

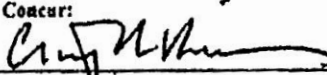
WEST VALLEY DEMONSTRATION PROJECT
PHASE 1 DECOMMISSIONING - FACILITY DISPOSITION
PERFORMANCE EVALUATION & MEASUREMENT PLAN

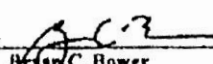
CONTRACT NO. DE-EM0001529

CH2M HILL B&W WEST VALLEY, LLC

Contract Period
August 29, 2011 to August 28, 2017




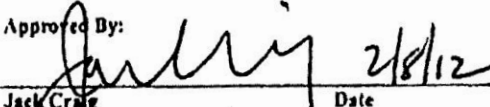
Concur:

12/5/2011
Date
Craig R. Neman
WVDP Deputy Director/Performance Evaluation Board
Chair (PEBC)

Concur:

12-05-2011
Date
Bryan C. Bower
WVDP Director/Fee Evaluation Manager (FEM)

Issued By:

12-5-2011
Date
Richard W. Reshaer
Contracting Officer

Accepted By:

FOR R.D. 2/3/12
Date
Bryan A. Doss
General Manager
CH2M HILL B&W West Valley, LLC

Approved By:

2/8/12
Date
Jack Craig
Director, Environmental Management Consolidated
Business Centers/Fee Determination Official (FDO)

OFFICIAL USE ONLY	
May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552), exemption number and category: <u>Exemption 5, b(7)(C)</u>	
Department of Energy review required before public release	
Name/Title: <u>Paul T. Slagter</u>	Date: <u>2/8/12</u>
Signature (if applicable): _____	

Performance Evaluation & Measurement Plan (PEMP)

1. Contract Attributes

This is a Cost-Plus-Award Fee Contract with cost and schedule performance-based incentives (PBIs) for Phase 1 decommissioning and facility disposition activities at the Department of Energy's (DOE's) West Valley Demonstration Project (WVDP). The contract includes a transition period that runs from July 1, 2011, through August 28, 2011. At the end of the transition period, the Contractor will be solely responsible for all elements of the Performance Work Statement (PWS) described in Section C of the contract. After the transition period, the remaining contract period will run from August 29, 2011, through the completion of all requirements of the Performance Work Statement, but not to exceed August 28, 2017. The Contractor has currently targeted August 28, 2017 for total performance of work. The Contractor shall not earn any fee during the transition period.

Clause B.2 of Contract DE-EM0001529 entitled "Cost and Fee" contains the Contractor's cost and fee information. Pursuant to this clause, the current total amount of the contract, the current total contract target cost and the current total contract target fee are as follows:

Total Estimated Transition Cost	\$2,499,344
Total Contract Target Cost	\$309,277,866
<u>Total Contract Target Fee</u>	<u>\$21,649,451</u>
Total Amount of Contract	\$333,426,661

Total Target Schedule Incentive Fee	\$10,824,726
Total Target Cost Incentive Fee	\$6,494,835
<u>Total Target Award Fee</u>	<u>\$4,329,890</u>
Total Contract Target Fee	\$21,649,451

a. Fee Limitations

- i. The total contract maximum fee that the Contractor may earn equals \$37,113,344 or 12% of the total contract target cost excluding transition. The total contract maximum fee may be earned by any combination of award fee, schedule incentive fee, and cost incentive fee.
- ii. The Total contract target fee shall not exceed 10% of the total contract target cost.
- iii. The total target schedule incentive fee shall equal 50% of the total contract target fee. The minimum schedule incentive fee is 0% of the total contract target cost.
- iv. The total target cost incentive fee shall equal 30% of the total contract target fee. The minimum cost incentive fee is 0% of the total contract target cost.
- v. The total target award fee shall equal 20% of the total contract target fee. The minimum award fee is 0% of the total contract target cost.

b. Contractor Minimum Performance Levels

The Contractor Minimum Performance Levels are specific to the WVDP and complement the minimum performance levels identified under Contract Clause I.114; DEAR 952.223-76 Conditional Payment of Fee or Profit-Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health.

