REGIONAL COALITION OF LANL COMMUNITIES

City of Española – Los Alamos County – Rio Arriba County – Santa Fe County
City of Santa Fe – Taos County – Town of Taos – Ohkay Owingeh – Pueblo of Jemez

REGIONAL COALITION MEETING AGENDA

Los Alamos County Council Chambers
1000 Central Avenue, Los Alamos, NM
July 8, 2016 | 9:00a—11:00a

A. Call to Order – Chair Barney Trujillo | 9:00a-

B. Confirmation of Quorum – Chair Barney Trujillo

C. Approval of Agenda – Chair Barney Trujillo

D. Approval of Meeting Minutes - Chair Barney Trujillo | –9:15a (Tab A)

E. Discussion/Action Items (1hr 25 min) | 9:15–10:40a
   a. Action – Board Members to Vote for Executive Committee Members (10 mins)
      i. Continue meeting with new leadership (if applicable)
   b. Briefing from NM Congressional Delegation (5 mins)
   c. Update from Executive Director (5 mins, Tab B)
      i. Meetings at a Glance
      ii. Letter to Dr.Regalbuto on Department of Energy Process
      iii. Strategic Deterrent Symposium Overview
   d. Looking ahead to LANL Management and Operations, learning from Sandia Management and Operations Process (55 mins, Tab E)
      - Presentation by Jack Jekowski, Principal Partner, Innovative Technology Partnerships
   e. Additional action Items (10 mins)
      i. Approval: Aug 18-19, 2016, ECA Peer Exchange on Manhattan Project National Historical Park
      ii. Approval: $1,500 sponsorship for REDI Summit

F. Public Comment (20 mins) 10:40-11:00a

G. Adjournment – 11:00a

About the Regional Coalition of LANL Communities:

The Regional Coalition is comprised of nine cities, towns, counties and pueblos surrounding the Department of Energy's Los Alamos National Laboratory (LANL). Founded in 2011, the Regional Coalition works in partnership to ensure national decisions incorporate local needs and concerns. The organization's focus is environmental remediation, regional economic development and site employment, and adequate funding for LANL. The 2016 Board of Directors includes Chair, Commissioner Barney Trujillo, Rio Arriba County; Vice-Chair, Mayor Javier Gonzales, City of Santa Fe; Secretary/Treasurer, Councilor Kristin Henderson, Los Alamos County; Mayor Alice Lucero, City of Española; Commissioner Henry Roybal, Santa Fe County; Councilor Darien Fernández, Town of Taos; Commissioner Mark Gallegos, Taos County; Representative Ron Lovato, Ohkay Owingeh; and Lt. Governor Ward Yeppa, Pueblo of Jemez.

For more information please visit the Regional Coalition website at http://regionalcoalition.org

Contact: Regional Coalition of LANL Communities | 1101 Hickox St, Santa Fe, NM 87505 | Office: 505/410-4146

REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

June 24, 2016

Dr. Monica C. Regalbuto
Assistant Secretary for Environmental Management
U.S. Department of Energy
Office of Environmental Management
1000 Independence Ave., SW
Washington, DC 20585

Dear Dr. Regalbuto,

We first want to commend you on the successful set up of the Environmental Management office at Los Alamos National Laboratory (EM-LA). It has been a pleasant experience getting acquainted with Doug Hintze, the new manager of EM-LA, and working with him as we prepare for the new prime contractor on EM-LA's Los Alamos Legacy Cleanup Contract (LLCC). We hope this relationship will continue to grow positively. With that in mind, we submit to you today our comments and feedback on the draft RFP for the LLCC contract. We request that you consider revising the RFP to evaluate and grade community commitment plans, set 30% of contracting aside to small and/or local business, and offer more flexibility for cost-plus contracting versus firm-fixed price subcontracts when the work is high-risk.

Firstly, we are happy to see that the Offeror must include a Community Commitment Plan. However, we are very disappointed to see that this plan is not evaluated or scored for its quality, content, or merit. Without any means to qualify a candidate based on their proposed Community Commitment Plan, the ability of our stakeholder groups to reinforce the importance of engaging in the critical work being done to improve our region is greatly diminished. Our region is well known for its strong family ties and lineages, cultural and historical significance, as well as for its ongoing battles to keep its kids in school, where we struggle to congeal a stable economy, and tirelessly grapple with an opiate epidemic. Consequently, the regional investments reflected in proposed Community Commitment Plans are extremely important to us.

We request that all Community Commitment Plans submitted by Offerors be evaluated and scored as part of their overall bid (Section M.6). Evaluation and scoring of these Plans will also encourage the Offerors to engage up front with regional community leaders. A strong Plan reflects the intent of the Offeror to be a sound corporate citizen in Northern New Mexico by actively supporting community initiatives that it is identifying it will undertake in its bid. A scored Community Commitment plan ensures that a firm is chosen based on technical capability, past performance, and its commitment to engaging and understanding our surrounding communities, which is critical to effective and efficient execution of the LLCC. It also provides the basis for EM to measure performance against the commitments set forth in the Plan.

We are pleased that EM proposed to elevate the importance of past performance in the evaluation and scoring of the proposals from the Offerors. We strongly recommend that EM require Offerors to present information of how they have performed in the past on engaging communities in the execution of DOE contracts, in general, and EM contracts, in particular. Similarly, in the evaluation of the management team proposed by the Offeror, we strongly recommend that EM include questions to elicit insights into the understanding, commitment, and demonstrated results of the team in exercising social responsibility and community engagement during the execution of DOE contracts, in general, and EM contracts, in particular. An Offeror that recognizes that being a good corporate citizen and valuing the surrounding community is good business will be more likely to execute the LLCC effectively and efficiently.

The regional economy has developed in a climate primarily characterized by the dominance of the Department of Energy and other government-funded activities. We ask that Offeror commitments to initiatives and activities be designed to make a contribution to promote the workforce education that

supports the work at the site and the economic diversification of the region in order to reduce the region's dependency on federal expenditures. In short, we endorse a proposal scored to include community engagement requirements that ensure the letter and intent of Clause H-37 is honored through activities such as workforce planning, labor agreements, and subcontracting practices that facilitate and expedite community transitions to sustainable, post cleanup economies. Success of these initiatives will depend on effective partnerships and leveraged resources for which the DOE will hold the selected Offeror accountable. Enclosed in 'Example A', contains a community commitment plan for which the DOE held the prime contractor at LANL accountable.

Secondly, we have heard from DOE EM personnel at Community Day and other venues that there is a general presumption by EM that commitments to investments under the Community Commitment Plan are not enforceable under the contract and Federal Acquisition Regulations, in other words, the Community Commitment Plan could not be enforced through an assigned award fee in their Annual Performance Evaluation and Management Plan. This presumption is not consistent with our experience from the current M&O contract for LANL, where NNSA both evaluated and scored the CCP from LANS and measured performance against the LANS CCP over the course of the initial 7-years of the contract which commenced in 2006.

Without evaluation, scoring or performance measurement, the Community Commitment language used in the current RFP could be viewed as a symbolic gesture by EM to engage Offerors in community support and participation of EM and its Offerors. There does not appear to be a true commitment to the surrounding communities in the current language of the draft RFP and we recommend adopting the same model as the Community Commitment Plan through the current LANL M&O, though we would recommend it be enforced through the life of the contract with EM.

Thirdly, in the draft LLCC language on enforcement of small business minimums, we are requesting an enforced 30% minimum for small and regional local businesses. The draft RFP only requires provision of statistical data to EM on how the contractor engages with small business versus a true action plan on engaging a local/regional workforce that includes details on how this commitment will be executed. The Offeror should commit to providing, at a minimum, 30% of the work identified to small and regional local businesses, which already includes a 5% pricing preference to regional suppliers and subcontractors, (a pricing preference with which we support).

Historically, LANL has had significant small business utilization. The LLCC should require a substantial amount of the work to be subcontracted to local small businesses, and the development and execution of the subcontracting plan should be evaluated at award and set as part of annual review determinations. Ideally, EM will ensure that RFP's and Final Contracts contain a clause that requires compliance to DOE-H-2050 and FAR 52.219-9 by requiring the submittal of a subcontracting plan that addresses goals including local small and large businesses. The plan shall become a part of the final contract each year following approval by the EM Field Office. We have attached two recent examples of EM contracts that include the language we would like implemented in our finalized EM RFP.

