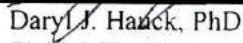

Fiscal Year 2026
DOE/NNSA Strategic Performance Evaluation and Measurement Plan
National Technology & Engineering Solutions of Sandia, LLC (NTESS)
MANAGEMENT AND OPERATION OF THE
Sandia National Laboratories
Contract Number: DE-NA0003525
Performance Evaluation Period:
October 01, 2025 through September 30, 2026



Laura McGill
Laboratories Director
NTESS

Date

 Daryl J. Hauck, PhD
Field Office Manager
Sandia Field Office
National Nuclear Security Administration

Date



Richard Sweeney
Senior Manager
Prime Contract & Export Control
NTESS

Date

Lindsey VanNess
Contracting Officer
Sandia Field Office
National Nuclear Security Administration

Date

FY 2026 PERFORMANCE EVALUATION AND MEASUREMENT PLAN

DOCUMENT REVISION HISTORY

Revision	Date	Change Description
1		Addition of Key Outcomes for second half of Fiscal Year 2026.

INTRODUCTION

Sandia National Laboratories is a Federally Funded Research and Development Center owned by the United States Government, under the custody of the Department of Energy (DOE), herein referenced as "Laboratories" and is managed and operated by National Technology and Engineering Solutions of Sandia, LLC (NTESS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria by which NNSA will evaluate NTESS performance and upon which NNSA shall determine the amount of award fee earned. The available award fee amounts for FY 2026 are specified in Section B, *Supplies or Services and Prices/Costs*, of the Contract. The PEMP promotes a strategic framework that enables NNSA's evaluation of contractor performance, which relies on and is informed by NNSA's Site Governance Model (i.e., Supplemental Directive 226.1D or its successor). This framework requires NTESS to fully execute mission milestones in support of key mission objectives and effectively meet significant management challenges identified by NNSA.

PERFORMANCE BASED APPROACH

The performance-based approach evaluates the NTESS performance through a set of Goals. Each Goal, and its associated Objectives and Key Outcomes (KOs) as applicable, will be measured against authorized cost, schedule, and technical performance, based on respective outcomes, demonstrated performance, and impact to DOE/NNSA missions.

MISSION

NTESS shall manage, operate, protect, sustain, and enhance the Laboratories' multi-mission capabilities, while assuring accomplishment of the Laboratories' primary mission work in nuclear weapons and nuclear non-proliferation research, development, and engineering. NTESS shall facilitate the Laboratories' capability to project its efforts to participate with the scientific, engineering, and technical communities on both the national and international levels with a high degree of vision, quality, integrity, and technical excellence. NTESS shall engage in the strategic and institutional planning necessary to assure that the Laboratories maintain a posture aimed at anticipating the national technical and scientific needs and dedicated to providing practical solutions. NTESS shall study and explore innovative concepts to minimize or mitigate possible current and future national security threats.

MISSION PERFORMANCE

NTESS is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, NTESS shall plan mission work with safety and security as integral to mission execution and meeting the affected programmatic Goals. The model for this PEMP is to rely on NTESS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of its assurance system and supporting measures, metrics, and evidence. **NTESS is expected to manage in a safe, secure, efficient, effective, and results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance.** Products and services are expected to be delivered on-schedule and within budget.

INNOVATIVE SOLUTIONS

NTESS will recommend innovative, technology/science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. NTESS will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions, including safety and security, contributing to mission success. In addition, DOE/NNSA expects NTESS to recommend and implement innovative business and management improvement solutions that enhance effectiveness and efficiency, to include partnering with external vendors and the Department of Defense's existing industrial base.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider context such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside NTESS control), degree of difficulty, significant accomplishments or improvements, and other events that may occur during the performance period. A significant safety or security event may result in an overall limitation to adjectival ratings. Such impacts may be balanced by the response to the incident and by other initiatives to improve overall safety or security performance. NTESS is encouraged to note significant safety and security continuous improvements.

PERFORMANCE RATING PROCESS

DOE/NNSA will review performance throughout the performance evaluation period and provide biannual feedback to NTESS, highlighting accomplishments and/or issues based on contractor performance against the criteria in the PEMP. Sources of oversight data include, but are not limited to, DOE/NNSA formal assessments, contractor self-assessments, internal and external audits, inspections, program and project reviews, operational awareness activities, contractor assurance system, etc.

