U.S. Department of Energy
Savannah River Site

PERFORMANCE EVALUATION MEASUREMENT PLAN, Rev. 1

Savannah River Nuclear Solutions, LLC
CONTRACT NO. DE-AC09-08SR22470
Modification No. 229

Evaluation Period:
October 1, 2011 through September 30, 2012

Rev. 1 effective: December 28, 2011

Approval Page

Concurrence: **Date:**

Signature on File 12/28/2011

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Revision Summary Page

Rev. #	Rev. Date	Affected Sections / Pages	Description of Revision
0	10/01/11	All	Initial Issue for this evaluation period.
1	12/xx/11	Page 35, Landlord Services PBI, Contract Output 1 Acceptance Criteria number 1 modified and number 3 deleted	Modified: 1.a. including a planning document for land use analysis and strategies by site areas **3.** ~~Revised Nuclear Materials Operations Systems Plan by April 30, 2012 to reflect latest nuclear material storage, disposition and stabilization assumptions, risks, and facility capabilities.~~
1	12/xx/11	Page 20, milestone SRNS2012NMO-1.05 changed date and Completion Criteria	Date: ~~12/30/11~~ 3/31/12 Completion Criteria: Prepare and issue H Canyon Resumption Plan ~~documenting activities required to resume operations.~~ per the revised scope of the DOE letters of direction (11/10/11 and 11/22/11).
1	12/xx/11	Page 22, milestone SRNS2012NMO-2.05 changed date	Date: ~~1/31/12~~ 6/30/12
1	12/xx/11	Page 24, milestone SRNS2012NMO-4.01 add second date and change Completion Criteria and Acceptance Criteria	Date: 3/31/12 6/22/12 Fee: ~~$500,000~~ a. $350,000 b. $150,000 Completion Criteria: a. Complete Vault Acceptance for the 9975 shipping containers and turnover to operations by 3/31/12 ($350,000) b. Complete PAV CD-4 milestone by 6/22/12 ($150,000) Acceptance Criteria: 1. DOE-SR will verify / witness the contractor Readiness Assessment. All Type "A" findings will be closed, the Authorization Agreement approved, and the vault turned over to operations for storage of the 9975 shipping containers. 2. DOE-SR will verify an acceptable ~~complete~~ CD-4 package has been submitted in accordance with 413.3 for project close-out verification. ~~and that the PAV area has been turned over for operations will all startup findings closed.~~
1	12/xx/11	Page 25, milestone SRNS2012NMO-4.02 change date and Completion Criteria	Date: ~~12/30/11~~ 9/30/12 Completion Criteria: ~~Repair~~ Replace 235-F roof, south side, phase 1.

Table of Contents

1. Purpose

This document serves as the Performance Evaluation Measurement Plan (PEMP) for fiscal year 2012 as identified in Section H-28, *Performance Based Incentives*, of Contract No. DE-AC09-08SR22470 between the U.S. Department of Energy (DOE) Environmental Management (EM) Savannah River (SR) and Savannah River Nuclear Solutions (SRNS) LLC, approved January 10, 2008.

Individual incentives are developed annually by DOE and SRNS to provide lessons learned from the previous evaluation period; illustrate performance improvements for the fiscal year, and identify performance incentives and measures for all work performed by the contractor during the evaluation period. Fee-bearing scope and incentives in support of the American Recovery and Reinvestment Act (ARRA) are addressed in a separate PEMP.

The SRNS contract is a cost plus award fee (CPAF) performance-based management and operating (M&O) contract, regulated under Department of Energy Acquisition Regulation (DEAR), Subchapter I, *Agency Supplementary Regulations*, Part 970, *DOE Management and Operating contracts*.

This document addresses development of Performance Incentive Documents between DOE-SR and SRNS. This includes administration of performance measures, including Performance-Based Incentives (PBI), and award fee defined in the contract, Section B, *Supplies or Services and Prices/Costs*. Incentives are approved only when funding is authorized for fee-bearing work.

National Nuclear Security Administration (NNSA) and EM incentives established under the contract are contained in the PEMP as attachments. Specific requirements regarding payment of an incentive, or an award fee, may also be included in the incentive document. The PEMP, incentive documents and revisions become part of the contract through contract modification.

NNSA works with DOE-SR to develop incentives for the site. Development, review and approval of incentives are managed through the Program and are approved by the NNSA Program Administrator. The approved NNSA incentives are included as Attachment D of the PEMP.

2. PEMP Integrated Project Team (IPT)

An Integrated Project Team (IPT) has been established in accordance with DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets*. The team's charter defines specific roles and responsibilities of the IPT. IPT roles and responsibilities are further defined in Savannah River Implementing Procedure (SRIP) 412.1, *Performance Evaluation and Measurement Plan*. Reference Attachment A, *Integrated Project Team (IPT) Charter*.

3. The PEMP Process

The PEMP process for SRNS is based on fiscal year performance as identified in the contract. The PEMP process is further defined in Savannah River Implementing Procedure (SRIP) 412.1, *Performance Evaluation and Measurement Plan*.

3.1 Incorporating DOE, EM and Site Mission

The Savannah River Site publishes a Strategic Plan each year in support of DOE-EM and NNSA missions. The Strategic Plan articulates the site vision and missions to successfully execute current missions while welcoming and preparing for new opportunities.

During the past several years federal and contractor staff have worked together to define performance measures for those strategies in order to develop performance statements, metrics and milestones. As a result of this effort, EM, NNSA and site missions are tied to the contract statement of work.

Functional areas of the contract statement of work identify mission-critical outcomes. Outputs and measures define how work is performed in order to meet the outcomes. This framework is used to develop criteria in the Performance Incentive Document.

3.2 Performance Planning

The PEMP is developed with federal and contractor staff input. Both federal and contractor parties strive to reach mutual agreement on expected business, operational and technical performance and work together to develop incentives and award fee descriptions and associated measures tied to key end products, DOE strategic goals and objectives. Incentives and fee demonstrate direct flow down of DOE strategic goals and priorities.

EM and NNSA headquarters contracting authorities review and approve the PEMP and any change to an incentive's total amount of available fee. The Contracting Officer (CO) reserves the unilateral right to make final decisions on all performance objectives and incentives (including the associated measures and targets) used to evaluate contractor performance, including any modifications.

The PEMP is revised and approved prior to the beginning of each evaluation period. Only the CO can change the PEMP. No changes will occur to the PEMP in the last 60 days of the evaluation period, unless with bilateral agreement between the CO and the contractor.

3.3 Risk Management

DOE site management uses an integrated risk management process for the EM Life Cycle baseline. This process provides programmatic risk analyses of the EM Scope of Work, establishes a process for identification and management of risks within, and integrates risk data from prime contractors, including SRNS.

The SRS integrated approach to risk management ensures project teams and management are involved in the risk management process: risk identification, grading, handling, impact determination, and integration. The process concludes with preparation of the Risk Management Plan (RMP) and contingency estimates contained in the SRS Risk Summary and Integrated Contingency Analysis. Each project RMP provides a summary description of the integrated approach employed in the development of a project risk plan.

An assessment process is used to identify risks and opportunities associated with each project. The risks and opportunities are analyzed and strategies developed to ensure risks are managed to acceptable levels and opportunities are identified to improve the probability of successful completion of the project work scope. A detailed description of the methodology employed for the risk and opportunity assessment conducted by each of the Integrated Project Risk Teams appears in *Systems Engineering Methodology Guidance Manual*.

3.4 Performance Incentive Document

A Fee Allocation Model is developed by the IPT and is illustrated in Attachment B. It is used to demonstrate distribution of contract fee based on weighting of funding, priority and complexity.

The Performance Incentive Document is used to manage detailed site level incentive outcomes and acceptance documentation. The Performance Incentive Document is similar to a work authorization document based on approved and funded scope.

A Performance Incentive Document includes: A Performance Outcome statement, Contract Output performance statements, metrics, Completion Criteria, and Acceptance (documentation) Criteria. The Performance Incentive Document is further defined in Savannah River Implementing Procedure (SRIP) 412.1, *Performance Evaluation and Measurement Plan*.

3.5 Other Incentives

Incentives negotiated as a result of the cost reduction process per SRNS-RP-2009-01188, *SRNS Continuous Improvement System Implementation* will be managed per SRNS Contract clause I.42, DEAR 970.5215-4, Cost Reduction, in conjunction with the SRNS Continuous Improvement Process.

The CO may mutually negotiate with the contractor additional available fee for additional work not covered by the available budget. The funds for such work and the associated available fee are funded through the contractor's efficiencies in accomplishing the otherwise funded work. The additional work must be performed in a safe manner meeting all necessary requirements; and the performance of the additional work cannot affect the safe, proper performance of the otherwise funded work. Any additional work will be authorized in accordance with provision in the contract entitled, *Work Authorization*

System and is considered above base scope. This additional work falls under the management of DOE O 412.1A, *Work Authorization System*.

Incentives created as a result of implementing the above contract clause and/or directive will be managed per separate contract requirements, and authorized through contract modification.

4. Change Control

Performance incentives and fee allocation will not be changed unless there is a significant impact by a change to the scope of the contract, baseline or funding as directed by the government or government delay affecting the contractor's ability to achieve the stated performance incentives and measures in the PEMP. Any changes are subject to DEAR 970.5243-1, Changes as provided in the contract and must be approved by the Contracting Officer and FDO.

1. All proposed changes to Performance Incentive Documents will be discussed at scheduled Performance Fee Board/IPT meetings.
2. Following Fee Board/IPT discussion, the contractor will submit formal correspondence to the CO requesting the proposed change to the Performance Incentive Document. The correspondence should include:
    a. Any proposed change to the original incentive document
    b. Proposed new incentives tied to the current Contract Performance Baseline (CPB)
    c. Proposed fee allocation adjustment between current incentives and/or new incentives
    d. Elimination of current incentives
3. Upon receiving correspondence from the contractor, the CO will consult the appropriate Assistant Manager/Office Director (AM/OD) and Subject Matter Expert to determine:
    a. If the proposed change impacts the CPB
    b. If the proposed change identifies new and/or unfunded scope
    c. If the proposed change impacts multiple site organizations
4. If the proposed change ***does not meet*** any one of the above determinations, the CO will issue correspondence to the contractor approving such change to the Performance Incentive Document that incorporates advice of the AM/OD and/or Subject Matter Expert.
5. If the proposed change ***meets*** any one of the above determinations, the CO will request the contractor develop and submit a Baseline Change Proposal (BCP) for review by the federal (site) configuration control board.
    a. Following the recommendation of the federal configuration control board, the CO will issue correspondence to the contractor approving such change to the Performance Incentive Document that incorporates the advice of the board.
6. The CO will issue a modification to the contract for any change to the currently approved PEMP.
7. The CO may deny any proposed changes to the Performance Incentive Document.

Action directed by CO correspondence is considered to be within scope of work of the existing contract. If the contractor considers that carrying out direction may increase contract costs or delay any delivery, the contractor shall promptly notify the CO orally, confirming and explaining the notification in writing as soon as possible, but within no more than five (5) working days. Following oral notification and submission of the written notice of impacts, the Contractor shall await further direction from the CO prior to implementing the action.

5. Federal Oversight of Contractor Performance

Central to administration of the contract is assessment of contractor performance. All federal staff members performing assessments are expected to understand terms and conditions of the contract. In order to verify performance, a systematic process of assessment, analysis, documentation and feedback will be required. A range of assessment techniques from data/metric reviews and analysis, to review of self-assessments by the contractor, to formal multidisciplinary assessments will be employed. The assessments will be tailored based on the level of definition of the work requirements and complexity of the function.

Procedures for assessing contract performance are described in the SR Manual (SRM) 226.1.1D, *Integrated Performance Assurance Manual*. The intent of the oversight processes described in the manual is to assure contractor compliance with contract requirements, provide for timely identification and correction of deficient conditions, verify effectiveness of completed corrective actions, and pursue excellence through continued improvement. Additionally, the manual is intended to assist DOE in implementing the site contractor oversight system (a management framework of related processes to determine whether federal and contractor assurance programs are performing effectively and/or complying with DOE requirements).

The contractor oversight system is founded on an integrated safety management system (ISMS), emulating DOE P 450.4A, *Safety Management System Policy*. SRM 226.1.1D describes processes comprising the contractor oversight system, which enables DOE to: (1) clearly communicate requirements and expectations to contractors; (2) assess the quality, effectiveness, and efficiency of contractor assurance systems and resulting work products in complying with contract requirements; (3) effect continuous improvement in contractors' operations; and (4) enhance the effectiveness of DOE-SR oversight of contractor performance.

The contractor oversight system provides DOE site management information needed to make informed decisions regarding both contractor and DOE performance and to determine whether program corrections are necessary. Communicating requirements and expectations to the contractor is an essential component in the contractor oversight system. Requirements and expectations are communicated through the Statement of Work, special clauses, contract modifications, and through technical direction by the CO or representative.

SRM 226.1.1D provides detailed requirements for standardized scheduling, planning, conducting, reporting, and follow-up and closure activities for Type 1, 2, and 3 Assessments. Assessments are designed to provide managers with meaningful, accurate, and current

information on the status of program compliance, productivity, and quality. Use of standardized assessment methods is a key feature of DOE site performance assurance.

6. Performance Evaluation

Upon completion of performance criteria described in the Performance Incentive Document, the contractor will document completion in the Fee Invoicing System (FIS) and forward the documentation to the relevant DOE organization technical representative, who in turn will perform a verification of documentation to confirm output criterion has been met. This may also require an in-field validation.

Upon verification, recommendation is forwarded through management to the Performance Fee Board. The Board verifies documentation provided demonstrates satisfactory completion according to performance incentive requirements through presentation by the AM/OD, and peer-level discussion. Fee recommendation to the Fee Determining Official (FDO) will be made according to the Performance Incentive Document.

The contractor may perform self-assessment of their performance. The Board will review any assessment provided by the contractor. If the Board does not concur with the contractor's self-evaluation and recommendation, all such disagreements shall be expressed in a performance evaluation letter to the contractor. The contractor shall submit written comments and any supporting documentation to the Board within five (5) working days of receiving the evaluation letter. Within ten (10) working days of receiving any contractor comments or reclama, the Board shall provide the FDO a recommendation, including amount, rationale, and justification.

Disputes that occur during verification, and resolution is not forth coming between the contractor and the appropriate AM/OD, will be resolved by the Performance Fee Board during regularly scheduled meetings.

7. Payment of Fee

The contractor requests fee payment by submitting an invoice. Following verification by the relevant AM/OD recommendation is forwarded to the Performance Fee Board and FDO. The FDO determines fee payment, following Performance Fee Board review and recommendation. Determination of fee earned is the unilateral decision of the FDO.

The contractor will be advised in writing of the amount and basis of the performance incentive fee determination. Performance incentive fee not earned during the performance period will not be allocated to future performance periods. However, fee may be allocated to new performance-based incentives as developed by the IPT, as long as the completion of the newly developed incentive does not extend beyond the evaluation period.

Fee is considered provisional throughout the performance period. The FDO determines the total fee awarded to the contractor. Fee may be reduced per contract Section B.5 *DEAR 970.5215-3 Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (JAN 2004) ALTERNATE II |JAN 2004) |DEVIATION)*.

Contract clause **H-33, PROVISIONAL PAYMENT OF INCENTIVE FEE,** allows provisional payment of fee for partial completion of subjectively evaluated [subjective] incentives. The contractor may request up to 50% of the total fee available for each subjective incentive. If requests are monthly, the contractor must use a 1/12 divisor; if requests are quarterly, then 1/4 divisor; if semi-annual, then 1/2 divisor. Provisional fee is not considered earned fee, and is contingent upon a final fee determination by the FDO.

Total available fee amount earned payments are made by direct payment or withdrawn from funds advanced or available under the contract, as determined by the CO. The CO may offset against any such fee payment the amounts owed to the government by the contractor, including any amounts owed for disallowed costs under the contract. No base fee amount, or total available fee amount, payment may be withdrawn against the cleared payments financing arrangement without the prior written approval of the CO.

The contractor has developed an automated Fee Invoicing System (FIS) that uses measurement data from each Performance Incentive Document. The contractor works with DOE to identify appropriate DOE approvers. The system assigns responsibility to each output so that the routing process ensures appropriate review by federal and contractor staff. Time limits are assigned to each step to ensure smooth processing and timely approvals. The system notifies responsible approvers when the review / approval allotted time has been exceeded.

8. Government Furnished Services/Items (GFS/I)

GFS/I are factored into the final fee determination for this incentive contract. GFS/I are identified in the Basis of Estimates (BOE) found in WBS dictionaries for specific tasks. The purpose of the GFS/I are to identify inherent government responsibilities that may pose some level of risk to the contractor in completing award fee or performance based incentives. GFS/I are the burden of the government, mutually accepted as part of the performance agreement. If the government fails to achieve GFS/I equitable adjustment may be made specific to the incentive. These adjustments, however, cannot exceed the maximum available fee for the specific incentive.

9. Reporting Requirements

The contract requires each report must be accompanied by a letter or other document which:

- Identifies the contract number under which the item is being delivered; and
- Identifies the contract requirement or other instruction which requires the delivered item(s).

The contractor is responsible for maintaining all records and controlled documents related to the PEMP per DOE O 200.1A, *Information Management Program*, and DOE Order 243.1, *Records Management Program*.

Attachment A, Integrated Project Team (IPT) Charter

INTEGRATED PROJECT TEAM (IPT) CHARTER

IPT NAME: PEMP Integrated Project Team (IPT)

LEVEL OF IPT: Savannah River Operations Office, Deputy Manager

IPT MISSION/OBJECTIVES

The purpose of the IPT is to provide site senior federal management a process for evaluating and measuring performance tied to strategic goals. This charter defines roles, responsibilities, authorities and accountabilities for this process. The mission of the IPT is to enable performance and help avoid potential barriers to success.

The Deputy Manager is the DOE-SR Executive Sponsor of the IPT, and Fee Board Lead. The IPT is composed of federal and contractor employees. Federal members include the Contracting Officer (CO), Performance Incentive Managers, Technical Leads, NNSA SRSO Manager and NNSA NA-262. Contractor members include Management and Operations (M&O) Vice President for Business Services, SRNS Director of Contracts, and Technical Leads. The IPT is augmented as necessary with Subject Matter Experts and matrix support personnel (both federal and contractor) who possess specific competencies, skills and expertise required for successful execution of projects.

The CO is a member of the IPT, and has authority to make final decisions on all performance objectives and incentives (including associated measures and targets) used to evaluate Contractor performance, in accordance with the Contract, Section H-28 (b).

The DOE-SR Site Manager is an ex officio member of the IPT. The Site Manager is the Fee Determination Official [FDO].

SCOPE OF IPT RESPONSIBILITIES

IPT Executive Sponsor/ Fee Board Lead

The IPT Executive Sponsor also serves as the senior federal member of the Fee Board. The IPT Executive Sponsor is the federal official responsible for project success. In accordance with DOE O 413.3B, the IPT Executive Sponsor is responsible for the following:

- Charter and lead the IPT
- Schedule and hold IPT meetings
- Request support from DOE functional resources as required to resolve issues
- Lead Fee Board assessment and discussion of contractor performance
- Identify and resolve critical issues

IPT Members

IPT members are responsible for supporting the Executive Sponsor with technical and project management responsibilities during project execution. Members conduct and/or coordinate activities for their respective organizational element or functional area of responsibility. IPT members are responsible for the following:

- Ensure interfaces are identified, defined, and documented
- Review and assess performance and project status against parameters, baselines, milestones, and deliverables
- Support the IPT Executive Sponsor
- Review and comment on deliverables

The names of IPT members listed below are current as of the issue date of this charter. Names or functional responsibilities may change at the discretion of the IPT Executive Sponsor without having to modify or update this charter. The Table identifies IPT members, Fee Board members, and Technical Leads.

Fee Board Organization

The Fee Board is a subset of the IPT. The Fee Board is comprised of federal IPT members. Fee Board members discuss proposed revision to the PEMP and incentive documentation; review supporting documentation for fee payment determination; and make recommendations to the Fee Determination Official (FDO) via the Fee Board Lead.

The Fee Board is responsible for assuring quality assessments have been completed for fee-bearing work, and that the assessment has been formally documented per site directives before recommending payment of fee to the FDO.

Fee Board Rules of Conduct

Call to Order:
The IPT Executive Sponsor, acting as Fee Board Lead, will call the Fee Board portion of the meeting to order following dismissal of all non-federal IPT members.

Fee Board presentation:
The Fee Board Lead will open the floor for federal staff to discuss IPT presentations regarding matters such as proposed revisions to incentive documents, supporting documentation for fee payments, or general discussion of performance. The Performance Incentive Manager leads the presentation related to his/her incentive. Other Fee Board members may discuss the presentation and make recommendations to the Performance Incentive Manager.

Fee Board determinations:
Following Fee Board presentations, or if there are none, the Fee Board Lead will lead an informal review and discussion of completed fee-bearing work that is being considered for invoicing, including supporting documentation for fee payment determination. Performance

Incentive Managers, or their designee, are responsible for discussing completion documentation and evaluation of performance of the fee-bearing work.

Following discussion, Fee Board members make a motion to:

- Accept the recommendation of the Performance Incentive Manager for the incentive as described in the invoice;
- Accept the recommendation of the Performance Incentive Manager, but request additional documentation be added to document satisfactory completion of the incentive as described in the invoice;
- Require additional documentation in order to recommend a determination.
- Require federal manager attend next scheduled Fee Board to discuss adequate documentation in order to recommend a determination.

Fee Board members may support, or second, the motion and provide discussion. No quorum is required for the Fee Board meeting. The Fee Board Lead, seeing no objections, shall accept the motion with Manager NNSA SRSO, or designee, concurrence.

NAME	FUNCTION	ORGANIZATION
MOODY, Dave	IPT Member [ex officio] DOE Fee Determination Official [FDO]	DOE-SR Site Manager
SMITH, T. Zack	IPT Executive Sponsor/Fee Board Lead	DOE-SR Assistant Manager
HINTZE, Doug	IPT/Fee Board Member/Performance Incentive Manager	Assistant Manager for Mission Support (AMMS)
MCGUIRE, Pat	IPT/ Performance Incentive Manager	Assistant Manager for Nuclear Material Stabilization Project (AMNMSP)
SPEARS, Terry	IPT /Performance Incentive Manager	Assistant Manager for Waste Disposition Project (AMWDP)
GUEVARA, Karen	IPT/ Performance Incentive Manager	Assistant Manager for Infrastructure & Environmental Stewardship (AMI&ES)
HOOKER, Karen	IPT/ Performance Incentive Manager	Director, Office of Laboratory Oversight (OLO)
DEAROLPH, Douglas	IPT/Fee Board Member/Performance Incentive Manager	Manager NNSA SRSO

CLARK, William	IPT/ Performance Incentive Manager	Manager NNSA NA-262
LOVETT, James	IPT Member [ex officio] Fee Board Member	Contracting Officer M&O Contract
BILSON, Beth	IPT Member	Vice President SRNS Business Services
TEMPLE, John	IPT Member	Director SRNS Contract
CHRISTIAN, John	DOE IPT Technical Lead	Program Analyst for Mission Planning Division
PENNINGTON, Michele	SRNS IPT Technical Lead	SRNS M&O Business Services

Attachment B, Fee Allocation Model

Funding Assumptions for Fee Allocation

Funding for fiscal year 2012 represents targets SRNS will use in the FY12-16 Baseline Update, with DOE-SR concurrence. These funding targets reflect a "reasonable" program that is regulatory compliant. Any changes to these funding targets will require analyses to determine impacts at the Contract Output level.

Fee Allocation (based on current funding assumptions)

The SRS allocation model for the M&O performance incentive fee is based on a ratio of four factors:

Direct Funding	Indirect Funding
Directly funded/objectively measured	Indirectly funded/objectively measured
Directly funded/subjectively measured	Indirectly funded/subjectively measured

Funding comes from EM Project Baseline Summaries (PBS) and NNSA funds. Funds are divided into two categories: contract scope cost is directly funded (direct). Scope cost for support activities funded indirectly by placing a tax on individual funds. See table below for FY12 estimated funding:

Est. Funding	Funding Source:
$222,453,000	PBS 11C
$39,639,000	PBS 12
$50,585,000	PBS 13
$49,766,000	PBS 30
$362,443,000	**Total EM Funding**
$122,584,000	Nuclear Nonproliferation Funding
$190,733,000	Defense Programs Funding
$25,562,000	PBS 20 (EM Safeguards & Security)
$11,660,000	NNSA Safeguards & Security
$712,982,000	**Total Projected Funding** without Minors and WFO [NOTE: This does not include $68.3M for ESS support to SRR (PBS 14C)

The M&O contract identifies $48,950,000 available fee for fiscal year 2012 (October 2011 – September 2012). When the fee is subtracted from the Total Projected Funding, the fee base in fiscal year 2012 becomes $664,032,000.

In addition to estimated program funding DOE-SRS EM has developed two incentive schemes with multiple scenarios in order to determine the most effective method of performance

evaluation. The first Incentive Scheme employs both subjective and objective measurements within each incentive. Subjective measures constitute a range from 5 to 15 percent of the total for each incentive. The second Incentive Scheme separates subjective measurements from objective measurements. Subjective measurements are then documented in a single incentive for the M&O contract. In both Schemes, subjective measures are defined by the four major measurement categories of the Contractor Performance Assessment Reporting System (CPARS). For fiscal year 2012, DOE-SR EM has decided to subjectively evaluate Contractor performance in a single incentive.

For fiscal year 2012, EM provides 57 percent of the Total Projected Funding, while NNSA provides 43 percent. This percentage is used to allocate the contract fee between EM and NNSA. For fiscal year 2012, EM will manage $28M of fee applied to incentive work, and NNSA will manage $21M of fee applied to incentive work.