Category 1

Category 1 events include occurrences or incidents that:

- could threaten the success of the West Valley Demonstration Project or other DOE projects;
- reflect significant conditions adverse to safety or quality; or,
- reflect conditions that could result in significant additional costs to the Government.

This Category also includes events or incidents where an actual injury, exposure, or incident occurred or nearly occurred, regardless of the lack of actual or potential long-term health consequence. This category also includes breakdown or failure of WVDP Safety Management Programs. Examples include, but are not limited to events, occurrences, or incidents listed in Table 1.

Category 2

Category 2 events include occurrences or incidents that may indicate or reflect a significant weakness in programmatic requirements in environment, safety, health, or quality assurance. Examples include, but are not limited to events, occurrences, or incidents listed in Table 1.

Category 3

Category 3 events include occurrences or incidents that include requirements that overlay all work accomplished by the Contractor to ensure work performed at the site is conducted in a safe, disciplined manner that complies with all contract requirements. A Category 3 event, occurrence, or incident may indicate or reflect a lack of rigor or lack of focus on improving environment, safety, health, quality assurance and compliance-related programs. Comprehensive implementation of these programs is essential inasmuch as these programs are relied upon to prevent Category 1 and 2 events, occurrences, or incidents. Examples include, but are not limited to events, occurrences, or incidents listed in Table 1.

Mitigating Factors

The Contracting Officer shall ensure that the Contractor receives impartial fair and equitable treatment, as set forth in FAR 1.602-2, and will take into account mitigating factors. These may include factors such as those set forth below:

- Degree of control that the Contractor had over the event,
- Event caused by “Good Samaritan” act by the Contractor (e.g., offsite emergency response),
- Efforts that the Contractor had made to anticipate and mitigate the possibility of the event in advance,
- Contractor response to the event to mitigate its impacts and recurrence, or,
- General status (trend and absolute performance) of safety and compliance in related areas.

The Contracting Officer may require Contractor remuneration as outlined in Table 1 within six (6) months from the date of DOE discovery of the event, incident, or occurrence. If the event, occurrence, or incident could be categorized in more than one category, the Contracting Officer shall apply the remuneration for only the highest category. If the event, occurrence, or incident results in a fine or penalty from a government agency, the amount of such fine or penalty shall be

credited against the amount imposed under the contract by the Contracting Officer. The total credit provided by the Contracting Officer shall not exceed the maximum remuneration required under Table 1.

TABLE 1

CATEGORY I	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Nuclear criticality.	51% to 100% of total fee for the evaluation period
Any action which results in an occupational radiation exposure greater than the DOE Limits as defined in 10 CFR 835.	
Fire in a Hazard Category 2 or 3 Nuclear Facility (as identified in WVDP-227) exceeding the Maximum Credible Fire as defined in DOE Order 420.1 B, Change 1 due to Contractor action or inaction.	
Contractor-controlled packaging and/or transportation event that results in a container breach and/or release of any contents during an off-site shipment or receipt of shipment, or a transportation event which impacts the ability of the WVDP to continue waste shipments.	
Air release from the project or incident causing a measured dose exceeding 100 mrem TEDE at the site boundary as defined in DOE Order 458.1 Change 2.	
Liquid discharges from DOE process operations (not including WNSWAMP), which exceed 100 times the Derived Concentration Guidelines (DCGL) established in DOE Order 458.1 Change 2 for 100 mrem annual ingestion-based dose, as measured at any discharge outfall to local surface waters (e.g., Erdman Brook).	
A significant occurrence, incident or event not specifically identified in Category 1, categorized as an ORPS Significance Category 1, for which the cause is a programmatic breakdown in a Safety Management Program as defined in WV-914, Unreviewed Safety Question Process (USQP).	
An Operational Emergency classified at the level of a Site Area Emergency due to contractor action and/or inaction.	

TABLE 1 (cont.)

