



**DEPARTMENT OF ENERGY
NATIONAL NUCLEAR SECURITY ADMINISTRATION
LOS ALAMOS SITE OFFICE**

-CONFORMED-

APRIL 28, 2010

FY 2010 PERFORMANCE EVALUATION PLAN

FOR THE

LOS ALAMOS NATIONAL SECURITY, LLC'S

MANAGEMENT AND OPERATION

OF THE

LOS ALAMOS NATIONAL LABORATORY

CONTRACT No. DE-AC52-06NA25396

PERFORMANCE PERIOD

OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

DEPARTMENT OF ENERGY NATIONAL NUCLEAR SECURITY ADMINISTRATION
FY 2010 PERFORMANCE EVALUATION PLAN

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I. PREFACE

The Performance Evaluation Plan (PEP) for the period of October 1, 2009, through September 30, 2010, defines the performance measures and expectations by which Los Alamos National Security, LLC's (LANS) performance of work will be evaluated under Contract No. DE-AC52-06NA25396. The PEP was bilaterally negotiated between the National Nuclear Security Administration (NNSA) and LANS.

The PEP is implemented in accordance with contract provision, H-12, "Performance Based Management," and H-13, "Award Term". Furthermore, Contract Clause B-2, "Contract Type and Value," states that for FY 2008 through FY 2013, 30% of the Maximum Available Fee (MAF) will be applied to Fixed Fee and 70% of the MAF will be applied to Incentive Fee. The MAF planned for in the FY 2010 PEP (Rev 0, issued September 30, 2009) is \$73,280,000.00. The MAF does not address fee earned in support of Work For Others as outlined within the Contract.

In FY09, the Congressional appropriation deviated more than 10% from the Total Estimated Cost and Fee of \$1,832,192,000 as stated in Prime Contract Clause B-2(c)(1). The Prime Contract will be modified to adjust the MAF based on additional work agreed to with NNSA, raising the At Risk Fee available to be earned as well as the Fixed Fee. New measures will be added to the PEP, with the additional fee distributed between Objective, Subjective, Essential, and Stretch measures in new PBIs 15, 16, and 17.

Overview of the FY 2010 PEP:

As noted above, 30% of the MAF is fixed by the contract and awarded unless certain conditions apply. The balance of the MAF (70%) is defined by performance measures. The Los Alamos FY 2010 PEP is populated by six (6) distinct types of performance measures. These include Performance Based Incentive (PBI) Essential measures, PBI Stretch measures, Performance Objective (PO) Essential measures, PO Stretch measures, Multi-Site Initiatives, and Award Term measures. These measures interrelate through gateways and, as a system, determine what quantity of performance-based fee LANS earns during the year, and whether or not LANS may be considered for an "Award Term" extension of the Prime Contract. Fee bearing measures are subdivided according to the risk of success: i.e. the "Essential" measures are those for which there is an expectation that by diligent effort, the contractor will succeed. The "Stretch" measures are generally related to improvements not directly tied to a specific compliance, safety, security, or mission outcome, or activities more difficult or complex, with extraordinary efforts required for success. The fee assigned to these measures is distributed in a split that is nominally ~75% assigned to Essential Measures and ~25% assigned to Stretch Measures. LANS and NNSA/LASO agree, as a general rule, that no fee-bearing element should merit less than \$100,000, and the work associated with each target should represent a high cost to fee ratio. Exceptions are extremely limited and justified.

This PEP does not address fee earned in support of Work for Others as outlined within the Contract.

Multi-Site Initiatives:

The PEP includes both site-specific measures and Multi-Site performance measures. The Multi-Site Initiatives will be evaluated by NNSA Headquarters officials to determine if all of the M&O Contractors within the complex have successfully worked together to achieve the stated objectives. Each Multi-Site performance measure applies to all NNSA sites. Therefore, if the described goals within the measure are not achieved, none of the M&O Contractors will earn fee for that measure, regardless of any individual site's achievements toward the end goal. ~10% of the total fee-at-risk is dedicated to Multi-Site Initiatives.

Performance Based Incentive (PBI) Measures:

~ 50% of the fee-at-risk (exclusive of Multi-Site initiatives) is associated with objective measures. PBI measures are divided into two (2) groups – Essential and Stretch. There are nine PBIs covering the major subdivisions of work at the laboratory. Each of the nine includes target sub-measures that

describe specific, measurable, key accomplishments determined by negotiation to merit incentive fee and to be important, challenging but achievable.

Performance fee may be earned by the contractor on a sliding scale or schedule, if stated in the initial PBI or if the benefit is advantageous to the Government.

Performance Objective (PO) Measures:

~50% of the fee-at-risk (exclusive of Multi-Site Initiatives) is associated with subjectively measured activities. PO measures are divided into two (2) groups – Essential and Stretch. These measures will enable the Government to subjectively measure the contractor's performance in four areas: Excellence in National Security Objectives, Excellence in Science, Technology, and Engineering, Excellence in Operations & Facilities, and Excellence in Institutional Management & Business, which also addresses overall management of the institution and emergent concerns. Performance Objectives are intended to address moderately quantifiable, largely qualitative and otherwise un-incentivized activities as well as the manner of accomplishment, i.e., "the how". Measurement criteria and focus targets are identified for periodic reporting purposes, but these will not preclude the Government's use of this measure as a broad metric of the contractor's performance in other areas. As such, the contractor may also report outside the pre-established criteria and focus targets if it believes such reporting to be appropriate and useful.

Award Term Measures (Clause H-13):

The Award Term Measures are a suite of five (5) individual measures selected to determine if the contractor is performing at such a high level that the Prime Contract should be extended for an additional year. Award Term eligibility is based not only on these measures but also on other performance "gateways".

Interrelationship of Measures:

The different types of measures interrelate in a system as described below:

Performance "Essential" to Performance "Stretch" Gateway:

If the contractor achieves an adjectival rating of at least "Very Good" performance in Subjective Essential measures in an aggregate fee area and earns $\geq 80\%$ of available Objective Essential fee in an aggregate fee area (Mission, Operations, or Business), then and only then can the Stretch target measures (associated with that aggregate fee area) be available to be earned. As such, there are three discrete "gateways" (each associated with an aggregate fee area). If the contractor fails to meet the gateway, no Stretch fee can be earned for the PBIs within that particular aggregate fee area.

Award Term Gateway:

In order for the contractor to achieve eligibility for a one-year extension of the contract, the contractor must perform each of the following:

- PBI Essential Measures – earn $\geq 80\%$ overall of PBI Objective Essential fee (exclusive of Multi-Site Initiatives), in the areas of Mission, Operations, and Business. Stretch measures are not considered for purposes of eligibility for Award Term.
- PO Measures – receive an overall adjectival rating of at least "Very Good" as defined by Table II in Subjective Essential performance.
- Award Term Measures – Achieve success in four (4) of the five (5) Award Term Measures.

If the contractor achieves each of these pre-requisites, the contractor will have earned the opportunity for a one-year extension of the Prime Contract (in accordance with the contract clause).

Administration of this PEP

Performance related to each PBI and PO will be tracked and reported to NNSA on a monthly basis. NNSA and LANS will meet each month to discuss performance status and to ensure that performance issues are identified at the first opportunity, in order to affect timely resolutions. The results of these discussions will be documented and shared between the parties.

The PEP administration process will be managed by a LASO Contracting Officer. Key participants include the PBI Owners, who are specifically identified in each PBI. The owners are selected LANS managers and designated LASO Contracting Officer Representatives (CORs).

The content of the PEP can be revised through a formally defined Change Control Process that includes mutual agreement between NNSA and LANS, supported by appropriate approvals. However, the NNSA Los Alamos Site Office Manager reserves the unilateral right to make the final decision on all performance objectives and performance incentives (including the associated measures and target) used to evaluate Contractor performance. A Change Control Board (CCB) will review possible changes or other issues that are identified related to the PBIs and POs. The Board will consist of the NNSA Contracting Officer, cognizant LASO Site Office Management, the LANS Prime Contract Office, cognizant LANS Management and subject matter experts as required. In the event that the CCB finds it is unable to resolve an issue, the matter will be referred to Senior Laboratory Management and the Deputy Site Office Manager for resolution.

Any changes to the PEP must be approved by the Contracting Officer. There may be circumstances when changes to program mission, milestones and/or requirements occur that are beyond the control/influence of either NNSA or the Contractor. The Contractor will not be held responsible for delays in completion of expected milestones that are beyond its control or influence unless otherwise delineated in the PBI measures. When delays are within the Contractor's planning, control, or influence, assessment of the Contractor's performance will be in accordance with the performance measures and fee detailed in the PEP.

Pursuant to H-14, "Performance Incentives", determination of the amount of Performance Incentive Fee earned is a unilateral determination made by the Fee Determining Official (FDO). The FDO's decision will be made within 70 days after the end of the evaluation period. Unearned incentive fee cannot be carried over to future performance periods.

The specific wording in the PBIs will constitute the basis for the final fee determination by NNSA. The POs are by their nature more qualitative in general.

Fee Spread

Based on negotiations, the FY 2010 Fee is allocated as outlined in Section II: *Fee Schedule*

Table I: Graphical Description of Gateways

PEP Stretch Gateway						
Focus Areas	STRETCH GATEWAY					
Mission Essential Measures	→	Achieve ≥ 80% * Aggregate Mission Essential	PLUS	Mission Adjectival "Very Good" (Subjective Measures)	→	Mission Stretch Eligible
Operations Essential Measures	→	Achieve ≥ 80% * Aggregate Operations Essential	PLUS	Operations Adjectival "Very Good" (Subjective Measures)	→	Operations Stretch Eligible
Business Essential Measures	→	Achieve ≥ 80% * Aggregate Business Essential	PLUS	Business Adjectival "Very Good" (Subjective Measures)	→	Business Stretch Eligible

* Measured in Dollars

PEP Award Term Gateway								
Focus Areas	AWARD TERM GATEWAY							
Mission Essential Measures	→	Achieve ≥ 80% * Aggregate Essential (Objective Measures)	PLUS	Overall Adjectival ≥ "Very Good" (Subjective Measures)	PLUS	Meet 4 of 5 Award Term Incentives	→	Award Term Eligible
Operations Essential Measures	→							
Business Essential Measures	→							

* Measured in Dollars

Table II: Subjective Fee Evaluation

Subjective Fee Evaluation		
Adjectival Rating for Subjective Evaluation	Adjectivally Rated At-Risk Award Fee Pool Available Range to be Earned	Adjectival Rating Common Definition
Outstanding	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%-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	No Greater than 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.

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II. FEE SCHEDULE

		FY 2010 PEP Structure			
PO/PBI #	PBI Title	Fee Type	Essential 63%	Stretch 27%	MS 10%
Mission		37%			
11	Excellence National Security Objectives	Subjective	\$ 6,000,000	\$ 500,000	\$ 6,500,000
12	Excellence in Pursuit of Science & Energy Initiatives	Subjective		\$ 5,500,000	\$ 5,500,000
2	Transformative Initiatives	Objective	\$ 1,030,000	\$ 1,550,000	\$ 2,580,000
3	EM Base Program	Objective	\$ 2,300,000	\$ 300,000	\$ 2,600,000
16	New Initiatives	Objective		\$ 600,000	\$ 600,000
19	TA-21 Stimulus (Multi-Year PBI)	Objective	\$ 2,006,000		\$ 2,006,000
19	TA-21 Stimulus (Multi-Year PBI)	Subjective	\$ 500,000		\$ 500,000
			\$ 11,836,000	\$ 8,450,000	\$ -
Operations		34%			
13	Excellence in Operations & Facilities	Subjective	\$ 4,000,000		\$ 4,000,000
4	Quality Assurance	Objective	\$ 350,000	\$ 200,000	\$ 550,000
5	ES&H and Compliance	Objective	\$ 670,000	\$ 340,000	\$ 1,010,000
6	Project Management	Objective	\$ 1,550,000	\$ 150,000	\$ 1,700,000
7	High Hazard Operations & Emergency Management	Objective	\$ 2,590,000	\$ 1,610,000	\$ 4,200,000
8	Security	Objective	\$ 2,825,000	\$ 100,000	\$ 2,725,000
9	Facilities, Infrastructure, Utilities & Energy	Objective	\$ 1,350,000	\$ 600,000	\$ 1,950,000
15	Security Training Capabilities (Multi-Year PBI)	Objective	\$ 200,000		\$ 200,000
16	New Initiatives	Objective		\$ 700,000	\$ 700,000
17	Improve Nuclear Facility Safety Posture	Objective	\$ 850,000	\$ 350,000	\$ 1,200,000
17	Improve Nuclear Facility Safety Posture	Subjective	\$ -	\$ 400,000	\$ 400,000
			\$ 14,185,000	\$ 4,450,000	\$ -
Institutional Management & Business		20%			
14	Excellence in Institutional Management & Business	Subjective	\$ 8,500,000	\$ 500,000	\$ 9,000,000
10	Contract Commitments & Business Objectives	Objective		\$ 1,375,000	\$ 1,375,000
16	New Initiatives	Objective	\$ 225,000	\$ -	\$ 225,000
16	New Initiatives	Subjective		\$ 375,000	\$ 375,000
			\$ 8,725,000	\$ 2,250,000	\$ -
Multi-Site		10%			
1	Multi-Site Initiatives	Objective			\$ 5,304,000
			\$ -	\$ -	\$ 5,304,000
			\$ 34,746,000	\$ 15,150,000	\$ 5,304,000
Award Term					
18	Award Term			\$ 55,200,000	

III. 2010 LANL PERFORMANCE EVALUATION PLAN

PBI No. 1
Multi-Site Performance

FY 2010 PERFORMANCE BASED INCENTIVE			
PBI No. 1	Objective:	Multi-Site Initiatives	
<p>Objective Statement: Achieve overall improvements in the performance of the Nuclear Weapons Complex through accomplishment of NNSA Multi-Site Objectives. Lead or support the following Multi-Site Initiatives identified in the Milestone Report Tool (MRT) that use the HQs change control process.</p>			
SECTION 1 GENERAL INFORMATION			
Revision Number and Date:	Revision No.:	Date: <u>March 30, 2010</u>	
Maximum Available Incentive Fee:	\$5,304,000 (Essential)		
Duration:	Annual		
Fee Payment Type:	Completion		
Principle LANS Owner:	C. McMillan, T. Harper		
Principle COR:	J. Griego, H. Brockelsby		
SECTION 2 PERFORMANCE REQUIREMENTS			
<p>GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i></p> <p>None</p>			
SECTION 3 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type E or S
Measure 1.1	Stockpile	\$3,204,000	E
Measure 1.2	Enterprise Integration	\$1,000,000	E
Measure 1.3	Science	\$1,100,000	E
SECTION 4 PERFORMANCE MEASURES			
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2010.</i>			
Measure 1.1	Stockpile		
Measure 1.1.1	Achieve the W76-1 LEP Scheduled Deliveries (Objective/Essential)		
<p>Expectation Statement: Achieve the W76-1 LEP scheduled deliveries to the U.S. Navy.</p>			
<p>Completion Target: This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:</p>			

Achieve the W76-1 LEP scheduled deliveries to the U.S. Navy:

1. Each site builds hardware for PX, with a 90-Day Lead-time, and deliveries are made as directed in the PCD.
2. PX builds and prepares scheduled units for shipment as directed in PCD.

Fee Schedule:

Essential: \$ 850,000

**Measure 1.1.2 Phase Gate B for the B61 LEP Phase 6.2/6.2A Study
(Objective/Essential)**

Expectation Statement:

Prepare for and accomplish Phase Gate B for the B61 LEP Phase 6.2/6.2A study by September 30, 2010.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Prepare for and accomplish Phase Gate B for the B61 LEP Phase 6.2/6.2A study by September 30, 2010.

Fee Schedule:

Essential: \$ 404,000

**Measure 1.1.3 Deliver Limited Life Components and Alteration Kits
(Objective/Essential)**

Expectation Statement:

Deliver limited life components and Alteration Kits to the Department of Defense in accordance with the MNS Volume III: 100% of scheduled LLCs delivered.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Deliver limited life components and Alteration Kits to the Department of Defense in accordance with the MNS Volume III: 100% of scheduled LLCs delivered.

Fee Schedule:

Essential: \$ 850,000

**Measure 1.1.4 Execute Surveillance Program Defined by the SESC
(Objective/Essential)**

Expectation Statement:

Execute Surveillance Program defined by the SESC. Each Site will execute surveillance work scope according to the PCD.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Execute Surveillance Program defined by the SESC. Each Site will execute surveillance work scope according to the PCD:

1. Each Site must complete FY 2010 surveillance activities in accordance with the PCD.
2. Each Site must provide evidence of completion (written report) for each activity identified in approved IWET plans.
3. Each Site must report FY 2010 surveillance activities to QERTS.

Fee Schedule:

Essential: \$ 400,000

0 missed = 100% of fee allocated (requires achievement of Targets A, B and C)

1 missed = 0% of fee allocated (any Target not achieved)

**Measure 1.1.5 Perform Dismantlements
(Objective/Essential)**

Expectation Statement:

Perform dismantlements. Exceed the PCD scheduled weapon dismantlement quantities at Pantex and secondaries at Y-12.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Perform dismantlements. Exceed the PCD scheduled weapon dismantlement quantities at Pantex and secondaries at Y-12.

Fee Schedule:

Essential : \$ 500,000

**Measure 1.1.6 Authorize the B53 and W84 Programs
(Objective/Essential)**

Expectation Statement:

Authorize the B53 and W84 programs in accordance with the NNSA approved project plan.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Authorize the B53 and W84 programs in accordance with the NNSA approved project plan.

Fee Schedule:

Essential : \$ 200,000

Measure 1.2 Enterprise Integration

**Measure 1.2.1 Successfully Complete NNSA-Approved Priority Activities
(Objective/Essential)**

Expectation Statement:

Successfully complete NNSA-approved priority activities in support of Enterprise Reengineering.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Successfully complete NNSA-approved priority activities in support of Enterprise Reengineering.

- a. SNL and NTS only.
- b. Pantex, Y-12, LANL, LLNL and SRS evaluate the KCP governance model for graded incorporation for Site operations/activities as follows:
 1. Sites submit evaluation of feasibility to Site Office by January 31, 2010.
 2. Following NNSA review and appropriate contractual direction, begin implementation and meet key plan milestone as evaluated by the Site Offices by September 30, 2010.

- c. All NNSA Sites work together and with NNSA HQ to implement the re-engineering and reform initiatives per the submitted milestones and approved by the NNSA Governance Board. Each Site Office will evaluate progress and milestone completion for the top initiative for their Site. Success will be gauged based on completion of 80% of the identified key milestones.
- d. Pantex and Y-12 only.
- e. Execute Baseline/Benchmark based improvements:
 - 1. The Phase-3 of the Macro Baseline/Benchmark effort is completed and common improvement areas are identified and agreed to by HQ by January 1, 2010.
 - 2. FY 2010 scope associated with the improvement areas is completed by September 30, 2010.

Fee Schedule:

Essential : \$ 400,000

Measure 1.2.2 Implement Elements from the Approved FY 2010 - 2015 Multi-Site IT Strategic Plan Targets (Objective/Essential)

Expectation Statement:

Implement elements from the approved FY 2010 – 2015 Multi-Site IT Strategic Plan Targets.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:

Implement elements from the approved FY 2010 – 2015 Multi-Site IT Strategic Plan Targets:

1. Implement the FY 2009-developed and approved IT-Cyber Integration Roadmap, achieving defined milestones by September 30, 2010.
2. Implement the approved core, common NSE services strategy and technical approach developed in FY 2009 by September 30, 2010.
3. Improve collaborative services:
 1. Develop a collaboration services roadmap by March 31, 2010.
 2. Identify and dedicate collaborative Service Centers of Excellence by June 30, 2010.
 3. Deploy IP and ISDN-based video-teleconferencing enhancements by September 30, 2010.
 4. Implement near-term recommendations of the FY 2009 cross-Complex comparison of IT costs by September 30, 2010.
4. Improve Cyber Incident Response (Cyber Tracer Team):
 1. Establish and conduct a review of a concept of operations (CONOPS) document; the CONOPS will contain an agreed upon governance model by March 31, 2010.
 2. Demonstrate collaborative initiatives through cyber-defense exercises and sharing of incident data by March 31, 2010.
 3. Identify the components of a training program designed to develop Cyber Security analysts and incident responders by June 30, 2010.
5. Implement NSE Wireless Capability:
 1. Provide information and support necessary for a 3rd party to complete an enterprise wide wireless business case analysis (February 28, 2010).
 2. Propose a model for headquarters-level NSE Wireless Standards accreditation with integrated cyber, TSCM, Tempest, etc. that establishes reciprocity across NNSA (February 28, 2010). If the business case of "e.1" above is approved and funding is available to make a contract award, issue a NSE-wide wireless RFP for NNSA HQ review and approval (within 180 days of business case approval).

Fee Schedule:

Essential: \$ 500,000

**Measure 1.2.3 Support Business Process Transformation and Relocation of the Kansas City Plant
(Objective/Essential)**

Expectation Statement:

Support business process transformation and relocation of the Kansas City Plant.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria: Support business process transformation and relocation of the Kansas City Plant. Within allocated resources, and taking into account NNSA stockpile priorities, focus budget, resources, planning, and execution to support KCP inventory reductions, requalification of outsourced technologies, and product build-ahead's in support of KCRIMS in order to minimize impact on delivery commitments.

Fee Schedule:

Essential: \$ 100,000

Measure 1.3 Science

**Measure 1.3.1 NIF
(Objective/Essential)**

Expectation Statement:

NIF: begin first integrated ignition experiments.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria: NIF: begin first integrated ignition experiments.

Fee Schedule:

Essential: \$ 300,000

**Measure 1.3.2 Build a Framework to Assess Changes in Simulation Predictions
(Objective/Essential)**

Expectation Statement:

Build a framework to assess changes in agreement of simulation predictions with experimental data from representative UGTs as new science-based modeling capabilities are incorporated into modern ASC codes.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria: Build a framework to assess changes in agreement of simulation predictions with experimental data from representative UGTs as new science-based modeling capabilities are incorporated into modern ASC codes.

Fee Schedule:

Essential: \$ 300,000

Measure 1.3.3 Perform High-Priority DP Mission-Related Science Experiments (Objective/Essential)

Expectation Statement:

Successfully perform high-priority DP mission-related science experiments.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Successfully perform high-priority DP mission-related science experiments:

- a. Restart operations at safety category 3 at JASPER and complete scheduled FY 2010 dynamic plutonium experiments. (LLNL Lead; NTS, LANL Participating)
- b. Perform the high priority dynamic plutonium experiments on ZR at the authorized current levels, and extend the ZR authorization basis to the full-current level. (SNL and LANL Co-Lead; NTS Participating)
- c. Perform hydrotest at DARHT consistent with the FY 2010 National Hydrotest Plan. (LANL Lead; LLNL, NTS Participating)
- d. Perform the Bacchus and Barolo experiment series at U1a, one confirmatory and one Pu experiment to be executed during 2Q FY 2010. (LANL Lead; NTS, SNL Participating)

Fee Schedule:

Essential: \$ 300,000

Measure 1.3.4 Advanced Simulation and Computing (Objective/Essential)

Expectation Statement:

Advanced Simulation and Computing. Provide reliable, quality service and access to any NNSA laboratory from any NNSA-designated computing user facility, independent of the location of the computing resource being utilized.

Completion Target:

This measure has been achieved when the Contractor has satisfied the following HQ defined criteria:
Advanced Simulation and Computing. Provide reliable, quality service and access to any NNSA laboratory from any NNSA-designated computing user facility, independent of the location of the computing resource being utilized.

- a. Access to any NNSA-designated computing user facilities (especially Cielo and Red Storm) will be available to all three Laboratories.
- b. Implementation of a peer review process for access to each designated facility with criteria based on program priority; user facility will work to assure machine utilization rates of $\geq 85\%$.

Fee Schedule:

Essential: \$ 200,000

SECTION 5 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the

approval of the Continuing Resolution.

- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- A revised Multi-Site is in development at the time of signing of this PEP. Modification is expected in the first 30 days of the fiscal year.

PBI No. 2
Program Capability Risk Management

FY 2010 PERFORMANCE BASED INCENTIVE			
PBI No. 2		Objective: Program Capability Risk Management	
Objective Statement: Develop and apply science and technology to ensure the safety, security, and reliability of the U.S. nuclear deterrent. Be the premier national security science laboratory and realize the vision for a Science, Technology and Engineering capabilities based organization that is responsive to current and adaptable to anticipated national security needs.			
SECTION 1 GENERAL INFORMATION			
Revision Number and Date:	Revision No.: <u>0</u> Date: <u>September 30, 2009</u>		
Maximum Available Incentive Fee:	\$1,030,000(Essential)+\$1,550,000(Stretch)= \$2,580,000		
Duration:	Annual		
Fee Payment Type:	Completion		
Principle LANS Owner:	C. McMillan (J. Leeman)		
Principle COR:	J. Griego		
SECTION 2 PERFORMANCE REQUIREMENTS			
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>			
In order to earn any incentive fee in PBI 2 stretch measures, the following two gateways must be met:			
1. Earn ≥80% total objective essential fee in the aggregate fee area of Mission.			
2. Earn an adjectival rating of at least "Very Good" in the essential Mission Subjective measure.			
SECTION 3 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type E or S
Measure 2.1	Weapons Infrastructure Portfolio Risk Management	\$240,000	E
Measure 2.2	Outfall Reduction Program (ORP) Implementation	\$200,000	E
		\$260,000	S
Measure 2.3	Integrated Nuclear Planning (INP) Implementation	\$200,000	E
Measure 2.4	CMR Facility Consolidation/Risk Mitigation	\$250,000	E
Measure 2.5	Consolidated Solid Waste Capability Development	\$290,000	S
Measure 2.6	Weapons Infrastructure (WI) - Solid Waste Processing Initiatives	\$140,000	E
		\$800,000	S
Measure 2.7	Reserved for Emergent Measures	\$200,000	S

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 2.1 Weapons Infrastructure Portfolio Risks
(Objective/Essential)**

Expectation Statement:

Ensure mission continuity, reduce programmatic risk due waste operations and ensure effective management of solid and liquid waste functions.

Completion Target:

This measure has been achieved when the Contractor has addressed:

- 2.1.1 Existing Radioactive Liquid Waste Treatment (RLWT) Facilities – Portfolio Integration
- 2.1.2 Existing Solid Waste Management Facilities– Portfolio Integration
- 2.1.3 RLWT Facilities – Capability Life Extension
- 2.1.4 Solid Waste Management Facilities – Capability Life Extension

Deliverables:

- Evidence packages denoting completion of the sub-measures listed above and as detailed below.

Fee Schedule:

Essential: \$240,000

- 30% of fee to be paid for completion of 2 of the 4 targets
- 60% of fee to be paid for completion of 3 of the 4 targets
- 100% of fee to be paid for completion of all targets

**Measure 2.1.1 Existing Radioactive Liquid Waste Treatment (RLWT) Facilities
(Objective/Essential)**

Expectation Statement:

Demonstrate improved integration and management of the existing RLWT facilities through application of consistent and integrated management systems across TA-50 and TA-55.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrated implementation of the WBS and code structure at RLWTF to align with TA-55, thereby enabling improved cost analysis and work control.
2. Demonstrated implementation of the integrated plan of the day (IPOD) with both TA-55 and RLWTF maintenance activities, thereby enabling improved work/resource management
3. Demonstrated implementation of RLWTF/TA-55 combined budget planning for FY11 consistent with the NNSA PPBE process.

Deliverables:

- Evidence packages denoting completion of the first two targets above by March 31, 2010
- Work packages for RLWTF and TA-55 for FY2011 demonstrating implementation of third target above by September 15, 2010

**Measure 2.1.2 Existing Solid Waste Management Facilities
(Objective/Essential)**

Expectation Statement:

Demonstrate improved integration and management of the Existing Solid Waste Management facilities through application of consistent and integrated management systems in support of enduring and legacy waste programs requirements across TA-54.

Completion Target:

This measure has been achieved when the Contractor has:

1. Established a PADWP-WI and ADEP planning/integration mechanism to address facility management and waste processing issues and initiatives.
2. Demonstrated implementation of integrated budget planning in support of enduring and legacy waste program requirements for FY11 consistent with the NNSA PPBE process.

Deliverables:

- Evidence package denoting completion of the first target above by March 31, 2010.
- WI work packages for solid waste facility activities for FY2011 demonstrating implementation of the target 2 by September 15, 2010.

**Measure 2.1.3 RLWT Facilities – Capability Life Extension
(Objective/Essential)**

Expectation Statement:

Demonstrate improved planning, investment, condition and maintenance of the TA-50 facilities.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrated continued planning and execution of the run-to-replacement strategy for the non-enduring RLWT facilities.
2. Complete risk-based execution plans for FY2011 & FY2012. Utilize in budget preparation for FY2011.
3. RLW Collection System (RLWCS)
 - o Complete study on long-term configuration and use of the RLWCS..
 - o Establish a preventative maintenance schedule for the RLWCS and implementation plan for scheduled maintenance.

Deliverables:

- Evidence packages denoting completion of target 3 above by June 30, 2010
- Evidence packages denoting completion of the targets 1-2 above by September 15, 2010

**Measure 2.1.4 Solid Waste Management Facilities – Capability Life Extension
(Objective/Essential)**

Expectation Statement:

Demonstrate improved planning, investment, condition and maintenance of the Solid Waste Management facilities.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrated continued planning and execution of the run-to-replacement strategy for the non-enduring solid waste management facilities.

2. Complete risk-based execution plans for FY2011 & FY2012. Utilize plans in budget preparation for FY2011.
3. Continue progress on development and implementation of an institutional waste tracking system.
4. TRU waste storage domes
 - o Complete study on condition and projected use of storage domes by June 30, 2010.
 - o Execute required dome repairs per plan.

