

**FY-14 AWARD FEE PLAN
for
Fluor-B&W Portsmouth, LLC**

**Portsmouth Gaseous Diffusion Plant
Decontamination and Decommissioning
Contract # DE-AC30-10CC40017**

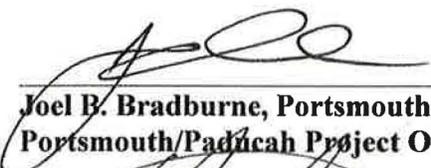
Base Period of Performance, Evaluation Period 4

October 1, 2013 to September 30, 2014

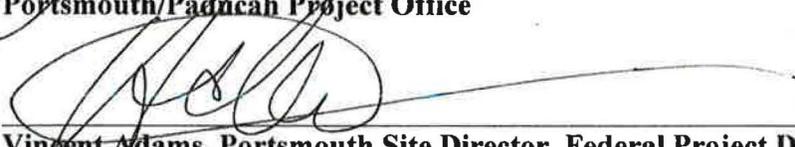
Revision 2



CONCUR:


Joel B. Bradburne, Portsmouth Site Lead
Portsmouth/Paducah Project Office

04.10.14
Date


Vincent Adams, Portsmouth Site Director, Federal Project Director
Portsmouth/Paducah Project Office

4/10/14
Date

APPROVED:


William E. Murphy, Manager
Portsmouth/Paducah Project Office

5/13/14
Date

Revision 2 Changes are listed below:

1. Updated through Modification 096 throughout document.
2. Updated Fee and distributed 70/30 (as previously allocated) and inserted into PBIs.
3. Page 2, Paragraph (d) inserted sentence; “Subsequent contract modifications requiring changes to fee in the current period will be unilaterally added to the fee pool without updating the plan.”
4. Page 2, Table 2, Updated for current fee pool through Mod 096; Added fee for Mod 95 and Mod 96 to the Super PBI which now totals \$15M.
5. Page 4, (b) deleted sentence “...which when combined to the annual award fee, makes the total award fee for the Base Period \$81,805,584” for clarity and allowing reference back to Table 4.
6. Page 5, Table 6, Added subtotal for Base and Option Period for clarity.
7. Page 5, Table 7, Changes made to include CLIN 0002 & CLIN 0006 Award Fee columns and updated totals.
8. Page 6, Table 7, Option Fee Award Fee Table added for clarity.
9. Page 18, Clerical change made to PBI #3(c) Remove and dispose of bulk lube oil in changed from “all” to “3” units.
10. Pages 20 & 21, PBIs 10 through 14 added and fee distributed accordingly.
11. Page 21, Deleted notes 3 & 4.

Revision 1 Changes are listed below:

1. Page 2, (1)(d) – Table 2, modified to incorporate total estimated cost, base fee and award fee pool from Modification 057 to Modification 084. The ability to earn Award Fee for CLIN 0006 was added. The total fee pool in the base period increased from \$123,319,821 to \$140,066,552.
2. Page 3, (2)(a) & (b) – Moved DEAR clause from (a) to the paragraph above. Deleted words referencing Modification 057.
3. Page 4, (3)(a) Updated Table 4, Award Fee Summary.
4. Page 4, (3)(b) Updated the Super PBI information with CLIN 0002, deactivation of X-326.
5. Page 5, (3)(c) Updated Table 6 for the total fee in the base period; updated the Super PBI.
6. Page 5,(3)(d) Updated Table 7, Award fee by FY summary to include updates to fee awarded and unearned fee. Inserted total fee pool dollars for the base period. Deleted totals for annual outyear fee estimates and deleted option period total values.
7. Page 14, (1)(a) Added CLIN 0006 as applicable to the award fee amount.
8. Page 14, (1)(d) Deleted Work Breakdown structure paragraph.
9. Pages 15 &16, PBI #1 & #2 – Updated the fee available due to the deletion of PBIs #5 and #8. Proportionally divided the fee previously allocated in PBIs #5 and #8 and added the fee to PBIs #1 and #2.
10. Page 17, PBI #3, Deleted subparagraph (e) and allocated the funds proportionally to (a) through (f).
11. Page 18, PBI #4, Reduced the number of cells requiring characterization.
12. Page 19, PBI #5, was deleted in its entirety, fee reallocated to PBIs #1 and #2.
13. Page 19, PBI #8, was deleted in its entirety, fee reallocated to PBIs #1 and #2.
14. Page 21, PBI #9, (2) changed to require disposition of 200 containers.
15. Page 36, Updated Exhibit 7 to show deletion of PBIs #5 and #8.

Portsmouth Decontamination and Decommissioning Contract
FY-14 Award Fee Plan, Revision 1
Contract # DE-AC30-10CC40017

**FY-14 AWARD FEE PLAN
for
Fluor-B&W Portsmouth, LLC**

**Portsmouth Gaseous Diffusion Plant
Decontamination and Decommissioning
Contract # DE-AC30-10CC40017**

Base Period of Performance, Evaluation Period 4

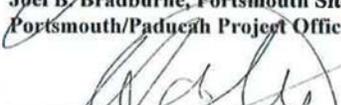
October 1, 2013 to September 30, 2014

Revision 1



CONCUR:


Joel B. Bradburne, Portsmouth Site Lead 2-14-14
Portsmouth/Paducah Project Office Date


Vincent Adams, Portsmouth Site Director, Federal Project Director 2-18-14
Portsmouth/Paducah Project Office Date

APPROVED:


William E. Murphy, Manager 2-25-14
Portsmouth/Paducah Project Office Date

**FY-14 AWARD FEE PLAN
for
Fluor-B&W Portsmouth, LLC**

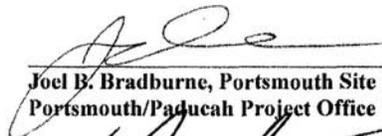
**Portsmouth Gaseous Diffusion Plant
Decontamination and Decommissioning
Contract # DE-AC30-10CC40017**

Base Period of Performance, Evaluation Period 4

October 1, 2013 to September 30, 2014



CONCUR:


Joel B. Bradburne, Portsmouth Site Lead Date 7/10/13
Portsmouth/Paducah Project Office


Vincent Adams, Portsmouth Site Director, Federal Project Director Date 7/18/13
Portsmouth/Paducah Project Office

APPROVED:

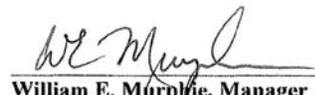

William E. Murphy, Manager Date 9/30/13
Portsmouth/Paducah Project Office

TABLE OF CONTENTS

<u>PART I – AWARD FEE MASTER PLAN</u>	<u>PAGE</u>
1. INTRODUCTION	1
2. FEE STRUCTURE	3
3. AWARD FEE COMPONENTS	4
4. DEFINITION OF TERMS	6
5. ORGANIZATIONAL STRUCTURE	8
6. RESPONSIBILITIES	8
7. AWARD FEE PROCESS	9
8. AWARD FEE TERMS	13
<u>PART II – AWARD FEE PLAN / CURRENT YEAR - UPDATED</u>	
1. FEE SUMMARY FOR FY-14	15
2. FY-14 PBIs	16
<u>EXHIBITS</u>	
1. Performance Evaluation Board Members and Advisors	22
2. Component 3– Category of Performance (Subjective Quality Evaluation Factors)	23
3. Rating Criteria	25
4. Rating Summary Tables	32
5. Annual Award Fee Summary	34
6. Award Fee Evaluation Process Flowchart	35
7. PBI Completion Status	36

PART I – AWARD FEE MASTER PLAN

1. INTRODUCTION

a. **Purpose:** The purpose of this Award Fee Plan (AFP) is to define the methodology and responsibilities associated with determining the fee to be awarded to **Fluor B&W Portsmouth, LLC (FBP)** (hereafter referred to as the contractor). The plan outlines the organization, procedures, and evaluation periods for implementing the award fee provisions of the contract. The purpose of the award fee is to motivate the contractor toward excellence and total contract performance and to emphasize key areas of performance without jeopardizing minimum acceptable performance in all other areas.

b. **Award Fee Period:** The Award Fee Plan, updated each Fiscal Year (FY), covers the performance period beginning after completion of the Contract Transition (no fee) and extends for the duration of the contract. The award fee period, including the optional period of performance, is from March 29, 2011 through March 28, 2021. Fee attributes, as originally awarded, are defined and maintained herein to allow traceability to the contractor's proposal while at the same time specific requirements are identified yearly for the current period of performance by updating the Award Fee Plan by FY. Award fee is provided to the contractor through contract modifications which implement the Fee Determining Official (FDO) assessment of contractor performance against the criteria set forth in this plan.

c. **Contract Attributes:** Contract Number *DE-AC30-10CC40017, Portsmouth Gaseous Diffusion Plant Decontamination and Decommissioning*, awarded to FBP in 2010 is a Performance Based, Cost-Plus Award Fee Contract for the Decontamination and Decommissioning (D&D) and Environmental Remediation (ER) of the Portsmouth Gaseous Diffusion Plant (PORTS) at the U.S. Department of Energy (DOE), Piketon, Ohio. The Award Fee Plan follows DEAR 915.404-4-72 which defines the approach for determining base and award fee.

