

Fiscal Year 2013
NNSA Strategic Performance Evaluation Plan (PEP)

FOR

MANAGEMENT AND OPERATION OF THE
NATIONAL SECURITY TECHNOLOGIES, LLC

Contract Number: DE-AC52-06NA25946

Performance period: October 01, 2012 through September 30, 2013

Signature of Raymond Juzaitis
Signature of Raymond Juzaitis
Signature of Raymond Juzaitis

8/31/12

Signature

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Date

Raymond J. Juzaitis, Ph.D.
President
National Security Technologies, LLC

Signature of Steven Lawrence

8.31.12

Signature

Date

for Stephen A. Mellington
Site Office Manager
Nevada Site Office
National Nuclear Security Administration

Signature of Darby Dietrich

8/31/12

Signature

Date

Darby A. Dieterich
Contracting Officer
Nevada Site Office
National Nuclear Security Administration

INTRODUCTION

The Nevada National Security Site is managed by National Security Technologies, LLC, herein referenced as “Contractor”, for the U.S. Department of Energy (DOE), National Nuclear Security Administration (NNSA). Pursuant to the terms and conditions of the Contract, and Clause H-9 *Performance Based Management*, this Performance Evaluation Plan (PEP) sets forth the criteria in which the Contractor’s performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2013 are specified in Section H-10 *Performance Incentives* of Contract No. DE-AC52-06NA25946.

The performance-based approach evaluates the Contractor’s performance through a set of performance objectives (PO). Each PO will be measured on demonstrated performance and its impact to the NNSA mission. Critical factors and applicable site specific outcomes will be assessed in the aggregate to establish an adjectival performance rating for each Performance Objective. This PEP evaluates Contractor performance and promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the Deputy Secretary of Energy and the NNSA Administrator.

PERFORMANCE MEASUREMENT AND OVERSIGHT

The Contractor is accountable for successfully executing the work in accordance with applicable NNSA safety and security requirements while assessing its performance against 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, the model for this PEP is to rely on the Contractor’s leadership in utilizing appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. The Contractor is expected to manage in a safe, secure, efficient, effective, mission driven manner, with appropriate risk management and transparency to the government.

PERFORMANCE STANDARDS/PERFORMANCE EVALUATION

The NNSA has an established and approved evaluation process. The evaluation of performance will consider unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside Contractor’s control), accomplishments, and other events that may occur during the performance period. Effective efforts to overcome or mitigate the impact of such barriers or circumstances will also be a factor in evaluating performance.

PERFORMANCE RATING PROCESS

The Contractor will provide a self-critical and comprehensive self-assessment of its performance. The self-assessment will be submitted to the respective NNSA Site Office no later than five working days after the end of the appraisal period, to allow sufficient time for NNSA review (per the NNSA corporate evaluation process). An overall performance rating will be assigned for each PO using the table in Federal Acquisition Regulation Subpart 16.401(e)(3). Meeting expectations herein equates to a satisfactory performance based on the FAR table. NNSA will consider the contractor’s self-assessment in preparing the Performance Evaluation Report and will also independently evaluate contractor performance when making the final recommendations to the Fee

Determining Official (FDO) on performance ratings and award fee earned for the award fee period of performance. The unilateral decision of the total award fee earned will be made by the FDO.

PEP 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. Any change to the PEP requires concurrence by the appropriate program office, NA-00 and the NNSA Senior Procurement Executive prior to the Site Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of NNSA as expressed in contract clauses H-9 *Performance Based Management*, and (2) H-10 *Performance Incentives*, bilateral changes are the preferred method of change whenever possible.

TOTAL AVAILABLE AWARD FEE ALLOCATION

Performance Category	Performance Objective	% At-Risk Fee Allocation
Programs	PO-1: Nuclear Weapons Mission	30%
Programs	PO-2: Broader National Security Mission	27%
Programs	PO-3: Science, Technology and Engineering Mission	3%
Operations & Mission Execution	PO-4: Security, Infrastructure, Environmental Stewardship and Institutional Management	30%
Operations & Mission Execution	PO-5: Contractor Leadership	10%

* Minimum Allocation of At-Risk Fee; % fee recommended by Site Office Manager with NA-2 review and approval.