Finally, we were pleased to hear at Community Day that there would be more flexibility for Offerors when it comes to firm-fixed price subcontracts. We would like to see it written into the draft RFP that Offerors will be allowed to employ contracting means identified based on evaluation of work and level of risk. As the draft RFP is currently written, the performance based, fixed price contracts that small businesses are awarded, whether competitive or sole source, require that innovation and cost savings to deal with fixed price, schedule, safety, quality risks that are passed on to small business subcontractors, which is unacceptable to us as a standard business practice. We understand, through EM's own admission, that success of cleanup requires creativity and collaboration between contractors and others who have new more innovative ways of attaining cleanup.

To limit fee structure to outcomes has the potential and in fact likelihood of increasing risk to the environment and to the workforce, an objectionable standard of our local communities. We want to see that EM ensures that an Offeror's fee is not solely aligned to outcomes and schedules but considers the value of partnerships, innovations and creativity. This approach will better encourage the highest level of competition

for new contracts. Attached are recent examples of language included in the SRS and Paducah RFPs in how this was executed elegantly.

Moreover, as a general trend over the past few decades, consideration of local communities has been eliminated from the acquisition in various EM sites nationwide. The result has been much less involvement by company leadership and through investments with local communities when new EM RFPs have arisen. We find this to be due to the fact that there is no incentive for EM contractors to partner or communicate with local communities. We hope to redirect this negative trend through improvements to the upcoming LLCC RFP with EM and continue a positive and lasting relationship with DOE and any potential Offeror.

Thank you for your time and consideration of our feedback and concerns. If you have any questions regarding our comments or suggestions, please reach out to Andrea Romero, Executive Director of the Regional Coalition of LANL Communities, available at andrea@regionalcoalition.org or 505/490.6155. We are coordinating efforts regionally so as to demonstrate to you how critical these contract issues are to all stakeholders involved and affected.

Sincerely,

Chair, Commissioner Barney Trujillo, Rio Arriba County
Vice Chair, Javier Gonzales, Mayor of Santa Fe
Secretary/Treasurer, Councilor Kristin Henderson, Los Alamos County
Mayor Alice Lucero, City of Española
Commissioner Henry Roybal, Santa Fe County
Rep. Ron Lovato, Pueblo of Ohkay Owingeh
Lt. Governor Ward Yeppa, Pueblo of Jemez
Councilor Darien Fernández, Town of Taos
Commissioner Mark Gallegos, Taos County
Andrea Romero, RCLC Executive Director

Liddie Martinez, Executive Director, Regional Development Corporation

Joe Sanchez, President, LANL Major-Subcontractors Consortium

Jenny Parks, CEO of the LANL Foundation

Senator Carlos R. Cisneros, NM District 6

Representative Stephanie Garcia Richard, NM District 43

Representative Carl Trujillo, NM District 46

Kristy Ortega, Executive Director, United Way Northern New Mexico

Patrick Sullivan, Executive Director, Los Alamos Commerce & Development Corporation

CC: Kimberly Tate, Contracting Officer, DOE Environmental Management Consolidated Business Center
Senator Martin Heinrich, U.S. Senate
Senator Tom Udall, U.S. Senate
Representative Ben Ray Luján, U.S. House of Representatives
Seth Kirshenberg, Executive Director, Energy Communities Alliance
Doug Hintze, Director of Environmental Management, Los Alamos
Doug Sayre, Chair of Northern New Mexico Citizens' Advisory Board

Enclosed:

Example A – LANS Prime Contract, Part III, Section J, Appendix H, Contractor and Parent Organization Commitments, Agreements, and Understandings

Example B – 30% Small Business Clauses in River Corridor Closure Contract, Section H, Contract No. DE-AC06-05RL14655

Example C – 30% Small Business Clauses in East Tennessee Technology Park, Section H, Contract No. DE-SOL-0001551

Example D – Savannah River Site Liquid Waste Services, Section J-14, Draft Solicitation, Contract No. DE-SOL-0008913

REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Pueblo of Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

Example A

-

LANS Prime Contract
Part III, Section J, Appendix H
Contractor and Parent Organization
Commitments, Agreements, and Understandings

PART III-SECTION J

APPENDIX H

CONTRACTOR AND PARENT ORGANIZATION COMMITMENTS, AGREEMENTS, AND UNDERSTANDINGS

I.0 COMMUNITY PLAN EXECUTIVE SUMMARY

The LANS team is committed to benefiting the northern New Mexico community. Because we want to optimize the support we will provide to the local community, our plan for grant and services investments that complement those community activities that are allowable under the contract.

Beginning in June 2006, we will implement a 7-year community commitment plan that will invest up in northern New Mexico from fee and parent organization resources. The plan, as will be evident through FY07, will build upon the 63-year investment by the DOE/NNSA and University of California (UC) in the northern New Mexico community, and is structured to provide the greatest benefit to the region in three critical areas—education, economic development, and charitable giving.

Regional Community Philosophy. A consistent, responsive relationship with our neighbors is mutually beneficial. Given the regional dominance of the Laboratory, a strong, vibrant regional economy is vital to long-term Laboratory operations and to the morale of LANL's workforce. Based on this philosophy, our community commitments are aligned to support the Laboratory's mission and strategic objectives, providing mutual benefit and sustainability to both the Laboratory and to the surrounding communities. We believe that local leaders and organizations know best the needs of the community and out community commitment plan reflects this approach.

Regional Community Approach. The LANS Community Commitment Plan invests from fee and parent organization resources into northern New Mexico, the eight northern pueblos, and the State of New Mexico. LANS key personnel will be relationship owners, building a partnership with each constituency that will be a dynamic balance of listening and action. Working with the community and NNSA, we will establish formal metrics for performance, including annual surveys and formal feedback loops to verify alignment with community needs and priorities.

I.1 COMMUNITY COMMITMENT PLAN

To lay the groundwork for our 7-year Community Commitment Plan, the FY07 efforts will be coordinated with allowable regional initiatives, the regional purchasing plan, and the technology commercialization plan to create an overall community investment strategy.

I.1.1 DIRECT COMMUNITY INVESTMENTS

Direct community investments are targeted to the critical areas of education, economic development, and community giving. We use existing local organizations as the conduit for our

direct investments.

I.1.1.1 Education
Beginning in June 2006, we will implement investments in education for the people of northern New Mexico. The commitment will include student scholarships, community grants, student learning and master teachers' support, and professional development in quality processes.

LANS will contribute significant funds to the community. Initial programs will include:

- Matching Funds for the Los Alamos Employees' Scholarship Fund
- Education Outreach Grants
- Math and Science Academy (MAS) Expansion
- Regional Quality Center

In addition, LANS will contribute to programs and causes directly related to workforce development in order to address LANL's future pipeline needs. These include:

- NMHU Endowed Chair
- NNM University and College Collaboration
- NNMC Nursing and Teaching Program

I.1.1.2 Economic Development
Through FY07, we will begin implementation of a program for economic development in northern New Mexico. The commitment will include resources for economic development support, enterprise development, and other infrastructure enhancement that will stimulate entrepreneurialism, business creation, and economic growth in the community. Based on past experience in job creation in the region, investments have been structured to address the unique challenges of economic development in northern New Mexico.

This includes the following discretionary and program investments:

- Economic Development. This investment will build upon LANL's current relationship with the Regional Development Corporation, e.g., providing grant writing assistance and major subcontractor consortium support.
- Enterprise Development. LANS commits to creating an enterprise development system in northern New Mexico. This system will assist communities seeking to grow their economies from within. LANS will help establish this place-based program that works in concert with existing economic development efforts to assist entrepreneurs. Efforts will also be made to align these efforts with LANL's technology transfer initiatives and scientific expertise.

- Northern New Mexico Connect (NNM Connect). LANS commits to foster NNM Connect. NNM Connect is based on the successful UC San Diego Connect (UCSD) program for economic diversification and is widely recognized as the most successful program of its kind to link entrepreneurs to investment funds and to provide startup support. This program will help address the lack of seasoned entrepreneurial business talent in northern New Mexico.

