2016 is \$250,000.

Metric/milestone 8: The contractor will earn fee for leading an integrated project team to develop an overarching vision/strategy and plan for WIPP to achieve its operational lifetime through FY 2050 with both near term and long term operational activities and projects that are aligned and coordinated with an updated National TRU Waste Management Plan, the WIPP FY 2017 to FY 2026 Ten Year Site Plan, the FY 2018 Integrated Priority List submittal, and an updated Carlsbad Field Office Strategic Plan and will include the below deliverables.

- a. Contractor to develop robust model for predicting and anticipating RH and CH TRU emplacement rates through 2021. Model will consider all anticipated constraints specific to WIPP and allow accurate prediction of emplacement rates and understanding of the impacts of constraints such as

mine safety, ventilation, maintenance activities, resource limitations, and funding constraints. Contractor will earn a fee of \$100,000 for delivery by January 31, 2016.

- b. Contractor will deliver lifecycle model and overarching vision/strategy for future expansion of the WIPP facility to accommodate future waste emplacement through 2050. Model will include options for physical layout of panels and drifts, new required shafts, and proposed operational approaches (ventilation, access, types and quantities of equipment, etc). Model will include cost benefit analysis, discussion of required permit actions, and projected budget requirements for next five years. Model will include planned necessary physical plant upgrades. Contractor will deliver a draft by January 31, 2016 and a final model by June 30, 2016. A fee of \$50,000 will be earned for delivery of the draft model by January 31, 2016. A fee of \$150,000 will be earned for delivery of the final model by June 20, 2016.

The maximum amount of fee available to fund all elements under Metric/Milestone 8 during FY2016 is \$300,000.

Unearned Fee Outside of the Contractor's Control: For fee that was not earned by the Contractor for reasons outside of the Contractor's control, the Contractor may request a new incentive or allocation to an existing incentive to earn the fee with prior DOE approval within the maximum available fee. The Contractor cannot request an incentive for work that has already been completed or for missed metrics/milestones for reasons within its control.

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. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities. For milestone 1d, validation of completion of the milestone will be based on the completion of the DOE ORR.

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 that are funded by CBFO. CBFO will validate 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 the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities.

Payment Metric/Milestone 4: For completion of the incentivized projects/activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the requests submitted by the Contractor by performing an assessment to validate completion of the requested activities.

Payment Metric/Milestone 5: For completion of the incentivized activities in this metric/milestone to support the progress of the Permanent Ventilation System Capital Asset Project, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities.

Payment Metric/Milestone 6: For completion of the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities.

Payment Metric/Milestone 7: For completion of the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities.

Payment Metric/Milestone 8: For completion of the incentivized activities, the Contractor will submit a request for completion payment earned under this metric/milestone. CBFO will verify the request submitted by the Contractor by performing an assessment to validate completion of the requested activities.

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.

ATTACHMENT 2

AWARD FEE TABLE

Period of Performance: 1 October 2015 – 30 September 2016

Worksheet in determining Earned Fee

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 1.1 through 1.7	Overall -	
1.1	WIPP Plant availability to support recovery		
1.2	The extent to which Central Characterization Program waste characterization capability remains available to assigned sites		
1.3	The degree of Contractor conformance with established baseline schedules with an emphasis on readiness activities to support commencement of TRU waste emplacement.		
1.4	The performance of the Contractor managing the waste transportation schedule and providing adequate monitoring service for in route shipments.		
1.5	The performance of the Contractor managing the Centralized Procurement Program for Type A transportation assets;		
1.6	Availability of Type B transportation assets through maintenance of Nuclear Regulatory Commission Certificates of Compliance and physical maintenance and repair to support TRU waste shipments		
1.7	Support and performance of stakeholder outreach and interaction (i.e. training and roadshows).		

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 through 2.12.	Overall -	
2.1	Implement effective corrective action closures to address Judgments of Needs from the Accident Investigation Board 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.		
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	Provide effective Contractor Human Relations Management.		
2.6	Work Planning and Control improvements to effectively operate a Hazard Category 2 Nuclear Facility		
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 providing a reliable information technology infrastructure along with timely software application development and deployment;		
2.10	Contract costs and schedule management to baseline. Thorough assessment of variances and implementation of effective corrective actions. Adequate monthly progress reports on baseline management.		
2.11	The reduction and elimination of preventive maintenance (PM) backlog and greater than 90% of equipment PMs being executed before the grace period expires		
2.12	Overall reduction of non-PM facility mission and safety actions backlog.		
3	ES&H Performance - The Contractor's ES&H performance is based on 3.1 through 3.7.	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 recovery efforts		
3.6	Contractor assurance program works with the CBFO oversight program to assure timely and effective closures.		

3.7	Safe execution of work		
4	Cost Control - The Contractor's cost control will be evaluated to assess the following 4.1 through 4.7.	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 to include timeless, accuracy and complete proposals;		
4.6	Scheduling and tracking to support efficient operations; and		
4.7	DOE reporting information is updated and accurate.		

SUMMARY TABLE

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

FEE PERCENTAGE AWARDED:

Comments: