

## ATTACHMENT J.4

# PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

**Fiscal Year 2014**

**Performance Evaluation and Measurement Plan**  
**For**  
**Washington River Protection Solutions LLC**

**Performance Period:**  
**October 1, 2013 through September 30, 2014**

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## ACRONYMS

DOE/HQ .....	DOE Headquarters
FDO.....	Fee Determination Official
FY .....	Fiscal Year
ORP .....	Office of River Protection
PBI.....	Performance Based Incentive
PEB .....	Performance Evaluation Board
PEMP .....	Performance Evaluation and Measurement Plan
SEA.....	Special Emphasis Area
WRPS.....	Washington River Protection Solutions LLC

## A. INTRODUCTION

Contract No. DE-AC27-08RV14800 uses multiple performance-based incentives (PBI) and special emphasis area (SEA) award fee components to drive Contractor excellence in performing the operations, construction, and maintenance of the Hanford Tank Farms. The Performance Evaluation and Measurement Plan (PEMP) gives the Office of River Protection (ORP) a tool to identify and reward superior performance.

In the execution of the contract, Washington River Protection Solutions LLC (WRPS) is expected to provide comprehensive, effective management as conscientious stewards of all Tank Farm facilities and activities through:

- Demonstrated safety leadership and risk-informed, conservative decision-making
- Anticipating project challenges and providing timely resolution
- Open communication with the workforce – fostering a questioning attitude and an environment free from retribution
- Aggressive self-discovery of project issues to ORP through critical self-analysis, performance monitoring, and comprehensive extent of condition reviews

This PEMP also defines the ORP approach in evaluating, documenting, and providing performance fee to WRPS, in the execution of requirements defined in Contract DE-AC27-08RV14800. This PEMP is for the first year of the contract option period of performance from October 1, 2013, through September 30, 2014.

### 1. PEMP Objectives

- a. Provide ORP with a mechanism to achieve its highest priority objectives;
- b. Provide incentive to WRPS to accomplish ORP's management and program objectives through the establishment of critical performance objectives and measures;
- c. Reward WRPS with fee commensurate with the achievement of the specific ORP performance requirements;

- d. Create an administratively efficient process to assess WRPS performance;
- e. Provide a fair and reasonable basis for determining the amount of fee earned; and
- f. Create a process that ensures WRPS work efforts are executed in a manner that provides high value and high quality deliverables to ORP.

**2. Definitions**

- a. Award Fee. The subjective fee component of Performance Fee.
- b. Expected Performance Level. Meets agreed upon requirements and performance objectives.
- c. Fee Determination Official. The final authority in determination of fee awarded to WRPS.
- d. Office of River Protection (ORP). ORP is a Department of Energy Environmental Management field office.
- e. Performance Evaluation Board. For the purpose of this PEMP, designated ORP senior managers and Contracting Officer are chartered with recommending WRPS earned fee to the Fee Determination Official (FDO).
- f. Performance Evaluation and Measurement Plan. A plan that defines an approach in evaluating, documenting, and providing performance fee against specified Performance Based Incentives and Award Fee Incentives.
- g. Performance Evaluation Period. The period for which the Performance Evaluation Board evaluates contractor's overall performance: October 1 through September 30.
- h. Performance Fee. That portion of the total available fee which is tied exclusively to the contractor's performance of the contract. The performance fee amount will consist of an incentive fee component for objective performance requirements and an award fee component for subjective performance requirements, or both.
- i. Performance Incentive. A performance incentive represents a reward or consequences that may be employed to motivate a contractor to achieve baseline or higher levels of performance of a requirement. In most instances, the incentive represents an amount of fee tied to the accomplishment of a performance objective.
- j. Performance Measure. The quantitative method for characterizing performance.
- k. Performance Monitor. Designated by the Performance Evaluation Board as responsible individuals monitoring and evaluating the contractor's performance.

- l. Performance Objective. A statement of desired results from an organization or activity.
- m. Provisional Payment of Fee. Any payments paid on a provisional basis may be reclaimed.
- n. Special Emphasis Area. An area that is extremely important to DOE and ORP.
- o. Straight-line Method: This method provides a 100% incremental fee for completion of the performance measure prior to the expiration of the performance evaluation period
- p. 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.

### 3. **Fee Concept**

Performance-based management contracting principles emphasize results-oriented work statements, and performance objectives and measures to incentivize contractors to achieve excellent performance. ORP implements performance-based management contracting principles through processes associated with *Strategic Planning, Budget Formulation, Budget Execution, and Performance Evaluation*.

WRPS is responsible for the furnishing of safe, compliant, cost-effective and energy-efficient services to further the DOE/ORP mission to store, retrieve and treat Hanford tank waste, store and dispose of treated waste, and to close the Tank Farm waste management areas to protect the Columbia River. Because of the nature of this work, ORP uses performance fee to incentivize and reward WRPS for performance.

Performance fee consists of two components: an incentive fee component which provides management focus and emphasis on ORP's critical few program objectives and an award fee component which provides management focus on all other aspects of WRPS's performance of the overall Tank Farm operations, construction, and maintenance programs.

#### a. **Performance Based Incentive (PBI)**

The PBI performance measures and fee measures are delineated in Attachment 1 of this PEMP. Emphasis will be placed on development of objective incentives based on definition of the desired outcome (the "what") and expect the contractor to compliantly and safely determine "how" the work is performed to achieve the desired outcome within the established funding constraints. These incentives are identified as PBIs and typically carry more performance risk and higher fee earning opportunities.

b. Award Fee Special Emphasis Area (SEA) Incentives

The SEA performance objectives and measures are delineated in Attachment 1 of the PEMP. In certain instances, the contractor must provide support and/or deliverables that are required to accomplish the project objectives but are not objectively measurable in all cases. These efforts are therefore measured subjectively under incentives identified as SEAs and typically carry reduced performance risk and moderate fee earning opportunities and the FDO may use discretionary factors in determining fee. Consideration will also be given to complete and accurate technical information/products delivered in mutually agreed time frames that meet all applicable codes, standards, rules, regulations and orders.

**B. REFERENCES**

U.S. Department of Energy Office of River Protection Contract with WRPS;  
Contract DE-AC27-08RV14800.

**C. ORGANIZATIONAL STRUCTURE FOR PERFORMANCE FEE ADMINISTRATION**

The effectiveness of this PEMP requires the establishment of a close working relationship between DOE/ORP and WRPS because all entities are responsible for successful implementation of the plan and successful completion of ORP's significant management and program objectives. The roles and responsibilities of the key personnel are as follows:

1. DOE/HQ

Deputy Assistant Secretary for Acquisition and Project Management

- Serves as Head of Contracting Activity for the Office of Environmental Management
- Reviews and comments on the PEMP and Recommended Fee Determination
- Coordinates with the Deputy Secretary of Energy (S-2) and the Office of Procurement Assistance and Management as necessary

2. ORP

a. Manager, ORP

- Approves annual PEMP
- Approves changes to the PEMP during the execution period
- Serves as FDO
- Formally charters the Performance Evaluation Board (PEB) to ensure senior management involvement and accountability
- Issues annual Award Fee Determination
- Approves PBI Completion Determination

b. Assistant Manager, Tank Farms Project

- Serves as Chair of the PEB

c. Director, Contracts and Property Management

- Forwards draft PEMP to the EMHCA for review and comment
- Forwards draft Award Fee Determination for review and comment
- Works with PEB to address any HQ comments concerning PEMP or Award Fee Determination
- Provides draft PEMP to the contractor for review/comments
- Works with PEB to resolve contractor comments
- Ensures a unilateral or bilateral plan is issued prior to the start of the performance period
- Reviews draft evaluation report
- Coordinates with FDO during PEMP evaluation and fee recommendation

d. Performance Evaluation Board

- Accountable for final selection and approval of contract-specific performance-based and award fee incentives
- Assigns responsibilities to PMs to monitor and evaluate completion of performance against objectives and measures for PBIs and SEAs
- Provides input, reviews, and concurs on the PEMP
- Responsible for addressing any HQ comments concerning PEMP or Award Fee Determination
- Reviews WRPS performance at the end of the evaluation period and upon completion of key milestones
- Evaluates WRPS performance and recommends earned fee to the FDO