The evaluation will be documented in a Performance Evaluation Report (PER) and will include the performance ratings and award fee earned for the subject performance evaluation period. DOE/NNSA will consider NTESS end of year self-assessment report in the performance evaluation. Performance of Objectives and KOs (if any) will be assessed in the aggregate, with due consideration given to the level of progress made on achieving KOs, to determine an adjectival performance rating for each Goal. The Goals will then be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. The performance ratings will be determined in accordance with FAR 16.401(e)(3) yielding ratings of Excellent, Very Good, Good, Satisfactory, or Unsatisfactory. Notwithstanding the overall strategic framework, any significant failure in any Goal may impact the overall rating and award fee earned. **Dollar values contained in the PEMP are provided as guidelines for developing a recommendation of fee allocation to the Fee Determining Official (FDO). The final determination as to the amount of fee earned is a unilateral determination made by the FDO.**

NTESS may request a face-to-face meeting with the FDO to highlight its strategic performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the period.

PEMP CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Nonetheless, unforeseen circumstances and/or changes in priorities may necessitate corresponding changes to individual PEMP(s). Any change to the PEMP, including adjustments or removal of KOs, requires concurrence by the appropriate field/program/functional office, the NNSA Senior Procurement Executive, and the FDO prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in the contract terms and conditions, bilateral changes are the preferred method of change whenever possible.

FEE ALIGNMENT AND "AT-RISK" AWARD FEE ALLOCATION

This table is provided for information only and does not change the terms and conditions of the contract. All goals will receive an adjectival assessment as a part of the Corporate Performance Evaluation Process (CPEP).

Goal	At Risk Award Fee	At Risk Award Fee Percent
Goal-1: Mission Delivery: Nuclear Weapons	\$4,603,734	40%
Goal-2: Mission Delivery: Global Nuclear Security	\$1,150,934	10%
Goal-3: Mission Innovation: Advancing Science and Technology	\$1,726,400	15%
Goal-4: Mission Enablement	\$1,150,934	10%
Goal-5: Construction Projects and Infrastructure	\$1,150,934	10%
Goal-6: Mission Leadership	\$1,726,400	15%
Total	\$11,509,336	100%

The above template is applied to each field office using At-Risk Award Fee (AF) amounts established in each individual contract.

UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fee amounts.

Goal 1: Mission Delivery: Nuclear Weapons

Successfully execute the cost, scope, and schedule of the Nuclear Stockpile mission work for Defense Programs in a safe and secure manner in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

- | | |
|----------------------|---|
| Objective-1.1 | Work as a team across the Nuclear Security Enterprise to provide the knowledge, personnel, and capabilities to design, build, certify and assess current and future weapon systems, processes, and components and enable development of new and innovative materials, processes, and components to achieve higher technology and manufacturing readiness levels and rate production, while driving the state-of-the-art for science and technology. |
| Objective-1.2 | Work as a team across the Nuclear Security Enterprise to plan and execute production sustainment and integration, nuclear enterprise assurance, nuclear explosive safety, and effective weapon quality assurance to ensure the Nuclear Security Enterprise optimizes production operations, supports execution of nuclear explosive safety evaluations, minimizes quality escapes, and increases the resiliency of nuclear weapons and nuclear weapon production and sustainment activities within normal, abnormal, and adversarial environments well into the future. |
| Objective-1.3 | Work as a team across the Nuclear Security Enterprise to execute assigned work to maintain and enhance the safety, security, reliability, and performance of the U.S. nuclear weapon stockpile. Execute planning, development, certification, assessment/surveillance, production, and maintenance of the current U.S. nuclear weapon stockpile, including all associated documentation and hardware, consistent with mission and task assignments. |
| Objective-1.4 | Work as a team across the Nuclear Security Enterprise on stockpile modernization program scope to 1) achieve and maintain program delivery schedules; 2) lower risk to achieving First Production Unit (FPU), Last Production Unit (LPU), and program overbuilds; 3) improve supply chain execution; and 4) control costs. |
| Objective-1.5 | Work as a team across the Nuclear Security Enterprise to develop and execute modernization strategies to ensure NNSA's strategic materials and component manufacturing capabilities will meet future nuclear weapons production requirements. Execute work focused on sustainment of existing capabilities, re-establishment of lost capabilities, deployment of new capabilities and technologies, and strategic investments to ensure timely material and component deliveries. |
| Objective-1.6 | Work as a team across the Nuclear Security Enterprise to implement Digital Transformation principles by using Digital Engineering to improve product design, production, sustainment, and business practices. |