Performance Incentive Documents in Attachment C (EM) and Attachment D (NNSA) were developed based on the current President's budget for fiscal year 2012. Work described is based on the current contract. Actual performance of contract outputs may be revised based on an approved fiscal year budget, continuing resolution, program execution guidance, and/or available funding. All work is performed within existing financial agreements and authorization.

The following is the DOE-SR EM incentive scheme determined to be the most effective for the fiscal year 2012 performance period:

Program	**Objective**	**Subjective**
Nuclear Materials Stabilization	$9,400,000	
Solid Waste	$2,100,000	
Area Completion Project	$3,500,000	
EM Landlord Services	$4,000,000	
Savannah River National Lab	$4,000,000	
Management & Operations		$5,039,000
Total	**$23,000,000**	**$5,039,000**

Attachment C, EM Performance Incentive Documents for fiscal year 2012

(See attached)

Performance Incentive Document

PBI Number:	SRNS2012NMO
Activity Name:	Nuclear Material Operations
WBS Number:	1.29.20.04.01, 1.29.20.05.01, 1.29.20.04.02
Performance Period:	October 1, 2011 - September 30, 2012
Allocated Fee:	$9,400,000
Revision Number:	~~0~~ 1

Senior level manager/Performance Incentive Manager:	Pat McGuire Assistant Manager for Nuclear Material Stabilization Project (AMNMSP)
Senior technical advisor:	Allen Gunter

Contract Performance Outcome:

Receive, store, ship, and disposition nuclear materials in a safe, and secure manner. Operate and maintain the H Canyon Complex to support disposition of nuclear materials. Receive Foreign Research Reactor (FRR) and Domestic Research Reactor (DRR) used nuclear fuel (UNF) in L Basin in coordination with the NNSA Nuclear Nonproliferation Program and other applicable DOE programs.

Contract Output SRNS2012NMO-01:

Receive, store, characterize, and disposition uranium materials.

Description/Background/Justification:

Activities associated with the contract outputs support receipt of FRR/DRR and are needed to meet or support DOE Strategic Objectives. These objectives include: maximizing risk reduction of surplus nuclear materials, supporting nuclear nonproliferation, and utilizing SRS facilities to store surplus nuclear materials.

GFSI: Oak Ridge to provide $170,000 in early FY12 to perform HFIR rack design review.

Up to $3,402,500 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-1.01	12/30/11	$140,000	Ship remaining LEU offsite to satisfy existing TVA contract (For a minimum total of 301 MT of LEU).
Acceptance Criteria			
DOE-SR will validate the LEU shipment via the MC&A form 741 transfer documentation for each LEU shipment.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.02	2/28/12	$500,000	Complete flushing of bulk fissile material in H Canyon.
Acceptance Criteria			
DOE-SR will review H Canyon flush procedures or engineering memo documenting completion of flushing for meeting reduced MC&A surveys.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.03	9/30/12	$500,000; $125,000 fee paid each quarter.	Charge two dummy bundles of UNF to the H Canyon dissolver mock-up each quarter (minimum).
Acceptance Criteria			
DOE-SR will review H Canyon UNF dummy dissolver proficiency procedure 1969-CR to ensure procedure completeness and minimum frequency and quantities are met.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.04	9/30/12	$1,000,000 $250,000 fee paid each quarter.	Perform Canyon Cold Runs to address equipment operability and maintain operator proficiency.
Acceptance Criteria			
DOE-SR will review the completed quarterly Cold Run Operations procedures for completeness. Selected activities will also be observed and documented in a performance assessment.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.05	~~12/30/11~~ 3/31/12	$200,000	Prepare and issue H Canyon Resumption Plan ~~documenting activities required to resume operations.~~ per the revised scope of the DOE letters of direction (11/10/11 and 11/22/11).
Acceptance Criteria			
DOE-SR will review the SRNS issued H Canyon Resumption Plan to ensure appropriate elements (for example: inspection, functional testing and surveillances of systems removed from operations) are considered for future deliberate system resumption.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.06	9/30/12	$500,000 $125,000 fee paid each quarter.	Receive and unload FRR/DRR fuel per schedule.

Acceptance Criteria			
DOE-SR will review Cask Data Sheets for casks received and unloaded against the Receipt and Unloading Schedule Agreement.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.07	12/30/11 9/30/12	a.$100,000 b.$100,000	a. Develop augmented Surveillance & Maintenance (S&M) strategy for L Basin fuel by 12/30/11. b. Implement FY12 actions from S&M strategy by 9/30/12.
Acceptance Criteria			
DOE-SR will review the augmented S&M strategy for Used Nuclear Fuel (UNF) and authorize implementation upon acceptance. Implementation will be validated through an assessment of readiness and identification of A and B punch list items.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.08	6/30/12	$100,000	Review HFIR storage rack design and provide estimate for design update, fabrication, and installation.
Acceptance Criteria			
DOE-SR will review the HFIR storage rack estimate and schedule to accommodate an additional 100 HFIR cores.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-1.09	9/30/12	$262,500; $8,750 per can measured; invoiced quarterly.	Perform 30 uranium measurements of 3013s; measurement results are not required to meet acceptance range.
Acceptance Criteria			
DOE-SR will review uranium measurement data / documentation and associated Combined Limits of Error (CLOE) for comparison.			

Contract Output SRNS2012NMO-02:

Receive, store, characterize and disposition surplus plutonium materials.

Description/Background/Justification:

K Area will continue to perform surveillance of the DOE-STD-3013 containers in storage. K Area will continue to receive and store containers of surplus plutonium from off-site. H Area facilities are scheduled to disposition surplus non-MOXable plutonium oxide and transfer to WIPP.

GFSI: WIPP repackaging milestones are dependent on DOE funding the HB-Line 3009 DSA implementation, availability of POCs, WIPP Acceptable Knowledge characterization, approval of the OSA for POCs, and ROD approval by 6/30/12 to repackage more than 70kgs

to WIPP. SRR will provide a transfer window by 12/1/11 to a Sludge Batch #8 or completion date and/or milestone 2.05 will be renegotiated. DOE to ensure shipper readiness and execution within the receipt window (gap Pu).

Up to $1,980,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-2.01	9/30/12	$180,000; $20,000 per can; invoiced quarterly.	Complete 9 Destructive Evaluation (DE) Surveillances on DOE-STD-3013 Storage Containers.
Acceptance Criteria			
DOE-SR will review operations log of DEs completed and review Surveillance Program Authority (SPA) Data Set 1 parameters for the DE samples. Sample size per DE is 28g or less.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-2.02	9/30/12	$200,000; $50,000 fee paid each quarter.	Receive K Area SNM shipments per schedule including gap Pu.
Acceptance Criteria			
DOE-SR will verify receipts to KAC.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-2.03	6/30/12	$1,050,000; $15,000 per kg paid quarterly.	Repackage 70kgs bulk material of NEPA covered DE-3013 plutonium for WIPP.
Acceptance Criteria			
DOE-SR will review completed in-hand procedures or log sheets to verify repackaging.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-2.04	9/30/12	$300,000 $15,000 per kg paid quarterly.	Repackage an additional 20 kgs bulk material of DE-3013 plutonium for WIPP.
Acceptance Criteria			
DOE-SR will review completed in-hand procedures or log sheets to verify repackaging.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-2.05	~~1/31/12~~ 6/30/12	$250,000	Transfer all remaining Pu solution from Tanks 11.1 & 16.3 to Sludge Batch #8.
Acceptance Criteria			
DOE-SR will review H Canyon neutralization / transfer log sheets or in-hand procedures for compliance.			

Contract Output SRNS2012NMO-03:

Research and Development and Cost Saving Initiatives.

Description/Background/Justification:

This contract output supports innovative and cost effective means for receipt, storage, and dispositioning of surplus nuclear materials to meet or support DOE Strategic Objectives. H Canyon Complex will work with other agencies such as NNSA and Office of Nuclear Energy to support research and development for initiatives such as Vacuum Salt Distillation (VSD) and Fuel Cycle Research & Development and Used Fuel Disposition (FCRD/UFD).

GFSI: DSA implementation and readiness to allow storage of Special Items in culverts requires ARRA funding by 11/1/11.

Up to $2,967,500 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-3.01	9/30/12	$1,217,500; $304,375 per quarter.	Implement LEAN initiatives in H Area to improve operational efficiency (LEAN events completed in late FY11 / early FY12).
Acceptance Criteria			
DOE-SR will review implementation documentation of LEAN initiatives to validate efficiency improvements and projected / documented savings.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-3.02	6/30/12	$300,000	Issue strategy for disposition of high Al / low U UNF which includes cost and schedule.
Acceptance Criteria			
DOE-SR will review the business plan for disposition of high Al / low U UNF to ensure objectives are met as communicated by DOE-SR (e.g. storage space made available for additional FRR/DRR receipts to minimize additional rack storage design, fabrication and installation, etc.).			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-3.03	9/30/12	$300,000	Issue strategy for SRE disposition which includes cost and schedule.
Acceptance Criteria			
DOE-SR will validate the cost, schedule and planning assumptions for SRE to ensure objectives are met as communicated by DOE.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-3.04	9/30/12	$300,000	Develop H Canyon cost and schedule for FY13 and beyond activities to become a Collaborative R&D facility.
Acceptance Criteria			
DOE-SR will review H Canyon cost and schedule for becoming a Collaborative R&D facility ensure objectives are met as communicated by DOE.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 NMO-3.05	12/31/11	$200,000	Complete heavy water sampling plan & treatability study.
Acceptance Criteria			
DOE-SR will review the sampling plan and treatability study in accordance with approved Work for Others contract/agreement.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-3.06	6/30/12	$150,000	Revise and submit (high quality SRNS approved) DSA to include revised functional classification of the KIS diesel generator.
Acceptance Criteria			
DOE-SR will review the DSA. Validation criteria includes ensuring submitted DSA has been approved by SRNS, is a high quality document and includes as a minimum the revised functional classification of the KIS diesel generator.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 NMO-3.07	9/30/12	$500,000	Complete DSA implementation and declare readiness for culvert receipts.
Acceptance Criteria			
DOE-SR will validate DSA implementation, assess readiness activities and review readiness documentation.			

Contract Output SRNS2012NMO-04:

Infrastructure / Facility life extension

Description/Background/Justification:

Infrastructure must be maintained to support the facilities in a safe and operable condition.

Up to $1,050,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRSN2012 NMO-4.01	3/31/12 6/22/12	~~$500,000~~ a) $350,000 b) $150,000	a. Complete Vault Acceptance for the 9975 shipping containers and turnover to operations by 3/31/12 ($350,000) b. Complete PAV CD-4 milestone by 6/22/12 ($150,000)
Acceptance Criteria			
1. DOE-SR will verify / witness the contractor Readiness Assessment. All Type "A" findings will be closed, the Authorization Agreement approved, and the vault turned over to operations for storage of the 9975 shipping containers. 2. DOE-SR will verify an acceptable ~~complete~~ CD-4 package has been submitted in accordance with 413.3 for project close-out verification. ~~and that the PAV area has been turned over for operations with all startup findings closed.~~			

Number	Date	Fee	Contract Output Completion Criteria:
SRSN2012 NMO-4.02	~~12/30/11~~ 9/30/12	$50,000	~~Repair~~ Replace 235-F roof, south side, phase 1.
Acceptance Criteria			
DOE-SR will walk down roof repairs or review completed work package for completeness.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRSN2012 NMO-4.03	9/30/12	$400,000	Implement F/H Lab footprint reduction and optimization.
Acceptance Criteria			
DOE-SR will observe implementation of footprint reduction activities (attend meetings, review and assess issued plans (e.g. ventilation balancing, etc.)).			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRSN2012 NMO-4.04	9/30/12	$100,000	Install a post indicator valve in 772-1F, a fire department connection and expand sprinkler area.
Acceptance Criteria			
DOE-SR will walk down installation of new fire equipment and/or review completed work package(s).			

Performance Incentive Document

PBI Number:	SRSN2012SW
Activity Name:	Solid Waste
WBS Number:	1.29.32.25
Performance Period:	October 1, 2011 – September 30, 2012
Allocated Fee:	$2,100,000
Revision Number:	0

Senior level manager/Performance Incentive Manager:	Terry Spears Assistant Manager for Waste Disposition Project (AMWDP)
Senior level supervisor/division manager:	Jim Folk

Contract Performance Outcome:

The Contractor shall manage the Solid Waste Program to safely and effectively prevent and/or minimize the generation of solid waste to include hazardous, low level, transuranic, mixed, and municipal sanitary wastes. The Contractor shall ensure that the handling, treatment, storage, transportation and disposal of existing "legacy" and future solid waste is environmentally sound and in compliance with DOE Directives, and applicable regulations and requirements.

The Contractor shall manage and integrate site-wide solid waste recycling, treatment, storage, disposal and transportation activities and implement waste minimization/pollution prevention initiatives. The Contractor shall also provide on-site/off-site waste generators with technical support and verification of compliance with waste acceptance criteria, including Safety Basis and Performance Assessment objectives.

Contract Output SRNS2012SW-01:

Ensure the handling, treatment, storage, transportation and disposal of newly generated and existing "legacy" solid waste is environmentally sound, cost effective, and in compliance with DOE Directives, and applicable regulations and requirements.

Treat and dispose of all SRS newly generated sanitary (non-hazardous), low-level radioactive waste (LLW), mixed hazardous low-level radioactive waste (MLLW), and hazardous waste (HW) to prevent future waste accumulation.

Description/Background/Justification:

Timely disposal of all newly generated sanitary, LLW, HW, and MLLW will facilitate waste generators' normal operations, prevent potential spread of contamination, ensure regulatory compliance, reduce the need for waste storage space, maximize labor resource utilization and reduce the overall cost of SRS waste management. For the purposes of this PBI, a waste is determined to be treated when treatment is completed in accordance with applicable regulations (e.g., DOE Order 435.1, *Resource Conservation and Recovery Act of 1976 (RCRA)*, *Toxic Substances Control Act of 1976 (TSCA)*, etc.) for on-site treatment or has been shipped for off-site treatment. Disposal is defined as being physically placed in an approved disposal location for on-site disposition or shipped off-site for final disposition.

Up to $2,000,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SW-1.01	9/30/12	$200,000; $50,000 per quarter	Sanitary Waste-Reduce the amount of routine (i.e. office type) waste being disposed in local land fill sites through recycling at least 30% by weight over a three month rolling average.

Acceptance Criteria

DOE will perform validation by reviewing the total volume of sanitary waste shipped to an off-site recycling facility minus the volume of material recycled. Validation of performance is based on actual invoices received from the vendor. The percentage of waste recycled is calculated on the above delta on a monthly basis to be included a three month rolling average. Twenty-five percent of the total fee is awarded quarterly if the 30% recycling goal for the entire quarter is met.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SW-1.02	9/30/12	$800,000; $200,000 per quarter	LLW – Newly generated LLW will be disposed in a timely manner such that in-storage volume of newly generated LLW shall not exceed 400 cubic meters at any time over a three month rolling average. Wastes temporarily stored for near-term disposal will not be included in this calculation.

Acceptance Criteria

DOE will perform validation by reviewing end of month Waste Inventory Tracking System (WITS) reports, which lists all individual packages and associated volume in storage at time of the report. End of month report date is to be the same as utilized in reporting monthly IPABS performance measure volumes. The end of month in-storage volume is not to exceed 400 cubic meters over a three month rolling average. Review of WITS reports is supplemented with field walk-downs to visually validate reported information. Twenty-five

percent of the total fee is awarded quarterly if the 400 cubic meters in-storage volume over a three month rolling average goal for the entire quarter is met.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SW-1.03	9/30/12	$400,000; $100,000 per quarter	HW – Newly generated HW shall not exceed an in-storage timeframe of greater than one year from the accumulation start date, unless being stored for the purpose of accumulation in accordance with 40 CFR 268.50.

Acceptance Criteria

DOE will perform validation by reviewing end of month E-14 reports, which lists all containers and associated accumulation start dates (ASD). End of month report date is to be the same as utilized in reporting monthly IPABS performance measure volumes. All in-storage container data is reviewed to ensure the one-year storage limit, based on ASD, is not exceeded. Validation is supplemented with facility walk-downs to visually validate reported information. Twenty-five percent of the total fee is awarded quarterly if no containers exceed storage timeframes at any time within the in the quarter. Exception is storage for the purpose of accumulation in accordance with 40 CFR 268.50. However, justification shall be documented and an agreement reached with DOE-SR prior to invoking exception.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SW-1.04	9/30/12	$600,000; $150,000 per quarter	MW – Newly generated MLLW shall not exceed an in-storage timeframe of greater than one year from the accumulation start date, unless being stored for the purpose of accumulation in accordance with 40 CFR 268.50 or per the SRS Site Treatment Plan.

Acceptance Criteria

DOE will perform validation by reviewing end of month E-14 reports, which lists all containers and associated accumulation start dates (ASD). End of month report date is to be the same as utilized in reporting monthly IPABS performance measure volumes. All in-storage container data is reviewed to ensure the one-year storage limit, based on ASD, is not exceeded. Validation is supplemented with facility walk-downs to visually validate reported information. Twenty-five percent of the total fee is awarded quarterly if no containers exceed storage timeframes at any time within the in the quarter. Exception is storage for the purpose of accumulation in accordance with 40 CFR 268.50. However, justification shall be documented and an agreement reached with DOE-SR prior to invoking exception.

Contract Output SRNS2012SW-02:

Provide technical and project management support for E-Area activities required for first shipment of non-MOXable plutonium to the Waste Isolation Pilot Plant (WIPP).

Description/Background/Justification:

To support the SRS Strategic Plan, it is necessary to begin the process of shipping non-

MOXable plutonium from SRS to WIPP. This contract output ensures that SRS will meet commitments as put forth in the Strategic Plan.

Up to $100,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SW-2.01	9/30/12	$100,000	Complete actions necessary to support DOE-SR waste shipment activities to include Centralized Characterization Project support necessary to achieve first shipment in FY2012. This effort may include revising and obtaining approval of changes to the Solid Waste management Facility Documented Safety Analysis / Technical Safety Requirements for receiving, storing and shipping pipe over-packs; developing / modifying E-Area Solid Waste Management Facility procedures.

Acceptance Criteria

DOE will perform validation by reviewing shipping manifest and documentation necessary to support the shipment.

Performance Incentive Document

PBI Number:	SRNS2012ACP
Activity Name:	Area Completion Project
WBS Number:	1.29.32.01, 1.29.32.02, 1.29.32.03, 1.29.32.04, 1.29.32.05, 1.29.32.06
Performance Period:	October 1, 2011 – September 30, 2012
Allocated Fee:	$3,500,000
Revision Number:	0
Senior level manager/Performance Incentive Manager:	Karen Guevara Assistant Manager for Infrastructure & Environmental Stewardship (AMI&ES)
Senior level supervisor/division manager:	Helen Belencan

Contract Performance Outcome:

Meet all regulatory commitments, develop and implement alternative long range strategies, technologies and approaches in the refinement of the Area Completion Strategy and long-term stewardship.

Contract Output SRNS2012ACP-01:

Meet all FFA Milestones and RCRA Permit commitments due between October 1, 2011, and September 30, 2012, as described in the Federal Facility Agreement for the Savannah River Site (Administrative Document # 89-05-FF) and the SRS RCRA Part A & B Permits (SC 1890 008 089) to meet the Area Completion Strategy.

Description/Background/Justification:

Full compliance with all Area Completion Project FFA milestones and RCRA Permit commitments will allow SRS to meet regulatory requirements that will meet the Area Completion Strategy to clean up the SRS and reduce the Site footprint. Establishing regulatory commitments and milestones is the most direct way for the regulators and stakeholders to measure the progress of DOE EM cleanup activities at SRS. The regulatory and stakeholder support of the SRS depends on continued full regulatory compliance and achievement of commitments and milestones.

Up to $2,500,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 ACP-1.01	3/31/12	$1,250,000	All RCRA Permit commitments and FFA milestones are achieved from October 1, 2011, through March 31, 2012.

Acceptance Criteria

All FFA milestones and RCRA Permit commitments are met by the milestone/submittal dates. Documentation is provided demonstrating that milestone/submittal dates were met which will be verified by a DOE ACP review of Document Status information and/or the Administrative Record File.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 ACP-1.02	9/30/12	$1,250,000	All RCRA Permit commitments and FFA milestones are achieved from April 1, 2012, through September 30, 2012.

Acceptance Criteria

All FFA milestones and RCRA Permit commitments are met by the milestone/submittal dates. Documentation is provided demonstrating that milestone/submittal dates were met which will be verified by a DOE ACP review of Document Status information and/or the Administrative Record File.

Contract Output: SRNS2012ACP-02:

Evaluate ACP groundwater sampling and reporting activities to identify opportunities to reduce project costs.

Description/Background/Justification:

Prepare and provide to DOE ACP a plan that will define a comprehensive, technical approach for the evaluation and optimization of groundwater monitoring and reporting performed by SRNS Area Completion Projects which are required by the SRS RCRA Permit and SRS Federal Facility Agreement (FFA) Records of Decision. The plan will describe the approach to identify opportunities to reduce costs associated with reducing / optimizing the number of wells, analytes, monitoring frequency, and reporting requirements for ACP groundwater units. SRNS will submit this plan to DOE ACP by November 30, 2011. SRNS ACP and DOE ACP will discuss the plan with the regulators.

Using the DOE-approved plan, SRNS will conduct a technical evaluation of monitoring and reporting optimization opportunities for ACP groundwater units. A report documenting the results of this evaluation and a schedule for negotiating recommended changes to existing RCRA Permit and FFA requirements with the regulators will be prepared and submitted to DOE ACP by April 30, 2012. SRNS ACP, in collaboration with DOE ACP, will engage the

regulators in negotiations in Fiscal Year 2012 if evaluation results indicate that groundwater optimization opportunities exist.

Up to $1,000,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 ACP-2.01	11/30/11	$500,000	Prepare and provide to DOE ACP a groundwater optimization plan for ACP groundwater units.

Acceptance Criteria

Submittal of the plan by the due date. The plan comprehensively addresses all RCRA Permit groundwater plumes and CERCLA groundwater plumes for which there is a ROD. The plan contains a logical, clearly defined, and technically defensible approach for evaluating groundwater monitoring and reporting opportunities.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 ACP-2.02	4/30/12	$500,000	Prepare and provide to DOE ACP a report documenting the groundwater monitoring and reporting optimization opportunities for ACP groundwater units.

Acceptance Criteria

Submittal of the report by the due date. The report contains a thorough evaluation of groundwater optimization opportunities for all RCRA Permit groundwater plumes and CERCLA groundwater plumes for which there is a ROD with a ROM estimate of implementation and cost avoidance. The report contains technically defensible and comprehensive recommendations for changes to RCRA Permit and CERCLA ROD requirements. The report contains a reasonable schedule for negotiating with the regulators any recommended changes to RCRA Permit and CERCLA ROD requirements.

Performance Incentive Document

PBI Number:	SRNS2012LS
Activity Name:	EM Landlord Services
WBS Number:	Various / Indirect
Performance Period:	October 1, 2011 – September 30, 2012
Allocated Fee:	$4,000,000
Revision Number:	0

Senior level managers/Performance Incentive Managers:	Doug Hintze, AM Mission Support (AMMS) Karen Guevara, AM Infrastructure & Environmental Stewardship (AMI&ES)
Senior level supervisor/division manager:	Nick Delaplane Arthur Gould

Contract Performance Outcome:

The Contractor shall execute assigned landlord responsibilities and provide a range of services to other organizations and site tenants, including other agencies and contractors, doing work on the Savannah River Site. These services encompass both direct and indirect scope.

Contract Output SRNS2012LS-01:

Comprehensive Site Planning

Implement Site wide planning process to integrate site mission planning, real property asset management, and workforce planning. These recommendations and objectives will demonstrate improved linkage and dependencies at strategic, operational and tactical levels in support of the successful execution of the EM cleanup mission and landlord functions at SRS that includes support of all Site missions to include tenant organizations and the developing Enterprise SRS vision.

Description/Background/Justification:

The overall goal is to implement a formal integrated planning process for SRNS that efficiently and effectively links top level strategic missions and mission success goals with

operational/functional planning required for goal achievement. This planning process should facilitate the effective flow of information regarding work breakdown, funding, schedules, resource allocation, interface dependencies, and other factors vital to performing the required work.

A joint DOE-SR / SRNS task team has been established to support this contract output.

Up to $750,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	
SRNS2012 LS-1.01	9/30/12	$750,000	

Contract Output Completion Criteria:

Development of a Comprehensive Plan is the reflection of actual overarching planning that is integrated and comprehensive, not just a summary of disjointed planning documents resulting from stove piped planning efforts. It will be a vehicle for bringing planning efforts together and guiding lower level implementing plans as intended. As such, it would reflect the following:

The utilization of EM program life cycle plans, System plans, and other Site mission plans (NNSA), including tenant organizations, in determining the real property asset life cycle management requirements. Further, it will reflect the participation of the organizations responsible for those plans in translating the mission plans into the real property asset requirements needed to support the lifecycle of the missions and articulating them in a clear manner.

The real property asset requirements to support Site missions will be shown by geographic areas of the site. Planning for each area of the Site will be holistic, reflecting the real property asset requirements for all missions utilizing, or projected to utilize, the areas. This approach would reflect thoughtful consideration of the future and the integration of all aspects such as EM area closure, site specific requirements for clean up projects that will required transition to Long Term Stewardship, support for continuing missions, consideration of potential new missions, as well as recommendation for transitioning the site to more efficient configurations. The information would be developed through the participation of subject matter experts and presented in tables, maps and narrative in sufficient detail to serve as the basis for lower level planning. This would require multiple organizations working together to develop this information.