e. PEB Chair Person

- Issues call letters for input in the development of the PEMP
- Submits draft PEMP to PMs and WRPS for review and comment
- Consolidates, coordinates, and incorporates comments to the PEMP
- Obtains appropriate concurrence and approvals of the PEMP
- Issues call letter to PMs for input to WRPS performance evaluation report
- Coordinates evaluations of WRPS's performance with the PEB
- Consolidates input from ORP PMs
- Coordinates training for participants in the performance fee process
- Coordinates changes with Performance Monitors (PMs)
- Provide fee recommendation to the FDO

f. Performance Evaluation Board Members/Performance Monitors

- Attend all meetings unless formally excused by the Chair
- Actively participate in meetings
- Assure all program activities are represented
- Accountable for finalizing performance objectives/measures
- Monitor and evaluate completion of performance objectives
- Provides input, review, and concur on performance objectives
- Provides independent assessment of WRPS performance and recommend earned fee to the Fee Determination Official
- Validate and document completion of PBI and SEA performance objectives and measures
- Elevate recommendations, issues or concerns to the Chair
- Reviews and considers WRPS self-assessments in recommending fee

g. Contracting Officer

- Transmits the PEMP to the contractor and incorporates the PEMP into the contract
- Provides input, reviews, and concurs on the PEMP PBI and SEA objectives and measures to achieve ORP's management and program requirements
- Determines the completion and achievement of the performance objectives and measures

3. WRPS

General Manager

- Collaborates with ORP management to establish a working relationship that enables production of high value deliverables
- Supports the development of the PEMP and enhances the process through the sharing of best practices and lessons learned
- Responsible for the achievement of performance objectives and measures
- Provides critical self-assessments of performance against PBI and SEA performance objectives and measures to the ORP Contracting Officer

**D. METHOD FOR DETERMINING PERFORMANCE FEE**

**1. Communication with WRPS during the Evaluation Period**

One important consideration for evaluation will be discussions between the Performance Monitor (PM) and their WRPS counterpart. It is a management expectation that PMs meet with their WRPS counterpart at least monthly to review, discuss, and provide interface on WRPS's performance against the performance-based and award fee incentives and overall contract performance.

Regular communication with WRPS at the PM level will contribute to the success of the fee process. PM should discuss performance which may not currently meet performance objectives and measures, and thereby keep WRPS informed as to achievements and deficiencies that may appear in the final evaluation for the period.

**2. WRPS Self-Assessment**

WRPS shall provide the ORP Contracting Officer with a critical self-assessment within ten (10) working days after the end of an award fee evaluation period. WRPS must also provide an electronic copy of its critical self-assessment of performance to ORP Contracting Officer for distribution to ORP Performance Monitors.

WRPS shall critically assess progress in meeting deliverables within cost, schedule and scope, including meeting the specified acceptance criteria. WRPS shall identify issues potentially affecting the completion of individual PBIs and SEAs and the overall success of the program, and actions taken or recommended to resolve those issues. WRPS's critical self-assessment shall propose and justify the amount of performance based incentive and award fee earned, and include a discussion of fee reductions warranted by any failure to meet performance expectation. In the event the contractor self-discloses a situation that falls within the support of a special emphasis area, and appropriately self-corrects the situation in a timely manner, fee reduction may be waived by the FDO.

**3. ORP Assessment**

ORP Performance Monitors shall prepare and submit to ORP PEB Chair Person, an independent assessment of WRPS's performance within 20 calendar days upon receipt of the WRPS end of the year self-assessment. The ORP Performance Monitor shall consider WRPS's input with respect to completing the SEA performance criteria and with respect to the quality. Where significant disagreement exists between WRPS's self-assessment and ORP's assessment, the responsible ORP Performance Monitor shall raise such disagreements to the PEB for resolution. WRPS may be requested to attend a Board meeting to assure their view is understood.

ORP Performance Monitors shall also consider the additional input received during monthly operating reviews. Such reviews will enable Program-wide understanding of progress, an integrated assessment of impacts, and the identification of corrective actions. Assessments shall also document the rationale for any reduction in the amount of award fee earned.

ORP PEB Chair Person will consolidate ORP Performance Monitor Evaluation Reports and submit a written evaluation report to the PEB members for approval.

**4. Performance Evaluation Process**

Performance Evaluation Process (Table reflects completion of WRPS PBI's on a monthly basis)		
Activity	Duration	Evaluation Period
Award Fee Evaluation Period	365 days	October 01, 2013 - September 30, 2014
WRPS Monthly PBI list and award fee performance objectives and measures are provided to ORP CO.	10 days	10 <u>working</u> days after each calendar month
ORP Performance Monitor will prepare and submit Independent Assessment or WRPS performance to ORP PEB Chair	20 days	20 calendar days after each calendar month
Consolidate Performance Monitor Evaluation Reports and submit to PEB members for review	30 days	~ 30 days after receipt of monthly PBI completion letter
PEB will review validate and prepare evaluation report with fee recommendation to FDO	60 days	~ 60 days after receipt of monthly PBI completion letter
FDO Determines Award Fee Amount	70 days	70 days after receipt of monthly PBI completion letter or 60 calendar days after receipt of contractor's self assessment for award fee (whichever is later)

- a. Within ten (10) working days after the end of a calendar month, and after the end of an award fee evaluation period, WRPS shall provide the ORP Contracting Officer with a list of the PBIs completed in that month and a self-assessment. The self-assessment shall provide an assessment of WRPS performance in the completion of PBI and award fee performance objectives and measures. The contractor will provide an electronic copy of its self-assessment of performance to the ORP Contracting Officer for distribution to ORP Performance Monitors.
- b. Within twenty (20) calendar days upon receipt of the monthly WRPS PBI completion letter, and after the end of an award fee evaluation period, ORP Performance Monitors will prepare and submit an independent assessment of WRPS's performance, with respect to quality and schedule, against the performance objectives and measures to the ORP PEB Chair Person for consolidation. The ORP Performance Monitor shall consider WRPS's input with respect to payments of fee. Where significant disagreement exists between WRPS's self-assessment and ORP's assessment, the responsible Performance Monitor shall raise such disagreements to the PEB for resolution. WRPS may be requested to attend a Board meeting to assure their view is understood.
- c. The ORP assessment must be submitted on the Performance Monitor Evaluation Report form, Attachment 2 of the Plan, and will only be accepted by the ORP PEB Chair Person upon the approval of the ORP Performance Monitor.
- d. Within approximately thirty (30) calendar days upon receipt of the monthly WRPS PBI completion letter, and after the end of an award fee evaluation period, the ORP PEB Chair Person will consolidate Performance Monitor Evaluation Reports and submit to the PEB members for review.
- e. Within approximately sixty (60) calendar days upon receipt of the monthly WRPS PBI completion letter, and after the end of an award fee evaluation period, the PEB will review, validate, and prepare an evaluation report and submit a fee recommendation to the FDO.

- f. Within seventy (70) calendar days upon receipt of the monthly WRPS PBI completion letter, and after the end of an award fee evaluation period or 60 calendar days after receipt of contractor's self-assessment for award fee (whichever is later), the FDO will make a determination of the fee earned.

## **5. Evaluation and Discussion Documentation**

Where meetings or discussions are held by the PM (with WRPS, HQ, or others) that significantly impact award fee evaluations, it is necessary that appropriate documentation be created. This documentation can be in the form of signed and dated notes, minutes, or correspondence. Copies of the PM documentation should be maintained by the PM in support of the Performance Evaluation Report.

Rationale for fee payments will be documented by the Performance Evaluation Board and the fee determination official. The final PEB Fee Recommendation and FDO Fee Determination reports along with supporting rationale will be maintained by the ORP Contracts and Property Management organization in the official "contract file".

## **E. PEB INVOLVEMENT IN FINAL EVALUATIONS**

The PEB is responsible for reviewing the Performance Evaluation Reports and developing a Fee Recommendation Report to the FDO. The PEB Chair will provide updates and feedback to the FDO prior to receiving the PEB's final signed fee recommendation report.

