

**PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS**

**SECTION J – LIST OF ATTACHMENTS**

**ATTACHMENT J-14 – DRAFT PERFORMANCE EVALUATION MANAGEMENT PLAN**



**U.S. Department of Energy  
Savannah River Site**

**DRAFT Performance Evaluation Management Plan  
(PEMP) Framework  
CONTRACT NO.  
[To be inserted], Rev. 0**

**[Insert Contractor's Name]**

This PEMP was prepared in accordance with Federal Acquisition Regulation (FAR) 16.401 under CONTRACT NO. [To be inserted] and has been concurred upon and approved.

**CONCUR:**

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Assistant Manager for  
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DOE - Savannah River Site

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Date

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Federal Project Director  
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Date

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Contracting Officer (CO)  
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Date

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Director, Office of Acquisition Management  
DOE - Savannah River Site

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Date

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Office of Chief Counsel  
DOE - Savannah River Site

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
Site Manager  
Fee Determining Official  
DOE-Savannah River Site

\_\_\_\_\_  
Date

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## 1. Introduction

Federal Acquisition Regulations (FAR) 16.401 through FAR 16.402-4 discuss incentive Contracts and place incentives in two major categories: award-fee (AF) and performance-based incentives (PBI). The term Performance Evaluation Management Plan (PEMP) is used to address a fee plan that includes both types of incentives<sup>1</sup>. When measuring performance for award-fee, the Contracting Officer (CO) will document the evaluation using adjectival ratings and their associated descriptions, and award-fee percentages prescribed in Table 16-1 in FAR 16.401.

This document serves as the PEMP for the Liquid Waste (LW) program at the Department of Energy (DOE) Savannah River Site (SRS) addressing management of Contractor fee provisions of CONTRACT NO. [To be inserted]. It provides standardization necessary to assure effective development, administration, and coordination of all phases of the fee process. In the event of a conflict between the PEMP and the Contract, the Contract takes precedence. Additionally, the PEMP process is integrated with the Contract Management Plan (CMP), the Risk Management Plan (RMP), and the Quality Assurance Surveillance Plan (QASP) to provide a streamlined and comprehensive methodology to consistently capture and report on performance for the LW program. As such, the PEMP will also be used to satisfy requirements of FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS).

The PEMP was developed with the following objectives:

- Focus the Contractor on areas of greatest importance for success.
  - Removing sludge waste from liquid radioactive waste tanks to support preparation of sludge batches and subsequent processing at the Defense Waste Processing Facility (DWPF).
  - Operating salt processing facilities to remove salt cake and supernatant from liquid radioactive waste tanks.
  - Cleaning and characterization leading to operationally closing and isolating old-style liquid radioactive waste tanks and associated facilities.
- Clearly communicate Contract performance evaluation procedures and provide for effective communication between the Contractor and the DOE.
- Be kept as simple as possible commensurate with the complexity and dollar value of the Contract.

This PEMP is the basis for the DOE evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance and to determine the amount of fee earned. Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

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<sup>1</sup> DOE Acquisition Guide Chapter 16.2R1 (June 2014)

The fee will be provided to the contractor through contract modifications and is in addition to the (type contract) provisions of the contract. The fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan. The CO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

## 2. Organization and Responsibilities

The following responsibility structure is established for administering fee provisions of the Contract. Fee administration consists of a headquarters' contingent providing approval of the original PEMP revisions and associated incentives, and approval of the final fee amount awarded including any fee reduction. Fee administration at the site includes the Fee Determining Official (FDO) and an Award Fee Evaluation Board (AFEB) which consists of a chairperson, co-chairs, Performance Monitors (PM), and the CO.

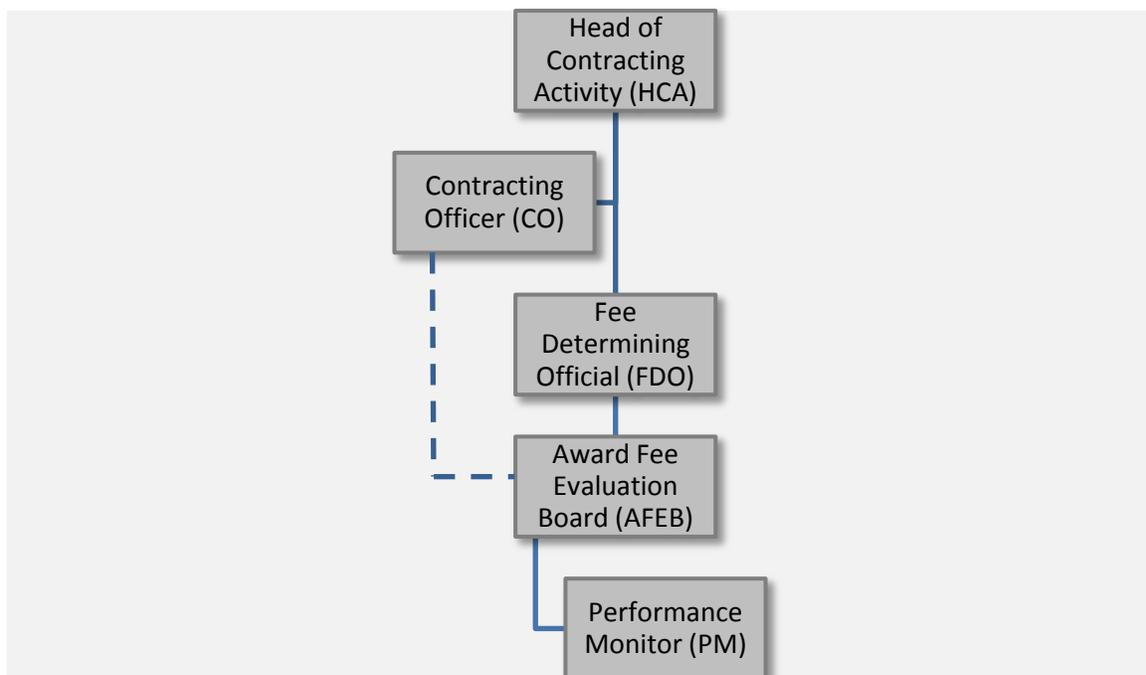


Figure 1: Responsibility structure for fee administration

### 2.1. Roles and Responsibilities

1. HCA. The Deputy Assistant Secretary for Acquisition and Contracts is the Head of Contracting Authority (HCA). The HCA has final approval authority on the PEMP;

any revisions, and final amount of fee awarded.

Primary HCA responsibilities are:

- Provide review/approval of proposed PEMP and revisions.
- Facilitate Business Clearance Review within EM and the Office of Acquisition Management (OAM).
- Provide approval of proposed earned fee, including any fee reduction.

2. FDO. The FDO approves the PEMP and any revisions prior to submittal to the HCA for final approval. The FDO reviews recommendation(s) of the AFEB, considers all pertinent data, and determines the earned fee amount for each evaluation period prior to submittal to the HCA for final approval.

Primary FDO responsibilities are:

- Determine the fee earned and payable for each evaluation period as addressed in Section 3, *Method for Determining Fee*.
- Approve changes to the PEMP as addressed in Section 5, *Changes in PEMP Coverage*.
- Appoint members to the AFEB (including the chair and co-chair).

3. CO. The CO is the liaison between Contractor and government personnel and ensures the fee process is properly administered in accordance with agency regulations and the terms of the Contract. The CO modifies the Contract when the PEMP is issued or revised during the term of the Contract.

Primary CO responsibilities are:

- Concur on the PEMP and any revisions.
- Ensure fee process is managed consistent with applicable acquisition regulations.
- Meet with the Contractor periodically during each evaluation period.
- Submit an Award Fee Report (AFR) to the FDO.
- Issue PEMP revisions prior to each evaluation period in accordance with the terms of the Contract.
- Support the AFEB in monitoring, evaluating, and assessing the Contractor's performance against performance objectives and measures set forth in this PEMP.
- Attend all AFEB meetings and assist the chair in preparing award fee correspondence for the FDO.
- Coordinate the administrative actions required by the AFEB and the FDO, including:
  - Receive, process, and distribute evaluation reports from all required sources.
  - Schedule and assist with internal evaluation milestones, such as briefings to the FDO and debriefings to the Contractor.

