



Department of Energy
National Nuclear Security Administration
 Washington, DC 20585



November 28, 2014

MEMORANDUM FOR: Geoffrey L. Beausoleil
 Manager
 NNSA Sandia Field Office

From: Madelyn R. Creedon
 Principal Deputy Administrator

Subject: Sandia Corporation, DE-AC04-94AL85000
 Fiscal Year 2014 Performance Fee

The National Nuclear Security Administration (NNSA) has completed its assessment of Sandia Corporation's effectiveness in meeting the performance expectations established in the Fiscal Year 2014 Performance Evaluation Plan for the period of October 1, 2013 through September 30, 2014. Based on assessments provided in the NNSA Performance Evaluation Report, award fee amounts are as follows:

	<u>At Risk %</u>	<u>Available</u>	<u>Final</u>	<u>Percent</u>
PO 1: Nuclear Weapons Mission	20%	\$1,960,000	\$1,666,000	85%
PO2: Broader National Security Mission	20%	\$1,960,000	\$1,666,000	85%
PO 3: Science, Technology & Engineering	20%	\$1,960,000	\$1,862,000	95%
PO 4: Operations & Infrastructure	20%	\$1,960,000	\$1,274,000	65%
PO 5: Leadership	20%	\$1,960,000	\$1,489,600	76%
Total		\$9,800,000	\$7,957,600	81.2%

In addition, the fixed fee and total fee summaries are provided below for your information:

Fixed Fee	\$10,980,000	\$10,980,000	
WFO (Fixed Fee)	\$7,320,000	\$7,320,000	
Total Fixed Fee	\$18,300,000	\$18,300,000	
Total Summary	\$28,100,000	\$26,257,600	93.44%



I expect to see positive changes with the new Sandia leadership to address the challenges presented in 2014 that strained the relationship with the NNSA. These challenges were in areas such as transparency and the willingness to maintain full and open communications at all times and on all issues affecting contract performance; Sandia's commitment to the positive and cooperative relationship has been modest and falls short of what is expected of a FFRDC. We look forward to an improved relationship in 2015.