Deliverables:

- Evidence packages denoting completion of the targets above by September 15, 2010

Measure 2.2 Outfall Reduction Program (ORP) Implementation

Measure 2.2.1 ORP Interim Measures (Objective/Essential)

Expectation Statement:

The ORP interim measures will be completed in support of the new 2010 NPDES compliance requirements to enable continued operations

Completion Target:

This measure has been achieved when the Contractor has:

Implemented identified interim measures for the 2010 metals requirements:

1. TA-35 NHMFL
2. TA-50
3. LANSCE
4. Sigma
5. TA-11 Vibration Facility
6. SCC
7. LDCC

Deliverables:

- FOD verification of completion and assumption of operational responsibility by July 31, 2010
- Evidence packages denoting completion of the targets above by August 30, 2010

Fee Schedule:

Essential: \$200,000

- 100% of fee to be paid for the completion of 7 target elements as defined above.
- 25% fee reduction for each missed element above.

Assumptions Specific to This Measure:

- RTBF and IS funding is available to implement interim measures.
- Implementation is verified when interim measure is operational and the responsible FOD assumes responsibility for the system and/or other actions (i.e., selected operations may be curtailed or additional local treatment implemented) have been effected to ensure the 2010 metals requirements can be achieved.

Measure 2.2.2 ORP Long-Term Measures (Objective/Stretch)

Expectation Statement:

Demonstrate progress towards the new 2012 NPDES compliance requirements and a reduction in permitted outfalls at the Laboratory to enable sustainable operations.

Completion Target:

This measure has been achieved when the Contractor has:

1. Developed an interim measure proposal as risk mitigation for any schedule gap that may exist between 2012 PCB requirements and the execution of the Sanitary Effluent Reclamation Facility (SERF) Expansion project.
2. Completed the Design of the DARHT Cooling tower and Septic system tie in to the Sanitary Waste Water System (SWWS).
3. Completed the LANSCE Alternatives Analysis resulting in a final outfall solution recommendation.
4. Submitted to LASO the SERF Expansion project CD-1 package.
5. CMR Wing 5 and 7 Air Washers have been removed and the remaining Air Washers are re-plumbed to the Sanitary Waste Water System (SWWS) for emergency use only.

Deliverables:

- Evidence packages denoting completion of the targets above by September 15, 2010

Fee Schedule:

Stretch: \$260,000

- 100% of fee to be paid for the completion of 5 target elements as defined above.
- Fee reduced by 25% for each target element not achieved.

Assumptions Specific to This Measure:

- SERF Expansion funding is supported by NNSA.
- A full Environmental Impact Study will not be necessary to complete the NEPA process for the SERF Expansion Project.

**Measure 2.3 Integrated Nuclear Planning (INP) Implementation
(Objective/Essential)**

Expectation Statement:

Ensure mission continuity, reduce programmatic risk due to waste operations, and ensure effective management of solid and liquid waste functions.

Completion Target:

This measure has been achieved when the Contractor has addressed:

- 2.3.1 Implementation of INP processes - TA-55/RLWF activities
- 2.3.2 Implementation of INP Processes - Enduring Waste Management (EWM) Activities

Deliverables:

- Evidence packages denoting completion of the sub-measures listed above

Fee Schedule:

Essential: \$200,000

- 100% of fee to be paid for completion of all targets by September 30, 2010.

**Measure 2.3.1 Implementation of INP processes - TA-55/RLWF activities
(Objective/Essential)**

Expectation Statement:

Use INP Program Management processes to support management and integration of TA-55 program and infrastructure activities.

Completion Target:

This measure has been achieved when the Contractor has:

- Planned and conducted an INP workshop as a forum focused on the management and integration of TA-55 and RLWF activities (by May 31, 2010). At the workshop, build on the core plutonium strategy and plans to address all or part of the following projected topics/issues:
 1. Funding strategy and plans to support the occupation, start-up and operations of the RLUOB,
 2. Required funding, planning and execution balance between RLUOB Equipment Installation and CMRR Nuclear Facility,
 3. TA-55 and related facility/infrastructure plans,
 4. Materials and waste disposition,
 5. Integrated Priority List (IPL) implementation,
 6. Integration/transition of LLNL operations, and
 7. FY10/FY11 Plutonium Programs' budgets and planning. Document the minutes, decisions and actions within 30 days.

Note: Final selection of topics will be agreed upon between LANL and NNSA 30 days ahead of the workshop.

Deliverables:

- Workshop Notebook, Meeting Minutes and Action Items

Measure 2.3.2 Implementation of INP Processes - Enduring Waste Management (EWM) Activities (Objective/Essential)

Expectation Statement:

Utilize INP program management processed to establish/validate the strategic direction for the enduring waste management mission and establish and conduct implementations plans.

Completion Target:

This measure has been achieved when the Contractor has:

1. Planned and conducted an INP workshop (by February 28, 2010) as a forum to establish/validate the core waste management strategy, develop implementation plans and address specific issues among those identified in the July 15 and 16, 2009, INP workshop. A preliminary list of specific projected topics/issues include:
 - A. RLW Facility operations and projects,
 - B. Progress in development of the Enduring Solid Waste capability, including RCRA permit application,
 - C. NNSA requirements for stored newly generated waste disposition and RCRA closure related to Area G closure, and
 - D. The Outfall Reduction Program interim and long term compliance actions. Document the minutes, decisions and actions within 30 days. At a minimum, results will be incorporated into LANL's request to the Defense Programs FY12-16 Programming session. Note: Final selection of topics will be agreed upon between LANL and NNSA 30 days ahead of the workshop.
2. Develop an improved INP action tracking system (within 30 days of the first FY2010 INP workshop) that will measure and report on the status of all formal action items on a quarterly basis.
3. Plan and conduct a second INP workshop (by September 30, 2010) as a forum to update the EWM IP and address specific issues among those identified in first FY2010 workshop. A preliminary list of specific projected topics/issues include:
 - A. Consent Order plans and execution,
 - B. Legacy Waste Disposition plans and execution and interdependencies to EWM and
 - C. Relocation of Low Level, Mixed Low Level and Haz-Chem Waste Operations. Document the minutes, decisions and actions plan within 30 days. Note: Selection of topics will be agreed upon by LANL and NNSA 30 days ahead of the workshop.

Deliverables:

- Workshop Notebook, Meeting Minutes and Action Items for targets 1 and 3.
- Evidence packages denoting completion of the target 2 above by September 15, 2010

**Measure 2.4 CMR Facility Consolidation/Risk Mitigation
(Objective/Essential)**

Expectation Statement:

Demonstrate effective utilization of resources in balancing operational and program risks while maintaining minimum essential, mission critical, CMR facility capabilities needed in support of the core NNSA mission and other DOE nuclear programs.

Completion Target:

This measure has been achieved when the Contractor has:

1. Emptied materials and equipment from the North side of the radiological labs in Wing 2.
2. Engineered and removed the Rednet back to the wing hubs in Wings 2, 3 & 4.
3. Completed the initial hold-up surveys in Wing 2.
4. Deployed the LIMS Replacement Tracking System at CMR.
5. Bolas Grande beneficial occupancy

Deliverables:

- Evidence packages denoting completion of the targets above

Fee Schedule:

Essential: \$250,000

- 30% of fee to be paid for completion of 3 of the 5 target elements
- 60% of fee to be paid for completion of 4 of the 5 target elements
- 100% of allocated fee will be paid for completion of 5 targets by September 15, 2010.

**Measure 2.5 Consolidated Solid Waste Capability Development
(Objective/Stretch)**

Expectation Statement:

Demonstrate progress toward the development and execution of a consolidated solid waste capability that supports the enduring waste missions and Area G closure requirements.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed a program plan of projects/activities required to relocate solid waste capabilities and non-legacy materials out of Area G in an efficient and cost effective manner that includes RCRA permitting, funding, and schedule considerations
2. Presented an executable strategy to leverage the existing TRU Waste line item project to optimize and mitigate the schedule constraints associated with Area G closure requirements and reconstitution of mission capability
3. Provided a budget submittal for the NNSA requirements associated with solid waste transition out of Area G that supports the NNSA FY12-16 PPBE process.
4. Completed the program and project development work in support of a CD-1 request for a Line Item project

Deliverables:

- Evidence packages denoting completion of the targets above

Fee Schedule:

Stretch: \$290,000

- 50% fee to be paid for completion of target elements 1-3 by June 30, 2010.
- 50% of allocated fee will be paid for completion of target element 4 by September 30, 2010.

Assumptions Specific to This Measure:

- Support and direction for this effort is approved by NNSA.

Measure 2.6 Weapons Infrastructure (WI) - Solid Waste Processing Initiatives

**Measure 2.6.1 Improve Mission Generated TRU Waste Practices
(Objective/Essential)**

Expectation Statement:

Improve mission-generated TRU waste practices in accordance with DOE requirements and Waste Acceptance Criteria (WAC) so as to reduce costs to the missions and facilitate timely removal from the site. Newly generated TRU waste requires no repackaging (e.g., no non-compliant/prohibited items). This will reduce mission dependence on repacking facilities, reduce exposure potential, and reduce mission costs.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrate ongoing operational improvement actions to implement Visual Examination practices at TA-55.
2. $\geq 95\%$ of all TRU FY2010 containerized waste packaging (at TA-50, TA-55, and CMR) is in accordance with the WAC (i.e., $\leq 5\%$ requires no rework at WCRR or similar facility).
3. All TRU waste containerized (at TA-50, TA-55, and CMR) by July 31, 2010, is shipped to TA-54 by September 30, 2010, for disposal to WIPP.

Deliverables:

- Evidence packages denoting completion of the targets above

Fee Schedule:

Essential: \$140,000

- 100% of allocated fee will be paid for completion of targets by September 30, 2010.

Assumptions Specific to This Measure:

- Waste containers exclude items requiring size reduction such as pencil tanks and gloveboxes
- Waste containers shall be optimally filled to volume or wattage limits or weight.
- Waste containers included in this measure are those generated at TA-50, TA-55 and CMR.
- Waste containers are stored and disposed of in accordance with DOE O 435.1, DOE M 435.1-1, TA-54 WAC, and WIPP WAC criteria.

**Measure 2.6.2 Newly Generated TRU Waste Disposition
(Objective/Stretch)**

Expectation Statement:

Demonstrate progress in the reduction of stored newly generated drums at Area G. Prepare stored and newly generated transuranic waste for certification. Ship MLLW previously classified as TRU waste

Completion Target:

This measure has been achieved when the Contractor has:

1. Prepared 120m³ of NGW waste for certification by Sept 30, 2010.
2. Shipped 1999-2007 TRU waste (66m³) that has been reclassified to MLLW waste by March 31, 2010

Deliverables:

- Evidence packages denoting completion of the targets above.

Fee Schedule:

Stretch: \$600,000

Assumptions Specific to This Measure:

- Readiness activities associated with the start-up or reconfiguration of temporary repackaging/remediation/size reduction lines will not go beyond Limited Scope Readiness Assessments.
- The actual shipment of TRU waste is not addressed in this PBI.
- NGW waste for certification includes the following: 1) TRU waste received during FY-1999 thru FY2010 prepared for certification in FY2010, or 2) parent TRU waste containers not otherwise counted that have been repackaged or remediated and ready for certification,. Volumes of waste that count toward the PBI target are based on the volume of the stored waste container prior to repackaging, remediation, or reclassification. Waste will not be retained elsewhere in amounts in excess of FY2009 levels.

**Measure 2.6.3 Stored Waste Reduction
(Objective/Stretch)**

Expectation Statement:

Demonstrate progress in the reduction of stored waste. Prepare stored waste and excess equipment for disposition.

Completion Target:

This measure has been achieved when the Contractor has:

1. Prepared 30 m3 of excess pre-existing equipment for disposition.
2. Prepared an additional 30 m3 of excess pre-existing equipment for disposition.
3. Disposed of three MLLW gloveboxes that are listed on the Site Treatment Plan.

Deliverables:

- Evidence packages denoting completion of the targets

Fee Schedule:

Stretch: \$200,000

- 50% of allocated fee will be paid for completion of 2 targets by September 30, 2010.
- 100% of allocated fee will be paid for completion of all targets by September 30, 2010.

Assumptions Specific to This Measure:

- This measure addresses only Defense Programs waste liabilities.
- Stored wastes may be in process facilities or at TA-54
- Mission wastes exclude those whose disposition is funded by the DOE Office of Environmental Management
- Waste disposal under this measure is not duplicative of any other incentivized waste activity.

**Measure 2.7 Reserved for Emergent Measures
(Objective/Stretch)**

SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by March 6, 2009 if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2009 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2009 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- If no specific due date is referenced with any of the completion elements, the due date of that element is to be September 30, 2010.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 3
Environmental Initiatives

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 3 Objective: **Environmental Initiatives**

Objective Statement: Comply with Consent Order requirements in an effective and efficient manner; prepare legacy waste for disposition.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: February 23, 2010
 Maximum Available Incentive Fee: **\$2,300,000 (Essential)+\$300,000 (Stretch)=\$2,600,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: M. Graham
 Principle COR: G. Rael

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 3 stretch measures, the following two gateways must be met:

1. Earn ≥80% total objective essential fee in the aggregate fee area of Mission.
2. Earn an adjectival rating of at least "Very Good" in the essential Mission Subjective measure.

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 3.1	Consent Order Compliance	\$1,200,000	E
		\$300,000	S
Measure 3.2	Legacy Waste Disposition	\$1,100,000	E

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 3.1 Consent Order Compliance

Measure 3.1.1 Stipulated Penalty Deliverables (Objective/Essential)

Expectation Statement:

Complete FY 2010 Consent Order Stipulated Penalty deliverables on schedule.

Completion Target:

This measure has been achieved when the Contractor has:

Submitted the FY 2010 stipulated penalty deliverables accounted for under this measure on time and substantially compliant so that no stipulated penalty is paid.

Fee Schedule:

Essential: \$700,000

0 missed = 100% of fee allocated
1 missed = 50% of fee allocated
2 or more missed = 0% of fee allocated

- If annual CPI for PBS 30 is yellow on June 30 or September 30, 2009, fee is reduced by 30%
- If annual CPI for PBS 30 is red on June 30 or September 30, fee is reduced by 60%

Assumptions Specific to This Measure:

- The allocated fee for this PBI will not be reduced unless the total number of funded stipulated penalty deliverables falls below 10.
- In all cases, missed deliverables are those submitted after the stipulated penalty date or determined to be substantially non-compliant, and resulting in payment of a stipulated penalty.
- CPI color ranges are: yellow if value is between 0.85 and 0.90, red if value is less than 0.85.
- The two deliverables, dependent on work accomplishment by an independent LASO subcontractor, will only be included in this PBI if LASO's subcontractor successfully completes their work scope by the date specified in the FY10 workplan. These deliverables are "Completion Report for DP Canyon Grade Control Structure" and "Completion Report for Pueblo Canyon Grade Control Structure and Replacement of Monitoring Station E060".
- The "Completion Report for Sediment Removal and Sampling from LA-SMA-2" will be included in this PBI only if NMED approves LANL's proposal to revise the schedule of interim deliverables.
- The two TA-49 stipulated deliverables are excluded from this PBI and included in PBI 3.1.3 because they are executing zero-float recovery schedules to recover from insufficient funding in FY 2009
- LANS authority for approval of Baseline Change Proposals is increased to \$200,000
- LASO makes a commitment to complete their determination on LANL Baseline Change Proposals within two weeks of receipt of those requests.

**Measure 3.1.2 Other Key Consent Order Deliverables
(Objective/Essential)**

Expectation Statement:

Complete other major deliverables supporting cleanup under the Consent Order.

Completion Target:

This measure has been achieved when the Contractor has:

Submitted the non-stipulated penalty key deliverables on schedule and substantially compliant so that no fine is paid. The deliverables will be listed in an Appendix in the FY 2010 Work Plan.

Note: it is anticipated that on the order of 30 deliverables may be identified for this measure.

Fee Schedule:

Essential: \$500,000

0 missed = 100% of fee allocated
1 missed = 50% of fee allocated
2 or more missed = 0% of fee allocated

Assumptions Specific to This Measure:

- In all cases, missed deliverables are those submitted after the due date or determined to be substantially non-compliant, and resulting in payment of a fine.

Measure 3.1.3 At-Risk Consent Order Deliverables (Objective/Stretch)

Expectation Statement:

Complete FY 2010 at-risk Consent Order deliverables on schedule

Completion Target:

This measure has been achieved when the Contractor has:

Submitted the following two FY 2010 Consent Order deliverables on schedule and substantially compliant so that no stipulated penalty or fine is paid for at-risk deliverables documented in the FY10 Workplan.

1. Investigation Report for 49-005(a), 49-006, AOCs C-49-002, C-49-005(b), C-49-008(a,b) (Areas 5, 6, and 10)
2. Investigation Report for SWMUs 49-001(a-g), 49-003, AOC C-49-008(d) (MDA AB, Areas 1,3,4,11, and 12)

Fee Schedule:

Stretch: \$300,000

Fee will be divided equally among the deliverables

Assumptions Specific to This Measure:

- Stretch fee is not dependent upon performance against PBI 3.1.1 or PBI 3.1.2.
- In the case that a deliverable is removed from the Consent Order FY10 Stipulated Penalties List, the fee will be reduced by the amount associated with that deliverable.
- In all cases, missed deliverables are those submitted after the NMED-specified due date or determined to be substantially non-compliant, and resulting in payment of a stipulated penalty or fine.

Measure 3.2. Legacy Transuranic Waste Disposition

Measure 3.2.1 Preparation of Transuranic Waste for Disposition (Objective/Essential)

Expectation Statement: Prepare legacy transuranic waste for disposition

Completion Target:

This measure has been achieved when the Contractor has prepared 700 cubic meters of transuranic waste for disposition.

Fee Schedule:

Essential : \$700,000

- Earn 50% of the fee for disposition of 75% of the target.
- Earn 50% of fee on an incremental cubic meter basis for disposition of 75% to 100% of the target.

Assumptions Specific to This Measure:

- Transuranic waste preparation performance is based upon \$75M funding for transuranic waste per the President's budget.
- The 700 cubic meters do not include FRPs/Crates/Metal Boxes.
- Readiness activities associated with the start-up or re-configurations of temporary repackaging/remediation/size reduction lines will not be greater than the level of readiness assessment specified in LANL's Start-up Notification Report to LASO or this measure will be renegotiated.
- Funding and scope required to implement a new RCRA permit for legacy waste storage and disposition is not included in the PBS-0013 Funding-performance levels presented in the Completion Target section

of this PBI. Should new RCRA permit preparation requirements be mandated during FY2010, this measure will be renegotiated.

- Waste prepared for disposition includes the following:
- Parent TRU waste containers expressed as cubic meters that have been repackaged or remediated and submitted to the Central Characterization Project for characterization and disposition at the Waste Isolation Pilot Plant
- TRU waste not counted in the above bullet that is reclassified as MLLW and becomes road ready during FY 2010 for transport to a treatment facility.
- Volumes of waste prepared for disposition that count toward the PBI target are based on the volume of the parent (stored) waste container prior to repackaging, remediation, or reclassification. Reduced down to nearest cubic meter for fee calculation.

Measure 3.2.2 Expansion of Transuranic Waste for Disposition (Objective/Essential)

Expectation Statement: Increase transuranic waste repackaging capabilities

Completion Target:

This measure has been achieved when the Contractor has

- Commenced hot operations of a temporary debris repackaging line with parent drums containing greater than 0.52 PE-Ci and
- Commenced hot operations of a repackaging line configured for cans of cemented waste.

Fee Schedule:

Essential: \$400,000

- Earn 25% of the fee when the Contractor commences hot operations of a temporary debris repackaging line with parent drums containing greater than 0.52 PE- Ci.
- Earn the remaining 75% of the fee when the Contractor commences hot operations of a repackaging line configured for cement waste cans.

Assumptions Specific to This Measure:

- Transuranic waste preparation performance is based upon \$75M funding for transuranic waste per the President's budget.
- Readiness activities associated with the start-up of temporary or reconfigured repackaging/remediation/size reduction will not be greater than the level of readiness assessment specified in LANL's Start-up Notification Report to LASO or this measure will be renegotiated.
- Funding and scope required to implement a new RCRA permit for legacy waste storage and disposition is not included in the PBS-0013 Funding-performance levels presented in the Completion Target section of this PBI. Should new RCRA permit preparation requirements be mandated during FY 2010, this measure will be renegotiated.
- The Safety Basis documentation, submitted in FY 2009, which authorizes the repackaging of parent drums containing greater than 0.52 PE-Ci utilizing the temporary debris repackaging lines, will be approved by LASO prior to October 1, 2009, or the measure will be renegotiated.

SECTION 5 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the

approval of the Continuing Resolution.

- Funding for PBI #3 is based on the President's budget (PBS-30 \$113.3M and PBS-13 \$75.7M).
- LASO will provide funding on the schedule and in the amounts specified in the submitted FY 2010 workplan, until superseded by the approved workplan; should funding be less than these amounts at any point during the year, the affected elements of this PBI will be renegotiated.
- Deliverables under the Consent Order will be as specified in the order or as communicated by NMED in written direction; modifications in deliverable specifications or changes to due dates under this PBI will be effective upon receipt of written direction from NMED and mutual agreement of LASO and LANS.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- This PBI does not address EM program performance at TA-21 which is the subject of PBI 19.
- Performance under each element of this PBI is distinct from each other element and from any other FY 2010 PBI.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 4
Quality Assurance

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 4

Objective: **Quality Assurance**

Objective Statement: Enhance the LANL quality assurance program implementation to include improved quality assurance engineering and quality control services throughout LANL in both institutional and weapons areas.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: April 19, 2010
 Maximum Available Incentive Fee: **\$350,000 (Essential) + \$200,000 (Stretch) = \$550,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: C. Cantwell/D. Wedman
 Principal COR: A. Leivo

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 4 stretch measures, the following two gateways must be met:

1. Earn ≥80% total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 4.1	Consistent Performance Based Implementation	\$175,000	E
Measure 4.2	Continuous Improvement in Product Quality and Support Functions	\$175,000	E
Measure 4.3	Accelerate Continuous Improvement Initiatives	\$200,000	S

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 4.1 Demonstrate Consistent Performance Based Implementation of LANL Quality Assurance Program (Objective/Essential)

Expectation Statement:

LANL will demonstrate performance based implementation of the LANL Software Quality Assurance Program.

Completion Target:

This measure is achieved when the Contractor has:

1. Demonstrated performance based implementation of LANL's Software Quality Assurance Program related to nuclear and high hazard operations, and software business systems managed by the Associate Director of Engineering, to include performance of quarterly formal assessments and monthly surveillances to evaluate implementation of the LANL SQA Program
2. Implemented corrective actions per formalized deliverables with minimal extensions.
3. Provided monthly trending reports to LASO by the 15th of each month reflecting assessment results and status of open corrective actions.

Fee Schedule:

Essential: \$175,000

Measure 4.2 Execute Continuous Improvement in Product Quality and Support Functions
(Objective/Essential)

Expectation Statement:

1. LANL will demonstrate proficiency in delivering error-free weapon and weapon-related product and DOE STD-3013 containers, including preparation for resumption and assumption of basic product stamping activities.
2. LANL will demonstrate implementation of a site-wide calibration program that is sufficiently resourced to meet LANL needs

Completion Target:

This measure has been achieved when the Contractor has:

1. This measure is achieved when the contractor has provided to LASO OQA objective evidence on a monthly basis and year-end basis data reflecting that the percentage of error-free weapon product and DOE STD-3013 submittals is equal to or greater than a 92% annual average. Reports are deliverable to LASO on or by the 15th of each month beginning November 2009.
2. This measure is achieved when the contractor has demonstrated readiness and has formally requested certification for the Standards and Calibration Laboratory to become National Voluntary Laboratory Accreditation Program (NVLAP) accredited. Readiness will be declared after a series of internal surveillances and audits demonstrate that an adequate implementation of ISO 17025 is in place and effective, but no later than September 30, 2010.

Fee Schedule:

Essential: \$175,000

Measure 4.3 Accelerate Enhancement of Continuous Improvement Initiatives
(Objective/Stretch)

Expectation Statement:

1. LANL will demonstrate implementation of the LANL Nonconformance Reporting processes using P 330-6 for all organizations except for the weapon programs using the CAMS
2. LANL will ensure that quality assurance corrective actions are completed per LASO approved corrective action plans and corrective action plans schedules approved by LANL QAD with performance at a year end average of 90%.
3. LANL will demonstrate implementation of weapon-related engineering controls sufficient to assure that Advance Change Orders are incorporated into design drawings in accordance with established procedures.

Completion Target:

1. This measure has been achieved when LANL QAD has formally assessed LANL organizations not subject to weapon quality requirements and verified that formal processes are in place to comply with P330-6. LANL will demonstrate through monthly metrics reports reflecting that P330-6 implementation has resulted in

a reduction in the average age of open NCRs by 25% as compared to the average open age identified at the end of FY09. These monthly reports will be deliverable to LASO by the 15th of each month.

2. LANS will provide objective evidence reflecting completion of corrective actions associated with open LASO OQA assessment findings from FY06 forward. The report must support that all of the corrective action plans dated before October 1, 2009, are closed and that at least 90% of corrective actions plans dated after October 1, 2009, are closed or on target per the approved corrective action plans. Corrective action plans that have been overcome by events will be resolved through formal correspondence with LASO OQA.
3. This measure has been achieved when LANL provides objective evidence to LASO that no more than 10 ACOs remain un-incorporated for more than 90 days and none remain un-incorporated for more than 120 days during and by the end of FY 2010.

Fee Schedule:

Stretch: \$200,000

Assumptions Specific to This Measure:

- As NCR baseline is undefined, LASO OQA and LANL QAD will jointly review this measure to determine if a Change Control action is required.
- Due to possible changes in the performance and trending system, LASO OQA and LANL QAD will jointly review this measure to determine if a Change Control action is required.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 5
Environmental, Safety, and Health

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 5

Objective: **Environment, Safety and Health**

Objective Statement: Enhance systems and processes that enable LANL to protect its workers, the public, and the environment while accomplishing LANL's mission. Establish excellence in Environmental Stewardship.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: April 13, 2010
 Maximum Available Incentive Fee: **\$670,000(Essential)+\$340,000 (Stretch) = \$1,010,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: C. Cantwell
 Principle COR: J. Vozella

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 5 stretch measures, the following two gateways must be met:

1. Earn ≥80% total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 5.1	10 CFR 851 Implementation	\$250,000	E
		\$340,000	S
Measure 5.2	Radiation Protection Program Implementation	\$200,000	E
Measure 5.3	Work Control – Human Performance Improvement	\$220,000	E

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 5.1 **Completion of 10 CFR 851 Implementation**

Measure 5.1.1 **Accelerate Completion of Baseline Exposure Assessments (Objective/Stretch)**

Expectation Statement:

Accelerate completion of Phase 2 milestone in the Baseline Exposure Assessment Project Execution Plan as agreed to by LANS and LASO.

Completion Target:

This measure has been achieved when the Contractor has:
Accelerated completion of Phase 2 milestone in the Baseline Exposure Assessment Project

Fee Schedule:

Stretch: \$140,000

100% for completion of Phase 2 milestone by March 31, 2010.

50% for completion of Phase 2 milestone by June 30, 2010.

Assumptions Specific to This Measure:

- Phase 2 final completion milestone in the Baseline Exposure Assessment Project Execution Plan is September 30, 2010.

Measure 5.1.2 Demonstrate Subcontractor Exposure Assessment Compliance (Objective/Stretch)

Expectation Statement:

Implementation of exposure assessments by LANL subcontractors will be compliant with Exhibit F 52.0 Section 51.0 or 52.0 "Industrial Hygiene".

Completion Target:

This measure has been achieved when the Contractor has:
Provided evidence that the subcontractors on the agreed upon list have completed exposure assessments based on identified activities.

Deliverables: Documentation will be provided that the Target has been completed.

Fee Schedule:

Stretch: \$200,000

90-100% Subcontractor's exposure assessments completed = 100% of fee

80-89% Subcontractor's exposure assessments completed = 80% of fee

70-79% Subcontractor's exposure assessments completed = 60% of fee

<70% Subcontractor's exposure assessments completed = No Fee

Assumption Specific to this Measure:

- Mutually agreed upon, formally documented list of relevant subcontracts to be included under this PBI that are required to conduct exposure monitoring developed prior to November 30, 2009. The subcontracts will be high hazard (construction, environmental restoration, D&D and drilling).
- Planned initial baseline surveys, periodic resurveys, and/or exposure monitoring as appropriate, based on phased activities, will be conducted for each subcontractor. Requests for information, ES&H plans, and feedback will be coordinated with ASM and the STRs.
- Subcontractor IH programs have been submitted as required by Exhibit F.
- LANL has reviewed and approved subcontractor IH programs.
- LANL has provided effective oversight of subcontractor to ensure compliance with listed subcontractor Exhibit F.
- When there are identified deficiencies with subcontractor's exposure monitoring, corrective actions will be required and managed through the ICAM process.
- Contractor has identified opportunities for improvement of the management of subcontractors for ESH&Q, ASM, and STRs which will be managed through ICAM.
- The subcontractor must be actively working on site some time during the period between December 1, 2009, and August 31, 2010.

**Measure 5.1.3 Complete Pressure Safety Project Plan Implementation
(Objective/Essential)**

Expectation Statement:

Implement a pressure safety program in compliance with 10CFR851, Worker Safety and Health Program.

Completion Target:

This measure has been achieved when the Contractor has completed the following activities for seven of the eight Facility Operations Directorates (FODs) (See Assumption 1):

- 1a. Performed an inventory and walkdown of all high risk (FS1 and FS2) facility and programmatic pressure systems that are outside TA-55 which fall within the scope of the codes referenced in Appendix A, Section 4, of 10CFR851 (definitions of fluid system categories are in accordance with the Engineering Standards Manual, Chapter 17).
- 1b. Performed an inventory and walkdown of all high risk (FS1) facility and programmatic pressure systems within TA-55 which fall within the scope of the codes referenced in Appendix A, Section 4, of 10CFR851.
- 1c. Performed an inventory and walkdown of all high risk (FS2) facility and programmatic pressure systems within TA-55 which fall within the scope of the codes referenced in Appendix A, Section 4, of 10CFR851.
2. Entered pressure vessels and relief devices for high risk (FS1 and FS2) inventoried systems in the Computerized Maintenance Management System (CMMS) Master Equipment List (MEL).
3. Performed relief device calculations, when required, for high risk systems (FS1 and FS2).