Crosscutting infrastructure planning will be a participant in the process, addressing the path forward for meeting the sum of the requirements from the area by area analysis and projected future site configuration. Such integrated planning will be the basis for determining critical infrastructure projects and priorities and will be reflected in the plan and will constitute the Infrastructure Master Plan.

The overarching planning described above will serve as the guide and basis for integrating related lower level real property asset life cycle management functions such as acquisition, condition assessments, maintenance, recapitalization, disposition, and long term stewardship and include participation from subject matter experts from these disciplines. Comprehensive planning would include participation from financial organizations and the requirements would in turn be reflected in a transparent manner in the Integrated Facilities & Infrastructure crosscuts budget in the Comprehensive Plan.

Acceptance Criteria

DOE will review and evaluate documentation provided for technical accuracy, quality of product, review level and comment resolution, and if the documentation meets the intent of an improved comprehensive planning system as described in the Contract Output Completion Criteria.

The following list of various documents, although not inclusive, will be reviewed by DOE-SR in order to

evaluate acceptance of the Completion Criteria:

1. SRS Comprehensive Plan (DOE 430 requirement) will be delivered to DOE-SR per established schedule
    a. including a planning document for land use analysis and strategies by site areas
    b. representing policy in terms of program mission, physical requirements and new mission development (e.g. transportation, utilities, land use, housing)
2. EM Lifecycle Baseline (Integrated Lifecycle Baseline) management planning strategy for integrating site Contractor Performance Baselines, Change Control, Risks and Assumptions
3. ~~Revised Nuclear Materials Operations Systems Plan by April 30, 2012 to reflect latest nuclear material storage, disposition and stabilization assumptions, risks, and facility capabilities.~~ (Delete)
4. Strategic initiatives supporting Enterprise SRS have been integrated with overall site planning
5. Annual updates to Contractor Performance Baseline and Integrated Lifecycle Baseline are integrated
6. EM Liability response to DOE-SR request for supporting preparation of the role forward "explanation of changes from prior year liability"
7. Documentation demonstrating the comprehensive planning system is institutionalized (e.g. contractor procedures have been developed and approved)
8. Continue to improve implementing Condition Assessments on at least 20% of additional SRNS structures per the DOE approved SRS Real Property Asset Management Plan
9. Populate the FIMS database with all applicable facilities per the DOE approved SRS Real Property Asset Management Plan (SRNS-PR-2011-00202) schedule.
10. Develop and implement an integrated process to identify completed major deferred maintenance (DM) and update the DOE-HQ Condition Assessment Information System to offset DM cost.

Contract Output SRNS2012LS-02:

The contractor is required to maintain and manage to an approved multi-year performance baseline, and to support the development and integration of a life cycle baseline to meet the DOE-SR requirements to HQ. The multi-year performance baseline will be updated in COBRA utilizing a project management approach conforming to DOE Orders & Guidance and will contain resource & cost estimates, schedule and risk management at appropriate levels as defined by SRNS Procedures for technical baseline development and management.

Description/Background/Justification:

With the SRNS financial system being replaced, and the Procurement and Contracts system scheduled to be replaced by the end of the first quarter, FY2012, effort is required to determine the COBRA interfaces with these new system replacements. Follow-up is also needed to ensure that identified functionalities contained within ICTS are dispositioned accordingly.

Up to $400,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-2.01	9/30/12	$400,000	Utilizing COBRA, ensure all programs, including indirects, NNSA and SRNL are managed and controlled. This includes: 1. Planning for all programs and indirects – demonstrated by submittal of the baseline BCPs and Work Authorization Execution Plan (WAEP)

			2. Performance measurement (EV), quarterly report submittal 3. Change Control, quarterly submittal of the SRNS Change Log 4. Reporting, quarterly submittal of monthly IPABS and PARS reports for EM and required NNSA reports

Acceptance Criteria

The following documentation will be submitted to DOE-SR for review:

1. Baseline BCPs and the WAEP to demonstrate Baseline Planning
2. Quarterly EV internal surveillance program results based on COBRA generated reports to demonstrate performance measurement for EM Programs
3. Quarterly SRNS Change Log submittal to demonstrate Change Control
4. Monthly IPABS and PARS reports for EM and required NNSA reports submitted on a quarterly basis to demonstrate Reporting.

Contract Output SRNS2012LS-03:

Continue to analyze methods and opportunities to reduce site overhead costs through various methods, including, but not limited to, cost sharing among site tenants, cost reductions, increased transparency, and other such initiatives. Estimated savings will be measured as a result of Continuous Improvement Projects, Lean Events, Quick Hits in the C.I. Tracking System database (CITS), etc.

Description/Background/Justification:

Site indirect costs include various components including overheads and essential site services which require continual review to ensure these costs appropriately reflect the size and function of the work performed at SRS by the M&O contractor for M&O and other site tenants. A Blue Team, comprised of DOE-SR EM and NNSA members, was established in FY2011 to review and assess the site ESS requirements, and present recommendations to senior DOE-SR and SRNS management for acceptance.

Up to $100,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-3.01	9/30/12	$100,000	(1) Implement those initiatives briefed to the DOE-SR/SRNS Blue Team that are required to meet aggressive reduction targets, and (2) implement other Continuous Improvement (CI) initiatives as identified by SRNS and agreed to by DOE-SR.

Acceptance Criteria

DOE-SR will validate the CI improvements based on documentation (such as revised

procedures, tailored implementation of requirements, organizational changes, etc.) provided by SRNS that describes the actions taken and resulting change control documentation as initiatives are implemented.

DOE-SR will review the final cost report at year end that reflects meeting the revised baseline target.

Contract Output SRNS2012LS-04:

The Contractor shall execute Interface Management with site tenants to deliver landlord services in support of mission execution.

Description/Background/Justification:

Effective implementation of site interface management process (necessary maintenance and communication of interface processes, procedures and agreements) results in the effective delivery of landlord services. This ensures an efficient process to support tenant site mission completion activities.

Up to $200,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-4.01	9/30/12	$150,000	Define Landlord Services in partnership with DOE.

Acceptance Criteria

DOE-SR will be provided the following documents:

1. Landlord Services definition and list of landlord services / service areas
2. Cost distribution model for landlord services costs
3. Model Landlord Services contract language for tenant contracts
4. Reorganization strategy for Landlord Services Program

The documents will be reviewed for technical accuracy, quality of content, and how well they meet the intent of the Contract Output.

NOTE: The documents must include input from other site tenants, as applicable. Each document must demonstrate effort by site Subject Matter Experts and management, and provide DOE-SR the ability to assess, analyze and provide a viable decision-making process.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-4.02	9/30/12	$50,000	Perform SRNS integration efforts by: 1. Executing annual revision of interface agreements (SRR/SWPF, Ameresco, WSI, USFS, SREL, SCE&G, MOX, PDC) 2. Improve the site interface process by defining, planning and implementing per implementation plan, applicable

			improvements from the EFCOG Complex-wide benchmarking survey

Acceptance Criteria

DOE-SR will review the annual interface agreement revisions and the improvements implemented from the benchmarking survey.

Contract Output SRNS2012LS-05:

Biomass Project Support for the Biomass Cogeneration Facility (BCF). The Contractor shall meet all SRNS agreed upon scheduled milestones to ensure successful construction and startup of the BCF.

Description/Background/Justification:

The purpose of the new Biomass Cogeneration Facility is to provide reliable steam while maximizing the use of a renewable energy source. The impacts associated with not successfully constructing and starting up these new facilities in a timely manner will lead to the following: (1) the inability to provide reliable steam to facilities such as H Canyon, F and H Tank Farms, and DWPF; (2) not meeting target dates for deactivation of the 484-D powerhouse, and (3) additional delays in achievement of renewable energy goals outlined in current federal legislation. Operational issues have occurred in the aged 484-D plant which have impacted site steam requirements, and this will worsen over time without a new replacement facility. Site Infrastructure will be utilized as a technical agency to provide operational, technical, and logistical input on matters associated with the multitude of utility services to help ensure successful execution of the project. SRNS Infrastructure Services will support the project by facilitating required interfaces with other SRS organizations and the Ameresco on-site construction team.

Up to $1,100,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012LS-5.01	9/30/12	$200,000	Provide infrastructure liaison support (Subject Matter Experts, Project & Contract Management, performing observations, etc.) that facilitates Ameresco's schedule by identifying, eliminating or mitigating impediments and facilitating Government Furnished Services/Items (GFSI) to also include the site use/site clearance permit development and approval process. In addition, provide services per Service Level Agreement (SLA) as requested and funded by Ameresco.

Acceptance Criteria

DOE-SR will review SRNS document log of impediments that have been identified and overcome, including documentation of specific mitigation activities, perform verification

field walk down if applicable, and use the following to validate this performance based initiative.

- Log of liaison support
- River water supply history records
- Post traffic set-up to support succinct biomass delivery
- Log of Telecommunications support and infrastructure coordination support for the K, L-Area Biomass Steam Plants and Biomass Cogeneration Facility
- Transmission & steam line operations and maintenance records as generated
- Domestic water and sanitary utility operations and maintenance records as generated
- Log of site use/site clearance permits
- Approved Service Level Agreements
- Timely documentation and communication of potential issues
- Project & Contract Management Support
- Monthly report of activities

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012LS-5.02	9/30/12	$200,000	Provide DOE-SR/Ameresco Biomass Cogeneration Facility Readiness Assessment support as requested by DOE-SR.

Acceptance Criteria

DOE-SR will review the following documentation and perform a field/system walk down to verify evidence of implementation:

- Readiness Assessment Plan for Operation of the Biomass Cogeneration Facility SRNS input including Lines of Inquiry (LOIs) & observations
- Field verifications of Lines of Inquiry (LOIs)
- Operations Memoranda of Agreement (MOA), Functional Service Agreements (FSA), Operations Service Level Agreements and interface procedures
- Finding determinations
- Issue Resolution

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012LS-5.03	9/30/12	$100,000	Provide DOE-SR capitalization recommendations and the initial document control for the Biomass Cogeneration Facility.

Acceptance Criteria

- DOE-SR will review the Ameresco-provided documentation of asset cost basis.
- DOE-SR will review documentation of SRNS-recommended capitalized assets.
- DOE-SR will perform a system walk down to verify that sampling assets have been booked into the Asset Management Information System (as information is timely provided by Ameresco/DOE).
- DOE-SR will perform a system walk down to verify that sampling initial as-builts have

been established in the Document Control system (as information is timely provided by Ameresco/DOE-SR).

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012LS-5.04	9/30/12	$400,000	Implement and maintain the "Infrastructure Services 484-D Powerhouse Transition Strategy Plan Phases I, II, and III" which is outlined in the site document SRNS-RP-2011-00978.

Acceptance Criteria

DOE-SR will review Infrastructure Services 484-D Powerhouse Transition Strategy Plan Phases I, II, and III (SRNS-RP-2011-00978) activities supported by the Ameresco schedule and DOE-SR direction and use the following to validate this performance based initiative.

- Schedule showing completed activities
- Monthly report of activities
- Field/system walk down to verify evidence of completed activities

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-5.05	9/30/12	$100,000	Ensure steam and electrical power generation and transmission during the Biomass Cogeneration Facility (BCF) operational readiness testing with the D-Powerhouse as the primary source.

Acceptance Criteria

DOE-SR will review D-Powerhouse steam and power availability data relative to site support needs and perform a system walk down for data validation.

- Steam and electrical power availability data during (BCF) operational readiness testing
- Monthly report of activities

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-5.06	9/30/12	$100,000	Ensure that D-Powerhouse will provide contingency steam supply (hot standby boiler operation) for Savannah River Site as directed by DOE when BCF is the primary steam supplier during operational testing.

Acceptance Criteria

DOE-SR will review D-Powerhouse steam and electrical power availability data relative to site support needs and perform a system walk down for data validation.

- Steam and electrical power availability data during (BCF) operational readiness testing

Contract Output SRNS2012LS-06:

The Contractor shall meet all SRNS agreed upon scheduled milestones and activities to ensure continued focus and development of sustainability efforts.

Description/Background/Justification:

DOE has approved a Complex-wide Strategic Sustainability Performance Plan. This plan addresses such topics as greenhouse gas emission reductions, High Performance Sustainable Buildings (HPSB), water use, and pollution prevention/waste elimination. DOE sites have been tasked to make progress toward goals established for 2015 and 2020. The benchmark for the HPSB 15% reduction is defined in Executive Order (E.O.) 13514 section 2(g).

Up to $200,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-6.01	9/30/12	$200,000	Develop the annual SRS Site Sustainability Plan by 3/31/12 to ensure SRS is working toward goals outlined in the Strategic Sustainability Performance Plan established by DOE-HQ, and implement planned FY2012 high performance Sustainability Building Guiding Principles compliance activities in 15% of existing building square footage which is defined in Executive Order (E.O.) 13514 section 2(g).

Acceptance Criteria

DOE-SR will review the Site Sustainability Plan.

DOE-SR will perform a field walk down to verify evidence of implementation:

- Summary letter and supporting documentation on FY12 High Performance Sustainability Building- Existing Buildings (HPSB-EB) progress to include**:**
  - Energy Audits - Complete energy audit actions described in "Summary of Progress Associated with High Performance Sustainable Building Guiding Principles in Existing Buildings" (Sept. 2010) in approximately one-half of square footage identified in this document.
  - Commissioning – Complete FY12 commissioning actions described in "Summary of Progress Associated with High Performance Sustainable Building Guiding Principles in Existing Buildings" (Sept. 2010) in approximately one-half of square footage identified in this document.
  - Ventilation Comfort – Evaluate compliance with ASHRAE standards 55-2004 and 62.1-2004 described in "Summary of Progress Associated with High Performance Sustainable Building

Guiding Principles in Existing Buildings" (Sept. 2010) in approximately one-half of square footage

- Utility Metering – Obtain data from installed chilled water meters (730-B, -1B, -2B, -4B, 735-B, -2B) and new electricity meters (704-C, 704-N, 704-1N, & 705-1C) to support data collection requirements associated with HPSB-EB.
- Construction Waste / Pollution Prevention – Provide strategies to achieve the 50% recycle goal for C&D waste by September 2015. The plan shall be based on FY12 receipt data and a forecast of FY13 to FY16 waste to be transported to the SRS C&D landfill for disposal. Costs to meet the 50% goal will be established and funding requested for the FY14 budget cycle.

Contract Output SRNS2012LS-07:

The Contractor shall build, modernize, and/or maintain facilities and infrastructure to achieve mission goals and ensure a safe and secure workplace for all SRS personnel and support Enterprise SRS for successful new mission opportunities (i.e., implement infrastructure rightsizing initiatives, execute infrastructure projects per the Critical Infrastructure IPL, etc.).

- Execute projects to improve the aging site infrastructure (i.e., fire water distribution system).
- Further develop & maintain the Critical Infrastructure IPL that will include other SRS tenants (NNSA, SRR, WSI, USFS and SREL).
- Develop and initiate implementation of Comprehensive Site Housing Consolidation Plan.
- Identify and implement infrastructure right-sizing initiatives. When feasible, make recommendations and coordinate opportunities for the beneficial reuse of DOE assets in support of local community economic development.

Description/Background/Justification:

New and existing SRS missions can be performed safely and efficiently only with a reliable infrastructure in place. Over the past 10 years, funding for infrastructure repairs/replacements has declined considerably as budget pressures increased and funds were needed to support direct mission activities. The Contractor will re-invest in Site Infrastructure through the implementation of repairs and upgrades as identified in the approved Infrastructure Mission Alignment Plans. The scope will be based on projects from the SRNS Critical Infrastructure IPL which are currently identified in the SRS FY12-FY17 baseline and additional emergent work required.

Through the Infrastructure right sizing initiatives, surplus assets are identified and, when feasible, made available to the SRS Community Reuse Organization for economic development and job creation.

Up to $600,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-7.01	9/30/12	$600,000	Provide Facilities & Infrastructure Modernization and Asset Revitalization to achieve mission goals as follows: • Execute projects to improve the aging Site infrastructure ($300,000)

			• Develop and initiate implementation of Comprehensive Site Housing Consolidation Plan ($100,000) • Identify and implement infrastructure right-sizing initiatives. Recommend and coordinate opportunities for beneficial reuse of DOE assets in support of local community economic development ($100,000) • Further develop and maintain the Critical infrastructure IPL that will also include other key SRS tenants ($100,000)

Acceptance Criteria
DOE-SR will review the following documentation and, if applicable, perform a field/system walk down to verify evidence of implementation: • Final Acceptance Inspection (FAI) of the completed projects. • Comprehensive Site Housing Consolidation Plan. • Monthly report of activities to show implementation of right-sizing initiatives to also include support of the local community economic development. • Revised SRS Critical Infrastructure Integrated Priority List (CIIPL) Executive Integrated Project Team Charter and a consolidated priority listing to include the following SRS tenants: SRNS, SRR, NNSA, WSI, USFS, and SREL.

Contract Output SRNS2012LS-08:

The Contractor shall develop and implement innovative approaches to gain cost efficiencies in support of government liability reduction initiatives and address challenging budget constraints.

Description/Background/Justification:

In support of government liability reduction initiatives, Infrastructure Services will evaluate organizational requirements and practices to identify efficiency gains and cost improvements resulting in minimum expenditure of energy, time, or resources. Also evaluate outsourcing and consolidation of facilities, services and functions resulting in: (1) lowering the overall cost of the service to the business. This will involve reducing the scope, defining quality levels, cost re-structuring, etc. (2) Allows resources to focus on developing the Core Business; (3) access to operational expertise or best practices that would be too difficult or time consuming to develop in-house; (4) access to intellectual property and wider experience and knowledge; and (5) access to a larger talent pool and a sustainable source of skills.

Up to $100,000 of the allocated fee will be paid for this Contract Output.

Number	**Date**	**Fee**	**Contract Output Completion Criteria:**

SRNS2012 LS-8.01	9/30/12	$100,000	Develop and implement cost efficiencies in Infrastructure Services such as reducing site facility maintenance requirements and through evaluating outsourcing and consolidation opportunities.

Acceptance Criteria

DOE-SR will review documentation that outlines the cost efficiency improvement activities and perform a field/system walk down to verify evidence of implementation.

Contract Output SRNS2012LS-09:

The Contractor shall support DOE-SR in moving toward the Enterprise SRS vision which encompasses national security, clean energy and environmental stewardship.

Description/Background/Justification:

Clean Energy – Programmatic Environmental Impact Statement
The DOE and DOD have signed a MOU to collaborate on energy projects. SRNS has been requested to lead preparation of the Southeast Energy Initiative (SEEI) to develop energy projects in support of the DOE/DOD MOU.

National Security- Clean Energy- Southeast Defense Energy Initiative
This initiative supports the MOU between DOE and DOD Concerning Cooperation in Strategic Partnerships to Enhance Energy Security signed July 22, 2010.

Environmental Stewardship - Nuclear Security - Used Fuel Storage
SRS would benefit from having access to used nuclear fuel in support of several related missions:

- SRS will need to have an inventory of used fuel to support advanced reactor fuel design and fuel fabrication
- SRS will need to have material for advanced fuel recycling R&D
- SRS will need access to used nuclear fuel for modeling of material aging and degradation during proposed extended storage periods (65 years)

Clean Energy –National Security -SMR Test Facility
SMR designs have not been tested and due to the new designs, it is anticipated that testing will be required to support licensing. Rather than each company building individual test facilities, SRNS is proposing that an SMR Test Facility be constructed that can become a user facility for all U.S.manufacturers. This would be one of the first steps to locating SMRs at SRS. Funds for a test facility can be private or public/private that minimizes or eliminates the need of DOE funds.

Clean Energy-National Security-Small Modular Reactors
Small Modular Reactors are the corner stone of Enterprise SRS. Several companies have concepts for small modular reactors that are factory made, transportable, have enhanced safety features and are far less costly to produce.

Clean Energy-National Security-Advanced Reactors
Advanced Reactors (fast spectrum reactors) have the capability to produce sufficient heat for industrial applications including hydrogen production, water purification and other purposes. These reactors also can

burn fuel manufactured from excess nuclear materials, in support of the nuclear non-proliferation mission. Advanced small reactors can be used to generate power at DOD forward positions. Candidate designs have the capability to produce greenhouse gas free power.

Environmental Stewardship-Clean Energy-National Security-Infrastructure Improvements, New Facilities and Consolidation

SRS is not a closure site and requires infrastructure improvements. Capital funding is extremely difficult to obtain and with shrinking federal budgets, future budgets are most likely to be even more austere. Southern Carolina Regional Development Alliance has provided DOE with an unsolicited proposal to rebuild/replace several areas of the site

National Security- Tritium Production

NNSA produces tritium in commercial TVA reactors and the rods permeate more tritium than designed, a significant problem for a commercial operation. Small modular light water reactors can be located at SRS that produce both clean electrical power to the site and tritium. This would place tritium production back under complete control of NNSA and consolidate all tritium operations at NNSA's Tritium Center of Excellence – SRS.

Up to $550,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-9.01	8/30/12	$50,000; 50% fee paid when the estimate/ proposal is sent to DOE, 50% remaining fee paid upon DOD authorizing SRNS to begin work	Prepare a programmatic environmental impact statement (mission need, risk analysis, cost estimate and alternatives analysis) in support of the DOE/DOD Southeast Energy Initiative (SEEI).

Acceptance Criteria

DOE-SR will perform a technical review of the EIS estimates, analyses and proposed scenarios to ensure compliance with requirements for both agencies.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-9.02	9/30/12	$50,000	Implement a teaming agreement with companies that can provide the technology necessary to meet federal mandates in support of the DOE/DOD MOU Concerning Cooperation in Strategic Partnerships to Enhance Energy Security.

Acceptance Criteria

DOE-SR will review the signed Teaming Agreement and perform a technical assessment measuring effectiveness of implementation.

Number	Date	Fee	Contract Output Completion Criteria:

SRNS2012 LS-9.03	9/30/12	$50,000	Develop multiple business case scenarios, endorsed by a South Carolina Utility, showing economics for constructing an interim used fuel storage facility at SRS, along with storage methods and potential site locations.

Acceptance Criteria			
DOE-SR will perform a cost review of the business cases to ensure estimated costs are valid and accurate, and DOE-SR will perform a technical review of proposed options endorsed by a South Carolina Utility.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 LS-9.04	3/30/12	$150,000	Prepare a conceptual design of a Small Modular Reactor Test Facility, including a siting plan for on- and off-site locations to facilitate commercial interest and use.
Acceptance Criteria			
DOE-SR will perform a technical review of the conceptual design of an SMR Test Facility, and provide a summary of cost and technical scenarios including discussion on feasibility issues and alternatives.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 LS-9.05	9/30/12	$50,000	Execute a teaming agreement with a public utility and Small Modular Reactor (SMR) vendor for the SMR project at SRS.
Acceptance Criteria			
DOE-SR will review the signed teaming agreement and assess effectiveness of its implementation based on legal and regulatory binding parameters, cost estimates and alternatives analyses.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 LS-9.06	9/30/12	$100,000	Develop a proposed regulatory strategy for Advanced Reactors and review this strategy with the NRC and with no less than three Advanced Reactor Design companies.
Acceptance Criteria			
DOE-SR will review the proposed regulatory strategy, comments provided by NRC and the Advanced Reactor Design companies, and analyze cost and feasibility of suggested/proposed			

corrective measures.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-9.07	9/30/12	$50,000	Assist the regional economic development organization by providing specific opportunities for development and requirements necessary to use these facilities. A functions and requirements document will be developed for the regional economic development organization.

Acceptance Criteria

DOE-SR will review functions and requirements documentation, as well as perform review and analysis of estimates, alternatives, scenarios related to federal and state laws, regulatory requirements, standards, directives and funding as applicable and/or identified in the documentation.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 LS-9.08	6/30/12	$50,000	Perform pre-conceptual planning, with review by SMR vendors, which provides an independent cost review and program requirements documentation assessing the quantity of tritium that can be produced and power generated, and cost per gram estimated for each type of SMR reactor.

Acceptance Criteria

DOE-SR will perform a technical review of the estimates and proposed requirements related to the quantity of tritium produced and electrical power generation.

Performance Incentive Document

PBI Number:	SRNS2012SRNL
Activity Name:	Savannah River National Laboratory (SRNL)
WBS Number:	Multiple
Performance Period:	October 1, 2011 – September 30, 2012
Allocated Fee:	$4,000,000
Revision Number:	0

Senior level manager/Performance Incentive Manager:	Karen Hooker
Senior level supervisor/division manager:	Ann Thomas

Contract Performance Outcome:

SRNL's three-fold mission is to enable the success of SRS and the Office of Environmental Management (EM) operations and projects, to provide technical leadership for future site missions, and to utilize its technical expertise to provide vital national and regional support in achieving the broader goals of DOE and the federal government. The vision for SRNL is to be the nations' premier laboratory in Environmental Management, National & Homeland Security, and Energy Security (Source: SRNS Contract).

Contract Output SRNS2012SRNL-01:

Establish Center for Applied Separations Sciences and Engineering (CASSE).

Description/Background/Justification:

For over 50 years, the H Canyon/HB Line facility has performed radiochemical separations of irradiated fuel and targets to produce materials for national defense, research, medical use and the National Aeronautics and Space Administration (NASA). The re-emergence of the commercial nuclear power industry offers another opportunity to leverage the assets of the H Canyon facility in the national interest.

H Canyon and HB Line offer a unique combination of capabilities, equipment and

infrastructure that are not available anywhere else in the U.S. H Canyon can receive and dissolve irradiated nuclear fuel and targets, separating and recovering many useful products in a series of process cells using existing equipment. H Canyon design flexibility allows for equipment to be replaced or reconfigured to accommodate changing process demands, including the installation of stand-alone, modular processes configured on prefabricated structural frames. HB Line contains a series of shielded glove box lines that allow "hands-on" processing, including purification, solidification and packaging of smaller quantities of plutonium and other minor actinides or special products.

