

ATTACHMENT J.4

PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

TABLE OF CONTENTS

PERFORMANCE EVALUATION AND MEASUREMENT PLANJ.4-2-J.7
OPTION PERIOD PERFORMANCE MEASURES TABLE.....J.4-8-J.14
BASE PERIOD PERFORMANCE MEASURES TABLE.....J.4-15-J.64

PERFORMANCE EVALUATION
AND
MEASUREMENT PLAN (PEMP)
FOR THE
PLATEAU REMEDIATION CONTRACT

Plateau Remediation Contract

Performance Evaluation and Measurement Plan Description

The Performance Evaluation and Measurement Plan (PEMP) details the administration of performance incentives and allocation of *Total Available Fee* as defined in Section B, *Supplies or Services and Prices/Costs*.

1. PERFORMANCE MEASURES

Each performance measure will set forth the specific requirements, criteria and/or specifications for acceptable performance of an outcome and the amount of fee assigned to the individual performance measure (See PEMP Table 4-1 for a summary of work requirements that may be targeted for performance measures).

2. ALLOCATION OF AVAILABLE FEE

DOE will heavily weight the assignment of fee toward meeting production goals such as treatment of waste and end-product goals, such as completion of remediation projects.

3. PERFORMANCE MEASURE FEE STRUCTURE METHODS

Each performance measure may have a distinct fee structure to incentivize maximum performance and resource utilization by the Contractor. Individual performance measures may require the contractor to exceed approved baseline performance to earn 100 percent (%) of the fee allocated to that performance measure. DOE is not limited to the following list of Fee Structure Methods and may combine elements of multiple fee structures. Regardless of the Fee Structure Method used, payment of fee is subject to the fee reduction terms of this Contract, and Fee Determining Official (FDO) approval that the Contractor has achieved the stated outcome for the specific performance measure.

- (a) Straight-line Method: This method provides a 100% incremental fee for completion of the performance measure prior to the expiration of the Contract period.
- (b) Declining Method: This method provides 100% incremental fee for completion of the performance measure by a specific date and/or milestone, but the percentage is reduced incrementally beyond that event. The specific percentage of reduction and corresponding time or specific milestones triggering the reductions are defined within the performance measure.
- (c) Terminal Method: This method provides 100% incremental fee for completion of the performance measure prior to a specific date and/or milestone; however, the Contractor will forfeit 100% of the fee allocated to the performance measure for completion of the performance measure after the passing of the specific date and/or milestone as defined within the performance measure.

- (d) Performance Measure Provisional Dependent Method: This method provides the Contractor the opportunity to earn only *Provisional Fee* until completion of a specific milestone, a separate performance measure or multiple performance measures, upon which the fee becomes progress or final. For example, the Contractor may complete Performance Measure-1, earn 90% of the fee as *Provisional*, then complete Performance Measure-2 and earn the associated fee for Performance Measure-2, as well as convert the *Provisional Fee* earned for Performance Measure-1 to an incremental fee.
 - (e) Subjective Method: This method provides the Contractor the opportunity to earn up to 100% fee for performance of Contract requirements based on subjective criteria as determined by DOE.
 - (f) Target Method: This method provides for the initially negotiated fee to be adjusted later by a formula based on the relationship of performance measures against the baseline. This method specifies a target baseline performance, a target fee, minimum and maximum fees, and a fee adjustment formula. After performance, the fee payable is determined in accordance with the formula. The formula provides, within limits, for increases in fee above target fee when baseline performance is exceeded, and decreases in fee below target fee when baseline performance is not achieved. This increase or decrease is intended to provide an incentive for the Contractor to manage the Contract effectively.
4. The following table summarizes the Contract work requirements by Contract Line Item Number (CLIN) that may become fee-bearing via Performance Measures. This table establishes a conceptual framework as a basis for development of future performance measures in accordance with Section B Clause entitled, *Fee Structure*. Performance measure numbers correspond to both the appropriation project baseline summaries (PBS) and level one (1) of the Work Breakdown Structure (WBS) identified in the Section J Attachment entitled, *Contract Line Item Number (CLIN) Assignment Against Contract Structure* (e.g., Performance Measure RL-0011-01 corresponds to PBS 11 and level one WBS 011).

Table 4.1, Summary of Work Requirements

OBJECTIVE	OUTCOMES ¹	MEASURES
CLIN 1 & 6	Safe, efficient, and compliant operations and management activities required to support plateau remediation	<ul style="list-style-type: none"> • Effective interface with MSC and other Hanford Site contractors • Completion of waste management strategic plan (Deliverable C.2.3.1-1) • Completion of zone remediation optimization documents (Deliverables C.2.5.3-1, Deliverable C.2.5.3-2, Deliverable C.2.5.3-3) • Other objective and subjective measures will be identified on an annual basis
CLIN 2 & 6 PFP Closure Project (SOW Section C.2.2)	<ul style="list-style-type: none"> • SNM and fuels de-inventoried • PFP Complex facilities demolished to slab-on-grade 	<ul style="list-style-type: none"> • Following de-inventory, a multi-year project completion performance incentive may be established.
CLIN 3 & 6 Mixed and Low Level Waste (SOW Section C.2.3.3)	Mixed and Low Level Waste Treated	<ul style="list-style-type: none"> • Volume of Waste treated
CLIN 3 & 6 TRU Retrieval (SOW Section C.2.3.7)	TRU retrieved from retrievable burial grounds per Tri Party Agreement Milestone	<ul style="list-style-type: none"> • Volume of TRU retrieved
CLIN 3 & 6 M-91 Upgrades (SOW Section C.2.3.10)	Capability to characterize and package remote handled TRU and MLLW installed	<ul style="list-style-type: none"> • Completion of specific project milestones
CLIN 3 IDF Authorization to Operate (SOW Section C.2.3.12)	Integrated Disposal Facility is authorized and ready to dispose of all waste planned for disposal at IDF	<ul style="list-style-type: none"> • Completion of authorization milestone

¹ Any features of the Offeror's proposed strategy and approach may be implemented as first- and subsequent-year performance measures in accordance with Section B Clause entitled, Fee Structure.