- Accomplish other actions required to ensure smooth operation of the award fee process.
  - Facilitate Business Clearance Review with the HCA and the Office of Acquisition Management (OAM).
4. COR. COR maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Prepare interim and end-of-period evaluation reports as directed by the FRB.

Primary responsibilities of the COR are:

- Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
  - Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
  - Provide management support to the CO and AFEB chair during the term of the contract.
5. AFEB. The AFEB is chaired by the Assistant Manager (AM) for Waste Disposition Project (AMWDP), who also serves as primary Contracting Officer Representative (COR). The AFEB consists of a designated co-chair from the Waste Disposition Programs Division (WDPD), a Federal Project Director (FPD), Performance Monitors (PM), and may also include representatives from Office of Field Chief Financial Officer (CFO), Office of Chief Counsel (OCC) and Office of Civil Rights (OCR). Members of the AFEB may also be members of the Contract Management Team (CMT), Risk Management Program, and Quality Assurance Program, to avoid duplicate Contractor oversight roles and responsibilities.

Primary responsibilities of the AFEB are:

- Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
- Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
- Provide quarterly Contractor performance briefings to the FDO.
- Collect evaluation inputs for use in the development of the Interim and Annual Evaluation.
- Develop an AFR discussing the Contractor's performance and containing recommended ratings, and corresponding award fee earned for each evaluation period (Performance Evaluation Report format is preferred). The AFR shall include an appendix of all minority opinions.
- Develop and coordinate proposed changes to the PEMP and recommend those changes to the FDO for incorporation into the PEMP.

Primary responsibilities of the Chair and Co-chairs are to:

- Assign members of the AFEB, including Performance Monitors (PM).
  - Review the evaluation reports prepared by members of the AFEB and provide feedback as needed.
  - Consider the Contractor's self-assessment and any minority opinions prior to approving the AFR and revisions.
  - Approve the AFR and provide recommended ratings, and corresponding fee earned to the FDO.
  - Ensure that the AFR is issued in a timely manner.
  - The Co-chairs are authorized to assume the roles and responsibilities delegated to the Chair in his/her absence.
  - Provide the FDO with a quarterly briefing on performance, addressing each of the performance goals
  - Consult with the FDO prior to mid-term feedback session with the Contractor
  - Arrange periodic site visits as requested
  - Communicate any critical performance issues in a timely manner.
6. PM. The PM is the federal technical expert who monitors, evaluates, and maintains written records of the Contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. The PM prepares interim and end-of-period evaluation reports as directed by the AFEB.

The PM must be a DOE-SR employee, and a qualified Facility Representative (FR), with full time duties and responsibilities consisting of broad based observation and assessment of facility operations and activities considered important to maintaining the safety of workers and the public. In order to fulfill the responsibilities of a FR as delineated in DOE O 232.2, "Occurrence Reporting and Processing of Operations Information," and DOE O 422.1, "Conduct of Operations," this individual shall maintain knowledge of facility status and conditions on a real-time basis and serve as the working level DOE-SR point of contact with the contractor.

### **3. Fee Processes**

#### **3.1. Review requirements**

The AFEB works routinely with the CO to:

- Review current and emerging agency and Contract requirements, including recent revisions/modifications.
- Determine mission strategies specific to the Contract.
- Recommend fee distribution, including revisions.

#### **3.2. Determine fee value**

Fee described herein is earned based upon the Contractor's performance of the

overall contract level requirement during the evaluation period. The Contractor begins the evaluation period with 0% of the available fee and earns fee during the evaluation period. Final fee determination is the unilateral decision of the FDO. The potential for the Contractor to earn 100% of the fee amount is a mutual goal as it demonstrates the program's objectives were clearly communicated and achievable.

The amount of proposed fee applied to results of any individual activity (fee-bearing work) is determined first by mission need, followed by fiscal responsibility to stakeholders by comparing the cost of work against quality results for significant Contract level performance. The AFEB develops and uses criteria to determine Contract costs as a factor in measuring performance. Deliverables may be the result of more than one Contract (e.g. Work Breakdown Structure) element.