Fee Schedule:

Essential: \$250,000

- Completion of Target 1 = \$150,000

Completion of 1a = \$110,000

100% fee = completion of target activities for six FODs
70% fee = completion of target activities for five FODs
50% fee = completion of target activities for four FODs
30% fee = completion of target activities for three FODs
0% fee = completion of target activities for two or less FODs

Completion of 1b (TA-55 FS1 Systems) = \$15,000

Completion of 1c (TA-55 FS2 Systems) = \$25,000

- Completion of Target 2 = \$50,000 (Fee is awarded linearly from 70% to 100% completion)

100% fee = 100% of pressure vessels and relief devices entered in MEL
50% fee = 70% of pressure vessels and relief devices entered in MEL
0% fee = <70% of pressure vessels and relief devices entered in MEL

- Completion of Target 3 = \$50,000 (Fee is awarded linearly from 70% to 100% completion)

100% fee = 100% of relief device calculations performed
50% fee = 70% of relief device calculations performed
0% fee = <70% of relief device calculations performed

Assumptions Specific to this Measure:

1. Walkdown activities for the EWMO facilities are deferred to FY11 based on the assumption that there are no high-risk systems in those facilities (This assumption will be validated).
2. Order in which FOD pressure systems are inventoried is at the Contractor's discretion.

3. Low hazard systems and systems covered by other programs will not be included, e.g. fire protection, atmospheric storage tanks, DOT containers, natural gas distribution, etc.
4. Schedules may be jointly re-evaluated based on results of field walk-downs of pressure systems vs. project planned milestones.
5. Hardware deficiencies identified during the walkdowns are entered into the ICAM process to track resolution.

**Measure 5.2 Improve Radiation Protection Program Implementation
(Objective/Essential)**

Expectation Statement:

Complete and verify FY 2010 milestones for LANL (10CFR835) RPP Implementation Plan and validate field implementation of that plan.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed LANL (10CFR835) RPP Implementation Plan milestones (8) that are due during FY 2010;
2. Documented LANS independent verification of closure of these milestones by July 9, 2010; and
3. Validated field implementation of RPP Implementation Plan by September 30, 2010.

Fee Schedule:

Essential: \$200,000

100% fee paid for completion of Targets 2 & 3. (contingent upon completion of target 1)

Assumptions Specific to This Measure:

- Individual milestones may move as long as there is no impact on Target 2.
- Independent verification will be performed by LANS through a formal peer review process.
- Field implementation validation by LANS will focus on work processes incorporating program & document changes.

**Measure 5.3 Work Control – Human Performance Improvement (HPI)
(Objective/Essential)**

Expectation Statement:

Identification of error-likely situations or organizational weaknesses and address corresponding defenses. A minimum of three pilots will be implemented where First Line Managers (FLMs) and Group Leaders will identify error-likely situations or organizational weaknesses in the operations for which they are responsible as part of their MOV or other identified walkdown/observations processes. Corrective actions designed to manage defenses which eliminate or mitigate the error-likely situation or organizational weakness will be initiated.

Completion Target:

This measure has been achieved when the Contractor has:

1. Implemented, by the end of FY10 2nd Qtr, three HPI related pilots for identifying weaknesses and managing defenses: one in a support organization; one in an R&D organization; and one in a programmatic organization.
2. Identified and documented a minimum of 45 error-likely situations and/or organizational weaknesses through the three pilots in FY 2010.
3. Coordinated with WSSTs to review and support analysis, trending and demonstrating use of input to strengthen defenses. Documentation will show that defenses were strengthened that address each of the identified error-likely situations and/or organizational weaknesses.
4. Completed an analysis and summary report of the pilots by September 30, 2010, to identify Lessons Learned and to support ongoing integration of HPI principles across the Institution.
5. Initiated three additional pilots over the period and increased the minimum number of error likely situations and/or organizational weaknesses identified by an additional 45, or 15 within each pilot.

Fee Schedule:

Essential: \$220,000

- Completion of Target 1 and 2 = \$100,000
- Completion of Target 3 and 4 = \$30,000 (contingent upon Target 1 & 2)
- Completion of Target 5 = additional \$30,000 for each additional pilot and minimum of error likely situations and/or organizational weaknesses each, up to \$90,000 total.

Assumptions Specific to This Measure:

- At least 90% of FLMs and GLs have completed HPI Fundamentals training.
- Processes will utilize fundamental HPI principles taught at LANL
- Existing walkaround, MOV and/or observations processes may be used as components of the pilots.
- LASO and LANS will agree on the substance and importance of the identified error-likely situations and/or organizational weaknesses.
- Pilots will be established and led nominally at a division level or of sufficient size and effort as agreed upon between LASO and LANS.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

**PBI No. 6
 Project Management**

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 6

Objective: **Project Management**

Objective Statement: Ensure mission accomplishments and capabilities by applying best practices, sound management, and innovation towards completion of all project work at lowest cost and shortest schedule while meeting customer commitments.

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: September 30, 2009
 Maximum Available Incentive Fee: **\$1,550,000(Essential)+\$150,000(Stretch) = \$1,700,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: T. McKinney
 Principle COR: J. Griego

**SECTION 2
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 6 stretch measures, the following two gateways must be met:

1. Earn ≥ 80% total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

**SECTION 3
 INDEX OF PERFORMANCE MEASURES**

Allocated		Fee Type Fee	E or S
Measure 6.1	Execute Projects	\$300,000	E
		\$150,000	S
Measure 6.2	Manage Large Mission Critical Projects	\$1,250,000	E

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 6.1 Execute Projects as Identified and Agreed Between NNSA and LANS

**Measure 6.1.1 Meet Project Commitments
 (Objective/Essential)**

Expectation Statement:

Meet annual schedule and performance commitments based on agreed-to set of projects.

Completion Target:

This measure has been achieved when the Contractor has:
Accomplished the milestones and objectives for the agreed-to project set

Deliverables: Completion documentation for each milestone/objective

Fee Schedule:

Essential: \$300,000

- 75% fee = 90% of more of the milestones/objectives are successfully achieved (measured at year end)
- 100% fee will be incrementally earned based on milestones/objectives achieved between 90% and 95% (measured at year end)

Assumptions Specific to This Measure:

- The duration associated with schedule contingency is not included in the project's target schedule. Therefore, if completion of a milestone is within seven (7) calendar days of the scheduled milestone included in the PBI listing, this would constitute achievement.
- Projects in PBI 6.2 and other PBIs are excluded from the agreed to set of projects.
- Milestones/objectives set by mutual agreement between NNSA COR and LANS by October 1, 2009.

**Measure 6.1.2 SM-43 D&D Execution
(Objective/Stretch)**

Expectation Statement:

Meet annual schedule for SM-43 D&D.

Completion Target:

This measure has been achieved when the Contractor has:
Accomplished the SM-43 D&D milestones in the agreed-to list

Deliverables:

Completion documentation for each milestone

Fee Schedule:

Stretch: \$150,000

- Achieved milestones identified in 6.1.1 for SM-43 D&D
- Stretch fee is contingent upon award of 75% or more Essential fee in PBI 6.1.1.

Assumptions Specific to This Measure:

- The duration associated with schedule contingency is not included in the project's target schedule. Therefore, if completion of a milestone is within seven (7) calendar days of the scheduled milestone included in the PBI listing, this would constitute achievement.
- Projects in PBI 6.2 and other PBIs are excluded from the agreed to set of projects.
- Milestones set by mutual agreement between NNSA COR and LANS by October 1, 2009
- Milestones will be selected from the 3 year plan developed in FY 2009.

Measure 6.2 Proactively Manage Large Mission Critical Projects

Measure 6.2.1 CMRR RLUOB/REI Performance (Objective/Essential)

Expectation Statement:

Complete the RLUOB facility punch-list in accordance with the approved baseline. RLUOB Equipment Installation (REI) is executed in accordance with the performance baseline established.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed RLUOB punch-list items scheduled for FY 2010 by mutual agreement with LASO.
2. Completed REI execution activities according to baseline schedule.

Deliverables: Completion documentation for each milestone

Fee Schedule:

Essential : \$550,000

- 20% of available fee allocated to full completion of RLUOB punch-list as scheduled.
- 80% of available fee allocated and weighted equally against target milestones for REI.
- No fee for REI if less than 75% of milestones successfully achieved

Assumptions Specific to This Measure:

- Completion definition set by mutual agreement between NNSA CMRR FPD/COR and LANS CMRR Project Manager.
- CD 2/3 achieved for RLUOB REI.
- Funding is obtained or authorized to execute in accordance with baseline funding needs
- Milestones set by mutual agreement between NNSA COR and LANS by October 1, 2009.

Measure 6.2.2 CMRR NF/SFE Performance (Objective/Essential)

Expectation Statement:

Laboratory effectively manages CMRR NF/SFE progress in support of NNSA strategic objectives. Project will advance design.

Completion Target:

This measure has been achieved when the Contractor has:

Accomplished milestones as agreed to between NNSA CMRR FPD/COR and LANS CMRR Project Manager.

Deliverables:

Completion documentation for each milestone.

Fee Schedule:

Essential : \$200,000

- Fee will be split equally between the milestones identified by LANS and mutually accepted by NNSA.
- No fee if less than 75% of milestones successfully achieved

Assumptions Specific to This Measure:

- Nuclear Facility and SFE milestones/objectives set by mutual agreement between NNSA CMRR FPD/COR and the LANS Project Manager.
- Funding is obtained and authorized in accordance with execution requirements.
- Milestones set by mutual agreement between NNSA COR and LANS by October 1, 2009.

**Measure 6.2.3 Mission Critical Projects
(Objective/Essential)**

Expectation Statement:

The Laboratory will effectively manage the selected projects in support of NNSA/LASO strategic objectives.

Completion Target:

This measure has been achieved when the Contractor has:

Accomplished agreed to FY 2010 milestones/objectives for the following projects:

- RLWTF
- TRP I/II
- NMSSUP Phase II

Deliverables:

Completion documentation for each milestone

Fee Schedule:

Essential : \$500,000

- Fee will be split equally between the milestones identified by LANS and mutually accepted by NNSA.
- No fee if less than 75% of milestones successfully achieved

Assumptions Specific to This Measure:

- Milestones set by mutual agreement between NNSA COR and LANS by October 1, 2009.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- Cumulative project CPI/SPI (Portfolio EVMS) performance will be considered in PO 13.1
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 7
High Hazard Operations and Emergency Management

FY 2010 PERFORMANCE BASED INCENTIVE			
PBI No. 7		Objective: High Hazard Operations and Emergency Management	
Objective Statement: Operate and maintain Laboratory facilities in a safe, secure, and environmental compliant manner to effectively achieve Laboratory mission objectives.			
SECTION 1 GENERAL INFORMATION			
Revision Number and Date:	Revision No.: <u>0</u> Date: <u>April 27, 2010</u>		
Maximum Available Incentive Fee:	\$2,590,000(Essential,0)+\$1,61000(Stretch)= \$4,200,000		
Duration:	Annual		
Fee Payment Type:	Completion		
Principle LANS Owner:	R. McQuinn, M. Lansing		
Principle COR:	C. Keilers		
SECTION 2 PERFORMANCE REQUIREMENTS			
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>			
In order to earn any incentive fee in PBI 7 stretch measures, the following two gateways must be met:			
<ol style="list-style-type: none"> 1. Earn ≥80% total objective essential fee in the aggregate fee area of Operations. 2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure. 			
SECTION 3 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type E or S
Measure 7.1	Implement Formality of Operations	\$940,000	E
		\$400,000	S
Measure 7.2	Work Control Improvement	\$200,000	E
Measure 7.3	Engineered Safety Systems/System Health Reports	\$200,000	E
Measure 7.4	Nuclear Safety Improvements	\$450,000	E
		\$360,000	S
Measure 7.5	Nuclear Facility Risk Reduction	\$400,000	E
		\$550,000	S
Measure 7.6	Fire Protection	\$200,000	E
		\$150,000	S
Measure 7.7	Emergency Management	\$200,000	E
		\$150,000	S
SECTION 4 PERFORMANCE MEASURES			
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2010.</i>			

Measure 7.1 Implement Formality of Operations

Measure 7.1.1 Implement Conduct of Maintenance and Conduct of Engineering

**Level 2 Milestones at WETF
(Objective/Essential)**

Expectation Statement:

Implement Formality of Operations FY2010 Level 2 milestones for Conduct of Maintenance (CoM) and Conduct of Engineering (CoE) at WETF

Completion Target:

This measure has been achieved when the Contractor has:

Completed a selected set of FY2010 Level 2 milestones for CoM and CoE at WETF by August 31, 2010.

Fee is awarded for completion of a LASO concurred set of FY 2010 Level 2 milestones for implementation of core criteria in Conduct of Engineering and Maintenance for WETF, as verified by independent verification, in accordance with approved assessment criteria, and with LASO concurrence with the FOD conclusion.

An independent verification will be conducted and a letter of ADNHHO concurrence with completion of the selected set of Level 2 milestones, will be submitted within 25 working days after the final milestone due date, or in the completion package, whichever is earlier. The 25 working days may be extended with LASO approval.

Deliverables:

1. Validation of completion of Level 2 milestones– ADNHHO endorsed independent verification, in accordance with approved assessment criteria. Letter of ADNHHO concurrence of implementation submitted within 25 working days after the last FY 2010 Level 2 milestone due date, or by change request with LASO approval. LASO concurrence with the FOD conclusion.

Fee Schedule:

Essential: \$150,000

- 100% fee = 100% completion of Level 2 milestones

Assumptions Specific to This Measure:

- The set of CoM and CoE Level 2 milestones, to be implemented at WETF in FY 2010, will be submitted to LASO by October 30, 2009. These Level 2 milestones are under LASO change control.
- Completion of the milestone within 7 days of the schedule date is considered success as long as all activity occurs within FY 2010.

**Measure 7.1.2 Implement Conduct of Engineering at TA-55
(Objective/Essential)**

Expectation Statement:

Make progress toward completion of implementation of Conduct of Engineering (CoE) at TA-55 in FY2010.

Completion Target:

This measure has been achieved when the Contractor has:

1. Provided a list of priority drawings by October 30, 2009, and indicated which drawings will be completed in FY 2010.
2. Completed revision or developed new priority drawings for systems defined in the list above.

Deliverables:

1. List of priority drawings that also indicate which drawings will be completed in FY 2010.

2. Copy of engineering drawing revision block showing revision or new drawing.

Fee Schedule:

Essential: \$140,000

50% fee = 60% completion of the priority drawings listed as to be completed in FY2010.

100% fee = 100% completion

Fee paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- The list of priority drawings to be completed is under LASO approved change control. For the purposes of this PBI, the list can be changed via approved change control.
- Drawings comply with Engineering Standards Manual and Administrative Procedure for drawings and sketches, AP-341-608 (note: redline strikeouts changes not accepted).

**Measure 7.1.3 Accelerate Implementation of Conduct of Engineering at TA-55
(Objective/Stretch)**

Expectation Statement:

Accelerate implementation of Conduct of Engineering (CoE) at TA-55 in FY2010.

Completion Target:

This measure has been achieved when the Contractor has completed and independently verified completion of the Level 1 milestone for CoE at TA-55 by September 30, 2010.

Fee is awarded for completion of the FY 2010 Level 1 milestone for implementation of core criteria for Conduct of Engineering at TA-55, as verified by independent verification, in accordance with approved assessment criteria, and with LASO concurrence with the FOD conclusion.

An independent verification will be conducted and a letter of ADNHHO concurrence with completion of the Level 1 milestone will be submitted by September 30, 2010.

Deliverables:

Validation of completion of Level 1 milestone— ADNHHO endorsed independent verification, in accordance with approved assessment criteria. Letter of ADNHHO concurrence of implementation submitted by September 30, 2010. LASO concurrence with the FOD conclusion.

Fee Schedule:

Stretch: \$200,000

100% fee = 100% completion

Assumptions Specific to this Measure

- This FY2010 Level 1 milestone includes only those priority drawings to be completed in FY 2010 per the approved list for 7.1.2. The list of priority drawings to be included is under LASO approved change control. For the purposes of this PBI, the list can be changed via approved change control.

**Measure 7.1.4 Implement Formality of Operations at Non-Nuclear Facilities
(Objective/Essential)**

Expectation Statement:

Implement Formality of Operations through completion of the FY 2010 Level 1 milestones for Conduct of Operations (CoO) and Conduct of Maintenance (CoM) at the STO FOD and completion of priority drawings for Conduct of Engineering (CoE) at the UI FOD.

Completion Target:

This measure has been achieved when the Contractor has:

Completed Level 1 milestones for CoO and CoM implementation for STO and completed all priority drawings for CoE implementation for UI by the end of August 31, 2010.

Fee is awarded for completion of Level 1 milestones for implementation of core level criteria in CoO and CoM for STO and completion of all CoE priority drawings at UI, as verified by independent verification, in accordance with approved assessment criteria and with LASO concurrence with the FOD conclusion. A reduced set of CoO core criteria that has LASO concurrence may be used that focuses on addressing identified worker safety concerns.

An independent verification will be conducted and a letter of ADNHHO concurrence with completion will be submitted within 25 working days after the completion date or in the completion package, whichever is earlier. The 25 working days may be extended with LASO approval.

Deliverables:

1. Validation of completion of Level 1 milestones at STO for CoM and CoO– ADNHHO endorsed independent verification, in accordance with approved assessment criteria. Letter of ADNHHO concurrence with implementation submitted within 25 working days after milestone completion date, or by change request with LASO approval.
2. Validation of completion of priority drawings at UI – ADNHHO endorsed independent verification, in accordance with approved assessment criteria. Letter of ADNHHO concurrence of implementation submitted within 25 working days after completion date, or by change request with LASO approval.

Fee Schedule:

Essential: \$250,000

100% fee = Completion of all three Level 1 milestones

60% fee = Completion of two Level 1 milestones

30% fee = Completion of one Level 1 milestone.

Assumptions Specific to this Measure

- LASO memorandum FO:19CK-233813 of February 23, 2010, concurred with proposed milestones. Any further changes are subject to LASO concurrence.

**Measure 7.1.5 Implement Conduct of Training
(Objective/Essential)**

Expectation Statement:

Positions identified in approved Training Implementation Matrices for each cat 2/3 nuclear facility, listed below, will complete training and qualification in a timely manner.

Completion Target:

Achieve fully qualified operations by completing qualification of an adequate number of workers in identified operational positions at EWMO facilities (Area G, WCCR, RANT, NESs), RLWTF, and WETF.

Identified positions:

1. Managers (except technical manager)
2. Operations Supervisors
3. Operators

4. Cognizant System Engineer

Deliverables:

Demonstrate qualification of an adequate number of workers for normal operations in identified positions.

Fee Schedule:

Essential: \$250,000

Each of the six facilities above will be allocated an equal part of the fee

For each facility:

100% allocated fee = 100% completion of qualification of an adequate number of workers for normal operations, for all identified positions

60% allocated fee = 60% completion (100% qualification of an adequate number of workers for normal operations, for 60% of the identified positions)

Allocated fee to be paid linearly from 60% to 100% completion for each facility

Assumptions Specific to This Measure:

- A list constituting the “adequate number of workers for normal operations” for each identified position shall be submitted to LASO for concurrence no later than October 30, 2009.
- Conduct of Training implementation schedule shall be submitted to include qualification of all positions in approved Training and Implementation Matrices and submitted to LASO for concurrence no later than February 1, 2010.
- Implementation schedule subject to formal change control.

**Measure 7.1.6 Accelerate Implementation of Conduct of Training
(Objective/Stretch)**

Expectation Statement:

Positions identified in approved Training Implementation Matrices for additional cat 2/3 nuclear facilities, listed below, will complete training and qualification in a timely manner.

Completion Target:

Achieve fully qualified operations by completing qualification of identified operational positions at the TA-55 and CMR facilities:

1. Managers (except technical manager)
2. Operations Supervisors
3. Operators
4. Cognizant System Engineer

Deliverables:

Demonstrate qualification of an adequate number of workers for normal operations in identified positions.

Fee Schedule:

Stretch: \$200,000

Each of the two facilities above will be allocated an equal part of the fee

For each facility:

100% allocated fee = 100% completion of qualification of an adequate number of workers for normal operations, for all identified positions

Allocated fee to be paid linearly from 10% to 100% completion for each facility

Assumptions Specific to This Measure:

- A list constituting the “adequate number of workers for normal operations” for each identified position shall

be submitted to LASO for concurrence no later than October 30, 2009.

- The Fissile Material Handler (FMH) certification program is in place and functioning. FMHs are not considered as part of this measure.

**Measure 7.1.7 Formality of Operations Maturity Metrics
(Objective/Essential)**

Expectation Statement:

Develop metrics and implement a mechanism for ensuring sustainability and continued development of Formality of Operations for the nuclear and high-hazard facilities.

The output should consist of a weighted score (i.e., a Formality of Operations index), considering a smart-set of indicators of a facility's state of maturity in operations, engineering, maintenance, and training. The indicators should include but not be limited to:

- Continuing to track and improve the conduct of operations index previously developed
- Meeting operational qualified staffing requirements
- Meeting staff training and qualification requirements
- Ensuring maintenance, reliability, and operability of safety and mission critical systems
- Ensuring management recognition and responsiveness to precursor conditions.

Completion Target:

This measure has been achieved when the Contractor has:

1. Developed a draft pilot mechanism by December 1, 2009.
2. Piloted the mechanism for at most 5 months and trended the results.
3. Implemented and demonstrated the mechanism in all the nuclear and high-hazard facilities for at least 3 months, including trending the results and taking appropriate actions identified by the trends.

Deliverables:

Evidence for each nuclear and high hazard facility of 3 months of a deployed effective mechanism to determine the state of maturity and sustainability of Formality of Operations.

Fee Schedule:

Essential: \$150,000

100% fee = 100% completion

50% fee = demonstrated implementation of the mechanism in 60 % of the nuclear and high hazard facilities for 3 months (i.e., 6 of 10 facilities)

Fee to be paid linearly between 50% and 100 %.

Assumptions Specific to This Measure:

- LANS will provide monthly reports on status and an annual report on effectiveness of the mechanism, as well as on the overall state of Formality of Operations maturity and sustainability.

**Measure 7.2 Work Control Improvement
(Objective/Essential)**

Expectation Statement:

Improvements in implementation of Integrated Work Management (IWM), of both facility and programmatic activities, will be demonstrated by identifying Integrated Work Document (IWD) or Work Control Document deficiencies before work takes place.

Completion Target:

This measure has been achieved when the Contractor has:

Identified and corrected 100 deficient IWDs or work control documents before the work activity takes place.

Deliverables:

Monthly report on deficiencies and corrective action taken for IWDs/work control documents reviewed at each FOD. Due by 20th of following month.

Fee Schedule:

Essential: \$200,000

100% fee = Identification and correction of 100 deficient IWDs/work control documents.

50% fee = Identification and correction of 50 deficient IWDs/work control documents.

Fee to be paid linearly between 50% and 100% completion.

Assumptions Specific to This Measure:

- LASO will assess deficiencies to assure no *de minimis* corrections counted (e.g. typographical or grammatical errors)
- Focus is on standing IWDs that allow recurring work to be performed against.
- Scope includes both programmatic and facility work with emphasis on the former.
- All FODs participate in this process.

**Measure 7.3 Engineered Safety Systems/ System Health Reports
(Objective/Essential)**

Expectation Statement:

Implement a mature Vital Safety System Health Monitoring process through implementation of AP-341-802, Rev.1, *System Health Reporting*, or subsequent. Implement a System Health Reporting Process that accurately evaluates system operability and functionality, uses trended information to plan preventive and corrective maintenance, identifies required system modifications such that maintainability, reliability, availability, and operability are documented, and the information is utilized to make informed system management decisions.

Completion Target:

This measure has been achieved when the Contractor has:

1. Submitted the System Health Monitoring Basis document, in accordance with AP 341-802, Rev 1, *System Health Reporting* or subsequent, for all SC and SS Vital Safety Systems (VSSs).
2. Demonstrated implementation of the basis document by submitting System Health Reports (SHRs) due in FY2010, per the basis document; at least one SHR per SC and SS system.
3. Demonstrated disposition of deficiencies and recommendations identified in the SHRs, including Operability Determinations as required by AP-341-516.

Deliverables:

1. System Health Monitoring Basis documents for all SC and SS VSSs. (35%)
2. An independent assessment of all SHR Basis documents that evaluates consistency and quality of implementation across all facilities by June 1, 2010. (20%)
3. FY 2010 SHRs, required per implementation of the basis documents but not less than one SHR per system. (35%)
4. Report documenting how the expectation statement is met (i.e., that a mature process has been implemented), including documentation of management's actions on issues related to a VSS. (10%)

Fee Schedule:

Essential: \$200,000

70% fee = 100% completion of deliverables 1 and 3 for all SC and SS VSSs.

50% fee = Completion of deliverables 1 and 3 for all SC and completion of deliverables 1 and 3 for 50% of the SS VSSs.

Fee to be paid linearly between 50% and 70% fee for completion of deliverables 1 and 3 as defined above.

20% fee = Completion of deliverable 2.
10% fee = Completion of deliverable 4.

Assumptions Specific to This Measure:

- Operability Determinations and/or Functionality Assessments, when required, are included as part of the SHR deliverable for fee evaluation.
- Deliverables reviewed by LASO and found significantly non-compliant with LANL procedure requirements will not be evaluated for fee determination.
- Deliverables 1 and 3 resubmitted to incorporate continuous improvement changes identified through completion of deliverable 2, or other review mechanisms will be considered the deliverable evaluated for fee if the resubmittal is received by September 1, 2010.
- Latest revisions of procedures are implemented.
- The number of SC and SS systems, for this PBI, is determined from the VSS Master List applicable on September 1, 2010. The SC/SS VSSs counted for this PBI are those required to be operable for the facility mission(s).
- Deliverables should be submitted throughout the last two quarters of FY 2010.

Measure 7.4 Nuclear Safety Improvements

**Measure 7.4.1 TA-55 Nuclear Safety Improvements
(Objective/Essential)**

Expectation Statement:

Based on the TA-55 DSA list of planned improvements, LANL will begin early implementation of activities to improve engineered safety systems and the safety posture at TA-55, including early actions toward achieving a reliable active confinement ventilation system at TA-55 (reference: TA-55 documented safety analysis, Section 3.3.2.3.1, *Planned Design and Operational Improvements*).

Completion Target:

This measure has been achieved when the Contractor has:

Completed FY 2010 milestones, defined by LANS and concurred with by LASO toward improving engineered safety systems and implementing an active confinement ventilation system at TA-55.

Fee is awarded for completion of FY 2010 milestones.

Deliverables:

Evidence of completion of each milestone.

Fee Schedule:

Essential: \$450,000

100% fee = 100 % completion of milestones

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- LASO memorandum FO:19CK-233813 of February 23, 2010, concurred with proposed milestones.
- The milestones established in this memorandum are under LASO approved change control.

Measure 7.4.2 Deleted

**Measure 7.4.3 Other Nuclear Facility Safety Improvements
(Objective/Stretch)**

Expectation Statement: Nuclear facilities will complete projects to improve engineered safety systems and the safety posture of the facility. Bases will include respective DSA list of planned improvements.

Completion Target:

This measure has been achieved when the Contractor has:

Completed FY 2010 milestones, defined by LANS and concurred with by LASO, toward improving engineered safety systems.

Deliverables:

Evidence of completion of each milestone.

Fee Schedule:

Stretch: \$360,000

100% fee = 100 % completion of milestones

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion.

Assumptions Specific to This Measure:

- LASO memorandum FO:19CK-233813 (February 23, 2010), FO:19CK-240749 (March 17, 2010), and FO:19CK-242723 (March 25, 2010) concurred with proposed milestones.
- The milestones established in this memorandum are under LASO approved change control.

Measure 7.5 Nuclear Facility Risk Reduction

**Measure 7.5.1 Nuclear Facility Risk Reduction at TA-55
(Objective/Essential)**

Expectation Statement:

Risk reduction is achieved at TA-55 through the removal of legacy Material at Risk (MAR) or repackaging of MAR into robust containers that improve mission capabilities and the nuclear safety posture.

Completion Target:

This measure has been achieved when the Contractor has:

Completed FY2010 milestones, defined by LANS and concurred with by LASO toward permanent disposition or repackaging of MAR into robust containers in a manner that improves mission capabilities and the nuclear safety posture.

When defining the milestones, LANS shall include a risk perspective. Each milestone shall constitute near-comparable risk reduction.

Deliverables:

Evidence of completion of each milestone, validated by LASO staff.

Fee Schedule:

Essential: \$400,000

100% fee = 100% completion of milestones of near-comparable risk reduction

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- LASO memorandum FO:19CK-233813 of February 23, 2010, concurred with proposed milestones.
- The milestones established in this memorandum are under LASO approved change control.

**Measure 7.5.2 Accelerate Nuclear Facility Risk Reduction at TA-55
(Objective/Stretch)**

Expectation Statement:

Accelerated risk reduction is achieved at TA-55 through the removal of legacy Material at Risk (MAR) or repackaging of MAR into robust containers that improve mission capabilities and the nuclear safety posture.

Completion Target:

This measure has been achieved when the Contractor has:

Completed an additional set of FY2010 milestones beyond those identified in Measure 7.5.1, defined by LANS and concurred with by LASO toward permanent disposition or repackaging of MAR into robust containers in a manner that improves mission capabilities and the nuclear safety posture.

When defining the milestones, LANS shall include a risk perspective. Each milestone shall constitute near-comparable risk reduction.

Deliverables:

Evidence of completion of each milestone, validated by LASO staff.

Fee Schedule:

Stretch: \$350,000

100% fee = 100% completion of milestones of near-comparable risk reduction
Stretch Fee will be paid on a linear scale after completion of Measure 7.5.1

Assumptions Specific to This Measure:

- Completion of Measure 7.5.1 is an entry condition for earning fee under this measure.
- LASO memorandum FO:19CK-240749 (March 17, 2010) concurred with proposed milestones.
- The milestones established in this memorandum are under LASO approved change control.