The Performance Work Statement (PWS) is divided into seven (7) Contract Line Item Numbers (CLINs) or Sub-CLINs allowing Environmental Management (EM) a mechanism to incrementally authorize work. In accordance with the contract, base fee may be earned through successful performance of defined PWS paragraphs and also Award Fee may be earned as detailed in this Award Fee Plan. Fee will only be available for performance of work scope authorized by the Contracting Officer (CO).

The contract CLINS and the associated PWS are identified in Table 1 (below). This FY-14 Award Fee Plan is specific to the Base Period of Performance (PoP), (CLIN 0002- March 29, 2011 to March 28, 2016), and this document specifically covers Period 4 of the Base period.

Table 1, CLINS & PWS Paragraphs

CLIN/ SubCLIN	Description	Period of Performance (PoP)	PWS Paragraph	Status & Other Info
0001	Transition Period	Sept 14, 2010 - Mar 28, 2011	C.2.1	- Effort Complete - No Fee Payable
0002	Base Period	Mar 29, 2011 - Mar 28, 2016	C.2.1	CURRENT AFP
0003	Optional Contract Period	Mar 29, 2016 - Mar 28, 2021	C.2.1	Not exercised
0004	Options	(OSWDF may be exercised at any time during Base or Optional Contract Period)		
0004AA	On-Site Waste Disposal Facility (OSWDF) Construction Option		C.2.5.4.2	Not exercised
0004AB	OSWDF Startup and Operations Option		C.2.5.4.3	Not exercised
0005	ARRA	Mar 29, 2011 - Sept 30, 2011	C.2.6	- Added by Modification #2 - Effort Complete
0006	Base Period Non-D&D Work	Oct 1, 2011 - Mar 28, 2016	C.3	- Added by Modification #20

d. **Contract Cost & Fee:** Identified in **Table 2** (below), is a summary of estimated costs and associated base and award fee pools, current as of Modification 096 to the contract by CLIN. Subsequent contract modifications requiring changes to fee in the current period will be unilaterally added to the fee pool without updating the plan.

Table 2, Contract Cost & Fee Pools (Current to Mod 096)

	CLIN 0001 (No-Fee)	CLIN 0002	CLIN 0003	CLIN 0004AA	CLIN 0004AB	CLIN 0005 (Award Fee captured in CLIN 0002)	CLIN 0006 (Base and Award Fee)	Sum
Estimated Cost	\$17,419,701	\$1,436,680,733	\$676,563,734	\$109,984,160	\$117,249,052	\$8,000,000	\$43,885,048	\$2,409,782,428
Base Fee	\$0	\$6,344,738	\$5,478,729	\$0	\$0	\$0	\$306,755	\$12,130,222
Fee Pool	\$0	\$85,458,102	\$36,230,398	\$9,898,574	\$10,552,415	\$0	\$2,567,860	\$144,707,349
Total Price	\$17,419,701	\$1,528,483,573	\$718,272,861	\$119,882,734	\$127,801,467	\$8,000,000	\$46,759,663	\$2,566,619,999

2. FEE STRUCTURE

The contract fee pool is established with both base and award fee. CLIN 0002, CLIN 0003, & CLIN 0006 contains both base and award fee provisions. SubCLINS 0004AA & 0004AB are award fee only. Payment of base fee is subject to the requirements of Section I Clause 123, DEAR 952.223-76, Conditional Payment of Fee or Profit – Safeguarding Restricted Data and Other Classified Information and Protection of Worker Safety and Health (JAN 2004). If the CO reduces fee in accordance with the clause, the award fee pool for the annual evaluation period shall be decreased by the equivalent amount and may not be earned in this or future periods.

- a. **Base Fee:** Base fee included in CLINs 0002 & 0006 and CLINs 0003 & 0006, is two (2%). Base fee is paid for satisfactory performance in the PWS paragraphs identified in Table 3, (below) and is evaluated monthly by the Technical Lead as outlined in Contract Section B.5 (b). Base fee is not subject to the evaluation provisions and criteria established in this Award Fee Plan.

Table 3, Base Fee PWS Paragraphs

CLINs Applicable	PWS Description	PWS
0002	Facility Surveillance and Maintenance and Stabilization	C.2.2
0002	Regulatory Compliance and Permits	C.2.7.4
0002	Sampling and Analysis and Data Management	C.2.7.5
0002	Environmental Monitoring and Reporting	C.2.7.6
0002	Security	C.2.7.7
0002	Cyber Security	C.2.7.8
0002	Records Management and Document Control	C.2.7.9
0002	External Affairs	C.2.7.10
0002	Real and Personal Property Management	C.2.7.11
0002	Asset Recovery and Recycling	C.2.7.12
0002	Pension and Benefit Administration	C.2.7.13
0006	Government Furnished Services and Items	C.3

- b. **Award Fee:** The award fee amount applicable for the FY-14 Award Fee Plan for Period 4 is **\$14,711,208** and is consistent with Section B of the contract. This plan, as outlined below, will define how the contractor may earn fee by component, through completion of technical incentives identified as objective Performance Based Incentives (PBI) and Subjective Categories of Performance (CP). In accordance with FAR 16.401, the amount of award fee earned shall be commensurate with the contractor's overall cost, schedule, and technical performance as measured against contract requirements in accordance with the criteria stated in the award-fee plan.

3. AWARD FEE COMPONENTS

The Award Fee Pool contains three components as identified in the original Request for Proposal (RFP) which resulted in contract award: (1) Super PBI's; (2) Objective PBIs; (3) Subjective CP. The plan, consistent with FAR 16.4 will discuss the award fee available in each period and how the fee for this particular period (FY-14) may be earned. The plan PBIs are cost, technical and schedule completion type incentives and the subjective component may be earned based on the DOE analysis against the defined measures in the plan.

a. **Total Award Fee:** To establish the fee in each of the three components, the total award fee, as awarded and documented in Section B of the contract, is identified, as modified, in Table 4 (below).

Table 4, Award Fee Summary

Award Fee Pool Summary (Award Detailed – Section B)			
CLIN	Description	Fee Amount	
0002	Base Period	\$85,458,102	
0003	Option Contract Period	\$36,230,398	
0006	Award Fee Base Period	\$2,567,860	
	Subtotal		\$124,256,360
0004AA	OSWDF Construction Option	\$9,898,574	
0004AB	OSWDF Startup and Operations Option	\$10,552,415	
	Subtotal		\$20,450,989
	Total Fee Available in Award		\$144,707,349

b. **Component 1 - Super Performance Based Incentives (PBI's):** The contractor proposed certain sums for Super PBI's (Award Fee Component 1) in response to the Request for Proposal. These PBIs are considered multiple-year PBIs, in accordance with B.5 and as such need to be identified in the plan yearly until they are completed or changed as negotiated. As specified in Modification 060, fee amounts and milestones associated with the Super PBIs for demolition and remediation of soils associated with the X-326, X-330 and X-333 buildings were deferred. In addition, a CLIN 0002 Super PBI was added for the deactivation of the X-326. Modification 095 & 096 revises the total of the Super PBI to \$15,276,336. The Super PBI's will be paid after contractor completion, to occur on or before the defined milestone date (see Table 5 below). The fee amounts were incorporated as proposed into the contract though Attachment J-6, Performance Based Incentives (PBIs) for D&D, and are identified in Table 5 (below).

Table 5, Super PBIs

Award Fee Criteria	Fee Type	Fee Amount	Milestone
CLIN 0002 Deactivation of X-326 (Complete 197 Cells and certify 9 units as "Criticality/Incredible)	PBI	\$15,276,336	3/28/2016
D&D X-326 to slab	PBI	TBD	TBD

Remediate Soils below X-326	PBI	TBD	TBD
D&D X-330 to Slab	PBI	TBD	TBD
Remediate Soils below X-330 ²	PBI	TBD	TBD
Subtotal CLIN 0002		\$15,276,336	
D&D X-333 to Slab	PBI	TBD	TBD
Remediate Soils below X-333	PBI	TBD	TBD
Subtotal CLIN 0003		\$0	
Total for Option Period Super PBI's		\$15,276,336	

c. **Component 2 & 3 Total Available Fee Pool:** The Super PBI sum was subtracted from the total available fee for CLINS 0002, 0003 & 0006 identified in Table 6 (below). The amount remaining was allocated to each of the upcoming ten (10) periods of performance by FY in accordance with the proposal. Fee within each FY is then split by a defined percentage for evaluation by Components 2 and 3 outlined herein.