CATEGORY 2	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Any action which results in an individual receiving an occupational radiation exposure greater than the DOE Administrative Control Levels as defined in the DOE Radiological Control Standard.	25% to 50% of total fee for the evaluation period
Facility fire in a less than Hazard Category 3 Facility exceeding the Maximum Credible Fire as defined in DOE Order 420.1 B Change 1 due to Contractor action or inaction.	
Each month that the WVDP 12 month rolling average Lost Work Day Case Rate is greater than 2.5. [Note: Once exceeded, remuneration will not apply to successive months if these successive months indicate a declining average.]	
Air release from the project or incident causing a measured dose exceeding 10 mrem TEDE at the site boundary as defined in DOE Order 458.1 Change 2.	
Liquid discharges from DOE process operations (not including WNSWAMP), which exceed 10 times the Derived Concentration Guidelines (DCGs) established in DOE Order 458.1 Change 2 for 100 mrem annual ingestion-based dose, as measured at any discharge outfall to local surface waters (e.g., Erdman Brook).	
Contractor-controlled packaging and/or transportation event that results in a container breach and/or release any contents during an off-site shipment or receipt of shipment and/or event which requires an off-site response by WVDP or offsite responders.	
Issuance of any final Notices of Violation under State or Federal regulations.	
Any occurrence, event, emergency, or incident, categorized as an ORPS Significance Category 2, and determined by the HCA to be so significant as to have an effect on the health, safety or security of employees, the public and/or the environment.	
Any action on the part of the Contractor which effect is to cause the discovery of an Unreviewed Safety Question (USQ) as defined in WV-914, Unreviewed Safety Question Process (USQP) which results in conditions outside of the approved safety basis.	
Work performed by personnel where the personnel performing work did not have required ES&H-related training and/or qualification/certification (including lapsed or expired training, qualifications or certification) for that work (e.g., asbestos handling, HAZWOPER, fuel handling, criticality) resulting in a personal illness/injury, exposure, or environmental release.	
An Operational Emergency classified at the Alert Level due to contractor action and/or inaction.	

TABLE 1 (cont.)

CATEGORY 3	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Each month that the WVDP 12 month rolling average Lost Work Day Case Rate is greater than 1.8 [Note: Once exceeded, remuneration will not apply to successive for the evaluation months if these successive months indicate a declining average.]	Up to 24% of total fee for the evaluation period
One or more regulatory milestones missed as identified in the Resource Conservation and Recovery Act (RCRA) 3008(h) Administrative Order on Consent and the Federal Facility Compliance Act (FFC Act) Consent Order as a result of Contractor action or inaction.	
Any action which results in an individual receiving an unapproved exposure greater than the annual WVDP Administrative Control Levels.	
Any violation of a Process Safety Requirement as defined in WVDP-218, Process Safety Requirements due to Contractor action or inaction.	
Work performed by personnel without required ES&H-related training and/or qualification/certification (including lapsed or expired training, qualifications or certification) for that work (e.g., asbestos handling, HAZWOPER, fuel handling, criticality).	
Contractor-controlled packaging and/or transportation event that results in an offsite response by WVDP and/or offsite responders.	
A non-classified Operational Emergency due to contractor action or inaction.	

c. Contract Milestones

Clause B.2 of Contract DE-EM0001529 entitled “Cost and Fee” specifies the following four (4) milestones to which the Contractor’s cost and schedule PBIs will be tied:

i. Milestone 1

Title: Complete High Level Waste (HLW) Canister Relocation at WVDP

ii. Milestone 2

Title: Process, ship and dispose of all Legacy Waste off site

iii. Milestone 3

Title: Demolition and Removal of the Main Plant Process Building (MPPB) and the Vitrification (Vit) Facility

iv. Milestone 4

Title: Completion of PWS

TABLE 2 – Milestones and Schedule Incentive Fee Amounts

Milestone	Target Schedule Incentive Fee
Milestone 1 - complete HLW Canister Relocation at WVDP	\$2,164,945
Milestone 2 - process, ship and dispose of all legacy waste off-site	\$2,164,945
Milestone 3 - demolition and removal of the MPPB and the Vit Facility	\$2,164,945
Milestone 4 - complete all work described in the PWS	\$4,329,890

