

ATTACHMENT J.4
PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

Fiscal Year 2018

**Performance Evaluation and Measurement Plan
for
CH2MHill Plateau Remediation Company**

Performance Period:
October 1, 2017, through September 30, 2018

TABLE OF CONTENTS

PERFORMANCE EVALUATION AND MEASUREMENT PLAN DESCRIPTION..... J 4-3
PERFORMANCE EVALUATION BOARD ORGANIZATION..... J 4-6
FISCAL YEAR 2018 PERFORMANCE BASED INCENTIVES J 4-7

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. Please note that "PEMP" is synonymous with the term "Award Fee Plan" found in FAR 16.401(e)(3). Performance incentives may be either objective or subjective. The PEMP is the basis for the evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance and to determine the amount of fee earned. Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

1. ORGANIZATION

The award fee organization consists of: the FDO; a Performance Evaluation Board (PEB) which consists of a chairperson, the contracting officer, a recorder, other functional area participants, and advisor members; and the Contracting Officer Representative (COR).

2. RESPONSIBILITIES

- a. Fee Determining Official. The FDO approves the PEMP and any significant changes. The FDO reviews the recommendation(s) of the PEB, considers all pertinent data, and determines the earned award fee amount for the evaluation period.
- b. Performance Evaluation Board. For the purpose of this PEMP, designated RL senior managers and Contracting Officer (CO) are chartered with recommending CHPRC earned fee to the FDO. PEB members review COR evaluations of the contractor's performance, consider information from pertinent sources, prepare performance reports, and arrive at an earned fee recommendation. The PEB has the following roles and responsibilities:
 - Accountable for final selection and approval of performance incentives;
 - Responsible to assign performance monitors to evaluate completion of performance measures;
 - Provides input, reviews, and concurs on the PEMP;
 - Responsible for addressing any HQ comments concerning PEMP or Award Fee Determination;
 - Reviews CHPRC performance at the end of the evaluation period and upon completion of key milestones;
 - Evaluates CHPRC performance and recommends earned fee to the FDO.
- c. The CO is the liaison between contractor and Government personnel and shall ensure the incentive process is properly administered in accordance with agency regulations. The CO shall also modify the contract in regards to any contractual issues that may arise during the term of the contract.
- d. The COR maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Prepare interim and end-of-period evaluation reports as directed by the PEB.

3. PERFORMANCE MEASURES (PM)

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. A performance measure may be either subjective or objective.

The fiscal year (FY) 2018 performance measures are found on pages J.4-9 through J.4-17.

4. ALLOCATION OF AVAILABLE FEE

DOE may or may not 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.

5. 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 FDO approval that the Contractor has achieved the stated outcome for the specific performance measure.

- a. 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.
 - b. Terminal Method: This method provides 100% incremental fee (which will not be awarded until final fee determination), 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.
 - c. Performance Measure Provisional Dependent Method: This method will no longer be used. Provisional Fee, if specifically allowed by the contracting officer, is discussed in Section B, Clause B.8, Fee Determination and Payment.
 - d. 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.
6. Contract work requirements by Contract Line Item Number (CLIN) are discussed in Section B, Clause B.2 "Items Being Acquired." Contract work requirements by CLIN may become fee-bearing via Performance Measures, consistent with Section B, Clause

- B.7, Fee Structure. Any features of the Offeror's proposed strategy and approach may be implemented as first- and subsequent-year performance measures.
7. In accordance with the Section B, Clause B.5, Changes to Contract Cost and Contract Fee, if for any reason the CO does not authorize work in accordance with the Section B, Clause B.14, 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 B.6, Basis for Total Available Fee, may be adjusted.
 8. Cost control in work performance is of the utmost importance to the Government. The Contractor's performance within the Contract Cost, as stipulated in Section B, 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 FDO may reduce in whole or in part any otherwise earned fee, subject to the limitations of Section B, Clause B.12, DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts.
 9. Payments of Incremental Fee shall be requested in accordance with Section B, Clause B.8, Fee Determination and Payment, paragraph (c).
 10. If a Performance Objective is not completed as specified, allocated Available Fee is unavailable in accordance with Section B, Clause B.7, Fee Structure, paragraph (b)(1).
 11. Any Government Furnished Services and Information (GFS/I) for Performance Objectives are included in Section J, Attachment J.12, Government Furnished Services and Information (GFS/I).