### **3.3. Draft PEMP and/or revision**

- The AFEB works with the COR and PM to develop completion and acceptance criteria, including completion documentation, for fee bearing work. The criterion is documented in the PEMP.
- The FDO and CO provide concurrence on documents prior to submittal to the HCA.
- The CO coordinates the initial and revised document reviews with HCA 75 days prior to the subsequent evaluation period.
- HCA coordinates Business Clearance Review within EM and OAM
- CO receives approval from HCA
- CO modifies Contract

## **4. Performance Evaluation Documentation**

Contract performance will be monitored and evaluated routinely through oversight of operations and regularly scheduled meetings by the AFEB and Contract Management Team (CMT) identified in the Contract Management Plan (CMP). The Contractor will be required to demonstrate and proactive management principles to optimize worker safety, reduce risks, control costs, and provide consistent excellence in documented results. Performance is measured using objective measures (generally consisting of a final product or completion/delivery by a pre-determined date) and subjective measures using a pre-established format (adjectival) provided in FAR 16. All evaluations will be documented according to Savannah River Manual (SRM) 226.1.1, Integrated Performance Assurance Manual (IPAM).

The method for monitoring, evaluating, and assessing Contractor performance during the period, as well as for determining the fee earned, is described below.

1. The available fee for each evaluation period is shown in Contract Section B, Supplies or Services and Prices/Costs. The fee earned will be paid based on the Contractor's performance during the evaluation period.

2. In accordance with the requirements of the Contractor Performance Assessment Reporting System (CPARS), performance evaluation and reporting is required every 12 months. Assessment is completed for the performance which has occurred since the last evaluation period. An Interim Evaluation and report will be the first report of the annual evaluation period, and is completed at the midpoint of the evaluation period. The CO notifies AFEB/CMT members and PMs 30 calendar days before the midpoint of the evaluation period. PMs assess the Contractor's performance and submit interim evaluation inputs. The AFEB/CMT evaluates PM input and notifies the Contractor of the strengths and weaknesses for the current evaluation period. The CO may also issue letters at any other time when it is deemed necessary to highlight areas of government concern.
3. Within five working days prior to the end of a current evaluation period being reviewed, the Contractor may provide a written self-evaluation of performance during the period. The self-evaluation 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. In other words, the self-evaluation should clearly assess the Contractor's measured performance against the standard of excellence.
4. The annual evaluation is considered the End-of-Period Evaluation. The CO notifies AFEB/CMT members and performance monitor 30 calendar days before the end of the evaluation period. AFEB/CMT members assess the Contractor's performance and submit end-of-period evaluation reports. The AFEB shall evaluate the Contractor's performance in the major areas identified in this PEMP based upon performance objectives and measures set forth and stated below.
5. The AFEB prepares its evaluation report and recommended ratings and corresponding award fee earned based on the evaluation criteria described in Appendix 1: Award Fee (AF) Performance Objectives and Evaluation Criteria and Appendix 2: Performance Based Incentives (PBI) and Evaluation Criteria, with supporting documentation to include all minority opinions.
6. The AFEB briefs the evaluation report and recommendations to the FDO. At this time, the AFEB may also recommend to the FDO any significant changes for revision.
7. The FDO may consider all available information including: the Award Fee Report (AFR); information originating from day-to-day operations; the Contractor's optional self-evaluation; and his/her own observations relating to the above performance objectives in determining the amount of award fee earned during the period. DOE will use its best efforts to determine the award fee earned and issue an award fee determination letter to the Contractor within 90 calendar days after the end of the evaluation period.
8. The FDO may also consider fee reductions according to Contract Clause B.11,

*Fee Reductions, and B.12, Small Business Subcontracting Fee Reduction.*

9. The FDO provides recommended fee amount to the CO.

NOTE: HCA Directive 2.1, Rev. 1, Fee Determination Officials Guidance for Office of Environmental Management Concurrence on all FDO Decisions, requires the FDO submit to the EM HCA, prior to issuance of any fee decision to the Contractor on Contracts over \$20 million, a copy of the complete fee decision documents/file for headquarters review, including a copy of the Performance Evaluation Board report. The HCA will use these documents to validate that the award fee process was properly executed.

