

**Performance Evaluation and Measurement Plan (PEMP)  
For**

**Mid-America Conversion Services, LLC (MCS)**

**Acquisition for Operations of Depleted Uranium Hexafluoride  
(DUF<sub>6</sub>) Conversion Facilities at Paducah, Kentucky and  
Portsmouth, Ohio**

**Contract No. DE-EM0004559**

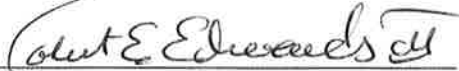
**Second Period  
October 1, 2017 through September 30, 2018  
Revision 2**

ACKNOWLEDGED:



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## 1. INTRODUCTION

The purpose of this Performance Evaluation and Measurement Plan (PEMP) is to define the methodology and responsibilities associated with determining the fee to be awarded to the contractor. The plan outlines the organization, procedures, evaluation criteria and evaluation periods for implementing the award and incentive fee provisions of the contract. The objective of the award fee is to motivate the contractor to substantially exceed standards and to emphasize key areas of performance without jeopardizing minimum acceptable performance in all other areas. The Award Fee period began after the Contract Transition Period and extends for the contract period of performance.

## 2. DEFINITION OF TERMS

- a. **Contracting Officer (CO):** The individual authorized to commit and obligate the government through the life of the contract. The CO is an advisor to the Performance Evaluation Board (PEB).
- b. **Fee Determining Official (FDO):** The individual who makes the final determination of the amount of fee to be awarded to the contractor. The FDO is the Manager of the Portsmouth/Paducah Project Office. The authority has been delegated by the Office of Environmental Management Head of Contracting Activity. In the absence of the Manager, Portsmouth Paducah Project Office, the Deputy Manager, Portsmouth Paducah Project Office serves as the FDO.
- c. **Federal Project Director (FPD):** The Federal Project Director is the senior Portsmouth/Paducah Project Office project/operations manager of the DUF<sub>6</sub> Conversion Operating Project. The Federal Project Director serves as the PEB chairperson.
- d. **Performance Evaluation Board (PEB):** The group of individuals who review the contractor's performance and recommend an award fee to the FDO. Members of and advisors to the PEB are indicated in Exhibit 1.
- e. **Project Technical Monitor (PTM):** The individual(s) assigned to monitor and evaluate the contractor's performance on a continuing basis. The PTM's evaluation is the primary point of reference in determining the recommended award fee, especially the technical support area of performance. The PTM are responsible for providing their input, as requested, to the FPD. The PTM is an advisor(s) to the PEB.

## 3. AWARD FEE STRUCTURE

The fee structure is consistent with the contract. This contract has fixed fee elements and award fee elements. The award fee elements will be structured into two sections: 1) Category of Performance; and 2) Performance Based Incentive (PBI).

- a. The Category of Performance section is divided into the following general categories of performance: a) Quality; b) Schedule; c) Cost Control; d) Management; e) Utilization of Small Business; and f) Regulatory Compliance. Each category will be evaluated separately, and will receive a grade ranging from Unsatisfactory to Excellent consistent with the FAR.
- b. The Performance Based Incentive (PBI) section establishes criteria to incentivize the contractor to achieve and maintain safe, compliant and steady operation of the production facilities (Exhibit 5).
- c. At no time will the fee earned be higher than that set in the contract.
- d. Unearned fee will NOT be rolled over into any future evaluation periods or any other performance objectives.

#### **4. PEMP ISSUANCE/REVISION**

A copy of the PEMP will be provided to the contractor at least 30 days prior to the start of each subsequent evaluation period. Changes that do not impact the award fee criteria or process, such as editorial or personnel changes may be made and implemented without being provided to the contractor prior to the start of the evaluation period. The PEMP may be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the Contractor 30 calendar days prior to the implementation of the PEMP change (e.g., start of the evaluation period) to which the change will apply.

#### **5. RESPONSIBILITIES**

- a. The FDO establishes a PEB. The FDO approves the award fee plan and any significant changes. The FDO reviews the recommendation(s) of the PEB, considers all pertinent data, determines the earned award fee amount for each evaluation period, and notifies the CO in writing of the final fee determination. The PEB assists the FDO in the award fee determination by recommending an award fee for the contractor's performance. If a PEB member or advisor is absent, the FDO can approve substitute(s) with similar qualifications. Exhibit 1 provides a listing for members and advisors (subject to change).

The PTMs will monitor and evaluate the contractor's performance. The PTMs will work closely with the CO, FPD and Deputy FPDs in performing surveillance duties. PTMs will utilize Exhibit 2, Award Fee Rating Table, and Exhibit 3 Rating Criteria, when monitoring and evaluating contractor's performance. The PEB Chair may add, remove or replace additional PTMs throughout the contract period of performance, as appropriate.