As commercial interest in all aspects of the nuclear fuel cycle accelerates, laboratory research and development for existing and advanced fuel cycles can be scaled up and demonstrated in H Canyon. Whether for an individual corporate sponsor or a public-private partnership, the investment made in the facility infrastructure, including "safety class" confinement systems, liquid waste handling facilities and trained workforce can provide a cost-effective option for the advancement of critical technologies for a sustainable nuclear energy future. The replacement cost for H Canyon/HB Line is estimated to be $15-20 billion and represents significant startup cost avoidance relative to establishing this kind of capability in a new facility.

Up to $75,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-1.01	9/30/12	$75,000	Assuming funding is available, develop a multi-institution partnership to establish the Center for Applied Separations Sciences and Engineering (CASSE). Identify partner organizations and execute Memoranda of Agreement/Understanding with appropriate institutions. Develop a governance model and establish a leadership and steering team for CASSE activities. Develop a CASSE Program Plan that addresses missions' needs and aligns work scope with facility capabilities and CASSE partner institutions.

Acceptance Criteria

- Review and evaluate Memoranda of Agreement/Understanding with appropriate institutions.
- Review and evaluate governance model and a leadership and steering team for CASSE activities.
- Review and evaluate Program Plan documentation that addresses mission's needs and aligns work scope with facility capabilities and CASSE partner institutions.

Contract Output SRNS2012SRNL-02:

Develop Solutions to advance the Nuclear Fuel Cycle R, D, & D Program.

Description/Background/Justification:

One of the most daunting tasks facing further deployment of nuclear power in the U.S. is the question of what to do with the used fuel once it is discharged from a reactor. Other countries have "closed the fuel cycle" and reprocess the used fuel in order to salvage much of the material for use in the manufacture of fresh fuel and reduce the volume of radioactive waste. In the U.S., reprocessing was stopped many years ago by Presidential mandate so used fuel must be stored indefinitely. This approach places our nuclear power program at a significant disadvantage for several reasons. First, large quantities of highly radioactive nuclear used fuel must be stored and managed at significant cost.

Second, used fuel stored in this way represents a security, health and safety, and environmental risk that must also be managed. Third, without a viable path to safe disposition of used fuel, the commercial nuclear industry is vulnerable to criticism by intervening groups and political pressure which makes investment in new plants unattractive. SRS will address these issues and further develop the safe technology for processing used fuel and retrieving the useful constituents while converting the waste to a safer form for permanent disposal.

Up to $225,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-2.01	9/30/12	$225,000	Execute all SRNS scope defined and funded by the DOE-NE Fuel Cycle Research & Development (FCR&D) program. Develop an integrated program plan to align SRS/SRNL facilities and capabilities with the Nation's Used Nuclear Fuel storage and disposition strategy as recommended by the President's Blue Ribbon Commission (BRC) on America's Nuclear Future. This is a key SRS strategic initiative that will help revitalize the site, SRNL, and their ability to continue to support EM.

Acceptance Criteria

- Reports, presentations, and publications associated with funded DOE-NE FCR&D scope.
- An integrated program plan aligning SRS/SRNL facilities and capabilities with the recommended actions from the BRC.

Contract Output SRNS2012SRNL-03:

Deliver products and services that reduce technical risk and enhance the schedule of liquid high level waste dispositioning.

Description/Background/Justification:

EM's goal at SRS is to reliably complete radioactive liquid waste treatment, safely manage

the treated waste and meet DOE commitments to close the liquid waste tanks, while incorporating new technology and to enhance efficiency as we go. In so doing, EM is closing the circle on the legacy of radioactive liquid waste. These programs support The Roadmap for EM's Journey to Excellence, December 2010, especially Goal 1 (Complete the three major tank waste treatment construction projects), and Goal 2 (Reduce the lifecycle costs and accelerate the cleanup of the Cold War legacy).

The insoluble sludge solids from tank waste are vitrified at the Defense Waste Processing Facility (DWPF) and converted into a solid glass form. This process safely and permanently immobilizes the waste material and enables permanent safe storage.

Design is nearing completion and construction has begun on a high capacity Salt Waste Processing Facility that will remove almost all the radioactivity from salt waste in SRS tanks. The removed radioactive component of the waste will be vitrified at DWPF for disposition off-site. This will enable cost effective conversion of the remaining decontaminated liquids from the tank waste to "saltstone" for safe onsite disposal.

The Tank Closure Program at SRS has made significant progress. Tank Closure Program activities are on schedule to meet or exceed all Federal Facility Agreement commitments.

Up to $1,735,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-3.01	9/30/12	$1,735,000	Objective evidence demonstrating satisfactory completion of quality products and provision of services (such as flow sheets, technology development and deployment) to reduce the technical risks and accelerate the schedule of EM liquid waste projects and operations and projects at SRS and across DOE. This includes technical support to SRS-focused Liquid Waste Operations and projects and other high level waste-related activities in the EM DOE Complex. Quarterly reports of progress will be provided. Funding, scope and schedule will be provided by EM-HQ and EM Customers. As EM customers task SRNL with work scope throughout FY12, SRNL will document the status of deliverables and milestones for each project and track progress.

Acceptance Criteria

Review and evaluate work deliverables and documentation quarterly to validate completion of milestones and deliverables. Solicit customer feedback to assess quality of SRNL work products and support.

Contract Output SRNS2012SRNL-04:

Deliver disposition paths for nuclear materials.

Description/Background/Justification:

SRS's unique facilities and capabilities enable it to support consolidation and processing of nuclear materials from other DOE facilities as well as other U.S. and foreign sources. This is important for reducing nuclear and proliferation threats, avoiding the additional costs of protecting materials at multiple sites and enabling closure of other facilities that are no longer needed.
The Site will continue to safely and securely store nuclear materials (plutonium, enriched uranium, used nuclear fuel, and other nuclear materials) pending disposition to meet commitments to the State of South Carolina.

Plutonium

SRS has been placed in a lead role by DOE to dispose of plutonium from the cleanup of weapons facilities throughout the DOE Complex.
Plutonium from the cleanup of weapons facilities (non-pit plutonium) has been primarily consolidated at SRS where, depending on future decisions, it is planned to be disposed of by a variety of alternative means including;
• Blending, packaging and shipping to the Waste Isolation Pilot Plant (WIPP) in New Mexico
• Processing through H Canyon and vitrifying with high level waste at the Defense Waste Processing Facility
(DWPF) at SRS
• Converting to reusable nuclear fuel

Highly Enriched Uranium

SRS continues to support the DOE complex-wide effort to down blend excess HEU to a more useable and less proliferable low enriched uranium (LEU) enrichment. The LEU is provided to the Tennessee Valley Authority (TVA). A TVA vendor then uses the LEU to manufacture commercial nuclear fuel for use in TVA reactors for the generation of electricity. Commitments of LEU delivery by SRS to TVA will be completed in FY11. Additional LEU commitments from the processing of Used Nuclear Fuel (UNF) could be made to TVA pending a decision by DOE to extend the provisions of an interagency agreement.

Used (Spent) Nuclear Fuel

SRS supports the nation's nonproliferation goals by receiving U.S. owned/loaned HEU fuel from foreign countries. The UNF is safely being stored in L Basin pending disposition.

Up to $375,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-4.01	9/30/12	$375,000	Objective evidence demonstrating satisfactory completion of quality products and provision of services (such as flow sheets, technology development and deployment including spent fuel and 3013 programs) to reduce the technical risks of EM operations and projects at SRS and across DOE. This includes technical support to SRS Nuclear Materials projects and operations. Quarterly reports of progress will be provided. Funding, scope and schedule will be provided by EM-HQ and EM Customers. As EM customers task SRNL with work scope throughout FY12, SRNL will document the status of deliverables and milestones for each project and track progress.

Acceptance Criteria

Review and evaluate work deliverables and documentation quarterly to validate completion of milestones and deliverables. Solicit customer feedback to assess quality of SRNL work products and support.

Contract Output SRNS2012SRNL-05:

Reduce greenhouse gas emission via Clean Alternative Energy Projects.

Description/Background/Justification:

SRS is heavily involved in several initiatives that will reduce greenhouse gases in accordance with Executive Order 13514. The SMR initiative mentioned earlier will have a significant benefit to this reduction when they are deployed. Further, SRNL's hydrogen center will continue to advance the concept of clean fuels based on the hydrogen technology that SRS has developed over years of tritium research and production. In the near-term, SRS is converting local steam and electrical generation facilities to cleaner bio-fueled technology with a reduced greenhouse gas environmental impact.

Hydrogen has the potential to play a major role in America's future energy system. An energy economy based on hydrogen could resolve growing concerns about America's energy supply, security, air pollution, and greenhouse gas emissions.

SRS has over 50 years of experience in developing and deploying technologies for safely and efficiently working with hydrogen. This expertise is grounded in five decades of technology support by SRNL for SRS's work with tritium, the radioactive isotope of hydrogen that is a vital component of modern nuclear defense. SRS operates the Hydrogen Technology Research Laboratory and works extensively with DOE, commercial companies, and national and international universities to expand the hydrogen and fuel cell infrastructure. SRS was awarded the lead for DOE's Hydrogen Storage Engineering Center

of Excellence and continues to work with DOE to expand the center's mission beyond transportation applications to stationary and portable hydrogen storage systems.

Further, the near-term conversion of SRS electrical and steam generation from traditional coal-fired boilers to new bio-fueled plants that significantly reduce Site contributions to greenhouse gases is another demonstration of the SRS commitment to modernize operations and reduce its environmental footprint. At present one bio-fueled cogeneration facility is in full operation and construction is well under way on a much larger, central generation facility that will allow the shutdown of the 50-year-old central coal-fired generation facility.

Projects to reduce greenhouse gas emissions are a key SRS strategic initiative and goal for EM sites. SRNL will be receiving about $8M in funding through EERE and the Office of Science. Although not EM funded, this work does support EM goals.

Up to $600,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-5.01	9/30/12	$160,000	Through the Hydrogen Storage Engineering Center of Excellence (HSECoE), complete demonstration of a flow through cooling system and verify thermal models for a cryo-adsorbent media. Funded by DOE EERE.
Acceptance Criteria			
Deliver to DOE-EERE Milestone documentation for meeting HSECoE key milestone.			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-5.02	9/30/12	$75,000	Provide direct technical assistance in the design, specification, integration, configuration, and deployment of a high fidelity, custom Data Acquisition System (DAS) for the Drive Train Test Facility (DTTF). Issue the design drawings for the DAS for the 7.5 Mega Watt test rig. Write and issue all purchasing information and specifications for the DAS equipment for the 7.5 Mega Watt test rig. Funded by DOE EERE.
Acceptance Criteria			
• Transmittal letters of Design drawings • Transmittal letters of Purchase Specifications			

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-5.03	9/30/12	$30,000	Perform a risk assessment of algal production systems on a DOE EERE Office of Biomass funded project. Execute all scope associated project within defined scope and schedule. Complete "Results

			and Risk Analysis Report" with recommendations.

Acceptance Criteria			
Review and evaluate work deliverables and final report. Solicit customer feedback to assess quality of SRNL work.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 SRNL-5.04	12/31/11	$85,000	Deliver to US ITER Project Office (US IPO) documentation and make presentation for SRNL scope (Tokamak Exhaust Process) for Office of Science Review.
Acceptance Criteria			
Evaluation of documentation to US IPO.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 SRNL-5.05	9/30/12	$250,000	Provide direct technical performance of the design, specification, integration, and configuration of the ITER TEP project. Transmittal of documents to ITER International Organization: Evaluation of vendor manufacturing study on the conceptual design of TEP, Updated TEP Process Flow Diagram, and suggested compensatory measures to comply with the French regulation (ESPN/PED) of hydrostatic testing for TEP tritium equipment. Funded by Office of Science.
Acceptance Criteria			
Evaluation of documentation.			

Contract Output SRNS2012SRNL-06:

Develop and deploy Next Generation Cleanup Technologies.

Description/Background/Justification:

The environmental cleanup of SRS will continue to receive emphasis for the foreseeable future as we reverse the environmental impact from legacy operations performed on the Site. With each success, the Site becomes safer for future generations and less costly to maintain. These cleanup operations are not trivial nor are they straightforward.

SRS has had to develop new and innovative applied technologies in order to accomplish much of the cleanup. This will continue to be the case as the cleanup challenges get more and more difficult. SRS plans to make these new technologies available across the country and internationally to assist others in their own cleanup efforts.

Up to $375,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-6.01	9/30/12	$375,000	Objective evidence demonstrating satisfactory completion of quality products related to technology development and deployment of cleanup technologies primarily in Soil and Groundwater and D&D. This includes technical support to DOE-EM HQ, SRS contractors and EM DOE Complex. Quarterly reports of progress will be provided. Funding, scope and schedule will be provided by EM-HQ and EM Customers. As EM customers task SRNL with work scope throughout FY12, SRNL will document the status of deliverables and milestones for each project and track progress.

Acceptance Criteria

Review and evaluate work deliverables and documentation quarterly to validate completion of milestones and deliverables. Solicit customer feedback to assess quality of SRNL work products and support.

Contract Output SRNS2012SRNL-07:

Expand reach and impact of National Center for Radioecology.

Description/Background/Justification:

SRNL is the lead and is teaming with leading U.S. and international universities, including SREL, as part of the National Center for Radioecology. Radioecology (NCoRE) is a branch of ecology, which studies how radioactive substances interact with nature; how different mechanisms affect the substances' migration and uptake in the food chain and ecosystems. The Site has long been a premier research center for the study of how radionuclides interact and affect the environment. We will expand this effort and provide knowledge which will be applied worldwide to minimize and manage any adverse environmental impacts due to the use of nuclear energy or nuclear material (e.g., medical isotopes, nuclear instruments) production. This work will support SRS, other DOE sites, and the global community in the field of radioecology.

Up to $115,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-7.01	9/30/12	$115,000	Assuming funding is available, lead and expand with NCoRE key partners, including SREL, in establishing radioecology research needs and

			priorities. Utilize SRS Site facilities. This will include studies of lessons learned from the Japanese Fukushima incident. Expand NCoRE key partners by completing agreements with McMaster University and Russian Institute of Agricultural Radiology and Agroecology. Organize and hold a special session on radioecology at a national society conference (e.g., ANS or HPS). Initiate preparation of and/or publish special supplements on radioecology in the Health Physics journal. Submit proposals with key partners for radioecology projects. Support/host radioecology graduate students with key partners.

Acceptance Criteria

Review and evaluate the following:

- Documentation of NCoRE meetings and national conference special sessions
- Completed Memoranda of Agreement/Understanding with new key partner
- Documentation or copies of special supplements in Health Physics
- Copies of submitted research proposals
- Documentation associated with NCoRE graduate students

Contract Output SRNS2012SRNL-08:

Leverage and revitalize assets to solve National issues.

Description/Background/Justification:

Although SRNL was originally built as a part of the nuclear weapon complex to maintain the U.S. nuclear deterrent, the facilities obtained and constructed for that purpose represent a significant asset to the country and have the potential to be repurposed to solve National issues. SRNL will actively seek ways to revitalize and present these assets for more wide-spread beneficial use.

Up to $500,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-8.01	9/30/12	$300,000	SRNL will implement candidate IGPP capital projects needed to restore and sustain critical facility infrastructure considered necessary to allow adequate safe operations and support Site and Headquarters EM missions. This assumes funding level is sustained at $4M for FY12.

Acceptance Criteria

Review and evaluation of documentation for completion of planned scopes of IGPP projects.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SRNL-8.02	8/31/12	$75,000	Modify and revitalize 705-A for new National Security missions for DOE-IN. 705-A will be ready for inspection per OSR 20-22, SRS Final Acceptance Inspection. $1-1.5M will be spent on this project in FY12 ($4M total).
Acceptance Criteria			
Review and evaluation of documentation that 705-A will be ready for inspection per OSR 20-22, SRS Final Acceptance Inspection.			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 SRNL-8.03	9/30/12	$25,000	Review and approve DSA Major Upgrade.
Acceptance Criteria			
Review and evaluate documentation for the SRNL DSA Major Upgrade, including DSA, DOE-SR Manager approval letter, and the Safety Evaluation Report (SER).			
Number	**Date**	**Fee**	**Contract Output Completion Criteria:**
SRNS2012 SRNL-8.04	9/30/12	$100,000	Meet project milestones on the approved schedule for the Y189 Project, E-wing Ventilation. (assumes $1.3M funding)
Acceptance Criteria			
Review of work completion in accordance with the project schedule and associated documentation.			

Performance Incentive Document

PBI Number:	SRNS2012SUBJ
Activity Name:	Management & Operations - Subjective
WBS Number:	Various / Indirect
Performance Period:	October 1, 2011 – September 30, 2012
Allocated Fee:	$5,039,000
Revision Number:	0

Senior level manager:	Doug Hintze Assistant Manager Mission Support (AMMS)
Senior level supervisor/division manager:	Nick Delaplane

Contract Performance Outcome:

Operations Support

The Contractor shall implement site-wide programs and coordinate their implementation with all site organizations. The Contractor shall provide technical support for all its activities and operations. The Contractor shall also provide technical support for other organizations as directed by the CO or as requested by other organizations and approved by the CO. Except as otherwise directed by the CO, services to other contractors generally do not extend to within their facilities or areas under the control of other tenant organizations.

Business Services

The Contractor shall provide general planning, management and administrative services for all its activities and for other organizations as directed by the CO.

Contract Output SRNS2012SUBJ-01:

This incentive is measured with an adjectival rating to measure technical performance, cost control, schedule performance and business relations / management for all of the fiscal year 2012 authorized scope.

This Contract Output will receive an adjectival grade and numerical score. In order to provide for consistency across the Complex, DOE-SR will use the five tier adjectival ratings and definitions set forth in FAR 16.4 described below.

Adjectival Rating	Percent of allocable fee	Definition
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 as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
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 as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Good	51% to 75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Satisfactory	1% to 50%	Contractor has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

Description/Background/Justification:

To achieve its vision and implement all desired management improvement efforts will require an organized, systematic approach to project execution. EM has developed and implemented the EM Program Management System (EMPMS) to clarify roles and responsibilities, to provide for more integrated operations, and to further establish a solid baseline for workforce planning.

The EMPMS is a performance-based management system. Performance-based management uses performance measurement information to help set agreed-upon performance goals, to allocate and prioritize resources, to inform managers so they can manage program activities to meet those goals, and to report on their status. It also offers opportunity to learn from any

failures in performance and to continuously improve management practices.

The IPT, as identified in the PEMP, will conduct informal surveys of the following organizations in order to solicit feedback related to contractor performance in the areas of Business Relations, Technical Quality, Cost Control and Schedule (timeliness):

- Assistant Manager for Infrastructure and Environmental Stewardship (AMIES)
- Assistant Manager for Mission Support (AMMS)
  - Assistant Manager for Integration and Planning (AMIP)
  - Office of Acquisition Management (OAM)
  - Office of Human Capital Management (OHCM)
- Assistant Manager for Nuclear Material Stabilization Project (AMNMSP)
- Assistant Manager for Waste Disposition Project (AMWDP)
- Office of Field Chief Financial Officer (CFO)
- Office of Chief Counsel (OCC)
- Office of Civil Rights (OCR)
- Office of External Affairs (OEA)
- Office of Laboratory Oversight (OLO)
- Office of Safety and Quality Assurance (OSQA)
- Office of Safeguards, Security and Emergency Services (OSSES)

SRNS organizations will provide monthly self-assessments throughout the performance period to provide contractor feedback in cross-cutting areas of performance, such as safety, efficient use of trained and qualified human capital, quality, continuous improvement, cost effectiveness, timeliness of deliverables, compliance with contract, etc. The self-assessments will be used to measure and report contractor technical performance (quality of product/service), cost control, adherence to schedule, and business relations / management as these relate to the contractor support of the individual and collective DOE organizations. These self-assessments will be captured on the electronic web-based DOE Scorecard and used to facilitate enhanced communication between DOE-SR and SRNS.

These assessments are critical to record contract performance that is considered implicit, or subjective. Clear measures will be defined and consistent with standards of reporting contractor performance (FAR 42.15, FAR 15.3, FAR 9.1, and DEAR 909.1), The Federal Acquisition Streamlining Act of 1994, and the federal acquisition guide, chapter 42.15.

Subjective incentives use adjectival measures related to quality of service or product. The success of a contractor against subjective measures is determined by the government, which will consider the related conditions under which the work was performed and the contractor's specific performance as measured against the government's objective.

Customer service is an implicit performance expectation. Both federal and contractor employees will strive to reach mutual expectations and conduct beneficial communications in support of site missions.

Per contract clause H-33: PROVISIONAL PAYMENT OF INCENTIVE FEE, the contractor may request monthly provisional fee payments for up to 1/12th of 50% of the total subjective fee for the performance period. Provisional fee is not considered earned fee and is contingent upon a final fee determination by the Fee Determination Official.

Up to $5,039,000 of the allocated fee will be paid for this Contract Output.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2012 SUBJ-1.01	9/30/12	$5,039,000	Provide a monthly report measuring trends and improvements in technical, cost, schedule performance and business relations / management activities. The report will include trending data and analysis of direct program (PBS) continuous improvement efforts, and cost performance of the Indirect cost pools (Essential Site Services and G&A).

Acceptance Criteria

DOE-SR will review the contractor monthly report measuring technical, cost, schedule performance and business relations / management in accordance with site performance reporting to support the DOE-SR Contractor Performance Assessment Reporting (CPAR) requirements.

Attachment D, NNSA Performance Incentive Documents for fiscal year 2012

(See attached)

Performance Fee Agreement

PBI Number: SRNS2012TP

Activity Name: Tritium Programs

WBS Number: 1.03

Performance Period: October 1, 2011 - September 30, 2012

Allocated Fee:	Objective Amount: *(45% of allocated fee)* Nominal $6,252,750	Subjective Amount: *(55% of allocated fee)* Nominal $7,642,250

Revision Number: Revision 0

Senior level manager name:
Douglas Dearolph

Senior level supervisor/division manager name:
Tim Fischer

Performance Outcome:

The Contractor shall manage the Tritium program as a defined severable work activity within the Management and Operating (M&O) contract structure so that it will be positioned to be responsive to any future direction with the National Nuclear Security Administration (NNSA) Nuclear Security Enterprise (NSE).

Contract Output: SRNS2012TP

The Tritium Performance Fee Agreement has eight contract outputs which are fully developed in the Tritium Performance Based Incentives (PBI). A summary of each contract output is provided below. The Performance Outcome and associated Contract Outputs and Completion Criteria are based on anticipated fully-funded NNSA-Headquarters (HQ) program level Work Authorizations. In the event there are any substantive differences identified in work scope or funding, this PBI will be modified in a timely manner to allow the allocated fee to be earned in FY 2012. The PBI includes both objective and subjective performance elements. The subjective elements will receive an adjectival rating using the enclosed Subjective Rating and Criteria Description table.

Number	Value	Indicator
SRNS2012TP-01	$3,473,750	Support the nuclear weapons stockpile by safely providing tritium and non-tritium loaded reservoirs to the Department of Defense and NNSA (i.e., Pantex Plant) in accordance with NNSA guidance and direction. Provides incentive to the contractor to meet all requirements associated with the Helium 3 mission. Provide the contractor incentive to achieve NNSA Reservoir Surveillance Operations work scope that is required for continuing Stockpile certification, Life Extension Program, First Production Unit and related functions. Includes receipt and extraction of tritium from irradiated Tritium-Producing Burnable Absorber Rods (TPBARs).
SRNS2012TP-02	$694,750	Conduct research and development and Science, Technology and Engineering (ST&E) sustainment activities that solve complex problems related to mission of SRSO and the NNSA. These activities are sponsored by the Readiness and Engineering Campaigns, and Plant-Directed Research & Development (PDRD) and support development activities for NNSA missions at Savannah River and other NNSA sites and maintain skill and core competencies that are critical to mission sustainability and execution.
SRNS2012TP-03	$694,750	Support the Tritium Programs mission by safe and efficient execution of projects.
SRNS2012TP-04	$1,389,500	NNSA Multi-Site Incentives
SRNS2012TP-05	$694,750	Governance: Support the NNSA Governance Reform initiative being implemented across the Nuclear

		Security Enterprise (NSE).
SRNS2012TP-06	$2,779,000	Operations: Maintain the Tritium Facilities in a safe, secure and responsive operating condition. Facility and Site Management/ Maintenance Operations and Work Planning Quality Assurance Engineering Nuclear Safety and Fire Protection Radiation Protection Training and Qualification
SRNS2012TP-07	$2,084,250	ES&H and S&S: Maintain the Tritium Facilities in a safe, secure and responsive operating condition. Emergency Management Health & Safety (excludes fire protection) Environmental and Waste Management Safeguards and Security Cyber Security Project Management
SRNS2012TP-08	$2,084,250	Business: Maintain the Tritium Facilities in a safe, secure and responsive operating condition. Fiscal Management Program Management Information Technology/Process Control Modernization e-Sourcing

Evaluation Criteria:

SRNS2012TP — Objective and subjective evaluation criteria will be used to document review and acceptance of this performance fee agreement.

Objective Evaluation Criteria: — Will be evaluated as performance is completed and will be discussed and documented in the monthly SRSO and contractor performance meeting.

Subjective Adjectival Rating Criteria: — For those Completion Criteria that receive an adjectival grade and numerical score the following table will be used to define the different levels of performance and the corresponding grade/score that goes with the evaluation thereof.