**Measure 7.5.3 Nuclear Facility Risk Reduction at Other Nuclear Facilities
(Objective/ Stretch)**

Expectation Statement:

Accelerated risk reduction is achieved at nuclear facilities other than TA-55 through the removal of legacy Material at Risk (MAR) or repackaging of MAR into robust containers that improve mission capabilities and the nuclear safety posture.

Completion Target:

This measure has been achieved when the Contractor has:

Completed FY2010 milestones, defined by LANS and concurred with by LASO toward permanent disposition or repackaging of MAR into robust containers in a manner that improves mission capabilities and the nuclear safety posture.

When defining the milestones, LANS shall include a risk perspective. Each milestone shall constitute near-comparable risk reduction.

Deliverables:

Evidence of completion of each milestone, validated by LASO staff.

Fee Schedule:

Stretch: \$200,000

100% fee = 100% completion of milestones of near-comparable risk reduction

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- LASO memorandum FO:19CK-233813 of February 23, 2010, and FO:19CK-242723 of March 25, 2010, concurred with proposed milestones.
- The milestones established in this memorandum are under LASO approved change control.

Measure 7.6 Fire Protection

**Measure 7.6.1 Fire Protection Deficiencies within Legacy Facilities at LANL
(Objective/Essential)**

Expectation Statement:

Continuation of the on-going program established in FY 2008 that identifies, prioritizes, coordinates funding, and oversees the successful resolution of long-standing fire protection deficiencies within legacy facilities at LANL. The list of legacy facility deficiencies is maintained up-to-date, reflects accurate information and is reviewed semi-annually.

Completion Target:

This measure has been achieved when the Contractor has:

1. Maintained a consolidated list of prioritized fire protection deficiencies that are anticipated to cost in excess of \$50,000 each to correct. The list shall be the basis for selection and prioritization. The list is to be updated and submitted to LASO no less than semi-annually.
2. Develop a plan and schedule of activities and milestones that will lead to compliance with applicable DOE Orders and mandatory codes and standards for the identified deficiencies that are to be completed over the next several years, with agreed to FY 2010 milestones, to address the listed deficiencies. The plan shall be risk-based, use a graded approach, and consider the life expectancy of the facility.
3. Complete the milestones that are scheduled for FY 2010 on-schedule. Milestone dates may be revised through change control process.

Deliverables:

1. Evidence of completion of legacy fire protection deficiencies scheduled for completion in FY 2010.

Fee Schedule:

Essential: 200,000

100% fee = 100 % completion of milestones

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- Prioritized list of legacy facility fire protection deficiencies - updated list for FY 2010 due October 23, 2009 to include remaining fire protection preexisting conditions.
- Plan and schedule of activities and milestones for FY2010 submitted to LASO for review and concurrence. Draft due November 13, 2009. Final due within 30 days following the transmittal of comments by LASO.
- The milestones established in these plans are under LASO approved change control. For the purpose of this PBI, milestones can be changed via approved change control when requested at least 30 days in advance of the scheduled milestone completion date.
- A Corrective Action Plan approved by LASO, funding, preliminary design actions, drawings, evidence of continued progress, etc. are required to take credit for corrective actions expected to take several years to

accomplish.

**Measure 7.6.2 LANL Enhanced Training of Fire Department Personnel
(Objective/Stretch)**

Expectation Statement:

In support of the NNSA - Los Alamos County Cooperative Agreement (CA) for fire department emergency services, LANL shall collaboratively define, establish, develop and deliver training to the Los Alamos Fire Department (LAFD) for the delivery of enhanced fire department services at LANL in FY 2010. Reference LASO Memo #SO: 14BG-011, Los Alamos National Laboratory's Role and Responsibility with Respect to the Los Alamos County Cooperative Agreement Regarding Fire Department Services, dated December 10, 2008.

Completion Target:

This measure has been achieved when the Contractor has:

1. Collaborated with LAFD to provide for their submittal of the LAFD CY2010 Training Plan to LASO by January 4, 2010
2. Training, skills and competencies delivered by LANL to at least 90% of LAFD fire fighters in FY 2010, consistent with the CY 2009 and CY 2010 LAFD Training Plans.
3. Facility tours/walkdowns provided by LANL for at least 50% of LAFD fire fighters in FY 2010, consistent with the CY 2009 and CY 2010 LAFD Training Plans.
4. Coordinated for LAFD participation in 10 facility exercises.

Deliverables:

1. Evidence of LANL collaboration on the LAFD CY 2010 Training Plan submittal to LASO by January 4, 2010.
2. Copies of approved training plans (lesson plans, course materials) for and rosters of LAFD fire fighters completing LANL-developed and delivered training in FY 2010.
3. Copies of approved training plans (facility walk-down objectives, course materials) for and rosters of LAFD fire fighters completing LANL-provided facility tours completed in FY 2010.
4. Copies of facility exercise After Action Reports documenting LAFD participation.

Fee Schedule:

Stretch: \$150,000

100% fee = 100 % completion of milestones
50% fee = 60% completion of milestones
Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- Prioritized list of milestones is defined by LANS and concurred in by LASO by October 30, 2009.
- The milestones established in these plans are under LASO approved change control. For the purpose of this PBI, milestones can be changed via approved change control when requested at least 30 days in advance of the scheduled milestone completion date.

Measure 7.7 Emergency Management

**Measure 7.7.1 LANL Initial Response Action Automation
(Objective/Stretch)**

Expectation Statement:

Establish a computer-based system to improve the timeliness of Emergency Action Level (EAL) and associated protective action selection, notification activities, and associated graphic representation of hazardous material releases.

Completion Target:

This measure has been achieved when the Contractor has:

1. By March 31, 2010, LANL shall submit to LASO facility-specific maps of release potentials and potential protective actions necessary for impacted, normally occupied facilities.
2. Established a fully operational computer-based process to improve the timeliness of protective action selection, identification of affected areas for notification, and associated graphic representation.
3. Completed both facility (minimum of 2) and the annual full scale exercise to demonstrate the effectiveness of the computer-based program. Objectives will be added in the respective exercise plans and measured in the associated after action report.

Fee Schedule:

Stretch: \$150,000

Requires completion of all 3 targets (except as noted below)
20% reduction for each exercise not completed as outlined in target 3

Assumptions Specific to This Measure:

- Completion of all activities of this measure shall be based on the potential hazardous material releases as defined by LANS submitted and LASO accepted Emergency Planning Hazards Analyses of December 17, 2009.
- All initial response actions are to be consistent with DOE Order 151.1C.

**Measure 7.7.2 LANL Emergency Planning Outreach
(Objective/Essential)**

Expectation Statement:

Complete public outreach activities to increase awareness of LANL facility and operations hazards and potential protective actions.

Completion Target:

This measure has been achieved when the Contractor has:

1. Submitted a composite Emergency Planning Zone (EPZ) to LASO for approval December 18, 2009
- 2a. Incorporation of presentations to local emergency planning committee (LEPC
LANS, Los Alamos County, and the appropriate State agencies) of potential hazardous material releases and associated protective actions.
- 2b. Formal presentations on potential hazards to LAFD
3. Coordinated and integrated public education campaign (sessions, mailings, media) to alert residents of the EPZ to potential hazardous material releases, notification process, and associated protective actions

Fee Schedule:

Essential: \$100,000

60% of the fee will be awarded upon completion of targets 1, 2a and 2b.
40% of the fee will be awarded upon completion of target 3 (contingent upon completion of the other targets in this measure)

Assumptions Specific to This Measure:

- Completion of outreach activities shall be based on the potential hazardous material releases as defined by LANL submitted Emergency Planning Hazards Analyses of September 30, 2009.
- The composite EPZ, and associated outreach efforts, are to be consistent with Technical Planning Basis, Emergency Management Guide, DOE G 151.1-2.

**Measure 7.7.3 Execute the Wildland Fire Management Plan
(Objective/Essential)**

Expectation Statement:

Continue to further implement the LANL wildland fire management plan consistent to DOE Guide 450-1.4 and risk-based principals.

Completion Target:

This measure has been achieved when the Contractor has:
On-time completion of key milestone deliverables as cited in Annual Operations Plan for FY 2010.

Fee Schedule:

Essential: \$100,000

Fee shall be awarded equally per key milestone delivered on time.

Assumptions Specific to This Measure:

- Actions are to be consistent with the approved Laboratory Wildland Fire Management Plan.
- Annual Operations Plan will denote 15-30 milestone deliverables.
- If weather or fire conditions occur which limit the ability to meet milestones (even with appropriate planning), the milestones may be jointly adjusted accordingly
- An approved FY 2010 Wildland Fire Management Annual Operations Plan with LASO by November 13, 2009.
- LANL shall maintain a closure file of key milestones deliverables cited in the Annual Operations Plan for ready inspection by LASO personnel.
- Agreement between LASO and LANS on 12-15 key milestone deliverables contained within the Annual Operations Plan by December 17, 2009.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 8
Security Programs

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 8

Objective: **Security Programs**

Objective Statement: Execute efficient and effective physical and cyber security programs.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: September 30, 2009
 Maximum Available Incentive Fee: **\$2,625,000 (Essential)+\$100,000 (Stretch) = \$2,725,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: M. Lansing, T. Harper
 Principle COR: H. Brockelsby

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 8 stretch measures, the following two gateways must be met:

1. Earn ≥ 80% total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 8.1	Security and Safeguards	\$1,350,000	E
		\$100,000	S
Measure 8.2	Information Systems and Security	\$1,275,000	E

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 8.1 Security and Safeguards

**Measure 8.1.1 FY 2010 FS20 Annual Operating Plan
 (Objective/Essential)**

Expectation Statement:

Execute the 2010 Security & Safeguards Annual Operating Plan within cost, scope and schedule while ensuring LASO/SM has transparency into ADSS budget processes (planning, programming, budgeting and evaluation).

Completion Target:

This measure has been achieved when the Contractor has:

- Provided LASO/SM a Requirements Matrix Report that demonstrates connectivity of topical/sub-topical budget and FTE allocations to DOE/NNSA requirements by the end of the second fiscal quarter.
- Provided LASO/SM with quarterly FS20 program status review presentations at least five working days prior to NNSA program reviews.
- Developed and executed a plan to consolidate LANL Level I/II/III security keys/cores/locks.
- Developed and executed a plan to incorporate the use of security technologies to reduce overall security program costs, and successfully completed at least two cost-savings projects.

Deliverables:

1. LANL Requirements Matrix Report
2. Quarterly LASO/SM program review presentations/minutes
3. LANL Security Key Consolidation Plan, Post Consolidation Inventory and Reconciliation Report
4. ADSS Technology Project Plans and related project close-out reports

Fee Schedule:

Essential: \$250,000

- \$100,000 for completion of both targets 1 and 3, \$75,000 each for completion of 2 and 4.

**Measure 8.1.2 Material Control and Accountability
(Objective/Essential)**

Expectation Statement:

Provide MC&A program deliverables on schedule, and demonstrate effective MC&A Program performance during the FY 2010 LASO S&S Survey.

Completion Target:

This measure has been achieved when the Contractor has:

1. Accomplished FY 2010 milestones outlined in the LANL MC&A Performance Improvement Plan (PIP) according to plan schedule.

Deliverables:

1. Evidence packages for milestones completed.

Fee Schedule:

Essential: \$200,000

- LASO S&S acceptance of MC&A PIP milestone completion evidence is necessary to earn essential fee

**Measure 8.1.3 Security and Safeguards Self-Assessments
(Objective/Essential)**

Expectation Statement:

Using a graded approach, conduct security and safeguards self-assessments in accordance with the LASO-approved annual schedule. Coordinate periodic meetings with LASO to status and reconcile corrective action plans (CAPs).

Completion Target:

This measure has been achieved when the Contractor has:

- Provided documentation to LASO/SM that indicates assessments were completed as scheduled.
- Provided documentation to LASO/SM that indicates corrective action plans were completed on schedule.

Deliverables:

1. Annual Assessment Schedule
2. Assessment Selection Risk Matrix
3. Monthly CAP status reports
4. CAP reconciliation meeting minutes and related performance metrics data

Fee Schedule:

Essential: \$150,000

Assumptions Specific to This Measure:

- Necessary waivers/deviations/exceptions to DOE M 470.4-1 may require NNSA/DOE approvals that provide a risk-based approach to assessments.

**Measure 8.1.4 Graded Security Protection Policy
(Objective/ Essential/Stretch)**

Expectation Statement:

Execute the ADSS 2008 GSP Implementation Plan.

Completion Target:

This measure has been achieved when the Contractor has achieved “high security system effectiveness” against threats identified in the 2008 GSP, validated by associated performance tests that include at least two documented Force-on-force exercises. Stretch target has been achieved when the Contractor provides evidence package documenting resultant cost savings in excess of \$1M.

Deliverables:

1. Performance test data/reports.
2. LASO/SM written concurrence with Contractor conclusions that “high systems effectiveness” has been achieved.
3. Evidence package that substantiates cost savings, and that references “savings will be audited by the NNSA Field CFO using documented protocols.”

Fee Schedule:

Essential: \$150,000

25% of fee will be earned for documentation substantiating milestone completion
75% of fee will be earned following LASO/SM validation/verification of performance tests that support “high systems effectiveness.” (contingent upon milestone completion)

Stretch: \$100,000

Fee will be earned for documentation substantiating cost savings in excess of \$1M as a result of successfully implementing associated protective measures

Assumptions Specific to This Measure:

- Cost savings to follow NNSA CFO auditability guidelines.

Measure 8.1.5 Protective Force Security Services Contract (Objective/ Essential)

Expectation Statement:

Execute the Protective Force Security Services Contract acquisition plan.

Completion Target:

This measure has been achieved when the Contractor has developed and executed the LANL acquisition plan to secure a protective force provider for LANL prior to the expiration of the current contract scheduled to expire on September 30, 2010.

Deliverables:

1. Security Contract Acquisition Plan
2. Contract award notification documentation

Fee Schedule:

Essential: \$200,000

Assumptions Specific to This Measure:

- Extension of the current SOC due to poor integration or transition planning denotes failure in this measure.

Measure 8.1.6 Execute an Effective Security Program (Objective/ Essential)

Expectation Statement:

Execute an effective security and safeguards program as demonstrated by the achievement of a "satisfactory" rating in the following topical and associated sub topical areas of the Safeguards and Security program:

- Program Management and Support
- Protective Force
- Physical Security
- Information Protection
- Personnel Security
- Nuclear Materials Control and Accountability

Ratings of satisfactory, marginal or unsatisfactory in each topical and sub-topical area will be assigned by LASO as a result of formal surveys, conducted throughout the fiscal year, of LANS effectiveness related to performance and compliance requirements.

Completion Target:

This measure has been achieved when the Contractor has:

1. Received no persistent-less-than-satisfactory (PLTS) ratings in any topical and associated sub-topical areas as evidenced by the LASO AMSS Survey reports
 - A PLTS rating results from a deficiency that is not corrected or mitigated within 30 calendar days of formal notice of the deficiency from the LASO Assistant Manager for Safeguards and Security (AMSS)
 - A PLTS can take two forms, persistent marginal or a persistent unsatisfactory, and can be in either a topical areas or a sub topical area.

Deliverables:

A compilation of FY2010 LASO/AMSS Safeguards and Security Survey Reports

Fee Schedule:

Essential: \$400,000

FEE SCHEDULE (represents reduction of total fee allocated to this sub-element)	Persistent Unsatisfactory	Persistent Marginal	
One Topical Area	-50%	-25%	
Two Topical Areas	-100%	-50%	Impact to subjective evaluation can be expected
Three or More Topical Areas	-100%	-100%	Serious impact to subjective evaluation can be expected
One Sub topical Area within a Topical Area	-10%	-5%	
Two Sub topical Areas within a Topical Area	Topical Area Rating of Marginal may be assigned	-25%	
Three or more Sub topical Areas within a Topical Area	Topical Area Rating of Unsatisfactory may be assigned	Topical Area Rating of Marginal may be assigned	

Assumptions Specific to This Measure:

- Each finding issued by AMSS that impacts satisfactory performance may reduce fee as described in the Fee Schedule table above based on a final determination by the AMSS related to the findings impact on the security posture of the LANL.
- At the sole discretion of the AMSS, a corrective action plan submitted by LANS within 30 days of the notification of a sub-topical area deficiency and approved by the AMSS may result in the removal of a persistent marginal rating from computation of fee, as long as the CAP is executed in accordance with the plan.
- At the sole discretion of AMSS it may be determined that a deficiency is of sufficient concern (i.e. requiring immediate compensatory or corrective actions) to cause a topical area rating of marginal or unsatisfactory to be assigned regardless of the number of sub-topical issues found during the formal inspections.
- Repeat findings that are being addressed by an approved Corrective Action Plan, being executed in accordance with the plan, will not result in an additional rating impact.
- Pre-existing conditions that have been formally accepted by the AMSS as un-resolvable due to factors such as resource constraints or mission needs will not result in rating impacts. AMSS approval of these conditions can occur throughout the rating period as issues are identified and assessed. It is LANL's responsibility to formally request acceptance and to provide the necessary justifications and risk assessments within 30 days of identification or in accordance with an AMSS approved plan.
- Findings that are outside of the contractors control will not result in fee reductions.
- Cumulative Fee reductions will not exceed the total fee allocated to this sub-element.

Measure 8.2 Information Systems and Security

**Measure 8.2.1 IT Roadmap
(Objective/Essential)**

Expectation Statement:

Demonstrate progress on multi-year IT investment management strategy to enable and accelerate Mission, drive IT to be dynamic and agile, and improve LANL's compliance posture.

Completion Target:

This measure has been achieved when the Contractor has:

1. Received LASO approval by end of 1st Quarter on the acceptance criteria for each target listed below.
2. Completed the following:
 - A. Expanded optimal software encryption and key-escrow products and processes to include mobile devices (Confidentiality, Integrity and Availability) resulting in full disk encryption on at least 90% of LANL laptop computers being approved to leave the site.
 - B. Scoped, defined and piloted the inbound and outbound glove-box computing project by end of 2nd Quarter. Used lessons learned from the pilot to define a strategy and path forward for larger scale implementation. (Internet-safe Collaborative Environment)
 - C. Developed overall IT infrastructure architecture requirements and project plans by end of 3rd Quarter (Base Infrastructure Re-architecture)

Deliverables:

- a) Full disk encryption on at least 90% of LANL laptop computers being approved to leave the site.
- b) Published scoping and requirements for inbound and outbound glove-box computing project and conducted a demonstration of the pilot. Publish a strategy and path forward for a larger scale implementation identifying funding requirements and sources. Implementation of FY 2010 elements.
- c) Published requirements and project plan for overall IT infrastructure architecture for both classified and unclassified networks. Implementation of FY 2010 elements.

Fee Schedule:

Essential: \$175,000

- If Target 1 is not completed by the end of 1st Quarter – no fee will be granted.
- If Target 1 is completed by the end of 1st Quarter, then \$50,000 fee earned for the completion of Target 2a), \$25,000 earned for the completion of 2b), and \$50,000 for the completion of 2c)

**Measure 8.2.2 IT Project Management
(Objective/Essential)**

Expectation Statement:

The Laboratory shall demonstrate efficient and effective management of the Core IT investments.

Completion Target:

This measure has been achieved when the Contractor has:

1. Established a Project Management Office with formalization of the Initiation Phase and associated artifacts per PEP requirements including Project Sizing Criteria, Project Plan templates, and Requirement document templates. LANS must demonstrate to LASO that the project management process is consistent with industry best practices identified in documents such as the NNSA Project Execution Model for IT Acquisitions (PEM).
2. LANS must be able to demonstrate by the end of 3rd Quarter that >80% of CIO funded IT indirect projects are complying with the project management process. Quarterly reports must be provided to LASO.

Deliverables:

- Evidence packages denoting completion of targets above.

Fee Schedule:

Essential: \$200,000

50% fee earned for completion of each target

Measure 8.2.3 IT Infrastructure Management (Objective/Essential)

Expectation Statement:

The Laboratory shall demonstrate progress in its multi-year effort to centralize and, where feasible, automate management of IT infrastructure and systems in the unclassified environments for effective and efficient computer equipment accountability, including the development and use of tools to track location, mobility, protection of SUI, security health, and information security incident management for computer equipment that have the capability to store information.

Completion Target:

The FY 2010 components of this measure have been achieved when the Contractor has:

1. Demonstrated via quarterly reporting that, through the use of central controls, LANL is managing the information security risk exposure by increasing the number of inventory items using central services in both classified and unclassified environments over the course of the fiscal year.
2. Defined a baseline in Q1 including definitions and goals/metrics for the remaining quarters. During FY 2009 the Laboratory expanded its use of central configuration management tools: forcing the SMS client for Windows via a GPO; creating a new configuration management infrastructure for Macintosh and unix/linux systems; and creating a new infrastructure for host based scanning. These tools build on the current tools including network based scanning and blocking, but expand the scope of central configuration management significantly. Accordingly, the Laboratory needs to understand the operational impact of these tools and develop new goals/metrics to monitor the security health of computer equipment.

Deliverables:

1. Q1 Define the baseline and develop goals/metrics
2. Q2-4 Report progress against the selected goals/metrics

Fee Schedule:

Essential: \$200,000

\$100,000 fee earned for completion of each target

Measure 8.2.4 Information Security (Objective/Essential)

Expectation Statement:

Develop a management process and metrics to measure the effectiveness of information security operations.

Completion Target:

This measure has been achieved when the Contractor has:

1. Established a sustainable process for validation and verification for certification and accreditation. Complete validation and verification of 5 systems per quarter and provide the results to LASO DAA within 30 days of the end of each quarter.
2. Demonstrated via monthly reporting and quarterly reviews that the AOP is being executed according to the plan.
 - Quarterly reviews demonstrated AOP execution is <10% variance from the spending plan, with an exception for extenuating circumstances and conditions beyond LANL control.
 - 10 AOP milestones will be selected by LANL and approved by LASO prior to beginning of FY 2010
 - LANL maintained an effective change control process for the 10 selected AOP milestones.

Deliverables:

- Evidence packages denoting completion of targets above.

Fee Schedule:

Essential: \$300,000

\$100,000 (\$25,000 for each successful quarter) fee earned when validation/verification process for information security is established and executed according to the approved plan.

\$200,000 (\$50,000 for each successful quarter) fee earned if Information security projects are managed within variance and exceptions as designated above

**Measure 8.2.5 Execute an Effective Cyber Security Program
 (Objective/Essential)**

Expectation Statement:

Execute an effective information systems security program as demonstrated by the achievement of a “satisfactory” rating in the following topical and associated sub topical areas of the Safeguards and Security program as identified in DOE Order 470.1-A, change 1:

- Classified Cyber Security
- Telecommunications Security
- Unclassified Cyber Security

Ratings of satisfactory, marginal or unsatisfactory in each topical and sub-topical area will be assigned by LASO as a result of formal surveys, conducted throughout the fiscal year, of LANS effectiveness related to performance and compliance requirements.

Completion Target:

This measure has been achieved when the Contractor has:

1. Received no persistent-less-than-satisfactory (PLTS) ratings in any topical and associated sub-topical areas as evidenced by the LASO AMSS Survey reports
 - A PLTS rating results from a deficiency that is not corrected or mitigated within 30 calendar days of formal notice of the deficiency from the LASO Assistant Manager for Safeguards and Security (AMSS)
 - A PLTS can take two forms, persistent marginal or a persistent unsatisfactory, and can be in either a topical area or sub topical area.

Deliverables:

A compilation of FY2010 LASO/AMSS Survey Reports

Fee Schedule:

Essential: \$400,000

FEE SCHEDULE (represents reduction of total fee allocated to this sub-element)	Persistent Unsatisfactory	Persistent Marginal	
One Topical Area	-50%	-25%	
Two Topical Areas	-100%	-50%	Impact to subjective evaluation can be expected
Three or More Topical Areas	-100%	-100%	Serious impact to subjective evaluation

			can be expected
One Sub topical Area within a Topical Area	-10%	-5%	
Two Sub topical Areas Area within a Topical Area	Topical Area Rating of Marginal may be assigned	-25%	
Three or more Sub topical Areas Area within a Topical Area	Topical Area Rating of Unsatisfactory may be assigned	Topical Area Rating of Marginal may be assigned	

Assumptions Specific to This Measure:

- Each finding issued by AMSS that impacts satisfactory performance may reduce fee as described in the Fee Schedule table above based on a final determination by the AMSS related to the findings impact on the security posture of the LANL.
- At the sole discretion of the AMSS, a corrective action plan submitted by LANS within 30 days of the notification of a sub-topical area deficiency and approved by the AMSS may result in the removal of a persistent marginal rating from computation of fee, as long as the CAP is executed in accordance with the plan.
- At the sole discretion of AMSS it may be determined that a deficiency is of sufficient concern (i.e. requiring immediate compensatory or corrective actions) to cause a topical area rating of marginal or unsatisfactory to be assigned regardless of the number of sub-topical issues found during the formal inspections.
- Repeat findings that are being addressed by an approved Corrective Action Plan, being executed in accordance with the plan, will not result in an additional rating impact.
- Pre-existing conditions that have been formally accepted by the AMSS as irresolvable due to factors such as resource constraints or mission needs will not result in rating impacts. AMSS approval of these conditions can occur throughout the rating period as issues are identified and assessed. It is LANL's responsibility to formally request acceptance and to provide the necessary justifications and risk assessments within 30 days of identification or in accordance with an AMSS approved plan.
- Findings that are outside of the contractors control will not result in fee reductions.
- Cumulative Fee reductions will not exceed the total fee allocated to this sub-element.

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

**PBI No. 9
 Facility, Infrastructure, and Utilities**

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 9

Objective: **Facility, Infrastructure, and Utilities**

Objective Statement: Provide Facilities and Infrastructure planning, maintenance and services to provide a responsive, efficient infrastructure that supports the Laboratory's evolving mission and its workforce.

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: September 30, 2009
 Maximum Available Incentive Fee: **\$1,350,000(Essential)+ \$600,000 (Stretch) = \$1,950,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: T. McKinney
 Principle COR: J. Griego

**SECTION 2
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 9 stretch measures, the following two gateways must be met:

1. Earn $\geq 80\%$ total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

**SECTION 3
 INDEX OF PERFORMANCE MEASURES**

		Allocated Fee	Fee Type E or S
Measure 9.1	Maintenance Program Maturity and Capability Enhancements	\$400,000	E
Measure 9.2	Footprint Reduction Targets	\$200,000	E
Measure 9.3	Improved Office Space Utilization	\$200,000	E
Measure 9.4	Improved Safety and Security Performance for Leased Property	\$100,000	E
Measure 9.5	Infrastructure Revitalization	\$200,000	E
Measure 9.6	Improved Resource Allocations	\$150,000	E
Measure 9.7	Energy/Utilities Management	\$600,000	S
		\$100,000	E

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 9.1 Maintenance Program Maturity and Capability Enhancements
(Objective/Essential)**

Expectation Statement:

- PMIs and model work orders will be developed/reviewed and revised to reflect requirements identified for credited VSS systems in the AP-MNT-006 Appendix A as submitted in FY 2009. All requirements will be entered into CMMS for execution upon development completion.
- Progress on the revision of all O&M manuals will be documented against the schedule provided in LIMTS for completion.
- Work package cycle times will be assessed based on the results of the FY 2009 Process Improvement Plan and metrics developed to measure progress toward more efficient processing.
- Host a complex-wide maintenance summit to benchmark critical activities and share lessons learned.
- Maintenance metrics reflecting continuous improvement will be provided at monthly maintenance program reviews.
- Continue efforts to improve RPV data by updating Roads and Grounds and Utilities OSFs in FIMS.

Completion Target:

Measure is achieved when the Contractor has developed:

1. Maintenance requirements for all credited VSS systems and input such in CMMS.
2. Revisions to the O&M manuals as committed to for FY-10 in LIMTS.
3. Metrics reflecting measurement of continuous efficiency performance in work package development and processing.
4. Schedule and conduct a complex-wide maintenance summit.
5. Metrics on maintenance performance to be briefed at monthly Program Reviews.
6. Updated data in FIMS for Roads and Grounds and Utilities OSFS.

Deliverables:

1. Provide quarterly updates to the required and executed maintenance in CMMS for credited safety systems.
2. Provide progress against published schedule for O&M updates quarterly with the FY 2010 commitments met by end of FY.
3. Monthly Program Reviews to include metrics for work package cycle time, demonstrating trending of continuous improvement.
4. Complete Maintenance Summit and provide action items and issues by 2nd Qtr, FY 2010.
5. Provide briefing slides for monthly Program Reviews by the end of the following month.
6. Complete update of OSFs data in FIMS by end of FY 2010.

Fee Schedule:

Essential: \$400,000

- Targets 3,4,5, and 6 are required for completion
- 30% reduction each for not achieving Targets 1 and 2

Assumptions Specific to This Measure:

- Provide the FY 2010 O&M Manual schedule by October 1, 2009.
- LANS and LASO have agreed Target 1 will be completed in phases with 1/3 of FODs complete in each of the first three quarters.

Measure 9.2 Footprint Reduction Targets (Objective/Essential)

Expectation Statement:

Provide efficient and responsive Facilities and Infrastructure that effectively support the Laboratory's mission.

1. Trailers and Transportables:
Expedite the excess and removal of unfavorable temporary trailer and transportable facilities. Utilize assessment recently completed for LANL temporary trailer and transportable properties to expedite the removal of the most unfavorable of these facilities beginning in FY 2010.
2. Long Range Strategic Facility and Infrastructure Planning:
Utilize long-range planning efforts associated with Technical Area 3 to develop strategies intended to replace aging facilities for infrastructure and services with enduring need. Provide an exit strategy including offsite options for the TA3 Main Warehouse. Provide a replacement strategy for a permanent Wellness Center facility.

Completion Target:

Measure is achieved when the Contractor has:

1. Trailers and Transportables:
 - A. Removed 30K sf of trailer and transportable structures from operational status to excess
 - B. Demolished or removed 30K sf of trailer and transportable structures
2. Long Range Strategic Facility and Infrastructure Planning:
 - A. Provide a replacement strategy for the Wellness Center / completion of running track
 - B. Provide a site warehousing strategy that encompasses how we will transition to and manage warehouse / manage inventory across the site in an integrated fashion with procurement, security, IT, etc.
 - C. Address Fire Station 1 issues.