PERFORMANCE EVALUATION BOARD ORGANIZATION

Fee Determining Official: RL Manager

Performance Evaluation Board Chairperson: Assistant Manager for River and Plateau

Staff:

Deputy Assistant Manager for River and Plateau

Federal Project Directors

Procurement Director

Contracting Officer

Contract Specialist

Legal Advisor

FISCAL YEAR 2018 PERFORMANCE BASED INCENTIVES

Introduction:

The purpose of this award fee plan is to specifically account for the available award fee for FY2018 and to identify the associated performance measures (PM). The award fee plan contains three categories of performance measures:

1. Subjective Performance Measure
2. Objective Performance Measures
3. The Plutonium Finishing Plant (PFP) Multi-Year Performance Measure (PM-11-1)

Summary of Available FY2018 Award Fee: \$12,758,667

Performance Measure Identifier	Performance Measure Description	FY18 Fee Totals
PM-00-1-18	Subjective Performance Measure.	\$3,827,600
	Subtotal	\$3,827,600
PM-12-1-18	Receipt of increments of Sludge Transport and Storage Container (STSC) Assemblies production run #2 (Vessels 14-24)	\$150,000
PM-12-2-18	Complete first shipment of sludge from 105KW Basin to T-Plant	\$4,000,000
	PBS 12 Subtotal	\$4,150,000
PM-13-1-18	Solid and Liquid Waste Treatment and Disposal: Maintain efficient, and compliant operations and management activities as required to support plateau remediation.	\$700,000
PM-13-2-18	Complete all preparations needed to receive K Basin sludge into T Plant for storage, including closure of all pre-start actions by February 28, 2018.	\$275,000
PM-13-3a-18	Submit to RL the Final Design Report for Capsule Storage System for Management of Cesium and Strontium Capsules Project (W-135)	\$900,000
PM-13-3b-18	Submit to RL the Final Design Report for the Capsule Storage Area for project W-135.	\$300,000
	PBS 13 Subtotal	\$2,175,000
PM-30-1-18	Maintain effective, efficient, and compliant operations and management activities as required.	\$256,067
PM-30-3-17/18 (Multi-Year)	Determine if additional deep vadose zone treatability studies are necessary to complete the 200-DV-1 OU RI/FS.	\$1,700,000
PM-30-4-17/18 (Multi-Year)	Define nature and extent of the 200-UP-1 OU chromium plume that is above drinking water standards to complete the remedial design investigation.	\$350,000
	PBS 30 Subtotal	\$2,306,067
PM-40-1-18	Soil and Facility Remediation/Disposition: Maintain compliant, efficient, minimum safe surveillance and maintenance services for the Central Plateau.	\$300,000
	PM 40 Subtotal	\$300,000
	Total Allocated Fee	\$12,758,667
PM-11-1	Demolish PFP Complex Facilities (Multi Year).	See PM

**PERFORMANCE MEASURE
PM-00-1-18**

Allocated Available Fee: \$3,827,600

Objective:

This Performance Measure provides management focus on overall technical and cost performance. DOE will evaluate the Contractor's performance based upon subjective performance elements; objective performance elements, or both, which includes, but is not limited to:

- Execute the balance of contract work scope within the contract requirements, terms, and conditions, demonstrating excellence in quality, schedule, management, cost control, and regulatory compliance. Included, but not limited to the following areas:
 - Quality and timeliness of key documents submitted (e.g., contract change proposals, regulatory documents)
 - An analysis of variances between the Contractor's actual incurred costs and the estimated costs of authorized work (e.g., changed programmatic requirements, changed statutory requirements, and/or changes beyond the Contractor's control);
 - Management of risks as demonstrated by how well the Contractor projects, reports and mitigates cost and schedule impacts to authorized work activities;
- Work with DOE and the other Hanford contractors in a spirit of cooperation to demonstrate operational excellence to include, but not limited to, the following areas:
 - Business and financial management using approved purchasing, estimating, property, budget, planning, billing, labor, accounting, legal, and performance measurement systems, providing visibility and transparency to DOE with respect to each of the foregoing.
 - Contract change management and subcontract administration and consent activities, e.g. proposal review and negotiation process, including timely and adequate submission of proposals and requests for additional data, and timely counteroffers.
 - Effective contractor human resources management.
 - Problem identification, corrective action implementation, and effectiveness.
- Demonstrate active leadership and progress towards obtaining new Resource Conservation and Recovery Act (RCRA) Permit for the Hanford Site.
- Perform work safely and in a compliant manner that assures the workers, public, and environment are protected from adverse consequences.