Subjective Rating Criteria	Subjective Rating Evaluation Criteria Description	At Risk Fee Earned
Excellent	Contractor has exceeded almost all of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	91 – 100%
Very Good	Contractor has exceeded many of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	76 – 90%
Good	Contractor has exceeded some of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	51 – 75%
Satisfactory	Contractor has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	1 – 50%
Unsatisfactory	Contractor has failed to meet overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	0%

Contract Output 1. Support the nuclear weapons stockpile by safely providing tritium and non-tritium loaded reservoirs to the Department of Defense and NNSA (i.e., Pantex Plant) in accordance with NNSA guidance and direction.

This work is the highest priority Stockpile Stewardship mission at the Savannah River Site. This Contract Output provides the contractor incentive to meet all Production Directive and shipping commitments on schedule. The work covered by this Contract Output is to accomplish the Directed Stockpile Work (DSW) mission to provide loaded reservoirs in support of the nuclear weapons stockpile, and to meet all monthly directive commitments for delivery of Limited Life Components (LLC) to the Department of Defense and Pantex Plant.

In addition to providing reservoirs to meet LLC directive commitments, a goal of this PBI is to drive the improvement of reservoir quality for each weapon system. The goal is to achieve a high Tritium Production Acceptance Group (TPAG) acceptance rate for each reservoir system.

This Contract Output provides contractor incentive to meet all requirements associated with the Helium-3 mission.

This Contract Output also provides the contractor incentive to achieve NNSA Reservoir Surveillance Operations (RSO) work scope that is required for continuing Stockpile certification, Life Extension Program First Production Unit, and related functions. The Gas Transfer System (GTS) testing program is a key activity in the Nuclear Weapons Stockpile Surveillance Program. The NNSA and Design Agencies have placed a high priority on timely GTS testing and reporting. The on-time delivery of GTS test data provides key information on the performance and aging effects of GTS components, and support decisions for future weapon design.

The work scope consists of function testing, burst testing, nondestructive examinations, and metallographic examination of Stockpile Laboratory Tests (SLTs), Retrofit Evaluation System Tests (RESTs), and similar testing of units from the Life Storage Program (LSP). The work scope also includes testing of production samples. Other activities in support of the surveillance program include loading, unloading, reclamation, and storage of LSP reservoirs. Work scope is considered complete when 1) GTS performance data is documented in Rapid Analysis Promulgated To Obtain Results (RAPTOR) reports and 2)
destructive examination results are documented in Reservoir and Integrated Surveillance Information Network (RAISIN) reports for SLT and REST units, Metallurgical reports for LSP units, and annual production sample pinch weld reports for production samples. Specific work scope is documented and tracked to completion in the RSO schedule.

Extract tritium from irradiated Tritium-Producing Burnable Absorber Rods. The work scope consists of completing selected tritium production-related milestones that are significant to support the Tritium Readiness Program and operation of the Tritium Extraction Facility (TEF) to receive and extract TPBARs. The TEF will be operated in accordance with the TEF Annual Operating Plan and the Responsive Operations Plan.

ARMs: This contract output provides incentive to the contractor in FY12 for scope associated with the ARMS II computer system as described in the post project scope cost, plan, and schedule transmitted in FY10 (Tritium Automated Reservoir Management System (ARMS) Modernization Post-Project Plan (Rev. 0) dated January 28, 2010). Stretch completion criteria have been identified that ensure progress is being made towards supporting the July 2013 ARMS II implementation date.

Up to $3,473,750 of the allocated Tritium Programs PBI fee may be earned by Contract Output 1. The available fee, portion of the maximum Contract Output 1 fee, and criteria for payment are as follows.

Essential Fee

1. $972,650 available fee for Completion Criterion 1. Monthly fee payments (1/12th of the available fee) will be earned, consistent with successful monthly performance of Completion Criterion 1.
2. $694,750 available fee of the Contract Output may be earned at the end of the assessment period for the completion of Completion Criterion 2.
3. $277,900 available fee of this Contract Output may be earned for the completion of Completion Criterion 3.
4. $416,850 available fee for Completion Criterion 4. Fee payments will be made quarterly, consistent with completed performance of Completion Criterion 4 at the end of each quarter (December 31, 2011; March 31, 2012; June 30, 2012 and September 30, 2012).
5. $277,900 available fee for Completion Criterion 5. Fee payments will be made quarterly consistent with completed performance of Completion Criterion 5 at the end of each quarter (December 31, 2011; March 31, 2012; June 30, 2012 and September 30, 2012).
6. $138,950 available fee for Completion Criterion 6. Fee payments will be made at the completion of Criterion 6.
7. $416,850 available fee for Completion of Criterion 7. Fee payments will be made at the completion of Criterion 7.
8. $277,900 available fee for Completion of Criterion 8. Fee payments will be made at the completion of Criterion 8.

Completion Criteria

1. Complete the monthly loading, packaging, and shipping of reservoirs per Savannah River Site Office (SRSO) Production Directive and the monthly shipping schedule. Perform delegated stamping authority and ship product as scheduled that meets NNSA quality acceptance and shipping requirement.
2. The total reservoir product of all weapon systems will have a facility TPAG acceptance rate of 98.5% or greater for completed items. The weapon systems to be measured are B61, W76-0, W76-1, W78, W80, B83, W87, and W88. The calculation will be annualized such that the defect rate will be based on the total number of reservoirs submitted for inspection during the year. If the TPAG acceptance rate performance is 98.5% or greater,

then 100% of the available fee will be earned. The fee earned for this Completion Criterion will be determined as follows:

a. TPAG acceptance rate greater than or equal to 98.5%, fee earned will be 100% of the available fee.

b. TPAG acceptance rate equal to 98.0% but less than 98.5%, fee earned will be 75% of the available fee.

c. TPAG acceptance rate equal to 97.0% but less than 98.0%, fee earned will be 50% of the available fee.

d. TPAG acceptance rate less than 97.0%, no fee will be earned for this Completion Criterion.

3. The Helium-3 program is executed to support the Memorandum of Understanding between the NNSA-SRSO and the Department of Energy (DOE) Isotope Program.
   a. Process Helium-3 by-product so that it is available for sale through the DOE Isotope Program. This is to be accomplished without adverse impact to the central mission of the H-Area New Manufacturing (HANM) facility.
   b. Complete first byproduct loading run for Project Y504, He-3 Separation and Bottling Process by June 30, 2012. Completion is recognized at receipt of satisfactory mass spectroscopy results.
   c. Complete operations plan (schedule and cost estimate) for extraction of He-3 from process beds by February 29, 2012, if funded.

4. Function Testing. Completion of 140 Function Test Equivalents with test data documented in RAPTOR reports.
5. Post-Function Testing. Completion of destructive examinations of 35 LSP units and documentation of results in Metallurgical reports.
6. Receive Cycle 10a and 10b TPBARS and place in storage by December 30, 2011. Activity is complete when Cycle 10a and 10b TPBARs are in storage location in the TEF Remote Handling Building.
7. Extract Cycle 10a TPBARS by July 31, 2012. Tritium extraction activity is complete when gas has been extracted and is accounted for in ARMS.
8. Continue to follow the baseline (ref. FY10 PBI ARMS 2 Implementation Cost Plan & Schedule) from the ARMs implementation plan for FY 12 to include:

   a. Accelerate the H1616 container certification and management scope from the plan. Complete the outlined scope and have operational by March 31, 2012.
   b. Accelerate the Non-robust container scope from the plan and have programming completed by April 30, 2012
   c. Accelerate and complete post project scope programming and validation testing on the W80 and W87 (tritium filled) programs by March 31, 2012.

Assumptions

1. For Completion Criterion 1.
   a. The basis for evaluation will be loading / shipping of Production Directive requirements as specified to the contractor by NNSA-SRSO in a 3 month "look ahead" Production Directive schedule. A new Production Directive will be issued by NNSA-SRSO each month. If SRNS considers that the specified schedule changes will increase costs or delay any delivery, SRNS shall promptly notify the NNSA-SRSO Contracting Officer, orally, followed by confirmation and explanation of the notification in writing within 5 working days. Following submission of the written notice of impacts, SRNS shall await further direction. Shipping is performed in accordance with a monthly shipping
   schedule. If packaging is completed but a shipment is missed for some reason beyond SRNS control, the Completion Criteria shall be considered complete.
   b. Performance is evaluated monthly. Any missed shipment as a result of SRNS performance will result in nonpayment for that month's portion of this Contract Output.
   c. Failure to maintain acceptable quality performance, as indicated by the following established metrics will subject SRNS to the following described fee reductions.

      1. Cost of Non-Conformance (CONC) evaluates the Tritium Facilities cost of nonconformance as compared to the Tritium Facilities total product cost. A fee deduction may be imposed if cost exceeds 1.5% in any month. At the end of the PBI period if the annual CONC is less than or equal to 1%, SRSO may grant payment of any previously unearned CONC fee.

      2. The maximum total fee deduction associated with any month's reservoir shipment (Completion Criteria 1) cannot exceed the monthly maximum fee payment.

2. For Completion Criteria 2, TPAG formula is based on the following;
   a. The formula for arriving at a Fiscal Year To Date (FYTD) percentage for First- Time Use Evaluation (FUE) is as follows: Combined percentage ((Monthly percentage of finished units accepted + Monthly percentage of reclamation units accepted) /2) provides the average monthly percentage. To annualize the monthly averages are added together YTD divided by the number of months YTD.

3. For Completion Criterion 4.
   a. This PBI will use the Function Test Equivalents which have been developed and jointly agreed upon by SRSO and SRNS. Test equivalents may be modified to respond to changes in testing requirements or methodology by SRSO or the Design Agencies.
   b. Completed function tests that have not had their respective RAPTOR reports issued before the next fiscal year begins for reasons not attributable to SRNS performance shall not be cause for fee reduction.
   c. Completion Criteria delays resulting from a function test system or environmental conditioning system malfunction not attributable to SRNS performance will allow the adjustment of the Completion Criteria and reallocation of the fee. SRSO has accepted risk for single-point failure in lieu of additional costs to provide redundant and backup capability.

Government Furnished Services / Items

1. War Reserve components required from other sites to support the Production Directive must be received at SR, free of defects, with sufficient plant required lead time in advance of the scheduled ship date. Processing and shipping of components not meeting these requirements, and / or due to changes to the Production Directive less than 90 days in advance of the ship date, will be accomplished in a "best effort" manner, and SRNS will not be penalized for failure to meet the scheduled date.
2. Supporting agencies must provide timely delivery of components required for testing.
3 There will not be a delay in testing that is directed from the Design Agencies due to systematic anomaly not associated with SRNS negligence.
4. For Completion Criteria 6 and 7 related to receive and extract TPBARS, the TPBARs must be received on the SRS property from TVA and NAC by October 24, 2011. If the casks are received beyond this date, there will be a day-for-day slip in the completion dates for these activities.

Contract Output 2. Conduct Research and Development and Science, Technology and Engineering (ST&E) sustainment activities that solve complex problems related to mission of SRSO and the NNSA.

These activities are sponsored by the Readiness and Engineering Campaigns, and Plant-Directed Research & Development (PDRD) and support development activities for NNSA missions at Savannah River and other NNSA sites and maintain skill and core competencies that are critical to mission sustainability and execution.

Research and development activities are conducted to solve complex problems related to the mission of SRSO and the NNSA.

A focused research and development program advances the design and manufacture of Gas Transfer System components and manufacturing methods.

This Contract Output provides the contractor incentive to complete research and development activities that support NNSA missions at Savannah River and other NNSA sites and maintain skill and core competencies that are critical to mission sustainability and execution.

Up to $694,750 of the allocated Tritium Programs PBI fee may be earned by Contract Output 2 as follows.

Essential Fee

1. $69,475 available fee for this Contract Output may be earned for the completion of Criterion 1.a.
2. $69,475 available fee for this Contract Output may be earned for the completion of Criterion 1.b.
3. $138,950 available fee for this Contract Output may be earned for the completion of Criterion 1.c.
4. $138,950 available fee for this Contract Output may be earned for the completion of Criterion 2.a.
5. $69,475 available fee for this Contract Output may be earned for the completion of Criterion 2.b.
6. $69,475 available fee for this Contract Output may be earned for the completion of Criterion 2.c.
7. $138,950 available fee for this Contract Output may be earned for the completion of Criterion 2.d.

Completion Criteria

1. **STOCKPILE SUPPORT**

1.a Annual Stockpile Aging Assessment Report.

Deliverable: Perform tests to quantify and understand tritium effects on fracture toughness properties of reservoir structural materials as directed by the weapons Design Agencies. Prepare samples, expose to tritium and/or hydrogen, and perform mechanical tests. Complete an annual Enhanced Surveillance stockpile aging assessment and Issue annual report to NNSA-HQ by November 30, 2011.
Why it's Important: Provides input to Los Alamos and Sandia to support the annual assessment process and the Technical Basis for Stockpile Planning (TBSTP). Funded by Engineering Campaign.

1.b Stockpile Surveillance Transformation Support.
Deliverable: Annual report of aging studies and diagnostic development activities to NNSA- HQ March 31, 2012
Why It's Important: Supports the development of aging models and assessments, diagnostics, and tools needed to achieve science based lifetime predictions and stockpile surveillance transformation (MYSO). Funded by Engineering Campaign.

1.c Aging Studies of EPDM O-Ring Material for H1616 Containers
Deliverable: Perform testing to develop technical bases to extend the life time of EDPM O-Rings used to seal the H1616 Containers. Provide a status report on Phase I of the testing.
Why It's Important: The purpose of this scope of work is to evaluate O-ring material performance to determine whether the EPDM seals can withstand a lifetime within the H1616 (-1 &-2) containers of up to at least two years and possibly longer. This is a substantial cost savings.
FUNDED in DSW.

2 MODERNIZATION

2.a Mini-TCAP System Demonstration.
Deliverable: Design and develop engineering Design Input Document for a Plant Configured Mini-TCAP System; fabricate, and demonstrate a plant-configured Pd/K –MS experimental unit with D2/H2 separation by 9/30/2012.
Why It's Important: To totally eliminate the use of hot/cold nitrogen in the Process, the 3 current users, namely 1) current TCAP units, 2) Flow Through Beds (FTBs), and 3) hydride storage beds must be re-designed to perform without the hot/cold nitrogen system. This project will demonstrate acceptable operation of a HOT/Cold nitrogen free Mini-TCAP plant configured unit.
FUNDED by continuing PDRD activity into FY12.

2.b Tritium Advanced Research Test Facility (Function test station and tritium gas handling glove box) conceptual design.
Deliverable: Complete conceptual design study and cost estimate for a R&D Function Test Station & Glovebox at SRS by 9/30/12.
Why It's Important: Provides cost estimate and schedule information to enable the proposed project. Sandia intends to establish on-going tritium R&D activities at Savannah River in support of Sandia GTS development. Having the ability to perform R&D function

tests without displacing Surveillance tests will support both GTS development and Surveillance. This supports and enables the Tritium R&D Mission ROD.
Funded by Stockpile Readiness Campaign.

2.c FISH (Four Inch Short Hydride) Beds Development

Deliverable: Experimentally verify that engineering strains under design conditions are within ASME Code allowable on the prototype FISH bed, and document results by 9/30/2012.
Why It's Important: To totally eliminate the use of hot/cold nitrogen in the Process, the 3 current users, namely 1) current TCAP units, 2) Flow Through Beds (FTBs), and 3) hydride storage beds must be re-designed to perform without the hot/cold nitrogen system. The FISH beds are the proposed replacement storage beds that do not use Hot/Cold nitrogen.
FUNDED by continuing PDRD activity into FY12.

2.d Micro-TCAP System Demonstration

Deliverable: Design and develop Micro-TCAP units to support tritium & deuterium NA-11 and NA-12 cleanup requirements at the LLNL NIF and University of Rochester OMEGA facilities. Construct and test the OMEGA Facility Unit by 9/30/2012
Why It's Important: The National Ignition Facility (NIF) at LLNL and the OMEGA Facility in the Laser Lab for Energetics (LLE) at the University of Rochester use tritium and deuterium in the targets for the fusion energy experiments at each facility. The Micro-TCAP Units will allow both facilities to perform T2/D2/H2 isotope separation at the facilities, avoiding the shipment of T2/D2/H2 mixtures over the road to SRS for separation. The on-site separation capability will also allow LLNL to close couple the target manufacturing process, and meet a more aggressive shot schedule as the experiments escalate.

UNFUNDED. Expected Funding source is NA-11 and NA-12.
GFSI: $400K Funding from NA-11. Project execution is contingent on timely receipt of funding.

Assumptions

None

Government Furnished Services / Items

1. Tritium Advanced Research Test Facility design and cost element is contingent upon receipt of funding.
2. Project execution for Micro-TCAP System Demonstration is contingent on timely receipt of $400K funding from NA-11.

Contract Output 3. Support the Tritium Programs missions by safe and efficient execution of projects.

Up to $694,750 of the allocated Tritium Programs PBI fee may be earned by Contract Output 3.

Essential Fee
$694,750 available fee for this Contract Output may be earned for the completion of Criterion 1.

Completion Criteria

1. The following project work is to be completed in FY12 and SRSO will allow Tritium Programs to manage the work scope to achieve the lowest cost to NNSA by leveling work scope for design authority, design, and construction resources while expending the desired funds for Fiscal Year 2012. **All specified work will be completed by September 28, 2012 within approved baselines.**

1. Facility Projects

a. For the Project Y551, Replace HANM UPS, the new UPS will be mechanical complete. Procurement of the UPS will start in FY11 and it is assumed that funding required to meet the milestone is available in FY12 . This achieves replacement of the old existing UPS; thereby reducing HANM deferred maintenance.

b. For Project Y552, UPS Bypass, will be mechanical complete. This project will reduce production downtime in HANM in the future when other UPS work is needed.

c. For Project, SS System Piping Modifications, will be design complete. This scope must be accomplished and ready for construction activities to run parallel to an ARMS outage in FY13. Otherwise, two significant loading outages will be required instead of one.

d. For Project Y587, TEF Tie-in DCS to HANM, the facility will demonstrate operations. Completion of this scope allows the program to achieve the final cost reductions of the TEF Responsive Operations Plan.

e. For Project Y608, TEF Diffuser Stacking, design will be completed. Completion of this scope reduces risk to stacking operations in both TEF and HANM.

f. For TRIM project, Removal of Compressor A (part of HANM Finishing scope), conceptual design will be complete. This scope provides a refined estimate and schedule to complete a portion of the TRIM scope.

g. For Project Y554, Unloading Line B Modification, will be mechanical complete. Completion of this project allows for unloading of Gas Transfer Systems in the existing stockpile and recovery of tritium for future loading commitments.

h. Electrical Metering Project – For the Energy Modernization and Investment Program (EMIP), complete the facility metering project to install electrical meters on HANM substation T2, the unclassified data center in 248-H, and the classified data center in 248-H. This PBI assumes additional energy funding is available Oct 1, 2011 to allow for a conceptual design start early in FY12.

Assumptions

Assumptions are included in the individual Completion Criteria.

Government Furnished Services / Items

1. Electrical Metering Project – requires additional energy funding is available Oct 1, 2011 to allow for a conceptual design start early in FY12.

Contract Output 4. Participate in the NNSA Multi-Site Incentives and NNSA Nuclear Security Enterprise Initiatives.

Participate in the NNSA Multi-Site Incentives (MSIs) by working with Nuclear Security Enterprise partners to achieve Enterprise-wide goals. Although SRS Tritium Programs' level of participation will vary across the individual Multi-Site Incentives, the distribution of available fee according to Assumption 1 encourages partnership with other Nuclear Security Enterprise (NSE) sites to achieve NNSA's objectives. This is the purpose of Multi-Site Incentives.

Up to $1,389,500 of the allocated Tritium Programs PBI fee may be earned by Contract Output 4 as follows.

Essential Fee

1. $1,389,500 available fee of this Contract Output may be earned at the completion of Completion Criterion 1. The fee is distributed per Assumptions 1 and 2.

Completion Criteria

1. Participate in the FY 2012 MSIs cited in the NNSA Milestone Reporting Tool (MRT) by working with Nuclear Security Enterprise (NSE) partners to achieve NSE-wide goals. Successful completion for each individual milestone within the overall MSI is assigned by NNSA Headquarters. Any unspecified % allocation to the Site Office Manager discretion will be provided as Technical Direction to the Contractor subsequent to this PBI approval.

Multi-Site Target Assumptions

1. Letter, NA-10 to Distribution, FY2012 Multi-Site Targets and Success Criteria.
2. Inclusion of specific scope and fee distribution into this PBI will be accomplished through a letter issued by the National Nuclear Security Administration Savannah River Site Office (NNSA-SRSO) Manager to Savannah River Nuclear Solutions, LLC (SRNS).

Government Furnished Services / Items

1. NNSA Headquarters defines the FY 2012 Multi-Site Incentives with associated completion criteria and fee distribution method.

Contract Output 5. Governance (Business Management)

This Contract Output emphasizes Performance Activities that enable implementation of Governance for SRNS Tritium Programs.

This Contract Output has a two Completion Criteria associated with Governance in the following areas:

Governance
Contractor Assurance System

Governance:
SRNS will support the NNSA Governance Reform initiative being implemented across the complex. The current expectation is that the activities necessary to implement governance within the Tritium facilities will be completed per the agreed upon implementation schedule.

SRNS will report accomplishments achieved through the governance reform effort (effective CAS, reduced Federal oversight, and requirements reform) including information on cost savings and efficiencies.

Contractor Assurance System
SRNS will have a Tritium-wide, comprehensive, and integrated Contractor Assurance System (CAS). As efforts move forward to implement "Governance" within the Tritium Facilities, SRSO acknowledges that the CAS will be evolving to fit the new governance model.

Up to $694,750 of the allocated Tritium Programs PBI fee may be earned by Contract Output 5 as follows.

Essential Fee

1. $694,750 available fee for the Tritium Programs performance may be earned at the end of the assessment period. Fee will be determined at the end of the assessment period for each Completion Criterion commensurate with performance as measured by the Subjective Adjectival Rating Criteria.

Completion Criteria

Completion criteria include:

1. TP will complete the FY12 scheduled activities as identified in the CAS improvement plan submitted in FY09.

2. Demonstrate an effective, comprehensive, integrated CAS Program. Elements include the following.
   i. Integrated assessment schedule (includes internal audit, independent assessments, and management activities)
   ii. Integrated assessment results (includes all formal assessment activities)

iii. Integrated risk management priorities

3. Demonstrate that an issues management system is implemented, and results are regularly reviewed by senior management. (This includes capturing program and performance deficiencies, regardless of their source, in a system or systems that provides for analysis, resolution, and tracking.)

4. Support the Line Oversight Contractor Assurance System (LOCAS) initiative.

5. Complete all FY12 activities required to support LOCAS affirmation in FY13.

6. Accomplishments achieved through the governance reform effort (effective CAS, reduced Federal oversight, and requirements reform) including information on cost savings and efficiencies, where available, with a target 5% annual efficiency gain and/or cost saving compared to the previous year.

Assumptions
Assumptions are included in the individual Completion Criteria.

Government Furnished Services / Items
None.

Contract Output 6. Maintain the Tritium Facilities in a safe, secure and responsive operating condition. (Operations)

This Contract Output emphasizes Operations programs that provide the physical infrastructure and operational capabilities required to conduct Directed Stockpile and Campaign activities.

This Contract Output has a single Completion Criteria associated with Operations in the following areas:

Facility and Site Management/Maintenance
Operations and Work Planning
Quality Assurance
Engineering
Nuclear Safety and Fire Protection
Radiation Protection
Training and Qualification

Up to $2,779,000 of the allocated Tritium Programs PBI fee may be earned by Contract Output 6 as follows.

Essential Fee

1. $2,779,000 available fee of the Contract Output may be earned at the end of the assessment period for Completion Criterion 1 associated with Operations. Fee will be determined at the end of the assessment period for each Completion Criterion commensurate with performance as measured by the Subjective Adjectival Rating Criteria.

Completion Criteria

1.A. Facility and Site Management/Maintenance.
SRNS will comprehensively manage the Tritium Facilities and will continuously assess and report on aspects of the health and condition of Tritium Operations facilities to ensure that issues and problems are raised to the appropriate level for resolution through submittal of appropriate metrics.

Completion criteria include:

1. The ten year site plan for the Tritium Facilities, as required by NNSA and RPAM (Real Property Asset Management), will be updated annually to reflect the facility improvements, replacements-in-kind, and general facility maintenance required to support the active programs and missions. This document will comply with the format, content, and schedule provided by NNSA/HQ.
2. Health and condition of the major production facilities, as evidenced by facility assessments and the monthly facility availability metric, will be accurately reported each

month and will demonstrate that the facilities are available to meet the mission deliverables.

3. Real property assets will be maintained in a cost-effective manner that includes management of Deferred Maintenance (reported yearly), facility improvements, and Replacement-In-Kind (RIK) projects to ensure facilities and equipment are available to meet mission deliverables. The Facility Information Management System (FIMS) reporting requirements are timely, accurate, and include the Facility Condition Index (FCI).
4. Concurrent with the budget cycle and ten year site plan for the Tritium Facilities, provide NNSA/SRSO an analysis of the Tritium Facilities deferred maintenance, replacement plant value and FCI. Include funding needs to stabilize and improve the FCI along with maintenance and project recommendations.
5. Ensure implementation of a cost-effective, comprehensive, and efficient Maintenance Program that accomplishes the work required to prevent degradation of the condition of the facilities and equipment to ensure that the facilities and equipment are available to support the mission. Metrics (such as locked-in completion, open work activities, corrective maintenance backlog, etc.) shall provide an accurate representation of performance, and will identify areas for improvement.

B. Operations and Work Planning.
SRNS Tritium Programs' work will be effectively executed in accordance with Conduct of Operations practices and requirements as defined in the S/RIDs and work will be effectively planned and coordinated.