The fee structure for Contract DE-EM0001529 is intended to incentivize the Contractor to maintain its focus on meeting or exceeding cost and schedule targets throughout the contract period. If the Contractor fails to complete Milestones 1 and/or 2 by their respective target completion dates, it will be given the opportunity to recoup this unearned schedule incentive fee by completing Milestone 4 ahead of its target completion date. The unearned schedule incentive fee for Milestones 1 and 2 equals the difference between the total target schedule incentive fee and the total schedule incentive fee earned for these two milestones. Likewise, the Contractor will lose fee already earned for Milestones 1 and 2 if it fails to complete Milestone 4 by the target completion date.

d. Schedule Incentive Fee

The amount of total schedule incentive fee earned will equal the total of the target schedule incentive fees specified for Milestones 1 through 4, subject to the following adjustments which are described in detail in Clause B.2 of the contract:

i. Schedule Incentive Fee Adjustment 1

The target schedule incentive fee for Milestone 1 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 1 falls before the target completion date for Milestone 1, or decreased by \$40,000 for every calendar day the actual completion date of Milestone 1 falls after the target completion date for Milestone 1.

ii. Schedule Incentive Fee Adjustment 2

The target schedule incentive fee for Milestone 2 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 2 falls before the target completion date for Milestone 2, or decreased by \$40,000 for every calendar day the actual completion date of Milestone 2 falls after the target completion date for Milestone 2.

iii. Schedule Incentive Fee Adjustment 3

The target schedule incentive fee for Milestone 3 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 3 falls before the target completion date for Milestone 3, or decreased by \$40,000 for every calendar day the actual completion date of Milestone 3 falls after the target completion date for Milestone 3.

iv. Schedule Incentive Fee Adjustment 4

If the actual completion date of Milestone 4 occurs on or before the target completion date established for Milestone 4, then 50% of the total amount of unearned fee, if any, from Adjustments 1, 2 and 3 will be added to the target schedule incentive fee for Milestone 4.

v. Schedule Incentive Fee Adjustment 5

The unearned fee from Milestone 1, 2 and 3 performance established by the calculation specified in Adjustment 4, if any, will be added to the target schedule incentive fee for Milestone 4. This total will be increased by \$80,000 for every calendar day the actual completion date of Milestone 4 falls before the target completion date established for Milestone 4, or decreased by \$80,000 for every calendar day the actual completion date of Milestone 4 falls after the target completion date established for Milestone 4.

vi. Schedule Incentive Fee Adjustment 6

The total earned fee from Milestone 1, 2 and 3 performance calculated in Adjustments 1, 2 and 3 will be reduced by \$40,000 for every calendar day the actual completion date of Milestone 4 falls after the target completion date established for Milestone 4.

e. Cost Incentive Fee

The amount of total cost incentive fee earned will equal the target cost incentive fee subject to the following adjustments which are described in detail in Clause B.2 of the contract:

i. Cost Incentive Fee Adjustment 1

For total actual allowable costs between 90% and 110% of the total contract target cost, the total cost incentive fee will be adjusted upward for cost savings or adjusted downward for cost overruns using a share ratio of 80%/20% (Government/Contractor).

ii. Cost Incentive Fee Adjustment 2

50% of the unearned schedule incentive fee resulting from the schedule incentive fee determinations for all four milestones will be added to 110% of the total contract target cost. For total actual allowable costs between this amount and 110% of the total contract target cost, the total cost incentive fee will be adjusted downward for cost overruns using a share ratio of 50%/50% (Government/Contractor).

iii. Cost Incentive Fee Adjustment 3

For total actual allowable costs greater than the sum of 50% of the unearned schedule incentive fee resulting from the schedule incentive fee determinations for all four milestones and 110% of the total contract target cost, the total cost incentive fee will be adjusted downward for cost overruns using a share ratio of 0%/100% (Government/Contractor).

