

**Fiscal Year 2014
DOE/NNSA Strategic Performance Evaluation Plan (PEP) Template**

FOR

NATIONAL SECURITY TECHNOLOGIES, LLC

**MANAGEMENT AND OPERATION OF THE
Nevada National Security Site**

Contract Number: DE-AC52-06NA25946

Performance period: October 01, 2013 through September 30, 2014



Signature

11/14/13

Date

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



Signature

11.15.13

Date

Steven J. Lawrence
Field Office Manager
Nevada Field Office
National Nuclear Security Administration



Signature

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Date

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

INTRODUCTION

The Nevada National Security Site is a facility owned by the United States Department of Energy (DOE), herein referenced as "Site." It is managed by National Security Technologies, LLC. Pursuant to the terms and conditions of the Contract, and Clause H-9, *Performance Based Management*, this Performance Evaluation Plan (PEP) sets forth the criteria in which the Site performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2014 are specified in Section B-2, *Contract Type and Value*, of Contract No. DE-AC52-06NA25946. This PEP promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, transparency, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

PERFORMANCE BASED APPROACH

The performance-based approach evaluates the Site's performance through a set of performance objectives (PO). Each PO, and its associated Contributing Factors (CF) and Site Specific Outcomes (SSO) will be measured against authorized work and the respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission. CFs and SSOs will be assessed in the aggregate to establish an adjectival performance rating for each Performance Objective. Notwithstanding the overall strategic framework, failure to achieve an individual SSO, the most important DOE/NNSA fiscal year objectives at the Site, may limit the award-fee.

MISSION

Nevada National Security Site

National Security Technologies, LLC shall provide support and infrastructure for experiments and activities at the NTS and satellite facilities. National Security Technologies, LLC shall be responsible for a wide range of activities in support of DOE/NNSA missions that include the following: nuclear explosives operations; remote field experiments and operations; physical and environmental science; nuclear waste management systems and technology; design and fabrication of electronic, mechanical, and structural systems; remote and robotic sensing; management of multi-laboratory facilities, mining, engineering, and construction operations; chemical, explosives, and hazardous materials systems and technologies; and waste management for various categories of waste. [National Security Technologies LLC] shall be responsible for a wide-range of facilities, laboratories, and equipment that support the custom design, construction, and fielding of experimental systems ranging from small electronic and remote sensing packages to fielding complex systems in hostile environments for use anywhere in the world.

MISSION PERFORMANCE

The Site is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, the model for this PEP is to rely on the Site's leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **The Site is expected to manage in a safe, secure, efficient, effective, results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance.** Products are expected to be delivered on-schedule and within budget.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider "context" such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside Site control), degree of difficulty, significant accomplishments, and other events that may occur during the performance period. Effective efforts by the Site to quickly identify, self-report, and overcome or mitigate the impact of issues, barriers or other circumstances will also be a factor in evaluating performance. A significant safety or security event may result in an overall limitation to adjectival ratings.

PERFORMANCE RATING PROCESS

At the end of each of the first three quarters, DOE/NNSA will evaluate performance and provide feedback to the Site highlighting successes and/or needed improvement. At the end of the year, an overall performance rating will be assigned for each PO using the table in Federal Acquisition Regulation Subpart 16.401(e)(3) yielding scores of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. In general, performance objectives and contributing factors are written to reflect an overall adjectival performance level of **Good**. DOE/NNSA will consider the Site end of year self-assessment report in preparing the Performance Evaluation Report (PER) for the Fee Determining Official (FDO). The PER transmits the final recommendations on performance ratings and award fee earned for the award fee period of performance. The unilateral decision of the total award fee earned will be made by the FDO.

PEP CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Any change to the PEP requires concurrence by the appropriate program office, NA-00 and the NNSA Senior Procurement Executive prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in contract clauses H-9, *Performance Based Management*, and (2) H-10, *Performance Incentives*, bilateral changes are the preferred method of change whenever possible.

FINAL DECISION

Prior to a final decision by the FDO the Site President will have a face-to-face opportunity to provide a final presentation in support of strategic performance determination and direction of the enterprise.