Completion criteria include:

1. Effective Operations and Work Planning implementation, as indicated with Conduct of Operations issues metrics will be accurately reported each month and will demonstrate acceptable trends.
2. Implementation of continuous improvement initiatives of Operations and Work Planning, will be accurately reported each month and will demonstrate that self assessments and facility personnel are identifying errors and other areas for improvement. The Conduct Of Operations metrics will also demonstrate that fact finding and post job reviews are being conducted as appropriate and in a timely manner. In addition, corrective actions identified in the reviews are effective and result in improving trends in operations and work planning activities.

C. Quality Assurance.
The Tritium Quality Assurance Program will be managed and implemented in accordance with the requirements of 10 CFR 830, DOE Order 414.lD, NNSA directives (e.g., QC-1, Primary Standards Laboratory memorandum, Development and Production Manual) as defined in S/RIDS and the SRS 1Q Manual.

Completion criteria include:

1. The aggregate of survey and assessment (SRSO, SRNS and external) results provide confidence that quality is assured through an effectively implemented QA program.

2. Provide quality and process improvements, report and trend improvements including corrective action/prevention of recurrence.
3. Effectiveness of product/production is evidenced by quality trending of defects and non-conformance metrics from NCR, TCNCR, UR, and IMR reports, and the associated Cost of Nonconformance.
    a. A fee deduction may be imposed if reports exceed 3 in any month. At the end of the PBI period, if the total count of annual nonconforming material reports and unsatisfactory reports collectively for the year is less than or equal to 24, SRSO may grant payment of any previously unearned fee. IMR and URs that will be included in the total count are:

        - Monthly UR/IMR received at SRNS TP that are determined to violate design requirements due to SRNS TP processing. These will not be included in the count until they are dispositioned as being a fault of SRNS TP not upon receipt of the notification of an UR/IMR.

        Excluded from the total count is any UR or IMR:

        - Received that met Design and Administrative requirements and/or that is not the fault of SRNS.
        - That is dispositioned and closed by the Design Agency and sent for information only.
        - That is identified greater than twenty four months after the shipment date from SRNS TP

D. Engineering:
Engineering will be managed and implemented in accordance with the requirements of applicable DOE orders as defined in S/RIDS and SRNS Engineering Procedures as defined per manual E7.

Completion Criteria include:

1. Deliver/maintain compliant engineering products in support of facility operations and projects. Acceptable performance in this area will be based on the following:
    a. engineering products shall be configured in accordance with site and facility procedures
    b. engineering errors will be identified and tracked via facility protocols. Errors will be evaluated by engineering management to determine if lessons learned exist
2. Deliver/maintain configuration controlled Safety Systems that will perform as described in the safety basis, that will support the Tritium Programs mission including support to the weapons design agencies. Acceptable performance in this area will be based on the following:
    a. Documents constituting the technical baseline for Tritium Programs shall be maintained current reflecting the field conditions.
    b. Engineering self-assessments shall be identified that take into account issues and events. Performance shall be documented. These self-assessments will include lines of inquiry that assess performance in accordance with the Safety Basis as applicable.
    c. System health reports are generated per the requirements of SRNS procedures and per the expectations of TP Engineering Management.
    d. Principles of Reliability Centered Maintenance (RCM) are investigated and evaluated for use in the facilities. At a minimum, a pilot for evaluation/implementation of PMs or evaluation/reduction of CMs for one system based on RCM principles will be performed. The results of the pilot will be written up in report format with recommendations to TP management regarding further involvement in the program.

3. System engineers shall have sufficient depth of knowledge of their assigned systems to support operations and maintenance while ensuring operation of the systems within the safety basis. Acceptable performance will be based on the following:
    a. System engineer training will be developed/implemented to meet the training program description on the schedule presented in the Plan of the Week. Training development will be on a forward-fit basis with objective of all newly-assigned System Engineers qualifying via the new training program.
    b. Shift Technical Engineer training will be developed/implemented to meet the training program description on the schedule presented in the Plan of the Week. New STEs entering STE training as of 10/1/11 will qualify via the new STE training program.
    c. Engineering Technical Staff personnel take on-going continuing training.

4. The engineering organization shall support the goals of the TP mission. Acceptable performance will be based on the following:
    a. Ensure safe and secure operations based on using HPI tools, conduct of engineering principles, and good housekeeping. Errors will be identified and tracked in the error reporting tool with actions taken as required to correct programmatic deficiencies.
    b. Ensure delivery of quality products on time by meeting schedules, honoring commitments, and identifying/correcting issues and problems.
    c. Participate in continuous improvement (CI) initiatives to include continuous improvement training participation, leading/participating on CI projects.

E. Nuclear Safety & Fire Protection: The Tritium Safety Basis and Fire Protection Programs will be managed in accordance with applicable regulations, DOE Directives as defined in SRIDS, and site requirements.

Completion criteria include:

1) The SRNS Safety Basis Program(s) achieves and maintains full compliance with regulatory requirements as defined in the S/RID-applicable safety basis requirements.
2) Produce and maintain compliant safety basis engineering product deliverables that support operations and projects. These products include DSAs, TSRs, hazard analyses, USQD documents, and supporting analyses.
3) The TORC process is managed in a manner which provides an appropriate and adequate level of oversight of the facility safety basis program as defined by the TORC charter.
4) Develop and submit the following items per the target completion dates as identified in the TP Plan of the Week:
    a. Develop and submit FY12 Annual Safety Basis updates for all applicable facilities in accordance with the required delivery schedule
    b. Implement the TEF DSA upgrade
5) The Fire Protection Program shall be implemented and maintained as required by the safety basis documents and by applicable NFPA requirements. Acceptable performance will be based on the following:
    a. Planned and unplanned impairments and their duration shall be documented and tracked with emphasis on minimization of number and duration of unplanned impairments
    False and nuisance alarms shall be documented and tracked with emphasis on minimization of these types of alarms.
    c. Failure of components which impact the reliability of the fire protection equipment (such as heat detectors, smoke detectors, sprinkler heads, etc) shall be documented and tracked so that the potential for improvements can be identified.

F. Radiation Protection.
SRS Tritium Programs' Radiation Protection Program will be managed and implemented in accordance with the requirements of 10 CFR 835, applicable S/RIDs, and the SRNS Radiological Protection Program.

Completion criteria include:

1. The aggregate evaluation of assessment results and metrics, including facility contamination events, personnel contaminations and radiation exposure, habitability survey performance, shows the radiological protection program is implemented in accordance with requirements.
2. No significant radiological deficiencies occur which preclude the performance of Tritium operations or accomplishment of missions.

G. Training and Qualification.

The Tritium Training and Qualification Program will be managed and implemented in accordance with the requirements of DOE Order 426.2, Personnel Selection, Qualification, and Training Requirements for DOE Nuclear Facilities, as defined in the S/RIDS, and plant policies and procedures.

Completion criteria include:

1. No significant programmatic training deficiencies will occur which affect the performance of Tritium Program activities or accomplishment of mission.
2. Operations Technical Qualification Expiration for all Operations Watchstander employees is tracked, reported, and maintained to demonstrate that fully qualified facility personnel are available to support accomplishment of the mission.

Contract Output 7. Maintain the Tritium Facilities in a safe, secure and responsive operating condition. (ES&H/S&S)

This Contract Output emphasizes Safety and Health and Safeguards and Security programs that provide the physical infrastructure and operational capabilities required to conduct Directed Stockpile and Campaign activities.

This Contract Output has a single Completion Criteria associated with Safety and Health and Safeguards and Security in the following areas:

Emergency Management
Health and Safety
Environmental and Waste Management
Safeguards and Security
Cyber Security
Project Management

Up to $2,084,250 of the allocated Tritium Programs PBI fee may be earned by Contract Output 7 as follows.

Essential Fee

1. $2,084,250 available fee of the Contract Output may be earned at the end of the assessment period for Completion Criterion 1 associated with Safety and Health and Safeguards and Security. Fee will be determined at the end of the assessment period for each Completion Criterion commensurate with performance as measured by the Subjective Adjectival Rating Criteria.

Completion Criteria

A. Emergency Management.
Ensure implementation of a cost-effective, comprehensive, and efficient Emergency Management Program that ensures response to and mitigation of abnormal events by a knowledgeable and fully trained workforce with minimum impact to mission accomplishment. Metrics shall provide an accurate representation of performance, and will identify areas for improvement.

B. Health & Safety.
Ensure implementation of a cost-effective, comprehensive, and efficient Health & Safety Program that ensures response to and mitigation of abnormal events by a knowledgeable and fully trained workforce with minimum impact to mission accomplishment. Metrics shall provide an accurate representation of performance, and will identify areas for improvement.

C. Environmental and Waste Management.

Ensure implementation of a cost-effective, comprehensive, and efficient Environmental Management Program that ensures no significant deficiencies will occur that affect the performance of the SRNS Tritium operations accomplishment of missions. Metrics shall provide an accurate representation of performance, and will identify areas for improvement. Ensure implementation of a cost-effective, comprehensive, and efficient Waste Management Program that ensures minimum waste generation, minimum waste accumulation in the facilities, and compliance with the waste acceptance criteria for disposal. Metrics shall provide an accurate representation of performance, and will identify areas for improvement.

D. Safeguards and Security

Operate an effective and efficient Safeguards and Security Program that meets DOE, NNSA, and Site requirements/directives and expectations as verified by Contractor self- assessment, SRSO oversight, and external inspections. Maintain effective Tritium Programs performance while completing milestones on schedule and within budget.

Completion Criteria include:

1. Support the NNSA Enterprise through DNS Management Excellence.
    a. Provide transparency into the security budget formulation and execution activities. Site FS-20 budgets must align with NNSA Field CFO issued costing principles.
    b. Achieve full compliance, upon final issuance of PPM NAP, with DNS Costing Principles and Budget Reporting (B&R) categorizations in both budgeting and execution. Provide all DNS Planning, Programming, Budgeting and Evaluation (PPBE) deliverables according to DNS schedule and instructions.
    c. Incorporate traceability across all security planning documentation, (i.e., Tritium Programs Work Authorization and Execution Plan (WAEP), Budget Requests, Site Safeguards and Security Plans, Performance Evaluation Plans, including Performance Based Incentives, etc.) Site Office approved FY12 WAEP must be provided to DNS by October 1st for Fiscal Year 2012.
    d. Provide 100% alignment of resources, i.e., Full Time Equivalent (FTE) and subcontractors to WAEP.
    e. Support NA-70 initiatives, both the Security Commodity Team and Physical Security Technology Management Plan (PSTMP), by providing data and expertise as requested.

2. Security plans, policies and procedures are to be updated to reflect NNSA security policy by FY 2012 or as stated in the NNSA security policy.
    a. Implement security reform to improve mission effectiveness and drive cost efficiency.
    b. Implement program improvement tied to NNSA security standards in accordance with SRNS Contract Modification process and mutually agreed upon implementation schedule.
    c. Continue to update security program to align with forthcoming NNSA Policy (NAP) documents in accordance with agreed upon schedules.

3. Achieve efficiencies based on the current state of the site security footprint. (Security footprint includes documents, buildings, clearances, Closed Areas (CAs), etc.)

a. S&S should work with site operations to evaluate and implement a plan to achieve cost efficiencies to include a reduction in the site security footprint to include reducing unnecessary facilities and surplus materials (classified parts, documents, CAs, etc.)in accordance with the Ten Year Site Plan..
b. Ensure that PF posts are automated as much as is feasible.

4. Develop site specific condition assessments and lifecycle cost management plans for all FS-20 funded security systems and components. Produce a plan with components that address the following concepts:
   a Realize operational efficiencies through modernization or operational/process improvements.
   b. Evaluate, develop, and implement a systems modernization plan to include economical life cycle management for physical security systems as approved by the Site Office considering the Enterprise-wide perspective.

5. Achieve overall satisfactory or effective performance on Site Office and external surveys or assessments.
   a. Maintain and sustain an effective S&S program in all applicable functional of the DOE F 470.8.
   b. Conduct S&S self-assessment in all applicable S&S functional areas and provide periodic performance conclusions to the Site Office.
   c. All corrective actions are completed on-time, within agreed budget, and effectively address the performance issues.
   d. Ensure that there are no repeat findings in any S&S functional area.
   e. Demostrate that the Contractor Assurance System (CAS) incorporates all applicable functional areas and requirement

6. Use current Site Lessons Learned program to ensure S&S information is shared throughout the SRNS NNSA Facilities.

7. Ensure S&S security staff are trained in accordance with the site S&S Training Plan.
   a. Identify and address skill gaps for S&S personnel in the S&S personnel in the S&S Training Plan.

E. Cyber Security.
Operate effective and efficient Tritium Programs Cyber Security activities that meet DOE, NNSA, and Savannah River Nuclear Solutions (SRNS) requirements/directives and expectations as verified via contractor self-assessments, SRSO oversight, and external inspections.

Completion Criteria include:

1. Implement a Cyber Security Program, based on the NNSA Program Cyber Security Program (PCSP), to protect classified, sensitive-unclassified, and unclassified information to which the site has access or custody.

2. Develop and implement a risk management framework for cyber security, utilizing the NIST SP 800-37, 800-39 DRAFT, and 800-60 as a guideline for the development of the framework.

   a. Risk management framework will be developed and submitted to headquarters.

   b. Update the site CSPP with new and updated policies and procedures under the risk management framework.

3. Continue to implement and, where possible, accelerate the implementation of the NNSA PCSP.
4. Implement information system minimum security configurations established by the NNSA.
5. Ensure that significant site risks are adequately evaluated and managed and that sensitive information and systems on the SRS unclassified networks are properly protected.
6. Establish and maintain effective feedback and improvement mechanisms to identify cyber security vulnerabilities, eradicate them from site networks, and prevent recurrence.
7. Establish and maintain a comprehensive self-assessment program for the SRS Cyber Security Program.
8. Actively participate in the NNSA Headquarters' ZBSR for cyber security.
9. Participate in Cyber Tracer (TracerFire) activities, as funded.
10. Establish an effective program to manage risk associated with the implementation of wireless computer technology.
11. Prepare and provide a quarterly status report to the NNSA OCIO CSPM on the SRS program that includes AOP status, Cyber Security Program implementation, budget execution performance, and other status/performance information as requested.
12. Ensure that POA&Ms and CAPs are appropriately monitored and closed, per schedule.
13. Identify requirements and fully Implement Data Loss Prevention (DLP) tool as funded.
14. Identify requirements and fully implement a continuous monitoring plan by September 2012.

F. Project Management.

Completion criteria include:

1. Aggregate evaluation of review results indicates projects are routinely implemented in accordance with requirements. No significant deficiencies will occur which affect the performance of the SRNS Tritium operations or accomplishment of missions.
2. Safety will be emphasized for all aspects of the project from design through startup. Ensure effective integration of safety and security into the design and construction of all nuclear line item projects in accordance with DOE-STD-1189. Projects safety indices demonstrate prime and subcontractor performance meet or exceed national safety performance standards and the Departmental/Site Office safety goals as prescribed. Projects will routinely discuss safety in

meetings for project personnel and will emphasize lessons learned at SRS construction sites and projects at other DOE sites. During construction phase each project manager or designee will proactively participate and conduct safety walk downs and document on Management Field Observation forms in STAR.

3. Manage projects within established scope, cost, and schedule baselines per SRSO approved Integrated Priority List. Cost and schedule performance are measured through Cost Performance Index (CPI) and Schedule Performance Index (SPI) for large projects and cost and schedule baselines for small projects. CPI and SPI are at or above 0.90
4. Projects use a graded approach compliant with DOE 413.3B principles. Project activities and resources are effectively planned and integrated to ensure the performance baseline is maintained. This includes the use of integrated schedules in the day-to-day management of projects.
5. Monthly project status reports are timely and submitted for each line item project, GPP/GPE/MIEs, and for selected operating expense funded projects. Reports contain indices of overall project performance. Reports include analysis of baseline variances, trends, funds, and contingency management, risk management. Reports contain baseline change control register.

Contract Output 8. Maintain the Tritium Facilities in a safe, secure, and responsive operating condition. (Business Management)

This Contract Output emphasizes Business programs that provide the physical infrastructure and operational capabilities required to conduct Directed Stockpile and Campaign activities.

This Contract Output has a single Completion Criterion associated with Business in the following areas:

Fiscal Management
Program Management
Information Technology/Process Control
Modernization
eSourcing

Up to $2,084,250 of the allocated Tritium Programs PBI fee may be earned by Contract Output 8 as follows.

Essential Fee

1. $2,084,250 available fee for the Tritium Programs performance may be earned at the end of the assessment period associated with Business Management. Fee will be determined at the end of the assessment period for each Completion Criterion commensurate with performance as measured by the Subjective Adjectival Rating Criteria.

Business Management

A. Fiscal Management.
Budget and financial deliverables per the Planning, Programming, Budget, and Evaluation (PPBE) process will be provided in accordance with established due dates.

Completion criteria include:

1. The SRNS Tritium Program (TP) will maintain an effective and timely information response process. Information requests, budget exercises, work insertion requests, etc., will be fully supported at both the TP and SRNS corporate level. The fiscal management efforts and work product will be evaluated on such factors as responsiveness, quality and timeliness, proactive resolution of emergent issues and concerns, and communication with SRSO and SRNS.
2. SRNS TP will keep SRSO apprised of and invited to participate in joint contractor-Federal discussions, meetings, and briefings germane to accounting changes that affect NNSA costs or have potential service impacts. This includes, but is not limited to, changes to indirect rates, cost collection methodologies for pension and Work Force Restructuring costs, etc. SRNS must ensure that unilateral actions are not taken to the disadvantage of NNSA's interests without attempting to influence the decision and providing SRSO sufficient opportunity to intercede at the Federal level.
3. SRNS will maintain an effective and efficient funds controls system including the following:
   a. No legal or administrative violations occur with regards to the management of appropriations for which controls have been established by DOE/HQ, or for which funds of other federal agencies or governmental entities have been entrusted to DOE for performance of supporting scopes of work. (Tritium only)
   b Uncosted balances are maintained consistent with sound financial management. Due consideration will be given to multi year expense projects, multi-year program and productivity strategies and timing of funding and scope direction.
   c. Reprogramming actions and supplemental financial plans will be timely, accurate, comprehensible, and minimized via advance planning and forecasting processes. Any identified need for a reprogramming action will be identified early in the fiscal year, have SRSO program approval, and clearly identify all funding sources. Due consideration will be given for late year reprogramming request driven from customer requested schedule changes and mutually agreed upon program and business opportunities.
   d. Indirect costs and rates will be tracked and managed to identify and mitigate potential perturbations to planned direct work.
4. SRNS will have a controlled integrated baseline for all Tritium programs, projects and functions. The baseline will appropriately:
   a. Include the NNSA Uniform Program Cost Reporting Structure format elements.
   b Be compatible with and in a Work Breakdown Structure (WBS) format ready for incorporation into the NNSA Cost Management Initiative database.
   c Have tools in place to (1) manage mission changes in scope, cost and schedule, (2) compare Actual Cost to Budgeted Cost (3) accurately forecast estimated cost to complete and estimated total costs at completion, and (4) document deviations from the performance measurement baseline and notify the Contacting Officer of such changes on a timely basis.
   d. Prohibit retroactive changes to records pertaining to work performed that will change previously reported costs, except for correction of errors and routine accounting adjustments.

e. Prohibit retroactive changes that result in funding fluctuations or revisions to the EAC.

5. Offline quarterly and year-end reporting will be provided per reporting requirements.
6. Impact analyses and ad hoc exercises will be responded to in a timely manner and be coordinated with SRNS.
7. Budget formulation requirements will be provided per requirements and coordinated with all appropriate organizations.
8. Financial reporting will demonstrate effective and transparent accounting practices.
9. The integrated baseline will be in place and ready for validation by the NNSA CFO by September 30, 2012. (Implementation is predicated on receiving requirements in appropriate timeframe).

B. Program Management.

SRNS will manage programs consistent with the NNSA Program Management Policy (BOP-006.001) and the Defense Programs Program Management Manual. A Program is a group of ongoing activities and related projects conducted with a defined set of resources (financial, human, etc.) managed in a coordinated way to achieve mission objectives and obtain benefits not available from managing them individually.

Program Management within Tritium Programs applies primarily to RTBF, DSW, Engineering and Readiness Campaigns, FIRP, S&S, etc.

Program Management philosophy views programs as falling across a spectrum ranging from operational or level-of-effort programs, such as surveillance of the nuclear weapons stockpile at one end, to major capital acquisition projects at the other end. The diversity of programs within the NNSA demands the "tailored" application of the program management principles to accommodate the requirements of each program.

Completion criteria include:
Plan, execute, and manage to established scope, cost, schedule, and risk baselines for all program elements including:

1. Each individual program will be planned, executed, managed, and will maintain acceptable cost and schedule performance as established by Work Authorization Directives, Prioritized Project Lists, PCD Requirements, Baseline Dismantlement Schedule, program implementation plans, program execution plan, and all other program requirements.
2. Aggregate evaluation of review results indicates programs are routinely implemented in accordance with requirements. No significant deficiencies will occur which affect the performance of the SRNS Tritium operations or accomplishment of missions.
3. SRNS' scope associated with NNSA Milestone Reporting Tool (MRT) Level 1 and 2 milestones will be completed on schedule. This excludes milestones associated with the Multi-Site PBI that are addressed in Contract Output 4.
4. Information requests, budget exercises, work insertion requests, etc., will be supported. Develop and submit business cases as requested.
5. Submit Performance reports as required by individual Programs' Execution Plans.

6. Quarterly program status reviews are conducted that contain overall indices of performance, analysis of baseline variances, trends, funds and reserve management, and risk management. A review of HQ deliverables and issues will also be discussed.

C. Information Technology/Process Control.

Ensure implementation of a cost-effective, comprehensive, and efficient Information Technology/Process Control Management Program that ensures no significant deficiencies will occur that affect the performance of the SRNS Tritium operations accomplishment of missions. Metrics shall provide an accurate representation of performance, and will identify areas for improvement. SRNS must demonstrate that all classified networks are available to support NNSA missions by meeting the following criteria:

1. Maintain the Tritium Programs Classified Network (TFnet) Availability at greater than 98%.
2. Maintain Tritium's Programs Enterprise Secure Network (ESN) Availability at greater than 98%.
3. Complete a minimum of 4 Intrusion Detection System (IDS) Reviews per month.
4. Maintain Tritium Programs Data Server Availability at greater than 98.7%.

D. Modernization

Completion criteria include:

1. Enterprise Initiatives
    a. Record of Decision
        i. Facilitate communication and implement actions needed by the Nuclear Security Enterprise to support the Record of Decision.(Tritium R&D)
    b. Transformation Activities
        i. Support key modernization and strategic planning initiatives.
    c. Stockpile Services Modernization Plan (SSMP)
        i. Work with NNSA-SRSO, NNSA-HQ, and the NSE to support the key Congressional inputs required in SSMP document updates and it's strategies within funding limits.
2. Facility Modernization
    a. Demonstrate support for implementation of the Tritium Programs transformation strategies and goal per NNSA direction within funding limits.
    b. Support key facility modernization and strategic planning initiatives, such as the Tritium Programs Strategic Plan, Human Capital Management Plan, and Business Transformation Plan within funding limits.

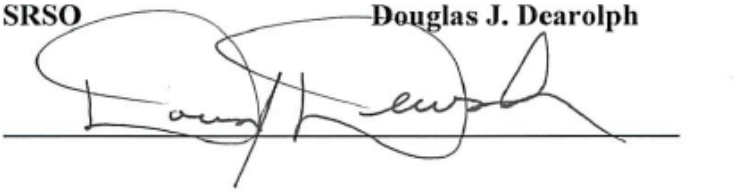
E. eSourcing:

Completion criteria include:

1. Implement e-Sourcing for NNSA procurements where applicable. Participate and support SCMC activities and EM like initiatives as appropriate.
2. Utilize the eSourcing tools available at the NNSA Supply Chain Management Center and achieve ten eSourcing events.

3. Continue to work with SCMC to modify supplier agreements allowing SRNS to purchase using SCMC e-catalogs and other supplier agreements.

Approvals:

SRNS NNSA Programs	**Dennis J. Donati**	**Date**
		9/20/11
NNSA SRSO	**Douglas J. Dearolph**	**Date**
		9/20/11

Performance Incentive Document

PBI: SRNS2012NNP

Activity: Nuclear Nonproliferation Program

WBS: 01.25.60

Performance Period: October 1, 2011 – September 30, 2012

Allocated Fee: $7,016,000

Revision Number: 0

Performance Outcome:
Provide cost-effective management and technical support to the Nuclear Nonproliferation Program so that the program is executed within the Performance Management Baselines and in accordance with DOE Order 413.3B and other applicable DOE directives, regulations, and requirements.

Contract Output	Value	Indicator
SRNS2012NNP-01	$100,000	Safely execute the Operations Activities required in support of the readiness completion of the Waste Solidification Building (WSB) in accordance with the approved Performance Management Baseline, on a schedule which supports the need date of the Mixed Oxide Fuel Fabrication Facility, and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked).
SRNS2012NNP-02	$495,000	Conduct WSB Title III Design Engineering and Design Authority activities and planning in accordance with the baseline schedule in order to support construction, acceptance testing, and facility operation.
SRNS2012NNP-03	$795,000	Execute WSB Startup and Construction activities and planning in accordance with the baseline schedule in order to support system and facility readiness testing.