f. Award Fee

- i. Pursuant to Clause B.2.6.c and Clause H.34 of the contract, the award fee plan will set forth the evaluation period and the criteria upon which the Contractor will be evaluated for performance relating to any: (1) technical requirements, if appropriate; (2) management requirements; and (3) cost functions as selected for evaluation.
- ii. The Contracting Officer will prepare and issue the award fee evaluation on a semi-annual basis prior to the beginning of each performance period.
- iii. The award fee plan may be revised unilaterally by the Government at any time during the contract period. Notification of such changes shall be provided to the Contractor 30 calendar days prior to the start of the evaluation period to which the change will apply.
- iv. The amount of earned total award fee shall be unilaterally determined by the Fee Determining Official (FDO) semi-annually. Upon the FDO's determination of the earned award fee for each evaluation period, the Contractor may invoice the fee amount.

g. Example Fee Calculation

Contract Values and Assumptions

Total Contract Target Cost	\$309,277,866
Total Contract Maximum Fee (12%)	\$37,113,344
Total Contract Target Fee (7%)	\$21,649,451
Total Target Schedule Incentive Fee	\$10,824,726
Total Target Cost Incentive Fee	\$6,494,835
<u>Total Target Award Fee</u>	<u>\$4,329,890</u>
Total Contract Target Fee	\$21,649,451
Total Actual Allowable Costs	\$333,426,661
Total Award Fee Earned	\$4,059,272*

*These values are hypothetical and are provided only for the purpose of demonstrating how the fee calculations will be made. All of the other values shown above are consistent with Clause B.2 of the contract entitled “Cost and Fee”.

TABLE 3 - Target Completion Dates and Hypothetical Actual Completion Dates

Milestone	Target Schedule Incentive Fee	Target Completion Date	Hypothetical Actual Completion Date*
Milestone 1 - Complete High Level Waste (HLW) Canister Relocation at WVDP	\$2,164,945	July 1, 2015	July 11, 2015
Milestone 2 -Process, ship and dispose of all legacy waste off-site	\$2,164,945	November 30, 2014	December 21, 2014
Milestone 3 - Demolition and Removal of the Main Plant Process Building (MPPB) and the Vitrification (Vit) Facility	\$2,164,945	August 28, 2017	August 18, 2017
Milestone 4 -Complete all work described in the Performance Work Statement	\$4,329,890	August 28, 2017	August 18, 2017

*These dates are hypothetical and are provided only for the purpose of demonstrating how the fee calculations will be made. All of the other dates and values shown above are consistent with Clause B.2 of the contract entitled “Cost and Fee”.

Example - Schedule Incentive Fee Calculation

Adjustment 1 – Fee Earned for Milestone 1 Performance:

$$\$2,164,945 - (\$40,000 \times 10 \text{ days}) = \$1,764,945$$

Adjustment 2 – Fee Earned for Milestone 2 Performance:

$$\$2,164,945 - (\$40,000 \times 21 \text{ days}) = \$1,324,945$$

Adjustment 3 – Fee Earned for Milestone 3 Performance:

$$\$2,164,945 + (\$40,000 \times 10 \text{ days}) = \$2,564,945$$

Adjustment 4 – Unearned Fee from Milestones 1, 2, and 3:

$$50\% \times (\$400,000 + \$840,000) = \$620,000$$

Adjustment 5 – Fee Earned for Milestone 4 Performance:
 $(\$620,000 + \$4,329,890) + (\$80,000 \times 10) = \$5,749,890$

Adjustment 6 – Additional Fee Reductions for Milestone 4 Performance:
None

Total Schedule Incentive Fee Earned: $\$1,764,945 + \$1,324,945 + \$2,564,945 + \$5,749,890 = \$11,404,725$

Example - Cost Incentive Fee Calculation

Adjustment 1 – Cost Performance between 90% and 110% of Target Cost:
Adjustment 1 example assumes total cost at 105% of Target Cost
 $(\$324,741,759 - \$309,277,866) \times 20\% = \$3,092,779$ downward adjustment

Adjustment 2 – Cost Performance above 110% of Target Cost
Step 1: $\$10,824,726 - \$11,404,725 = (\$579,999) = \0 UNEARNED Schedule Incentive Fee
Step 2: $110\% \times \$309,277,866 = \$340,205,653$
Step 3: $50\% \times (\$340,205,653 - (110\% \times \$309,277,866)) = \$0$ downward adjustment

Adjustment 3 – Additional Fee Reduction for Cost Performance
 $(50\% \times 0) + (110\% \times \$309,277,866) = \$340,205,653$
 $\$359,535,519^* - \$340,205,653 = \$19,329,866$ downward adjustment
It is noted that for the example shown here, a contract modification would be required to increase the Total Amount of Contract to exceed \$333,426,661.