Table 6, Total Fee Allocated by Period

	Fee for CLINS 0002, 0003 & 0006	- Less Super PBI	= Fee to be allocated annually
CLIN 0002	\$85,458,102	- \$15,276,336	\$70,181,766
CLIN 0006	\$2,567,860	\$0	\$2,567,860
Base Period Subtotal	\$88,025,962	- \$15,276,336	\$72,749,626
CLIN 0003	\$36,230,398	-\$9,686,515	\$26,543,883
Option Period Subtotal	\$36,230,398	- \$9,686,515	\$26,543,883
Total	\$124,256,360	- \$24,962,851	\$99,293,509

d. **Award Fee by Fiscal Year (FY):** Lastly, the award fee amounts allocated to each period and fee amounts previously earned are identified in Table 7 (below).

Table 7, Award Fee by FY

Period	Pool Breakout by FY CLIN 0002	Pool Breakout by FY CLIN 0006	Total Pool Breakout by FY	FY Fee Awarded for CLIN 0002	FY Fee Awarded for CLIN 0006	Total FY Fee Awarded	Unearned Fee
FY-11 Apr-Sept (Six Months)	\$6,190,992	\$0	\$6,190,992	\$5,779,687	\$0	\$5,779,687	\$411,305
FY-12	\$15,775,218	\$605,726	\$16,380,944	\$13,648,961	\$524,083	\$14,173,044	\$2,207,900
FY-13	\$16,338,105	\$634,711	\$16,972,816	\$12,219,276	\$474,137	\$12,693,413	\$4,279,403
FY-14	\$14,173,025	\$538,255	\$14,711,280	TBD	TBD	TBD	TBD
FY-15	\$12,512,929	\$539,817	\$13,052,746	TBD	TBD	TBD	TBD
FY-16 Oct-Mar (Six Months)	\$5,191,497	\$249,351	\$5,440,848	TBD	TBD	TBD	TBD
Base Period Subtotal	\$70,181,766	\$2,567,860	\$72,749,626	TBD	TBD	TBD	TBD
Super PBI	\$15,276,336		\$15,276,336			TBD	TBD
Base Period Total	\$85,458,102	\$2,567,860	\$88,025,962	\$31,647,924	\$998,220	\$32,646,144	\$6,898,608

Table 7, Award Fee by FY (cont'd)

Period	Pool Breakout by FY CLIN 0002	Pool Breakout by FY CLIN 0006	Total Pool Breakout by FY	FY Fee Awarded for CLIN 0002	FY Fee Awarded for CLIN 0006	Total FY Fee Awarded	Unearned Fee
Option Period Award Fee							
Period	Pool Breakout by FY CLIN 0003		Total Pool Breakout by FY	FY Fee Awarded for CLIN 0003		Total FY Fee Awarded	Unearned Fee
FY-16 Apr-Sept (Six Months)	TBD		TBD	TBD		TBD	TBD
FY-17	TBD		TBD	TBD		TBD	TBD
FY-18	TBD		TBD	TBD		TBD	TBD
FY-19	TBD		TBD	TBD		TBD	TBD
FY-20	TBD		TBD	TBD		TBD	TBD
FY-21 Oct-Mar (Six Months)	TBD		TBD	TBD		TBD	TBD
Option Period Subtotal	\$26,543,883		\$26,543,883	TBD		TBD	TBD
Super PBIs	\$9,686,515		\$9,686,515			TBD	TBD
Option Period Total	\$36,230,398		\$36,230,398	TBD		TBD	TBD

Total for Based Period and Option Period							
	Pool Breakout by CLINS 0002/0003	Pool Breakout by CLIN 0006	Total Pool Breakout	Fee Awarded for CLINS 0002/0003	Fee Awarded for CLIN 0006	Total Fee Awarded	Unearned Fee
Base Period Total	\$85,458,102	\$2,567,860	\$88,025,962	\$31,647,924	\$998,220	\$32,646,144	\$6,898,608
Option Period Total	\$36,230,398		\$36,230,398	TBD		TBD	TBD
Grand Total	\$121,688,500	\$2,567,860	\$124,256,360	\$31,647,924	\$998,220	\$32,646,144	\$6,898,608

4. DEFINITION OF TERMS

a. **Award Fee Amount:** The Award Fee Amount is the amount of award fee earned during a particular evaluation period, and must be commensurate with the contractor’s overall cost, schedule, and technical performance as measured against contract requirements in accordance with the criteria stated in the Award Fee Plan (FAR 16.401(e)(2)).

b. **Award Fee Pool Amount:** For the contract, the amount of available award fee that can be allocated across all of the contract’s evaluation periods; for an evaluation period, it is the amount of the contract’s available award fee that is allocated to the period.

- c. **Contracting Officer (CO):** The individual authorized to commit and obligate the government through the life of the contract. The CO is an advisor to the Performance Evaluation Board (PEB).
- d. **Cost Plus Award Fee Contract:** A cost plus award fee contract is a cost-reimbursement contract that provides for a fee consisting of a base amount (base fee) fixed at inception of the contract and an award amount, based upon a judgmental evaluation by the Government, sufficient to provide motivation for excellence in contract performance (FAR 16.305).
- e. **Evaluation Period(s):** Stated intervals during the contract period of performance so that the contractor will be periodically informed of the quality of its performance and the areas in which improvement is expected (e.g. six month intervals).
- f. **Fee Determining Official (FDO):** The designated Agency Official who reviews the recommendations of the Performance Evaluation Board (PEB) in determining the amount of award fee to be earned by the contractor for the evaluation period (FAR 16.001). The FDO is the Manager of the Portsmouth/Paducah Project Office. This authority has been delegated by the Office of Environmental Management Head of Contracting Activity (HCA).
- g. **Performance Evaluation Board (PEB):** The group of individuals identified herein who have been designated to assist the FDO in making award fee determinations (FAR 16.001). Members of and advisors to the PEB are indicated in Exhibit 1.
- h. **Performance Evaluation Board Chair:** The PEB chairperson is the U.S. Department of Energy (DOE) Portsmouth Site Director. The Site Director is the senior executive responsible for all DOE activities at the Portsmouth Site.
- i. **Project Team Evaluator (PTE):** The individual(s) assigned to monitor and evaluate the contractor's performance on a continuing basis. The PTE's evaluation is the primary point of reference in determining the recommended award fee, especially the technical support area of performance. The PTEs are responsible for providing their input in areas of their experience with the contractor, as requested, to the Portsmouth Technical Lead. The PTEs are advisors to the PEB through the Portsmouth Technical Lead.
- j. **Technical Lead:** The individual who is most directly responsible for the satisfactory performance of the Portsmouth Decontamination & Decontamination (D&D) Project. The Technical Lead receives the evaluation reports from the PTEs, manages the award fee evaluation process, coordinates the development of the Award Fee Plan and subsequent revisions, and also serves as the recorder. This individual will be responsible for ensuring the PEB is properly convened, which includes meeting place, time, advising all PEB members, preparing the agenda, and taking minutes. The Technical Lead is an advisor to the PEB and as such, is the primary recipient of advisory reports.

5. ORGANIZATIONAL STRUCTURE

The organizational structure of the award fee process is established to ensure a fair and full evaluation of the contractor's performance. Independent assessments, first performed at the site level, are reviewed at each stage and presented through the Technical Lead and PEB to the FDO. The FDO then performs an independent assessment at an executive-level.

The Manager, Portsmouth/Paducah Project Office, serves as the FDO and has established a PEB. The PEB assists the FDO in the award fee determination by recommending an award fee for the contractor's performance and documenting the analysis and recommendation in the Performance Evaluation Report (PER). If a PEB member is absent, the FDO will approve an alternate with similar qualifications. Technical and functional experts, as required, may serve in an advisory (non-voting) capacity to the PEB. See Exhibit 1 for PEB members and potential advisors. See Exhibit 6 for the flowchart of the Award Fee Process.