- Technology Maturation. This investment will provide incremental funding for prototype and simple feasibility testing for new applications that will lead to licensing opportunities for new technologies.

I.1.1.3 Community Giving
Beginning in FY07, LANS will continue investing in northern New Mexico's United Way campaign. Last year, the LANL campaign raised over $700,000, resulting in contributions that accounted for over 60% of the total contributions made to United Way in northern New Mexico.

I.1.2 IN-KIND AND OTHER COMMUNITY INVESTMENTS
We will leverage LANS's parent organization resources to provide additional support in education and economic development to northern New Mexico communities.

Out-of-State Tuition and Fee Waiver. This program will apply for any LANS full-time active employee and/or dependent who is accepted to any University of California undergraduate or graduate program. Based on the past 3 years of data, approximately 100 students will take advantage of this program annually. Out-of-state tuition and fee waiver represents a savings of $17,000 per student each year—$1.7 million annually x 7 years = $11.9 million.

Other Out-of-State Tuition and Fee Waiver Scholarships. Scholarships administered by the Los Alamos Foundation will be provided to any northern New Mexico student graduating from high school who is accepted to any University of California undergraduate program. Out-of-state tuition and fee waiver represents a savings of $17,000 per student annually.

Project Management Services. Building on the existing volunteer spirit of LANL employees, we anticipate that LANS employees will volunteer time after work hours and on weekends to support community projects, such as school construction, community centers, and research parks. Services would include project management, construction management, project controls, scheduling, and inspection services. Data has shown that these professional services save the community 40% of overall project costs that can be reinvested into more project space or as a savings to a community.

Small Business Assistance Program with State Gross Receipt Tax (GRT) Credit. New Mexico Law provides for a $1.8M tax credit (per year) to laboratories for providing technical services assistance to small business, LANS commits to participate in this program.

It is the purpose of the Laboratory partnership with Small Business Tax Credit Act to bring the technology and expertise of the national laboratories to New Mexico small businesses to promote economic development in the state, particularly in rural areas.

Assistance will be rendered in compliance with state regulations and may include the transfer of technology, including software and manufacturing, mining, oil and gas, environmental, agricultural, information and solar, and other alternative energy source technologies. Assistance also includes non-technical assistance related to expanding the New Mexico base of suppliers, including training and mentoring individual small businesses; developing business systems to meet audit, reporting, and quality assistance requirements; and other supplier development initiatives for individual small businesses.

I.2 BENEFITING THE COMMUNITY – INTEGRATION OF COMMUNITY INITIATIVES
The Community Commitment Plan activities through FY07 are structured to work in conjunction with allowable regional initiatives to support an overall community investment strategy, including a regional purchasing program and technology commercialization.

- Partnering With and Understanding our Tribal Communities
- Education Outreach
- Strengthening and Providing Leadership in Support of Small Business and Subcontractor Councils

LANS has crafted this integrated Community Commitment Plan based on our parent organizations' solid track record of partnering and contributing to the communities in which we work.

LANS's partners—Bechtel, University of California, BWXT, and WGI—have found that investing in local communities is good business. Partnering with the community smoothes the way for program and project implementation; provides a skilled, local, and knowledgeable resource base; and promotes economic stability in the area. By committing funds and technical and management resources, these firms benefit educational and economic development in communities worldwide.

REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Pueblo of Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

Example B

-

30% Small Business Clauses in
River Corridor Closure Contract
Section H
Contract No. DE-AC06-05RL14655

EXAMPLE B – 30% Small Business Clauses in RCCP RFP

River Corridor Closure Contract (RCCP)
Section H, Contract No. DE-AC06-05RL14655

H.13 SELF-PERFORMED WORK

(a) Unless otherwise approved in advance by the Contracting Officer, the percentage of work which may be self-performed by the large business(es) of the Contractor team arrangement (as described in FAR 9.601), shall be limited collectively to not more than 40% of the contract value (defined as the sum of Target Cost plus Target Fee). This limitation does not apply to any small business member of the Contractor team arrangement. Unless otherwise approved in advance by the Contracting Officer, the remainder of the work to subcontractors outside of the Contractor team arrangement shall be performed through competitive procurements with an emphasis on fixed-price subcontracts.

(b) At least 30% of the total contract value shall be performed by small business. Small business members of the Contractor team arrangement, as well as subcontractors selected after Contract award, count toward fulfillment of this requirement and other small business goals in this Contract.

(c) The Contractor shall manage the team arrangement and the performance of work under this Contract to eliminate wherever possible, and mitigate where necessary, any potential conflicts of interest between the self-performed work by the Contractor team arrangement and the subcontracted work outside the Contractor team arrangement.

(d) Reporting requirements to confirm compliance with these thresholds and limitations are described in Contract Section C.5.4 *Project Performance Information and Measurement*, Deliverable C.5.4.2 *Monthly Performance Report*.

H.28 SMALL BUSINESS SUBCONTRACTING FEE REDUCTION

The Small Business Subcontracting Plan, incorporated into this Contract as Section J, Attachment J-4, contains percentage goals for awarding of subcontracts to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns. The Contractor also agrees, as a part of this Contract, to have in place, with one or more small businesses, a Mentor-Protégé program. The Contractor's performance in meeting these goals, and supporting protégé(s) in a Mentor-Protégé agreement(s), will be evaluated at the following milestones:

- End of Third Year of Contract Performance;
- End of Sixth Year of Contract Performance; and
- End of Contract.

If, at each one of these milestones, the Contractor has not met any or all of these subcontracting goals for that milestone period, or has failed to support a protégé during that period, the Contracting Officer may reduce the final fee amount by an amount up to $3 Million for each milestone up to a total reduction of otherwise earned fee for the contract in the amount of $9 Million. The reduction amount shall be at the unilateral discretion of the Contracting Officer. The dollar amount of each such reduction shall be a permanent reduction in the total fee paid under this contract. For the first two milestone periods, if it has been determined that the Contractor has failed to meet such goals, or failed to have a Mentor-Protégé Program, upon establishment of an appropriate fee reduction amount for that period, the ensuing provisional fee payments shall be reduced proportionally during the next milestone period until the full milestone reduction amount has been achieved. At contract completion, the total amount of fee reduction for failure to meet its subcontracting goals shall be offset by any amount of liquidated damages assessed in accordance with FAR 52.219 16, Liquidated Damages – Subcontracting Plan. Any reduction for failure to meet the Mentor-Protégé Program shall be in addition to any liquidated damages under FAR 52.219-16. For the purpose of implementing this clause, the percentage goals initially established in the Contractor's Small Business Subcontracting Plan will remain in effect for the duration of the contract period.

REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Pueblo of Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

Example C

-

30% Small Business Clauses in
East Tennessee Technology Park
Section H
Contract No. DE-SOL-0001551

EXAMPLE C – 30% Small Business Clauses in ETTP RFP

East Tennessee Technology Park (ETTP)
Section H, Contract No. DE-SOL-0001551

H.15 SELF-PERFORMED WORK

Unless otherwise approved in advance by the Contracting Officer, the percentage of work which may be self-performed by the large business(es) of the Contracting Team Arrangement (as described in FAR 9.6, Contracting Team Arrangements), shall be limited collectively to not more than 40 percent (%) of the Total Estimated Contract Cost. If a small business is a member of the Contracting Team Arrangement, the small business portion is not part of the 40%. Unless otherwise approved in advance by the Contracting Officer, work to subcontractors outside of the Contracting Team Arrangement shall be performed through competitive procurements after contract award, with an emphasis on fixed-price subcontracts. The Contractor's subcontracted work shall be in compliance with the Contractor's approved Small Business Subcontracting Plan.