SRNS2012NNP-04	$2,610,000	Safely execute the WSB project activities in a cost effective manner and on the schedule necessary to meet the MFFF need date and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked) and DOE Order 413.3B (or successor).
SRNS2012NNP-05	$350,000	Safely execute SRNS assigned work on the MOX Fuel Fabrication Facility (MFFF) project and MOX Fuel Irradiation, Feedstock and Transportation (MIFT) program scope and activities in accordance with approved cost and schedule baselines and scope defined in work authorizations/approved Work Task Agreements. ***(Subjective)***
SRNS2012NNP-06	$600,000	Prepare, submit, and support the NNSA review of a Pit Disassembly and Conversions (PDC) project Critical Decision (CD) 1 package in accordance with DOE Order 413.3B.
SRNS2012NNP-07	$400,000	Execute PDC activities in compliance with the current version of DOE Order 413.3B along with all contractual requirements in a quality, responsive and cost effective manner in accordance with the PDC IPT schedule. ***(Subjective)***
SRNS2012NNP-08	$1,566,000	Execute SRNS assigned work related to NNP Pu Disposition Program management and integration and associated work activities by providing cost-effective support for those activities common to the nonproliferation program and projects. Execute program and project management in accordance with NNSA Program and Project Management Policy (BOP-006.001), provide support to the NN Planning, Programming, Budget and Evaluation Process (PPBE), and support NN program communications and outreach efforts. ***(Subjective)***
SRNS2012NNP-09	$100,000	Develop plan and cost estimate for restoration of F Area facilities in support of NNP needs. Restore identified facility in a cost effective, timely manner.
NNP Multi-year		Safely execute the construction of the Waste Solidification Building in accordance with the approved project baseline, on a schedule which supports the need date of the Mixed Oxide Fuel Fabrication Facility, and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked).

Evaluation Criteria:

SRNS2012NNP	Objective and subjective evaluation criteria will be used to document review and acceptance of this performance fee agreement.
Objective Evaluation Criteria:	Will be evaluated as performance is completed and will be discussed and documented in the monthly NNSA and contractor performance meeting.
Subjective Adjectival Rating Criteria:	For those Completion Criteria that receive an adjectival grade and numerical score the following table will be used to define the different levels of performance and the corresponding grade/score that goes with the evaluation thereof.

Subjective Rating Criteria	Subjective Rating Evaluation Criteria Description	At Risk Fee Earned
Excellent	Contractor has exceeded almost all of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	91 – 100%
Very Good	Contractor has exceeded many of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	76 – 90%
Good	Contractor has exceeded some of the significant award fee criteria and has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	51 – 75%
Satisfactory	Contractor has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	1 – 50%
Unsatisfactory	Contractor has failed to meet overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award fee plan for the award fee evaluation period.	0%

$4,000,000 of the Nuclear Nonproliferation PBI will be paid for the construction, startup testing and operational preparedness of the WSB. (Contract Outputs 1-4)

WBS: 01.25.60.01.02

Contract Output 1: Safely execute the Operations Activities required in the support of the readiness completion of the Waste Solidification Building (WSB) in accordance with the approved Performance Management Baseline, on a schedule which supports the need date of the Mixed Oxide Fuel Fabrication Facility, and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked).

3% ($100,000) of the allocated fee for the Operational Activities required to support the operational readiness of the WSB will be earned as follows:

1A. Complete System Specific Classroom Training - MSTs by July 30, 2012 (Schedule ID XXTR000085). **($20,000)**

Completion Criteria:
- System specific training modules will be completed and approved.
- Training will be provided in a classroom environment to the MSTs and will not include field job performance measures (JPMs) to be completed later.
- Documentation of training completion will be through the MST Qualification Card.

Assumptions:
- System specific training will be developed based on the existing, approved Plant and process design. If there are significant design changes that require development of additional system specific training, it will be considered additional scope.
- The completion date is based on the specific training activity in the WSB project baseline schedule. If the decision is made to extend training period to support other critical path needs of the project (i.e., support for construction or testing), and the extension does not result in training becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, provided that the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

1B. Complete the 12 modules of Conduct of Operations Training for the MSTs by December 30, 2011 (Schedule ID XXTR000600). **($20,000)**

Completion Criteria:
- Training of the 12 Conduct of Operations modules will be provided in a classroom environment.
- Documentation of training completion will be through the MST Qualification Card.

Assumptions:
The completion date is based on the specific training activity in the WSB project baseline schedule. If the decision is made to extend training period to support other critical path needs of the project (i.e., support for construction or testing), and the extension does not result in training becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, provided that the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

1C. Develop and approve the training courses for MST E&I qualification by January 26, 2012 (Schedule ID XXTR000550). **($20,000)**

Completion Criteria:
- The training curriculum required for MSTs to attain E&I qualification defined and approved.
- Based on the curriculum, actual training courses will be developed and approved.
- Documentation will be the approved curriculum and approval of the training courses supporting the curriculum by Site Training

Assumptions:
At present, there is no program on Site to allow MSTs to attain E&I Qualifications. A proposal has been developed to allow the WSB MSTs to attain E&I Qualification based on an electrical training curriculum. The proposed curriculum will be approved by SRNS Site Management and then detailed training courses will be developed and approved based on this curriculum.

The completion date is based on the specific training course development activity in the WSB project baseline schedule. If the decision is made to extend training period to support other critical path needs of the project (i.e., resources needed to develop more critical path training), and the extension does not result in this training course development becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, provided that the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

1D. The WSB Readiness Assessment Plan will be developed, approved and issued by March 30, 2012 (Schedule ID XXOPS0580). **($20,000)**

Completion Criteria:
Early readiness planning is critical to ensure that the WSB project has adequately addressed all issues necessary to ensure a successful Contractor Readiness Assessment. The WSB will develop, approve and issue a DOE Order 425.1D compliant Readiness Assessment Plan by March 30, 2012. Documentation of completion will be the approved Plan in Document Control.

Assumptions:
The completion date is based on the Contractor Readiness Assessment Plan approval date in the

WSB project baseline schedule. This represents the initial revision of the RA Plan. It is understood that throughout the life of the WSB Project, the RA Plan will be revised based on lessons learned from other projects and any potential changes to the requirements.

Government Furnished Services / Items:
None identified.

1E. The WSB EPIPs (Emergency Plan Implementing Procedures) will be developed, approved and issued by July 19, 2012 (Schedule ID XXCNDSA324). **($20,000)**

Completion Criteria:
Developing the Emergency Plan Implementing Procedures is key to establishing the necessary actions that must be taken and integrated at the Site level to ensure adequate training and response for potential emergency conditions. This represents the initial revision of the procedures and ensures the procedures are written, approved and in place prior to the Readiness Assessment. Documentation of completion will be the approved Emergency Plan Implementing Procedures in Document Control.

Assumptions:
The completion date is based on the schedule activity in the WSB Project baseline schedule for development of the Emergency Plan Implementing Procedures. This represents the initial revision of the Emergency Plan Implementing Procedures. It is understood that throughout the life of the WSB Project, the Emergency Plan Implementing Procedures will be revised as necessary to support any potential changes to the requirements.

Government Furnished Services / Items:
None identified.

Contract Output 2: Conduct Title III Design Engineering and Design Authority activities and planning in accordance with the baseline schedule in order to support construction, acceptance testing, and facility operation.

12% ($495,000) of the allocated fee for the construction of the WSB will be earned as follows:

2A. The fee allocated **($300,000)** for this contract output may be earned for completion of the criteria below. NNSA will provide a periodic evaluation of SRNS' performance with respect to this completion criterion as part of the normal contractor evaluation process. Award fee payments will be made quarterly **($75,000 at the end of each quarter)** based on the acceptability of performance for the quarter as determined by NNSA. If NNSA determines that SRNS' performance for a quarter is not satisfactory, NNSA will determine the amount of quarterly award fee to be deducted.

Completion Criteria:
- Engineering support and responses for the BOP subcontractor are provided in a timely manner and ensure the project is constructed to appropriate codes and standards.

- Coordination is achieved between SRNS and the BOP subcontractor in establishing the engineering priorities and ensuring timely resolution to support the subcontractor's procurement and construction schedule.
- Requests for deviations and changes are evaluated within the time allotted within the contract, at a minimum. However, communication, coordination, and expediting of requests will be necessary to maintain, improve, or mitigate schedule impacts.
- Communication between SRNS and the subcontractor will be assessed to ensure that submittals are resolved with minimal iterations for clarifications or corrections.

Assumptions:
None.

Government Furnished Services / Items:
None identified.

2B. Approve and issue the ETP Waste Compliance Plan for Water Runs by May 1, 2012 (Schedule ID XXDAWR85). **($15,000)**

Completion Criteria:
The ETP Waste Compliance Plan for WSB Water Runs will be approved to support any water transfers between the WSB Facility and the ETP. Documentation will be the ETP Waste Compliance Plan in document control.

Assumptions:
The completion date is based on the specific activity in the WSB project baseline schedule for having an approved ETP Waste Compliance Plan for Water Runs. If the decision is made to extend the completion date for this out to allow key resources to address other critical path needs of the Project, and the extension does not result in this activity becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

If the decision is made that it is more prudent for the WSB Project to dispose of the water generated for water runs in a different manner than transferring the water to ETP, this contract deliverable may be converted to address the necessary plan development required for the alternate disposal method at the discretion of NNSA.

Government Furnished Services / Items:
None identified

2C. Approve and Issue the Waste Acceptance Criteria for WSB liquid waste streams by September 18, 2012 (Schedule ID XXDAWAC95). **($15,000)**

Completion Criteria:
The Waste Compliance Criteria for WSB liquid waste streams will be approved to support the WSB Contractor Readiness Assessment. Documentation will be the Waste Acceptance Criteria document in document control.

Assumptions:
The completion date is based on the specific activity in the WSB project baseline schedule for having an approved Waste Acceptance Criteria for WSB waste streams. If the decision is made to extend the completion date for this to allow key resources to address other critical path needs of the Project, and the extension does not result in this activity becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

2D. Complete development of the Tech Staff Training Requirements by October 24, 2011 (Schedule ID XXDATS005). **($15,000)**

Completion Criteria:
- The training curriculum required for WSB Tech Staff will be defined and approved.
- Based on the curriculum, actual training course requirements will be developed and approved.
- Documentation will be the approved curriculum and the training courses requirements by Site Training.

Assumptions:
To support the Contractor Readiness Assessment, WSB Tech Staff training must be defined through a course curriculum and training course requirements to support the curriculum defined. The proposed curriculum will be approved by SRNS Site Management and then detailed training course requirements will be defined and approved based on this curriculum.

The completion date is based on the specific training course curriculum development activity in the WSB project baseline schedule. If the decision is made to extend training development period to support other critical path needs of the project (i.e., resources needed to support more critical path project specific activities), and the extension does not result in this training course curriculum development becoming a critical path activity, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

2E. Compl-098765ete the required training and formally establish the WSB FOSC by June 1, 2012 (Schedule ID XXFOSC013). **($15,000)**

Completion Criteria:
The membership and training requirements for the WSB FOSC are defined by Site Level procedures and requirements. The FOSC is a critical component for normal plant operations and is required to be functional to support the Contractor Readiness Assessment. A FOSC Charter

will be written and approved establishing the WSB FOSC and defining the FOSC membership and required training. Documentation of training completion will be in the Site Train Program.

Assumptions:
To support the Contractor Readiness Assessment, the WSB FOSC must be established and all FOSC members have to complete the required training. It is recognized that through the course of the WSB Project, organizational changes may take place that will involve the FOSC. Alternate FOSC members will be defined by the FOSC charter. The FOSC is considered established and trained as long as there are members or alternates available for all defined FOSC positions.

The completion date is based on the date in the WSB project baseline for this specific activity. If the decision is made to extend the date for establishing the FOSC beyond this date to support more critical project activities, and the extension does not result in this activity becoming critical path, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified

2F. Complete the Seismic Analysis and Testing for the equipment that requires seismic testing at an independent laboratory in support of the construction subcontractor's need date. The completion date is based on the delivery date for the final piece of seismically qualified equipment that SRNS is responsible for as defined by the equipment delivery date in the WSB project baseline schedule – May 14, 2012 (Schedule ID XXBOPST100). **($15,000)**

Completion Criteria:
Design Engineering is responsible for ensuring that seismic testing for certain critical components is completed on those components in time for system turnover from the subcontractor to SRNS Startup and Testing. SRNS will ensure that seismic testing is complete and the required documentation to support the testing is in document control.

Assumptions:
All seismically qualified equipment is identified in the WSB project baseline schedule and a need date has been established for having the equipment seismic testing completed and the testing documentation in Document Control. The schedule dates support the subcontractor's system turnover dates. If the subcontractor elects to move the system turnover date out, the need date for completing the seismic testing may move accordingly; however, because the seismic testing is performed by an independent laboratory and the testing window is fixed, the seismic testing can not be move forward.

Any new equipment identified as a result of design changes or equipment needed to replace equipment that fails the initial seismic testing is not included as part of this contract performance measure.

Government Furnished Services / Items:

None identified.

2G. Submit the WSB non-radioactive air emissions Operational Flexibility Request (application for increases in air emissions from WSB) to SCDHEC, which supports approval from SCDHEC to begin simulant runs by September 20, 2012 (Schedule ID XXDAISD035). **($15,000)**

Completion Criteria:
The non-radioactive air emissions Operational Flexibility Request is a precursor to beginning simulant runs in the WSB facility. This request for increased air emissions will document the increased air emissions which will occur due to acid fumes emitted during simulant runs. Approval from SCDHEC will document their authorization for increases non-radioactive air emissions from the WSB. The completion criteria will be the completed non-radioactive air emissions Operational Flexibility Request formally transmitted to SCDHEC for their action.

Assumptions:
All necessary information will be available to support the development of the WSB Operational Flexibility Request. If there are changes in the requirements for the Operational Flexibility Request that require additional actions by SRNS to support the permit application and these requirements were outside of the control of SRNS, NNSA may elect to modify the completion date for this contract deliverable.

Government Furnished Services / Items:
None identified.

2H. Issue the EPHA and EAL Procedures by June 25, 2012 (Schedule ID XXCNDSA323). **($15,000)**

Completion Criteria:
The EPHA and the EAL procedures are critical to ensuring that the Project is adequately prepared from an Emergency Response perspective. The EPHA and EAL procedures must be approved and in Document Control to support the Contractor's Readiness Assessment. Completion of the WSB EPHA and EAL Procedures will be documented by copies of the procedures as Revision 0 or later in Document Control.

Assumptions:
All necessary information will be available to support the development of the WSB EPHA and EAL procedures. The completion date is based on the date in the WSB project baseline for this specific activity. If the decision is made to extend the date for completing the EPHA and EAL procedures beyond this date to support more critical project activities, and the extension does not result in this activity becoming critical path, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

2I. Transmit the Documented Safety Analysis (DSA) and Technical Safety Requirements (TSRs) to NNSA by September 30, 2012 (Schedule ID XXCNDSA305). **($75,000)**

Completion Criteria:
The WSB Documented Safety Analysis (DSA) and Technical Safety Requirements documents will be formally transmitted to NNSA. The DSA and TSR are necessary documents to support the Contractor's Readiness Assessment. Completion of this contractor deliverable will be the formal transmittal of the documents to NNSA.

Assumptions:
All necessary information will be available to support the development of the WSB Documented Safety Analysis (DSA) and Technical Safety Requirements (TSR) documents. The completion date is based on the date in the WSB project baseline for this specific activity. If the decision is made to extend the date for the development of the WSB DSA and TSR documents beyond this date to support more critical project activities, and the extension does not result in this activity becoming critical path, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified

2J. Complete the Radiological Controls dose calculations and issue the formal report by June 22, 2012 (Schedule ID XXR037005). **($15,000)**

Completion Criteria:
The WSB Radiological Controls dose calculations and report are necessary documents to support the Contractor's Readiness Assessment. Completion of this contractor deliverable will be documented by transmittal of the documents to Document Control.

Assumptions:
All necessary information will be available to support the Radiological Controls dose calculations and report development. The completion date for this activity is based on the date in the WSB project baseline. If the decision is made to extend the date for completing the Radiological Controls dose calculations beyond this date to support more critical project activities, and the extension does not result in this activity becoming critical path, the fee associated with this contract measure will be paid upon completion, providing the completion is within the fiscal year.

Government Furnished Services / Items:
None identified.

Contract Output 3: Execute Construction and Startup activities and planning in accordance with the baseline schedule in order to support system completion, turnover and facility readiness testing:

20% ($795,000) of the allocated fee for the construction and startup of the WSB will be earned as follows:

There are 3 key system turnovers for the Waste Solidification Building that are critical to demonstrating process operations. These 3 key system turnovers are: the HAW Evaporator System (HA02), LAW Evaporator System (LA02), and the Process Control System (PCS01). Demonstration of the functional performance of these three systems is essential to ensuring plant operations consistent with the design and functional requirements for the Facility and will also necessitate completion of a number of interrelated systems. As such, these 3 key systems will be established as critical contract performance measures and the startup testing completion dates as defined in the WSB project baseline schedule will be used to drive support for the WSB Project meeting the CD-4 completion date.

3A. Complete the startup testing of the Process Computer System (PCS01) by June 4, 2012 (Schedule ID XPCS01130). **($200,000)**

Completion Criteria:
Completion of startup testing of the Process Computer System (PCS01) is defined by the Startup system turnover boundaries and the PCS Startup Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Process Computer System (PCS01) is an integrated system that provides modular control for various independent systems throughout the facility. If it becomes necessary to prioritize modules within the PCS integrated system to support more critical system startups and this results in a delay in completion of the entire scope of the PCS, NNSA may elect at their discretion to award partial payment of this contract performance measure based on support for critical startup testing.

Government Furnished Services / Items:
None identified.

3A-1. Complete the startup testing of the Process Computer System Power Supply (ELLVIPP02) by June 4, 2012 (Schedule ID XVIPP02100). **($25,000)**

Completion Criteria:
Completion of startup testing of the Process Computer System Power Supply (ELLVIPP02) is defined by the Startup system turnover boundaries and the Process Computer System Power

Supply (ELLVIPP02) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Process Computer System Power Supply (ELLVIPP02) system is required to support the operational testing of the Process Computer System (PCS01) and therefore is more critical to support for the Process Computer System than it is to the overall project startup logic. As a result, the startup testing completion date for the Process Computer System Power Supply (ELLVIPP02) is more critical as it relates to the Process Computer System (PCS01) completion date. Therefore, the contract performance measure for the Process Computer System Power Supply (ELLVIPP02) will be considered met as long as the startup testing completion date supports the Process Computer System (PCS01).

Government Furnished Services / Items:
None identified.

3B. Complete the startup testing of the High Activity Evaporator System (HA02) by July 2, 2012 (Schedule ID XHA02130). **($200,000)**

Completion Criteria:
Completion of startup testing of the High Activity Evaporator System (HA02) is defined by the Startup system turnover boundaries and the High Activity Evaporator System (HA02) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The High Activity Evaporator System (HA02) demonstrates the ability to transfer material into the HAW Evaporator and boil the material, generating evaporator overheads and simulated concentrate. If it becomes necessary to defer testing of portions of the HAW Evaporator system to support more critical system startup activities and this results in a delay in completion of the entire scope of the HA02, NNSA may elect at their discretion to award partial payment of this contract performance measure based on support for critical startup testing.

Government Furnished Services / Items:
None identified.

3B-1. Complete the startup testing of the Instrument Air System (IA01) by May 1, 2012 (Schedule ID XIA01130). **($25,000)**

Completion Criteria:
Completion of startup testing of the Instrument Air System (IA01) is defined by the Startup system turnover boundaries and the Instrument Air System (IA01) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Instrument Air System (IA01) system is required to support the operational testing of the High Activity Evaporator System (HA02) and therefore is more critical to support for the HAW Evaporator system than it is to the overall project startup logic. As a result, the startup testing completion date for the Instrument Air System (IA01) is more critical as it relates to the High Activity Evaporator System (HA02) completion date. Therefore, the contract performance measure for the Instrument Air System (IA01) will be considered met if as long as the startup testing completion date supports the High Activity Evaporator System (HA02).

Government Furnished Services / Items:
None identified.

3B-2. Complete the startup testing of the Cooling Tower Water System (CTW01) by May 1, 2012 (Schedule ID XCTW01130). **($25,000)**

Completion Criteria:
Completion of startup testing of the Cooling Tower Water System (CTW01) is defined by the Startup system turnover boundaries and the Cooling Tower Water System (CTW01) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Cooling Tower Water System (CTW01) system is required to support the operational testing of the High Activity Evaporator System (HA02) and therefore is more critical to support for the HAW Evaporator system than it is to the overall project startup logic. As a result, the startup testing completion date for the Cooling Tower Water System (CTW01) is more critical as it relates to the High Activity Evaporator System (HA02) completion date. Therefore, the contract performance measure for the Cooling Tower Water System (CTW01) will be considered met as long as the startup testing completion date supports the High Activity Evaporator System (HA02).

Government Furnished Services / Items:
None identified.

3B-3. Complete the startup testing of the High Activity Waste Receipt Tanks (HA01) by May 17, 2012 (Schedule ID XHA01130). **($25,000)**

Completion Criteria:
Completion of startup testing of the High Activity Waste Receipt Tanks (HA01) is defined by the Startup system turnover boundaries and the High Activity Waste Receipt Tanks (HA01) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The High Activity Waste Receipt Tanks (HA01) system is required to support the operational testing of the High Activity Evaporator System (HA02) and therefore is more critical to support for the HAW Evaporator system than it is to the overall project startup logic. As a result, the startup testing completion date for the High Activity Waste Receipt Tanks (HA01) is more critical as it relates to the High Activity Evaporator System (HA02) completion date. Therefore, the contract performance measure for the High Activity Waste Receipt Tanks (HA01) will be considered met if as long as the startup testing completion date supports the High Activity Evaporator System (HA02).

Government Furnished Services / Items:
None identified.

3B-4. Complete the startup testing of the Package Process Steam System (PST01) by (Schedule ID XPST01130) April 18, 2012. **($25,000)**

Completion Criteria:
Completion of startup testing of the Process Steam System (PST01) is defined by the Startup system turnover boundaries and the Process Steam System (PST01) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Process Steam System (PST01) system is required to support the operational testing of the High Activity Evaporator System (HA02) and therefore is more critical to support for the HAW Evaporator system than it is to the overall project startup logic. As a result, the startup testing completion date for the Process Steam System (PST01) is more critical as it relates to the High Activity Evaporator System (HA02) completion date. Therefore, the contract performance measure for the Process Steam System (PST01) will be considered met as long as the startup testing completion date supports the High Activity Evaporator System (HA02).

Government Furnished Services / Items:
None identified.

3C. Complete the startup testing of the Low Activity Evaporator System (LA02) (Schedule ID XLA02130) by June 4, 2012. **($200,000)**

Completion Criteria:
Completion of startup testing of the Low Activity Evaporator System (LA02) is defined by the Startup system turnover boundaries and the Low Activity Evaporator System (LA02) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Low Activity Evaporator System (LA02) demonstrates the ability to transfer material into the LAW Evaporator and boil the material, generating evaporator overheads and simulated concentrate. If it becomes necessary to defer testing of portions of the LAW Evaporator system to support more critical system startup activities and this results in a delay in completion of the entire scope of the LA02, NNSA may elect at their discretion to award partial payment of this contract performance measure based on support for critical startup testing.

Government Furnished Services / Items:
None identified.

3C-1. Complete the startup testing of the Low Activity Waste Receipt Tanks (LA01) (Schedule ID XLA01130) by May 17, 2012. **($25,000)**

Completion Criteria:
Completion of startup testing of the Low Activity Waste Receipt Tanks (LA01) is defined by the Startup system turnover boundaries and the Low Activity Waste Receipt Tanks (LA01) Test Procedure. The completion date is the date that field testing is completed. The documentation for the completion of testing will be the formal approval of the Startup Test Procedure by the

WSB Test Review Board. The date for formal approval of the Startup Test Procedure will by definition lag the completion date for the field testing. The contract performance measurement will be determined by the date testing is completed.

Assumptions:
The completion date for this activity is based on the WSB project baseline schedule. If the WSB Project schedule baseline is formally changed through a Baseline Change Proposal, then the completion date for this activity will be modified accordingly.

The Low Activity Waste Receipt Tanks (LA01) system is required to support the operational testing of the Low Activity Evaporator System (LA02) and therefore is more critical to support for the LAW Evaporator system than it is to the overall project startup logic. As a result, the startup testing completion date for the Low Activity Waste Receipt Tanks (LA01) is more critical as it relates to the Low Activity Evaporator System (LA02) completion date. Therefore, the contract performance measure for the Low Activity Waste Receipt Tanks (LA01) will be considered met as long as the startup testing completion date supports the Low Activity Evaporator System (LA02).

Government Furnished Services / Items:
None identified.

3D. Complete the installation of the diesel generator by October 12, 2011 (Schedule ID SR-SDG01). **($25,000)**

Completion Criteria:
Correctly locate the diesel generator and associated equipment. Complete all records documenting the completion of the subject activity in accordance with the applicable requirements.

Assumptions:
Funding is available to support the Balance of Plant contract execution.

The completion date is based on the construction subcontractor's baseline schedule. Should the subcontractor later propose a schedule modification that does not impact the construction critical path, this contract measure will be considered complete. Payment, however, would be withheld until the component(s) are placed and verification of no impact validated.

Government Furnished Services / Items:
None identified.

3E. Place the Floor Drain Collection Tank in accordance with the BOP subcontractor's placement schedule (Schedule ID SR-BLDG02) by November 16, 2011 **($20,000)**

Completion Criteria:
Correctly locate the Floor Drain Collection Tank in the cell. Complete all records documenting the completion of the subject activity in accordance with the applicable requirements.

Assumptions:
Funding is available to support the Balance of Plant contract execution.

The completion date is based on the construction subcontractor's baseline schedule. Should the subcontractor later propose a schedule modification that does not impact the construction critical path, this contract measure will be considered complete. Payment, however, would be withheld until the component(s) are placed and verification of no impact validated.