As directed by the FDO, and especially if significant deficiencies exist, the Fee Recommendation Report is discussed with WRPS General Manager by the PEB, individual board members, and/or the FDO. Because the Fee Recommendation Report is pre-decisional, its contents will not be formally provided to WRPS.

## **F. FDO RESPONSIBILITIES IN FINAL EVALUATIONS**

The FDO may meet with WRPS, as appropriate, during the process of developing his/her evaluation position. Based on the FDO's personal knowledge, the information contained in WRPS's self-assessment, the PEB Fee Recommendation Report, and/or other information relating to WRPS's performance of the contract requirements, the FDO develops a determination on the evaluation and award fee. The FDO coordinates the Fee Determination with the Deputy Assistant Secretary for Acquisition and Project Management. Following the review of the Deputy Assistant Secretary for Acquisition and Project Management, the FDO issues a Fee Determination letter of award fee earned to WRPS.

## **G. METHOD FOR CHANGING PLAN COVERAGE**

Proposed changes to the PEMP may be initiated by ORP or WRPS. Proposed changes to the PEMP may be initiated on the official PEMP Change Form (Attachment 4). The respective Performance Monitor will review and concur on proposed changes prior to any changes being made to the PEMP. The FDO will either approve or disapprove any proposed changes to the PEMP.

**PERFORMANCE BASED INCENTIVES**

<b>PERFORMANCE BASED INCENTIVES</b>	<b>VALUE</b>	<b>PERFORMANCE MONITOR</b>
PBI 1.0 CLIN 1 222-S Laboratory, 242-A Evaporator, Tank Farm Upgrades	8.0%	Tank Farms
PBI 2.0 CLIN 1 Volume Reduction	7.8%	Tank Farms
PBI 3.0 CLIN 1 Core Sampling	1.7%	Tank Farms
PBI 4.0 CLIN 2 Deep Sludge Gas Release Resolution	3.7%	Tank Operations
PBI 5.0 CLIN 2 Vadose Zone/Interim Measures	2.2%	Tank Farms
PBI 6.0 CLIN 2 Closure	1.1%	Tank Farms
PBI 7.0 CLIN 2 C Farm Waste Retrieval Operations	40.0%	Tank Farms
PBI 8.0 CLIN 2 Retrieval Data Reports for C-100 Tanks	1.1%	Tank Farms
PBI 9.0 CLIN 3 RPP Technical Baseline (System Planning)	2.8%	Tank Farms
<b>Total PBI Fee Available</b>	<b>68.4%</b>	

**AWARD FEE SPECIAL EMPHASIS AREAS**

<b>SPECIAL EMPHASIS AREAS</b>	<b>VALUE</b>	<b>PERFORMANCE MONITOR</b>
Management of Single Shell (SST) and Double Shell Tank (DST) System	10%	Tank Farms
Performance of Tank Farm Project Operations – Conduct of Operations	3%	Tank Operations
Cost Performance	6.6%	Tank Farms
Quality Assurance Program	3%	Quality Assurance
Nuclear Safety	3%	Nuclear Safety
Environmental Regulatory Management	3%	Environmental
Safety Program Implementation	3%	Safety and Health
<b>Total SEA Fee Available</b>	<b>31.6%</b>	

This section includes PBIs for work to be performed during the annual evaluation period. The percent of available fee placed on this section is 68.4%. Each PBI will be evaluated on a Pass-Fail basis. DOE may, at its sole discretion, allow partial provisional fee or earned fee within the PBI, based on the work completed. This Award Fee Plan may be updated to include new or revised PBIs approved by the ORP Manager.

For this section, DOE ORP reserves the right to reduce the total available fee if the contractor cost exceeds the Contract Performance Baseline (CPB). DOE ORP will work with the contractor to develop a methodology for any possible fee reduction. If agreement can't be reached on the methodology, ORP has the unilateral right to determine the methodology.

## PBI 1.0 CLIN 1 222-S Laboratory, 242-A Evaporator, Tank Farm Upgrades

**Performance Fee value is established at 8.0% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	1.1%	September 30, 2014
2	Straight-Line	1.1%	September 30, 2014
3	Straight-Line	1.1%	September 30, 2014
4	Straight-Line	1.9%	September 30, 2014
5	Straight-Line	2.8%	September 30, 2014
<b>Total</b>		<b>8.0%</b>	

### Desired Endpoint/Outcome

The 222-S Laboratory with its unique capabilities to analyze and store highly radioactive tank waste samples must operate reliably in support of the tank waste cleanup mission. The Contractor must replace and design/install new systems in support of 222-S Laboratory upgrades.

Highly reliable waste evaporation and waste transfer systems are crucial to safe, efficient management of the Hanford Tank Farms prior to and during tank waste treatment. This planned scope will replace systems in support of 242-A Evaporator upgrades, complete evaporator upgrades as defined in the document titled "Engineering Study for the 242-A Life Cycle Extension Upgrades for FY 2010 through 2015."

Tank Farm and related facility upgrade projects are necessary to support safe reliable and compliant storage of tank waste. This planned scope ensures tank waste retrieval, staging, feed delivery, and treatment efforts can be safely executed to meet regulatory requirements.

### Fee-Bearing Milestones

1. Procure and replace 222-S Laboratory Analytical Instruments and fabricate, remove, and install hood and duct work. The Contractor shall earn 1.1% of FY2014 fee pool upon procuring and replacing 222-S Laboratory Analytical Instruments.

Work scope/completion criteria: Procure and replace one (1) 222-S gas chromatograph/mass spectrometers, one (1) gamma energy analyzer, remove hood and associated ductwork and install one (1) hood and associated ductwork.

Completion document: Letter transmitting the Performance Expectation Completion Notice and copy of work order signature page approved through Operations Acceptance. The instruments pass acceptance testing and complete Engineering Change Notices (ECN) are incorporated into drawings.

2. Complete design, demolition and renovation of one (1) 222-S Laboratory room. The Contractor shall earn 1.1% of FY2014 fee pool for renovation of one laboratory room.

Work scope/completion criteria: Completion of one (1) room renovation. Design includes all requisite fixtures, utilities, and equipment. Demolition includes removal of asbestos, PCB ballasts, aged wiring, hoods, ducts, filters, floor, and cabinets and decontamination of radioactive and/or chemical spills. Renovation includes installation of all features in the room design.

Completion document: Letter transmitting the Performance Expectation Completion Notice and copy of work order signature page for each completed work scope approved through Operations Acceptance with completed ECNs incorporated into drawings.

3. Complete three (3) 222-S Laboratory Support System Upgrades. The Contractor shall earn 1.1% of FY2014 fee pool upon completion of support system upgrades.

Work scope/completion criteria: Perform support system upgrades including replacement of one (1) fire alarm panel, installation of restraining clamps on 2<sup>nd</sup> floor fire line hangers, and replacement of chiller system for vacuum pumps.

Completion document: Letter transmitting the Performance Expectation Completion Notice and copy of work order signature page approved through Operations Acceptance. Complete ECNs are incorporated into drawings.

4. Replace three (3) systems in support of 242-A Evaporator Upgrades. The Contractor shall earn a total of 1.9% of FY2014 fee pool upon completion of work on all three systems.

Work scope/completion criteria: Replace three (3) systems in support of the 242-A Evaporator upgrades: 1) 242-A control valve upgrades, 2) 242-A process condensate sampling station, and 3) 242-A safety significant steam isolation valve installation.

Completion Document: Letter transmitting performance expectation completion notice and copy of the as-built drawings with ECNs incorporated documenting completion of installation and incorporation into the design baseline.

5. Complete four (4) DST upgrades to the tank farm. The Contractor shall earn a total of 2.8% of FY2014 fee pool upon completion of all tank farm upgrades as described in the work scope/completion criteria below.

Work scope/completion criteria: Complete four (4) DST farm upgrades: AP Farm Service Water and Flush Pit refurbishment, AY/AZ farm power upgrades, AZ01A gear actuators, and the AN Farm temporary water skid.

Completion Document: Letter transmitting performance expectation completion notice and copy of work package signature page documenting completion of installation and completion of operations acceptance testing with completed ECNs incorporated into drawings.

