



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

**FY 2012 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, 2011 THROUGH SEPTEMBER 30, 2012**

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Predecisional Information

Department of Energy review required before public release

Name/Org: Juan Griego, Los Alamos Site Office

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I. APPROVAL PAGE

The FY 2012 Performance Evaluation Plan (PEP) for Los Alamos National Laboratory Contract No. DE-AC52-06NA25396 has been coordinated and reviewed by the Los Alamos Site Office and Los Alamos National Security, LLC. The following individuals approve the contents of this PEP.

 SEP 30 2011

Kevin W. Smith Date
Site Office Manager
Los Alamos Site Office
National Nuclear Security Administration

 SEP 30 2011

I. E. Richardson, III Date
Deputy Director
Los Alamos National Laboratory

 SEP 30 2011

Robert M. Poole Date
Contracting Officer
Los Alamos Site Office
National Nuclear Security Administration

II. PREFACE

The Performance Evaluation Plan (PEP) for the period of October 1, 2011, through September 30, 2012, 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 2012 per the Contract is \$64,120,000, which may be adjusted by fee deferred from prior years or recalculations of the fee within the year as per Clause B-2(C)(3). The MAF does not address fee earned in support of Work for Others as outlined within the Contract.

In FY 2011, the Congressional appropriation deviated more than 10% from the Total Estimated Cost and Fee of \$1,832,182,000 as stated in Prime Contract Clause B-2(c)(1). The Prime Contract was modified to adjust the Maximum Available Fee (Fixed and At-Risk fee) as agreed to with NNSA. The remainder of the FY 2011 increase will be determined at the FY 2011 Year End Financial Closing and will be applied to the FY 2012 PEP during the first quarter.

Overview of the FY 2012 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 2011 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 approximately 90% assigned to Essential Measures (when Multi-Site Measures are included) and approximately 10% assigned to Stretch Measures.

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. Approximately 10% of the total fee-at-risk is dedicated to Multi-Site Initiatives.

Performance Based Incentive (PBI) Measures:

Approximately 50% of the fee-at-risk (inclusive of Multi-Site initiatives) is associated with objective measures. PBI measures are divided into two (2) groups – Essential and Stretch. There are seven PBIs covering the major subdivisions of work at the laboratory. Each of the seven 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:

Approximately 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 three areas: Excellence in Scientific and Programmatic Pursuits, Excellence in Operations, and Excellence in Business and Institutional Management, 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. One of the Award Term measures will be designated as mandatory. 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 (Programs, Operations, or Business/Institutional Management), 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 Award Term extension of the contract, the contractor must perform each of the following:

- PBI Measures and PO Measures– earn $\geq 80\%$ overall at-risk fee (objective and subjective, essential and stretch), in the areas of Multi-Site, Programs, Operations, and Business/Institutional Management.
- Award Term Measures – Successful completion of the Mandatory Award Term Measure.
- 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 Award Term extension of the Prime Contract (in accordance with the contract clause). The Fee Determining Official issues the final decision of whether to grant an additional year of Award Term.

Administration of this PEP

Performance related to each PBI and PO will be tracked and reported to NNSA on at least a quarterly basis. NNSA and LANS will meet at least quarterly 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.

Overall responsibility for PEP development and contractor performance evaluation rests with the Deputy Manager with support by the LASO Assistant Manager for Business Administration for day-to-day management and maintenance of the PEP. Codification of the PEP is performed through the LASO Contracting Officer. Key participants in the development of the PEP include the PBI Owners, who are specifically assigned to 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, LASO and LANS, supported by substantiated evidence and appropriate approvals. However, in accordance with Clause H-12, the NNSA Los Alamos Site Office Manager has the unilateral right to make the final decision on all performance objectives and performance incentives (including the associated measures and targets) used to evaluate Contractor performance. The NNSA Administrator maintains the unilateral right to make final decision on all award term incentives (including the associated measures and targets) 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 LASO Assistant Manager for Business Administration, the LASO 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 the LANS Deputy Director and the Deputy Site Office Manager for resolution. The Site Office Manager is the final arbitrator and decision authority on all PEP disputes. The LASO Contracting Officer represents the NNSA Head of the Contracting Activity (HCA) and is the formal authority in all matters of contract administration, and ensures that PEP actions are legally appropriate and in accordance with the M&O contract .

