



Department of Energy
National Nuclear Security Administration
Washington, DC 20585



December 18, 2014

MEMORANDUM FOR: Kim Davis Lebak
Manager
NNSA Los Alamos Site Office

From: Madelyn R. Creedon
Principal Deputy Administrator

Subject: Los Alamos National Security, LLC, DE-AC52-06NA25396, Fiscal Year 2014 Performance Fee

The National Nuclear Security Administration (NNSA) has completed its assessment of Los Alamos National Security, LLC'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 and award terms are as follows:

	<u>At Risk %</u>	<u>Available</u>	<u>Final</u>	<u>Percent</u>	<u>Award Term</u>
PO 1: Nuclear Weapons Mission	20%	\$8,001,954	\$6,961,700	87%	
PO2: Broader National Security Mission	20%	\$8,001,954	\$6,401,563	80%	
PO 3: Science, Technology & Engineering	20%	\$8,001,954	\$2,400,586	30%	Not Met
PO 4: Operations & Infrastructure	20%	\$8,001,954	\$0	0%	Not Met
PO 5: Leadership	20%	\$8,001,954	\$2,400,586	30%	Not Met
Total		\$40,009,770	\$18,164,435	45%	Not Met
		At Risk Fee	\$18,164,435	45%	
			\$18,164,435		
Fixed Fee		\$17,147,045	\$17,147,045		
WFO (Fixed Fee)		\$ 6,249,565	\$6,249,565		
Total Fixed Fee		\$23,396,610	\$23,396,610		
Total Summary		\$63,406,380	\$41,561,045	66%	



Los Alamos National Security, LLC has not earned the contract Award Term extension that was available under Contract Clause H-13, and therefore a contract extension is not granted in connection with FY 2014 performance. Further, because the Contracting Officer has determined that a significant performance failure has occurred, I am exercising my authority under Contract Clause H-13 to revoke an Award Term extension that was previously granted.