Deliverables:

1. Trailers and Transportables:
 - A. Provide evidence of 30K sf of trailer and transportable structures moved to excess by the end of FY 2010.
 - B. Provide evidence of 30K sf of trailer and transportable structures being demolished by the end of FY 2010.
2. Long Range Strategic Facility and Infrastructure Planning:
 - A. Provide a integrated replacement strategy for the Wellness center addressing all users by the end of the second quarter of FY 2010 and complete the running track by the end of the 3rd quarter
 - B. Provide a site warehousing strategy with transition & integration planning by the end of FY10
 - C. Developed an implementation plan for replacement of Fire Station 1

Fee Schedule:

Essential: \$200,000

30% fee = completion of Target 1A or 1B

40% additional fee = completion of both Targets 1A and 1B

30% fee = Completion of Target 2 (not contingent upon targets 1A or 1B)

Assumptions Specific to This Measure:

- List of trailer and transportable space to be delivered during the 1st quarter of FY10
- Strategies to include acquisition approach, schedule, funding plan, etc

Measure 9.3 Improved Office Space Utilization (Objective/Essential)

Expectation Statement:

Improve utilization of office space at the Laboratory. Utilize established space standards and baseline data on organizational space holdings to implement space consolidation. Utilize consolidation efforts to bring organizations into alignment with institutional standards for office space. Utilize this strategy to identify targets for footprint reduction, or to free up facilities for reinvestment and repurposing.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrated organizational primary space holdings are in compliance with institutional standard for sf/person.
2. Demonstrated that organizational office support space holdings are in compliance with the institutional standard of 22% of the organizations size which will be reported at the division level.
3. Demonstrated the ability to track organizational churn such that the impact of consolidation efforts can be tracked.

Deliverables:

1. Provide by the end of FY 2010 space data by organization that demonstrates 135sf/person, and a timetable for bringing any organizations not compliant with the standard into compliance, or appropriate justification for organizational space holdings above the standard.
2. Provide by the end of FY 2010 space data by organization that demonstrates office support space being in the modeled range of 22% based on FTE count, and a timetable for bringing any organizations not compliant with the standard into compliance, or appropriate justification for organizational space holdings that are above the standard.
3. Provide by the end of third quarter of FY 2010 the process for capturing churn data, the average cost of churn at the Laboratory, and recommendations to mitigate churn.

Fee Schedule:

Essential: \$200,000

- 30% fee = completion of Target 1 or 2
- 55% additional fee = completion of both Targets 1 and 2
- 15% fee = Completion of Target 3 (not contingent upon targets 1 or 2)

Measure 9.4 Improved Safety and Security Performance for Leased Property (Objective/Essential)

Expectation Statement:

Drive continued improvement in leased space management. Ensure that facilities leased by the Laboratory meet applicable codes and requirements for safety, security, and suitability for purpose.

Completion Target:

Measure is achieved when the Contractor has:

1. Completed an assessment of all LANL lease property holdings, verified that these properties are compliant with established negotiated contracts for safety, security, and compliance, and provided documentation of the condition of each property.
2. Completed an assessment of all LANL lease property holdings, verified that utilization of each property is appropriate, and provided documentation that each property is suitable for the work assigned to that property.

Deliverables:

1. Provide demonstrated safety and security compliance for each leased property by the end of FY 2010.
2. Demonstrated utilization and suitability for work performed in each lease holding.

Fee Schedule:

Essential: \$100,000

Assumptions Specific to This Measure:

- These will become continuous processes and documented in our procedures.
- LASO may sample or shadow assessments or conduct confirmatory assessments to assure quality and completeness of effort

**Measure 9.5 Infrastructure Revitalization
(Objective/Essential)**

Expectation Statement:

To meet current and future programmatic missions, the laboratory is developing strategies that the required right-sized responsive infrastructure is available.

Completion Target:

This measure has been achieved when the Contractor has:

1. IP organization has developed an in-depth site management plan / presentation with recommendations on necessary infrastructure investments to be made over the next 10-20 years. Plan will include all items affecting Laboratory site including 1) new construction, 2) Footprint Reduction, 3) D&D, 4) Leases, 5) Science Complex, 6) Utility Systems, 7) Space Utilization, 8) Energy, etc.
2. Implement IVT subcommittee to serve as ADPMSS steering committee to assist in prioritizing investments.
3. Secure FY 2010 funding for Infrastructure Investments and meet FY 2010 milestones.

Deliverables:

1. Copy of presentation given to Senior Management by November 30, 2009
2. List membership and IVT subcommittee charter
3. List of FY 2010 completed milestones.

Fee Schedule:

Essential: \$200,000

- Each milestone in Target 3 will be equally weighted
- Targets 1 & 2 required for payment of fee
- No fee awarded if less than 60% of milestones are successfully achieved

Assumptions Specific to This Measure:

- Measure is dependent upon the establishment of a mutually agreed set of FY 2010 milestones prior to December 15, 2009; a draft list will be provided to LASO NLT November 1, 2009

**Measure 9.6 Improved Resource Allocations
(Objective/Essential)**

Expectation Statement:

The allocation of all laboratory maintenance dollars is based on prioritization by the IVT.

Completion Target:

This measure has been achieved when:

The IVT is reviewing RTBF and IS Budgets versus maintenance performance and prioritization metrics.

Deliverables:

IVT will be briefed quarterly on IS and RTBF Budget and Maintenance execution and performance by FOD. By the 4th quarter, all maintenance work orders will have been prioritized within PassPort which will be included in IVT 4th quarter presentation. Presentation to IVT will include a risk based CM and PM data. Maintenance performance metrics will be incorporated into PB Views by FOD.

Fee Schedule:

Essential : \$150,000

Measure 9.7 Energy and Utilities Management

**Measure 9.7.1 Energy Management Execution
(Objective/Stretch)**

Expectation Statement:

LANL will demonstrate implementation of the LANL Energy Management program through the executable plan. LANL will revise the executable plan for FY 2010 to ensure continued progress toward meeting the DOE O 430.2B goals. LANL will strive to execute all elements defined in the executable plan in addition to those specifically identified as completion targets. Due to changes in management of the energy management program and within the PBI structure, a quarterly management review of the status will be conducted to ensure that expectations are understood and issues resolved in a timely manner.

Completion Target:

Measure is achieved when the Contractor has executed the following specific elements of the FY 2010 executable plan:

1. Completed FY 2010 facilities of the quadrennial energy audit plan (per EISA 2007)
2. Completed implementation FY10 HPSB Plan milestones in the executable plan
3. Completed installation of the meters planned for FY 2010 per the LANL Metering Plan.
4. Developed and implemented a policy for operation and maintenance of night setbacks features at LANL facilities with night setback functionality currently installed.
5. Published FY 2010 Update to Energy Management Executable Plan to meet FY 2010 DOE FEMP guidance (Dec 2009).

Deliverables:

1. Completion of metering installations planned for FY 2010.
2. Delivery of an FY 2011 Energy Management Plan draft by August 30, 2010 for LASO review
3. Evidence of audits, milestone completions, and policy implementation
4. Quarterly status reports on execution of completion targets and energy management plan.

Fee Schedule:

Stretch: \$600,000

Fee awarded as outlined below.

\$300,000

- Fee will be reduced by 40% for each Target not achieved as described in 1 through 5.

\$140,000

- Awarded if entire site facility metering program completed

- Contingent upon award of at least 60% for completion of Targets 1 through 5

\$160,000

- Assess modifications for night set backs required for all facilities with anticipated life past 2015 to determine modification needed, associated cost, simple payback and a proposed schedule
- Complete modifications at all facilities with night setback implementation costs less than \$10,000
- Contingent on entire site facility metering program being completed.
- Contingent upon award of at least 60% fee for completion of Targets 1 through 5)

Assumptions Specific to This Measure:

- LASO approves a waiver for renewable energy met through RECs.
- Quadrennial audit plan audits at least 25% of LANL square footage required to meet EISA 2007 requirements.
- LANL Metering plan targets if executed will meet EPA Act 2005 compliance and DOE O 430.2B compliance deadlines.
- HPSB milestones are part of a multi-year plan that if executed will comply with DOE O 430.2B.
- FY 2010 DOE FEMP guidance is available at least three months nominally before submittal due date (assumed Dec 31, 2009).

**Measure 9.7.2 WECC Self-Certification and Implementation
(Objective/Essential)**

Expectation Statement:

Operate and maintain the LANL transmission, distribution, and generation assets in accordance with the applicable Western Electric Coordinating Council (WECC)/North American Reliability Corporation (NERC) requirements per the Energy Act of 2005. Due to changes in management of the utility program and within the PBI structure, a quarterly management review of the status of WECC compliance will be conducted to ensure that expectations are understood and issues resolved in a timely manner.

Completion Target:

Measure is achieved when the Contractor has:

1. Completed all outstanding mitigation plans
2. Completed required self-certification of all WECC/NERC requirements

Deliverables:

1. Completed annual self-certifications
2. Completed mitigation plans for PER-002, PER-003, and PRC-005.
3. Quarterly status reports on execution of completion targets and WECC requirement compliance.

Fee Schedule:

Essential: \$100,000

Assumptions Specific to This Measure:

- LANL transmission, distribution, and generation systems are registered as WECC entities Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Load Serving Entity (LSE), Transmission Owner (TO), and Transmission Operator (TOP).
- NNSA will provide timely reviews and approval of WECC documents to support mutually agreed upon schedules.

SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

**PBI No. 10
 Business Objectives**

FY 2010 PERFORMANCE BASED INCENTIVE			
PBI No. 10		Objective: Business Objectives	
Objective Statement: Continued improvement in business systems and processes to accomplish Laboratory mission and operations in a compliant and effective manner.			
SECTION 1 GENERAL INFORMATION			
Revision Number and Date:	Revision No.:	Date: <u>April 13, 2010</u>	
Maximum Available Incentive Fee:	\$1, 375,000 (Stretch)		
Duration:	Annual		
Fee Payment Type:	Completion		
Principle LANS Owner:	M. Barth		
Principle COR:	R. Snyder		
SECTION 2 PERFORMANCE REQUIREMENTS			
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>			
In order to earn any incentive fee in PBI 10 stretch measures, the following two gateways must be met:			
<ol style="list-style-type: none"> 1. Earn ≥80% total objective essential fee in the aggregate fee area of Business. 2. Earn an adjectival rating of at least "Very Good" in the essential Business Subjective measure. 			
SECTION 3 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type E or S
Measure 10.1	Business System Improvements	\$300,000	S
Measure 10.2	Subcontract Administration	\$150,000	S
Measure 10.3	Acquisition Practices	\$300,000	S
Measure 10.4	Property Management	\$275,000	S
Measure 10.5	Manhattan Project Records Transfer	\$50,000	S
Measure 10.6	Parent System Evaluation	\$100,000	S
Measure 10.7	Organizational Cost Performance	\$200,000	S
SECTION 4 PERFORMANCE MEASURES			
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2010.</i>			
Measure 10.1	Business System Improvements (Objective/Stretch)		
Expectation Statement:			
LANS will continue to implement improved business applications that directly benefit efficiency, effectiveness, and compliance.			
Completion Target:			
This measure has been achieved when the Contractor has addressed the following:			

- 10.1.1 Implement Plateau Learning Management System (LMS)
- 10.1.2 Phased Implementation of Site-Wide EDMS to support Document Control Centers
- 10.1.3 Conduct Electronic Records Management (ERMS) Pilot
- 10.1.4 Implementation of Oracle e-Business Suite Procurement Modules
- 10.1.5 KSL Integration – Implement Oracle e-Business Suite Inventory Management Module

Fee Schedule:

Stretch: \$300,000

- \$60,000 for completion of each element above.

Assumptions Specific to This Measure:

In the event that the FY 2010 IT Roadmap funding for any of these projects is cancelled or reduced, within the first quarter, a proposal to replace the unfunded work with funded work will be submitted to LASO for approval no later than January 15, 2010.

Measure 10.1.1 Implement Plateau Learning Management System (LMS) (Objective/Stretch)

Expectation Statement: Continue Implementation of Plateau Learning Management System (LMS) in accordance with the Project Management Plan (PMP) and resource-loaded schedule as funded.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed the Plateau LMS Project Software Quality Management Plan
2. Upgraded the Sandbox and Development (DEVL) instances to Plateau version 6.1
3. Upgrade all scheduled connectors to Plateau LMS version 6.1 and install them on the Development instance
4. Completed an updated safety software determination.
5. Updated the LANL Plateau LMS Requirements Document based on the results of the work in the Development Instance, preparatory to test plan development and execution
6. Updated the LANL Plateau LMS Solution Design Document preparatory to moving the Plateau LMS to the beta instance
7. Developed a 4-phase Data Cleanup Plan based on the increased volume and complexity of the data errors identified in DEVL.
8. Accomplished the data cleanup that is necessary before BETA installation.
9. Complete Phase 3 of the project in accordance with the resource-loaded schedule and be prepared to begin the move to Beta on October 1, 2010.
10. Updated project documents and plans to reflect the changes in scope, schedule, costs, in accordance with institutional direction and guidance, projected FY11 funding, the projected dates for the “Go-Live” move to production, and the dates for decommissioning of EDS, TVMS, and WQAS.

Deliverables:

- Documentation of completion of each performance target will be provided to LASO by August 30, 2010

Measure 10.1.2 Phased Implementation of Site-Wide EDMS to Support Document Control Centers (Objective/Stretch)

Expectation Statement:

Continuation of site-wide implementation strategy for implementing the institutional EDMS solution supporting Document Control Service Centers with processes and procedures that will focus on the phased roll out at the TA-55 Complex, PMSS Directorate and Environmental Programs Directorate.

Completion Target:

Continue execution of the phased Site-Wide Implementation Plan to roll out the institutional EDMS as evidenced by completion of the following for the targeted projects by September 30, 2010:

- Submittal of revised Project Management Plan that includes, risk management plan, requirements analysis, and project implementation plan with project scope, resource-loaded schedule, and cost estimate as completed by the Project Implementation Team.
- LANL Responsible Line Manager (or equivalent) acceptance certificate stating the implementation of the EDMS was accepted.
- Phased decommissioning of legacy document management system.

Deliverables:

- FY 2010 Site Wide Implementation Plan and Schedule. Identification of 4 alternate PMSS projects for implementation by January 15, 2010.
- Revised PMP for FY10
- Detailed Phased Implementation Plan and Schedule for each Project
- Documented evidence supporting RLM certification of acceptance
- Evidence of systematic decommissioning of 3 legacy systems

Assumptions Specific to This Measure:

- Phased implementation in the following areas: TA-55 and Environmental Programs Directorate or 4 alternate projects in the Project Management Directorate. The 4 projects will be selected and submitted to LASO for approval by end of the first quarter.
- LASO will approve the FY 2010 site-wide plan.

Measure 10.1.3 Conduct Electronic Records Management System (ERMS) Pilot Project (Objective/Stretch)

Expectation Statement:

Develop and execute a pilot project to demonstrate the integration of an electronic records management capability with an existing electronic document management system at the CMRR, or an equivalent project, as agreed to by LASO by January 15, 2010, to include inventorying, scheduling and dispositioning of records in accordance with DOE Order 243.1.

Completion Target:

This measure has been achieved when the Contractor has:

- Submitted a completed requirements analysis and pilot project plan with project scope, resource-loaded schedule, cost estimate, and test plan.
- Demonstrated ERMS system ability to produce standard reports for records inventorying, records scheduling, and disposition.

Deliverables:

- ERMS requirements document
- Project plan
- Test plan
- System demonstration
- Results document with recommendations for path forward for site wide implementation ERMS.

Measure 10.1.4 Implementation of Oracle e-Business Suite Procurement Modules (Objective/Stretch)

Expectation Statement: Continue Implementation of Oracle e-Business Suite (EBS) procurement modules in accordance with the project management plan and resource-loaded schedule as funded.

Completion Target:

This measure has been achieved when the Contractor has:

- Updated the LANL Requirements and Design Documentation based on the results of the Conference Room Pilot and Pilot activity.
- Trained Designated Procurement Representatives (DPR) on Non-Catalog Requisitioning functionality
- Trained ASM Procurement Specialists on Oracle i-Procurement/Contracts/Sourcing modules
- Completed Legacy System data conversion and migration activities as specified in Implementation plan
- Implemented Oracle i-Procurement with Non-Catalog Requisitioning functionality lab-wide
- Implemented Oracle Contracts/Sourcing for Purchasing organization

Deliverables:

- FY 2010 Implementation Plan and Schedule
- LANL Requirements and Design Documentation (Gap Analysis)
- Training evidence for DPRs and ASM personnel
- Evidence of systematic decommissioning of Procurement Desktop and PDWeb

Measure 10.1.5 KSL Integration –Implement Oracle e-Business Suite Inventory Management Module
(Objective/Stretch)

Expectation Statement: Continue Implementation of Oracle e-Business Suite (EBS) Inventory Management module in accordance with the project management plan and resource-loaded schedule as funded.

Completion Target:

This measure has been achieved when the Contractor has:

1. Updated the LANL Requirements and Design Documentation based on the results of the Conference Room Pilot and Pilot activity.
2. Trained inventory management personnel on Oracle Inventory module
3. Completed Legacy System data conversion and migration activities as specified in Implementation plan
4. Completed the cleanup of data in LANL legacy systems prior to data conversion and migration
5. Completed the testing plans for functional, system, and load testing
6. Implement Oracle Inventory Management module at TA-55
7. Conduct Conference Room Pilot for TA-60 operations
8. Configure BETA environment for TA-60 operations and processes

Deliverables:

- FY 2010 Implementation Plan and Schedule
- LANL Requirements and Design Documentation (gap analysis)
- Training evidence for inventory management personnel
- Project Plan for systematic decommissioning of e-Procurement and ROSS Inventory Management systems

Measure 10.2 Subcontract Administration
(Objective/Stretch)

Expectations:

LANS will improve it administration of subcontracts and files.

Completion Target:

LANL shall develop a subcontracting monitoring procedure and process utilizing structured checklist as a tool to determine the effectiveness of its subcontract administration and file management programs.

1. The checklist will be developed and submitted to LASO for their review no later than the December 1, 2009.
2. LANS will draft a procedure and process for implementation of the checklist by January 15, 2010.

3. Initial subcontract administration monitoring using the new checklist will be conducted in February 2010 on a sample set of no fewer than 5 subcontracts over \$1 million.
4. Feedback and lessons learned will be used to modify the final checklist, process, and procedure for issuance by LANS NLT March 30, 2010
5. The final checklist, process, and procedure will be applied to no fewer than 10 subcontracts over \$1 million and 5 subcontracts less than \$1 million during the period of April 1, 2010 to September 30, 2010.
6. Checklist performance results will be added to the PbViews dashboard

Deliverables:

Completion packages documenting addressing each target above.

Issues raised more than twice in April 1, 2010 to September 30, 2010 checklists will be entered and corrective actions tracked for resolution into the issues management tracking system.

Fee Schedule:

Stretch : \$150,000

**Measure 10.3 Acquisition Practices
(Objective/Stretch)**

Expectation Statement:

LANS will continue to mature its acquisition practices to aid both execution and oversight.

Completion Target:

This measure has been achieved when the Contractor has addressed the following:

- 10.3.1 Convert Remaining ASM Subcontract Templates into Current Proforma Format and Update All ASM Contractual Documents to Include NNSA Approved Clauses
- 10.3.2 Conversion of ASM Acquisition Practices into New Format
- 10.3.3 Implement Oracle Business Intelligence (OBI) Cycle Time Metrics
- 10.3.4 Implement Standardized Consent Package
- 10.3.5 Streamline Compliance Assessment Process
- 10.3.6 Streamline Best Value Source Selection Process
- 10.3.7 Implement a CAS Procurement Institutional Dashboard

Fee Schedule:

Stretch: \$300,000

- 100% fee is awarded for completion of all 7 sub-measures listed above
- 75% fee is awarded for completion of any 6 sub-measures listed above
- 50% fee is awarded for completion of any 5 sub-measures listed above
- 25% fee is awarded for completion of any 4 sub-measures listed above

Measure 10.3.1 Convert Remaining ASM Subcontract Templates into Current Proforma Format and Update All ASM Contractual Documents to Include NNSA Approved Clauses

(Objective/Stretch)

Expectation Statement:

ASM contractual document shall be converted to the current proforma format. All ASM contractual documents will be updated to include NNSA approved terms and conditions.

Completion Target:

This measure has been achieved when all ASM contractual documents have been:

1. Converted to the current proforma format;

2. Updated to include NNSA approved terms and conditions; and
3. Published on SharePoint for use.

Assumptions Specific to This Measure:

- The ASM contractual documents in Oracle will not be shown in the proforma format.

**Measure 10.3.2 Conversion of ASM Acquisition Practices into New Format (i.e., Requirements and Processes Documents)
(Objective/Stretch)**

Expectation Statement:

ASM Acquisition Practices will be converted into Acquisition Practices (requirements documents) and Acquisition Guides (processes documents).

Completion Target:

This measure has been achieved when LANS has converted its current Acquisition Practices into the new format, they have been published for use in SharePoint, and LANS procurement specialists have been trained in usage, in accordance with a schedule to be maintained by ASM.

Assumptions Specific to This Measure:

- LANS Counsel and NNSA review proposed changes within a reasonable time and provide comments to ASM in a timely manner.
- Priority 1 and 2 APs will be converted during FY 2010 and Priority 3, 4 and 5 APs will be converted during FY 2011, in accordance with a schedule to be maintained by ASM.

**Measure 10.3.3 Implement Oracle Business Intelligence (OBI) Cycle Time Metrics
(Objective/Stretch)**

Expectation Statement:

ASM can track "On Time Delivery", "Need Date Adequacy", "Lead Time Given" and "Procurement Cycle" metrics using OBI dashboards. ASM converts legacy procurement systems into Oracle.

Completion Targets:

This measure has been achieved when ASM managers and internal customers can run reports from Oracle and obtain real time access to the OBI dashboards demonstrating capability implementation.

**Measure 10.3.4 Implement Standardized Consent Package
(Objective/Stretch)**

Expectation Statement:

All proposed LANS' subcontracting actions that require review and approval by NNSA (Consent Packages) will be submitted for NNSA review using a standard format.

Completion Target:

This measure has been achieved when:

1. ASM publishes in SharePoint the standardized format for use; and
2. ASM submits its first package to NNSA for consent using the standardized format in a subcontract consent package that is approved by LASO, Albuquerque Service Center, and, when applicable, NA-63.

Assumptions Specific to This Measure:

- NNSA will be engaged as a "customer" of the standardized format.

**Measure 10.3.5 Streamline Compliance Assessment Process
(Objective/Stretch)**

Expectation Statement:

Implement agreed upon recommendations from the *Procurement File Compliance / Quality Lean Six Sigma* Yellow Belt Process Improvement Project.

Completion Target:

This measure has been achieved when ASM develops the implementation plan and implements the agreed upon recommendations from the plan in accordance with an ASM established schedule.

**Measure 10.3.6 Streamline Best Value Source Selection Process
(Objective/Stretch)**

Expectation Statement:

Implement agreed upon recommendations from the *Best Value Source Selection* Lean Six Sigma (LSS) Yellow Belt Process Improvement Project (PIP).

Completion Target:

This measure has been achieved when ASM:

1. Develops the implementation plan;
2. Implements the agreed upon recommendations from the plan; and
3. Performs its first best value source selection using the streamlined process.

Assumptions Specific to This Measure:

- NNSA will be engaged as a "customer" of the LSS PIP.

**Measure 10.3.7 Implement a CAS Procurement Institutional Dashboard
(Objective/Stretch)**

Expectation Statement:

Deploy a full suite of CAS centric institutional metrics covering the entire procurement lifecycle that distinguishes internal customer performance, evaluates accuracy, differentiates vehicles types, tracks cycle-times, reports on acquisition plan performance by internal customer, as well other established acquisition trends and statistics.

Completion Target:

An agreed to set of performance metric are developed and deployed on PbViews by January 30, 2010, with monthly reporting for the balance of the year

Assumptions Specific to This Measure:

- NNSA will be engaged as a "customer" in metrics development and review.

**Measure 10.4 Property Management
(Objective/Stretch)**

Expectation Statement:

LANS will address deficiencies in property management at LANL while migrating toward a CAS centric management environment.

Completion Target:

This measure has been achieved when the Contractor has addressed the following:

- 10.4.1 Establish Formal Conduct of Operations for MSS-Support Warehousing Operation
- 10.4.2 Complete Personal Property Reuse Evaluation and Develop Reuse Management-Level Reporting

<p>Tool</p> <p>10.4.3 Maturation of Property Management</p> <p>Fee Schedule: Stretch: \$275,000</p> <ul style="list-style-type: none"> • \$125,000 fee is awarded for completion of all PBI 10.4.1 • \$75,000 fee is awarded for completion of all PBI 10.4.2 • \$75,000 fee is awarded for completion of all PBI 10.4.3 		
<p>Measure 10.4.1</p> <p>Operation</p>	<p>Establish Formal Conduct of Operations for MSS-Support</p> <p>(Objective/Stretch)</p>	<p>Warehousing</p>
<p>Expectation Statement: LANS will establish formal controls for its MSS-Support warehouse operation to include systems and physical space evaluations, and desktop procedures and training. In addition, LANS will work to reduce both its MSS-Support warehouse operations inventory holdings and physical foot-print through the use of Blanket Order Agreements and general housekeeping.</p> <p>Completion Target: This measure has been achieved when the Contractor has:</p> <ul style="list-style-type: none"> • Current operation stock holdings and space utilization are baselined and documented. • MSS-Support inventory holdings are reduced by 15% • MSS-Support warehouse storage footprint reductions have been indentified • Physical controls are installed to ensure that new stock is not commingled with excess/salvage • Desktop warehouse/stores procedures are developed • Applicable warehouse staff is trained on the new desktop procedures 		
<p>Measure 10.4.2</p>	<p>Complete Personal Property Reuse Evaluation and Develop Reuse Management-Level Reporting Tool</p> <p>(Objective/Stretch)</p>	
<p>Expectation Statement: LANS will develop a process for evaluating and tracking the internal and external reuse of its excess personal property.</p> <p>Completion Target: This measure has been achieved when the Contractor has:</p> <ul style="list-style-type: none"> • Benchmarked with other NNSA sites regarding their personal property reuse programs. • Developed or enhanced current programs/systems for advertising reusable personal property both internally and externally, while complying with security, safety, and enviromental public release requirements • Developed and implement a program/system to capture and report LANL's personal property internal and external reuse 		
<p>Measure 10.4.3</p>	<p>Maturation of Property Management</p> <p>(Objective/Stretch)</p>	
<p>Expectation Statement: LANS will address the items identified in the NNSA FY2009 CAS Baseline review and make progress toward a CAS centric System.</p>		

Completion Target:

This measure has been achieved when the Contractor has:

- Addressed and resolved NNSA recommendations from the FY2009 CAS Baseline Review
- Validated closure and implementation on measures completed in FY 2010
- Received confirmation from NNSA that the FY2009 CAS Baseline Review items were addressed as agreed
- Implemented a FY 2011 CAS System objectives in lieu of Performance Objective Matrixes.

Assumptions Specific to This Measure:

- LANL assumes that NNSA will accept the processes that are implemented to address the CAS Baseline review items by July 31, 2010, which will allow time for development of the FY 2011 CAS System objectives.
- Upon finalization of the FY 2009 CAS Baseline Review, LASO and LANS will agree on the implementation timeline, resolution path, and milestones for each recommendation and deficiency in the final review report.
- Progress is expected toward resolution of all deficiencies with closure of most, if not all, depending upon the magnitude of effort required, implementation timeline, and resources.

**Measure 10.5 Manhattan Project Records Transfer
(Objective/Stretch)**

Expectation Statement:

Satisfy requirement to transfer historical records of enduring value to the National Archives.

Completion Target:

This measure has been achieved when the Contractor has:

1. Made and retained a local working copy of all known Manhattan Engineering District records to be transferred.
2. Formally offered the collection to National Archives.

Fee Schedule:

Stretch: \$50,000

Assumptions Specific to This Measure:

- Records will not be declassified.

**Measure 10.6 Parent Systems Evaluation
(Objective/Stretch)**

Expectation Statement:

LANS in conjunction with Parent Company representatives and Parent Oversight groups will systematically evaluate Parent Company systems and those in use at member company DOE/NNSA sites for benefit to LANL.

Completion Target:

This measure has been achieved when the Contractor has completed the following targets by September 30, 2010:

1. A comprehensive review of business systems in use by functional area at Parent Companies and at member company DOE/NNSA sites in contrast to those currently in use at LANL
2. Constructive comparative analysis of each differing system including applicability and benefit

Deliverables:

- A crosswalk of systems in use at LANL vs. other Parent Company related sites
- Comparative Analysis of each differing system

Fee Schedule:

Stretch: \$100,000

Assumptions Specific to This Measure:

- Functional Areas shall include Project Management, Human Resources, Procurement, Legal, Prime Contract Administration, Infrastructure, Space Management, Timekeeping, Accounting, and Payroll
- Comparative analyses may be brief summaries as appropriate to gauge system utility/applicability
- A system is defined as an automated tool or application

**Measure 10.7 Organizational Cost Performance
(Objective/Stretch)**

Expectation Statement:

Establish a transparent formal process for management of organizational cost performance including indirect costs.

Completion Target:

This measure has been achieved when the Contractor has

1. Achieved target performance level (90% compliance) for monthly review of Business Stewardship Reports (BSRs) as reported on the LANL Dashboard (PBViews) by September 30, 2010. (Note: The BSR must be reviewed by each organizational manager on a monthly basis. These are a suite of reports that contain financial status to include budget, cost, and year-end projection information; invoice exceptions; JIT, blanket order and punchout costs; labor corrections; labor FTEs by employee and by program; OTL time card auto approvals; property exceptions; purchase card costs; purchase card exceptions; travel costs; travel exceptions; and work order costs.)
2. Completed development by May 31, 2010, of a set of annual indirect cost metrics that reflect information useful/applicable for LANS management and NNSA that covers spending by organization and functional areas as appropriate.
3. Provided a semi-annual business update to the Site Office using what is provided to the Board of Director's and related Subcommittees as well as LANS management.