Any recommended changes to the PEP must be formally presented (with substantiating evidence) to the Deputy Site Office Manager, and shall require Contracting Officer approval. 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 may not be held responsible for delays in completion of expected milestones that are deemed beyond their control or influence unless specified otherwise 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 no later than 70 calendar 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 2012 Fee is allocated as outlined in Section IV: *Fee Schedule*

Table I: Graphical Depiction of Gateways

PEP Stretch Gateway						
Focus Areas	STRETCH GATEWAY					
Programs Essential Measures	→	Achieve ≥ 80% * Aggregate Programs Essential	PLUS	Programs Adjectival "Very Good" (Subjective Measures)	→	Programs 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						
Multi-Site Measures	→	Achieve ≥ 80% * Aggregate of Total At-Risk Fee	PLUS	Meet 4 of 5 Award Term Incentives	PLUS	Successful Completion of the Mandatory Award Term Measure	Award Term Eligible
Programs Essential Measures	→						
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.

III. FEE SCHEDULE

Table III Total FY 2012 Fee

FY 2012 AWARD FEE		
FIXED FEE	30%	\$ 19,236,000
AT-RISK FEE	70%	\$ 44,884,000
TOTAL		\$ 64,120,000

Table IV: At Risk Fee

Objective			Subjective		\$44,884,000
Fee Essential	Fee Stretch	Multi-Site	Fee Essential	Fee Stretch	TOTAL AT-RISK FEE
\$13,800,000	\$3,592,600	\$4,488,400	\$21,503,000	\$1,500,000	\$44,884,000
31%	8%	10%	48%	3%	100%
\$21,881,000			\$23,003,000		
49%			51%		
Total Essential Fee		Total Stretch Fee	Multi-Site		TOTAL AT-RISK FEE
\$35,303,000		\$5,092,600	\$4,488,400		\$44,884,000
79%		11%	10%		100%
Programs	Operations	Business	Multi-Site	TOTAL AT-RISK FEE	
\$16,281,000	\$14,882,600	\$9,232,000	\$4,488,400	\$44,884,000	
36%	33%	21%	10%	100%	

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Table V: FEE TABLE (As of OCTOBER 1, 2011)

FY 2012 PEP Structure		Objective				Subjective	
		49%		51%		51%	
PO/PBI #	PBI Title	Fee	Essential		Stretch		MS
			79%		11%		10%
Programs		36%					
9	Excellence in Scientific and Programmatic Pursuits	Subjective	\$ 4,488,400	\$ -			\$ 4,488,400
2	DP Mission Achievement and Enablement	Objective	\$ 5,600,000	\$ 600,000			\$ 6,200,000
3	NN Mission Achievement	Objective	\$ 900,000	\$ 1,192,600			\$ 2,092,600
4	EM Mission Achievement	Objective	\$ 1,500,000	\$ 500,000			\$ 2,000,000
4	EM Mission Achievement	Subjective	\$ 1,500,000	\$ -			\$ 1,500,000
			\$ 13,988,400	\$ 2,292,600	\$ -		\$16,281,000
Operations		33%					
10	Excellence in Operations	Subjective	\$ 6,282,600	\$ -			\$ 6,282,600
5	Facilities/Utilities	Objective	\$ 1,100,000	\$ 250,000			\$ 1,350,000
6	Project Delivery and Construction	Objective	\$ 1,000,000	\$ 500,000			\$ 1,500,000
6	Project Delivery and Construction	Subjective	\$ 1,500,000	\$ -			\$ 1,500,000
7	High Hazard Operations	Objective	\$ 2,050,000	\$ 200,000			\$ 2,250,000
8	Safeguards and Cyber Security Improvements	Objective	\$ 1,650,000	\$ 350,000			\$ 2,000,000
			\$ 13,582,600	\$ 1,300,000	\$ -		\$14,882,600
Business & Institutional Management		21%					
11	Excellence in Business and Institutional Management	Subjective	\$ 7,732,000	\$ 1,500,000			\$ 9,232,000
			\$ 7,732,000	\$ 1,500,000	\$ -		\$ 9,232,000
Multi-Site		10%					
1	Multi-Site Initiatives	Objective			\$ 4,488,400		\$ 4,488,400
			\$ -	\$ -	\$ 4,488,400		\$ 4,488,400
Total of Performance Measures			\$ 35,303,000	\$ 5,092,600	\$ 4,488,400		\$44,884,000
Award Term							
12	Award Term (No associated fee)				\$ 44,884,000		Total FEE-AT-RISK
				\$ 19,236,000			Total Fixed Fee
				\$ 64,120,000			Total FY 2012 Fee