- b. The FPD as a Chair Persons for the PEB, will use the Award Fee Rating Table in Exhibit 2 to determine the adjective ratings for the Category of Performance section to be reported to the PEB in Exhibit 3. The FPD will be thoroughly familiar with current award fee policy, guidance, regulations, and correspondence pertinent to the award fee process. The FPD will coordinate administrative actions required by the PTM(s), the

PEB, and the FDO. Administrative actions include receiving, processing, and distributing performance evaluation inputs, scheduling and assisting with internal milestones, i.e., PEB briefings, and other actions as required for the smooth operation of the award fee process.

- c. The PEB members will review the PTM's evaluation reports and the FPD's recommended adjectival rating, consider information from other pertinent sources, and develop a fee recommendation. The PEB chairperson will give the fee recommendation to the FDO.
- d. The FDO will review the PEB's recommendations, consider all appropriate data, and notify the CO in writing of the final fee determination. The CO authorize to commit and obligate the government through the life of the contract. The CO is an advisor to the PEB. The CO is the liaison between contactor and Government personnel ensure that the performance evaluation and fee determination comply with the FAR, the terms of the contract, and this PEMP; and will obtain any required clearances. The CO will prepare a letter for FDO signature notifying the contractor of the award fee amount. The CO will modify the contract to reflect the earned award fee for the performance evaluation period.

## 6. AWARD AND INCENTIVE FEE AMOUNTS

The total current contract fee available is \$18,419,614 for the contract period (as of Mod 0029). The available estimated fee may change consistent with changes to the contract.

### a. Available Estimated Fee by Category

		Categories of Performance (30%)	Performance Based Incentives <sup>1</sup> (70%)	Total
<b>First Period</b>	<b>February 1, 2017 – September 30, 2017</b>	\$676,189	\$1,577,773	\$2,253,962
<b>Second Period</b>	<b>October 1, 2017 – September 30, 2018</b>	\$1,188,378	\$2,772,882	\$3,961,261
<b>Third Period</b>	<b>October 1, 2018 – September 30, 2019</b>	\$1,098,404	\$2,562,942	\$3,661,346
<b>Fourth Period</b>	<b>October 1, 2019 – September 30, 2020</b>	\$1,098,404	\$2,562,942	\$3,661,346
<b>Fifth Period</b>	<b>October 1, 2020 – September 30, 2021</b>	\$1,098,404	\$2,562,942	\$3,661,346
<b>Six Period</b>	<b>October 1, 2021 – January 31, 2022</b>	\$361,106	\$854,248	\$1,220,355
<b>TOTAL</b>		<b>\$5,525,884</b>	<b>\$12,893,730<sup>2</sup></b>	<b>\$18,419,614</b>

<sup>1</sup>This fee is provisional until the final contract cost is determined.

<sup>2</sup>This is the Production Incentive Fee Pool. See Section 6.c for further discussion regarding cost control.

### b. Weighting of Categories of Performance

Categories of Performance	Weightings
1. Quality	20%
2. Schedule	20%

3. Cost Control	20%
4. Management	20%
5. Utilization of Small Business	5%
6. Regulatory Compliance	15%

c. **Reduction of Available Fee**

- (1) If a fee reduction in accordance with the Contract Clause B.9 “DEAR 952.223-76 CONDITIONAL PAYMENT OF FEE OR PROFIT–SAFEGUARDING RESTRICTED DATA AND OTHER CLASSIFIED INFORMATION AND PROTECTION OF WORKER SAFETY AND HEALTH (JAN 2004)” is directed, the fee pool (total) for the evaluation period shall be decreased by the equivalent amount.

7. **AWARD FEE PROCESS**

Exhibit 6 provides an overview of the award fee process.

a. **PTM Actions**

- (1) PTM(s) will continually monitor and evaluate the contractor’s performance using Exhibit 2, Award Fee Rating Table, and the criteria contained in the Exhibit 3, Individual Project Team Evaluator Worksheet, when monitoring and evaluating contractor’s performance. The PTM will review and evaluate each evaluation criteria for each category of performance to determine the performance level of the contractor. Monitoring and evaluating performance will include but not be limited to the routine interface and oversight of the contractor and the review of the provided services and work products submitted to DOE by the contractor. PTM(s) will also evaluate quarterly input by the contractor, if provided.
- (2) At the end of each quarter during the evaluation period of performance (or as requested by the FPD), the PTM will submit to the FPD the rating criteria, Exhibit 3, for all Category of Performance items. Based on the above evaluation results, the PTM will select the appropriate adjective rating with written notes on the strengths and weaknesses of the contractor to report to the FPD. The PTM(s) will maintain all documentation necessary to support his/her evaluation of the contractor’s performance.
- (3) The designated PTMs (Deputy FPDs) will assess the contractor’s progress against the PBI specified in Exhibit 5. The PTM(s) will provide status of the Contractor’s measured performance against the specified PBIs at the end of the evaluation period of performance to the PEB.

b. **FPD’s Actions**

- (1) On a quarterly basis, the FPD will evaluate the contractor’s performance using Exhibit 2, Award Fee Rating Table, and criteria in the Exhibit 3 Individual Project

Team Evaluator Worksheet, based on his/her personal observations of performance and on the adjective rating reported by the PTM.