Completion Rating Criteria:

Pursuant to FAR 16.401, Table 16-1, the following will be used to rate CHPRC performance against this performance measure.

Adjectival Ratings, and the associated Percentage of Allocated Fee Available to be Earned and Performance Level Description are:

- **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.

The Contractor, through the submission of monthly progress reports, shall identify issues potentially affecting the completion of individual outcomes and the overall success of the contract, with actions taken or recommended to resolve those issues. In the event the contractor self-discloses an issue with regard to an outcome in the PEMP and appropriately self-corrects the situation in a timely manner, fee reduction may be waived or mitigated by the FDO.

The following Objective Performance Measures are subject to the following declining method:

If the work under the performance measure is not completed by the date specified in the performance measure, the FDO will make a determination of fee payable taking into account the percentage of the work completed, and the rationale for not completing the performance measure. Any revisions to the total available fee during the fiscal year may be uniformly distributed to the performance measures in this plan.

**PERFORMANCE MEASURE
PM-12-1-18**

Allocated Available Fee: \$150,000

Objective:

Receipt of Sludge Transport and Storage Container (STSC) assemblies of production run #2 (Vessels #14-24) by May 31, 2018. This measures the fabrication and receipt of the completed (STSC) assemblies needed to complete the STSC vessels to transfer the sludge from the engineered containers in the 105KW Basin to storage at T-Plant. The STSC assemblies are NQA-1 Safety Significant procurements, and therefore have rigorous engineering, procurement, fabrication, quality assurance and associated requirements. The STSCs assemblies are key pieces of equipment for the Engineered Container Retrieval and Transfer System (ECRTS) process as they will be used to receive, transport, and store the radioactive sludge from KW Basin.

Completion Criteria:

By May 31, 2018, submit final source and receipt inspection for NQA-1 STSC assembly production run #2 (Vessels #14-24).

**PERFORMANCE MEASURE
PM-12-2-18**

Allocated Available Fee: \$4,000,000

Objective:

Complete first shipment of sludge from 105KW Basin to T-Plant.

Complete K-Basin Pre-Operational Acceptance Testing (KPAT); Complete ORR; Submit CD-4 package to RL; Obtain operational start-up approval from RL; Complete transfer of sludge from Engineered Containers to Sludge Transfer and Storage Container (STSC) and Complete the first shipment of sludge from the 105KW Basin to T-Plant for interim storage by June 30, 2018.

Completion Criteria:

Submit STSC Compliance Traveler Data Form that verifies successful shipment to of the first STSC to T-Plant at 90% fill efficiency, and the completed work package verifying receipt and successful placement in the cell at T-Plant.

**PERFORMANCE MEASURE
PM-13-1-18**

Allocated Available Fee: \$700,000

Objective:

Solid and Liquid Waste Treatment and Disposal: Maintain efficient, and compliant operations and management activities as required to support plateau remediation.

Completion Criteria:

By September 30, 2018, the Contractor shall complete a total of 1,080 of preventative maintenance activities for assigned facilities, as identified in the approved 2018 Performance Measurement Baseline. The preventive maintenance activities reflected in the PM are the known, planned activities to keep the project in a safe, compliant condition.

**PERFORMANCE MEASURE
PM-13-2-18**

Allocated Available Fee: \$275,000

Objective:

Complete all preparations needed to receive K Basin sludge into T Plant for storage, including closure of all pre-start actions by February 28, 2018.