Fee Schedule:

Stretch: \$200,000

Assumptions Specific to This Measure:

- LANS and LASO will agree to completion evidence by April 15, 2010.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to

control, the PBI will be renegotiated.

- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

**PBI No. 11
 Excellence in National Security Objectives**

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 11

Objective: **Excellence in National Security Objectives**

Objective Statement: Ensure highly effective leadership, integration, and excellence in performance and planning of missions at the Los Alamos National Laboratory in support of the National Security Enterprise.

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: September 30, 2009
 Maximum Available Incentive Fee: **\$6,000,000(Essential) + \$500,000(Stretch) = \$6,500,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: C. McMillan, W. Rees, M Graham, T. Wallace
 Principal LASO Owner: R. Snyder

**SECTION 2
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

None

**SECTION 3
 INDEX OF PERFORMANCE MEASURES**

	Allocated Fee	Fee Type E/S	
Measure 11 Excellence in National Security Objectives			
Set A	\$6,000,000	E	Subjective
11.1 Defense Programs			
11.2 Global Security Program			
11.3 Other NNSA Programs, Objectives, & Commitments			
11.4 Environmental Programs			
11.5 Balance with Other Missions			
11.6 Mission Execution, Leadership & Management			
11.7 Management of Emergent Mission Issues			
Set B	\$500,000	S	Subjective
11.8 Nuclear Posture Review			
11.9 Efficient and Effective use of NNSA Transportation Resources			

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 11 Excellence in National Security Objectives
 (Subjective)**

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in mission areas that distinguish the Laboratory as a premier national security institution.

Completion Target:

Criteria	Target
11.1 Defense Programs & Objectives:	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Overall performance (including the manner of accomplishment) in support of Programs apart from deliverable Incentives • Mission Facility Utilization Performance • Compliance with the statutorily-required deliverables specified in Section 3141 of the FY 2003 National Defense Authorization Act: Annual assessment reports for the B61 bomb and W76, W78, and W88 warheads; Red Team report to the Director; Director's Annual Assessment letter • Participation in DOE Secretary-directed peer review for Annual Assessment Process • Participation in the annual U.S. Strategic Command Stockpile Assessment Conference • Technical Support on Code Blue Needs • Weapons Program Strategic Review • Utilization of DARHT 2nd axis capabilities to meet requirements of the National Hydrotest Plan • Level 1 and Level 2 MRT Milestone achievement • Voice of the Customer (VOC) results and actions to improve program integration and performance within the Laboratory. • Science, ICF and other program commitments (documented in program plans, spreadsheets, etc) • Performance on FY 2010 Commitments under Laboratory Goal related to Defense Programs • Complex Transformation related activities • Technical leadership for B-61 Life Extension Program (LEP) • Execute activities in support of US-UK mutual defense agreement.

<p>11.2 Global Security Program/Objectives</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Overall performance (including the manner of accomplishment) in support of Programs • The Laboratory will conduct research and development activities for Defense Nuclear Nonproliferation (NA-20), including but not limited to developing and deploying: satellite instruments, nuclear-detection sensors, optical and RF sensors, and instruments to measure proliferation signatures and observables • The Laboratory will support deployment activities for NA-20, including but not limited to: MPC&A systems and systems to detect SNM movement • The Laboratory will support US Government nonproliferation policy in many areas, including but not limited to: safeguards systems design and implementation (particularly the Next-Generation Safeguards Initiative), the denuclearization of the DPRK, START follow on, CTBT, FMCT, conducting IAEA training events, export control activities, and other emerging issues • The Laboratory will support threat reduction initiatives, including but not limited to: elimination of weapon grade materials, converting nuclear reactors to low-enrichment fuel, recovering sources, and protecting vulnerable materials
<p>11.3 Other NNSA Programs, Objectives, & Commitments</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Overall performance (including the manner of accomplishment) in support of Programs • Performance of work in support of other elements of NNSA • The Laboratory will support the NA-40 mission by training and deploying nuclear and/or radiological incident response personnel, developing relevant technologies, and training personnel from across the government in nuclear technology, using category one special nuclear materials as needed. The Laboratory will also support the NA-45 forensics mission • The Laboratory will provide design and other nuclear weapons expertise to further the assessment of improvised and/or foreign nuclear device designs

<p>11.4 Environmental Programs</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Overall performance (including the manner of accomplishment) in support of Programs apart from deliverable Incentives • Execution of all EM-funded work • Progress on innovative strategies • Offsite waste disposal • EM program regulatory compliance: violations, fines, penalties • Regulatory relationships • Quality of Consent Order deliverables as measured by errors identified in NMED Notices of Deficiency
<p>11.5 Balance with Other Missions</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Achievement of other missions in the national interest in a mutually beneficial manner • Targeted missions include those in support of the DOE Offices of OE, EERE, NE, FE, and Science, the Department of Homeland Security, and other federal agencies • “Balance” for this measure is defined as facility utilization and risks, including Laboratory relevance, security, and health, safety, and environment. Balance issues related to workforce are addressed in PBI 12.3

DEPARTMENT OF ENERGY NATIONAL NUCLEAR SECURITY ADMINISTRATION
FY 2010 PERFORMANCE EVALUATION PLAN

<p>11.6 Mission Execution, Leadership, and Management</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Integration, alignment, and balancing of institutional resources to deliver on mission commitments • Integration in and proactive resolution of performance and management concerns • Integration and synergy across the institution • Preparation for and management of a continuing resolution • Management of institutional resources to position the Laboratory for FY 2011 and beyond • Risk to DOE/NNSA and laboratory continuity by LANS action or inaction • LANS management and mitigation of site risks • Consideration of any increases or decreases in site risks • Effective leveraging of WFO to offset and/or leverage landlord costs
<p>11.7 Management of Emergent Mission Issues</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Timely identification and effective action to resolve emerging performance concerns and issues including non-conformances and non-compliances • Response to and implementation of new NNSA, DOE, Presidential and/or Congressional initiatives and requirements • Other items, concerns, and missions

<p>11.8 Nuclear Posture Review</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • NPR impact assessment and action plan • Briefing on LANL NPR actions, complex changes, recommendations, etc. • Activities in support of LANL and Complex Post NPR Transformation • Revised Stockpile Modernization strategy • FY 2010 milestones and deliverables, proposed plans and milestones consistent with out-year programming guidance • Other related items, concerns, and mission efforts
<p>11.9 Efficient and Effective use of NNSA Transportation Resources</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • LANS will promote the efficient and effective use of NNSA transportation resources (Secure Transportation Asset) by: <ul style="list-style-type: none"> • Updating, on a quarterly basis, the shipping requirements forecasted in the Transportation Resource Integrated Planning System (TRIPS), so that 90% are accurate 180 days prior to shipment, 80% are accurate 1 year prior to shipment, and 70% are accurate beyond 1 year, • Submitting Transportation Shipping Requests to the Office of Secure Transportation (OST), NA-15, in accordance with time and data requirements of DOE Order 461.1a, unless an exemption to the requirements has been authorized by the Assistant Deputy Administrator for OST in agreement with the cognizant Site Office Manager, and • Providing loading/off-loading support to OST according to scheduled workload

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element

is to be September 30, 2010.

- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- Performance Objectives (POs) 11, 12, 13, and 14 may each address elements of concern and/or success associated with a common driver, deliverable or initiator.
- Subjective POs are divided into "bins" only to facilitate communication. Each "bin" contains suggested topics to aid in monthly discussion and monitoring. Outcome of a topic is not individually indicative of success or failure; nor do topics limit the range of discussions or range of evaluation under a PO.

PBI No. 12
Excellence in Science, Technology and Engineering

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 12

Objective: **Excellence in Science, Technology, and Engineering**

Objective Statement: Science, technology, and engineering underpin and enable Los Alamos to provide knowledge and technologies to execute its national security missions. State of the art equipment and facilities enable science to push the frontiers of knowledge; however capabilities rely on the appropriate mix of people and resources. Leadership, competence and insight drive science and position the institution for success.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: March 29, 2010
 Maximum Available Incentive Fee: **\$5,500,000 (Stretch)**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: T. Wallace
 Principal LASO Owner: R. Snyder

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

None

SECTION 3
INDEX OF PERFORMANCE MEASURES

Measure		Allocated Fee	Fee Type E/S	
12	Excellence in Science, Technology, and Engineering	\$5,500,000	S	Subjective
12.1	Leadership in Scientific, Technology, and Engineering Challenges of National Importance			
12.2	Quality of Science, Technology & Engineering			
12.3	Capability Based Science Program			
12.4	Stewardship of Scientific Resources			
12.5	Energy Frontiers & Challenges			
12.6	Work for Others Management and Technology Transfer Programs			
12.7	Science ARRA Management Stimulus			
12.8	Science, Technology, and Engineering Leadership and Management			
12.9	Management of Emergent Science, Technology, and Engineering Issues			

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 12 Excellence in Science, Technology, and Engineering
 (Subjective/Stretch)**

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in

Completion Target:

Criteria	Target
12.1 Leadership in Scientific, Technology and Engineering Challenges of National Importance	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Pursue national security missions in the national interest that are mutually beneficial to NNSA and other customers. • Science, technology and engineering strategic plans. • Willingness to pursue novel approaches and/or demonstration of innovative solutions to problems that are important to the Nation and Laboratory's customers. • Effectiveness in driving the direction and setting the priorities of the community in a research field.

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<p>12.2 Quality of Science, Technology & Engineering</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <p>Impact and contribution to the scientific community as measured by:</p> <ul style="list-style-type: none"> • Peer reviewed publications generated. • Significant awards (R&D 100, FLC, society fellows, etc.). • Voice of the customer obtained through the “Modified Office of Science” approach. • Assessments by 2010 LANL capability reviews. • Invited talks, citations, making high-quality data available to the scientific community. • Development of tools and techniques that become standards or widely-used in the scientific community. • Staff members visible in leadership positions in the scientific community. 	
<p>12.3 Capability Based Science Program</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Alignment of skills and capabilities with NNSA mission using workforce capabilities tool. • Institutional investment in science infrastructure. • Effectiveness in leveraging (synergy with) other areas of research. • Provide planning and acquire facilities and infrastructure required to support the continuation of the Laboratory’s mission and programs. 	

<p>12.4 Stewardship of LANL Scientific Resources</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Increase the effectiveness of the entire scientific enterprise. • Scientific user facility utilization. • Balance with Laboratory missions by maintaining STE capabilities and facilities in a mutually beneficial manner for the multiple customers. • Accountability to institution and institutional practices. • Provide efficient and effective communications and responsiveness to customer needs by responding to customer requests with accurate and timely information. 	
<p>12.5 Energy Frontiers & Challenges</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Address recommendations from 2009 review of Laboratory's Energy Security Science Strategy. • Expand the Energy Security Science Strategy to include components for staffing and infrastructure resources. Plan elements for staffing and infrastructure will be delivered to LASO by September 1, 2010. • Implement the Laboratory's Energy Security Science Strategy. • Effectiveness of joint planning (e.g., workshops) with outside community. • Development of capabilities, ideas for new facilities and research programs. • Diversify funding base to maintain core science, technology and engineering base. 	

DEPARTMENT OF ENERGY NATIONAL NUCLEAR SECURITY ADMINISTRATION
FY 2010 PERFORMANCE EVALUATION PLAN

<p>12.6 Work for Others Management and Technology Transfer Programs</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Effectiveness and efficiency of the management of work for others (WFO) and technology transfer and in the benefits to the Laboratory's mission performance. • Leveraging CRADAs and WFO to maintain critical NNSA capabilities • Implementation of corrective actions from FY 2009 management assessments, audits, and capability reviews. • Leverage intellectual property for cooperative research projects. 	
<p>12.7 Science ARRA Management Stimulus</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Implementation of stimulus capability applicability process for all stimulus competitive grants that are issued. • Share lessons learned on stimulus capability applicability process with applicable S&T organizations. • Demonstration of effective communication and teaming with outside entities associated with stimulus-related work. (State of New Mexico, other laboratories, municipalities, etc.) • Oversight of execution of stimulus-funded S&T work to ensure baselines (scope, cost, and schedule) are achievable. • Oversight of execution of stimulus-funded S&T work to ensure appropriate reporting is submitted to sponsors. • Other related items, concerns, and missions. 	

<p>12.8 Science, Technology, and Engineering Leadership and Management</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Integration, alignment, and balancing of institutional STE resources to deliver on mission commitments. • Integration in and proactive resolution of performance and management concerns. • Integration and synergy across the institution. • Management of institutional resources to position Laboratory for FY 2011 and beyond • Risk to DOE/NNSA and Laboratory continuity by LANS action or inaction • LANS management and mitigation of site risks • Consideration of any increases or decreases in site risks • Effective leveraging of WFO to offset and/or leverage landlord costs.
<p>12.9 Management of Emergent Science, Technology, and Engineering Issues</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Timely identification and effective action to resolve emerging performance concerns and issues including non-conformances and non-compliances. • Response to and implementation of new NNSA, DOE, Presidential and/or Congressional initiatives and requirements • Other related items, concerns, and missions.

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

- List foreseeable impacts to performance.*
- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
 - If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
 - If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
 - Performance Objectives (POs) 11, 12, 13, and 14 may each address elements of concern and/or success

associated with a common driver, deliverable or initiator.

- Subjective POs are divided into “bins” only to facilitate communication. Each “bin” contains suggested topics to aid in monthly discussion and monitoring. Outcome of a topic is not individually indicative of success or failure; nor do topics limit the range of discussions or range of evaluation under a PO.

PBI No. 13
Excellence in Operations and Facilities

FY 2010 PERFORMANCE BASED INCENTIVE				
PBI No. 13		Objective: Excellence in Operations & Facilities		
Objective Statement: Ensure highly effective integration and excellence in operational aspects of the Los Alamos National Laboratory				
SECTION 1 GENERAL INFORMATION				
Revision Number and Date:	Revision No.: <u>0</u> Date: <u>September 30, 2009</u>			
Maximum Available Incentive Fee:	\$4,000,000 (Essential)			
Duration:	Annual			
Fee Payment Type:	Completion			
Principal LANS Owner:	M. Mallory			
Principal LASO Owner:	R. Snyder			
SECTION 2 PERFORMANCE REQUIREMENTS				
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>				
None				
SECTION 3 INDEX OF PERFORMANCE MEASURES				
Measure 13	Excellence in Operations & Facilities	Allocated Fee	Fee Type E/S	Subjective
		\$4,000,000	E	
	13.1 Project Management			
	13.2 Safeguards and Security Program			
	13.3 Information Systems and Security Program			
	13.4 ES&H Performance			
	13.5 Site, Infrastructure, and Facilities Stewardship			
	13.6 High Hazard Operations			
	13.7 Operations Execution, Leadership & Management			
	13.8 Management of Emergent Operations Issues			

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 13 Excellence in Operations & Facilities
 (Subjective)**

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in operations areas that enable it to meet mission and distinguish the Laboratory as a premier research and development institution.

Completion Targets:

Criteria	Target
13.1 Project Management	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goals related to project management and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee measures • Project performance leveraging from lessons learned and best practices from other projects, including reduction in repeat finding from internal and external reviews and readiness for DOE critical decisions • Adherence to internal processes in a proactive and responsible manner • Adequacy of internal LANS surveillances • Utilization of Parent Company resources in functional process and project execution reviews • Strengthen Integrated Project Teams by defining and achieving staffing needs, streamlining R2A2's, defining clear execution expectations • Consistent process application across projects in areas such as: 1189 Implementation, project reviews/reporting, cost estimating risk management • Cumulative project CPI/SPI or portfolio EVMS • Manner of Project Management execution • Acquisition planning to support success in this area • Laboratory efforts to apply and exploit projectization and utilize project management tool sets outside traditional construction and EM funded environments

<p>13.2 Safeguards and Security Program</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goal related to safeguards and security and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee measures. • Timeliness of response to physical security systems issues • Timeliness and effectiveness of response to LASO/SM security issues • Proactive identification and management of issues • Manner of success in Safeguards and Security Program execution • Acquisition planning to support success in this area
<p>13.3 Information Systems and Security Program</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goal related to Information Security and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee measures • Timeliness of response to cyber security systems issues • Timeliness and effectiveness of response to LASO/SM security issues • Proactive identification and management of issues • Manner of success in Cyber and Information Security Program execution • Acquisition planning to support success in this area • Demonstrate progress in IT Governance, IT Roadmap and in the promulgation of IT Standards

<p>13.4 ES&H Performance</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goal related to safety and health and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee measures. • Integrated Safety Management to include Occupational Health Programs and Safety Hazard Surveys • Voluntary Protection Program • 10 CFR 850 & 851 Program Compliance • Integrated Work Management – Feedback Process • ISO 14001 registration of Environmental Management System • Environmental Regulatory compliance, including NPDES compliance • Pollution Prevention Compliance • Manner of success in ES&H execution • Acquisition planning to support success in this area
<p>13.5 Site, Infrastructure, and Facilities Stewardship</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goal related to facilities and infrastructure and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee. • Progress toward a single integrated planning organization and/or process that drives Lab infrastructure and facility planning and provides a single interface for communication and coordination • Implement an aggressive continuous improvement program for Facilities Maintenance/Support. • Improve facility and infrastructure condition • Address long standing deficiencies • Promote effective execution of the energy savings performance contract (ESPC) including timely reviews of all submittals, facilitation of escort needs, logistical integration with FODs, etc. • Progress toward energy goals • Improve fidelity of facilities data • Workforce of the future • Manner of success in Site Facilities, and Infrastructure Program execution • Acquisition planning to support success in this area

<p>13.6 High Hazard Operations</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Commitments under Laboratory Goal related to nuclear and high hazard operations and sustainment of improvement efforts from past years apart from performance covered under objective Incentive At-Risk Fee measures • Demonstrate improvement in appropriate management response to events. • Safety Basis, including: Document Quality, DSA Annual Updates, and USQD Quality assessment • Criticality Safety • Start-up/Re-start support activities • Maturity of Formality of Operations • Facility Maintenance • Facility QA Implementation • Facility Radiation Protection Implementation • Operational/ Nuclear Safety risk reduction • Operational Lessons Learned/Extent of Condition • CAS Effectiveness in Facilities to include leading metrics and ConOps Index • Demonstrate continuous Emergency Management Program improvements • Demonstrate continuous Fire Protection Program improvements • FHAs • Manner of success in High Hazard Operations execution • Acquisition planning to support success in this area • Support disposition (as necessary) on Sandia Am 241 Box work • Vital Safety System Operability and Functionality Awareness is continuously maintained • Conduct of Engineering and Maintenance Program Integration is improved • Conduct of Engineering is continuously improved 	
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<p>13.7 Operations Execution, Leadership, and Management</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Integration, alignment, and balancing of institutional resources to deliver on operational commitments • Integration in and proactive resolution of performance and management concerns • Integration and synergy across the institution • Preparation for and management of a continuing resolution • Management of institutional resources to position Laboratory for FY 2010 and beyond • Risk to DOE/NNSA and laboratory continuity by LANS action or inaction • LANS management and mitigation of site risks • Consideration of any increases or decreases in site risks • Effective leveraging of WFO to offset and/or minimize landlord costs • Response to and implementation of new NNSA, DOE, Presidential and/or Congressional initiatives and requirements • Manner of success in Operations Execution, Leadership, and Management execution
<p>13.8 Management of Emergent Operations Issues</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Timely identification and effective action to resolve emerging performance concerns and issues including non-conformances and non-compliances • Other items, concerns, and operational issues • Manner of success in Management of Emergent Operations Issues execution

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.

- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- Performance Objectives (POs) 11, 12, 13, and 14 may each address elements of concern and/or success associated with a common driver, deliverable or initiator.
- Subjective POs are divided into "bins" only to facilitate communication. Each "bin" contains suggested topics to aid in monthly discussion and monitoring. Outcome of a topic is not individually indicative of success or failure; nor do topics limit the range of discussions or range of evaluation under a PO.

PBI No. 14
Excellence in Institutional Management and Business

FY 2010 PERFORMANCE BASED INCENTIVE				
PBI No. 14		Objective: Excellence in Institutional Management and Business		
Objective Statement: Ensure highly effective leadership, integration, and excellence in management at the Los Alamos National Laboratory, a premier scientific institution.				
SECTION 1 GENERAL INFORMATION				
Revision Number and Date:	Revision No.: <u>0</u> Date: <u>March 17, 2010</u>			
Maximum Available Incentive Fee:	\$8,500,000(Essential)+ \$500,000 (Stretch) = \$9,000,000			
Duration:	Annual			
Fee Payment Type:	Completion			
Principal LANS Owner:	I. Richardson			
Principal LASO Owner:	R. Snyder			
SECTION 2 PERFORMANCE REQUIREMENTS				
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>				
None				
SECTION 3 INDEX OF PERFORMANCE MEASURES				
Measure		Allocated Fee	Fee Type E/S	
14	Excellence in Institutional Management & Business			
Set A		\$8,500,000	E	Subjective
14.1	Business Metrics and Performance Initiatives			
14.2	Communications and Government Affairs			
14.3	Community Programs			
14.4	Parent Organization Governance and Reachback			
14.5	Business Systems, Success, Efficiency, and Excellence			
14.6	Supply Chain Management			
14.7	Management of the LANS/NNSA Contractual Interface and Contract Requirements			
14.8	Performance Commitments			
14.9	CAS Management and Performance Based Management Execution			
14.10	Legal Counsel			
14.11	Institutional Resource Management			
14.12	American Recovery & Reinvestment Act Implementation			
14.13	Management of Emergent Business and Institutional Issues			
Set B		\$500,000	S	Subjective
14.14	Integration with LLNL			
14.15	Governance and Reform Initiatives			

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

**Measure 14 Excellence in Institutional Management & Business
 (Subjective)**

Expectation Statement:

The NNSA will subjectively evaluate the contractor's leadership and management of LANL, in particular, its effectiveness, initiative, and responsiveness in accomplishing assigned work and improving overall performance.

Completion Target:

Criteria	Target
14.1 Business Metrics & Performance Initiatives	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Number and severity of accounting corrections. • OFFM Performance and Metrics. • Real Estate Performance and metrics. • HR performance and metric. • LOCAS Business Metrics for CHR, Property, Procurement, and CFO functions. • Resolution of past issues. • CAS application to monitor business systems. • Continued improvement of business processes and sustainment of improvement efforts from past two years. • Internal Audits and Assessments meeting 2010 Assessment Plans Commitments.

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<p>14.2 Communications and Government Affairs</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Interfaces with Congressional, Tribal, State, and Local elected officials. • Manage and enhance internal communication. • Enhance LANL's reputation as part of the NNSA enterprise through effective external communication on scientific endeavors and economic benefits to the region. • Manage communication and media interest (including NNSA coordination) around controversial issues, emergencies, protocol visits, and issues of national interest.
<p>14.3 Community Programs</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Execution of a regional approach to fulfill community commitments and strategically connect LANL with its diverse northern New Mexico constituencies. • Expand economic development opportunities in northern New Mexico. • Coordinate LANL-wide education initiatives. • Stimulate and track LANL/LANS community-giving investments in northern New Mexico. • Evaluate and improve the effectiveness of LANL communications with community stakeholders. • Partnering with key LANL organizations and resources, such as the Tribal Relations Leader, to ensure effective integration of community programs.

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FY 2010 PERFORMANCE EVALUATION PLAN

	<p>14.4 Parent Organization Governance and Reachback</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none">• Targeting Parent Oversight Functional Management Assessments (POFMAs) in areas of moderate to high risk.• Demonstrating value added through parent oversight activities.• Developing and implementing a continuous improvement strategy that results in more efficient parent oversight activities.• Executing the Parent Organization Oversight Plan.• Effective & efficient use of Parent resources and involvement.• Management of issues and corrective actions resulting from POFMAs.	
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	<p>14.5 Business Systems, Success, Efficiency, and Excellence</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY10 Commitments under Laboratory Goals related to business processes. • Performance against small business goals. • Mentor-Protégé relationships. • Application, utilization, and performance of personnel, audit, procurement, and legal resources. • Management of subcontract actions. • Improvements realized from the Lean Six Sigma PIPs. • Reduction in Business vulnerabilities, liabilities, and non-compliances. • Innovation and support to site objectives. • Stewardship of site resources. • Subcontract Closeout Improvement: <ul style="list-style-type: none"> • Continue to establish consistency in Subcontract Audit policies and procedures. • Improve subcontract questioned costs tracking & reporting mechanisms. • Improve closeout performance. • Reduce UC legacy closeout backlog • Benchmark with other National laboratories. • Human Resources Management. 	
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<p>14.6 Supply Chain Management</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <p>The Contractor shall continue supporting all Supply Chain Management functions by:</p> <ul style="list-style-type: none"> • Increasing their utilization of E-procurement tools and specifically those provided by the Supply Chain Management Center or resident equivalent tools. • Providing personnel and actively participating and contributing to commodity teams. • Increasing the utilization of SCMC developed acquisition vehicles. • Improving the percentage of procurement actions fulfilled without direct procurement action (i.e. “paperless contracting”). • Enhance commodity demand management activities. • Continue development of complex-wide procurement training requirements and, at a minimum, provide one multi-site class.
<p>14.7 Management of the LANS/NNSA Contractual Interface and Contract Requirements</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Ongoing management of the Performance Evaluation Process. • Management of emergent Contract issues. • Contract communications. • Management of performance direction channels. • Contractual Compliance. • Requirement Management.

<p>14.8 Performance Commitments</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance on FY 2010 Laboratory Commitments flowing from the Multi-Year Strategy for Performance Improvement FY10-FY14. • Submission of the Multi-Year Strategy for Performance Improvement FY11-FY15. • Sustainment of prior year commitments and achieved improvements.
<p>14.9 Contractor Assurance System Management and Performance Based Management Execution</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Performance against CAS Performance Index which will include greater focus on sustainable mission delivery, risk reduction and improved reliability, and improved business and operational performance. • Selection, results, and impact of Director's Institutional Assessments including facility-centered assessments. • Improvements to and health of CAS tools and processes, e.g., ICAM process measures, development of system to capture performance feedback, and development of trending & analysis tools. • Baseline development for improved CAS effectiveness measures, e.g., corrective action quality index (hierarchy of controls), severity index. • Penetration and maturation of CAS use by line management, e.g., use of re-engineered ICAM process and tools, process management, and institutional risk management. • Timely closure of actions in the DOE Corrective Action Tracking System. • Development of institutional leading indicators including nuclear safety. • Re-emergence of prior issues. • Utilization of audit functions to promote CAS and implementation.

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FY 2010 PERFORMANCE EVALUATION PLAN

<p>14.10 Legal Counsel</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Implementation of a compliant Legal Management Plan (LMP). • Demonstration of effective internal controls and continuous improvement in the management of litigation designed to minimize the following: litigation costs, outside counsel fees and costs, and the cost of judgments, awards, and settlements. • Demonstrate the practice of preventive law to help avoid imprudent legal risks. • Ensuring use of outside counsel vs. LANS in-house staffing is consistent with the applicable LMP.
<p>14.11 Institutional Resource Management</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion. (The scope of this measure focuses on outcomes vs. the Contractor's decision-making process.)</p> <ul style="list-style-type: none"> • Management and balance of site resources including workforce, facilities, equipment, and information technology, etc. to achieve both short- and long-term effectiveness and efficiency, e.g., • Use of Lean Six Sigma resources. • Management of workforce. • Response to changing mission and operational requirements. • Management of in-sourced KSL resources • General management of workforce resources in business, operations and institutional support.

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<p>14.12 American Recovery & Reinvestment Act Implementation</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Steps taken to assure ARRA compliance. • Centralized oversight of S&T stimulus grant submittals and receipt of stimulus funding on behalf of Los Alamos National Laboratory, to emphasize program consistency. • Implementation and management of stimulus readiness initiative reviews and closure reviews for all stimulus competitive grants that are awarded to Los Alamos National Laboratory. • Successful submittal of formal quarterly stimulus recipient reports to DOE-HQ as evidenced in FederalReporting.gov. • Development of S&T Stimulus Database for all stimulus evidence through project lifetime (proposal development through project closeout.)
<p>14.13 Management of Emergent Business & Institutional Issues</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Timely identification and effective action to resolve emerging performance concerns and issues including non-conformances and non-compliances. • Response to and implementation of new NNSA, DOE, Presidential and/or Congressional initiatives and requirements. • Institutional Leadership. • Correction of Institutional issues trends. • Other Items and concerns.

<p>14.14 Integration with LLNL</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Efforts to drive greater commonality where beneficial. • Utilization of common approaches where practical. • Application of joint, common or compatible systems where appropriate.
<p>14.15 Governance and Reform Initiatives</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Pursuit of development and implementation of supportive systems, processes, practices, and protocols. • Laboratory efforts requested to support oversight model changes.

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- Performance Objectives (POs) 11, 12, 13, and 14 may each address elements of concern and/or success associated with a common driver, deliverable or initiator.
- Subjective POs are divided into "bins" only to facilitate communication. Each "bin" contains suggested topics to aid in monthly discussion and monitoring. Outcome of a topic is not individually indicative of success or failure; nor do topics limit the range of discussions or range of evaluation under a PO.

PBI No. 15
Security Training Capabilities

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 15 Objective: **Security Training Capabilities**

Objective Statement: Implement and apply NA-70 provided supplemental FY 2010 funds to expeditiously and efficiently design, construct, and commission the Tactical Training Facility (TTF).

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: February 19, 2010
 Maximum Available Fee: **\$200,000 (Essential) (2010) +
 \$200,000 (Essential)+\$100,000(Stretch)(2011)
 =\$500,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: T. McKinney / M. Lansing / Scott Gibbs
 Principal LASO Owner: J. Griego

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 15 stretch measures, the following two gateways must be met:

1. Earn ≥80% total objective essential fee in the aggregate fee area of Operations.
2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure.

33% of objective essential fee associated with PBI 15 awarded in FY 2010 and FY 2011 may be deducted from fee earned in FY 2011 if the Tactical Training Facility is not completed, commissioned and in use prior to September 30, 2011.