- (2) On a quarterly basis, the FPD will use Exhibit 4, Category of Performance Rating Summary Table, to record the PTM's adjective rating for the period and the FPD's adjective rating. The FPD is not permitted to change the PTM's adjective rating. In addition to reporting the PTM's notes on the strengths and weaknesses of the contractor, the FPD will annotate his/her rationale for selecting a particular adjective rating.
- (3) The FPD will meet with the contractor's manager during each evaluation period of performance to discuss PTM and FPD ratings, upon request by the contractor's manager. If issues have not been previously communicated by DOE to the contractor, this meeting gives the contractor an opportunity to understand issues and implement corrective actions during the evaluation period of performance.
- (4) The FPD will use Exhibit 4, Category of Performance Rating Summary Table, to determine the adjective rating for the award fee.
- (5) The FPD will submit a completed Exhibit 4, Category of Performance Rating Summary Table, for presentation to the PEB along with a summary report on Contractor's performance against the specified PBIs (Exhibit 5).
- (6) The FPD notifies PEB members and any advisors of the date and time of the PEB meeting. Additionally, the FPD notifies the contractor of the date and time of PEB meeting and advises the contractor of when and how (written, oral, or both) he/she will be permitted to address the PEB as determined by the PEB chairperson. Generally, the contractor will be provided the opportunity to provide written materials (limited to no more than 20 pages) and make an oral presentation of up to 30 minutes. The presentation should be provided in advance and should be in the form of a self-assessment measured against each award fee criteria section. Prior to the PEB meeting, the FPD will provide the PEB members with a page-numbered binder to include, at a minimum, the input for the award fee period from the PTM members, the forms required to be filled out during the evaluation meeting, and the contractor's award fee presentation.
- (7) The FPD prepares the draft performance evaluation report in a briefing format as determined by the PEB chairperson. The area report briefing should include a mix of specific and global evaluation comments so the PEB can get a holistic assessment of the contractor's performance.

c. **PEB Actions**

- (1) The FDO will be the approving authority for selection of the PEB members recommended by the chairperson. The PEB chairperson will establish dates, times, and places for the PEB meeting and make appropriate notification to members,

advisors, and the contractor. The chairperson will schedule the PEB meeting to ensure the PEB's recommended fee is presented to the FDO within 30 days following the close of the evaluation period.

- (2) PEB assists the FDO in the award fee determination by recommending an award fee for the contractor's performance. Technical and functional experts, as required, may serve in an advisory (non-voting) capacity to the PEB. PEB members will consider all information from the following sources in determining its award fee recommendation to the FDO:
  - Evaluations submitted by the PTMs and FPD. Chairperson may require oral briefings by the functional area personnel.
  - Evaluations and status of PBI accomplishments.
  - Information submitted by other sources as considered appropriate by the PEB.
  - Contractor's written or oral (or both as determined by chairperson) self-assessment of performance.
- (3) Using Exhibit 4, Category of Performance Rating Summary Table; each PEB member will document their adjectival rating from Exhibit 2, Award Fee Rating Table.
- (4) The PEB chairperson will collect members' Category of Performance Rating Summary Table, Exhibit 4, and review them. If any member's adjective rating is "Unsatisfactory" and this rating is lower than an individual PTM(s) (or FPDs) adjective rating for that same area, appropriate discussions with that member(s) should be conducted to determine the member's rationale. The PEB member(s) may document their rationale by attaching notes to Exhibit 4 for their selection.
- (5) The PEB chairperson summarizes individual member's adjective ratings for the rating criteria using Exhibit 4, Category of Performance Rating Summary Table and provides a summary of the adjective rating to ensure PEB consensus with the resulting overall rating. The PEB will then strive to gain consensus on a fee/fee range recommendation to the FDO for the categories of performance section award fee.
- (6) The PEB members will evaluate the assessment of the Contractor's performance against the specified PBIs. The PEB will strive to gain consensus of the PBI achievement and on a fee/fee range recommendation to the FDO.
- (7) The PEB chairperson will prepare or will have prepared a cover letter to transmit the final Performance Evaluation Report, to include Exhibit 4, Category of Performance Rating Summary Table, to the FDO along with a report on the PEB's assessment of the Contractor's performance against the specified PBIs. The PEB chairperson will prepare or will have prepared a Fee Determination Score Card that will be made available to the public after issuance of fee determination. If used, the earned award-fee amount indicated by the use of a conversion table or graph is a guide to the FDO. Use of the Award Fee Conversion Chart does not remove the element of judgment from the award fee process.