Objective-1.7	Work as a team across the Nuclear Security Enterprise to provide and execute Secure Transportation Asset (STA) design activities to achieve and maintain program deliver schedules. Work with Production Agency to improve integration of deliver plans and execute strategies for design & production activities.
Key Outcome-1.1	Complete ME09 ground testing for the B61-13 by September 30, 2026.
Key Outcome-1.2	Complete design of a covered solution for active loading/unloading operations for Zone 4 sustainment at Pantex by September 30, 2026.
Key Outcome-1.3	Provide support to PXD for the W80-4 Documented Safety Analysis (DSA) change package, due to the Pantex Field Office by May 31, 2026, in support of achieving Pantex operational readiness.
Key Outcome-1.4	Provide support to PXD for the W80-4 Single Integrated Input Document (SIID) input to the Nuclear Explosive Safety Study Group (NESSG) by June 30, 2026, in support of achieving Pantex operation readiness.

Goal 2: Mission Delivery: Global Nuclear Security

Successfully execute the cost, scope, and schedule of the authorized global nuclear security mission work in a safe and secure manner to include the Defense Nuclear Nonproliferation, Nuclear Counterterrorism and Counterproliferation, and Incident Response missions in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

- | | |
|----------------------|---|
| Objective-2.1 | Support efforts to enhance global nuclear security by securing and preventing the trafficking of nuclear and radioactive materials. |
| Objective-2.2 | Support U.S. national and nuclear security objectives in reducing global nuclear security threats through the innovation of technical capabilities to detect, identify, and characterize: 1) foreign nuclear weapons programs, 2) illicit diversion of special nuclear materials, and 3) global nuclear detonations. |
| Objective-2.3 | Support efforts to achieve permanent threat reduction by managing and minimizing excess weapons-useable nuclear materials and providing nuclear materials for peaceful uses. |
| Objective-2.4 | Support efforts to prevent proliferation, ensure peaceful nuclear uses, and enable verifiable nuclear reductions to strengthen the nonproliferation and arms control regimes. |
| Objective-2.5 | Sustain and improve nuclear counterterrorism, counterproliferation, and forensic science, technology, expertise and associated Nuclear Emergency Support Team (NEST) capabilities; execute response missions, implement policies and procedures in support of response and forensics missions, and support Counterterrorism and Counterproliferation (CTCP) international priorities. |

Goal 3: Mission Innovation: Advancing Science and Technology

Successfully advance national security missions through innovation by expanding the frontiers of Science, Technology, and Engineering (ST&E). Execute transformative and leading-edge Research and Development (R&D) by creating a vibrant, creative, environment that leverages effective partnerships and technology transfer endeavors. Effectively manage high-impact DOE Work and Laboratory Directed Research and Development (LDRD) and Technology Transfer, etc. in a safe and secure manner consistent with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objective-3.1

Develop and execute a clear research strategy that aligns discretionary investments (i.e., LDRD) with DOE/NNSA priorities, ensures research relevance to national security missions, and promotes transformative, innovative, leading-edge research that advances the frontiers of science and engineering.

Objective-3.2

Foster a healthy, vibrant, and priority-driven research and development environment that sustains, leverages, and strengthens unique science and engineering capabilities, facilities, and essential workforce competencies and strategically integrates with the DOE/NNSA mission.

Objective-3.3

Research and develop high-impact technologies, including the exploration, expansion, and implementation of artificial intelligence applications, through effective partnerships and technology transfer that support DOE/NNSA priorities and positively impact the public while adhering to federal reporting, publishing, and information management requirements (i.e., DOE O 241.1C or its successor).