**PBI 2.0 CLIN 1 Volume Reduction**

**Performance Fee value is established at 7.8% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	7.8%	September 30, 2014
<b>Total</b>		<b>7.8%</b>	

**Desired Endpoint/Outcome**

Upon completion of 750,000 gallons (after flush) of 242-A Evaporator waste volume reduction during FY2014, the Contractor shall earn 7.8% of fee.

Work scope/completion criteria: Operate the 242-A evaporator as a key component of the transfer and treatment system for tank farms. The evaporator will process the waste to the parameters determined by Process Engineering. The after-flush Waste Volume Reduction will be determined by the Process Control Plan (e.g. specific gravity goal and limits on the amount of waste removed from AW-102) with a minimum of 750,000 gallons (after flush) during FY 2014 of free DST volume achieved.

Completion document: Letter transmitting the Performance Expectation Completion Notice and Letter Report and Evidence of Completion documenting that the waste volume reduction volume has been achieved and summarizing the volume reduction results.

### **PBI 3.0 CLIN 1 Core Sampling**

**Performance Fee value is established at 1.7% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	1.7%	September 30, 2014
<b>Total</b>		<b>1.7%</b>	

### **Desired Endpoint/Outcome**

Tank waste sampling is essential to maintaining required tank waste chemistry, for maintaining tank integrity, for facilitating high level waste sludge management planning, to support waste blending strategy development in order to improve Waste Treatment Plan HLW melter operating efficiency, and to assess the degree of blending—Tank core sampling is high-risk work that must be completed safely to not impede project schedules.

Recent efforts to define the WTP waste acceptance criteria as well as validating the WTP feed design baseline have revealed a critical need for additional tank waste sample data, particularly rheological data. Obtaining core sample data from tank waste to allow better understanding of plutonium species form and properties is of particular importance. The valuable data obtained from the tank waste core samples will support a number of ongoing tank farms program needs, including safety, waste storage, waste retrieval and waste feed delivery.

### **Fee-Bearing Milestones**

Deploy the core sample platform and complete 3 core samples in support of the Tank Operations Contract (TOC) mission. The Contractor shall earn a total of 1.7% of FY2014 fee pool upon completion of work on all three core samples.

Work scope/completion criteria: Completion of core samples as described in the applicable Tank Sampling and Analysis Plan (TSAP). The plan shall identify; the type of sample, the technical need for the sampling activity, the location of the samples, and the sampling requirements.

Completion Document: Letter transmitting performance expectation completion notice and copy of the chain of custody (COC) documenting completion of core samples and delivery of the samples to the 222-S laboratory.

## **PBI 4.0 CLIN 2 Deep Sludge Gas Release Resolution**

**Performance Fee value is established at 3.7% of FY 2014 fee pool.**

**Fee Structure:** Terminal Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Terminal	1.5%	March 15, 2014
2	Terminal	2.2%	July 15, 2014
<b>Total</b>		<b>3.7%</b>	

### **Desired Endpoint/Outcome**

Resolution of the Deep Sludge Gas Release issue in the Tank Farms Documented Safety Analysis (DSA) is critical to both ongoing retrieval/closure operations and management of the tank farms per the system plan.

### **Fee-Bearing Milestones**

1. Complete model refinement and submit resulting Justification for Continued Operation(JCO) to ORP to support refined definition of tank sludge accumulation in Double-Shell Tanks AN-106 and AN-101.
2. Submit DSA amendment to ORP that addresses Deep Sludge Gas Release Events based upon results of column experiments, in-situ strength samples, and model refinement.

Work scope/completion criteria: Complete Deep Sludge Gas Release Event project to resolve the outstanding positive USQ declared on January 17, 2013 and currently addressed in JCO TF-13-01. The Contractor shall earn a total of 3.7% of FY2014 fee pool upon completion of resolution of the deep sludge gas release issue.

### Completion Document:

1. Updated JCO shall be submitted to ORP for approval no later than March 15, 2014 based upon model refinements.
2. Submit the DSA amendment to ORP for incorporation of Deep Sludge Gas Release model and associated controls to support long term management of Tank Farm deep sludge no later than July 15, 2014.

## PBI 5.0 CLIN 2 Vadose Zone/Interim Measures

Performance Fee value is established at 2.2% of FY 2014 fee pool.

Fee Structure: Terminal Method

Milestone	Method	Fee Percentage	Due Date
1	Terminal	1.1%	June 30, 2014
2	Terminal	1.1%	August 31, 2014
<b>Total</b>		<b>2.2%</b>	

### Desired Endpoint/Outcome

Upon completion of these PBI activities, the following interim measure/barriers outcomes will be achieved:

- Performance of proof-of-principle soil desiccation/contaminant removal test at SX tank farm will be completed, per a work plan provided as a TPA primary document.
- Characterization of TX farm for possible future interim measures will be performed to support definition and design of future interim measures or surface barriers, per the work plan and a Sample Analysis Plan for TX farm.
- Recommendations on future interim measures and/or barrier construction will be provided.

### Fee Bearing Milestones

1. In completion of TPA target M-045-22-T03, perform desiccation/contaminant removal proof-of-principal testing at 241-SX Farm and document results. The Contractor shall earn a total of 1.1% of FY2014 fee pool upon completion of work.

Work scope/completion criteria: Perform field testing as described in the field test plan delivered in TPA milestone M-045-20. Document the results and provide recommendations regarding the potential for larger scale testing or implementation of the technology for tank farm vadose zone remediation. Due date: June 30, 2014.

Completion documents: Provide to the ORP a report of the results of field testing, performed per the test plan. Include, in the report or as a separate document, recommendations regarding the potential for larger scale testing or implementation of the technology for tank farm vadose zone remediation.

2. In completion of TPA target M-045-22-T01, complete vadose zone direct push characterization in 241-TX farm, as described in the work plan submitted under TPA Milestone M-045-20. The Contractor shall earn a total of 1.1% of FY2014 fee pool upon completion of work.

Work scope/completion criteria: Use the hydraulic hammer/direct push technology to perform logging and sampling for remaining 6 locations (of the approximately 12 included in the work plan submitted under TPA Milestone M-045-20). Field work shall include: placement of 6 direct push probes (probes pushed to refusal), geophysical logging of direct push probe holes,

obtaining up to 3 soil samples per location for analysis, and placement of 2 or more deep electrodes per location. Samples will be analyzed as described in the sampling and analysis plan submitted under TPA Milestone M-045-21. Due date: August 31, 2014.

Completion documents: Provide to the ORP a formally released report documenting completion of direct push probe-holes at all locations in TX Farm, logging results, placement of deep electrodes, sample depths, and summary of analytical results. Include, in the report or in a separate document, recommendations regarding consideration of TX farm as a location for future interim barriers or other interim measures.

**PBI 6.0 CLIN 2 Closure**

**Performance Fee value is established at 1.1% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	1.1%	September 30, 2014
<b>Total</b>		<b>1.1%</b>	

**Desired Endpoint/Outcome**

Upon completion of these PBI activities, the following outcomes will be achieved: Initial modeling will be complete and draft documentation provided for the first version of the Waste Management Area (WMA) C Performance Assessment (PA), supporting the closure decisions for WMA C in accordance with HFFACO Appendix I and DOE O 435.1.

**Fee Bearing Milestones**

Perform and document initial model runs for the initial human health and environmental risk assessment/performance assessment for WMA C (WMA C PA). The Contractor shall earn a total of 1.1% of FY2014 fee pool upon completion of this document.

Work scope/completion criteria: The human health and environmental risk assessment/performance assessment for WMA C is required to provide the risk basis to select the closure actions in C farm. The modeling output is required in fiscal year 2014 to allow time to develop the Tier 2 and Tier 3 Closure Plans required by HFFACO Milestone M-045-82 (due September 30, 2015). The WMA C PA will be developed to meet the requirements of HFFACO Appendix I and DOE O 435.1. The initial model runs will be performed per the inputs and assumptions, developed through a series of working sessions with ORP, other DOE staff and regulatory agencies. The initial WMA C PA model runs will employ available data regarding tank waste residuals following retrieval, supplemented with conservative assumptions for data that is not yet available. This initial PA will not address the contribution of current soil contamination to the future groundwater risk. Initial runs of the numeric model developed through this process will be documented.