TOTAL AVAILABLE AWARD FEE ALLOCATION

| Performance Category | Performance Objective | % At-Risk Fee Allocation |
|---|--|--------------------------|
| Programs (NA-10 & FOM) | PO-1: Manage the Nuclear Weapons Mission | 25% |
| Programs (NA-2 & FOM) | PO-2: Broader National Security Mission | 12.5% |
| Programs (NA1.1 & FOM) | PO-3: Science, Technology, and Engineering and Other DOE Mission Objectives | 12.5% |
| Operations & Mission Execution (NA-3 & FOM) | PO-4: Operations & Infrastructure | 25% |
| Operations & Mission Execution (NA-1 & FOM) | PO-5: Leadership | 25% |
| | | |

UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.

INNOVATIVE SOLUTIONS

The Site will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. The Site will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions contributing to mission success. In addition, the Site is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

PO-1: Manage the Nuclear Weapons Mission – NA-10 & FOM - (At-Risk Fee: 25%)

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

Contributing Factors:

- CF-1.1 Accomplish work as negotiated with program sponsors and partners, achieving the expected level of quality to ensure safe, secure, reliable weapon performance, transportation, and cost effective operations.
- CF-1.2 Increase knowledge of the state of the stockpile, resulting from successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- CF-1.3 Execute deliveries for the stockpile work to meet limited-life component exchanges, and dismantlements.
- CF-1.4 Demonstrate the application of new strategies, technologies, and scientific understanding to support stewardship of the existing stockpile and future stockpile needs.
- CF-1.5 Sustain and strengthen unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- CF-1.6 Execute W78/88-1 phase 6.2 activities, B61-12 phase 6.3 activities, and W88 ALT 370 phase 6.3 activities in accordance with the NNSA approved schedules.

Site Specific Outcomes:

- 1.1 Successfully complete the Leda experiment in cooperation with the National Security Laboratories and identify and plan for the follow-on series of subcritical experiments that support the certification requirements of stockpile weapon systems.
- 1.2 Demonstrate an enhanced capability to efficiently coordinate, schedule and execute work for multiple programs in the DAF and U1a complex safely and securely.
- 1.3 Sustain, enhance, or replace Defense Program capabilities to enable stockpile sustainment and modernization requirements.

PO-2: Broader National Security Mission – NA-2 & FOM - (At-Risk Fee: 12.5%)

Successfully execute authorized broader national security mission work to include the Non-Proliferation, Emergency Operations and Counterterrorism missions as well as high-impact interagency work. Integrate across the Site, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

- CF-2.1 Support efforts to remove, eliminate and minimize the use of proliferation-sensitive materials.
- CF-2.2 Support efforts to safeguard and secure materials, technologies, and facilities.
- CF-2.3 Support efforts to detect and prevent the illicit trafficking of nuclear/radiological materials, technology, information and expertise.
- CF-2.4 Provide R&D technology solutions for treaty monitoring, minimizing the use of proliferation-sensitive materials, and the application of safeguards and security.
- CF-2.5 Provide unique technical/policy solutions and develop programs/strategies to reduce nuclear/radiological dangers.
- CF-2.6 Demonstrate effective operations and implementation of policy for mission success in support of emergency management, incident response and nuclear forensics mission support capability.
- CF-2.7 Sustain and improve nuclear counterterrorism and counterproliferation science, technology, and expertise.
- CF-2.8 Pursue and perform high-impact interagency work that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of future national security mission requirements.
- CF-2.9 Accomplish work within the budget profile, scope, cost, schedule, quality and risk negotiated with the program sponsors or partners.

Site Specific Outcome:

- 2.1 Manage and maintain national crisis response, consequence management, and nuclear forensics assets to respond to domestic and international radiological emergency situations. Ensure the assets are staffed, trained, and equipped to detect, measure, and/or track the radioactive material involved; determine contamination levels and predict release patterns, and/or neutralize improvised nuclear and radiological devices. Demonstrate broad expertise in crisis response, consequence management, and technical nuclear forensics to include the development of new technologies and successful execution of training programs for personnel.
- 2.2 Manage, and operate National Emergency Response assets, including aircraft, to respond to national emergency situations involving radioactive materials to detect, measure, and track the radioactive material involved; determine contamination levels and predict release patterns. Demonstrate broad response capabilities by successfully implementing a training program for National Emergency Response personnel and implementing the site's emergency management program. (NA-41, 42, 44, 45, 46)

**PO-3: Science, Technology, and Engineering (ST&E) and Other DOE Mission Objectives
– NA-1.1 & FOM - (At-Risk Fee: 12.5%)**

Successfully advance national security missions and advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule and risk while achieving the expected level of quality. Execute other DOE Mission Objectives for programs such as Environmental Management in accordance with the budget profile, scope, cost, and schedule. Effectively manage Site Directed Research and Development Programs (SDRD) to advance the frontiers of ST&E. Provide defensible objective evidence.