Unearned Fee

The National Nuclear Security Administration (NNSA) reserves the right to withdraw and redistribute NNSA unearned fees.

Award Term Incentive

To earn award term the contractor must meet the following criteria: Earn an adjectival score of Very Good or better in each of the Performance Objectives 1-5 and experience no significant safety or security incident during the performance period.

PERFORMANCE OBJECTIVES

The Contractor will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. The Contractor will also provide evidence to support programmatic needs and operational goals tempered by risk. NNSA will take into consideration all major functions contributing to mission success.

Along with the Contributing Factors, and Site Specific Outcomes, the Contractor's performance will be evaluated against the NNSA's Strategic Plan, NNSA Performance Priorities and Deliverables, Program Execution Plans, Work Authorizations and other key inputs (e.g. Multi-Year Strategic Objectives).

PO-1: Nuclear Weapons Mission – (At-Risk Fee: 30%)

Successfully execute Nuclear Weapons mission work in accordance with NNSA Priorities, Program Control Document (PCD) and Deliverables, and Program Execution Plans. Integrate across the site, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

- Accomplish work within the budget profile, scope, cost, schedule, and risk negotiated with program sponsors and partners, achieving the expected level of quality.
- Increase knowledge of the state of the stockpile resulting in successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- Execute product development and deliveries in the life extension programs (e.g., B61-12), alterations (ALTs) (e.g., W88 ALT 370), and limited life component (LLC) exchanges.
- Demonstrate the application of new strategies, technologies, and scientific understanding in anticipation of future stockpile needs including enhanced stockpile surety.
- Sustain and strengthen unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- Demonstrate effective operations and implementation of policy for mission success.

Site Specific Outcomes:

1. Successfully complete the Pollux experiment and analysis of the Gemini experimental series at the NNSS and work with the NW Laboratories and DOE/HQ to identify and begin planning a follow-on series of subcritical experiments that will support the certification requirements of stockpile weapon systems. (NA-10 edits to NSO SSO)
2. Demonstrate an enhanced capacity to predictively schedule and execute work for multiple programs in DAF. (NSO)
3. Complete integration of Predictive Capability Framework (PCF) and support implementation of an Science, Technology and Engineering (ST&E) plan that supports the 120-day Study objectives. (NA-10)

PO-2: Broader National Security Mission (At-Risk Fee: 27%)

Successfully execute the broader national security mission work in accordance with NNSA Priorities, Program Work Authorizations, priorities and deliverables, and Program Execution Plans to include the Non-Proliferation, Emergency Operations and Counterterrorism missions among others. Integrate across the site, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

- Accomplish work within the budget profile, scope, cost, schedule, and risk negotiated with the program sponsors or partners, achieving the expected level of quality.
- Demonstrate the application of new strategies, technologies, and scientific understanding in anticipation of future national security needs.
- Pursue and perform high impact work that leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills to ensure the ability to meet current and future national security mission requirements.
- Demonstrate effective operations and implementation of policy for mission success.
- Maintain effective nuclear counterterrorism and incident response mission support capability.
- Execute DOE mission work (outside NNSA) (e.g. EM, IN).

Site Specific Outcome:

1. Demonstrate effective technical experimental capability in support of non-proliferation, counter-proliferation, counter-terror and treaty verification objectives. (NSO with NA-00 edits)
2. Manage, and operate National Emergency Response assets, including aircraft, to respond to national emergency situations involving radioactive materials to detect, measure, and track the radioactive material involved; determine contamination levels and predict release patterns. Demonstrate broad response capabilities by successfully implementing a training program for National Emergency Response personnel. (NSO)
3. Operate and maintain the Radioactive Waste Management Complex (RWMC) and continue to perform the legacy environmental cleanup of groundwater and soil in accordance with the Federal Facility Agreement and Consent Order and other applicable requirements. Enable and enhance consolidation of components as a foundation to streamline de-inventory and disposition initiatives of legacy items throughout the DOE complex. (NSO with NA-00 edits)

PO-3: Science, Technology & Engineering (ST&E) Mission (At-Risk Fee: 3%)

Successfully execute research to enable, support, and advance national security missions and to advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule, and risk, achieving the expected level of quality. Effectively manage Laboratory/Plant/Site Directed Research and Development Programs (LDRD/PDRD/SDRD). Execute the ST&E mission and provide defensible objective evidence.