d. **FDO's Actions**

- (1) The FDO will review the PEB's recommendations, consider all appropriate data, and notify the CO in writing or via electronic correspondence of his/her of the final fee determination, after receiving Head of Contracting Activity (HCA) coordination.

e. **CO's Actions**

- (1) The CO will ensure that the performance evaluation and fee determination comply with the FAR, the terms of the contract, and this PEMP; and will obtain any required clearances.
- (2) The CO will prepare a letter for the FDO's signature notifying the contractor of the amount of award fee earned for the period. Additionally, the letter will identify any specific areas of strengths and weaknesses in the contractor's performance.
- (3) The CO will unilaterally modify the contract to reflect the FDO's final determination of award fee. This modification will decrease the total value of the contract commensurate with the amount of the fee unearned. The modification will be issued to the contractor within 14 days after the CO receives the FDO's decision. The Contracting Officer will post the one-page score card on the local website sometime after the FDO decision is issued to the contractor.

**8. TERMINATION FOR CONVENIENCE**

In the event that the contract is terminated for the convenience of the government (Clause I.112), the remaining award fee payable for the current period may be available for equitable adjustment in accordance with the termination clause of the contract. The remaining fee for all periods after the termination shall not be considered earned and therefore shall not be paid.

**EXHIBIT 1**  
**PERFORMANCE EVALUATION BOARD**

**Fee Determining Official:**

PPPO Manager

**PEB members and advisors:**

DUF6 FPD (Chairperson)<sup>2</sup>

PPPO Deputy Manager

PPPO Procurement Director

\*Contracting Officer<sup>1</sup>

\*Attorney Advisor<sup>1</sup>

Project Technical Monitors (Functional Area)<sup>1</sup>:

Deputy DUF6 FPD, Portsmouth  
Deputy DUF6 FPD, Paducah  
Quality Assurance  
Security  
Budget/Finance  
Information Technology  
Environmental/Regulatory  
Nuclear Safety/Fac-Reps/SSO  
DUF6 CO

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<sup>1</sup> Advisor to the PEB, non-voting participants

<sup>2</sup> The PEB Chair may add, remove or replace additional PTMs throughout the contract period of performance, as appropriate.

**EXHIBIT 2**  
**AWARD FEE – CATEGORIES OF PERFORMANCE SECTION**  
**RATING TABLE**

UNSATISFACTORY	SATISFACTORY	GOOD	VERY GOOD	EXCELLENT
0% Earned	No Greater than 50%	51-75% Earned	76-90% Earned	91-100% Earned
Contractor <u>has failed</u> 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	Contractor <u>has met</u> 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.	Contractor has <u>exceeded some</u> 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.	Contractor has <u>exceeded many</u> 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.	Contractor has <u>exceeded almost all</u> 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.

**Adjectival Rating Notes**

**EXCELLENT (91-100%)**

Performance is of the highest quality that could be achieved under the contract. There are no areas of deficiencies or problems encountered during the evaluation period.

**VERY GOOD (76-90%)**

Performance is of high quality and approaching the best that could be performed by the contractor. Work completed greatly exceeds the average performance level. A few minor problems are experienced during the evaluation period without impacting the overall level of performance.

**GOOD (51-75%)**

Contractor exceeds some contract requirements in a manner demonstrating commitment to the program. Work is completed much better than the minimum required performance. Areas of deficiency and minor problems are more than off-set by areas of good performance.

**SATISFACTORY (<=50%)**

Contractor's performance is the minimum required level to meet needs. Areas of good performance are offset by deficiencies and problems, which reduces performance to a level that is minimally acceptable under the contract.

**UNSATISFACTORY (0%)**

Contractor does not meet minimum contract requirements.