L.16 (b) (3) Small Business Subcontracting Plan. A completed and acceptable Small Business Plan is required to be submitted in accordance with the Section I, FAR Clause 52.219-9, Small Business Subcontracting Plan, and proposal instructions herein. This plan will become part of the contract as Section J Attachment titled, Small Business Subcontracting Plan. The minimum goals of this solicitation are as follows:

Component	Percent (%)
Small Business (SB)	50.20
Small Disadvantaged Business	5.00
Women-Owned SB	5.00
HUBZone SB	3.00
Service-Disabled Veteran-Owned SB	3.00

L.15 (e) The term "major subcontractor" is defined as any proposed subcontractor that is performing an essential area (worth $10 million or more) of the Performance Work Statement. It does not include subcontractors that have not been identified and will be competitively awarded after Contract award.

L.17 (c) (2) <u>Criterion 2: Key Personnel and Organization</u>

The Offeror shall describe the features and benefits of any and all performing entities (e.g., subcontractors, and/or members of a joint venture or LLC), including roles and responsibilities. If a joint venture or an LLC, the Offeror shall describe its operating agreement and whether or not the Joint Venture or LLC will be populated or unpopulated.

L.17 (c) (1) The Offeror shall describe its approach to planning and integrating all Section C requirements including its **process to identify distinct subprojects that can be performance-based and performed on a fixed-price basis by competitively selected subcontractors** and meet the subcontracting requirements in Section H. The Offeror shall also describe its subcontracting approach. The Plan is to describe the Offeror's approach to meeting the subcontracting goals. It is not an identification of potential Subcontractors for accomplishing work that will be subcontracted. However, **Subcontractors providing a unique capability (e.g., world expert in beryllium) may be identified and their capability described.** The Plan should describe how the Offeror will establish work scopes and how they will be effectively competed after contract award in a timely and effective manner.

B.13 Small Business Subcontracting Fee Reduction

(a) The Contractor's performance in meeting small business performance percentage goals in accordance with the Section H Clause entitled, Self-Performed Work, providing meaningful involvement for small businesses….

(b) If the Contractor has not met any or all of the subcontracting goals, and/or has failed to provide meaningful involvement for small business, DOE may reduce the Semi-annual award fee earned. The reduction amount may be up to 25% of the Semi-annual award fee earned. The reduction will occur for the current Semi-annual award fee period in which each of the four (4) multi-year periods described above are accomplished.

REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Pueblo of Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

Example D

-

Savannah River Site Liquid Waste Services
Section J-14, Draft Solicitation
Contract No. DE-SOL-0008913

PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

ATTACHMENT J-14 – DRAFT PERFORMANCE EVALUATION MANAGEMENT PLAN

U.S. Department of Energy
Savannah River Site

DRAFT Performance Evaluation Management Plan (PEMP) Framework
CONTRACT NO.
[To be inserted], Rev. 0

[Insert Contractor's Name]

This PEMP was prepared in accordance with Federal Acquisition Regulation (FAR) 16.401 under CONTRACT NO. [To be inserted] and has been concurred upon and approved.

CONCUR:

_____	_____
Assistant Manager for Waste Disposition (AMWD) DOE - Savannah River Site	Date
_____	_____
Federal Project Director DOE - Savannah River Site	Date
_____	_____
Contracting Officer (CO) DOE - Savannah River Site	Date
_____	_____
Director, Office of Acquisition Management DOE - Savannah River Site	Date
_____	_____
Office of Chief Counsel DOE - Savannah River Site	Date

APPROVED:

_____	_____
Site Manager Fee Determining Official DOE-Savannah River Site	Date

Table of Contents

1. Introduction

Federal Acquisition Regulations (FAR) 16.401 through FAR 16.402-4 discuss incentive Contracts and place incentives in two major categories: award-fee (AF) and performance-based incentives (PBI). The term Performance Evaluation Management Plan (PEMP) is used to address a fee plan that includes both types of incentives[1]. When measuring performance for award-fee, the Contracting Officer (CO) will document the evaluation using adjectival ratings and their associated descriptions, and award-fee percentages prescribed in Table 16-1 in FAR 16.401.

This document serves as the PEMP for the Liquid Waste (LW) program at the Department of Energy (DOE) Savannah River Site (SRS) addressing management of Contractor fee provisions of CONTRACT NO. [To be inserted]. It provides standardization necessary to assure effective development, administration, and coordination of all phases of the fee process. In the event of a conflict between the PEMP and the Contract, the Contract takes precedence. Additionally, the PEMP process is integrated with the Contract Management Plan (CMP), the Risk Management Plan (RMP), and the Quality Assurance Surveillance Plan (QASP) to provide a streamlined and comprehensive methodology to consistently capture and report on performance for the LW program. As such, the PEMP will also be used to satisfy requirements of FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS).

The PEMP was developed with the following objectives:

- Focus the Contractor on areas of greatest importance for success.
    - Removing sludge waste from liquid radioactive waste tanks to support preparation of sludge batches and subsequent processing at the Defense Waste Processing Facility (DWPF).
    - Operating salt processing facilities to remove salt cake and supernatant from liquid radioactive waste tanks.
    - Cleaning and characterization leading to operationally closing and isolating old-style liquid radioactive waste tanks and associated facilities.
- Clearly communicate Contract performance evaluation procedures and provide for effective communication between the Contractor and the DOE.
- Be kept as simple as possible commensurate with the complexity and dollar value of the Contract.

This PEMP is the basis for the DOE 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] DOE Acquisition Guide Chapter 16.2R1 (June 2014)

The fee will be provided to the contractor through contract modifications and is in addition to the (type contract) provisions of the contract. The fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan. The CO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

2. Organization and Responsibilities

The following responsibility structure is established for administering fee provisions of the Contract. Fee administration consists of a headquarters' contingent providing approval of the original PEMP revisions and associated incentives, and approval of the final fee amount awarded including any fee reduction. Fee administration at the site includes the Fee Determining Official (FDO) and an Award Fee Evaluation Board (AFEB) which consists of a chairperson, co-chairs, Performance Monitors (PM), and the CO.

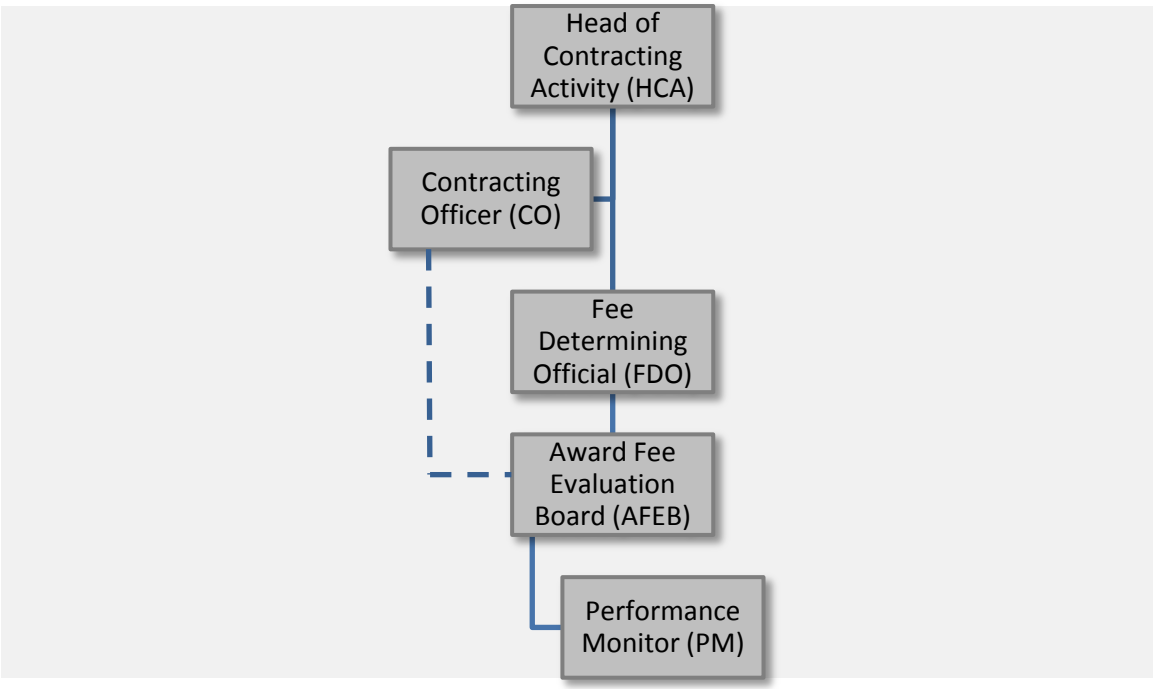


Figure 1: Responsibility structure for fee administration

2.1. Roles and Responsibilities

1. HCA. The Deputy Assistant Secretary for Acquisition and Contracts is the Head of Contracting Authority (HCA). The HCA has final approval authority on the PEMP;

any revisions, and final amount of fee awarded.