Total Cost Incentive Fee Earned: $\$6,494,835 - \$3,092,779 - \$19,329,866 = (\$15,927,810)$; however the minimum cost incentive fee limitation is \$0, therefore, the cost incentive fee earned is \$0.

Total Incentive Fee Earned

$\$11,404,725$ (Schedule Incentive Fee Earned) + $\$0$ (Cost Incentive Fee Earned) = $\$11,404,725$ (Total Incentive Fee Earned)

Total Fee Earned

$\$11,404,725$ (Total Incentive Fee Earned) + $\$4,059,272^*$ (Total Award Fee) = $\$15,463,997$ (Total Fee Earned)

3. Award Fee Plan (AFP)

The purpose of the AFP is to identify the process for establishing the Contractor's eligibility to receive award fee and, once eligibility is established, quantifying monetary distributions to be awarded based on the Government's determination that exemplary Contractor performance merits such compensation.

Strong emphasis is assigned to the Government's expectation that the Contractor's performance will be in full compliance with the requirements and provisions of the Contract. Contractor actions that are implemented to maximize distributions of cost and/or schedule incentives by sacrificing less lucrative

award fee distributions to the detriment of performance within award fee functional areas will negatively impact ALL (incentive and award) fee evaluation processes.

Organizational Structures and Award Fee Administration

The award fee determination process utilizes the following hierarchy to ensure conformance with the AFP:

1. Fee Determination Official (FDO);
2. Contracting Officer (CO);
3. Fee Evaluation Manager;
4. Performance Evaluation Board (PEB);
 - i. Performance Evaluation Board Chair (PEBC);
 - ii. Performance Evaluation Program Manager (PEPM); and,
5. Performance Evaluation Monitors (PEMs).

Fee Determination Official (FDO)

The FDO ensures independent, executive-level review of the work of the PEB and the PEMs. The FDO for this contract is the Director, Environmental Management Consolidated Business Center (EMCBC) The FDO's primary responsibilities are to:

1. Review the recommendation of the PEB and consider the findings for each evaluation period and discuss it with the Fee Evaluation Manager and the PEB chair and, if appropriate, with others such as the contractor;
2. Determine the amount of award fee earned and payable for each evaluation period and ensure that the amount and percentage of award fee earned is commensurate with and accurately reflects the contractor's performance.
3. Notify the Contractor via the CO of performance strengths, areas for improvement, and future expectations; and,
4. Issue and sign the award fee determination letter for the evaluation period specifying the amount of award fee determined and the basis for that determination.

Contracting Officer (CO)

The CO for this contract is provided in Section G of the Contract. The CO's primary responsibilities are:

1. Issue the an Award Fee Evaluation on a semi-annual basis;
2. Ensure that the award fee and contract incentives process is managed consistent with applicable acquisition regulations and the terms and conditions for the contract; and,
3. Issue the award fee amount earned determination as authorized by the FDO.

Fee Evaluation Manager (FEM)

The FEM for this contract is the Director, West Valley Demonstration Project. The FEM's primary responsibilities are:

1. Approve the Award Fee Evaluation and any significant changes thereto; and,
2. Ensure that the award fee process meets the overall business objectives of the WVDP.

Performance Evaluation Board (PEB)

The PEB includes: PEB Chair; CO; WVDP Performance Evaluation Program Manager (PEPM); and designated PEMs. The PEB's primary responsibilities are:

1. Conduct ongoing evaluations of the Contractor's performance according to the objectives, elements, and measures stated in the AFP;
2. Review the PEM reports and such additional performance information as may be obtained from the Contractor and other pertinent sources;
3. Consider the Contractor's self-assessment (if submitted);
4. Prepare the draft and final performance reports and arrive at an earned award fee recommendation to be presented to the FDO;
5. Request and obtain performance information from other units or personnel involved in observing the Contractor's performance (as appropriate);
6. Ensure timeliness of award fee evaluations; and,
7. Recommend changes to the AFPD.