## EXHIBIT 3

# INDIVIDUAL PROJECT TEAM EVALUATOR WORKSHEET

<b>Project Team Evaluator Name:</b>	Check Appropriate Box			
<b>FY: Quarter:</b>	Excellent		Satisfactory	
Adjectival Rating Category of Performance (Evaluation Weighting)	Very Good		Unsatisfactory	
1. Quality (20%)	Good		NA	
<b>EVALUATION CRITERIA</b>	<b>Notes on Performance Assessment</b>			
<ul style="list-style-type: none"> <li>The Contractor will be evaluated on the quality and effectiveness of their policies, plans, and procedures governing Contractor activities.</li> <li>The Contractor will be evaluated on their application and incorporation of Quality Assurance (QA), Security and Safety principles and requirements into work scopes, subcontracts and specific programs and efforts, including but not limited to, Integrated Safety Management Systems (ISMS), radiological protection, environmental protection, industrial safety, security (includes Cyber-Security), nuclear safety, waste shipping, emergency management, waste minimization, Conduct of Operations, QA and work planning initiatives.</li> <li>The contractor shall implement a DOE-approved Contractor Assurance System (CAS) in accordance with DOE policies and requirements as specified in the contract to ensure work is being performed safely, securely, and in compliance with all requirements; risks are being identified and managed; CAS requirements are flowed down to subcontractors; and systems of control are effective and efficient. A robust CAS that is effectively implemented by the contractor should provide sufficient information for the Government to perform its oversight verification of contractor performance and provide an effective and efficient feedback process for the Government. The Government will monitor the CAS to ensure the contractor continues to meet performance expectations and is fully engaged in active problem solving.</li> <li>The Contractor will be evaluated on their ability to effectively and timely identify, manage, correct, report and resolve items/issues/deficiencies, including the effective use of a single integrated electronic issues management system for all open items/issues/deficiencies. Contractor will also be evaluated on the thoroughness of their response to items/issues/deficiencies to prevent recurrence of the item issue/deficiency including the manner and adequacy of tracking, trending, and root cause/lessons learned analyses, reporting, and formal closure process. No corrective actions or condition reports (or equivalent) may be open for more than 1 year AND no more than 5% of corrective actions or condition reports may be open for more than 6 months in order to achieve more than a satisfactory rating. Canceling or closing corrective actions or condition reports without the necessary evidence and back-up to support the closure of the corrective action or condition report may result in DOE counting the item as open.</li> <li>The Contractor will be evaluated on the quality and effectiveness of all contractual deliverables, including, but not limited to regulatory submittals (e.g., FFA documents, permits), Safety Basis Documents, human resources deliverables, optimization plans, Security Plans, Baseline (Initial, Interim, and Final) and associated risk management plan, etc.</li> <li>The Contractor will be evaluated on their performance of Surveillance and Maintenance (S&amp;M).</li> <li>The Contractor will be evaluated on their implementation of ISMS and Environmental Management Systems (EMS). DOE's verification of the Contractor's ISMS/EMS must result in no Significant Conditions Adverse to Quality (SCAQ) AND the Contractor must complete implementation of any corrective actions for SCAQs in order to achieve at least a satisfactory rating.</li> <li>The Contractor will be evaluated on the successfulness in meeting program or project quality objectives such as producibility, reliability, maintainability and inspectability; including evaluation of the overall production process to include material control, shop planning and control and status.</li> </ul>				

<b>Project Team Evaluator Name:</b> <b>FY:                      Quarter:</b>	Check Appropriate Box			
	Excellent		Satisfactory	
Adjectival Rating Category of Performance (Evaluation Weighting)	Very Good		Unsatisfactory	
2. Schedule (20%)	Good		NA	
<b>EVALUATION CRITERIA</b>	<b>Notes on Performance Assessment</b>			
<ul style="list-style-type: none"> <li>• The Contractor will be evaluated on the timeliness of the completion of the contractual deliverables. 100% of deliverables must be provided on time in order to achieve at least a satisfactory rating.</li> <li>• The Contractor will be evaluated on the timeliness of the completion of the contractual milestones (field work).</li> <li>• The Contractor will be evaluated on overall and specific program and project status and performance against the approved baseline.</li> <li>• The Contractor will be evaluated on the ability to manage (and recover) schedule variance.</li> <li>• The Contractor will be evaluated on their ability to complete agreed upon Annual FY Spend Plan field work, as applicable.</li> <li>• The Contractor will be evaluated on developing and presenting, initiatives which result in tangible savings to DOE (<u>schedule or risk</u>). Implementation of such items is a basis to achieve an Excellent or Very Good rating.</li> <li>• The Contractor will be evaluated on their ability to respond to in-scope requests for support or information/reports.</li> <li>• The Contractor will be evaluated on its ability to submit timely, accurate, and auditable proposals in a responsive manner.</li> <li>• The Contractor will be evaluated on their ability to minimize deferred maintenance on equipment or systems that are related to safety (regardless if they are accredited in the Safety Basis Documents or TSRs). Additionally, the Contractor will be evaluated on their ability to repair all system impairments on safety related systems within 90 days.</li> <li>• The Contractor will be evaluated on the timeliness for completing TSR surveillances. 100% of all TSR surveillances must be completed prior to the end of its grace period AND 80% of all TSR surveillances must be completed prior to entering its grace period in order to achieve at least a satisfactory rating.</li> <li>• The Contractor will be evaluated on the timeliness for completing scheduled Preventative Maintenance (PM) as specified in the contractors computerized maintenance management system (e.g., IREN). 95% of all scheduled PMs must be completed on or ahead of schedule AND no more than 5% of scheduled PMs may be rescheduled (i.e., delayed) or canceled without written concurrence from DOE in order to achieve at least a satisfactory rating.</li> </ul>				