Primary HCA responsibilities are:

- Provide review/approval of proposed PEMP and revisions.
- Facilitate Business Clearance Review within EM and the Office of Acquisition Management (OAM).
- Provide approval of proposed earned fee, including any fee reduction.

2. FDO. The FDO approves the PEMP and any revisions prior to submittal to the HCA for final approval. The FDO reviews recommendation(s) of the AFEB, considers all pertinent data, and determines the earned fee amount for each evaluation period prior to submittal to the HCA for final approval.

   Primary FDO responsibilities are:

   - Determine the fee earned and payable for each evaluation period as addressed in Section 3, *Method for Determining Fee*.
   - Approve changes to the PEMP as addressed in Section 5, *Changes in PEMP Coverage*.
   - Appoint members to the AFEB (including the chair and co-chair).

3. CO. The CO is the liaison between Contractor and government personnel and ensures the fee process is properly administered in accordance with agency regulations and the terms of the Contract. The CO modifies the Contract when the PEMP is issued or revised during the term of the Contract.

   Primary CO responsibilities are:

   - Concur on the PEMP and any revisions.
   - Ensure fee process is managed consistent with applicable acquisition regulations.
   - Meet with the Contractor periodically during each evaluation period.
   - Submit an Award Fee Report (AFR) to the FDO.
   - Issue PEMP revisions prior to each evaluation period in accordance with the terms of the Contract.
   - Support the AFEB in monitoring, evaluating, and assessing the Contractor's performance against performance objectives and measures set forth in this PEMP.
   - Attend all AFEB meetings and assist the chair in preparing award fee correspondence for the FDO.
   - Coordinate the administrative actions required by the AFEB and the FDO, including:
     - Receive, process, and distribute evaluation reports from all required sources.
     - Schedule and assist with internal evaluation milestones, such as briefings to the FDO and debriefings to the Contractor.

- Accomplish other actions required to ensure smooth operation of the award fee process.
- Facilitate Business Clearance Review with the HCA and the Office of Acquisition Management (OAM).

4. COR. 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 FRB.

   Primary responsibilities of the COR are:

   - Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
   - Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
   - Provide management support to the CO and AFEB chair during the term of the contract.

5. AFEB. The AFEB is chaired by the Assistant Manager (AM) for Waste Disposition Project (AMWDP), who also serves as primary Contracting Officer Representative (COR). The AFEB consists of a designated co-chair from the Waste Disposition Programs Division (WDPD), a Federal Project Director (FPD), Performance Monitors (PM), and may also include representatives from Office of Field Chief Financial Officer (CFO), Office of Chief Counsel (OCC) and Office of Civil Rights (OCR). Members of the AFEB may also be members of the Contract Management Team (CMT), Risk Management Program, and Quality Assurance Program, to avoid duplicate Contractor oversight roles and responsibilities.

   Primary responsibilities of the AFEB are:

   - Monitor, evaluate, and assess the Contractor's performance in accordance with the PEMP.
   - Meet with the Contractor periodically during each evaluation period to discuss concerns or issues related to the Contractor's performance.
   - Provide quarterly Contractor performance briefings to the FDO.
   - Collect evaluation inputs for use in the development of the Interim and Annual Evaluation.
   - Develop an AFR discussing the Contractor's performance and containing recommended ratings, and corresponding award fee earned for each evaluation period (Performance Evaluation Report format is preferred). The AFR shall include an appendix of all minority opinions.
   - Develop and coordinate proposed changes to the PEMP and recommend those changes to the FDO for incorporation into the PEMP.

   Primary responsibilities of the Chair and Co-chairs are to:

- Assign members of the AFEB, including Performance Monitors (PM).
- Review the evaluation reports prepared by members of the AFEB and provide feedback as needed.
- Consider the Contractor's self-assessment and any minority opinions prior to approving the AFR and revisions.
- Approve the AFR and provide recommended ratings, and corresponding fee earned to the FDO.
- Ensure that the AFR is issued in a timely manner.
- The Co-chairs are authorized to assume the roles and responsibilities delegated to the Chair in his/her absence.
- Provide the FDO with a quarterly briefing on performance, addressing each of the performance goals
- Consult with the FDO prior to mid-term feedback session with the Contractor
- Arrange periodic site visits as requested
- Communicate any critical performance issues in a timely manner.

6. PM. The PM is the federal technical expert who monitors, evaluates, and maintains written records of the Contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. The PM prepares interim and end-of-period evaluation reports as directed by the AFEB.

   The PM must be a DOE-SR employee, and a qualified Facility Representative (FR), with full time duties and responsibilities consisting of broad based observation and assessment of facility operations and activities considered important to maintaining the safety of workers and the public. In order to fulfill the responsibilities of a FR as delineated in DOE O 232.2, “Occurrence Reporting and Processing of Operations Information,” and DOE O 422.1, "Conduct of Operations," this individual shall maintain knowledge of facility status and conditions on a real-time basis and serve as the working level DOE-SR point of contact with the contractor.

3. Fee Processes

3.1. Review requirements

The AFEB works routinely with the CO to:

- Review current and emerging agency and Contract requirements, including recent revisions/modifications.
- Determine mission strategies specific to the Contract.
- Recommend fee distribution, including revisions.

3.2. Determine fee value

Fee described herein is earned based upon the Contractor’s performance of the

overall contract level requirement during the evaluation period. The Contractor begins the evaluation period with 0% of the available fee and earns fee during the evaluation period. Final fee determination is the unilateral decision of the FDO. The potential for the Contractor to earn 100% of the fee amount is a mutual goal as it demonstrates the program's objectives were clearly communicated and achievable.

The amount of proposed fee applied to results of any individual activity (fee-bearing work) is determined first by mission need, followed by fiscal responsibility to stakeholders by comparing the cost of work against quality results for significant Contract level performance. The AFEB develops and uses criteria to determine Contract costs as a factor in measuring performance. Deliverables may be the result of more than one Contract (e.g. Work Breakdown Structure) element.

3.3. Draft PEMP and/or revision

- The AFEB works with the COR and PM to develop completion and acceptance criteria, including completion documentation, for fee bearing work. The criterion is documented in the PEMP.
- The FDO and CO provide concurrence on documents prior to submittal to the HCA.
- The CO coordinates the initial and revised document reviews with HCA 75 days prior to the subsequent evaluation period.
- HCA coordinates Business Clearance Review within EM and OAM
- CO receives approval from HCA
- CO modifies Contract

4. Performance Evaluation Documentation

Contract performance will be monitored and evaluated routinely through oversight of operations and regularly scheduled meetings by the AFEB and Contract Management Team (CMT) identified in the Contract Management Plan (CMP). The Contractor will be required to demonstrate and proactive management principles to optimize worker safety, reduce risks, control costs, and provide consistent excellence in documented results. Performance is measured using objective measures (generally consisting of a final product or completion/delivery by a pre-determined date) and subjective measures using a pre-established format (adjectival) provided in FAR 16. All evaluations will be documented according to Savannah River Manual (SRM) 226.1.1, Integrated Performance Assurance Manual (IPAM).

The method for monitoring, evaluating, and assessing Contractor performance during the period, as well as for determining the fee earned, is described below.

1. The available fee for each evaluation period is shown in Contract Section B, Supplies or Services and Prices/Costs. The fee earned will be paid based on the Contractor's performance during the evaluation period.