For Contracts over \$20 million that contain only performance based incentives, the FDO must send a copy of the fee determination, along with the documentation of the performance based incentive process for that Contract, to the HCA no later than two weeks after the fee determination is made. That information will be used to validate that performance based incentives are being properly executed.

10. The CO provides the following documents with a request for HCA approval of final fee determination/award:
  - a. PEMP
  - b. AFEB Report with recommendation to FDO
  - c. Draft FDO letter to Contractor
  - d. Fee Determination Scorecard per SRM 540.1.1A, *Fee Posting Requirements*
11. Upon HCA approval, the CO issues a Contract modification authorizing payment of the award fee earned amount.

## **5. Fee Process Documentation**

1. The AFEB is responsible for documenting evaluations and assessments conducted, results obtained, award fee meetings with Contractor personnel, and maintaining a file of backup documentation to the PEMP. The AFEB Official Contract File will contain all of the documentation developed by the AFEB.
2. The CO, in coordination with the Office of Chief Counsel, will make a recommendation to the FDO as to what information should be released to the Contractor to accompany the fee determination letter. The CO may elect to use the AFEB documentation as a basis to satisfy requirements of FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS) according to SRM 540.1.1A, *Contractor Performance Reporting*.
3. The PM will formally document all performance assessments in the Site Tracking, Analysis, and Reporting (STAR) system in accordance with SRM 226.1.1E, *Integrated Performance Assurance Manual (IPAM)*.
4. Records generated by this directive will be controlled and maintained according to

requirements established in SRIP 200, Chapter 243.1, *Records Management Program*.

## **6. Fee Plan Change Procedures**

### **6.1. Right to Make Unilateral Changes**

The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

### **6.2. Method for Changing Plan Coverage**

The method to be followed for changing plan coverage is the same procedure as Section 3, *Method for determining fee bearing work*.

1. Personnel involved with the fee process are encouraged to recommend changes in Plan coverage with a view toward changing Performance Areas, motivating higher performance levels or improving the award fee determination process.
2. The AFEB will coordinate identified changes with the Contractor. Sixty calendar days prior to the end of each evaluation period, the AFEB will submit to the FDO for approval proposed changes applicable to the next evaluation period, with appropriate comments and justification, or inform the FDO that no changes are recommended for the next period.
3. The CO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

## **7. Award Fee – Performance Rating**

Continuous improvement is an implicit goal within SRS. Award fee is applied to this Contract to motivate contract level performance to minimize risk of cost overruns; reduce overall number of changes (e.g., Baseline Change Proposals (BCP), contract modifications, etc.) for scope, cost and schedule. Measurement of performance will be evaluated using objectively measureable Performance Based Incentives (PBI) and subjective criteria for contract level requirements. Award Fee PBIs are different from the Target Activity PBI. Award Fee PBIs are applied to work scope with a specific deliverable, such as completion of a specific milestone.

The Contractor will provide timely, accurate, reliable and actionable project and Contract cost, schedule, performance, risk, and forecast data, reports and information.

**Table 1: Available Award Fee**

Gov't Fiscal Year	Available Award Fee
FY17	TBD
FY18	TBD
FY19	TBD
FY20	TBD
FY21	TBD
FY22	TBD
FY23	TBD
FY24	TBD
Base Period Total	TBD
FY24	TBD
FY25	TBD
FY26	TBD
FY27	TBD
Option Period Total	TBD
Contract Total	TBD

Table 1, *Available Award Fee*, illustrates the award fee earning potential following the evaluation process below. The available annual award fee will be based on the annual total estimated contract cost. No fee may be earned during contract transition.

Award fee is that portion of available fee measured with an adjectival rating to evaluate technical performance, cost control, schedule performance and business relations / management for the overall Contract during the evaluation period. PBIs will be used as part of the evaluation for Award Fee. Milestones representing a specific portion of the Available Award Fee allocated or projected for the evaluation period shall be designated as subject to a Cost Control evaluation. Adjectival measurement will also be used in addition to evaluation of completion of Target Activity PBIs. In order to provide for consistency across the Complex, DOE-SR will use the five tier adjectival ratings and definitions set forth in Table 4: *FAR Award Fee Rating*.