<b>Project Team Evaluator Name:</b>		Check Appropriate Box	
<b>FY:</b>	<b>Quarter:</b>	Excellent	Satisfactory
Adjectival Rating Category of Performance (Evaluation Weighting)		Very Good	Unsatisfactory
3. Cost Control (20%)		Good	NA
<b>EVALUATION CRITERIA</b>		<b>Notes on Performance Assessment</b>	
<ul style="list-style-type: none"> <li>• The Contractor will be evaluated on cost performance on an annual basis. The PEB may use any relevant information in this evaluation, for example CPB, EVMS, Use Of MR, etc. (may also look at the final contract value and Contract Performance Baseline (CPB)). In the event the actual costs for this performance period exceeds the baseline (and/or final contract value or the cumulative CPB at the end of the contracted period performance), the Contractor shall be rated as Unsatisfactory for this (Cost Control) Category of Performance.</li> <li>• The Contractor will be evaluated on their ability to stay within the agreed upon Annual FY Spend Plan for the work completed, as applicable.</li> <li>• Failure to gain DOE (PPPO AE approval/endorsement) approval of the baseline within 90 days of the contractual submission date, the Contractor shall be rated as Unsatisfactory for this (Cost Control) Category of Performance.</li> <li>• The Contractor will be evaluated on effectiveness in forecasting, managing, and controlling contract cost, including identification and notification to DOE of cost estimates exceeding available funding and implementing timely corrective actions.</li> <li>• The contractor will be evaluated with regard to its performance where price has not yet been negotiated (e.g., Undefined Contract Action (UCA)).</li> <li>• The Contractor will be evaluated on timeliness, quality and overall accuracy of proposals/submittals for Requests for Proposal or Change Orders.</li> <li>• The Contractor will be evaluated on the timeliness, accuracy and completeness of billings/invoices.</li> <li>• The Contractor will be evaluated on the proper use of Management Reserve (MR) (realizing risk – both positive and negative)</li> <li>• The Contractor will be evaluated on the ability to manage (and recover) cost variance.</li> <li>• The Contractor will be evaluated on the effectiveness, timeliness and adequacy of its ability to perform tasks in the most cost effective manner consistent with approved baselines.</li> <li>• The Contractor will be evaluated on developing and presenting, initiatives which result in tangible savings to DOE (cost). Implementation of such items is a basis to achieve an Excellent or Very Good rating.</li> <li>• The Contractor will be evaluated on how costs are tracked and reported. This includes the accuracy of Estimate at Completion (EAC), accuracy of cost projections and effectiveness of baseline change management.</li> <li>• The Contractor will be evaluated on overall and specific program and project status performance against the approved baseline, and the effectiveness of program and project reporting tools and systems.</li> </ul>			

<b>Project Team Evaluator Name:</b> <b>FY: Quarter:</b>	Check Appropriate Box			
	Excellent		Satisfactory	
Adjectival Rating Category of Performance (Evaluation Weighting)	Very Good		Unsatisfactory	
4. Management (20%)	Good		NA	

EVALUATION CRITERIA	Notes on Performance Assessment
<ul style="list-style-type: none"> <li>The Contractor will be evaluated on how effectively programs and projects are managed, including the effectiveness of the Contractor Human Resources Management.</li> <li>The Contractor will be evaluated on the interaction between the Contractor and DOE and whether the Contractor is customer oriented.</li> <li>The Contractor will be evaluated on the management of the GFSI provided to the Contractor for its use.</li> <li>The Contractor will be evaluated on the provision of GFS to other site contractors/tenants and on effectiveness of the contractual required GFSI related notification/projections to DOE.</li> <li>The Contractor will be evaluated on the effectiveness of senior managers with regard to overall contract management, effectiveness of support to DOE, providing leadership to the work force, responsiveness to concerns/issues and ensuring an overall positive safety and performance culture. Qualification, performance, effectiveness and availability of Key personnel will be considered.</li> <li>The Contractor will be evaluated on their effectiveness in coordinating with and applying lessons learned from one site to the other or other DOE/Commercial site when implementing similar operations/activities.</li> <li>The Contractor will be evaluated on the effectiveness of coordination with the other Site Contractors to support and implement provided services as described in the Interface Requirements Matrix of the Contract and the reduction of costs to implement these services.</li> <li>The Contractor will be evaluated on the number of items and overall volume of equipment and materials transferred to PACRO and SODI. Transfer is defined as PACRO or SODI taking ownership of the equipment and materials and physically removing it from the site.</li> <li>The Contractor will be evaluated on their DART and TRC rates as compared to the EM DART and TRC goals. The Contractor must be below the EM DART AND TRC goals in order to achieve more than a satisfactory rating.</li> <li>The Contractor will be evaluated on their performance against the DOE approved POMCs. The contractor must achieve at least 85% of the approved goals/metrics in order to achieve more than a satisfactory rating.</li> <li>The Contractor must ensure that no single corrective action or condition report is greater than 9 months old without prior DOE concurrence in order to achieve more than a satisfactory rating.</li> <li>The Contractor will be evaluated on management of subcontracts and ensuring subcontracted work and staff are fully compliant with governing programmatic/project requirements.</li> <li>The Contractor will be evaluated on the timeliness of awarding subcontracts and their resulting costs.</li> <li>The Contractor will be evaluated on the frequency of Lexington management visiting the sites (Paducah/Portsmouth), the frequency of senior management at all three locations conducting walk-throughs at the sites (Paducah/Portsmouth) of the plants and support areas, and of shared resources (staff) visiting the other site they are supporting (but are not located at).</li> </ul>	