Completion document: A report documenting the output of the tank residual model runs for the initial human health and environmental risk assessment/performance assessment for WMA C, developed to meet the requirements of the HFFACO Appendix I and DOE Order 435.1.

**PBI 7.0 CLIN 2 C Farm Waste Retrieval Operations**

**Performance Fee value is established at 40.0% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	15.0%	September 30, 2014
2	Straight-Line	5.0%	September 30, 2014
3	Straight-Line	5.0%	September 30, 2014
4	Straight-Line	5.0%	September 30, 2014
5	Straight-Line	10.0%	September 30, 2014
<b>Total</b>		<b>40.0%</b>	

**Desired Endpoint/Outcome**

Completion of tank waste retrieval activities to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

**Fee Bearing Milestones**

1. Complete retrieval of Tank 241-C-105. The Contractor shall earn a total of 15.0% of FY2014 fee pool upon completion of retrieval of Tank 241-C-105 to the requirements of the Consent Decree – Appendix B and C.

Work scope/completion criteria: Complete waste retrieval to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

Completion document: Submittal of material balance data and engineering calculations summary information documenting the results of retrieval of Tank C-105 and demonstrating completion of tank waste retrieval in accordance with the Consent Decree – Appendix B and C.

2. Complete retrieval of Tank 241-C-110. The Contractor shall earn a total of 5.0% of FY2014 fee pool upon completion of retrieval of Tank 241-C-110 to the requirements of the Consent Decree – Appendix B and C.

Work scope/completion criteria: Complete waste retrieval to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

Completion document: Submittal of material balance data and engineering calculations summary information documenting the results of retrieval of Tank C-110 and demonstrating completion of tank waste retrieval in accordance with the Consent Decree – Appendix B and C.

3. Complete retrieval of Tank 241-C-111. The Contractor shall earn a total of 5.0% of FY2014 fee pool upon completion of retrieval of Tank C-111 to the requirements of the Consent Decree – Appendix B and C.

Work scope/completion criteria: Complete waste retrieval to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

Completion document: Submittal of material balance data and engineering calculations summary information documenting the results of retrieval Tank C-111 and demonstrating completion of tank waste retrieval in accordance with the Consent Decree – Appendix B and C.

4. Complete retrieval of Tank 241-C-112. The Contractor shall earn a total of 5.0% of FY2014 fee pool upon completion of retrieval of Tank C-112 to the requirements of the Consent Decree – Appendix B and C.

Work scope/completion criteria: Complete waste retrieval to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

Completion document: Submittal of material balance data and engineering calculations summary information documenting the results of retrieval of Tank C-112 and demonstrating completion of tank waste retrieval in accordance with the Consent Decree – Appendix B and C.

5. Complete retrieval of Tank 241-C-102. The Contractor shall earn a total of 10.0% of FY2014 fee pool upon completion of retrieval of Tank 241-C-102 to the requirements of the Consent Decree – Appendix B and C.

Work scope/completion criteria: Complete waste retrieval to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

Completion document: Submittal of material balance data and engineering calculations summary information documenting the results of retrieval of Tank C-102 and demonstrating completion of tank waste retrieval in accordance with the Consent Decree – Appendix B and C.

## PBI 8.0 CLIN 2 Retrieval Data Reports for C-100 Tanks

Performance Fee value is established at 1.1% of FY 2014 fee pool.

Fee Structure: Straight-Line Method

Milestone	Method	Fee Percentage	Due Date
1	Straight-Line	1.1%	September 30, 2014
<b>Total</b>		<b>1.1%</b>	

### Desired Endpoint/Outcome

Completion of documentation of tank waste retrieval activities to meet or exceed performance requirements in the Consent Decree – Appendix B and C.

### Fee Bearing Milestones

In partial completion of TPA Milestone M-45-86, provide Retrieval Data Report for three (3) 241-C-100 tanks in C Farm that have completed retrieval under the Consent Decree. The Contractor shall earn a total of 1.1% of FY2014 fee pool upon completion of work on all three reports.

Work scope/completion criteria: Each Retrieval Data Report shall include the following elements:

- Residual tank waste volume measurement, including associated calculations;
- The results of residual tank waste characterization;
- Retrieval technology performance documentation;
- The updated post-retrieval risk assessment;
- Opportunities and actions being taken to refine or develop tank waste retrieval technologies based on lessons learned and,
- Leak detection monitoring and performance results.

The tank residual characterization and residual volume estimate shall be based on the version of RPP-23403 (*Single-Shell Tank Component Closure Data Quality Objectives*) in effect at the time of retrieval completion certification for the tank in question, modified by any specific changes agreed to in the applicable Tank Sample Analysis Plan. The post-retrieval risk assessment shall be based on the risk model used in DOE/ORP-2005-01 (*Initial Single-Shell Tank System Performance Assessment for the Hanford Site*). A draft of the Retrieval Data Report shall be provided to ORP for review, and all written comments submitted to the contractor on the draft, within 15 calendar days of providing the draft to ORP, will be addressed in the final Retrieval Data Report.

Completion documents: For each tank, provide to the ORP a formally released Retrieval Data Report addressing the elements described above.

**PBI 9.0 CLIN 3 RPP Technical Baseline (System Planning)**

**Performance Fee value is established at 2.8% of FY 2014 fee pool.**

**Fee Structure:** Straight-Line Method (September 30, 2014)

<b>Milestone</b>	<b>Method</b>	<b>Fee Percentage</b>	<b>Due Date</b>
1	Straight-Line	2.8%	September 30, 2014
<b>Total</b>		<b>2.8%</b>	

**Desired Endpoint/Outcome**

Complete and submit to the U.S. Department of Energy, Office of River Protection (ORP) the RPP System Plan, Revision 7, which reflects directions provided by the ORP and documented modeling results from the Hanford Tank Waste Operations Simulator (HTWOS). The scenario selection and update will support decision making by the ORP through evaluation of scenarios. The results and evaluations provided in the RPP System Plan play a vital role in the successful management of the RPP in that they assist the ORP with evaluating potential programmatic and operational planning considerations. The RPP System Plan also assists the ORP planning by defining the issues, and proposing mitigating actions, that must be resolved to ensure the success of the cleanup mission. Completion and submission of the RPP System Plan for FY 2014 satisfies TPA Milestone M-62-040D. The RPP System Plan will provide the technical basis for the budget and schedule updates to the Tank Operations Contract (TOC) Performance Measurement Baseline (PMB), and will present results for scenarios selected by ORP and the Washington State Department of Ecology (Ecology).”

**Fee Bearing Milestones**

Complete and submit Revision 7 to the RPP System Plan. The Contractor shall earn a total of 2.8% of FY2014 fee pool upon completion of the update.

Work scope/completion criteria: Complete and submit Revision 7 to the RPP System Plan to reflect direction provided by the ORP and documented modeling results from the HTWOS to meet TPA Milestone M-62-040D. Transmit Contractor-approved RPP System Plan to the ORP by September 30, 2014.

Completion documents: Letter transmitting the performance expectation completion notice and Contractor-approved RPP System Plan, Revision 7, to the ORP.

**SPECIAL EMPHASIS AREA  
 OVERALL GRADES & ASSOCIATED PERCENTAGES OF EARNED FEE**

Award-Fee Adjectival Rating	Award-Fee Pool Available To Be Earned	Description
Excellent	91%-100%	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Very Good	76%-90%	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Good	51%-75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Satisfactory	No Greater Than 50%	Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

Award Fee: The period of performance is October 1, 2013, through September 30, 2014. The total available fee is split between the PBIs and SEAs. At the conclusion of the 12-month evaluation period DOE will determine the award fee associated with the SEAs. ORP's evaluation of the contractor's performance in the SEAs will be combined to an overall rating. **Failure in any of the SEAs could result in a change to the overall rating as determined by the Fee Determination Official.**

To be minimally acceptable, all contractor formal products by contract, DOE Order, regulation, procedure, plan, or DOE written direction shall be complete, accurate, and on schedule. Requirements shall clearly flow down and be transparent within the product and ensure compliance with ES&H and QA requirements. Evidence of unsatisfactory performance on the part of the contractor is: (1) technical errors or omissions in contractor developed products, (2) performance not completed by COB on the agreed upon date scheduled, and (3) non-compliance with designated Completion Criteria.