In an effort to identify strengths and weaknesses in performance, the AFEB, as identified in the PEMP, conducts informal evaluations with site Federal and Contractor organizations to solicit feedback on Contractor performance in five topical areas:

- Technical Quality
- Cost Control
- Schedule (timeliness)
- Business Relations
- Regulatory Compliance

Federal and Contractor performance evaluations may be completed congruently with

other reviews to improve use of oversight staff and efficiency in preparing monthly performance reports. The implementation methodology to ensure the structured process is executed is described below:

1. The AFEB establishes Performance Goals that will be continuously measured throughout the Contract Period of Performance. The following Performance Goals must consider quality of products and services, as well as management of schedules and cost, in order to be fully successful. Refer to Appendix 2: Award Fee Performance Objectives and Evaluation Criteria for full description and evaluation criteria. The following table identifies Performance Goals and percentage of measurement to total performance within the evaluation period.

**Table 2: Performance Goals**

<b>Performance Goal</b>	<b>% of Fee</b>
Quality of nuclear safety and quality culture	30%
Quality and effectiveness of Environment, Safety, Health and Quality Assurance (ESH&QA) Program,	10%
Quality and effectiveness of project management: EVM is effectively integrated and used for program management.	20%
Variance analysis, quality of trending, forecasting and effectiveness of corrective measures, in performance reports.	15%
Accuracy, timeliness, and consistency of billing and cumulative performance data; and integration of subcontractor data.	15%
Condition of Plant: Baseline discipline and system compliance.	10%
<b>TOTAL</b>	<b>100%</b>

2. Within each Performance Goal, Contract performance is further broken down into three main categories: Technical or the quality of products and processes; Schedule development and adherence; and Cost estimating and ability to control expenditures. The following is weighting criteria and its value to overall service and delivery according to the Contract. Performance Goal success is measured by the Performance Criteria. Each performance criteria is assigned a weight to communicate its level of importance.

**Table 3: Performance Criteria Weight**

<b>Award Fee Goal Performance Criteria Weight</b>		
<b>Performance Criteria</b>	<b>Weight</b>	
Technical		55%
Quality of Work Products	40%	
Quality of Work Process	15%	
Schedule		20%
Cost Control		25%
<b>TOTAL</b>		<b>100%</b>

Performance Goals are evaluated using Performance Criteria. Full Award Fee Performance is measured with an adjectival rating. The Contractor will receive an adjectival grade and numerical score. DOE-SR uses the five tier adjectival ratings and definitions identified in FAR 16.4 described below.

**Table 4: FAR Award Fee Rating**

Award-Fee Adjectival Rating	Award-Fee Pool Available To Be Earned	Description
Excellent	91%--100%	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	76%--90%	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.
Good	51%--75%	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.
Satisfactory	No Greater Than 50%.	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.
Unsatisfactory	0%	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.

**Appendix 1: Award Fee Performance Objectives and Evaluation Criteria**

As described in Section 7, Award Fee – Performance Rating, the following Performance Goals will be evaluated as part of the process described in Section 4, Method for documenting performance evaluation and recommending fee. Section B of the Contract identifies a fee value designated for this type of performance for the entire base period of the Contract. A percentage of the total available award fee may be earned after each evaluation period as determined by the FDO. Additionally, no award fee shall be paid until the Contractor has a DOE-approved full PMB.

<b>MANAGEMENT #1: Quality of nuclear safety and quality culture</b>	
FAR Adjective	Evaluation Criteria
Excellent	Meets all the VERY GOOD requirements plus: Proactive, innovative use of nuclear safety and quality culture by entire Contractor team. Plans and implements continual process improvement in using nuclear safety and quality culture.
Very Good	Meets all of the GOOD requirements plus: Contractor team develops and sustains effective communication of performance status on a continual basis with the Government.
Good	Meets all the SATISFACTORY requirements plus: Nuclear safety and quality culture is effectively integrated into program management reviews and is a primary tool for program control and decision-making.
Satisfactory	Contractor team uses nuclear safety and quality culture performance data to make program decisions as appropriate.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
<b>MANAGEMENT #2: Quality and effectiveness of Environment, Safety, Health and Quality Assurance (ESH&amp;QA) Program</b>	
FAR Adjective	Evaluation Criteria
Excellent	Meets all the VERY GOOD requirements plus: Effective, timely communication of ESH&QA status to the Government. Issues are proactively managed.
Very Good	Meets all of the GOOD requirements plus: Contractor actively reviews and manages ESH&QA progress. Clear and accurate status reporting to the Government.
Good	Meets all the SATISFACTORY requirements plus: Contractor's management system is structured for oversight of ESH&QA performance.
Satisfactory	Contractor routinely reviews the ESH&QA performance measurement and baseline.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
<b>MANAGEMENT #3: Quality and effectiveness of project management: EVM is effectively integrated and used for program management.</b>	
FAR Adjective	Evaluation Criteria