Contributing Factors:

- Implement a research strategy that is clear and aligns discretionary investments (e.g., LDRD/PDRD/SDRD) with the research strategy and support NNSA priorities.
- Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.
- Perform research to accomplish the high priority, multi-year research objectives, advance ST&E, and develop technologies for the public good through technology transfer.

Site Specific Outcome:

1. Demonstrate the development, and deployment of innovative diagnostic systems employed in harsh operational environments. (NSO)

**PO-4: Security, Infrastructure, Environmental Stewardship and Institutional Management
(At-Risk Fee: 30%)**

Effectively and efficiently manage the operations of the site while maintaining an NNSA enterprise-wide focus; demonstrate accountability for mission performance and management controls; assure mission commitments are met with high-quality products and services; and maintain excellence as 21st century government-owned, contractor-operated facility.

Contributing Factors:

- Accomplish the safeguards and security and emergency management mission by applying prudent risk management and implementing rigorous contractor governance processes to ensure sustained effective performance with no significant failures.
- Line item construction projects will be accomplished in accordance with the budget profile, scope, cost, schedule, and risk negotiated with the program sponsors or partners, achieving the expected level of quality.
- In concert with NNSA Strategies:
 - Deliver efficient, effective, and responsive business operations and systems.
 - Deliver efficient, effective, and secure networks and information systems.
 - Deliver efficient and effective facility and infrastructure portfolio management.
 - Deliver efficient, effective, and responsive environment, safety and health management and processes.
 - Deliver efficient, and effective management of legal risk and incorporation of best legal practices.
 - Deliver efficient and effective management of a quality assurance system and decision-making model framework that improves the quality of mission products and services.

Site Specific Outcome:

1. Demonstrate effective implementation of NSTec functional areas into operational activities to successfully address identified risks and optimize resource utilization. (NSO with NA-00)
2. Maintain and demonstrate effective utilization of an approved comprehensive, transparent, and integrated Contractor Assurance System (CAS). (NA-00 with NSO edits)
3. Continue to investigate and successfully implement continuous improvements in employee compensation benefits and organizational alignment to allow a more predictive and competitive environment while more effectively supporting mission execution. Demonstrate successful implementation of efficiency initiatives, to align with the vision of One NNSA, through continued back-office and system consolidations. (NSO)

PO-5: Contractor Leadership (At-Risk Fee: 10%)

Successfully demonstrate leadership in supporting the direction of the overall NNSA mission, the responsiveness of the contractor's 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 site and the Enterprise.

Contributing Factors:

- Define a realistic and strategic vision for the site in alignment with the NNSA Strategic Plan and progress to meet that vision.
- Demonstrate enterprise leadership and effective collaboration to ensure enterprise success.
- Establish and maintain long-term partnerships/relationships with private industry and the scientific and local communities.
- Instill a culture of accountability and responsibility through the entire organization.
- Strategically integrate interagency work to ensure necessary capabilities are maintained over time to support the NNSA mission.
- Create a work environment that achieves compliant and effective safety and security performance, and attracts the best and brightest scientist/engineers to execute our national programs.
- Work selflessly within the NNSA / DOE complex to develop, integrate, and implement enterprise solutions that maximize program outputs at best value to the government.
- Exhibit professional excellence in performing contractor roles/responsibilities while pursuing opportunities for continuous learning.
- Coordinate/Communicate key issues and concerns to NNSA leadership.
- Demonstrate performance results through the institutional utilization of the Management Assurance System and the leveraging of parent company resources and expertise.
- Lead a culture of critical self-assessment across all areas.