6. RESPONSIBILITIES

a. Project Team Evaluators (PTEs)

The PTE(s) continually monitor and evaluate the contractor's performance. The PTE(s) work closely with the CO and Technical Lead in performing surveillance duties.

b. Technical Lead

The Technical Lead serves as advisor to and coordinator for the PEB. The Technical Lead will document the adjective ratings for each Subjective Category of Performance and PBI recommendations and will provide a site summary assessment to the PEB. The Technical Lead will be thoroughly familiar with current award fee policy, guidance, regulations, and correspondence pertinent to the award fee process. The Technical Lead coordinates required evaluation actions such as receiving PTE evaluation inputs, compiling and tabulating the PTE ratings (weighted results) and providing the Technical Lead summary assessment for presentation to the PEB, as well as the draft Performance Evaluation Report (PER). The Technical Lead performs other administrative actions required by the PTE(s), the PEB, and the FDO such as receiving, processing, and distributing performance evaluation inputs, scheduling and assisting with internal milestones, i.e., PEB briefings, and other actions as required for the smooth operation of the award fee process. The Technical Lead is also responsible for ensuring the contractor is provided the opportunity to present (written, oral, or both) the contractor position to the PEB.

c. Performance Evaluation Board (PEB)

The PEB members will review the summary assessment and recommended adjectival ratings and PBI evaluations, consider information from the contractor and other pertinent sources and develop a fee recommendation with supporting PER. The PEB chairperson will review the PEB input and finalize the PER for forwarding with the fee recommendation to the FDO.

d. **Fee Determining Official (FDO)**

The FDO will review the PEB's recommendations, consider all appropriate data, and notify the CO in writing of the final fee determination after receiving HCA coordination. The CO will prepare a letter for FDO signature notifying the contractor of the award fee amount. The CO will modify the contract to reflect the earned award fee for the performance evaluation period.

e. **Advisors to Performance Evaluation Board (PEB)**

Advisors consist of the Technical Lead, the CO, and a Contracts Attorney. The advisors shall assist as requested and shall review the process to ensure the contract, the Award Fee Plan and other requirements are being followed.

7. AWARD FEE PROCESS

Performance reviews will be conducted on a semi-annual basis during the evaluation period to examine the Contractor's performance against the established annual award fee criteria and PBIs listed in the Annual Award Fee Plan. Informal feedback of strengths and weaknesses for the purpose of providing comments from DOE will be provided on a semi-annual review, while a formal fee evaluation and determination by the FDO will be issued on an annual basis. As defined in Exhibit 6, Award Fee Process Flowchart, the following depicts the award fee process:

a. **Project Team Evaluator (PTE) Actions**

(1) Continual Evaluation: PTEs will continually monitor and evaluate the contractor's performance on Award Fee Components (Super PBIs, FY PBIs, Subjective Category of Performance). Individual PTEs will contribute input on areas of experience with the contractor, they are not required to comment on areas outside of their areas of experience.

(2) Subjective Category of Performance (CP): The PTEs will review and evaluate all criteria for each CP item (semi-annual presentation and annual evaluation). The PTE will use Exhibit 3, Rating Criteria to develop the Subjective CP strengths and weaknesses (opportunities for improvement) for presentation to the Technical Lead who then is responsible for presenting both the semi-annual review to the contractor and presenting all evaluation documentation to the PEB at the end of the period. The PTE will maintain all file documentation for presentation to the Technical Lead. The PTE will review and document information to ensure the contractor has established adequate procedures to prevent recurrence of weaknesses.

(3) Objective PBI's: The PTE will also monitor and evaluate on an annual and semi-annual basis the contractor's completion status in relation to both the FY PBIs (Exhibit 7) and the six major milestone PBIs (Super PBI's) if any were completed during the period (semi or annual).

(4) Annual Evaluation: At the end of the annual period, the PTE will submit to the Portsmouth Technical Lead, the Rating Criteria, Exhibit 3, for all CP items and PBI completion status using Exhibit 7. Based on the evaluation results, each PTE will select the appropriate CP numerical

rating with written notes on the strengths and weaknesses of the contractor to report to the Technical Lead.

b. Technical Lead Actions

(1) Semi-Annual Presentation: The Technical Lead is responsible for compiling and completing the assessment, Exhibit 3, of strengths and weaknesses (opportunities for improvement) for the six month (semi-annual) presentation. The presentation to the contractor will be a summary compilation of the PTE and Technical Lead assessment; however, the Technical Lead will coordinate the presentation with the PEB and FDO before presenting the information to the contractor. The semi-annual presentation is to occur 30 days after the end of the six month period (October 1 - March 30).

The contractor will provide a self-assessment to the Technical Lead for the semi-annual evaluation as described in (d) below.

(2) Annual Evaluation: The Technical Lead will compile and tabulate the PTE's numerical rating, write a summary assessment and then select the Technical Lead adjective rating for each of the CP items based on his/her personal observations of performance considering also the ratings reported by the PTEs. The adjective ratings are only presented in the annual evaluation of each FY. The Technical Lead will use Exhibit 4, Rating Summary Table, to record the PTE's ratings and provide the Technical Lead's adjective rating and summary analysis to the PEB. The Technical Lead is not permitted to change the PTE's ratings but the Technical Lead adjective rating may differ from the PTEs rating. In addition to reporting the PTE's numerical rating, the Technical Lead will annotate his/her rationale for selecting a particular adjective rating in the summary assessment.

The contractor will provide a self-assessment to the Technical Lead for the annual evaluation as described in (d) below in addition to the PEB presentation documented in (4) below.

(3) Annual Award Fee Summary: The Technical Lead will use Exhibit 5, Annual Award Fee Summary, to record the date of the semi-annual presentation and record the FDO adjective rating for the annual award fee. Using the PBI completion status as documented in Exhibit 7, the Technical Lead will provide his concurrence as to whether any FY PBI or any of the six major milestones PBI has been completed.

(4) Notification to Conduct the PEB: The Technical Lead notifies the PEB members and any advisors of the date and time of the annual PEB meeting in accordance with the schedule established by the PEB chairperson. Additionally, the Technical Lead notifies the contractor of the date and time of PEB meeting and advises the contractor of when and how (written, oral, or both) he/she will be permitted to address the PEB as determined by the PEB chairperson. Generally, the contractor will be provided the opportunity to provide written materials (limited to

no more than 20 total pages) and make an oral presentation of up to 30 minutes. The presentation should be provided five working days in advance of the evaluation period to the CO and should be in the form of a self-assessment measured against each annual award fee criteria section (PBIs and CP). Prior to the PEB meeting, the Technical Lead will provide the PEB members with page-numbered binders to include, at a minimum, the input from the PTE members; the contractor's award fee presentation; the Technical Lead summary assessment; the draft PER; and all Exhibits including the Exhibits the PEB will be required to fill out during the evaluation meeting.

(5) PEB Briefing: Utilizing the PTE information, the Technical Lead may also prepare a briefing for the PEB as determined by the PEB chairperson. If prepared, the briefing becomes a part of the formal record. The briefing should include a mix of specific and global evaluation comments so the PEB can review a holistic assessment of the contractor's performance.

c. **Performance Evaluation Board (PEB) Actions**

(1) The PEB Chairperson will meet with the contractor's manager semi-annually, and at other times as determined by the PEB Chairperson, to discuss PTE and Technical Lead documented strengths and weaknesses. Communicating issues with the contractor gives the contractor an opportunity to make corrective actions prior to the annual meeting of the PEB.

(2) The PEB Chairperson will establish dates, times, and places for the PEB meeting and notify the Portsmouth Technical Lead for appropriate notification to members, advisors, and the contractor. The chairperson will schedule the PEB meeting to ensure the PEB's recommended fee is presented to the FDO within 30 days following the close of the evaluation period.

(3) PEB members will consider all information from the following sources in determining its award fee recommendation to the FDO:

(a) Evaluations submitted by the PTEs and Technical Lead including the completion status of FY PBIs and six major milestone PBIs. Chairperson may require oral briefings by the functional area personnel.

(b) Information submitted by other sources as considered appropriate by the PEB.

(c) Contractor's written or oral (or both as determined by chairperson) self-assessment of performance.

(4) Using Exhibit 4, Rating Summary Table; each PEB member will individually document an adjective rating from Exhibit 2, Award Fee Rating Table, and provide supporting rationale by attaching notes to Exhibit 4 for their selection. In addition, the team will provide a consensus opinion using Exhibit 4 as well as opinion on completion status of PBIs using the table in Exhibit 7.

(5) The PEB Chairperson will collect the PEB members' Rating Summary Table, Exhibit 4, and review them. If any member's adjective rating is below "Satisfactory" and this rating is lower

than the PTE corresponding adjective rating for that same area, appropriate discussions with the member should be conducted to determine the member's rationale behind the rating. Lowering the adjective rating to below "Satisfactory" requires specific reasons and must be presented to the Chairperson. The PEB will then strive to gain consensus on a fee/fee range recommendation for presentation to the FDO.