The Performance Evaluation Board Chair (PEBC)

The PEBC is the Deputy Director, West Valley Demonstration Project. The PEBC may assign or reassign PEMs at any time without advance notice to the Contractor. The PEBC's primary responsibilities are:

1. Issue monthly report on performance to the Contractor;
2. Designate PEMs for the PEB;
3. Appoint other members, if appropriate, to assist the PEB in performing its functions (e.g., a recording secretary);
4. Review the PEM's evaluations and consider the Contractor's self-assessment;
5. Analyze the Contractor's performance against the criteria set forth in the AFP;
6. Provide a recommendation on the award fee scoring and the amount earned by the Contractor to the Fee Evaluation Manager and Fee Determining Official;
7. Provide feedback to the Contractor via the CO; and,
8. Recommend changes to the Award Fee Evaluation.

Performance Evaluation Program Manager (PEPM):

The PEPM is the DOE-WVDP Project Control and Integration Team Leader. The PEPM's primary responsibilities are:

1. Advise the PEB on Cost-Plus-Award-Fee rating standards, policies, and procedures and ensure the consistent application of DOE policy in these matters;
2. Receive and analyze the Contractor Performance Monitor Reports (CPMR) submitted by PEMs;
3. Monitor, evaluate, and assess the Contractor's performance with assistance from the PEMs;
4. Consider changes to the AFP and recommend those determined appropriate to the PEBC;
5. Attend all PEB meetings and assist the PEBC in preparing all PEB correspondence for the FEM and FDO; and,
6. Coordinate the administrative actions required by the PEMs, the PEB and the FDO, including: (a) receipt, processing, and distribution of evaluation reports from all required sources; (b)

scheduling and assisting with internal evaluation of milestones, such as briefings; and (c) accomplishing other actions required to ensure the smooth operation of the award fee process.

Performance Evaluation Monitors (PEMs)

As necessary, PEMs may be drawn as needed from the following individuals and/or units or others as deemed necessary by the PEBC:

1. Federal Project Directors;
2. Facility Representatives;
3. Team Leaders;
4. Business Management Functions at DOE-WVDP;
5. Logistics Management Support at DOE-EMCBC; and,
6. Subject Matter Experts/Support Service Contractors.

The PEMs primary responsibilities are:

1. Monitor, evaluate, and assess the Contractor’s performance in their assigned areas;
2. Prepare a Contractor Performance Monitor Report (CPMR) for the PEB;
3. Provide verbal performance input to the PEB;
4. Recommend any needed changes to the Award Fee Evaluation for consideration by the PEB, the FEM and the FDO; and,
5. Maintain performance dialogue with PEB throughout the determination period.

Semi-Annual Award Fee

During the period of performance for this Contract, the maximum available award fee is **\$4,329,890.00**. The award fee amounts with associated distribution frequency are identified as follows:

Table 4 - Award Fee Summary

Determination Period	Total Available Award Fee
8/29/11 – 2/29/12	\$288,659.33
3/1/12 – 8/28/12	\$288,659.33
8/29/12 – 2/28/13	\$288,659.33
3/1/13 – 8/28/13	\$288,659.33
8/29/13 – 2/28/14	\$288,659.34
3/1/14 – 8/28/14	\$288,659.34
8/29/14 – 2/28/15	\$432,989.00
3/1/15 – 8/28/15	\$432,989.00
8/29/15 – 2/29/16	\$432,989.00
3/1/16 – 8/28/16	\$432,989.00
8/29/16 – 2/28/17	\$432,989.00
3/1/17 – 8/28/17	\$432,989.00
Total	\$4,329,890.00

Premise of AFP Strategy

In developing this AFP, the primary consideration focused on developing a reward system that motivates the Contractor to make the best possible use of available resources to optimize performance. The reward system facilitates the recognition of exemplary performance, identifies a mechanism for appraisal of such

efforts, and allows for monetary distributions to be granted based on the Government's determination that exemplary Contractor performance merits such compensation. Conversely, performance that results in products or services characterized as mediocre or acceptable do not merit the rewards identified by this AFP.