Excellent	Meets all of the VERY GOOD requirements plus: Contractor consistently submits a high quality estimate at completion that is current and realistic. Reported expenditure profiles are accurate. Develops comprehensive, clear schedule data that provides excellent correlation with technical performance measures and cost performance reports and permits early identification of problem areas. Schedule milestone tracking and projections are accurate and recognize potential program impact.
Very Good	Meets all of the GOOD requirements plus: Expenditure forecasts reflect constant scrutiny to ensure accuracy and currency. Contractor prepares and develops program cost and schedule data that provides clear Government visibility into current and forecast program costs and schedule. Schedule milestone tracking and projections are very accurate and reflect true program status. Keeps close and timely communications with the Government.
Good	Meets all of the SATISFACTORY requirements plus: All requirements for additional funding and schedule changes are thoroughly documented and justified. Expenditure forecasts are consistent and logical and based on program requirements. Contractor acknowledges cost growth (if any) in the current reporting period and provides well documented forecasts.
Satisfactory	Provides procedures for delivering realistic and up-to-date cost, and schedule forecasts as presented in Contract Performance Report, formal estimate at completion, Contract Funds Status Report, Integrated Master Schedule, etc. The forecasts are complete and consistent with program requirements and are reasonably documented.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.

**MANAGEMENT #4: Variance analysis, quality of trending, forecasting and effectiveness of corrective measures, in performance reports.**

FAR Adjective	Evaluation Criteria
Excellent	Meets all of the VERY GOOD requirements plus: Change proposals are stand-alone and require no iteration for Government understanding. Contractor communicates during the proposal preparation phase and effectively resolves issues before submission.
Very Good	Meets all of the GOOD requirements plus: Change proposal data is traceable and provides visibility to the Government to support a detailed technical review and thorough cost analysis. Only minor clarification is required. Potential cost savings are considered and reported in the proposal.
Good	Meets all of the SATISFACTORY requirements plus: Detailed analysis is provided for subcontractor and material costs.
Satisfactory	Change proposal data, including subcontractor data, is logically organized and provides adequate visibility to the Government to support technical review and cost analysis. A basis of estimate is documented for each element. When insufficient detail is provided, the Contractor provides it to the Government on request. Proposal is submitted by mutually agreed to due date.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.

**MANAGEMENT #5: Accuracy, timeliness, and consistency of billing (e.g., costs) and cumulative performance data; and integration of subcontractor data.**

FAR Adjective	Evaluation Criteria
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Excellent	Meets all of the VERY GOOD requirements plus: Provides suggestions and when appropriate, proposals to the program office for initiatives that can reduce future costs. Implements cost reduction ideas across the program and at the subcontract level. Identifies (and when appropriate implements) new technologies, commercial components, and manufacturing processes that can reduce costs.
Very Good	Meets all of the GOOD requirements plus: Provides measures for controlling Contract cost at or slightly below target cost. Provides suggestions to the program office and implements them when appropriate. Implements some ideas for cost reduction.
Good	Meets all of the SATISFACTORY requirements plus: Establishes means to stay within target cost. Provides good control of all costs during Contract performance.
Satisfactory	Controls self and subcontractor cost performance to meet program objectives.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.

