




Department of Energy
National Nuclear Security Administration
Washington, DC 20585



December 18, 2014

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

From: Madelyn R. Creedon 
Principal Deputy Administrator

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

The National Nuclear Security Administration (NNSA) has completed its assessment of Los Alamos National Security, LLC's effectiveness in meeting the performance expectations established in the Fiscal Year 2014 Performance Evaluation Plan for the period of October 1, 2013 through September 30, 2014. Based on assessments provided in the NNSA Performance Evaluation Report, award fee amounts and award terms are as follows:

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



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