(6) Once the PEB Chairperson completes the review of the PEB and after ensuring the process was followed, the Chairperson will forward the individual member's rating sheets and consensus along with the PER to the FDO supplemented with any written comments required. The chairperson will prepare a cover letter to the FDO to transmit the final PER as well as the PEB assessments using Exhibits 3, 4 and 7.

d. **Contractor Self-Assessment**

When the contractor submits a self-evaluation, it must be submitted within five working days before the end of the current six month (6) interval and/or annual evaluation periods being reviewed. This written assessment of the contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the PEB in evaluating the contractor's performance. The Contractor's self-assessment may not exceed 20 total pages.

e. **Fee Determining Official (FDO) Actions**

(1) The FDO approves PEB members.

(2) The FDO determines the final fee based upon all the information furnished and assigns a final percent of award fee earned for the evaluation period using the Exhibit 2, Award Fee Conversion Chart as the basis.

(3) The FDO obtains HCA coordination and notifies the CO in writing or via electronic correspondence of his/her final determination of award fee.

f. **Contracting Officer (CO) Actions**

(1) The CO will prepare a letter for the FDO's signature notifying the contractor of the amount of award fee earned for the annual period. Additionally, the letter will identify any specific areas of strengths and weaknesses in the contractor's performance.

(2) The CO will unilaterally modify the contract to reflect the FDO's final determination of award fee. This modification will decrease the total value of the contract commensurate with the amount of the fee unearned. The modification will be issued to the contractor within 14 days after the CO receives the FDO's decision. All unearned fee shall be forfeited and not available in subsequent evaluation periods.

(3) In accordance with HCA, Office of Environmental Management Directive, (EM HCA Directive 2.6, Dated June 11, 2012), the CO will post the (a) Modification (if applicable), (b)

one-page scorecard, (c) Award Fee Determination Letter, (d) final Performance Evaluation Report.

8. AWARD FEE TERMS

a. Cost Control

If the contractor's cost exceeds the costs estimated for the Annual Work Plan (AWP) by more than 20% at the end of the performance period, the entire award fee pool allocated to the period, shall be reduced by 50%, and not be available in this or any other award fee period. If reduced, the fee remaining in the period, shall be unilaterally reallocated by the FDO, proportionally as previously outlined in the plan, before the FDO makes the fee determination. The costs to perform shall be independently measured by DOE against the approved AWP for the period.

b. Provisional and Final Invoices

Consistent with Section B.5 (f), the Contractor may submit a fee invoice at the end of each quarter for provisional award fee, excluding Super PBIs of the contract in Section J-6, equal to 17.5% of the total available award fee for each quarter (17.5% X 4 quarters = 70% provisional award fee payment). Upon the FDO's final determination of the earned award fee for the evaluation period, the Contractor will invoice the actual dollar amount of the determination minus provisional fee payments paid during evaluation period. Should the amount of the final FDO determination be less than what was previously provisionally paid, the Contractor will provide a credit to DOE on the following invoice. The FDO may also approve the CO to authorize payment of a PBI upon completion during the period after performance is evaluated in accordance with the plan.

c. Issuance of Award Fee Plan

Contract Section B.5, Base and Award Fee, describes the award fee provisions and (e) states that the CO will prepare and issue the Annual Award Fee Plan prior to the start of each FY. The CO may provide draft annual award fee criteria and PBIs for contractor review and input; however, the CO reserves unilateral discretion to issue and modify the Annual Award Fee Plan without contractor review.

d. Fee Plan Change Procedure

All significant changes are approved by the FDO; the PEB Chairperson approves other changes. Examples of significant changes include changing evaluation criteria, adjusting weights to redirect contractor's emphasis to areas needing improvement, and revising the distribution of fee dollars. The CO will provide a notice of changes to the contractor, 30 days prior to making changes. Changes that do not impact the award fee criteria or process, such as editorial

clarifications, personnel changes or other insignificant changes may be made and implemented within the period without providing the 30 day advance notice to the contractor. The contractor may recommend changes to the CO no later than 60 days prior to the beginning of the new evaluation period. After approval, the CO shall notify the contractor in writing of any change(s). Unilateral changes may be made to the fee plan if the contractor is provided written notification by the CO before the start of the upcoming evaluation period or as provided in B.5, Base and Award Fee, of the contract. Contract modifications effecting estimated cost and available fee, may require a change to the Award Fee Plan. Such changes shall be incorporated in accordance with clause B.5 and DOE Acquisition Guide, Chapter 16.2 (July 2012) and may be incorporated by attaching an approved amendment to the Award Fee Plan.

e. **Requests to Contracting Officer (CO)**

In the event that the contractor believes circumstances completely beyond its control have prevented the contractor from successfully completing a PBI, the contractor may request DOE replace the PBI or remove and restructure the fee proportionally to remaining PBIs. The contractor's request must be made in writing to the CO and include substantial, verifiable justification. The written request must be submitted as soon as practicable after the event or events occurred; however, under no circumstances shall the request be made after the required completion date. Upon receipt of the contractor's request, DOE will determine whether circumstances completely beyond the control of the contractor have in fact prevented the contractor from successfully completing the PBI. In the event DOE does not make a determination, the contractor's request shall be deemed denied. In the event DOE does make an affirmative determination, DOE may, in its sole discretion, replace the PBI or remove and restructure the fee proportionally. DOE's decision to grant or deny the contractor's request is final and shall not be subject to reconsideration, dispute, claim or any other challenge by the contractor in any forum. In the event the contractor does not successfully complete the replacement PBI, the award fee associated with the replacement PBI shall not be available in this or any other award fee period.

f. **Termination for Convenience**

In the event that the contract is terminated for the convenience of the Government (Clause I.108), any remaining award fee in the current period may be available for equitable adjustment in accordance with the termination clause of the contract. All out year(s) fee in any period after termination shall be considered unearned and therefore shall not be paid.

g. **Termination for Default**

In the event the contract is terminated for default, any remaining award fee in the current period shall be considered unearned and therefore shall not be paid. The remaining fee for all periods, after termination, shall be considered unearned and therefore shall not be paid.

PART II – AWARD FEE PLAN/CURRENT YEAR - UPDATED

1. FEE SUMMARY FOR FY-14

a. **Award Fee Amount:** FY-14 award fee period includes 12 months of performance and the award fee pool is **\$14,711,280** (CLIN 0002/CLIN 0006). This fee will be evaluated using a combination of objective PBIs and two subjective Category of Performance evaluation factors. The PBI's represent seventy (70%) of the fee and the Subjective CP represents (30%) of the fee.

b. **Objective Performance Based Incentives (PBI)/Subjective Category of Performance (CP) Split:**

Seventy percent (70%) of the available FY-14 fee (\$10,297,896) will be evaluated using PBIs, **Component 2**. The PBI Fee amounts were determined based on DOE analysis of project costs and importance to the D&D project.

The remaining thirty percent (30%) or \$4,413,384 of the award fee will be based on the aforementioned **Component 3**, Subjective Category of Performance evaluation factors (Exhibit 3).

Super PBIs may be completed during the period and fee paid based on completion; however, the fee is identified in Table 5 herein and Section J, Attachment 6 of the contract.

c. **Total Completion:** Completion of the PBI requires total activity completion as defined herein to earn fee; however, to better incentivize the contractor toward exceptional performance, some PBIs allow fee to be earned on a sliding scale whereas, partial fee may be earned for partial performance as defined in the PBI. For example, PBI #1 requires completion of 50 cells to earn 50% of fee but additional fee, on a sliding scale may be earned for each additional cell completed up to 100% of fee for 75 complete cells.

d. **Work Breakdown Structure (WBS) Accounting and Funding:** PBIs shall be accomplished within the approved funding and shall be charged against the appropriate WBS. In the event a PBI is accomplished not associated with work in the current Performance Measurement Baseline (PMB), the contractor shall only be entitled to earn the fee if no additional funding is required for the work associated with the PBI or the other work under the PMB. In no event shall the contractor be entitled to a Request for Equitable Adjustment (REA) for cost overruns based on the contractor's completion of the work associated with the PBI.

e. **Performance Based Incentives (PBI) Development:** DOE reviewed the contractor’s submitted FY-14 AWP delivered June 2013, in addition to the contractor’s proposed PBIs in developing the FY-14 award fee schedule. The objective PBI criteria for FY-14, Period 4 of the Base Period of Performance and the corresponding award fee amount is identified in Table 8, (below).