Functional Areas

Determinations of award fee eligibility and, subsequently, award fee amounts will be generated by examining the functionality of the following project areas:

1. Safety and Health;
2. Quality Management;
3. Business Administration;
4. Project Management ; and,
5. Environmental/Regulatory Compliance.

It is noted that fragmentation of the award fee potential over a large number of functional areas dilutes emphasis and hinders identification of excellence. Therefore, broad performance areas are identified that will be supplemented by a limited number of subfactors describing significant determination elements over which the Contractor has effective control.

As contract work progresses from one phase or determination period into the next, the specific functional areas of greatest significance to the Government may receive additional attention or may be modified. For example, as an operating history emerges under the current Contract, past performance can be helpful in identifying trends associated with key problem areas or recognizing processes exhibiting sustained excellence. Such situations will be factored into, and subject to, award fee determination.

Functional Area Subfactors

Personnel providing input for award fee determinations will rely on examination of various subfactors to support appraisal of the primary functional areas. Subfactor examinations will result in both subjective and objective parameters affecting the overall determination. Examples of subfactors include, but are not limited to:

1. Achievement of Performance Objectives, Measures and Commitments (POMCs) with emphasis on Safety, Health, Quality and Environmental Compliance;
2. Achievement of items identified by Contract Clause H.52 – “Promises and Commitments”;
3. Procedure Compliance;
4. Effectiveness of Contractor Assurance System (CAS) with emphasis on the ability to self-identify deficiencies and implement effective corrective actions that prevent recurrence;
5. Effectiveness of Human Performance Initiatives;
6. Cost/Schedule impacts resulting from identified deficiencies;
7. Plan deviations or violations realized (based on risk) to overcome or minimize negative impacts to Cost/Schedule;
8. Status of Contract Deliverables;
9. Responsiveness to Issues Management;
10. Partnering; and,
11. Stewardship of the taxpayer's money.

Award Fee Determination Appraisal System

Appraisal of each of the five (5) Functional Areas will be accomplished by assigning one (1) of five (5) appraisal categories to each of the Functions Areas. The appraisal categories include:

1. Superior;
2. Exceeds Expectations;
3. Meets Expectations;
4. Meets Minimum Standards; and,
5. Below Minimum Standards.

The appraisal categories span the full range of performance measurements and are described below.

Superior – excellent and exemplary in all areas at all times

Exceeds Expectations – meritorious with elements of excellence

Meets Expectations – acceptable with elements of merit

Meets Minimum Standards – acceptable

Below Minimum Standards – unacceptable and deficient

Award Fee Determination Scoring System

The Award Fee Determination Scoring System assigns a numerical value to each of the appraisal categories. The assigned values are:

Superior – four (4)

Exceeds Expectations – three (3)

Meets Expectations – two (2)

Meets Minimum Standards – one (1)

Below Minimum Standards – zero (0)

Determining Award Fee Eligibility and Amount

Award fee eligibility and amount will be determined for each determination period through utilization of the appraisal and scoring system identified in this AFP. For any individual determination period, this process will result in a maximum total score of twenty (20), if all functional areas fall in the “Superior” appraisal category (five functional areas X four points each), and a minimum total score of zero (0) if all functional areas fall in the “Below Minimum Standards” appraisal category (five functional areas X zero points each).

To be eligible to receive award fee for an identified determination period, the Contractor must achieve a total score that exceeds ten (10). A total of score of 10 or less is indicative that the Contractor’s performance is simply meeting expectations (at best) or is below minimum standards (at worst). Award fee determinations that fall within this range (0-10) do not support qualification for receipt of award fee.

Award Fee Determination:	Scores of 0-10 = 0%	Score of 16= 60%
	Score of 11= 10%	Score of 17= 70%
	Score of 12= 20%	Score of 18= 80%
	Score of 13= 30%	Score of 19= 90%
	Score of 14= 40%	Score of 20= 100%
	Score of 15= 50%	