<b>Project Team Evaluator Name:</b>		<b>Check Appropriate Box</b>	
<b>FY:</b>	<b>Quarter:</b>	Excellent	Satisfactory
<b>Adjectival Rating Category of Performance (Evaluation Weighting)</b>		Very Good	Unsatisfactory
5. Small Business Utilization (5%)		Good	NA
<b>EVALUATION CRITERIA</b>		<b>Notes on Performance Assessment</b>	
<ul style="list-style-type: none"> <li>The Contractor will be evaluated on meeting or exceeding their annual small business utilization goals. A rating of unsatisfactory will be assigned if the overall annual goal is not met. A satisfactory rating will be assigned if the overall goal is met, but the sub-category goals are not met. A rating of good or higher will be assigned if the overall annual goal and sub-category goals are met or exceeded. A rating of Excellent will be assigned if the contractor exceeds the overall annual goal by 10% (e.g., the overall goal was 72% and the contractor achieved 82%) AND meets all of the sub-category goals.</li> </ul>			



<b>Project Team Evaluator Name:</b>		Check Appropriate Box			
<b>FY:</b>	<b>Quarter:</b>	Excellent		Satisfactory	
Adjectival Rating Category of Performance (Evaluation Weighting)		Very Good		Unsatisfactory	
6. Regulatory Compliance (15%)		Good		NA	
<b>EVALUATION CRITERIA</b>			<b>Notes on Performance Assessment</b>		
<ul style="list-style-type: none"> <li>The Contractor will be evaluated on their compliance with all applicable Environmental Regulations (applicable local, state and federal regulations), Regulatory Agreements (e.g., Agreed Orders, Negotiated Settlements, TSCA FFCA, FFA, FFA SMP) and Permits. This includes the timeliness and effectiveness of implementing corrective actions (short term and long term) for NOV or other non-compliances.</li> <li>The Contractor will be evaluated on their compliance with standard business/accounting systems/practices and all applicable regulations (DOE Policies, Orders and Standards, FAR, etc.).</li> <li>The Contractor will be evaluated on their compliance with DOE Security/Cyber-Security Requirements (e.g., Executive Orders, DOE Policies, Orders and Standards, site security plans, and cyber-security directives) and DOE security-related promulgated regulations including, but not limited to, 10 CFR 824, 10 CFR 1046, 10 CFR 1016, 10 CFR 1045.</li> <li>The Contractor will be evaluated on their compliance with DOE ESH&amp;QA Requirements (e.g., Executive Orders, DOE Policies, Orders Directives, and Standards, and implementing plans) and DOE Safety/QA related promulgated regulations including, but not limited to, 10 CFR 851, 10 CFR 830 Subpart A 10 CFR 830 Subpart B, and 10 CFR 835.</li> <li>If applicable, the Contractor will be evaluated on their compliance with CERCLA Removal and Remedial implementing documents (e.g., RODs, AMs, RAWPs, and Sampling Plans).</li> <li>The Contractor will be evaluated on their compliance with all other applicable regulatory requirements (e.g., Executive Orders, DOE Policies, Orders Directives, and Standards, and implementing plans); regulations (applicable local, state and federal regulations); or cited ANSI standards.</li> </ul>					

**EXHIBIT 4**  
**CATEGORY OF PERFORMANCE RATING SUMMARY TABLES**

<b>Categories of Performance Technical Lead</b>	<b><u>CATEGORY OF PERFORMANCE RATINGS</u></b>				
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	TL Final Rating
Quality					
Schedule					
Cost Control					
Management					
Small Business Utilization					
Regulatory Compliance					