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type
<i>FY 2010 Measures</i>			
Measure 15.1	Initiate Tactical Training Facility Demonstration Pilot	\$50,000	E
Measure 15.2	Award & Mobilize Design-Build contract	\$150,000	E
<i>FY 2011 Measures</i>			
Measure 15.3	Achieve Beneficial Occupancy & Issue Report	\$200,000	E
Measure 15.4	Conduct First Tactical Exercise	\$100,000	S

SECTION 4
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2010

Measure 15.1 Initiate Tactical Training Facility Demonstration Pilot (Objective/Essential)

Expectation Statement:

LANS and LASO have agreed that a commercial standard demonstration pilot shall be utilized for the development of the TTF. Accordingly, LANS shall utilize the basic design built at Y-12 to develop the commercial quality Functional and Operational Requirement (F&OR) and Design Criteria needed to initiate the Tactical Training Facility design-build project. The F&OR and Design Criteria shall be developed to the Los Alamos County Building Code (not the LANL Engineering Standards Manual) as part of the demonstration pilot. LANS will continue the pilot by utilization of an external Architect Engineering firm to conduct a commercial design review of the design-build submittals. Upon completion of the project, a lessons learned and analysis of the pilot will be compiled and issued (see measure 15.3)

Completion Target:

This measure has been completed when the Contractor has:

1. Completed Functional and Operational Requirements (F&OR) for the TTF to include the LA County Building Code requirements and the necessary quality affecting requirements related to building function and use, expected life span, etc. by May 15, 2010.
2. Completed Design Criteria Document for the TTF to be consistent with LA County Building Code and the F&OR document by June 15, 2010.

Fee Schedule:

Essential: \$50,000

Assumptions:

- LANS formally requests waiver or equivalency to any applicable DOE, LASO or contract requirements contrary to the commercial nature of the pilot by March 15, 2010.

Measure 15.2 Award & Mobilize Design-Build Contract (FY 2010) (Objective/Essential)

Expectation Statement:

Utilizing the basic design built at Y-12, award a design-build contract for the NA-70 funded Tactical Training Facility and mobilize the contractor. Complete designated site preparation activities in preparation for the construction of the Tactical Training Facility Structure.

Completion Target:

This measure has been achieved when the Contractor has completed the following :

1. Awarded a Design-Build Contract for the TTF by June 28, 2010
2. Issued a notice to proceed with design to the Design-Build Contractor by July 6, 2010.
3. Complete all clearing and grubbing required to prepare the site for Design-Build construction by September 1, 2010.
4. Complete all rough grade adjustments to prepare the site for Design-Build construction by September 10, 2010.
5. Completed Rough Grading for the TTF footings by September 15, 2010.

Fee Schedule:

Essential: \$150,000

Assumptions Specific to this Measure:

- Success in this measure is contingent upon project achieving a cumulative CPI ≥ 0.95 measured at the end of the FY.

SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- This PBI shall be considered an element in the "operation" focus area for rollup and summarization purposes.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)
- LASO approves requested waivers and equivalencies by March 22, 2010. LANS and LASO will assess the impact of any approvals LASO cannot grant by March 22, 2010 and revise this PBI if merited.

**PBI No. 16
 New Initiatives**

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 16 Objective: **New Initiatives**

Objective Statement: Execute new initiatives toward the goal of a responsive, efficient Laboratory

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: March 30, 2010
 Maximum Available Incentive Fee: **\$225,000 (Essential) + 1,300,000 (Stretch) + \$375,000 (Subjective) = \$1,900,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principle LANS Owner: 16.1: C. McMillan, W. Rees
 16.2: T. McKinney, T. Harper, S. Gibbs
 16.3: M. Barth
 16.4: I. Richardson
 Principle COR: 16.1: J. Griego
 16.2: R. Snyder, H. Brockelsby, J. Griego
 16.3: H. Brockelsby
 16.4: R. Snyder

**SECTION 2
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 16 stretch measures, the following two gateways must be met:
 1. Earn ≥80% total objective essential fee in the related aggregate fee area.
 2. Earn an adjectival rating of "Very Good" in the related essential Subjective measure.

**SECTION 3
 INDEX OF PERFORMANCE MEASURES**

	Allocated Fee	Fee Type E or S
Measure 16.1 Mission	\$600,000	S
Measure 16.2 Operations	\$700,000	S
Measure 16.3 Institutional Management & Business	\$225,000	E
Measure 16.4 Elimination of Non-Value Cost Efforts	\$375,000	Subjective/Stretch

And Increased Productivity

**SECTION 4
 PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2010.

Measure 16.1 New Initiatives: Mission

Measure 16.1.1 Exceeding FY 2010 Pu Disposition Program Objectives (Objective/Stretch)

Expectation Statement:

Significantly increase the amount of Pu Oxide that is prepared and packaged for shipment to SRS.

Completion Target:

Measure is achieved when the contractor has:

Prepared and packaged an additional 50 kgs of certified Pu Oxide. (The 50 kgs are in addition to the 50 kgs that are already planned and programmatically funded in FY10.)

Fee Schedule:

Stretch: \$200,000

- Up to \$150,000 (\$3,000 paid for each additional whole kg of Pu Oxide that is prepared and packaged.)
- Additional \$50,000 for full attainment of the target.

Assumptions Specific to This Measure

- "Ready and packaged" includes only appropriately packaged Pu Oxide that is either awaiting results from (and is expected to pass) or has successfully passed analytical chemistry testing.
- LANS and LASO will agree to completion evidence for each target by April 15, 2010.

Measure 16.1.2 Weapon Production Performance Dashboard (Objective/Stretch)

Expectation Statement:

Establish a formalized on-line process for tracking programmatic cost and schedule performance for Weapon Production Programs.

Completion Target:

Demonstrate a dashboard tool to display cost and schedule performance data for Weapon Production Programs (Pit Manufacturing, Detonator Manufacturing, Component Surveillance, ARIES, and Pu238 Product Manufacturing). The Dashboard for each program will consist of four subelements: (a) Financial Management, (b) MRT/PBI Customer Commitments, (c) Quality Metrics Tracking, and (d) Program Infrastructure Sustainability. Demonstrate use of the Dashboard by management to help enable Weapon Production mission delivery by September 30, 2010.

Fee Schedule:

Stretch: \$100,000

Assumptions Specific to This Measure:

- LANS and LASO will agree to completion evidence for each target by April 15, 2010.

Measure 16.1.3 Global Security Performance Dashboard (Objective/Stretch)

Expectation Statement:

Establish a formalized process for effective monitoring and communication of organizational performance in the areas of program execution, program development, internal processes, and finance in Global Security.

Completion Target:

Design and develop a Global Security (GS) Dashboard with Institutional Mission Performance and GS Mission Facilitation metrics that enable effective monitoring and communication of organizational performance in the areas of program execution, program development, internal processes, and finance. Demonstrate use of the Dashboard, by management, to help enable GS mission delivery by September 30, 2010.

Fee Schedule:

Stretch: \$100,000

Assumptions Specific to This Measure:

- LANS and LASO will agree to completion evidence by April 15, 2010.

**Measure 16.1.4 Nuclear Material Shipments to the WIPP NDA Program
(Objective/Stretch)**

Expectation Statement:

Increase the number of nuclear material drums bound for WIPP NDA evaluation.

Completion Target:

Measure is achieved when the Contractor has:

Shipped an additional 100 drums of nuclear material to TA-54 by September 30, 2010.

Fee Schedule:

Stretch: \$200,000

- 75% of fee for the 50 drums shipped to TA-54 from TA-55 cleanout
- 25% of fee for the remaining 50 drums originating from any LANS location, including TA-55.

Assumptions Specific to This Measure:

- NNSA/CBFO will bring the existing TA-55 Calorimeter/Gamma Isotopic (Cal/Iso) equipment into the certified WIPP NDA program or provide comparable equipment by April 30, 2010.
- NNSA/CBFO will provide, as GFE, 32 Pipe Overpack Components (POCs) per month up to a total of 200 POCs. These POCs would be delivered to LANL beginning approximately at the end of April 2010.
- LANS and LASO will agree to completion evidence and qualifying nuclear material for each target by April 30, 2010.
- The 100 drums are in addition to the 300 drums from TA-55 and others that are already planned and programmatically funded in FY10.
- None of the 100 drums addressed by this PBI are incentivized elsewhere in the PEP.
- None of the 100 drums addressed by this PBI shall require WCCR.
- At least 50 of the drums credited in this PBI must originate from TA-55.

Measure 16.2 New Initiatives: Operations

**Measure 16.2.1 Sourcing Strategies
(Objective/Stretch)**

Expectation Statement:

Improve sourcing strategies across the Laboratory.

Completion Target:

Measure is achieved when the Contractor has:

1. Completed an integrated concrete sourcing and acquisition strategy that addresses long term and near

- term needs; develop an integrated action plan to implement the concrete sourcing strategy
2. Conducted a comprehensive make-buy analysis of site taxi/shuttle service including a comparison to outsourcing to the County.

Fee Schedule:

Stretch: \$100,000

- \$50,000 for completion of Target 1
- \$50,000 for completion of Target 2

Assumptions Specific to This Measure:

- LANS and LASO will agree to completion evidence for each target by April 15, 2010.
- A TA-50/55 specific concrete strategy is included in 16.2.2 which must tie to this deliverable.
- A TA-50/55 specific transportation plan is included in 16.2.2 which must tie to this deliverable.
- Sourcing Strategies must evaluate a credible set of acquisition and packaging considerations.

**Measure 16.2.2 Pajarito Corridor Construction Activities
(Objective/Stretch)**

Expectation Statement:

Develop integrated planning to support the Pajarito corridor construction activities.

Completion Target:

Measure is achieved when the Contractor has:

Instituted a process to manage the institutional interfaces and resolve issues for TA-50/55 related projects (CMRR, TA-55 Reinvestment, RLWTF, New TRU, and NMSSUP2) that enhance overall site project performance and minimize operational impacts for the next decade. The product shall produce at a minimum the following fully coordinated effective and efficient results:

1. Development and submission of an integrated laydown, staging and warehousing plan for TA-50/55 projects (to include any impacts to Pajarito Road) – DUE: June 30, 2010
2. Development of a concrete batch plant strategy coordinated with existing and future concrete plant operation - DUE: June 30, 2010
3. Development of a parking and workforce transportation plan for the TA-55 corridor that will facilitate construction execution, emergency response, and workforce safety. The plan shall determine impacts upon Pajarito road. - DUE: July 30, 2010
4. Development of a security (access control, material staging, inspection & badging) strategy. The strategy shall consider intermediate security posture during construction of projects and needs for compensatory measures. DUE: June 30, 2010
5. Identification and (cost vs benefit) study of any major scope or schedule conflicts or opportunities; DUE: May 30, 2010
6. Development and submission of a single master integrated schedule (and a process to maintain it) to support efficient execution for Pajarito corridor project activities - DUE: June 30, 2010
7. Development of a multi-year staffing plan for recruitment and retention of critical laboratory project staff (for each project). - DUE: June 30, 2010.
8. Assessment of each project's anticipated FY 2011 and FY 2012 budgets to assess capability to sufficiently staff and execute as well as to identify any significant revisions to project planning: June 30, 2010

Fee Schedule:

Stretch: \$300,000

- \$150,000 for completion of any 7 out of 8 Targets
- \$150,000 for completion of the remaining Target

Assumptions Specific to This Measure:

- Emphasis will be on detail in the near term years (2011 to 2012) with less fidelity in the later years (2013 and beyond).
- All products will be reviewed (one week review period) in draft by a NNSA team representing each of the projects – with a single set of comments issued to LANS via the Deputy Site Manager

**Measure 16.2.3 Protected Outlet Boxes on the Red Network
(Objective/Stretch)**

Expectation Statement:

Eliminate the LANL requirement for POB (protected outlet boxes) on the Red Classified Network

Completion Target:

Measure is achieved when the Contractor has:

1. Implemented MAC address authentication as a mitigating control on one classified LAN by June 30, 2010.
2. Submitted a memo to the DAA for approval to test the control by June 30, 2010.
3. Submitted any required SOPs necessary for protected transmission systems to the Telecommunication Security Operations Manager (TSOM) by June 30, 2010.
4. Submitted test results of the mitigating control and a request to remove all requirements for POBs in Security Plans within the Red Classified environment to the ISSM and DAA by July 30, 2010.

Fee Schedule:

Stretch: \$200,000

Assumptions Specific to This Measure:

- Removal of POBs is outside the scope of this target.

**Measure 16.2.4 Institutional Engineering Design Review Process
(Objective/Stretch)**

Expectation Statement:

Development and institutionalization of a process to ensure that institutional engineering design reviews will result in the application of minimum requirements consistent with LANS contract. (CFRs, Executive Orders, DOE Orders, State Laws as applicable)

Completion Target:

1. Review Conduct of Engineering Procedure AP-341-622, "LANL Review of Designs Produced by External Design Agencies", and determine if changes are appropriate to comply with the expectation statement.
2. Discuss AP-341-622 (current revision or draft update, if appropriate) with LASO stakeholders.
3. Issue update to AP-341-622, if required by August 31, 2010.
4. Ensure that Design Engineering Subject Matter Experts are trained on the current (or revised) procedure by September 30, 2010

Fee Schedule:

Stretch: \$100,000

Assumptions Specific to This Measure:

- Determine if an update to AP-341-622 is needed with LASO concurrence by May 31, 2010.

Measure 16.3 New Initiatives: Institutional Management & Business

Measure 16.3.1 Destruction/Recycling of Computer Equipment (Objective/Essential)

Expectation Statement:

LANL will analyze its current computer and computer-related equipment with memory disposition programs to determine the annual economic impact of processing 3,000+ pieces of the noted equipment for electronics destruction/recycling versus the risk of releasing it for public sale. LANL will also review its current reuse program for computers newer than 4 years to determine how its internal reuse or exchange/trade-in programs can be improved, while meeting the applicable cyber security requirements. Based on the results of the study, LANL will renegotiate its disposition subcontracts and expand the scope of LANL's *IT Destruction/Recycle Plan* and resubmit it for NNSA's approval. Lastly, LANL will develop an institutional computer internal reuse and external release program that is in accordance with the NAP 14.1-B to further reduce the risk of data being released to the general public, while minimizing the economic impact to the government. Once the new program is implemented in FY11, LANL will update P821 *Government Property* and resubmit its Property Management Manual (PMM) to NNSA for approval.

Completion Target:

This measure has been achieved when the Contractor has:

1. Conducted a cost/risk impact study to determine the annual economic impact and risk avoidance to the Laboratory of processing the noted equipment for electronics destruction/recycling in lieu of public release.
2. Developed a plan to identify the computers that are newer than 4 years and make them available for internal reuse or make them available for exchanges/trade-ins once the memory has been removed.
3. Modified or renegotiated LANL's subcontracts for the external destruction/recycling of noted equipment based on the information provided in the costs/risk impact study in order to off-set the reduction in resale revenue.
4. Modified or renegotiated LANL's public sales subcontracts based on the information provided in the cost/risk impact study in order to minimize the loss of revenue that will result from destroying/recycling the noted equipment.
5. Resubmitted LANL's *IT Destruction/Recycle Plan* for NNSA LASO's Cognizant Designated Approval Authority (DAA) to ensure compliance with the requirements of P211 *Sanitizing Information System Storage Media, Memory Devices, and other Related Hardware* and applicable NAPs.
6. Developed an *FY11 Electronics Destruction/Recycle Implementation Plan* that captures the new requirements for computer internal reuse, exchange/trade-in or destruction/recycle program.

Deliverables:

1. Impact Study that demonstrates the economic impact, program efficiencies and risk avoidance of revising LANL's current computer disposition program.
2. Evaluation plan for reusing or exchanging computers newer than 4 years.
3. Modified or prepared new subcontracts for electronics destruction/recycling and public sales.
4. Revised *LANL IT Destruction/Recycle Plan*. Plan to be submitted on or before July 13, 2010 and NNSA LASO DAA approval required on or before September 2, 2010 in order for the FY11 implementation plan to be completed.
5. Provided an FY11 Electronic Destruction/Recycle Implementation plan on or before September 30, 2010 that increases accountability, efficiency, and effectiveness, while reducing the risk of data to the general public.

Fee Schedule:

Essential: \$75,000

Assumptions Specific to This Measure:

- LANS and LASO will agree to completion evidence for each target by April 15, 2010.
- Approval of the revised LANL IT Destruction/Recycle Plan will be received by the NNSA LASO DAA on or before September 2, 2010.

- Should the Impact Study (Target 1) conclude that no further action is required, LASO concurrence is required.

Measure 16.3.2 Electronic Records Management Compliance (Objective/Essential)

Expectation Statement:

Establish a three year electronic records management compliance plan.

Completion Targets:

This measure has been achieved when the Contractor has:

1. Established a three year electronic records management compliance plan approved by LANS Senior Management.
2. Established a communications plan to facilitate implementation of the compliance plan.
3. Produced an inventory of electronic information systems in the custodianship of SAE Division with DOE records schedules applied.
4. Completed the FY 2010 elements of the plans.

Deliverables:

1. Three year e compliance plan (see Assumption 1, below) approved by LANS Senior Management.
 - Collaborations with LANS organizations (e.g., QA Division)
 - Conduct assessments
 - Conduct training
 - Perform benchmarking
2. Communications plan, which includes the following elements for implementing the plan:
 - Conduct workshops
 - Perform benchmarking
 - Perform parent company reach-back
 - Partner with DOE NNSA CIO Records Officer to support Records Management Program awareness
3. An inventory of electronic information systems in the custodianship of SAE Division with DOE records schedules applied.
4. Document completed actions in FY 2010.

Fee Schedule:

Essential: \$75,000

Assumptions Specific to This Measure:

- LASO/NNSA and LANS agree that the compliance plan includes all of the elements required for a compliant Federal Records Management Program.
- SAE Division will provide an inventory of information systems for which they are the responsible custodian and that contain record information according to the federal definition.
- LANS and LASO will agree to completion evidence for each target by April 15, 2010.

Measure 16.3.3 HR Business Area Development (Objective/Essential)

Expectation Statement:

Simplify, standardize, and streamline processes by optimizing automation and self service through improved technology.

Completion Targets:

OBIEE:

1. Completion of HR Dashboards in OBIEE to replace HR Discoverer Reports.

2. Decommissioning of all HR Discoverer Reports that depend on the Oracle EDW.

i-Recruitment:

3. Deploy the Contingent Worker data architecture in the Oracle HRMS system, including all changes to relevant workflows and processes.
4. Design the basic i-Recruitment functionality to allow job openings to be posted internally and externally by HR personnel and applicants to be tracked to the postings.

Deliverables:

OBIEE:

1. Completion of Extract Translate and Load (ETL) and Meta Data development to support HR Phase 1 dashboards (including Benefits Phase 1 dashboards).
2. List of EDW reports that will be replaced and a crosswalk to the new OBIEE reports.
3. Demonstrate OBI Dashboards in the following areas:
 - o Employee activity history
 - o Employee assignments and demographics
 - o Trending of employee activity, assignments, and demographics
 - o Employee benefits status and history with dependent information
4. Verification of decommissioning all HR Discoverer Reports that depend on the Oracle EDW.
5. Verification of EDW decommissioning via completed work ticket titled MITG.
6. User acceptance verification.

i-Recruitment:

7. FY 2010 HR Implementation Plan and Schedule.
8. LANL Requirements and Design Documentation.
9. Training evidence for HR personnel.
10. HR Project plan for decommissioning the Personica applicant tracking system.

Fee Schedule:

Essential: \$75,000

Measure 16.4 New Initiatives: Elimination of Non-Value Added Efforts & Increased Productivity (Subjective/Stretch)

Expectation Statement:

Drive improvements in mission capability and efficiency through cost reduction/avoidance (non-labor) and productivity improvements (labor), i.e. address areas/actions/functions that do not materially contribute to LANL success, add value or that could be improved.

Completion Target:

The NNSA will subjectively evaluate the contractor's performance in the following areas:

Fee Schedule:

Subjective/Stretch: \$375,000

Criteria	Target
16.4.1 Productivity Review and Planning	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Review the relevance any or all of the following toward improving mission aligned productivity and efficiency at LANL: <ul style="list-style-type: none"> -- Hackett Benchmarking -- NWIC recommendations -- Macro-baselining studies -- Parent Company assessments • Establish a set of actionable recommendations • Implement appropriate metrics to track outcomes.
16.4.2 Elimination of Non-Value Added Efforts	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Undertake meaningful efforts to reduce current and future costs, both as cost savings and cost avoidance across the Laboratory in: <ul style="list-style-type: none"> -- PADST&E -- PADWP -- PADGS -- PADOPS -- Environmental Programs

**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 17
Improve Nuclear Facility Safety Posture

FY 2010 PERFORMANCE BASED INCENTIVE		
PBI No. 17	Objective: Improve Nuclear Facility Safety Posture	
Objective Statement: Improvements in Nuclear Facility Safety Posture		
SECTION 1 GENERAL INFORMATION		
Revision Number and Date:	Revision No.: <u>0</u> Date: <u>March 29, 2010</u>	
Maximum Available Fee:	\$850,000(Essential)+\$350,000(Stretch)+\$400,000 (Subjective) =\$1,600,000	
Duration:	Annual	
Fee Payment Type:	Completion	
Principal LANS Owner:	R. McQuinn, C. Beard	
Principal LASO Owner:	C. Keilers	
SECTION 2 PERFORMANCE REQUIREMENTS		
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>		
In order to earn any incentive fee in PBI 17 stretch measures, the following two gateways must be met:		
<ol style="list-style-type: none"> 1. Earn ≥80% total objective essential fee in the aggregate fee area of Operations. 2. Earn an adjectival rating of at least "Very Good" in the essential Operations Subjective measure. 		
SECTION 3 INDEX OF PERFORMANCE MEASURES		
	Allocated Fee	Fee Type
Measure 17.1	Initial Actions to Address DNFSB Recommendation 2009-2	\$500,000
		E
Measure 17.2	Further Actions to Address DNFSB Recommendation 2009-2	\$150,000
		S
Measure 17.3	Plutonium-238 Risk Reduction	\$150,000
		E
Measure 17.4	De-inventory of RLW Tank Tk-7	\$100,000
		S
Measure 17.5	De-inventory of RLW 100,000 gal Holding Tank	\$100,000
		S
Measure 17.6	Qualify LAMCAS as Safety Software	\$200,000
		E
Measure 17.7	Execution of Nuclear Facility Safety Posture Improvements	\$400,000(Subjective)
		S
SECTION 4 PERFORMANCE MEASURES		
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2010.</i>		
Measure 17.1 Initial Actions to Address DNFSB Recommendation 2009-2 (Objective/Essential)		
Expectation Statement:		
LANS will complete near-term actions and implement the long-term strategy to address DNFSB		

Recommendation 2009-2 and improve TA-55 seismic safety. These actions are described in the Secretary of Energy response to the DNFSB, dated February 2, 2010.

Completion Target:

This measure has been achieved when the Contractor has completed FY 2010 milestones, listed below, toward improving TA-55 seismic safety:

1. Remove, lock-out or render inoperable, glove-box ignition sources that are no longer needed.
2. Fire-test at least one existing container design to establish a damage ratio, based on a LANS proposed and NNSA accepted test plan establishing fire temperatures and durations.
3. Assess and develop conceptual design information for creating two-hour fire-rated separation between the 100, 200, 300, and 400 Areas. Scope is as described in AD-NHHO: 09-348, Milestone 10.
4. Assess H-Wall fire barrier penetrations and repair deficiencies that can be repaired using standard fire protection designs. Scope is as described in AD-NHHO: 09-348, Milestone 9.
5. Develop the design for an automatic seismic shutdown of laboratory room process electrical power.
6. Develop conceptual design information for glove-box inertion or fire suppression. Scope is as described in AD-NHHO: 09-348, Milestone 7.
7. Procure and install six safes with manufacturer-backed fire ratings, to be used for special nuclear material storage. The safes will be anchored to Performance Category 3 (PC-3) requirements, and a safety basis page change will be submitted recommending a damage ratio to be assumed for containers in safes.
8. Establish scope for seismically upgrading fire suppression. This includes delivering a component upgrade list, anchorage calculations, and fragility calculations to support conceptual design in FY-11.
9. Establish scope for seismically upgrading key active confinement ventilation subsystems, similar to the fire suppression system, to support conceptual design in FY-11.
10. Correct an identified set of 16 of 29 FHA deficiencies that include but are not limited to: ignition control program (#3); combustible control program (#7, #8); fire barrier inspection, testing, and maintenance (#11); as-built sprinkler design calculations (#13); fan interlocks (#18); firewater pump and jockey pump pressures (#27). Scope is as described in AD-NHHO: 09-348, Milestone 4.

Deliverables:

Evidence of completion of each milestone.

Fee Schedule:

Essential: \$500,000

100% fee = 100 % completion of milestones (Completion Targets 1-10)

50% fee = 60% completion of milestones

Fee to be paid linearly between 60% and 100% completion

Assumptions Specific to This Measure:

- LASO concurred in the above scope in LASO memorandum FO: 19CK-230182, February 4, 2010.
- Assumptions for Completion Target 2:
 - appropriate testing agencies are available to meet LANL schedule
 - LASO acceptance of the test and acceptance plan by April 15, 2010
- The milestones are under LASO approved change control.

**Measure 17.2 Further Actions to Address DNFSB Recommendation 2009-2
(Objective/Stretch)**

Expectation Statement:

LANS will complete near-term actions and implement the long-term strategy to address DNFSB Recommendation 2009-2 and improve TA-55 seismic safety. These actions are described in the Secretary of Energy response to the DNFSB, dated February 2, 2010.

Completion Target:

This measure has been achieved when the Contractor has completed FY 2010 milestones, listed below, toward improving TA-55 seismic safety:

1. Glove-box Seismic Electrical Power Shut-offs – Installed automatic system to shut down process electrical power to TA-55 laboratories during a system (seismic) event. Ventilation, criticality alarms, paging, lighting, and similar devices will not be affected. Scope is as described in AD-NHHO: 09-348, Milestone 8.
2. Seismic Capacity of Safety-Class Fire Suppression System – Achieve conceptual design level for potential seismic upgrades for Performance Category 3 (PC-3) safety-class fire suppression. Report on the system's seismic-structural capacity. Provide recommendations for upgrading the system such that it will survive a Performance Category 3 (PC-3) design basis earthquake and function thereafter. Include conceptual design approaches that validate the recommendations and high-level cost, schedule, and facility/mission impacts for the recommendations.
3. Seismic Capacity of Safety-Class Confinement Ventilation System – Achieve conceptual design level for potential seismic upgrades for Performance Category 3 (PC-3) active confinement ventilation, focused on safety-class sub-systems. Deliverables are the same as for the fire suppression study.

Deliverables:

Evidence of completion of each milestone.

Fee Schedule:

Stretch: \$150,000

50% fee = Completion of Milestone 1.

25% fee = Completion of Milestone 2.

25% fee = Completion of Milestone 3.

Assumptions Specific to This Measure:

- LASO directed these milestones in LASO memorandum FO: 19CK-220155, December 18, 2009.
- The milestones are under LASO approved change control.

**Measure 17.3 Plutonium-238 Risk Reduction
(Objective/Essential)**

Expectation Statement:

LANS will achieve safety-class encapsulation of the existing inventory of heat-source plutonium in Russian Product Containers. This action is described in the Secretary of Energy response to the DNFSB on Recommendation 09-2, dated February 2, 2010.

Completion Target:

This measure has been achieved when the Contractor has over-packed the existing inventory of approximately 100 Russian Product Containers into certified safety-class FSO containers.

Deliverables:

Evidence of completion, including safety-class certification by the end of FY2010 (preferred), or a gap analysis and plan and schedule to close the gaps to achieve full safety-class certification in FY2011.

Fee Schedule:

Essential: \$150,000

100% fee = 100 % completion of milestones

Assumptions Specific to This Measure:

- LANS may package at risk but will obtain safety-class certification of the FSO containers by the end of FY2011.

**Measure 17.4 De-inventory RLW Tank TK-7
(Objective/Stretch)**

Expectation Statement:

Reduce risk associated with Room 60 operations at RLW by removing from the facility the legacy bulk hazardous TRU material in degraded tank TK-7, estimated at ~7 Curies of TRU sludge. Due to degradation of TK-7 (corrosion pitting through the wall has occurred in one location) removal of the bulk legacy TRU material reduces the potential for release of TRU materials within Room 60.

Completion Target:

This measure has been completed when the Contractor has:
De-inventoried TK-7 of bulk sludge materials.

Deliverables:

Evidence that the legacy bulk TRU material in degraded tank TK-7 has been removed from the facility.

Fee Schedule:

Stretch: \$100,000

100% fee = 100% completion

Assumptions:

- Equipment required to de-inventory tank is available in a timely manner

**Measure 17.5 De-inventory RLW 100,000 Gallon Tank
(Objective/Stretch)**

Expectation Statement:

Reduce risk and increase capacity of RLW processing by reducing the stored sludge material, contained within the 100,000 gal tank, through off-site disposal.

Completion Target:

Off-loaded and shipped stored sludge material contained within the 100,000 gal tank (estimated at 80,000 gallons or approximately 20 Tanker Trucks)

Deliverables:

Completed execution of off-loading procedures and evidence the 100,000 gal tank has been emptied.

Fee Schedule:

Stretch: \$100,000

100% fee = 100% completion (80,000 gal)

25% fee = 30% completion (24,000 gal)

Fee to be paid linearly between 30% and 100% Completion

Assumptions:

- Equipment required to de-inventory tank is available in a timely manner

**Measure 17.6 Qualify LAMCAS as Safety Software
(Objective/Essential)**

Expectation Statement:

Qualify LAMCAS as Safety Software in accordance with LANL P1040 and P1041

Completion Target:

1. Evaluated LANMAS
2. Evaluated LAMCAS and interfaces
3. Documented LAMCAS baseline software life cycle

Deliverables:

1. LANMAS Evaluation Report, including determination of gaps with P1040 and P1041 requirements and a path forward to close the gaps.
2. LAMCAS life cycle documentation requirements
3. LAMCAS baseline software life cycle documentation.
4. Evidence of closure of gaps with P1040 and P1041 and declaration that LAMCAS qualification has been achieved.