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Table VI: FEE PER MEASURE (AS OF OCTOBER 1, 2011)

PBI	Focus Area	PBI/PO Title	Fee Type	Objective		Subjective		Fee Total
				Fee Essential	Fee Stretch	Fee Essential	Fee Stretch	
1	MULTI-SITE	Multi-Site Initiatives	Multi-Site	\$ 4,488,400				\$4,488,400
1.1.1		Execute the Surveillance Program						
1.1.2		W76-1 LEP Production						
1.1.3		FY12 B61 Phase 6.3 Development						
1.1.4		Conduct Phase 6.X Activities for the W78 LEP						
1.2.1		NIF						
1.2.2		Key Experiments and Modeling						
1.2.3		Subcritical Experiment at U1a						
2	PROGRAMS	DP Mission Achievement	Objective	\$ 5,600,000	\$ 600,000			\$6,200,000
2.1		MRT Milestones		\$ 5,000,000				
2.2		Capability Sustainment and Transition		\$ 300,000	\$ 300,000			
2.3		Capability Risk Reduction		\$ 300,000	\$ 300,000			
3	PROGRAMS	NN Mission Achievement	Objective	\$ 900,000	\$ 1,192,600			\$2,092,600
3.1		Aries/MOX		\$ 300,000	\$ 692,600			
3.2		Off Site Source Recovery Program		\$ 300,000	\$ 500,000			
3.3		Other Nonproliferation Objectives		\$ 300,000				
4	PROGRAMS	EM Mission Achievement	Objective	\$ 1,500,000	\$ 500,000	\$ 1,500,000		\$3,500,000
4.1		Consent Order Compliance		\$ 500,000				
4.2		Disposition Transuranic Waste from LANL		\$ 1,000,000	\$ 500,000			
4.3		Environmental Planning, Preparation, Execution, Evaluation, and Improvement				\$ 1,500,000		
5	OPERATIONS	Facilities/Utilities	Objective	\$ 1,100,000	\$ 250,000			\$1,350,000
5.1		Maintenance and Site Services		\$ 200,000				
5.2		Facility and Infrastructure Planning		\$ 400,000				
5.3		Energy, Water, and Greenhouse Gas Management		\$ 500,000	\$ 250,000			
6	OPERATIONS	Project Delivery and Construction	Objective/Subjective	\$ 1,000,000	\$ 500,000	\$ 1,500,000		\$3,000,000
6.1		CMRR Project Execution		\$ 1,000,000	\$ 500,000			
6.2		Site-Wide Project Management Performance				\$ 1,500,000		
7	OPERATIONS	High Hazard Operations, Safety and Health	Objective	\$ 2,050,000	\$ 200,000			\$2,250,000
7.1		Integrate and Execute Mission and Safety Commitments		\$ 1,000,000				
7.2		Sustain Formality of Operations		\$ 200,000				
7.3		Nuclear Safety Improvements		\$ 250,000				
7.4		Fire Protection		\$ 100,000				
7.5		CMR CVD Transition to Operations		\$ 100,000	\$ 200,000			
7.6		Conduct of Operations Maturity		\$ 250,000				
7.7		Improve Worker Safety and Health		\$ 150,000				
8	OPERATIONS	Safeguards and Cyber Improvement and Emergency	Objective	\$ 1,650,000	\$ 350,000			\$2,000,000
8.1.1		Transition of the NMSSUP II to Operations		\$ 300,000				
8.1.2		Protective Force Training Facility Modernization		\$ 200,000				
8.1.3		Improved Active Shooter Response Capability			\$ 100,000			
8.2.1		LANS Emergency Accountability System		\$ 100,000				
8.2.2		EOC Information System Improvements		\$ 300,000				
8.2.3		EOC Facility Improvements		\$ 100,000				
8.3.1		Vulnerability Management		\$ 300,000	\$ 250,000			
8.3.2		Risk Management Framework		\$ 200,000				
8.3.3		Cyber Security Profile		\$ 150,000				
9	PROGRAMS	Excellence in Scientific and Programmatic Pursuits	Subjective			\$ 4,488,400		\$4,488,400
10	OPERATIONS	Excellence in Operations	Subjective			\$ 6,282,600		\$6,282,600
11	BUSINESS	Excellence in Business and Institutional Management	Subjective			\$ 7,732,000	\$ 1,500,000	\$9,232,000
12	AWARD TERM	Award Term	N/A	N/A	N/A	N/A	N/A	N/A