2. FISCAL YEAR - 14 PERFORMANCE BASED INCENTIVES (PBIs)

Table 8, PBI Criteria

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
1	Cut, cap, and remove Process Gas Equipment (PGE) from X-326	EM.PO.04.01.03 X-326 Process Building	30-Sep-14	\$3,089,369	<p>Cut, cap, & remove from the cell floor process gas equipment, from X-326.</p> <p>Fee allocated as follows:</p> <p>50 complete cells for 50% of fee; additional 2% of fee for each complete cell up to 75 cells for 100% of fee.</p> <p>One cell of process gas equipment equals 12 converters; 12 coolers; 12 compressors; & related cell process gas piping, x-joints & control valves.</p> <p>Allowing for D&D efficiencies and the rolling wave approach, cell completion calculations may be based on an equivalency of work using the following percentages:</p> <p>Cut and Cap:</p> <ul style="list-style-type: none"> - 12 Converters = 27% - 12 Compressors = 18% - 12 Coolers = 9% <p>Removal from Cell Floor:</p> <ul style="list-style-type: none"> - 12 Converters = 9% - 12 Compressors = 6% - 12 Coolers = 3% <p>Additional removal activities (per cell):</p> <ul style="list-style-type: none"> - Cell Preparation = 6% - Cut & remove related PG piping (including all x-joints & control valves) or determine piping is criticality incredible & may remain in the building

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
1	Cut, cap, and remove Process Gas Equipment (PGE) from X-326 (Continued)				<p>until demolition = 18% - Remove or determine instrument lines are criticality incredible & may remain in the building until demolition = 4%</p> <p>To meet 100% completion of one (1) cell, the contractor shall perform cut and cap and removal work on the various components equal to an equivalent of a cell or 100% of credit per cell. For example, two converters from two different cells may be removed to equal $(2 * 0.27) / 12$ or 4.5% of an equivalent cell removal.</p> <p>Note¹</p>
2	Ship PGE from X-326	EM.PO.05.01.02 Waste Management	30-Sep-14	\$2,059,579	<p>In accordance with Quality System (QS) for Non-Destructive Assay (NDA) requirements, package & ship off-site process gas equipment from X-326 meeting Department of Transportation requirements and the disposal facility Waste Acceptance Criteria (WAC).</p> <p>Fee allocated as follows:</p> <p>45 complete cells for 50% of fee; additional 2% of fee for each complete cell shipped up to 70 cells for 100% of fee.</p> <p>One cell of process gas equipment equals 12 converters; 12 coolers; & 12 compressors.</p> <p>Allowing for D&D efficiencies and the rolling wave approach, cell completion calculations may be based on an equivalency shipment using the following percentages:</p> <ul style="list-style-type: none"> - 12 Converters = 40% - 12 Compressors = 40%

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
2	Ship PGE from X-326 (Continued)				<p>- 12 Coolers = 20%</p> <p>To meet 100% shipment completion of one (1) cell, the contractor shall package and ship the various components equal to an equivalent of a cell or 100% of credit per cell. For example, two converters from two different cells may be shipped to equal (2*0.40)/12 or 6.67% of an equivalent cell shipment.</p> <p>Note¹</p>
3	X-326 Deactivation/ Removal of Auxiliary Systems	EM.PO.04.01.03 X-326 Process Building	30-Sep-14	\$1,029,790	<p>Deactivation/Removal of Auxiliary Systems shall consist of sub-elements (a) - (f) below. Fee may be earned by completing each sub-element; however no fee will be earned for partial completion of a sub-element.</p> <p>a) EXTENDED RANGE PRODUCT (ERP): Cut and cap all installed ERP compressors. Deactivate, drain and dispose of lube oil from the ERP lube oil system equipment. (20% of PBI #3 fee)</p> <p>b) TOP & SIDE PURGE BOOSTER STATIONS: Cut and cap all installed Top Purge Booster Station compressors, and all Top and Side Purge Booster Station coolers. (20% of PBI #3 fee)</p> <p>c) BULK LUBE OIL: Remove and dispose of bulk lube oil in 3 Units allocated 50% for first unit and 25% for the second unit and 25% for the final unit. (20% of PBI #3 fee)</p> <p>d) RESIDUAL LUBE OIL: Remove and/or stabilize residual lube oil and sludge in the lube oil feed tanks, the lube oil drain tanks and associated piping in the tank pits for all Units in X-326, excluding units</p>

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
3	X-326 Deactivation/ Removal of Auxiliary Systems (Continued)				<p>in (c) above. (30% of PBI #3 fee)</p> <p>e) RESERVED</p> <p>f) LEAD REMOVAL: Remove and package for disposal lead lining from the RAD Source Locker on the south operating floor of X-326. (10% of PBI #3 fee)</p> <p>Note¹</p>
4	NDA Characterization Measurements	EM.PO.04.01.03.02.06 X-326 Characterization – Perform RAD and Hazmat Surveys/Sampling	30-Sep-14	\$411,916	<p>Perform in-situ NDA characterization measurements on Building X-326 bypass piping and valves. The NDA measurements shall satisfy nuclear safety requirements and form the technical basis for the determination of items which must be removed prior to demolition and items which can be left in the buildings and be disposed of as demolition debris. The measurement data will be recorded and managed in an approved NDA database system.</p> <p>Fee allocated as follows:</p> <p>20% for each cell measured up to 5 cell equivalents.</p> <p>For the purposed of bypass piping, a cell equivalent is defined as follows:</p> <ul style="list-style-type: none"> - 4 isolation block valves, - 2 bypass valves, and - The associated piping. <p>Note¹ & Note²</p>
5	<u>RESERVED</u>				
6	X-326 RCRA Part B Storage Areas	EM.PO.05.01.02.02 Waste Transportation/Treatment/ Disposal	30-Sep-14	\$514,895	Based on the inventory as of September 30, 2013, the contractor shall disposition off- site 50% (by volume) of the

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
					RCRA waste in the X-326 RCRA Part B Storage Areas. Note ¹
7	Nuclear Material Disposition	EM.PO.05.01.02.03.11 X-744G Operations EM.PO.05.01.02.12 Off-Site Waste Disposal EM.PO.05.01.02.02.10 Transportation and Packaging	30-Sept-14	\$411,916	The contractor shall complete the off-site disposition of 500 MTU of X-744G Uranium Management Center nuclear material. Note ¹
8	<u>RESERVED</u>				
9	XT-847 Waste Disposition	ND.PO.01.01.05.01.18 PORTS Source Special Nuclear and/or Byproduct Material Project	30-Sept-14	\$514,895	The contractor shall perform waste operations and complete: 1) Off-site disposition of all waste inventory from XT-847 being performed under a work authorization; and 2) Complete disposition of 200 containers of DOE waste inventory from XT-847. Note ¹
10	Demonstrate Nickel Extraction	EM.PO.05.02.06.01 Nickel Study	30-Sept-14	\$514,895	Demonstrate the process to extract nickel from the enrichment barrier. Complete testing validation and provide documentation in accordance with the approved Test plan Requirements. Note ¹
11	Complete Security Optimization	EM.PO.01.04.03.05 Security Optimization - Site Improvements	30-Sept-14	\$411,916	1) Complete X-1000 South Lot and Access: X-1107AV Portal modifications, gate/fence modification, patrol road installation and parking lot re-work, (2) Complete GDP/ACP Access Control improvements at the Interconnecting portal (X-1107BV), and (3) Secure 62 specific orphan converters. The specific requirements for these projects are in accordance with updated site security recommendations.

No.	Milestone	WBS Number/ Description	Completion Date	Amount	Work Scope & Completion Criteria
					Full implementation will occur following NRC approval of the ACP CAA/license update. Note ¹
12	Relocate X-104 Building Personnel	EM.PO.04.03.01.06 Facility Stabilization	30-Sept-14	\$411,916	Complete the setting, sealing, and anchoring of the new triplex trailer on the X-102 Pad. Note ¹
13	Complete Cold Box Installation	EM.PO.05.02.01.03.06 X-342 Facility Upgrade	30-Sept-14	\$411,916	Complete installation, testing, and commissioning of three (3) Cold Boxes in X-342. Completion will be evaluated by acceptance of the installed equipment in accordance with the approved Construction Acceptance Testing Plan, and does not include autoclave tie-ins. Note ¹
14	Ship 24 Coolers from X-326	EM.PO.04.01.03 X-326 Deactivation	30-Sept-14	\$514,893*	Package and ship 24 coolers from X-326 off-site for disposal. The coolers shall comply with requirements for waste acceptance, transportation, and Quality System for non-destructive assay. Note ¹
			Total	\$10,297,896	

* To correct for rounding, \$2 was subtracted from PBI #14 to achieve the total of \$10,297,896 available in the PBI pool.