<b>CONSOLIDATED CATEGORY OF PERFORMANCE ADJECTIVAL RATING-PTE</b>					
<b>Categories of Performance</b>	<b><u>CATEGORY OF PERFORMANCE RATINGS</u></b>				
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	PTE Final Rating
Quality					
Schedule					
Cost Control					
Management					
Small Business Utilization					
Regulatory Compliance					

<b>SUMMARY OF PTE/PEB RATING</b>						
Member	Quality	Schedule	Cost Control	Management	Small Business Utilization	Regulatory Compliance
<i>Enter Name of Evaluator</i>						
<i>Enter Name of Evaluator</i>						
<i>Enter Name of Evaluator</i>						
<i>Enter Name of Evaluator</i>						
<i>Enter Name of Evaluator</i>						

**EXHIBIT 5**  
**PERFORMANCE BASED INCENTIVE CRITERIA**

**PBI -1 CER/CTS Start-Up (40%):** Deliberate start-up of the Cylinder Evacuation Rooms (CER) and Cylinder Transfer Systems (CTS) at both Paducah and Portsmouth, including any line specific Technical Safety Requirements (TSR), corrective maintenance (CM) (including deferred maintenance) and preventative maintenance (PM):

GATE: By December 1, 2017, submit to DOE a final Functional Testing and Acceptance Plan for both CTS and CER. Failure to submit the Plan on time will result in a 20% reduction in available fee for this PBI. DOE will provide comments on the Plan by January 30, 2018. Failure of DOE to provide comments on the specified date will allow for a day-for-day slip for the following milestone dates.

- 1) Operate the Paducah CTS and empty (heel at ~22kg) one “good” (i.e., not defective) cylinder by March 31, 2018 (30% of PBI-1 Fee).
- 2) Operate the Portsmouth CTS and empty (heel at ~22kg) one “good” (i.e., not defective) cylinder by September 30, 2018 (20% of PBI-1 Fee).
- 3) Operate the Paducah CTS and empty (heel at ~22kg) one “defective” cylinder by September 30, 2018 (30% of PBI-1 Fee).
- 4) Operate the Paducah CER and process one “good” (i.e., not defective) cylinder for 10 days by August 30, 2018 (20% of PBI-1 Fee).

No partial fee will be given. Each item must be completed in its entirety in order to earn fee for that bullet. No ORR will be required to support these start-ups.

**PBI 2- Production (40%):**

**Total FY18 Production Goal: 20,000 MT DUF6 processed**

Calculation of Production Fee Rate	Calculation of PBI 2 Fee Earned
<b>First 800 MT DUF6 Processed</b>	No Fee Earned
<b>Next 15,000 MT DUF6 Processed</b> (800.1 MT to 15,800 MT)	
Production Fee Rate = (Available PBI 2 Fee)/(Projected (proposed) MT processed)	Fee Earned = (Production Fee Rate) x (Actual MT Processed)
Production Fee Rate = (\$1,109,153)(.9)/(19,200 MT)	Fee Earned = (\$51.99/MT) x (Actual MT Processed)
Production Fee Rate = \$51.99/MT	
<b>Remaining 4,200 MT DUF6 Processed</b> (15,800.1 MT to 20,000 MT)	
Production Fee Rate = (Available PBI 2 Fee)/(Projected (proposed) MT processed)	Fee Earned = (Production Fee Rate) x (Actual MT Processed)
Production Fee Rate = (\$1,109,153)[(.9/19,200MT) + (.1/4200MT)]	Fee Earned = (\$78.40 ) x (Actual MT Processed)
Production Fee Rate = \$78.40/MT	

The value of fee earned cannot exceed total of 40% of the available PBI fee for the evaluation period.

**PBI-3 Process Flow Improvements (20%):**

- 1) Complete installation and functional testing of the H<sub>2</sub> PRISM Systems and place them into operation at Portsmouth and Paducah no later than August 31, 2018. No consideration will be granted to MCS regarding H<sub>2</sub> System outages after February 1, 2018 (50% of the PBI-3 Fee)
- 2) Complete the re-design, manufacture and installation of at least one new HF condenser prototype and start functional testing of the prototype by August 31, 2018. The re-design shall resolve the causes of the recent HF condenser failures at the DUF6 Plants. The 30%, 60% and 90% design packages shall be submitted to DOE for review and comment. Satisfactorily resolve DOE design comments prior to starting manufacturing of the condenser. (45% of the PBI-3 Fee)
- 3) The Portsmouth DUF6 Plant will achieve VPP Merit (or better) status by September 30, 2018. (5% of the PBI-3 Fee)

No partial fee will be given. Each item must be completed in its entirety in order to earn fee for that item. Additionally, \$25,000 will be removed (no longer earnable) from the available fee from PBI 3.1 and PBI 3.2 (\$50,000 total).

## EXHIBIT 6 AWARD FEE PROCESS