**MANAGEMENT #6: Condition of Plant: Baseline discipline and system compliance.**

FAR Adjective	Evaluation Criteria
Excellent	Meets all of the VERY GOOD requirements plus: Variance analysis is extremely thorough. Contractor proactively keeps the Government informed of all problem areas, the causes, emerging variances, impacts, and corrective action. Contractor keeps the Government informed on progress made in implementing the corrective action plans. Analysis is fully integrated with risk management plans and processes.
Very Good	Meets all of the GOOD requirements plus: Contractor always keeps the Government informed of problem areas, the causes, and corrective action. Variance analysis is thorough and is used for internal management to control cost and schedule. Detailed explanations and insight are provided for schedule slips or technical performance that could result in cost growth. The Government rarely requires further clarification of the analysis.
Good	Meets all of the SATISFACTORY requirements plus: Contractor routinely keeps the Government informed of problem areas, the causes, and corrective action. Explanations are updated on a monthly basis. Action taken to analyze potential risks for cost and schedule impacts.
Satisfactory	Variance analysis is sufficient. Contractor usually keeps the Government informed of problem areas, the causes, and corrective action. When insufficient detail exists, the Contractor provides it to the Government promptly upon request.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.

**Appendix 2: Target Activity Performance Based Incentives (PBI) and Evaluation Criteria**

Refer to Contract Section B.8, *Target Activity PBI Fee*, for a description of PBI fee calculation for salt waste processing and disposition, bulk waste removal, and tank closures. The Target Activity PBI fee earned by the Contractor will be determined at the completion of each evaluation period.

Base Period

Target Activity PBI Rate #1 – Salt Waste Processing (Rate per gallon) [To be inserted]

Target Activity PBI Rate #2 – Bulk Waste Removal (Rate per tank) [To be inserted]

Target Activity PBI Rate #3 – Waste Tank Closures (Rate per tank) [To be inserted]

Option Period

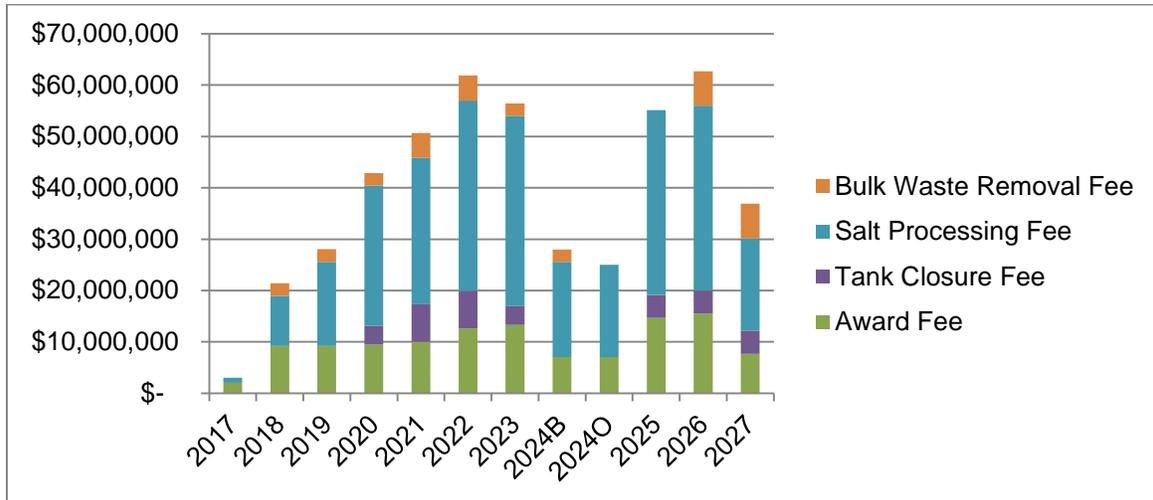
Target Activity PBI Rate #4 – Salt Waste Processing (Rate per gallon) [To be inserted]

Target Activity PBI Rate #5 – Bulk Waste Removal (Rate per tank) [To be inserted]

Target Activity PBI Rate #6 – Waste Tank Closures (Rate per tank) [To be inserted]

**Appendix 3: Graphical Representation of Fee**

Refer to Contract Section B for a complete description of available award fee and target activity PBI fee that can be earned under this Contract. The following graphic generally demonstrates the fee earning potential under this Contract, which is highly dependent on successful Contractor performance.



Note: This graph is by Government fiscal year, and is not to scale.