**SEA 1: Management of Single Shell (SST) and Double Shell Tank (DST) System**

**Performance Fee value is established at 10% of FY 2014 fee pool.**

**Desired Outcome:**

In the execution of the contract, Washington River Protection Solutions LLC (WRPS) is expected to provide holistic, comprehensive, and effective management as conscientious stewards of all Tank Farm facilities and activities through:

- Demonstrated safety leadership and risk-informed, conservative decision-making
- Anticipating project challenges and providing timely resolution
- Open communication with the workforce – fostering a questioning attitude and an environment free from retribution
- Aggressive self-discovery of project issues to ORP through critical self-analysis, performance monitoring, and comprehensive extent of condition reviews

Additionally, WRPS will provide management focus on maintenance, compliance, surveillance and integrity of the tank farms facility.

**Areas of focus** include overall WRPS management of the Hanford Tank Farm facilities and systems including SST and DST infrastructure, DST Chemistry, SST and DST Integrity, Support for WTP Commissioning, Conduct of Engineering, and Conduct of Maintenance.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

- a) **Overall Tank Farm Management** Demonstrate effective long-term stewardship of the entire Hanford Tank Farm project facilities and processes through:
- 1) Demonstrated safety leadership and risk-informed, conservative decision-making
  - 2) Anticipating project challenges and providing timely resolution
  - 3) Open communication with the workforce – fostering a questioning attitude and an environment free from retribution
  - 4) Aggressive self-discovery of project issues to ORP through critical self-analysis, meaningful performance monitoring, comprehensive extent of condition reviews, and effective risk identification and management

b) **SST and DST Infrastructure**

General maintenance of all SST and DST Infrastructure, to include but not limited to:

- 1) Maintain and remove or replace jumpers/funnel as needed.
- 2) Maintain DST ventilation.

c) **DST Chemistry and Integrity**

The maintenance of Double-Shell Tank (DST) and waste transfer system piping and associated containment system (waste transfer fitness for service) integrity is crucial to cost-effective completion of the tank waste cleanup mission. The Contractor shall:

- 1) Maintain tank chemistry per Operations Specifications Documents to ensure long term integrity of tanks
- 2) Confirm data obtained from active portions of the corrosion probe and gain better understanding of actual corrosion and corrosion mechanisms within the double-shell tanks (DSTs)
- 3) Obtain better understanding of the corrosion potential of the waste.
- 4) Perform analyses of dynamic mixing, benchmark analysis, and ventilation flow modeling.
- 5) Complete fitness for service simulant valve testing to determine the safety and integrity of equipment and maintain safe and reliable operation.

d) **Single-Shell Tank Integrity**

Maintain the SST Integrity program.

- 1) Perform video assessments and prepare summary conclusion reports for SST structural analysis and SST leak assessments.

- 2) Obtain a core sample of the concrete tank wall in Single-Shell Tank (SST)
  - 3) Meet Tri-Party Agreement (TPA) Milestones and support TPA negotiations.
  - 4) Continue update of the Tank Waste Summary Report, HNF-EP-0182.
  - 5) Comply with and negotiate changes with Ecology on SST Functions and Requirements, 9937 Document.
- e) **Support for WTP Commissioning:** Development of improved Management systems and technical support for Waste Treatment Plant (WTP) Commissioning.
- 1) Technical support to WTP - data and analysis as part of the One System Integrated Project Team is timely, relevant, and supports an integrated licensing strategy;
  - 2) Interface management -collaboration with other site contractors to update interface control documents including the Infrastructure and Services Alignment Plan, and resolution of interface issues is proactive; program documents are improved and matured;
  - 3) Risk Management - the risk program and risk register show continued improvement and effective collaboration to manage crosscutting risks;
  - 4) Program and Project Management - Effective management of integration activities between WRPS and BNI;
  - 5) System Planning - reflects the system planning process that provides the most current available information on tank waste management and treatment capabilities and demonstrates continued improvement to optimize the sequence of tank waste treatment for reduction of total mission risk;
  - 6) Closure of WRPS actions associated with external WTP reviews is timely and effective.
- f) **Conduct of Engineering:** Improvement in effectiveness, consistency of Engineering systems and programs.
- 1) Reduction in Engineering Change Notices backlog;
  - 2) Deployment of improved ECN process and evidence of increased rigor in planning and field execution;
  - 3) Deployment of at least quarterly engineering improvement training sessions and associated metrics to evaluate effectiveness;
  - 4) Reduction in design errors resulting in Engineering or field rework;
  - 5) Implementation of engineering mentor program and evidence of increased depth/rigor of

conduct of engineering;

- 6) Improve Ventilation System performance which includes double shell tanks and portable ventilation skid performance;
- 7) Improvements in the Corrosion Control Program that result (or will result) in improved response (including a reduction in overall response time) to out of specification tank chemistry.

g) **Conduct of Maintenance:**

- 1) Corrective maintenance backlog and 10% reduction in prioritized repairs;
- 2) Reduction in preventative maintenance backlog;
- 3) Identification and implementation of at least two improved stewardship opportunities (e.g., Smart Plant), including metrics to demonstrate improvement.

## **SEA 2: Performance of Tank Farm Project Operations – Conduct of Operations**

**Performance Fee value is established at 3.0% of FY 2014 fee pool.**

**Desired Outcome:** Ensure focus is maintained on overall safety and efficiency of Tank Farm project operations through improvements in Conduct of Operations and Work Control.

**Areas of focus** include Work Control/Procedure Development process continuous improvement, the field implementation of work instructions, and general Conduct of Operations improvements.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

- a) DOE and Contractor oversight indicate no DOE Level 1 finding, recurring events, or programmatic adverse trends;
- b) Personnel are cognitive of and avoid at-risk behaviors and conditions. Senior Managers (Level 0, 1, and 2) are proactive in identifying these behaviors and coaching co-workers or correcting conditions in the field through established WRPS processes (PER, MOP/WSV, etc.);
- c) Additional trending data such as Occurrence Reporting & Processing System Reports, Problem Evaluation Requests, and Performance Indicators are established and monitored for Conduct of Operations and Work Control that monitor the health and status of the programs similar to those created as part of the FEOT process to both normalize and evaluate the safety significance of trending data and WRPS management takes actions to mitigate performance deficiencies;
- d) Tank Farm general area housekeeping and maintenance is improved. Examples may include overall radiological zone reduction, farm signage and equipment labeling, and demonstrated reduction of radioactive contaminated material and equipment;
- e) Responsiveness to and management of performance and assessment areas needing attention as identified by contractor self-assessments, ORP assessments, and external reviews as evidenced by a high ratio of WRPS self-identified issues that eliminate the need for ORP issues to be identified and minimal ORP rejection of corrective action plans;
- f) The restructured Conduct of Operations Council and Training and Management Focus demonstrate continuous improvement as evidenced by WRPS performance indicators, effective improvement initiatives, and/or WRPS/ORP oversight results. Examples may include items such as implementing continued work control enhancements (Work Efficiency Design Lab), increased senior management field presence, Field Excellence Captains ownership of Conduct of Operations initiatives and issues, additional Human Performance Improvement Lab response to abnormal events or lessons learned, or drill program improvement;

- g) Base Operations Transfer and Single-Shell Retrieval & Closure Transfer processes, where applicable, demonstrate continuous improvement and consistency between the two line organizations for increased safety or more efficient transfer process.

### **SEA 3: Cost Performance**

**Performance Fee value is established at 6.6% of FY 2014 fee pool.**

**Desired Outcome:** Contractor's cost performance is in alignment with the negotiated estimated costs contained in the contract.