Setting of the equipment is exclusive of the final tie-ins of the various piping systems that provide inputs to the Floor Drain Collection Tank and are considered part of other system turnover boundaries.

Government Furnished Services / Items:
None identified.

Contract Output 4: Safely execute the Waste Solidification Building project activities in a cost effective manner and on the schedule necessary to meet the MFFF need date and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked) and DOE Order 413.3B (or successor).

65% ($2,610,000) of the allocated fee for the Project Management and Construction of the WSB will be earned as follows:

4A. Cost Performance Index - $1,510,000 of the allocated fee for this contract output may be earned for completion of criteria 1. The cumulative Project Cost Performance Index (CPI) will be reviewed by NNSA monthly. Award fee payments will be made quarterly based on cumulative Project Cost Performance Index at the end of each quarter.

4B . Schedule Performance Index - $1,100,000 of the allocated fee for this contract output may be earned for completion of criteria 2. The cumulative overall Project Schedule Performance Index will be reviewed by NNSA monthly. Award fee payments will be made quarterly based on cumulative Project Schedule Performance Index at the end of each quarter.

Completion Criteria:
1. The WSB Project is executed with a (TPC) Cost Performance Index (cumulative) of 0.98 or greater ($290,000 at the end of each quarter). If the cumulative CPI is 0.95 - 0.98, the PBI will be reduced to $150,000 for that quarter. If the cumulative CPI is 1.02 or greater, the PBI for the quarter will be increased to $377,500.

2. The WSB Project is executed with a (TPC) Schedule Performance Index (cumulative) of 0.98 or greater ($275,000 at the end of each quarter). If the cumulative WSB Project (TPC) SPI is less than 0.98, but is 1.0 or greater for the individual quarter, the criteria will be considered to have been met.

Assumptions:
- Construction activities associated with other NNSA contractors will not unduly affect the work on the Waste Solidification Building. SRNS has the responsibility for adequately coordinating and integrating the WSB scope of work with other entities on-site.
- Funding is available to complete the task.

- It is recognized that CPI's and SPI's may fluctuate for a variety of reasons, some of which do not accurately reflect project performance. In the event that the cumulative CPI and/or SPI falls below the threshold value at the end of a quarter, the quarterly payments for the affected CPI and/or SPI will be withheld. However, the performance fee for a previous quarter under this measure may be earned at the end of a subsequent quarter if the cumulative CPI and/or SPI increases above the required threshold. At the conclusion of FY 2012, however, any performance fee for the 4th or previous quarters not yet earned will not be paid. Available fee under this measure is not eligible to be earned in FY 2013.

Government Furnished Services / Items:
None identified.

$350,000 of the Nuclear Nonproliferation PBI will be paid quarterly for providing timely support to the MFFF project and MOX Fuel Irradiation, Feedstock and Transportation (MIFT) program in accordance with the integrated project schedule. (Contract Output 5)

WBS: 01.25.60.03

Contract Output 5: Safely execute SRNS assigned work on the MOX Fuel Fabrication Facility (MFFF) project in accordance with approved cost and schedule baselines contained in authorized Work Task Agreements (WTA's) and MOX Fuel Irradiation, Feedstock and Transportation (MIFT) scope assigned through either WTAs or NNSA work authorization process.

100%($350,000) of the fee allocated for execution of the NNP scope related to SRNS support of MOX and MIFT is based on the following completion criteria. (Subjective)

Completion Criteria:
Fee will be assessed on a quarterly basis **($87,500 at the end of each quarter)**. Fee for this contract output will be subjectively evaluated based on the contractor's performance, documented quarterly, of the objectives identified below.

1. Execute assigned support tasks in accordance with approved Work Task Agreements with Shaw AREVA MOX Services in a timely and efficient manner.
   - Construction support (utilities, waste hauling/disposal, badging, training)
   - Support security modeling exercises and simulation analysis
   - Support physical security design activities
   - Support installation and testing of meteorological tower and air quality monitors
2. Execute assigned tasks as requested by NNSA in support of the MFFF project and MIFT program in a timely and efficient manner.
   - Program management
   - Feed materials characterization, including support in identification of feed materials for direct introduction into fuel manufacturing (MP) process of MFFF
   - Alternate Feed Stock (AFS) studies, including preparation of AFS certification packages that will be transmitted to MOX Services that characterizes feed material
   - MOX start-up strategy and operations planning reviews

Assumptions:
Funding will be adequate to support the scope.

Government Furnished Services / Items:
None identified.

$1,000,000 of the Nuclear Nonproliferation PBI will be paid for executing assigned work related to the PDC project activities. (Contract Outputs 6 - 7)

WBS 01.25.60.01.03

Contract Output 6: This contract output includes the preparation, submittal, and support of the NNSA review of a PDC CD-1 package in accordance with DOE O 413.3B.

60% ($600,000) of the allocated fee for the execution of assigned work related to the PDC Project will be earned as follows:

6A. Based on the selected PDC alternative, prepare and submit a CD-1 package to NNSA. **($240,000)**

Completion Criteria:
1. Consistent with the CD-1 requirements in DOE O 413.3B, prepare and submit a CD-1 package to NNSA-SR by March 31, 2012.
2. In accordance with the current, approved version of the CD-1 document tree, prepare and submit supporting documents for the CD-1 package by June 1, 2012.
3. The CD-1 deliverables in the Integrated Project Team (IPT) schedule will be maintained to reflect actual status and will be aligned with ongoing work efforts.
4. CD-1 document deliverables are of a high quality from an overall perspective of technical content, editorial completeness, document format and adherence to applicable requirements.
5. Work is performed within agreed upon cost and schedule.

Assumptions:
FY 2012 new BA funding for PDC is assumed to be $13M OPC.

Government Furnished Services / Items:
1. By October 31, 2011, the PDC alternative will be selected.
2. NNSA will complete reviews within 10 working days or as agreed.

6B. Provide Project Integrator and Design Authority support for NNSA site and HQ reviews resulting in a CD-1 package ready for ESAAB approval. **($360,000)**

Completion Criteria:

1. CD-1 package process is fully supported by SRNS and the package is ready for ESAAB and other NNSA reviews in sufficient time to meet a June 1, 2012 scheduled approval.
2. Support CD-1 package reviews, submit corrective actions, if any; and disposition CD-1 comments in a timely and accurate manner.

Assumptions:
1. Funding will be available to support this scope.
2. SRNS is the project integrator for PDC Project.

Government Furnished Services/Items:
1. NNSA will complete reviews within 10 working days or as agreed.

Contract Output 7: Execute PDC activities in compliance with the current version of DOE Order 413.3B along with all contractual requirements in a quality, responsive, and cost effective manner in accordance with the PDC IPT schedule.

40% ($400,000) of the allocated fee for PDC project activities will be earned for executing the PDC project within the expectations defined below. (Subjective)

Fee will be assessed on a quarterly basis **($100,000 at the end of each quarter)**. NNSA will provide a quarterly evaluation of SRNS' performance with respect to these completion criteria in accordance with the rating system used in the contractor feedback process.

7A. Integrated Safety and Security

NNSA expects SRNS to have a mature PDC project integrated safety and security management systems in accordance with DOE Policies 450.4 and 470.1 and have a standard methodology/business model for integrating safety and security within all project systems, processes, and procedures such that there exists a high likelihood of no safety or security events.

Completion Criteria:
1. No safety incidents, issues, or concerns during the performance period.
2. No safeguards and security incidents, issues, or concerns during the performance period.
3. Any incidents, issues, or concerns will be properly communicated and addressed in a timely manner and evaluated to avoid reoccurrence.
4. Identify corrective actions when incidents occur and monitor effectiveness.
5. Institute a proactive program to avoid safety and security issues and these report activities.
6. Effectively participate in the Safety Design Integration Team and the Security Design Integration Team to optimize PDC design, construction, and operations activities.
7. Responds to IPT members, customers, and stakeholders in an integrated, timely, constructive, and quality manner.
8. Tracks, provides status and reports Safety and Security metrics.

Assumptions:
Funding will be available to support this scope.

Government Furnished Services / Items:
NNSA will complete reviews within 10 working days or as agreed.

7B. Contractor Assurance

PDC Project Contractor Assurance systems are uniquely tailored and effectively implemented to meet requirements for managing project risks; and protect the interests of all parties with respect to the environment, safety, health, safeguards, security, and cyber security. Assessments, Surveillances, and Audits are appropriately selected to achieve the proper level of PDC Project assurance, quality, and performance of work products.

Completion Criteria:
1. Maintains the CAS Plan as necessary to ensure a single comprehensive PDC Project performance management system. This includes updates to the Requirements Applicability Matrix.
2. Performs planned assessments per the approved PDC Project Management Assessment Plan and monitor and document oversight through QA surveillances.
3. Recommend for NNSA approval, and then publish, specific performance indicators for the PDC Project to demonstrate performance and identify trends.
4. Documents analyses, resolutions, and tracking/retrieval of issues to enhance project performance.
5. Issues Operating Experience to the PDC IPT and effectively manage the PDC Project Lessons Learned Program.
6. Publishes a PDC Project Lessons Learned Procedure
7. Develop an integrated PDC Project Assessment Schedule that combines SRNS, URS, and LANL assessment activities to increase efficiency and productivity.
8. Coordinates appropriate information exchanges with URS, LANL, and NNSA counterparts to ensure alignment in accomplishing project needs and goals.
9. Responds to IPT members, customers, and stakeholders in an integrated, timely, constructive, and quality manner.

Assumptions:
Funding will be available to support this scope.

Government Furnished Services / Items:
NNSA will complete reviews within 10 working days or as agreed.

7C. Conduct of Project Management

NNSA expects SRNS to have a mature DOE O 413.3B project management system and to execute project management with a standard methodology/business model with accompanying systems and processes.

It is expected that SRNS develop a project management culture throughout the entire lifecycle of the PDC project that consistently executes project management tools, techniques, processes, and procedures.

Completion Criteria:

1. Earned value management principles are utilized to monitor and report performance and provide required project performance metrics that effectively depict the project health. The trend program and Change Control Board (CCB) function in a disciplined and timely process.
2. The Risk Management program captures/document risks and identifies opportunities. Identified risks will be managed and monitored for on-going risk handling actions.
3. Accurate monthly reports are provided to NNSA demonstrating prudent project management and ownership.
4. Project budget, cost, schedule, contract and business management activities are effectively coordinated with NNSA staff and IPT members. Processes and procedures are efficient and work products require few or no revisions. Cost and schedule reports accurately demonstrate effective project management, integrated content, and project status.
5. The project integration role is instilled and evident within all teams, and work proceeds seamlessly toward project goals and milestones.
6. A resource-loaded Integrated Project Schedule is in place to monitor project performance on at least a bi-weekly basis.
7. Fully support the Federal Budget Process with high quality, timely planning tools and deliverables.
8. Develop and maintain, as necessary, an Integrated Priority List (IPL), aligned with the project Work Breakdown Structure (WBS) that readily allows for decisions for work prioritization and budget determinations.
9. Responds to IPT members, customers, and stakeholders in an integrated, timely, constructive, and quality manner.
10. The contractor, as the project integrator, will proactively manage resources throughout FY 2012 to allow for the effective execution of preliminary design from July 1, 2012 to September 30, 2012.

Assumptions:

Funding will be available to support this scope.

Government Furnished Services / Items:

NNSA will complete reviews within 10 working days or as agreed.

7D. Conduct of Engineering

NNSA expects SRNS to have a mature DOE O 413.3B Engineering oversight & Design Authority (DA) and to execute engineering and oversight with a standard methodology with accompanying systems, processes.

NNSA expects SRNS, as the DA, to be an independent Engineering Authority that is responsible for technical requirements and identification of all waivers/exceptions/exemptions to them, and

will build a disciplined, systematic approach to identifying, analyzing, and controlling requirements and hazards throughout the life cycle of the PDC Project execution. It is expected DA does the following as a minimum:

a) Develop and maintain FDD & SDD for the PDC project.
b) Be the waiver/exception/exemption authority for technical standards bringing those to the NNSA Authority Having Jurisdiction for approvals.
c) Conduct trend and risk analysis at the appropriate level commensurate with the maturity of the project.
d) Conduct, support, and oversee integrated hazard analysis.
e) Independently verify project and operational technical readiness.

Completion Criteria:
1. Actively participate and provide integrated, timely, constructive, and quality support to the Technical Oversight Group (TOG) and the Integrated Project Team (IPT).
2. SRNS activities and support should enhance, not adversely impact, other IPT activities, members or schedule.
3. Design Authority (DA) role provides timely and solid engineering documents and input to the design agent, NNSA, and other stakeholders.
4. Studies, technical reviews, technology development review and assessment are supported by the DA and operations to provide project scope affirmation and/or changes.
5. Supports Project Engineering Integration Manager activities in order to optimize project performance.
6. Fully supports project trend program by identifying potential opportunities, cost, or schedule issues as early as possible.
7. Actively participates and supports Value Engineering to aid in the identification of cost saving opportunities.
8. The contractor, as the project integrator, will proactively manage resources throughout FY 2012 to allow for the effective execution of preliminary design from July 1, 2012 to September 30, 2012.

Assumptions:
Funding will be available to support this scope.

Government Furnished Services / Items:
NNSA will complete reviews within 10 working days or as agreed. (Emphasis is added that reviews for Safety Documentation will be per mutually agreed schedule.)

$1,666,000 of the Nuclear Nonproliferation PBI will be paid for executing assigned scope related to the Plutonium Disposition Infrastructure and Integration activities. (Contract Outputs 8-9)

WBS: 01.25.60.05

Contract Output 8: Execute assigned SRNS scope and associated work activities related to management and integration of the Plutonium Disposition Program. Provide program planning and cost-effective support for activities common to the SRS scope associated with the Defense Nuclear Nonproliferation program and projects.

94% ($1,566,000) of the Plutonium Disposition Infrastructure and Integration activities fee is allocated for the execution of scope related to the Plutonium Disposition Program planning, integration and technical support. (Subjective)

Completion Criteria:
Fee will be assessed on a quarterly basis **($391,500 at the end of each quarter)**. Fee for this contract output will be evaluated quarterly based on SRNS performance using Subjective Rating Evaluation Criteria and documented for each of the areas identified below.

8A. Program Planning and Integration
SRNS will support NNSA in program planning and execution; technical and regulatory support; nuclear materials planning; and program integration for major aspects of the Plutonium Disposition Program associated with the following objectives.

1. Demonstrate leadership and management of the NNSA Plutonium Disposition Program through development of an organizational entity that provides timely, quality, contractor neutral information, recommendations, reports, and studies. SRNS will provide the business systems and management structure necessary to define clear ownership of the Plutonium Disposition Program within SRNS, maintain a direct counterpart to NNSA Office of Fissile Material Disposition organizations at SRS, and demonstrate SRNS's commitment to provide the resources necessary to support the projects and programs that make up the Plutonium Disposition Program.
2. Maintain key Plutonium Disposition Program planning and management documents including the Program Execution Plan, integrated schedule, and risk management plan and assessment. Update documents on an annual basis consistent with NNSA direction.
3. Maintain all required interface control documents (ICDs) for the Plutonium Disposition Program including development of new or revised ICDs requested by NNSA. Provide central access to the latest revisions of all ICDs.
4. Support NNSA's evaluation of alternatives in support of a PDC decision.
5. Support the development of the Surplus Plutonium Disposition Supplemental Environmental Impact Statement (SEIS) including: responses to information and data requests, hearings on the draft SEIS, and support for NNSA development of responses to comments.
6. Integrate implementation of the test plan with Los Alamos National Laboratory to demonstrate 3013 container equivalency at a lower stabilization temperature and support Plutonium Disposition Program efforts integrate changes associated with the lower stabilization temperature.
7. Provide communications and outreach support to NNSA as requested. Support development of communications publications and graphics.
8. Support at least two semi-annual project and program reviews consistent with the content and format requested by NNSA-HQ.

Assumptions:
Funding will be adequate to support the scope.

Government Furnished Services / Items:
None identified.

8B. Financial Management
Budget and financial deliverables per the Planning, Programming, Budget, and Evaluation (PPBE) process will be provided in accordance with established due dates.

Completion Criteria:
1. The SRNS Nuclear Nonproliferation Program (NNP) will maintain an effective and timely information response process. All information requests, budget exercises, work insertion requests, etc., will be fully supported at both the NNP and SRNS corporate level. The fiscal management efforts and work products will be evaluated on such factors as responsiveness, quality, timeliness, proactive resolution of emergent issues and concerns, and communication between NA-26/SRS and SRNS.
2. SRNS NNP will keep NNSA apprised of any and all accounting changes that affect NNSA costs. This includes, but is not limited to, changes to indirect rates, cost collection methodologies for pension and Work Force Restructuring costs, etc. SRNS NNP must ensure that NNSA's interests are considered and SRNS corporate provides NNSA (NA-26/SRS and/or SRSO) sufficient opportunity to participate in discussions prior to at decision being made.
3. SRNS will maintain an effective and efficient funds controls system. Uncosted balances are maintained consistent with sound financial management. Due consideration will be given to multi-year expense projects, multi-year program and productivity strategies, and timing of funding and scope direction. Indirect costs and rates will be tracked and managed to identify and mitigate potential perturbations to planned direct work.

Assumptions:
Funding will be adequate to support the scope.

Government Furnished Services / Items:
None identified.

8C. Program & Project Management
SRNS will manage their portions of the Nuclear Nonproliferation Program (NNP) consistent with the NNSA Program Management Policy (BOP-006.001) and in an integrated, professional manner. The NNP includes both major line item projects and day to day program management functions. NNSA relies upon SRNS to provide technical information, advice, and program management functions that must be strategic in nature and focused with the best interests of NNSA and the program at the forefront.

Completion Criteria:
Plan, execute, and manage to established scope, cost, schedule, and risk baselines for all program elements including:

1. Each individual program will be planned, executed, managed, and will maintain acceptable cost and schedule performance as established by Work Authorization Directives, Prioritized Project Lists, PRD Requirements, program implementation plans, program execution plan, and all other program requirements.
2. Aggregate evaluation of review results indicates programs are routinely implemented in accordance with requirements.
3. Information requests, budget exercises, work insertion requests, etc., will be supported. Develop and submit business cases as requested.
4. Safety will be emphasized for all aspects of the Nuclear Nonproliferation Program ensuring effective integration of safety and security into the design and construction of all nuclear line item projects in accordance with DOE-STD-1189. Project and program meetings will routinely discuss safety for project personnel and will emphasize lessons learned at SRS construction sites and projects at other DOE sites. Management presence in the field is significant and observable.
5. Manage program and projects within established scope, cost, and schedule baselines and budget authority.
6. Project activities and resources are effectively planned and integrated to ensure deliverables are timely, meet requirements, and are of good quality.

Assumptions:
Funding will be adequate to support the scope.

Government Furnished Services / Items:
None identified.

Contract Output 9: Assess and maintain infrastructure and facilities common to all projects associated with the NNP Pu Disposition Program. Support facility planning for future program needs.

6% ($100,000) of the Nuclear Nonproliferation PBI will be paid for executing assigned work related to the Nuclear Nonproliferation Program (NNP) Pu Disposition Infrastructure and associated work activities.

WBS: 01.25.60.05

Completion Criteria:

- Assess current conditions of NNP and other F Area facilities and recommend improvements to increase logistical efficiency. **($5,000)**
- Upon NNSA Authorization, execute F Area improvements **($15,000)**
- Develop a plan and cost estimate for the restoration of 720-F to be used as a multi-functional training and support building. **($10,000)**

- Upon NNSA authorization, execute restoration of 720-F in a cost effective, timely manner. **($70,000)**

Feedback on performance for this objective will be provided in writing on a quarterly basis and will be provided verbally during monthly meetings between counterparts.

Assumptions:

- Funding will be adequate to support the scope.
- NNSA authorization of scope for F Area improvements and 720-F facility refurbishment will be done in a timely manner.

Government Furnished Services / Items:

None identified.

Nuclear Nonproliferation Multi-year PBI

Time Period: October 1, 2009 – September 30, 2013

Allocated Fee: $TBD (see *Available Fee* below)
Rev. 1

Performance Outcome: Provide cost-effective management and technical support to the Nuclear Nonproliferation Program so that the WSB project is completed within the cost and schedule baselines and in accordance with DOE Order 413.3A (or successor) and other applicable DOE directives, regulations, and requirements.

Contract Output: Safely execute the construction of the Waste Solidification Building in accordance with the approved project baseline, on a schedule which supports the need date of the Mixed Oxide Fuel Fabrication Facility, and in accordance with the requirements of ASME NQA-1-2000 (or successor as invoked).

Available Fee: The fee available for this contract output is structured as an incentive for the sharing of cost under-runs. The fee to be earned will be provided by WSB line-item funds and is in addition to the potential fees earned through the annual award fee pool as delineated in the M&O contract. The fee earned will be 50% of the funds remaining after project closeout. NNSA OPC costs are not included in this determination; therefore, the final actualized TPC will be subtracted from a ceiling of $341,555,000 for the purpose of calculating fee.

Contract Measure: Up to 100% of the allocated incentive fee may be earned by Contract Output as follows:

- Complete the WSB project, through project and contract closeout, at a Total Project Cost of less than $341,555,000.
- The approval of Critical Decision 4 must be on a schedule to support the need date of the Mixed Oxide Fuel Fabrication Facility and does not result in cost impacts to that project due to WSB schedule delays.

Completion Criteria:

1. Critical Decision 4 is approved by NNSA.
2. All costs have completed the accrual process.
3. All contracts and subcontracts have been closed out and any required DOE reviews completed.
4. All claims for equitable adjustments and contract disputes have been resolved to a point that no further financial liability would be provided from project funds (see Conditions below).
5. All records documenting the completion of the subject activities in accordance with the applicable requirements are complete.

6. The completion date is currently forecast for 3rd quarter FY13 (see Conditions below).
7. Cost Overruns: In the event that project costs exceed the approved WSB project baseline (currently $341,555,000), SRNS will be responsible for a portion of the actualized overrun. The overrun will be shared with the government at a ratio of 80% (NNSA) – 20% (SRNS). The maximum amount that SRNS will be liable for is capped at $6,000,000.

Assumptions:

- Funding is available to support the project execution.
- In the event that NNSA directed scope changes result in an increase to the project baseline; i.e., additional funds provided for the line-item, the total available fee will be calculated based on the revised cost ceiling. This provision does not apply to a project baseline increased due to project performance.
- It is anticipated that changes will be experienced. Potential changes have been allocated for in project contingency analyses. These changes will be funded through available management reserve/contingency. SRNS should not assume that additional funds will be added to the line item and should expect that all changes will be provided for by current project funds (see *Scope Changes* below).
- Critical Decision 4 will be approved by NNSA in a timely manner to support the WSB schedule. SRNS is not responsible for delays in CD-4 approval, provided:

    - The request for approval is submitted in accordance with the WSB schedule and provides the necessary time for the NNSA review process.
    - The reason for delay is not attributable to SRNS performance or execution.

Conditions:

8. Fee under this incentive will be paid in its entirety upon project completion as delineated above.
9. Completion is based on the Early Finish date, with the overriding goal of not impacting the MFFF schedule. There will be no penalty to SRNS should the MFFF need-date be delayed. In that event, the WSB project may have additional opportunities to save costs by adjusting schedule; e.g., less overtime required. Exceeding the Late Finish date does not necessarily eliminate the ability to earn fee under this incentive provided that Critical Decision 4 is approved prior to the MFFF need-date.
10. Should the MFFF need-date be earlier, but within the baseline WSB schedule contingency window, the WSB project will expend the funds necessary to meet the need-date. See Contract Measure 2 above.
11. Upon payment to SRNS under this incentive, any additional late claims from a subcontractor related to the WSB scope will be paid by SRNS unless specifically accepted by NNSA.

12. Scope Changes: The TPC includes contingency funds to address anticipated events. However, it is expected that the project will be expected to absorb any new scope (including directed scope) using contingency funds. Examples of such scope changes that could impact project cost and/or schedule include, but are not limited to, new or revised DOE

Orders/Standards, DNFSB Recommendations, or new laws issued by Congress. Because the only funds available for this incentive are within the project baseline, the contingency currently available will be used to support project needs and will reduce the fee available as those funds are expended. It is not the intent of NNSA to penalize SRNS potential fee that it could have earned if additional funding had been provided, however fee is available only *as long as a surplus is maintained*. NNSA will make an equitable determination of "new and significant" scope items at the completion of the project for the purposes of identifying those funds available to be earned under this PBI. In this eventuality, costs for these scope increases will be provided first from the NNSA half of any under run to the extent available. If new and significant changes result in cost impacts greater than half of the surplus that would have been available, then NNSA would receive $0 and the contractor's fee would be reduced to cover the difference. The potential exists that should project costs rise to the current TPC ceiling, little if any funds may remain available for this incentive. Any adjustment is intended to cover new and significant additions to scope that are driven by external conditions and not addressed by existing risk analyses and will be made at the discretion of NNSA. Finally, if in NNSA's determination, the WSB project would have been completed within the approved baseline except for such new and significant scope, and the scope resulted in exceeding the TPC, SRNS will not be liable for the cost overrun.

In the event that additional funding is obtained to address new scope, the WSB Performance Measurement Baseline will be revised. Any additional contingency commensurate with the new scope will not necessarily be considered as additional available fee. This PBI will be evaluated at that time to determine if an adjustment to the incentive is warranted.

Government Furnished Services / Items:

Approval of Critical Decision 4.

Approvals

Dennis J Donati, Vice President
NNSA Programs

9/27/11
Date

William D. Clark, Director
Site Engineering and Integration Division
NNSA Office of Fissile Materials Disposition

9/27/11
Date