Note¹: Verification of completion shall be accomplished by DOE after receipt of contractor certification of completion with accompanied documentation such as shipping manifest, acceptance/test reports, and/or other proof of completion, etc. After receipt of contractor documentation, the Portsmouth Technical Lead/FBP Project Manager (PM) will perform a site walkdown with actual visual field observations/inspections followed by acceptance or rejection by DOE of completion.

Note²: In-situ NDA measurements for X-326 are covered under this WBS element.

PERFORMANCE EVALUATION BOARD MEMBERS AND ADVISORS

Fee Determining Official:

Manager, PPPO Lexington

William E. Murphie

Following are PEB members and advisors:

Portsmouth Site Director (Chairperson)¹
Deputy Manager, PPPO Lexington
Lead Procurement Official, PPPO Lexington

Vince Adams
Robert Edwards
Pamela Thompson

*Contracting Officer

R. J. Bell

*Contract Officer

Marcella Wolfe

*Attorney Advisor

Bert Gawthorp

Technical Lead

Joel B. Bradburne

Project Team Evaluators

*M. Judson Lilly
Cid Voth
Kristi Wiehle
Amy Lawson
Matt Vick
Dick Mayer
Greg Simonton
Johnny Reising
Tom Hines
Gary Bumgardner
Mark Allen
James Woods
Russell McCallister

*Advisors to PEB - Non-Voting Participants

¹ The PEB Chairperson may add, remove or replace PTEs throughout the contract period of performance, as appropriate.

Component 3 – Category of Performance (Subjective Quality Evaluation Factors)

<u>AWARD FEE RATING TABLE</u>		
<u>ADJECTIVE RATING</u>		<u>DEFINITION</u>
EXCELLENT	91%-100%	Contractor has exceeded all or 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 contract and 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 contract and 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 contract and 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 contract and 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 contract and the award fee plan for the award fee evaluation period.

*NOTE: For those elements receiving a score of 50 or below, no fee will be earned. Any unearned fee will be forfeited and not available in subsequent evaluation periods.

Component 3 – Category of Performance (Subjective Quality Evaluation Factors)

AWARD FEE CONVERSION CHART		
ADJECTIVE RATING	EVALUATION POINTS (OVERALL WEIGHTED RESULT)	POSSIBLE PERCENTAGE OF AWARD FEE EARNED
EXCELLENT	23-25	91 to 100%
VERY GOOD	19-22	76 to 90%
GOOD	14-18	51 to 75%
SATISFACTORY	8-13	No Greater Than 50%
UNSATISFACTORY	0-7	0%

CATEGORY OF PERFORMANCE (CP)	Relative Weightings of Fee by CP
1. Quality and Effectiveness Performing the DOE Mission and D&D to include Project Management	60%
2. Quality and Effectiveness in Performing ESH&Q & Regulatory	40%

Subjective Award Fee Calculation Methodology:

1. PTE assigns rating (0-25) for each Category of Performance.
2. Multiply weighting percentage to each CP to arrive at weighted result.
3. Add weighted results together to arrive at overall weighted result.

Example: PTE Ratings-

1. Quality and Effectiveness in Performing the DOE Mission and D&D = 23
2. Quality and Effectiveness in Performing ESH&Q and Regulatory = 22

Weighted Result: $(23 \times 60\%) + (22 \times 40\%) = 22.6$ or 23

Adjective rating (Award Fee Conversion Chart) = Excellent

Rounding Rule: .5 and above is rounded up to the next whole number.

FDO Decision

The earned award fee amount indicated by the use of a conversion table or graph is a guide to the FDO. Use of the Award Fee Conversion Chart does not remove the element of judgment from the award fee process.

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors)					
<i>(FY-14 Period 4)</i>	RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)				
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
(1) Performance of DOE Mission including Decontamination and Decommissioning (D&D), Project Planning, Integration and Interface and Project Management pursuant to DE-AC30-10CC40017 (60%)					
EVALUATION POINTS:	23-25	19-22	14-18	8-13	0-7
EVALUATION CRITERIA:	NOTES ON STRENGTHS AND WEAKNESSES				
The contractor shall demonstrate the ability to perform the overall DOE Mission emphasizing focus on D&D, Project Planning, Integration and Interface and Project Management. The contractor’s mission shall be seamless, requiring little or no Government surveillance or intervention while also maintaining maximum and effective communication with DOE and all interested parties. While performance of the entire contract or mission will be evaluated in this section, the focus is on C.2.3, Facility Decontamination and Decommissioning (D&D), C.2.7.1, Project Planning, Integration and Interface, and C.2.7.2, Project Management and actual final disposition of site waste (C.2.5), nuclear material (C.2.6) and environmental remediation (C.2.4) of water and soils. Therefore, this section will include the actual performance of the work efforts for disposition and remediation while the regulatory processes are evaluated in the next category of performance.					

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors)					
(FY-14 Period 4)		RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)			
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
<p><u>(1) Performance of DOE Mission including Decontamination and Decommissioning (D&D), Project Planning, Integration and Interface and Project Management pursuant to DE-AC30-10CC40017 (60%) (continued)</u></p> <p><u>EVALUATION CRITERIA:</u> The contractor will be evaluated on their ability to perform all work identified in the Performance Work Statement (PWS) paragraphs above as well as the ability to accomplish the following: (1) Effectively and efficiently completing additional cell work in X-326 forwarding the accomplishment of deactivation; (2) Performance of services across the PORTS Site; (3) Managing Coordinating and integrating resources, activities, and interfaces; (4) Maintaining relationships with DOE, customers, and stakeholders based on open, honest, effective and proactive communication; (5) Resolve issues at the lowest and most appropriate level, including with and between site contractors and State and Federal Government entities; (6) Submit (within 60 days or as authorized by the Contracting Officer), complete proposals with adequate basis of estimates that are in compliance with FAR 15.408, Table 15-2; (7) Effectively perform and report subcontractor work efforts, including tracking activities and schedules; (8) Develop & submit documents needing minimal rewrite ($\leq 10\%$), allowing adequate time for review.</p>					

RATING CRITERIA						
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors)						
(FY-14 Period 4)		RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)				
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)		EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
<p>(1) Performance of DOE Mission including Decontamination and Decommissioning (D&D), Project Planning, Integration and Interface and Project Management pursuant to DE-AC30-10CC40017 (60%) (continued)</p> <p>(9) All costs incurred during FY14 performance shall not exceed 10% more than the FY14 estimated cost as defined in the approved Annual Work Plan. If actual costs incurred exceed 10% more than the estimated cost, the maximum rating that may be earned in the subjective evaluation of this category of performance is “satisfactory”. The estimated cost may be amended by DOE to incorporate contract modifications or subsequent Annual Work Plan approvals.</p> <hr/> <p>Methods of Surveillance/Assessment:</p> <p>1. The contractor will submit a self-assessment within five working days before the end of the current six (6) month interval and/or annual evaluation periods. This self-assessment will address both the strengths and weaknesses of the Contractor’s performance during the evaluation period by paragraph by listing and describing specific occurrences, work processes, and/or accomplishments. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies to avoid reoccurrences.</p>						

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors)					
(FY-14 Period 4)		RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)			
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
<p>Performance of DOE Mission including Decontamination and Decommissioning (D&D), Project Planning, Integration and Interface and Project Management pursuant to DE-AC30-10CC40017 (60%) (continued)</p> <p>2. Any applicable stakeholder feedback (Non-DOE) available to DOE.</p> <p>3. DOE’s evaluation of the quality and effectiveness of the performance will include, but not be limited to:</p> <ul style="list-style-type: none"> a. DOE Observations through PTE Assessments; b. Technical Lead through daily assessments. 					