**Areas of Focus** includes Contractor's Cost Performance.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

**Cost Performance** - DOE will evaluate the Contractor's cost performance based upon Contractor's actual incurred costs compared to the total negotiated estimated costs of active CLINs and Sub-CLINs within the award fee evaluation period. The analysis of cost control performance will give consideration to changed programmatic requirements, changed statutory requirements, and/or changes beyond the Contractor's control which impact costs. ORP will rely on other objective and or subjective cost performance elements to evaluate the Contractor's performance, which includes, but is not limited to:

- a) Cost Control – Contractor maintains cost control (i.e., actual costs incurred are equal to or less than the estimated costs negotiated in the contract) and actively pursues cost containment and reduction through innovative approaches and management of resources.
- b) Cost Reporting – Contractor is proactive in assisting ORP with problem identification. Potential problems are identified, and corrective action is implemented to minimize cost/schedule impacts. The Government is notified immediately of significant problems and the contractor interacts with the Government to develop viable resolutions and overcome delays.
- c) Variances - Contractor is expected to promptly take corrective action on negative variances. Negative variances are not expected to build but instead be mitigated effectively and with sound business practices.
- d) Available Funding Utilization – Contractor is expected to optimize utilization of funds while planning for an appropriate amount of carryover to cover outstanding year-end commitments and to provide for the first few weeks of continuing operations into the next fiscal year.
- e) Earned Value Management System (EVMS) indices, including cost performance index (CPI) and schedule performance index (SPI) - Contractor is expected to effectively use the EVMS in managing their projects to ensure that sound management actions are taken when negative variances and/or cost overruns are projected.

#### **SEA 4: Quality Assurance Program**

**Performance Fee value is established at 3.0% of FY 2014 fee pool.**

**Desired Outcome:** Continued improvement of the Quality Assurance (QA) program.

**Areas of Focus** for Quality Assurance Program Improvement:

Compliance with all Management Criteria of the QAP-including: Program Requirements, Training and Qualifications; Quality Improvement, Documents and Records; work processes; design; procurement; Inspection and Acceptance testing; Independent and Management Assessment; Software QA; Implementation of ASME NQA- 1-2004 as the implementing standard to meet DOE requirements.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

- a) Compliance with management criteria of the QAP (TFC-PLN-02, "Quality Assurance Program Description") Contractor Performance Responsiveness to corrective action plans and issues;
- b) Improvement in the following areas:
  - 1) **Corrective Action Management**
    - a. 180 (15/month) Level 1/Level 2 Management oversight observations of work execution (>25/month exceeds expectations)
    - b. 240 (20/month) Lessons Learned issued (>30/month exceeds expectations)
  - 2) **Software Quality Assurance**
    - a. Software Quality Assurance implementing procedures are revised and aligned with Software Quality Assurance requirements
    - b. Safety software lifecycle documentation is complete and accurate
    - c. Software systems required to perform work are available and on-line and have compliant life-cycle documentation
  - 3) **Supply Chain Quality**
    - a. Perform 40 vendor oversight surveillances (10/quarter) during FY14
    - b. Perform 4 surveillances of the vendor processes activities (1/quarter) during FY14
    - c. Perform 4 surveillances of the supply chain process (1/quarter) during FY14
    - d. Perform 2 surveillances of material storage during FY14
  - 4) **Design Control**
    - a. Percent of total Engineering Change Notices with design errors is less than 5%
    - b. Three month rolling average of released facility modification Engineering Change Notices to closed Engineering Change Notices is less than 2

- c. Facility modification Engineering Change Notices (greater than 3 years old) backlog is less than 150
- d. Three month rolling average of support drawing with unincorporated Engineering Change Notices is less than 2%
- e. Average number of days to revise and release an Essential Drawing is less than 30 days

**5) Work Processes**

- a. Develop a schedule performance metric for project work
- b. Percent of accomplished scheduled work is greater than 75% for FY14
- c. Number of preventable changes to work packages is less than 120 (30/month) for FY14
- d. Delinquent preventative maintenance backlog is less than 150 (1.5% of total preventative maintenance packages)
- e. 900 (75/month) Management oversight observations of work execution

**SEA 6: Environmental Regulatory Management**

**Performance Fee value is established at 3.0% of FY 2014 fee pool.**

**Desired Outcome:** Demonstrated improvement in environmental stewardship

**Areas of Focus** for environmental- stewardship and compliance:

- a) Environmental Protection and Compliance Plan and performance metrics;
- b) Permitting documents and compliance to permits and licenses;
- c) Proactive assessment/evaluation program;
- d) Number and seriousness of any findings of noncompliance, infractions or violations, and timeframes and quality of related reporting and responses.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

- a) Quality and implementation of the documented environmental protection program and the contractor's establishment and implementation of environmental performance metrics;
- b) Early identification of issues and concerns through a proactive assessment/evaluation program;
- c) Data and regulatory approaches are prepared in a timely manner and integration with Hanford Site regulatory compliance to support annual reports and compliance activities;
- d) Quality, timeliness, completeness, and technical accuracy of environmental reports, permits, and licenses;
- e) Permit documents are of high quality, have been integrated into project schedules which reflect adequate and appropriate timeframes for DOE and regulatory review permitting documents are technically accurate, with minimal revisions needed and fast track approval of submittals is not needed;
- f) Number and seriousness of any non-compliances, infractions, or violations and the timeliness and quality of related reporting and responses; and
- g) Implementation of waste minimization and pollution prevention practices.

## **SEA 7: Safety Program Implementation**

**Performance Fee value is established at 3.0% of FY 2014 fee pool.**

**Desired Outcome:** Ensure focus is maintained on overall safety and efficiency of Tank Farm Project through improvements in Radiological Controls (RadCon), Industrial Health and Safety, and Emergency Preparedness.

**Areas of Focus** include RadCon, Industrial Health and Safety, Emergency Preparedness.

**Evaluation criteria** to measure performance will include ORP's subjective evaluation of the contractor's performance based on the following:

a) Radiological Controls:

- 1) Reduction in the overall radiological areas (area and/or number of Contamination and High Contamination Areas, and High Radiation Areas).
- 2) Reduction of litter/debris in and around the tank farm areas managed by the TOC. The intent is to remove/minimize the perception that the Tank Farms has spread contamination to the areas adjacent, and to enhance the ability to be able to detect any actual spread of contaminated/potentially contaminated material from a Tank Farm.
- 3) Effectively control vegetation within TOC radiological posted areas, which have potential to spread contamination through root take-up and transport mechanisms.
- 4) Create an environment where radiological workers actively monitor each other and, when necessary, coach each other to improve their radiological work performance.

b) Industrial Health and Safety:

- 1) Improve the consistency of final ESH&Q work control requirements and documentation submitted for approval to the Joint Review Group, as evidenced by a significant reduction in revisions to work control documents designed to correct deficiencies in ESH&Q-related work control documentation identified after the documents are "signature ready".
- 2) Past IH related AOP and off normal events are analyzed, procedures reviewed and an integrated team formulated to generate improvements including development of training aids for IH response decision logic, worker awareness training, defensible thresholds for triggering an AOP, near real time characterization of acute exposure, and rapid submittal of pertinent information to the occupational medicine provider, as available.
- 3) Industrial hygiene personal exposure monitoring data analysis processes and metrics are developed and administered as a basis for targeting exposure monitoring, improving the characterization of personnel exposure histories, and documenting the selection of controls.

- 4) Tank farm emissions data is reevaluated to assess historical trends in COPC emissions, the effectiveness of stack height, and dispersion of COPCs from point sources relative to work sites as a technical basis for assessing needs for added control measures, viability of new air monitoring technologies, the selection/ placement of area and personnel monitoring; and dose reconstruction considerations.
- 5) The parameters and tools to facilitate Industrial hygiene staff professional judgment are more clearly defined, training is provided and a process of accountability is implemented.
- 6) Complete a quarterly communication campaign centered on objectives identified in Safety and Health performance metrics and indicators.
- 7) Employ mobile technologies and/or similar approaches to facilitate in the effectiveness of Safety and Health programs, procedures, and responsibilities.
- 8) Strategically benchmark Hanford Prime Contractors and Industry leaders (e.g., “best practice” companies) to further develop and expand the Behavior Based Safety program.
- 9) Develop and implement community outreach activities involving parent companies, Hanford prime contractors, and government agencies (e.g., OSHA, DOE) that include public education/awareness regarding Safety and Health.