Contributing Factors:

- CF-3.1 Implement a research strategy that is clear and aligns discretionary investments (e.g., SDRD) with the research strategy and support DOE/NNSA priorities.
- CF-3.2 Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- CF-3.3 Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- CF-3.4 Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.
- CF-3.5 Perform research to accomplish the high priority, multi-year research objectives, advance ST&E, and develop technologies for the public good through technology transfer.
- CF-3.6 Pursue and perform high impact work that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of future national security mission requirements.
- CF-3.7 Accomplish work within the budget profile, scope, cost, schedule, risk, and quality negotiated with the program sponsors or partners.

Site Specific Outcome:

- 3.1 Demonstrate the development and deployment of a next generation Photon Doppler Velocimetry system or technical capability.
- 3.2 Operate and maintain the Radioactive Waste Management Complex and continue to perform the legacy environmental cleanup of groundwater and soil in accordance with the Federal Facility Agreement and Consent Order and other applicable requirements. Enable and enhance the consolidation of components that better optimizes de-inventory and disposition initiatives of legacy items throughout the DOE complex.

**PO-4: Operations & Infrastructure – NA-3 & FOM -
(At-Risk Fee: 25%)**

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

Contributing Factors:

- CF-4.1 Deliver effective, efficient, and responsive environment, safety and health (ES&H) management and processes.
- CF-4.2 Accomplish capital projects in accordance with scope, cost, and schedule baselines.
- CF-4.3 Deliver effective, efficient, and responsive physical, information and cyber security management and processes.
- CF-4.4 Maintain, operate and modernize the DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner; including disposition of unneeded infrastructure and excess hazardous materials.
- CF-4.5 Deliver efficient, effective and responsible business operations and systems.
- CF-4.6 Deliver efficient and effective management of legal risk and incorporation of best legal practices.

Site Specific Outcome:

- 4.1 Continue to investigate and successfully implement improvements in employee compensation benefits and organizational alignment to foster a more competitive environment while effectively supporting mission execution. Demonstrate successful implementation of efficiency initiatives, to align with the vision of One NNSA, through continued back-office and system consolidations.
- 4.2 Evaluate, establish and implement a systems approach to continuous improvement/issues management/ corrective action process that is repeatable and integrates the companies risk framework. This solution should incorporate bench-marking across the complex/industry and support the inclusion of the NvE partners into the process.
- 4.3 Utilize a structured risk management process that aligns with our strategic business plan to identify, prioritize and define a path forward associated with maintenance, recapitalization and deactivation addressing the declining state of infrastructure. Develop, socialize and institutionalize a proposal that includes available capital and needed funding from HQ to ensure property assets, especially at mission critical facilities, perform as intended.
- 4.4 Continue to drive company-wide systemic improvements (people, paper, processes) that will help drive successful mission execution.

PO-5: Leadership -NA-1 & FOM -(At-Risk Fee: 25%)

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, the responsiveness of the Site leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the Site and the Enterprise.

Contributing Factors:

- CF-5.1 Define and implement a realistic strategic vision for the Site, in alignment with the NNSA Strategic Plan, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.
- CF-5.2 Promote a culture of critical self-assessment and transparency across all areas; instill a culture of accountability, responsibility, and performance through the entire organization; and coordinate/communicate these key issues and concerns to DOE/NNSA leadership.
- CF-5.3 Demonstrate performance results through the institutional utilization of the Management Assurance System and the leveraging of parent company resources and expertise.
- CF-5.4 Work selflessly within the DOE/NNSA complex to develop, integrate, and implement enterprise solutions that maximize program outputs at best value to the government; identify innovative business and management solutions that greatly improve enterprise-wide efficiencies.
- CF-5.5 Exhibit professional excellence in performing roles/responsibilities while pursuing opportunities for continuous learning.