Goal 4: Mission Enablement

Effectively and efficiently manage the safe and secure operations of the Laboratories in accordance with cost, scope, and schedule, while maintaining an NNSA enterprise-wide focus; demonstrating accountability for mission performance and management controls; successfully executing cyber, technical, informational, and physical security requirements, and assure mission commitments are met with high-quality products and services.

- | | |
|----------------------|---|
| Objective-4.1 | Deliver effective, efficient, and responsive Environment, Safety, and Health (ES&H), Quality (including a Weapon Quality Management System and software quality) and waste management. Advance DOE/NNSA's energy security and resilience by progressing onsite generation where applicable. |
| Objective-4.2 | Deliver effective, efficient, and resilient safeguards and security that are aligned with the risk-informed transformational initiatives of the Defense Nuclear Security Program. |
| Objective-4.3 | Deliver efficient, effective, supportable and transparent financial management operations and systems including financial integration reporting (e.g., cost plans); budget formulation and execution; and internal controls. |
| Objective-4.4 | Deliver efficient and effective management of legal risk and incorporation of best legal practices. Deliver timely and actionable recommendations and analysis to Freedom of Information Act and Privacy Act requests. |
| Objective-4.5 | Deliver effective, efficient, secure, and responsive information technology (IT) and Operational Technology (OT) systems that support mission and functional area delivery. Ensure execution of all implementation factors established in the NA-IM IT Program Execution Guidance (PEG) and Focus Area criteria in the Cybersecurity PEG to strengthen day-to-day IT and Cybersecurity Program operations. |
| Objective-4.6 | Deliver effective, efficient, and responsive site emergency management programs in support of the DOE/NNSA Emergency Management Enterprise. |
| Objective-4.7 | Deliver efficient, effective, and compliant business operations across procurement, human resources, and property systems, to enable NNSA mission success. Focus areas include: (1) The degree to which strategic sourcing cost savings goals are achieved; (2) Timeliness and quality of subcontract award and administration; (3) Impactful contributions to i) enterprise-wide recruitment initiatives and ii) attraction and retention efforts; (4) Expansion of the subcontracting industrial base for appropriate construction work scope; and (5) The degree to which small business program goals are achieved. |

Goal 5: Construction Projects and Infrastructure

Effectively and efficiently manage the infrastructure lifecycle process to meet current and emerging national security challenges through integrated infrastructure planning, acquisition, and prioritization. For clarity, projects with separate award-fee structures are not considered under this Goal.

- | | |
|----------------------|--|
| Objective-5.1 | Implement a comprehensive and integrated infrastructure prioritization and planning process. Update planning data and mission needs in the G2 Program Management system planning module for the FYNSP to support strategic planning elements, such as the Enterprise Blueprint, Master Asset Plan, Area Plans, and Deep Dives. Provide cost and schedule estimates in accordance with established guidance to ensure mission delivery. |
| Objective-5.2 | Plan and execute Capital Asset Line-Item Construction Projects, minor construction projects, capital equipment projects (including Major Items of Equipment), real property acquisitions, and disposition projects in accordance with cost, scope, schedule baselines, technical requirements, code of record and/or execution plans. Monitor and report on project performance against baselines, provide accurate and timely deviations on performance to stakeholders, and utilize risk management processes. |
| Objective-5.3 | Develop and execute operations and maintenance strategies, consistent with available funding, that enable reliable asset performance and enduring facility capabilities that align with mission requirements and priorities. |

Goal 6: Mission Leadership

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, cultivating a Performance Excellence Culture that encompasses all aspects of operations and continues to emphasize safety and security, improving the responsiveness of NTESS leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the Laboratories and the Enterprise.