C) Emergency Preparedness:

- 1) Implement an Emergency Preparedness drill program that rigorously develops the ability to respond to and mitigate emergency and abnormal events safely and in compliance with all applicable requirements.
- 2) Conduct a minimum of one evaluated field drill a quarter.
- 3) Conduct two no-notice ICP limited drills in FY14 that evaluate all Contractor specific RLEP 1.1 check-listed FERO positions.
- 4) Demonstrate the ability to be self-critical and drive continuous improvements in the Emergency Management program.

**PERFORMANCE MONITOR EVALUATION REPORT FORM**

**I. EVALUATION PERIOD:** \_\_\_\_\_

**II. DOE PERFORMANCE MONITOR:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**III. PERFORMANCE BASED INCENTIVIES (PBI) EVALUATIONS:**

**PBI #** \_\_\_\_\_ **Recommended Fee Earned** \_\_\_\_\_

**Discussion:**

**IV. EVALUATION OF AWARD FEE SPECIAL EMPHASIS AREAS:**

**SEA #** \_\_\_\_\_ **Adjective Rating** \_\_\_\_\_

**Discussion:**

Discussion summaries should describe the method used to evaluate timeliness, quality and completion of performance objectives/measures; clarifying remarks regarding the timeliness and sufficiency of the products/activities against defined performance objectives/measures; identification of significant deviations; rationale for recommended fee payment/rating (if necessary, provide computations); and mitigating factors, if any, that were considered in determining the amount of fee.

Areas to consider:

1. Contractor monthly performance indicator results including positive or negative trends.
2. Management reviews and reports including the new monthly reviews.
3. Contractor's self-assessment report.
4. DOE independent and program assessments.
5. Issues and corrective action of issue

**FDO AND PERFORMANCE EVALUATION BOARD MEMBERS**

**FEE DETERMINATION OFFICIAL**

Manager, ORP

**PERFORMANCE EVALUATION BOARD MEMBERSHIP**

Assistant Manager, Tank Farms Project, ORP (Chair Person)

Deputy Assistant Manager, Tank Farms Project, ORP

Assistant Manager, Technical and Regulatory Support Services, ORP

Manager, WTP Start-up and Commissioning Integration, ORP

Contracting Officer, Contracts and Property Management, ORP

<b>PERFORMANCE EVALUATION AND MEASUREMENT PLAN                  CHANGE REQUEST</b>	:  Page of
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1. Initiator of Change Request:	2. Office Symbol:	3. Phone No:
4. Current Version of PEMP:	a. Revision No:	b. Change No:
5. Date of Request:		
6. Reason for Request:		
7. Authority for Change: a. Technical Direction Letter <input type="checkbox"/> b. Contracting Officer Letter <input type="checkbox"/> c. Baseline Change Proposal <input type="checkbox"/> d. Other <input type="checkbox"/>	e. Explain reason for change here, if necessary: (required for Other)	
8. Section No. in PEMP of Change:		
9. Exact Wording: (rewrite the section with changes identified)		
10. Request Disposition: a. Accepted, Change Implemented <input type="checkbox"/> b. Accepted with Changes <input type="checkbox"/> c. Rejected <input type="checkbox"/> d. Other <input type="checkbox"/>	11. Comments: (including changes made, rejection reason, or other)	
12. Approved By:	13. Effective Date:	14. New PEMP Rev No/Change No.:
		a. Rev No:                      b. Change No.:

**INTERIM RATING CHART – OBJECTIVE AND SUBJECTIVE ITEMS**

ORP will use this separate color-coded table for informal monthly performance evaluations. The final evaluation will reflect the adjectival rating scale in Attachment 1.

		<b>OBJECTIVE ITEMS</b>	<b>SUBJECTIVE ITEMS</b>
<b>Dark Blue</b> “Excellent” Performance		<ul style="list-style-type: none"> <li>- Objective measures are achieved on or ahead of time</li> <li>- Very high probability of achieving the outcome</li> <li>- Meeting all Cost, Scope, and Schedule objectives</li> <li>- Very high degree of transparency</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of key areas meeting requirements</li> <li>- 100% of key deliverables will be met on time</li> <li>- 90% of sub or supporting areas are performing very well</li> <li>- No safety, security, or quality issues of note</li> <li>- Very high degree of self-identification and reporting deficiencies</li> <li>- Very high degree of transparency</li> <li>- Strong ISMS practices, timely reporting, critiqued/EOC whenever needed</li> </ul>
<b>Light Blue</b> “Very Good” Performance		<ul style="list-style-type: none"> <li>- Objective measures expected to be achieved on time</li> <li>- Very good probability of achieving the outcome</li> <li>- Expect to meet Cost, Scope, and Schedule objectives</li> <li>- High degree of transparency</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of key areas meeting or close to meeting requirements</li> <li>- 100% of key deliverables are meeting or expected to meet requirements</li> <li>- Majority of sub or supporting areas are performing very well</li> <li>- At most minor safety, security, or quality issues of note</li> <li>- High degree of self-identification and reporting deficiencies</li> <li>- High degree of transparency</li> <li>- Strong ISMS practices, timely reporting, critiqued/EOC whenever needed</li> </ul>
<b>Green</b> “Good” Performance		<ul style="list-style-type: none"> <li>- Objective measures reasonably expected to be achieved on time</li> <li>- Reasonable probability of achieving the outcome</li> <li>- Expect to meet or be very close to Cost, Scope, and Schedule</li> <li>- Good degree of transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Almost all key areas meeting or close to meeting requirements</li> <li>- Majority of key deliverables are satisfactory or better</li> <li>- Majority of sub or supporting areas are performing satisfactorily</li> <li>- Mostly minor safety, security, or quality issues of note</li> <li>- Good degree of self-identification and reporting deficiencies</li> <li>- Good degree of transparency</li> <li>- Infrequent deviation in ISMS practices, timely reporting, critiqued/EOC reviews</li> </ul>

<p><b>Yellow</b>                  “Underperforming”                  “Needs improvement”                  “Elevated risk”</p>		<ul style="list-style-type: none"> <li>- Elevated risk of objectives not being achieved on time</li> <li>- Reasonable probability of not achieving the outcome</li> <li>- Expect to not meet Cost, Scope, or Schedule</li> <li>- Partial degree of transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Majority key areas meeting or close to meeting requirements</li> <li>- Notable percentage of key deliverables are satisfactory or better</li> <li>- Notable percentage of sub or supporting areas are performing satisfactorily</li> <li>- Occasional mid-level safety, security, or quality issues of note                         <ul style="list-style-type: none"> <li>- ~75% of issues are self-identified with most reporting in a timely manner</li> </ul> </li> <li>- Partial degree of transparency</li> <li>- Clear deviations of ISMS practices, reporting, critiques, Extent of Condition reviews, safety basis/CONOPS/Engineering deviations that are generally infrequent or have minor consequences</li> <li>- Nominal NOV, PAAA, Fine, Injury, security infraction(s)</li> </ul>
<p><b>Red</b>                  “Does not meet rqmts”                  “Failing or will fail”</p>		<ul style="list-style-type: none"> <li>- A clear (or high) risk of objectives not being achieved on time</li> <li>- High probability of not achieving the outcome</li> <li>- Expect to not meet or significantly miss Cost, Scope, or Schedule</li> <li>- Inadequate degree of transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Overall most key areas meeting or close to meeting requirements</li> <li>- Inadequate percentage of key deliverables are satisfactory or better</li> <li>- Inadequate percentage of sub or supporting areas are performing satisfactorily</li> <li>- Too high a frequency of mid-level safety, security, or quality issues of note</li> <li>- Major safety, security, or quality issue</li> <li>- Less than ~75% of issues are self-identified and reported in a timely manner</li> <li>- Inadequate degree of transparency</li> <li>- Significant deviations of ISMS practices, reporting, critiques, Extent of Condition reviews, multiple safety basis/CONOPS/Engineering deviations or a significant deviation with nuclear safety or operational implications</li> <li>- Significant NOV, PAAA, Fine, Injury, security deviation(s)</li> </ul>
<p><b>Grey</b>                  “Insufficient data”                  “Not able to assess”</p>		<ul style="list-style-type: none"> <li>- Insufficient data to assess at this time</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient data to assess at this time</li> <li>- Parties misaligned on the objective</li> </ul>