Fee Schedule:

Essential: \$ 200,000

100% fee = 100% completion of deliverable 1, 2, 3 and 4.

60% fee = 100% completion of deliverable 1, 2, and 3.

40% fee = 100% completion of deliverable 1 and 2

Assumptions:

- If SRS's LANMAS cannot be safety software qualified, this PBI will be renegotiated.

**Measure 17.7 Execution of Nuclear Facility Safety Posture Improvements
(Subjective/Stretch)**

Expectation Statement:

On February 1, 2010 the Secretary of the Department of Energy (DOE) responded to the Defense Nuclear Facilities Safety Board Recommendation: 2009-2, Los Alamos National Laboratory Plutonium Facility Seismic Safety, issued on October 26, 2009. In his response, Secretary Chu listed actions completed and planned to improve the nuclear safety posture at TA-55. LANS will manage a strategy to improve the nuclear safety posture at the TA-55 nuclear facility through an integrated plan including seismic analyses and upgrades, material-at-risk (MAR) reduction and other risk reduction activities including removal of legacy MAR at RLWTF.

LANS will execute this work and demonstrate the following:

- Integrated project planning and management
- Integration, alignment, and balancing of resources to deliver on project deliverables
- Performance in project execution, leadership, and management execution
- Management and mitigation of project risks
- Effectiveness in driving project direction and setting priorities
- Proactive management of developing issues

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2010:

Fee Schedule: Subjective

Stretch: \$400,000

<p>17.7 Execution of Nuclear Facility Safety Posture Improvements</p>	<p>The list below represents subject areas to be considered for scoring, given the expectations outlined above.</p> <ul style="list-style-type: none"> • Overall performance on near term actions to address DNFSB Recommendation 2009-2 and improve TA-55 seismic safety. • Plutonium-238 Risk Reduction • Room 60 operations and RLW Tank TK-7 • De-Inventory RLW 100,000 Gallon Tank • Performance on qualification of LAMCAS as Safety Software • Risk reduction associated with PBI 17 measures. 	
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**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated.
- This PBI shall be considered an element in the "operation" focus area for rollup and summarization purposes.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 18
Award Term

FY 2010 PERFORMANCE BASED INCENTIVE		
PBI No. 18	Objective:	Award Term Incentives
Objective Statement: Strategic and tactical measures indicative of a well performing Laboratory		
SECTION 1 GENERAL INFORMATION		
Revision Number and Date:	Revision No.:	<u>0</u> Date: <u>March 29, 2010</u>
Maximum Available Incentive Fee:	Award Term	
Duration:	Annual	
Fee Payment Type:	Award Term	
Principle LANS Owner:	I. Richardson, W. Rees, T. McKinney, C. McMillan, M. Graham	
Principle COR:	R. Snyder	
SECTION 2 PERFORMANCE REQUIREMENTS		
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>		
In order to be considered for Award Term, the following three gateways must be met:		
<ol style="list-style-type: none"> 1. Earn ≥80% overall of PBI Objective Essential fee (exclusive of Multi-Site Initiatives) in the areas of Mission, Operations and Business. 2. Receive an overall adjectival rating of at least "Very Good" in Subjective Essential performance. 3. Achieve success in 4 of the 5 Award Term measures. 		
SECTION 3 INDEX OF PERFORMANCE MEASURES		
		Fee Type
Measure 18.1	Mission and Operational Positioning	Award Term
Measure 18.2	Demonstrate Commitment to Infrastructure Revitalization	Award Term
Measure 18.3	Demonstrate Leadership in Pu Science	Award Term
Measure 18.4	Waste and Disposition Operations Improvement	Award Term
Measure 18.5	Business Management Advisory Council	Award Term
SECTION 4 PERFORMANCE MEASURES		
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2010.</i>		
Measure 18.1	Mission and Operational Positioning (Award Term)	
Expectation Statement:		
Define the mission capability and capacity for non-Nuclear Weapons activities at LANL that leverages a changing Defense Programs mission set, addresses core competencies, and promotes sustainability while serving the National security and science needs. Institutionalize processes to assure alignment of future		

work to this end-state. Develop, review, and publish the strategic vision for LANL national security activities (herein referred to as “the enterprise”) that are not part of the U.S. Nuclear Weapons Program. The strategic vision for the enterprise will seek to create a future state that aligns with the U.S. Nuclear Weapons Program, utilize and define the mission, science, technology, and engineering capabilities of the Laboratory, and integrate with existing and planned Laboratory operations. Begin to develop implementation plans for the enterprise to facilitate its evolution to a level of effectiveness and impact that reflects (internally and externally) it as a core mission of the Laboratory.

Completion Target:

This measure has been achieved when the Contractor has by September 15, 2010:

1. Planning: Developed, reviewed, and published the integrating vision for the enterprise at LANL from which to guide mission selection, define operational needs, project resources, and plan transition. This document shall :
 - a. Include a future looking mission and vision statement for the enterprise at LANL;
 - b. List the strategic goals and objectives for the enterprise at LANL toward (a);
 - c. Broadly define the product lines within the enterprise at LANL, and the sponsors expected to support those product lines;
 - d. Establish criteria and a process for the management selection/approval of work within the enterprise at LANL, leveraging experience with selection of LANL work proposed for support by the American Recovery and Reinvestment Act of 2009;
 - e. Discuss projected workforce, operational and infrastructure requirements to support the enterprise at LANL, and the possible sponsors who might support those requirements;
 - f. Establish criteria and a process of governance for teaming with other NNSA sites for work within the enterprise;
 - g. Propose business practices to facilitate achievement of the vision for the enterprise;
 - h. Identify the senior LANS manager that will serve as the Laboratory’s Point-of-Contact for process issues associated with Work For Others, and each of the product lines within the enterprise;
 - i. Be reviewed by a LANS oversight process with documented disposition of review comments, and
 - j. Be coordinated in draft with senior elements of the DOE, NNSA, and other agencies, as appropriate to facilitate feedback and input
2. Preparation: Developed and published at least two of the three implementation plans currently identified that will be created to implement actions required to achieve the strategic vision for the enterprise. The implementation plans will be “projectized” such that a cost, schedule/timeline, and scope (steps and outcome) are defined. The currently identified enterprise implementation plan set includes:
 - a. Program Development plan
 - b. Strategic staffing plan (including organizational roles & responsibilities)
 - c. Infrastructure plan
3. Implementation: Followed through with the set of supporting efforts already initiated while improving and expanding upon them:
 - a. Expanded use of the eWFO system to provide lifecycle support to WFO-OFA and WFO-NFE programs as planned for in FY2010
 - b. Evaluation of FY 2011 Non-NNSA work against the criteria and process outlined above

Deliverables:

Quarterly status briefs on all Targets.

- Completion of Target 1 shall consist of a single published LANL report addressing and denoting completion of elements a-j as well as the results of NNSA feedback.
- Completion of Target 2 shall consist of at least two published LANL reports addressing and denoting completion of at least 2 elements a-c as well as the results of NNSA feedback.
- Completion of Target 3 shall consist of evidence that the planned FY 2010 implementation was achieved and through submission of evidence supporting the subsequent application of the criteria and process discussed in Target 1 for all FY 2011 work requests submitted to LASO after September 1, 2010

Assumptions Specific to This Measure:

- NNSA shall review deliverables as noted above prior to publication. LASO shall coordinate this review process. The review and coordination process shall not extend beyond 30 days and shall not restrict continued efforts toward other deliverables in the measure.
- The term "Work For Others" is as defined in DOE Order 481.1C (24 January 2005), *Work For Others (Non-Department of Energy Funded Work)*, paragraph 8.p, including all Applicability Exclusions detailed in paragraph 3.c, except that paragraph 3.c(10) does not apply.
- Full implementation may extend beyond FY2010, however positioning as appropriate for FY 2011 progress is addressed in Target #3.
- No appreciable change is expected in the mission/site risk potential to the general public. Any changes necessitating additional NEPA review/determination will be highlighted but not pursued in advance of the concurrence with NNSA and any required NEPA documentation.
- "Enterprise" for purposes of this measure is defined as the set of non-nuclear weapons national security programs, not including energy security, in which the Principal Associate Director for Science, Technology & Engineering and the Principal Associate Director for Global Security and, to a limited extent, the Principal Associate Director for Weapons Programs, participate in and are supported by the Principal Associate Director for Operations & Business.

**Measure 18.2 Demonstrate Commitment to Infrastructure Revitalization
(Award Term)**

Expectation Statement:

Demonstrate LANS commitment to institutionally address infrastructure and common use facility revitalization. Implement an agreed to set of G&A funded initiatives that directly affect a change in the site infrastructure.

Completion Target:

This measure has been achieved when the Contractor has:
Developed and implemented a mutually agreed-to list of IGPP activities that demonstrate quantifiable change in the common infrastructure and general use facilities of LANL. The efforts will address elements such as the following:

- Acceleration of already planned commitments (such as SM-43 demolition)
- Correction of safety deficiencies (such as traffic concerns or fire stations)
- Demolition (not otherwise funded)
- Utility capacity improvements supporting regional needs (such as TA-3)
- Renovation of aging facilities (such as Otowi)
- Ten Year Site Plan needs (such as the Wellness Center)

Deliverables:

- Documentation of completion of each agreed-to milestone

Assumptions Specific to This Measure:

- LASO and LANS will develop a mutually agreed-to list of IGPP projects to be accomplished under this measure no later than October 31, 2009, or an alternative Award Term will be negotiated for inclusion in the FY 2010 PEP.
- Unprecedented pension contributions, if realized, may limit infrastructure investment necessitating re-evaluation of the agreed-to list no later than January 31, 2010.

Measure 18.3 Demonstrate Leadership in Pu Science (Award Term)

Expectation Statement:

Develop a peer reviewed Pu Science and Research strategy to ensure integration with LLNL, leverage international Pu scientific efforts, and form the basis for scientific pursuits at LANL.

Develop a living Pu Science and Research Strategy that:

- Ensures a path forward for plutonium science to support the nuclear weapons program and the key issues of pit reuse, refurbishment and remanufacturing
- Builds upon and links to LLNL and Seaborg Institute pursuits while leveraging worldwide efforts
- Assures chemistry, physics and metallurgical aspects are addressed
- Explicitly establishes Pu Science as a sustainable and desirable field of study at LANL
- Encourages visible excellence through publications and conference participation
- Rewards publication in peer-reviewed journals to demonstrate the capacity of the staff to do world-class research
- Assures historical data is mined and knowledge captured for experiential calibration and correlation
- Addresses Pu isotopes, alloys, interactions, and experiences relative to the stockpile
- Integrates LDRD, programmatic and other funding sources to define a timetable
- Clearly defines the linkages to current and planned efforts in the Pu community
- Attracts and retains world-class scientists and engineers to plutonium research and applications.
- Broadens the applications portfolio to include nuclear nonproliferation, nuclear forensics, and nuclear energy to provide a more attractive research environment for recent graduates.
- Rejuvenates plutonium metallurgical research and surface science
- Develops new predictive theoretical tools for the highly correlated actinide systems
- Seeks improvement in the operational environment for plutonium experimental science
- Defines activities to be conducted at NTS and aligns to the FYNSP
- Reflects the planned de-inventory of LLNL and resulting LLNL, LANL, and NTS capabilities
- Integrates with and supports certification and stockpile stewardship goals
- Integrates with and supports the Predictive Capability Framework, the Boost Initiative, campaign implementation plans, and DSW requirements
- Informed by planning for Advanced Certification and Dynamic Plutonium Experiments Campaigns

Completion Target:

This measure has been achieved when the Contractor has:

1. Submitted a detailed outline for a Pu Science and Research Strategy meeting the above Expectation Statement by December 15, 2009
2. Submitted a Draft Pu Science and Research Strategy NLT March 31, 2010
3. Submitted a Final Pu Science and Research Strategy by June 30, 2010 with the Director's endorsement, (consistent with the FY 2010 budget, LDRD planning, FYNSP Programming guidance & Nuclear Posture Review)
4. Implemented the FY 2010 LANL elements of the Pu Science and Research Strategy
5. Hosted peer reviews by science leaders no later than September 30, 2010, to provide multi-tiered review for a credible outcome.
6. Socialized the PSRS draft with NNSA and DOE elements by September 1, 2010, i.e., meetings, briefings.

Deliverables

- Detailed outline of the Pu Science and Research Strategy by December 15, 2009 for LLNL and NNSA review
- Draft of the Pu Science and Research Strategy by March 31, 2010 for NNSA review
- Final Pu Science Strategy by June 30, 2010 for LLNL and NNSA review
- Implement the FY 2010 LANL elements of the Pu Science Strategy by September 30, 2010
- Proposal for revised Advanced Certification and DPE national plans and milestones to support out-year budget programming and planning

Assumptions Specific to This Measure:

- A joint LANL-LLNL Pu Science and Research Strategy is highly desired but not required if LLNL does not have a companion measure in its FY 2010 PEP

Measure 18.4 Waste and Disposition Operations Improvement (Award Term)

Expectation Statement:

Address historical operational performance concerns essential to mission achievement by improving the safety, formality of operations, and efficiency of legacy and newly generated waste operations at WCCR, RANT and Area G operations. Demonstrate improvement through direct achievement and Contractor Assurance System metrics.

Completion Target:

This measure has been achieved when the Contractor has: completed a minimum of 16 of the following 20 sub-elements including the 10 designated as mandatory denoted by the “*”:

1. Developed an integrated schedule of all operations (including subcontractors and CCP) and key operational and programmatic milestones, maintenance, and improvements.
Execute on the integrated schedule within each Qtr; Waste Program Manager and EWMO Facility Operations Director will verify completion of Key Milestones to include a joint Associate Director For Environmental Programs and Associate Director for Nuclear and High Hazard Operations certification.
 - a. Initial integrated schedule to be submitted by December 31, 2009 for balance of the fiscal year
 - b. Schedule and completion of System Health Reports (SHR) for all VSS as required by AP-341-802, revision 1, or subsequent *
 - c. Schedule and completion of Vital Safety System (VSS) Assessments as required by AP-341-901, revision 1, or subsequent.
 - d. Completion of Operability Determinations as required by AP-341-516, revision 1, or subsequent *
 - e. Schedule safety basis submittals and execute implementation on schedule to support planned production
 - f. Updated schedules to be submitted prior to the beginning of the 3rd and 4th Qtrs. *
2. Developed a set of maturity metrics and assessment criteria for improving mission performance, safety, and formality of operations, by the end of the 2nd Qtr including:
 - a. Establish a baseline for First Line Management time in the field by the end of the 1st Qtr and demonstrate improvement thereafter. *
 - b. Develop trending metrics for efficiency and effectiveness of work planning and execution by the end of the 1st Qtr and demonstrate improvement thereafter. *
 - c. Develop HPI error identification and analysis tool. *
 - d. All metrics within this PBI implemented in PBViews by the end of the 3rd Qtr for testing purposes during 4th Qtr.
 - e. Develop an HPI performance improvement tool based on the 1st and 2nd quarter results from error identification and analysis tool.
3. Matured Systems Engineering by doing the following:
 - a. Maintained Cognizant System Engineer (CSE) staffing such that a fully or interim qualified primary and secondary CSE is assigned to all safety class and safety significant systems. *
 - b. Demonstrated achievement of Safety Class/ Safety Significant VSS maintenance by development/review and revision of PMIs and model work orders for at least 5 of the 6 active credited VSS and 20 of the 23 passive credited VSS, to reflect requirements identified for credited VSS systems in the AP-MNT-006 Appendix A's submitted in FY 2009
 - c. Demonstrated achievement of Safety Class/ Safety Significant VSS maintenance by complete entry of maintenance requirements into CMMS for 5 of the 6 active credited VSS and 20 of the 23 passive credited VSS for execution upon development completion
4. Complete/Implemented the following process improvements:
 - a. Strengthen self assessment program by implementing a requirement for WDP managers to

- conduct an average of two MOVs per month *
- b. Implement an enhanced procedure validation and verification process, which reduces the frequency of procedures not working as written and increases operator participation in procedure development and comment resolution. *
 - c. Pilot implementation of human performance improvement. Identify HPI champion; train the management team and a select population of the workforce on HPI fundamentals
 - d. Management of identified systems and process issues through monthly Waste Disposition Project Management Review Boards using ICAM process.
 - e. Operators, Operations FLMS, Shift Managers, and Operations Managers will be qualified or removed from the watchbill until qualified no later than November 30, 2009. *
 - f. Establish a safety and housekeeping program that assesses zones within WDP on an established frequency.

Deliverables:

- Documentation of verified achievement/implementation for each of the sub-elements completed and year-end status for those not completed.

Assumptions Specific to This Measure:

- All efforts under this measure are directed toward WCCR, RANT, and Area G operations.
- Completion Target sub-elements are under LASO change control; LANS may propose and LASO may approve changes or alternatives to the above sub-elements that are of comparable scope and benefit. Each sub-element will be vigorously pursued and statused at year-end.
- Key milestones from the integrated schedule will be jointly derived with LASO no later than December 15, 2009
- Once approved, the integrated schedule and maturity metrics are maintained in accordance with LANS change control; key milestone due-dates, and maturity metrics, can not be changed without prior LASO agreement.
- LANS briefs LASO monthly on maturity metrics and key milestone status.
- First Line Managers (FLM) are defined as the first level of management with direct oversight of non-exempt personnel in the Operations, Maintenance and Radcon functional areas.
- Managers are defined as managers, excluding FLMS, from second line managers to the WDP Program Director and EWMO FOD. This includes assigned and deployed functional areas. A list of included managers and their titles will be developed.
- Staff Qualification will be either in accordance with approved interim qualifications or a 5480.20A qualification program.
- The additional performance improvement tool (referred to in 2.e) is to be submitted for LASO review by the end of the 2nd Qtr and implemented in the metrics by the end of the 3rd Qtr.
- The purpose of this measure is to reinforce the importance of management systems that sustain WDP continuous improvement. The contractor will be judged on overall best efforts to complete the specified goals in this PBI's targets. Negative events that occur at EWMO will be addressed in the appropriate subjective measure.

**Measure 18.5 Business Management Advisory Council
(Award Term)**

Expectation Statement:

Assist NNSA and DOE in addressing a significant issue confronting the Nuclear Weapons Complex and/or NNSA or DOE. Failure for the complex to mitigate this issue will have a detrimental impact on the sites/programs. The Contractor shall fully support and participate in the NNSA Business Management Advisory Council during FY 2010. Further, the Contractor shall build a plan and execute the steps necessary to achieve the business management improvement goals established by the BMAC and measure its performance against NNSA federally concurred metrics within the Supply Chain, Financial, Personal Property and Contractor Human Resources functional teams.

Completion Target:

This measure has been achieved when the Contractor has completed the targets below:

1. Submitted LANS plans and metrics within each BMAC area for NNSA approval
2. Submitted evidence of LANS completed activities of the FY 2010 BMAC complex-wide goals and objectives

Deliverables:

- LASO will receive monthly status briefs on each performance area. LANS shall submit evidence to support the targets listed above. Progress and successful delivery of each target shall be documented by NA-60.

**SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

List foreseeable impacts to performance.

- The NNSA and LANS, LLC will agree within 30 days of receipt of final appropriations, or by mutually agreed to date if under a long-term Continuing Resolution, that the funding is sufficient to accomplish these measures. If by this date, Continuing Resolution funding or final appropriation is different from the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 30 calendar days. If interim Continuing Resolution funding is less than the President's Budget Request, LANS shall identify any impacts to the FY 2010 PEP measures within 15 business days following the approval of the Continuing Resolution.
- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, LANS may request renegotiation of these measures.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9).

PBI No. 19
EM Management Stimulus

FY 2010 PERFORMANCE BASED INCENTIVE

PBI No. 19

Objective: **ARRA - Environmental Management**

Objective Statement: Implement American Recovery and Reinvestment Act (ARRA) Environmental Management (EM) initiatives in an efficient and effective manner such that objectives are met and program completion is achieved in 2011.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: February 23, 2010
 Maximum Available Fee: **\$2,506,000 (Essential) (2010) + \$2,500,000 (Essential) (2011) + \$1,000,000 (Stretch) (2011) = \$6,006,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: M. Graham
 Principal LASO Owner: G. Rael

SECTION 2
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*

In order to earn any incentive fee in PBI 19 stretch measures, the following two gateways must be met:

1. Earn ≥80% total objective essential fee in the aggregate fee area of Mission.
2. Earn an adjectival rating of at least "Very Good" in the essential Mission Subjective measure.
3. 33% of objective essential fee associated with PBI 19 awarded in FY 2010 and FY 2011 may be deducted from fee earned in FY 2011 if ARRA funded EM stimulus scope defined in the FY 2009 is not completed prior to September 30, 2011

SECTION 3
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type	
FY 2010 Measures				
Measure 19.1	MDA-B Remediation	\$800,000	E	
Measure 19.2	Building Removal	\$531,000	E	
Measure 19.3	Well Drilling Program	\$675,000	E	
Measure 19.4	Environmental ARRA Planning, Preparation & Execution	\$500,000	E	Subjective
FY 2011 Measures				
Measure 19.5	MDA-B Remediation	\$700,000*	E	
Measure 19.6	Building Removal	\$800,000*	E	
Measure 19.7	Additional Building Removal	\$1,000,000*	S	
Measure 19.8	Well Drilling Program	\$500,000*	E	
Measure 19.9	Environmental ARRA Planning,			

Preparation & Execution	\$500,000*	E	Subjective
* Notional fee subject to review for FY 2011			

SECTION 4
PERFORMANCE MEASURES
List associated performance measures, expectations, targets, and fee schedules for FY 2010

Measure 19.1 MDA-B Remediation (FY 2010)
(Objective/Essential)

Expectation Statement:
 Remediate MDA-B

Completion Target:
 This measure has been achieved when the Contractor has completed the following by September 30, 2010:

1. Completed Phase II of direct-push sampling by October 31, 2009
2. Completed system operations testing of enclosure 1 and ancillary equipment by December 31, 2009.
3. Materially begun excavation of waste in MDA-B by February 28, 2010
4. Completed excavation at any 6 of 10 Areas
5. Completed excavation at a 7th Area

Fee Schedule:
 Essential: \$800,000, as defined below

- \$200,000 for targets 1-3
- \$250,000 for target 4
- \$350,000 for target 5

Assumptions Specific to this Measure:

- Ancillary equipment includes fire protection, ventilation, electrical, video systems, etc.
- Areas are defined in the NMED approved Investigation Remediation Workplan (as approved on January 31, 2007).
- Target dates will be renegotiated if impacted by site conditions, including adverse weather.
- Excavation will be considered complete when all debris from trenches is removed.
- Generation, characterization and disposition of waste cannot impede progress in meeting targets

Measure 19.2 Building Removal (FY 2010)
(Objective/Essential)

Expectation Statement:
 Execute TA-21 Building Decontamination and Demolition

Completion Target:
 This measure has been achieved when the Contractor has completed the following by September 30, 2010:

1. Disconnected and verified utility disconnects for the following TA-21 DP West buildings: 21-312/21-2, 21-313/21-3, 21-314/21-4, 21-315/21-116, 21-5, 21-149, 21-328, 21-150. DP East: 21-152, 21-209; does not include below grade sewers and drains.
2. Completed removal of equipment and hazardous materials in TA-21 buildings targeted for demolition
3. Demolished down to slab the TSTA and ancillary structures that include buildings 21-155, 21-213, 21-220, and 21-388, 21-420.
4. Demolished down to the slab the following buildings at DP West: 21-312/21-2, 21-313/21-3, 21-314/21-4, 21-315/21-116, 21-210/21-328; DP East: 21-166, 21-167

Fee Schedule:

Essential: \$531,000, as defined below

- \$131,000 for targets 1 and 2
- \$200,000 for target 3
- \$200,000 for target 4

Assumptions Specific to this Measure:

- Generation, characterization and disposition of waste cannot impede progress in meeting targets

**Measure 19.3 Well Drilling Program (FY 2010)
(Objective/Essential)**

Expectation Statement:

Execute a compliant and cost-effective well drilling program. Execute the program approved under ARRA.

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2010:

1. Plugged and abandoned 6 wells
2. Completed drilling of any 13 of the following 16 regional or intermediate aquifer wells:
R-27(i), CdV-37-1(i), R-29, R-30, CDV-16-4(i) CME Well, R-50, R-58, R-3, TW2a(r), R-51, R-52, R-54, R-53, R-56, R-57, R-55
3. Completed drilling one of the remaining three wells
4. Completed drilling one of the remaining two wells
5. Completed drilling the final well
6. Report on areas of cost savings/efficiencies identified in FY09.

Fee Schedule:

Essential: \$675,000

- \$400,000 for targets 1,2, and 6
- \$75,000 for target 3
- \$100,000 for target 4
- \$100,000 for target 5

Assumptions Specific to this Measure:

- Well drilling is considered completed when "NMED Complete" has been achieved as defined in the Consent Order and the well has been completed on or before the date specified in the Consent Order or in NMED written guidance to LANL.
- In the event that NMED materially changes the content or schedule of the well drilling plan, LANL and LASO will renegotiate the target and/or fee for this measure.

**Measure 19.4 Environmental ARRA Planning, Preparation and Execution
 (FY 2010)
 (Subjective/Essential)**

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in areas that enable it to meet EM ARRA work objectives.

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2010:

Fee Schedule:

Subjective/Essential: \$500,000

<p>19.4 Environmental ARRA Planning, Preparation, and Execution</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Demonstrate excellence and professionalism in the planning, preparation, and execution of EM ARRA programs, projects and activities, with emphasis on relationship with Customer and Regulator. • Receipt of Notice of Violations (NOVs) from NMED for work under the scope of ARRA. • Cost and schedule indices relative to "green" thresholds in accordance with PARs variance thresholds. • Formal communication with NMED on ARRA scope is documented and made a matter of record. • Proactive management of external and internal interfaces. • Management of emergent issues
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**Measure 19.5 MDA-B Remediation (FY 2011)
 (Objective/Essential)**

Expectation Statement:

Complete FY 2011 remediation of MDA-B

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2011:

1. Submit Remedy Completion Report to the New Mexico Environmental Department (NMED) in accordance with the consent order established date.

2. Complete site restoration.

Fee Schedule:

Essential: \$ 700,000

Assumption Specific to this Measure:

- If NMED adjusts the consent order completion report due date, the delivery date in this measure is adjusted accordingly.

**Measure 19.6 Building Removal (FY 2011)
(Objective/Essential)**

Expectation Statement:

Complete FY 2011 TA-21 Building Decontamination and Demolition

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2011:

1. Completed slab demolition, sub-grade soil remediation and site restoration at TSTA
2. Completed slab demolition, sub-grade soil remediation and site restoration for the following buildings at DP East: 21-166, 21-167 and 21-370
3. Demolished buildings and slabs and completed sub-grade soil remediation and site restoration for the following buildings at DP East: 21-152 and 21-209,

Fee Schedule:

Essential: \$ 800,000

- \$200,000 for target 1
- \$250,000 for target 2
- \$350,000 for target 3

**Measure 19.7 Additional Building Removal (FY2011)
(Objective/Stretch)**

Expectation Statement:

Complete additional TA-21 Building Decontamination and Demolition not required by the ARRA Work Authorization.

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2011:

1. Demolished down to the slab the following buildings at DP West: 21-5, 21-149 and 21-150

Fee Schedule:

Stretch: \$1,000,000

Assumption Specific to this Measure:

- In the event funding does not become available by December 31, 2010, LANL and LASO will renegotiate this measure.
- Completion of FY 2011 Measure 19.6 is required as a gateway for Measure 19.7.

**Measure 19.8 Well Drilling Program (FY 2011)
(Objective/Essential)**

Expectation Statement:

Complete the well drilling program approved for execution under the ARRA Project

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2011:

1. Submitted the Well Completion Reports to NMED by the date/timeframe required by the Consent Order for each of the regional and intermediate wells drilled in FY 2010
2. Complete the waste management disposition activities for the wells drilled in FY 2010
3. Completed restoration activities at the drilling sites for the wells drilled in FY 2010

Fee Schedule:

Essential: \$500,000

Assumption Specific to this Measure:

- In the event LANL encounters hazardous or mixed low level waste (MLLW) resulting in waste disposition delays, LANL and LASO will renegotiate this measure.
- If NMED adjusts a completion report due date, the delivery date in this measure is adjusted accordingly.

Measure 19.9 Environmental ARRA Planning, Preparation and Execution (Subjective/Essential)

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in areas that enable it to meet EM ARRA work objectives.

Completion Target:

This measure has been achieved when the Contractor has completed the following by September 30, 2011:

Fee Schedule:

Subjective/Essential: \$ 500,000

<p>19.9 Environmental ARRA Planning, Preparation, and Execution</p>	<p>The list below represents subject areas to be considered for scoring. Less than expected performance in a given area does not necessarily equate to a failed score. Similarly, this list is not considered all inclusive and other topics, issues, or area of concern may be commented on under this criterion.</p> <ul style="list-style-type: none"> • Demonstrate excellence and professionalism in the planning, preparation, and execution of EM ARRA programs, projects and activities, with emphasis on relationship with Customer and Regulator. • Receipt of Notice of Violations (NOVs) from NMED for work under the scope of ARRA. • Cost and schedule indices • Formal communication with NMED on ARRA scope is documented and made a matter of record. • Proactive management of external and internal interfaces. • Management of emergent issues
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SECTION 5
ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS

List foreseeable impacts to performance.

- If no specific due date is referenced with any of the PBI completion elements, the due date of that element is to be September 30, 2010.
- If LANS cannot meet/complete a PBI because of conditions or events that are outside of LANS' ability to control, the PBI will be renegotiated with the associated technical justification.
- This PBI shall be considered an element in the "mission" focus area for rollup and summarization purposes.
- In the event there is redirection on scope from HQ or NMED, LANL and LASO will revisit scheduled scope and/or PBI measures.
- Scope detail is contained in the FY 2010 workplan, and specific ARRA baseline documents.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

~ End of Document ~