Completion Criteria:

By December 31, 2017, the contractor shall complete all preparations needed to receive K Basin sludge into T Plant for storage. These shall include all upgrades needed to T Plant equipment, including safety systems, required to receive and store K Basin sludge. Completion shall also include the closure and release for operations (i.e., receipt of sludge into T Plant) of all pre-start actions and contractor readiness review actions. All of the above applies only within that scope of work contained in the Waste Management PBS.

**PERFORMANCE MEASURE
PM-13-3a-18**

Allocated Available Fee: \$900,000

Objective:

Submit to RL the Final Design Report for Capsule Storage System for Management of Cesium and Strontium Capsules Project (W-135).

Completion Criteria:

By September 30, 2018, Complete the Final Design Report for the Capsule Storage System (CSS) in accordance with "Preliminary/Final Design Report", PRC-STD-EN-40258 and consistent with the principles of DOE O 413.3. Complete final drawings and specifications for the CSS.

**PERFORMANCE MEASURE
PM-13-3b-18**

Allocated Available Fee: \$300,000

Objective:

Submit to RL the Final Design Report for the Capsule Storage Area for project W-135.

Completion Criteria:

Complete the Final Design Report for the Capsule Storage Area (CSA) in accordance with "Preliminary/Final Design Report", PRC-STD-EN-40258 and consistent with the principles of DOE O 413.3. Complete final drawings and specifications for the CSA.

**PERFORMANCE MEASURE
PM-30-1-18**

Allocated Available Fee: \$256,067

Objective:

Maintain effective, efficient, and compliant operations and management activities as required to support groundwater remediation.

Completion Criteria:

By September 30, 2018, the Contractor shall demonstrate that the remedial action objectives (RAOs) for each groundwater operable unit will be met; operate and maintain the 6 pump and treatment facilities in an effective, efficient and compliant manner; and the Contractor shall also

complete all planned PMB activities identified in the approved FY 2018 Plume Containment and Remediation Utilization Plan (PCRUP).

**PERFORMANCE MEASURE
PM-30-3-17/18 (Multi-Year)**

**Allocated Available Fee for FY2017: \$200,000
Allocated Available Fee for FY2018: \$1,700,000**

Objective:

Determine if additional deep vadose zone treatability studies are necessary to complete the 200-DV-1 OU RI/FS.

Completion Criteria:

- a. Complete the treatability studies as identified in DOE/RL-2007-56 Rev 0. by September 30, 2018. Fee assigned to this element is \$550,000.
- b. Revise the 200-DV-1 Sampling Analysis Plan (SAP) to address data gaps such as shallow characterization, monitored natural attenuation (MNA), and leaching studies through applying the DQO process by March 31, 2017. Fee assigned to this element is \$200,000.
- c. Complete 200-DV-1 characterization per the revised SAP by September 30, 2018. Fee assigned to this element is \$900,000.
- d. Perform evaluation on treatability studies and characterization in order to provide a data gap analysis resulting in a recommendation for additional deep vadose zone treatability studies for the 200-DV-1 OU. Evaluation and recommendation is to be documented in a report by September 15, 2018. Fee assigned to this element is \$250,000.

**PERFORMANCE MEASURE
PM-30-4-17/18 (Multi-Year)**

**Allocated Available Fee for FY2017: \$200,000
Allocated Available Fee for FY2018: \$350,000**

Objective:

Define nature and extent of the 200-UP-1 OU chromium plume that is above drinking water standards to complete the remedial design investigation.

Completion Criteria:

- a. Complete well drilling of six wells by March 31, 2017. Provide completion package containing well head pictures, well designs including calculations, well development and testing data sheets, well construction summary reports, well summary reports with screen interval basis, and QA summary reports. Fee assigned to this element is \$200,000.
- b. Complete remainder of well drilling necessary to define nature and extent of the chromium plume by December 31, 2017. Provide completion package containing well head pictures, well designs (including calculations), well development and testing data sheets, well construction summary reports, well summary reports with screen interval basis, and QA summary reports. Fee assigned to this element is \$100,000 (FY18).
- c. Complete one year of sampling and monitoring on the six wells addressed in item a. by March 31, 2018. Fee assigned to this element is \$50,000 (FY18).
- d. Prepare and submit Draft A of the Remedial Design Investigation Report by September 30, 2018. Fee assigned to this element is \$200,000 (FY18).