2. In accordance with the requirements of the Contractor Performance Assessment Reporting System (CPARS), performance evaluation and reporting is required every 12 months. Assessment is completed for the performance which has occurred since the last evaluation period. An Interim Evaluation and report will be the first report of the annual evaluation period, and is completed at the midpoint of the evaluation period. The CO notifies AFEB/CMT members and PMs *30* calendar days before the midpoint of the evaluation period. PMs assess the Contractor's performance and submit interim evaluation inputs. The AFEB/CMT evaluates PM input and notifies the Contractor of the strengths and weaknesses for the current evaluation period. The CO may also issue letters at any other time when it is deemed necessary to highlight areas of government concern.

3. Within five working days prior to the end of a current evaluation period being reviewed, the Contractor may provide a written self-evaluation of performance during the period. The self-evaluation shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. In other words, the self-evaluation should clearly assess the Contractor's measured performance against the standard of excellence.

4. The annual evaluation is considered the End-of-Period Evaluation. The CO notifies AFEB/CMT members and performance monitor *30* calendar days before the end of the evaluation period. AFEB/CMT members assess the Contractor’s performance and submit end-of-period evaluation reports. The AFEB shall evaluate the Contractor's performance in the major areas identified in this PEMP based upon performance objectives and measures set forth and stated below.

5. The AFEB prepares its evaluation report and recommended ratings and corresponding award fee earned based on the evaluation criteria described in Appendix 1: Award Fee (AF) Performance Objectives and Evaluation Criteria and Appendix 2: Performance Based Incentives (PBI) and Evaluation Criteria, with supporting documentation to include all minority opinions.

6. The AFEB briefs the evaluation report and recommendations to the FDO. At this time, the AFEB may also recommend to the FDO any significant changes for revision.

7. The FDO may consider all available information including: the Award Fee Report (AFR); information originating from day-to-day operations; the Contractor's optional self-evaluation; and his/her own observations relating to the above performance objectives in determining the amount of award fee earned during the period. DOE will use its best efforts to determine the award fee earned and issue an award fee determination letter to the Contractor within 90 calendar days after the end of the evaluation period.

8. The FDO may also consider fee reductions according to Contract Clause B.11,

Fee Reductions, and B.12, *Small Business Subcontracting Fee Reduction.*

9. The FDO provides recommended fee amount to the CO.

   NOTE: HCA Directive 2.1, Rev. 1, Fee Determination Officials Guidance for Office of Environmental Management Concurrence on all FDO Decisions, requires the FDO submit to the EM HCA, prior to issuance of any fee decision to the Contractor on Contracts over $20 million, a copy of the complete fee decision documents/file for headquarters review, including a copy of the Performance Evaluation Board report. The HCA will use these documents to validate that the award fee process was properly executed.

   For Contracts over $20 million that contain only performance based incentives, the FDO must send a copy of the fee determination, along with the documentation of the performance based incentive process for that Contract, to the HCA no later than two weeks after the fee determination is made. That information will be used to validate that performance based incentives are being properly executed.

10. The CO provides the following documents with a request for HCA approval of final fee determination/award:
    a. PEMP
    b. AFEB Report with recommendation to FDO
    c. Draft FDO letter to Contractor
    d. Fee Determination Scorecard per SRM 540.1.1A, *Fee Posting Requirements*

11. Upon HCA approval, the CO issues a Contract modification authorizing payment of the award fee earned amount.

5. Fee Process Documentation

1. The AFEB is responsible for documenting evaluations and assessments conducted, results obtained, award fee meetings with Contractor personnel, and maintaining a file of backup documentation to the PEMP. The AFEB Official Contract File will contain all of the documentation developed by the AFEB.

2. The CO, in coordination with the Office of Chief Counsel, will make a recommendation to the FDO as to what information should be released to the Contractor to accompany the fee determination letter. The CO may elect to use the AFEB documentation as a basis to satisfy requirements of FAR 42.15, *Contractor Performance Information*, through the Contract Performance Assessment Reporting System (CPARS) according to SRM 540.1.1A, *Contractor Performance Reporting*.

3. The PM will formally document all performance assessments in the Site Tracking, Analysis, and Reporting (STAR) system in accordance with SRM 226.1.1E, Integrated Performance Assurance Manual (IPAM).

4. Records generated by this directive will be controlled and maintained according to

requirements established in SRIP 200, Chapter 243.1, *Records Management Program*.

6. Fee Plan Change Procedures

6.1. Right to Make Unilateral Changes

The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

6.2. Method for Changing Plan Coverage

The method to be followed for changing plan coverage is the same procedure as Section 3, *Method for determining fee bearing work*.

1. Personnel involved with the fee process are encouraged to recommend changes in Plan coverage with a view toward changing Performance Areas, motivating higher performance levels or improving the award fee determination process.

2. The AFEB will coordinate identified changes with the Contractor. Sixty calendar days prior to the end of each evaluation period, the AFEB will submit to the FDO for approval proposed changes applicable to the next evaluation period, with appropriate comments and justification, or inform the FDO that no changes are recommended for the next period.

3. The CO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the CO, in writing, before the start of the affected evaluation period. The PEMP may be revised unilaterally at any time during the evaluation period; but the revised PEMP, or revised portion thereof, shall not be effective until 1 calendar day after the Contractor receives the revised PEMP.

7. Award Fee – Performance Rating

Continuous improvement is an implicit goal within SRS. Award fee is applied to this Contract to motivate contract level performance to minimize risk of cost overruns; reduce overall number of changes (e.g., Baseline Change Proposals (BCP), contract modifications, etc.) for scope, cost and schedule. Measurement of performance will be evaluated using objectively measureable Performance Based Incentives (PBI) and subjective criteria for contract level requirements. Award Fee PBIs are different from the Target Activity PBI. Award Fee PBIs are applied to work scope with a specific deliverable, such as completion of a specific milestone.

The Contractor will provide timely, accurate, reliable and actionable project and Contract cost, schedule, performance, risk, and forecast data, reports and information.

Table 1: Available Award Fee

Gov't Fiscal Year	Available Award Fee
FY17	TBD
FY18	TBD
FY19	TBD
FY20	TBD
FY21	TBD
FY22	TBD
FY23	TBD
FY24	TBD
Base Period Total	TBD
FY24	TBD
FY25	TBD
FY26	TBD
FY27	TBD
Option Period Total	TBD
Contract Total	TBD

Table 1, *Available Award Fee*, illustrates the award fee earning potential following the evaluation process below. The available annual award fee will be based on the annual total estimated contract cost. No fee may be earned during contract transition.

Award fee is that portion of available fee measured with an adjectival rating to evaluate technical performance, cost control, schedule performance and business relations / management for the overall Contract during the evaluation period. PBIs will be used as part of the evaluation for Award Fee. Milestones representing a specific portion of the Available Award Fee allocated or projected for the evaluation period shall be designated as subject to a Cost Control evaluation. Adjectival measurement will also be used in addition to evaluation of completion of Target Activity PBIs. In order to provide for consistency across the Complex, DOE-SR will use the five tier adjectival ratings and definitions set forth in Table 4: *FAR Award Fee Rating*.

In an effort to identify strengths and weaknesses in performance, the AFEB, as identified in the PEMP, conducts informal evaluations with site Federal and Contractor organizations to solicit feedback on Contractor performance in five topical areas:

- Technical Quality
- Cost Control
- Schedule (timeliness)
- Business Relations
- Regulatory Compliance

Federal and Contractor performance evaluations may be completed congruently with

other reviews to improve use of oversight staff and efficiency in preparing monthly performance reports. The implementation methodology to ensure the structured process is executed is described below:

1. The AFEB establishes Performance Goals that will be continuously measured throughout the Contract Period of Performance. The following Performance Goals must consider quality of products and services, as well as management of schedules and cost, in order to be fully successful. Refer to Appendix 2: Award Fee Performance Objectives and Evaluation Criteria for full description and evaluation criteria. The following table identifies Performance Goals and percentage of measurement to total performance within the evaluation period.