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors					
<i>(FY-14 Period 4)</i>					
RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)					
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
(2) ESH&Q and Regulatory Requirements (40%)					
EVALUATION POINTS:	23-25	19-22	14-18	8-13	0-7
<p>EVALUATION CRITERIA: The contractor shall demonstrate the ability to safely and seamlessly (C.2.7.3) perform the DOE Mission. The contractor’s mission performance shall be evaluated within the parameters of the required Environment, Safety, Health and Quality (ESH&Q) (C.2.7.3) Performance Work Statement (PWS). Performance shall be seamless, requiring little or no Government surveillance or intervention while also maintaining maximum and effective communication with DOE and all interested parties.</p> <p>While the actual performance of or performing final disposition of the site waste (C.2.5), nuclear material (C.2.6) and environmental remediation (C.2.4) of water and soils are being evaluated in Category of Performance #1, Category of Performance #2 shall include evaluation of the associated regulatory requirements and processes to complete performance.</p> <p>The contractor will be evaluated on their ability to perform all work identified in the Performance Work Statement (PWS) paragraphs below as well as the ability to accomplish the following:</p>	<p>NOTES ON STRENGTHS AND WEAKNESSES</p>				

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors					
<i>(FY-14 Period 4)</i>					
RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)					
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
<p><u>(2) ESH&Q and Regulatory Requirements (40%) (continued)</u></p> <p>Ability to demonstrate a strong environmental, safety and quality culture including strict compliance with established environmental, safety and health regulatory requirements demonstrated by successful safety records (C.2.7.3).</p> <p>Ability to manage regulatory requirements for all site environmental remediation, waste management and nuclear material storage, disposition and accountability in accordance with (C.2.4; C.2.5; and C.2.6).</p> <hr/> <p>Methods of Surveillance/Assessment:</p> <p>1. The contractor shall submit a self-assessment within five working days before the end of the current six (6) month interval and/or annual evaluation periods. This self-assessment shall address both the strengths and weaknesses of the Contractor’s performance during the evaluation period by paragraph by listing and describing specific occurrences, work processes, and/or accomplishments. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies to avoid reoccurrences.</p>					

RATING CRITERIA					
COMPONENT 3 – Category of Performance (Subjective Quality Evaluation Factors)					
(FY-14 Period 4)	RATING (PTE documents strengths/weaknesses –Technical Lead Recommends Rating)				
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY
<u>(2) ESH&Q and Regulatory Requirements (40%) (continued)</u> 2. Any applicable stakeholder feedback (Non-DOE) available to DOE. 3. DOE’s evaluation of the quality and effectiveness of the performance will include, but not be limited to: a. DOE Observations through PTE Assessments; b. Technical Lead through daily Assessments.					

RATING SUMMARY TABLE
PTE RATINGS

(FY-14 Period 4)

PTE'S CATEGORY OF PERFORMANCE RATING

*Instructions: Each PTE Member assigns ratings (0-25 evaluation points) for the applicable Category of Performance in the spaces below & the Technical Lead select Adjective Rating.
 --PTE members are not obligated to score each category. PTE members may designate a category as "N/A" for any category not in their experience for the period.*

Performance of DOE Mission and D&D to include Project Management (C.2.3 and C.2.7.1) pursuant to # DE-AC30-10CC40017

ESH&Q and Regulatory (C.2.7.3; C.2.4; C.2.5; and C.2.6)

<i>Signature of PTE</i>		

WEIGHTED RESULTS

Signature and Rating of Technical Lead

Technical Lead tabulates PTE ratings in the weighted results and then provides his/her own overall rating for presentation to PEB. Include comments here and also a fully documented written summary assessment.

RATING SUMMARY TABLE
PEB EVALUATION AND SELECTION OF ADJECTIVE RATINGS

(FY-14 Period 4)

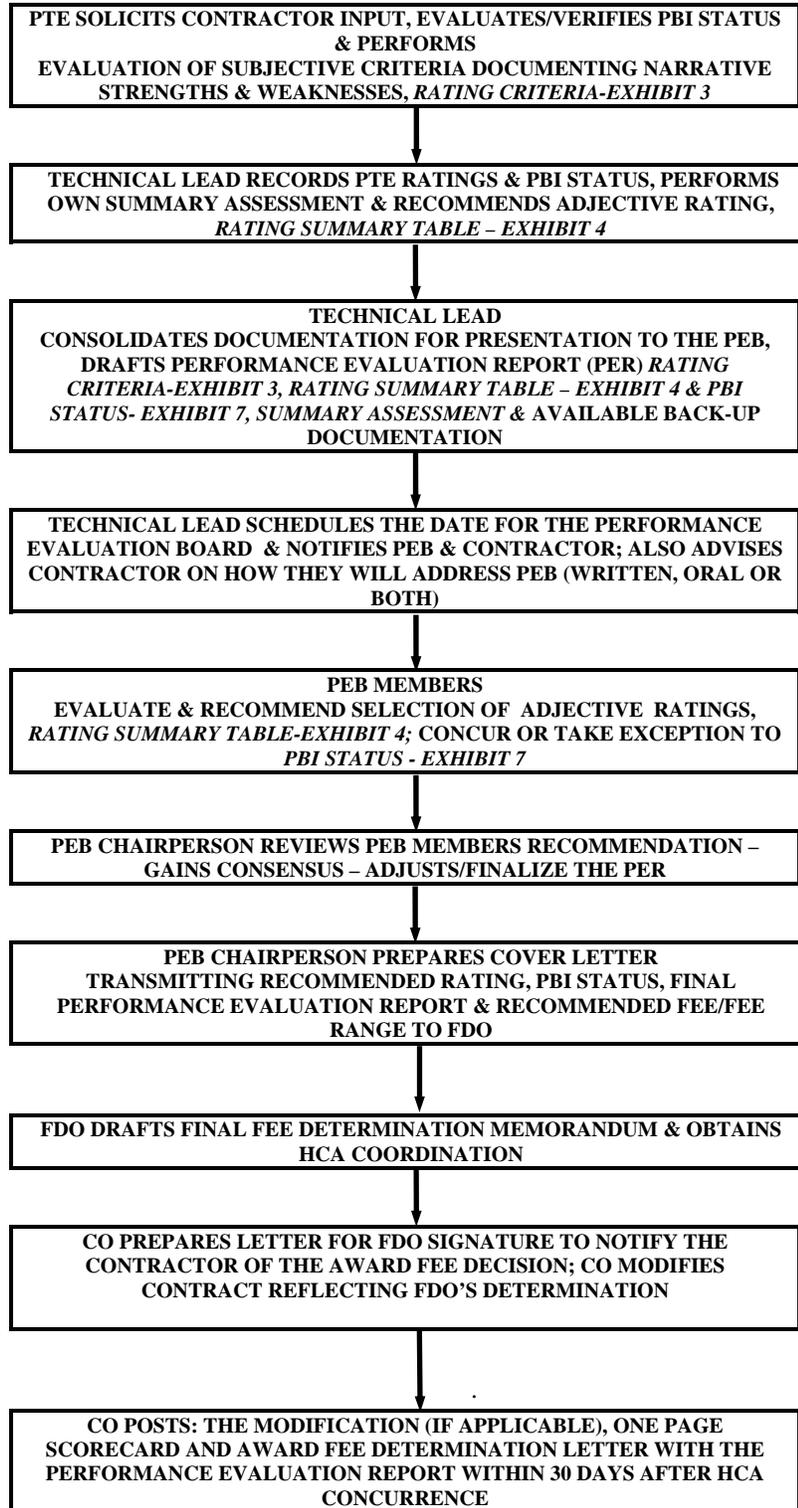
	Performance of DOE Mission and D&D to include Project Management (C.2.3 and C.2.7.1) pursuant to # DE-AC30-10CC40017	ESH&Q and Regulatory (C.2.7.3; C.2.4; C.2.5; and C.2.6)
<i>PEB Member Selects Adjective Rating</i>		
<i>Signature of PEB</i>		
<i>Signature of PEB</i>		
<i>Signature of PEB</i>		
<i>Technical Lead Summarizes</i>		

<u>Chairperson Review & PEB Recommendations</u>	Comments
<i>Signature of PEB Chairperson</i>	

<u>FDO Review & Makes Fee Determination</u>	Comments
<i>Signature of FDO</i>	

ANNUAL AWARD FEE SUMMARY		
<i>(FY-14 Period 4)</i>		<u>ADJECTIVE RATING</u>
<u>CATEGORY OF PERFORMANCE</u>	Date Semi-Annual Review Completed	Recommended Adjective Rating for the Year
Performance of DOE Mission and D&D to include Project Management (C.2.3 and C.2.7.1) pursuant to DE-AC30-10CC40017		
ESH&Q and Regulatory (C.2.7.3; C.2.4; C.2.5; and C.2.6)		

AWARD FEE EVALUATION PROCESS



PBI Completion Status

No.	Milestone	Evaluation
1	Cut, cap, and remove Process Gas Equipment (PGE) from X-326	
2	Ship PGE from X-326	
3	X-326 Deactivation/Removal of Auxiliary Systems	
4	NDA Characterization Measurements	
5	RESERVED	
6	X-326 RCRA Part B Storage Areas	
7	Nuclear Material Disposition	
8	RESERVED	
9	XT-847 Waste Disposition	
10	Demonstrate Nickel Decontamination	
11	Complete Security Optimization	
12	Relocate X-710 Building Non-Lab Personnel	
13	Complete Cold Box Installation	
14	Ship 24 Coolers from X-326	