**PERFORMANCE MEASURE
PM-40-1-18**

Allocated Available Fee: \$300,000

Objective:

Maintain compliant, efficient, minimum safe surveillance and maintenance services for the Central Plateau.

Completion Criteria:

By September 30, 2018, the Contractor shall complete 400 preventive maintenance activities for assigned facilities, as identified in the approved 2018 Performance Measurement Baseline. The preventive maintenance activities reflected herein are known, and are planned in order to keep the project in a safe, compliant condition.

**PERFORMANCE MEASURE
PM-11-1**

**PLUTONIUM FINISHING PLANT (PFP) MULTI-YEAR PERFORMANCE MEASURE
(Identified as PM-11-02.1A in the Base Period PEMP)**

Introduction:

The base period Performance Evaluation Measurement Plans were published in multiple year formats, while this FY2018 PEMP is written for one year only. Accordingly, since the PFP incentive is effective during both the base and option periods of performance, it will be included

in the PEMP for each fiscal year of the option period. This FY2018 PEMP does not change incentive no. PM-11-02.1A that was published in Modification 249 dated November 30, 2012, nor does it change the modification of provisional fee that was addressed in letter no. 13-AMRP-0227 dated June 24, 2013.

Note that RL allocated the available fee (\$51,057,421) across the first five years of the contract for convenience (see Section B, Table B.4-1). The fee is available until the incentive ends. Note that Modification 249 changed the maximum earning date to September 30, 2014.

Allocated Available Fee: \$51,057,421

Objective:

Demolish Plutonium Finishing Plant (PFP) complex facilities to slab-on-grade and stabilize the site for surveillance and maintenance.

Complete demolition of PFP facilities to slab-on-grade and stabilize the site for surveillance and maintenance. Fee is reduced in a linear declining method from \$51,057,421 to \$43,450,000 for each day from January 9, 2015, to June 30, 2016; and fee is then reduced in a linear declining method from \$43,350,000 to \$30,000,000 for each day from June 30, 2016, to May 31, 2018; and finally fee is reduced in a linear declining method from \$30,000,000 to \$12,000,000 for each day from May 31, 2018, to September 30, 2018.

The linear declining method is defined in the following table:

	Date	Available Fee	Fee Reduction	Days	Reduction/Day
Start of Curve (after 100 day adj)	1/9/2015	\$ 51,057,421			
			\$ (7,607,421)	538	\$(14,140)
Step 1 of Curve	6/30/2016	\$ 43,450,000			
			\$ (13,450,000)	700	\$(19,214)
Step 2 of Curve	5/31/2018	\$ 30,000,000			
			\$ (18,000,000)	122	\$(147,541)
End of Curve	9/30/2018	\$ 12,000,000			

Any portion of Provisional Fee, as defined by Clause B.7, Fee Structure, paragraph (b)(3), may become earned through a final fee determination as defined by Clause B.8, Fee Determination and Payment, paragraph (d). Conversion of fee from Provisional to earned is at the unilateral discretion of the Fee Determining Official. On an annual basis no more than \$3,000,000 in Provisional Fee may be converted to earned fee at the final fee determination, as defined by Clause B.8, Fee Determination and Payment, paragraph (d). Allocated Available Fee not earned at the end of the multi-year performance period is unavailable in accordance with Clause B.7, Fee Structure, paragraph (b)(2).

Completion Criteria:

- Complete execution of Alternative 4 in approved EECA DOE/RL/2005-13.
- Achieve the PFP Complex slab-on-grade end point criteria in HNF-22401.
- Handle, package, label, store, and ship waste (e.g., low-level, low-level mixed, TRU/TRU mixed wastes) out of the PFP facilities for treatment or disposal. Waste shipments completed in accordance with the Hanford waste shipping criteria, other waste site criteria, and in compliance with applicable state and federal regulations for treatment and disposal at an approved facility.
- Complete turnover of the PFP site for surveillance and maintenance.

Note: See Modification 313, dated January 30, 2014, for the distribution of the available fee (\$51,057,421) among the provisional installments for disposition of systems, equipment and facilities.