Table 2: Performance Goals

Performance Goal	**% of Fee**
Quality of nuclear safety and quality culture	30%
Quality and effectiveness of Environment, Safety, Health and Quality Assurance (ESH&QA) Program,	10%
Quality and effectiveness of project management: EVM is effectively integrated and used for program management.	20%
Variance analysis, quality of trending, forecasting and effectiveness of corrective measures, in performance reports.	15%
Accuracy, timeliness, and consistency of billing and cumulative performance data; and integration of subcontractor data.	15%
Condition of Plant: Baseline discipline and system compliance.	10%
TOTAL	**100%**

2. Within each Performance Goal, Contract performance is further broken down into three main categories: Technical or the quality of products and processes; Schedule development and adherence; and Cost estimating and ability to control expenditures. The following is weighting criteria and its value to overall service and delivery according to the Contract. Performance Goal success is measured by the Performance Criteria. Each performance criteria is assigned a weight to communicate its level of importance.

Table 3: Performance Criteria Weight

Award Fee Goal Performance Criteria Weight		
Performance Criteria	**Weight**	
Technical		55%
Quality of Work Products	40%	
Quality of Work Process	15%	
Schedule		20%
Cost Control		25%
TOTAL		**100%**

Performance Goals are evaluated using Performance Criteria. Full Award Fee Performance is measured with an adjectival rating. The Contractor will receive an adjectival grade and numerical score. DOE-SR uses the five tier adjectival ratings and definitions identified in FAR 16.4 described below.

Table 4: FAR Award Fee Rating

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.

Appendix 1: Award Fee Performance Objectives and Evaluation Criteria

As described in Section 7, Award Fee – Performance Rating, the following Performance Goals will be evaluated as part of the process described in Section 4, Method for documenting performance evaluation and recommending fee. Section B of the Contract identifies a fee value designated for this type of performance for the entire base period of the Contract. A percentage of the total available award fee may be earned after each evaluation period as determined by the FDO. Additionally, no award fee shall be paid until the Contractor has a DOE-approved full PMB.

MANAGEMENT #1: Quality of nuclear safety and quality culture	
FAR Adjective	Evaluation Criteria
Excellent	Meets all the VERY GOOD requirements plus: Proactive, innovative use of nuclear safety and quality culture by entire Contractor team. Plans and implements continual process improvement in using nuclear safety and quality culture.
Very Good	Meets all of the GOOD requirements plus: Contractor team develops and sustains effective communication of performance status on a continual basis with the Government.
Good	Meets all the SATISFACTORY requirements plus: Nuclear safety and quality culture is effectively integrated into program management reviews and is a primary tool for program control and decision-making.
Satisfactory	Contractor team uses nuclear safety and quality culture performance data to make program decisions as appropriate.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
MANAGEMENT #2: Quality and effectiveness of Environment, Safety, Health and Quality Assurance (ESH&QA) Program	
FAR Adjective	Evaluation Criteria
Excellent	Meets all the VERY GOOD requirements plus: Effective, timely communication of ESH&QA status to the Government. Issues are proactively managed.
Very Good	Meets all of the GOOD requirements plus: Contractor actively reviews and manages ESH&QA progress. Clear and accurate status reporting to the Government.
Good	Meets all the SATISFACTORY requirements plus: Contractor's management system is structured for oversight of ESH&QA performance.
Satisfactory	Contractor routinely reviews the ESH&QA performance measurement and baseline.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
MANAGEMENT #3: Quality and effectiveness of project management: EVM is effectively integrated and used for program management.	
FAR Adjective	Evaluation Criteria

Excellent	Meets all of the VERY GOOD requirements plus: Contractor consistently submits a high quality estimate at completion that is current and realistic. Reported expenditure profiles are accurate. Develops comprehensive, clear schedule data that provides excellent correlation with technical performance measures and cost performance reports and permits early identification of problem areas. Schedule milestone tracking and projections are accurate and recognize potential program impact.
Very Good	Meets all of the GOOD requirements plus: Expenditure forecasts reflect constant scrutiny to ensure accuracy and currency. Contractor prepares and develops program cost and schedule data that provides clear Government visibility into current and forecast program costs and schedule. Schedule milestone tracking and projections are very accurate and reflect true program status. Keeps close and timely communications with the Government.
Good	Meets all of the SATISFACTORY requirements plus: All requirements for additional funding and schedule changes are thoroughly documented and justified. Expenditure forecasts are consistent and logical and based on program requirements. Contractor acknowledges cost growth (if any) in the current reporting period and provides well documented forecasts.
Satisfactory	Provides procedures for delivering realistic and up-to-date cost, and schedule forecasts as presented in Contract Performance Report, formal estimate at completion, Contract Funds Status Report, Integrated Master Schedule, etc. The forecasts are complete and consistent with program requirements and are reasonably documented.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
MANAGEMENT #4: Variance analysis, quality of trending, forecasting and effectiveness of corrective measures, in performance reports.	
FAR Adjective	Evaluation Criteria
Excellent	Meets all of the VERY GOOD requirements plus: Change proposals are stand-alone and require no iteration for Government understanding. Contractor communicates during the proposal preparation phase and effectively resolves issues before submission.
Very Good	Meets all of the GOOD requirements plus: Change proposal data is traceable and provides visibility to the Government to support a detailed technical review and thorough cost analysis. Only minor clarification is required. Potential cost savings are considered and reported in the proposal.
Good	Meets all of the SATISFACTORY requirements plus: Detailed analysis is provided for subcontractor and material costs.
Satisfactory	Change proposal data, including subcontractor data, is logically organized and provides adequate visibility to the Government to support technical review and cost analysis. A basis of estimate is documented for each element. When insufficient detail is provided, the Contractor provides it to the Government on request. Proposal is submitted by mutually agreed to due date.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
MANAGEMENT #5: Accuracy, timeliness, and consistency of billing (e.g., costs) and cumulative performance data; and integration of subcontractor data.	
FAR Adjective	Evaluation Criteria

Excellent	Meets all of the VERY GOOD requirements plus: Provides suggestions and when appropriate, proposals to the program office for initiatives that can reduce future costs. Implements cost reduction ideas across the program and at the subcontract level. Identifies (and when appropriate implements) new technologies, commercial components, and manufacturing processes that can reduce costs.
Very Good	Meets all of the GOOD requirements plus: Provides measures for controlling Contract cost at or slightly below target cost. Provides suggestions to the program office and implements them when appropriate. Implements some ideas for cost reduction.
Good	Meets all of the SATISFACTORY requirements plus: Establishes means to stay within target cost. Provides good control of all costs during Contract performance.
Satisfactory	Controls self and subcontractor cost performance to meet program objectives.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.
MANAGEMENT #6: Condition of Plant: Baseline discipline and system compliance.	
FAR Adjective	Evaluation Criteria
Excellent	Meets all of the VERY GOOD requirements plus: Variance analysis is extremely thorough. Contractor proactively keeps the Government informed of all problem areas, the causes, emerging variances, impacts, and corrective action. Contractor keeps the Government informed on progress made in implementing the corrective action plans. Analysis is fully integrated with risk management plans and processes.
Very Good	Meets all of the GOOD requirements plus: Contractor always keeps the Government informed of problem areas, the causes, and corrective action. Variance analysis is thorough and is used for internal management to control cost and schedule. Detailed explanations and insight are provided for schedule slips or technical performance that could result in cost growth. The Government rarely requires further clarification of the analysis.
Good	Meets all of the SATISFACTORY requirements plus: Contractor routinely keeps the Government informed of problem areas, the causes, and corrective action. Explanations are updated on a monthly basis. Action taken to analyze potential risks for cost and schedule impacts.
Satisfactory	Variance analysis is sufficient. Contractor usually keeps the Government informed of problem areas, the causes, and corrective action. When insufficient detail exists, the Contractor provides it to the Government promptly upon request.
Unsatisfactory	Contractor fails to meet criteria for satisfactory performance.

Appendix 2: Target Activity Performance Based Incentives (PBI) and Evaluation Criteria

Refer to Contract Section B.8, *Target Activity PBI Fee*, for a description of PBI fee calculation for salt waste processing and disposition, bulk waste removal, and tank closures. The Target Activity PBI fee earned by the Contractor will be determined at the completion of each evaluation period.