- | | |
|----------------------|--|
| Objective-6.1 | Develop and execute a realistic strategic vision for the Laboratories that demonstrates effective collaboration across the Nuclear Security Enterprise (NSE) to ensure the NSE possesses the capabilities and abilities to reliably achieve NNSA's mission success and is prepared for future threats and challenges. |
| Objective-6.2 | Demonstrate performance results through the institutional utilization of a Contractor Assurance System and promoting a culture of critical self-assessment, transparency, and accountability through the entire organization, while also leveraging parent company resources and expertise. |
| Objective-6.3 | Develop and implement a Nuclear Security Enterprise-wide partnership model that enhances collaboration, reinforces shared fate and enables mission success including transformation of the stockpile and the enterprise. |
| Objective-6.4 | Exhibit professional excellence in performing roles/responsibilities while pursuing collaborative opportunities for continuous organizational and enterprise learning and demonstrated improvements that will enhance productivity, grow the capacity to execute mission, and manage, rather than avoid risk when appropriate. Pursue innovations to increase agility and resilience while controlling costs. Advance the operational capabilities of the Nuclear Security Enterprise by identifying and employing latent capacity existing in the enterprise. |
| Objective-6.5 | Demonstrate leadership in driving enhanced and sustainable formality and rigor of operations through proactive implementation of effective and efficient measures to minimize operational upsets that have potential to impact mission. |
| Objective-6.6 | Lead the Digital Transformation Initiative across the Nuclear Security Enterprise to improve product design, production, sustainment, and business practices. |

**FAR 16.401(e)(3) AWARD FEE ADJECTIVAL RATINGS AND
SUPPLEMENTAL DEFINITIONS**

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. <i>This performance level is evidenced by at least one significant accomplishment, or a combination of accomplishments that significantly outweigh very minor issues, if any. No significant issues in performance exist.</i>
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. <i>This performance level is evidenced by accomplishments that greatly outweigh issues. No significant issues in performance exist.</i>
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. <i>This performance level is evidenced by accomplishments that slightly outweigh issues. No significant issues in performance exist.</i>
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. <i>This performance level is evidenced by issues that slightly outweigh accomplishments.</i>
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. <i>This performance level is evidenced by issues that significantly outweigh accomplishments, if any.</i>

PEMP Definitions from NAP 540.3A

Accomplishment. An achievement or success in the performance of contract requirements that exceeds standards or expectations. Examples might be performing full contract requirements under budget while meeting or beating schedule baselines or performing additional scope within the initial cost targets with no negative effect on requirements or other programs, indicating continued performance improvement.

Fee allocation. The amount of award (at-risk) fee available to be earned by an M&O Contractor for a specific PEMP Goal.

Goal. Top Level strategic elements that cover broad performance areas and are related to mission accomplishment, operational excellence, or management of a laboratory/plant. Each element is usually described by a general overarching statement of the desired performance. Ratings for these elements are determined by aggregating all performance evaluations for applicable Objectives and Key Outcomes. These elements are not generally site specific; however, under certain circumstances the SPE may authorize use of a site-specific Goal(s).

Issue. A point in question or a matter that raises concerns regarding successful performance of contract requirements within scope, cost, and schedule baselines or concern of negative effect on requirements or other programs, indicating a decline in performance that needs attention and improvement.

Key Outcome. Elements that serve to highlight very specific performance outcomes that require attention from senior laboratory/plant/site leadership. These outcomes may relate to major program or project milestones or to specific improvements in performance of a Goal or Objective. These elements must be clearly linked to a Goal or Objective, are site specific, and updated annually. They must also be objective in nature with identifiable, achievable, and measurable outcomes that represent NNSA strategic priorities.

Objective. Performance areas against which an M&O Contractor is evaluated by NNSA. These elements outline desired results and more specific performance outcomes than Goals. These elements may be site-specific.

Significant Accomplishment. An achievement or success significantly above requirements or expectations. This could include completing a project significantly under budget and ahead of schedule or exceeding expectations while overcoming significant complexities/challenges to complete requirements.

Significant Issue. A failure to meet program, mission, contract, safety, security, or quality requirements. Examples of a significant issue include, without limitation: death or serious permanent personal injury; off-site environmental release of a hazardous material from a DOE facility; material loss or damage to DOE property; an unplanned nuclear criticality event; loss, compromise, or unauthorized disclosure of information to include Top Secret Restricted Data, Top Secret, Sensitive Compartmented Information (SCI), Special Access Program (SAP) information, or high-risk nuclear weapons-related data; failure to meet an NNSA-negotiated delivery schedule for the Department of Defense or other national security customers.