OBJECTIVE	OUTCOMES ¹	MEASURES
CLIN 3 & 6 Well Installation and Decommissioning (SOW Section C.2.4.4.1)	Well installation and decommissioning rates meet TPA Milestones	<ul style="list-style-type: none"> • Number of wells installed • Number of wells decommissioned
CLIN 3 & 6 Groundwater Remediation Systems (SOW Section C.2.4.7)	Groundwater remediation systems installed and operating toward meeting Remedial Action Goals	<ul style="list-style-type: none"> • Remediation systems installed in accordance with regulatory decision documents • Remediation completed in accordance with Remedial Action Goals
CLIN 3 & 6 Preparation for Remediation of Operable Units (SOW Sections C.2.4.4.3, C.2.4.6, C.2.5.2, and C.2.5.3)	Decisions and technical activities required to begin remediation of remaining Hanford Site Operable Units complete	<ul style="list-style-type: none"> • Completion of Milestones for: <ul style="list-style-type: none"> - Operable Unit Field Characterization - Submittal of Feasibility Studies and Recommended Remedies - Submittal of Operable Unit Remedial Design and Remedial Action Work Plans • Submittal of Conceptual Design Packages for Geographical Zone Remediation
CLIN 3 & 6 U Plant Zone and Zone 22 (SOW Sections.C.2.5.4)	Remediation of facilities and waste sites in identified Central Plateau Geographical Zones complete	<ul style="list-style-type: none"> • Number of facilities and waste sites remediated in accordance with regulatory decision documents • Closure of zones
CLIN 4 & 6 Geographical Zones (SOW Section C.2.5.4)	Remediation of facilities and waste sites in identified Central Plateau Geographical Zones complete	<ul style="list-style-type: none"> • Number of facilities and waste sites remediated in accordance with regulatory decision documents
CLIN 4 Cesium/Strontium Capsule Dry Storage (SOW Section C.2.3.9)	Cesium/Strontium capsules relocated from WESF to new Dry Storage Facility	<ul style="list-style-type: none"> • Completion of Dry Storage Facility • Completion of removal of capsules to Dry Storage Facility
CLIN 4 Environmental Restoration Disposal Facility (SOW Section C.2.3.14)	ERDF transitioned to PRC and operational in support of remediation activities	<ul style="list-style-type: none"> • Completion of ERDF transition to PRC • Volume of waste disposed • Completion of expansion cells

OBJECTIVE	OUTCOMES ¹	MEASURES
CLIN 5 Balance of Sludge Treatment (SOW Section C.2.7.3, C.2.7.4)	K Basin Balance of Sludge treated and sludge packaged for final disposal	<ul style="list-style-type: none"> • Volume of sludge treated • Completion of milestone to store sludge on-site
CLIN 5 & 6 KE and KW Reactors (SOW Sections C.2.7.2, C.2.7.5, C.2.7.6)	KE and KW Basins removed and KE and KW Reactors placed in interim safe storage	<ul style="list-style-type: none"> • KE Basin removal complete • KW Basin removal complete • KE Reactor in interim safe store configuration • KW Reactor in interim safe store configuration
CLIN 5 & 6 100 K Zone (SOW Section C.2.7.7)	Remediation of 100 K Zone facilities and waste sites assigned to the PRC completed	<ul style="list-style-type: none"> • Number of facilities and waste sites remediated in accordance with regulatory decision documents • Closure of 100 K Zone

5. In accordance with the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*, if for any reason the Contracting Officer does not authorize work in accordance with the Section B Clause entitled, *DOE Authorization of Work*, the *Total Available Fee* as a percentage of *Total Contract Cost* by Contract period, excluding non-fee bearing costs identified in the Section B Clause entitled, *Basis for Total Available Fee*, may be adjusted.
6. Cost control in work performance is of the utmost importance to the Government. The Contractor's performance within the Contract Cost, as stipulated in Table B.4-1, Contract Cost and Contract Fee, for the performance evaluation period shall be determined by the Government. To the extent the Contractor fails to complete work within the stipulated Contract Price, the Fee Determining Official may reduce in whole or in part any otherwise earned fee, subject to the limitations of Clause B.12, DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts.
7. Payments of *Incremental Fee* shall be requested in accordance with Clause B.8, Fee Determination and Payment, paragraph (c).
8. If a Performance Objective is not completed as specified, allocated *Available Fee* is unavailable in accordance with Clause B.7, Fee Structure, paragraph (b)(1).
9. Any Government Furnished Services and Information (GFS/I) for Performance Objectives are included in Attachment J.12, Government Furnished Services and Information (GFS/I).