Base Period

Target Activity PBI Rate #1 – Salt Waste Processing (Rate per gallon) [To be inserted]

Target Activity PBI Rate #2 – Bulk Waste Removal (Rate per tank) [To be inserted]

Target Activity PBI Rate #3 – Waste Tank Closures (Rate per tank) [To be inserted]

Option Period

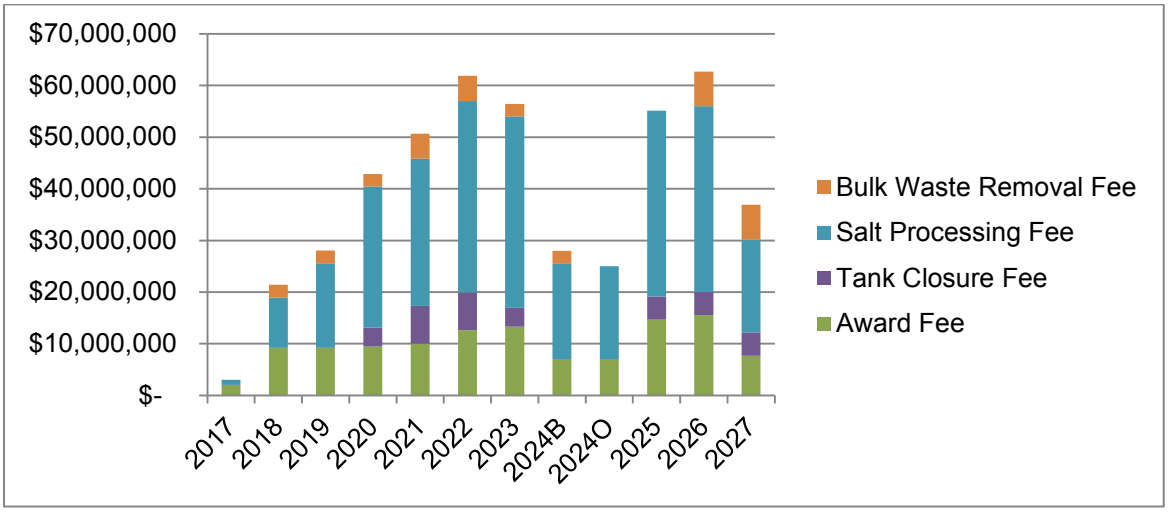
Target Activity PBI Rate #4 – Salt Waste Processing (Rate per gallon) [To be inserted]

Target Activity PBI Rate #5 – Bulk Waste Removal (Rate per tank) [To be inserted]

Target Activity PBI Rate #6 – Waste Tank Closures (Rate per tank) [To be inserted]

Appendix 3: Graphical Representation of Fee

Refer to Contract Section B for a complete description of available award fee and target activity PBI fee that can be earned under this Contract. The following graphic generally demonstrates the fee earning potential under this Contract, which is highly dependent on successful Contractor performance.



Note: This graph is by Government fiscal year, and is not to scale.

STATE OF NEW MEXICO
Environment Department

SUSANA MARTINEZ, GOVERNOR
Ryan Flynn, *Cabinet Secretary*
Butch Tongate, *Deputy Secretary*

The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

NEWS RELEASE

June 24, 2016

Contact: Allison Scott Majure, Communications Director
New Mexico Environment Department
505.231.8800 | Allison.majure@state.nm.us

Consent Order Governing Legacy Cleanup at Los Alamos Finalized

Agreement Focuses on Cleanup & Supporting Stronger Federal Funding Requests

Santa Fe – Today, the New Mexico Environment Department signed and finalized the Consent Order between the State of New Mexico Environment Department and the U.S. Department of Energy's Environmental Management office which will guide and govern the cleanup of legacy waste at Los Alamos National Laboratory.

"The new Consent Order will accelerate the pace of environmental restoration activities in and around Los Alamos," said New Mexico Environment Secretary Ryan Flynn. "While the previous version of the Consent Order allowed valuable investigative work to be accomplished, the revised Consent Order will now prioritize cleanup activities."

The Consent Order is a settlement agreement between the Environment Department and the Department of Energy that provides the process in which investigation and remediation of contamination from legacy waste management activities at Los Alamos National Laboratory occurs. A recent report from the Department of Energy estimates the remaining scope of work required under the Consent Order will cost up to $3.8 billion and take 19 years under current funding levels.

Any cleanup work that was not completed under the former 2005 Consent Order is carried forward into the 2016 Consent Order. Flynn explained, "The 2016 Consent Order serves as a stronger tool for substantiating federal budget requests for increased cleanup funds. After seeing federal cleanup dollars drop to $189M last year, the Environment Department articulated the emphasis on expediting cleanup within the 2016 Consent Order to get the work done and to help Los Alamos to demonstrate the tangible results that support greater federal appropriations. We believe an annual appropriation of $255M is more appropriate for the site."

###

MEMORANDUM

TO: ECA MEMBERS

FROM: IVANA BRANCACCIO

DATE: APRIL 28, 2016

RE: ECA PEER EXCHANGE ON MANHATTAN PROJECT NATIONAL HISTORICAL PARK IMPLEMENTATION – AUGUST 18-19, 2016

On August 18-19, 2016 ECA will host a peer exchange to facilitate discussion on the Manhattan Project National Historical Park, including next steps in funding and implementing the established park. The peer exchange will also address the role of local governments in developing momentum around these issues and supporting the Department of Energy (DOE) and National Parks Service (NPS). Additional details are provided below.

When: Thursday, August 18, 2016 (full day)
Friday, August 19, 2016 (half day)

Where: Denver, CO
Meeting Location: Kutak Rock LLP conference room
1801 California St # 3100, Denver, CO 80202 (map)

Cost: No Registration fee for ECA members and invited guests. The meeting is open to invited ECA members and invitees only

Who: ECA members, DOE Officials, NPS Officials, and other invited guests

Why: In November 2015, the NPS created the Manhattan Project National Historical Park. The purpose of the meeting is for local governments to consider the best strategies for working nationally to implement the Park in Los Alamos, Oak Ridge and the Tri-cities and to discuss strategies to make the Park a success in each community.

Meeting sessions will focus on:

- Update on activities in the each community
- Update from NPS and DOE
- Coordination activities among all three communities, NPS and DOE
- Update and Discussion on Park funding
- The Economics of Park Tourism
- Other

The agenda will be developed by representatives of the three communities, DOE and NPS, and all participants will be updated regularly.

To Participate: Register on Eventbrite here.

Hotel: Magnolia Hotel, located at 818 17th St, Denver, CO 80202. ECA has reserved a limited room block at the per diem rate of $172.00 per night.

To book your room, please call the hotel directly at 1 (888) 915-1110 and mention your group code, ***Energy Communities Alliance*** room block. You can also book your hotel online at here. The hotel rate of $172.00 is available until **Monday, August 1, 2016.** Cancellations must be made 72 hours in advance of you arrival date. ECA will reimburse for up to two nights of hotel stay. **We encourage you to book your hotel as soon as possible.**

If the room block is sold out, please contact us for other arrangements.

Reimbursement Policy:
ECA members participating in this peer exchange are eligible to receive reimbursements for costs associated with attending the meeting for **up to 6** people from each community surrounding (Los Alamos, Oak Ridge and the Tri-City areas). Each community is welcome to bring as many people as needed as determined by the ECA members.

Please contact Ivana Brancaccio at ivana@energyca.org if your flight cost exceeds $650 for pre-approval. ECA will only reimburse up to $1,300 per person. *Please book your flight at least three weeks prior to the meeting.*

Reimbursable costs include:

- Airfare and hotel costs;
- Transportation to and from airport in peer exchange city;
- Up to one bag baggage fee;
- Parking at home airport (up to $25 with receipt).

ECA does not reimburse:

- Meeting registration fee;
- Per diem expenses (ECA will pay for meals at the meeting, but will not reimburse for other meals);
- Transportation/taxis within peer exchange city;
- Internet access fees;
- Rental cars;
- Parking at the hotel.

All reimbursement requests must be submitted within 60 days of the meeting to ECA. A reimbursement form will be provided by ECA at the meeting. If a participant does not attend the meeting, ECA cannot reimburse that attendee for meeting expenses.

To confirm your interest in attending the meeting, or if you have any questions, please contact Ivana Brancaccio at ivana@energyca.org or by phone at (202) 828-2410, please register on Eventbrite here.

We look forward to your participation.