IV. 2012 LANL PERFORMANCE EVALUATION PLAN

**PBI No. 1
 Multi-Site Initiatives**

FY 2012 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 Multi-Site Initiatives identified in the Milestone Reporting Tool (MRT) that use the HQs change control process.</p>			
SECTION 1 GENERAL INFORMATION			
Revision Number and Date:	Revision No.:	Date: <u>September 28, 2011</u>	
Maximum Available Incentive Fee:	\$4,488,400		
Duration:	Annual		
Fee Payment Type:	Completion		
Principal LANS Owner:	B. Knapp		
Principal COR:	J. Griego		
SECTION 2 LINKAGE TO NNSA and LANS GOALS			
Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:			
Manage the Nuclear Weapons Stockpile; Strengthen the ST&E Base; Drive an Integrated and Effective Enterprise; Nuclear Deterrence; and National Security Science			
SECTION 3 PERFORMANCE REQUIREMENTS			
GATEWAYS: <i>(Describe Gateways (if applicable) that must be completed before fee can be paid.)</i>			
None			
SECTION 4 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type
Measure 1.1	Stockpile	\$	MS
Measure 1.2	Science	\$	MS
SECTION 5 PERFORMANCE MEASURES			
<i>List associated performance measures, expectations, targets, and fee schedules for FY 2012.</i>			
Measure 1.1	Stockpile		
Measure 1.1.1	Execute the Surveillance Program (Objective/Multi-Site)		
Expectation Statement:			
Execute the defined Surveillance Program			

Completion Target:

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

Implementing Criteria:

1. Each site will execute the surveillance program, according to the PCD and specific design agency requirements.
2. Develop and implement methods of improving programmatic performance and efficiencies as identified in the value stream analysis.

Exiting Criteria:

3. Complete FY 2012 surveillance activities in accordance with the PCD per design agency requirements.
4. Provide complete cycle reports to design agencies.
5. Report FY12 surveillance activities to QERTS.

Fee Schedule:

Multi-Site Fee: \$

**Measure 1.1.2 W76-1 LEP Production
(Objective/Multi-Site)**

Expectation Statement:

Ensure W76-1 LEP production for subassemblies (except the MC4700 Arming, Fuzing, and Firing Assembly) remains on schedule as identified in the W76-01 PCD. The MC4700 AF&Fs are available for Pantex assembly and W76-1/Mk4A Reentry Bodies are available for delivery to the U.S. Navy in accordance with the FPM recovery schedules.

Completion Target:

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

Implementing Criteria:

1. Meet quarterly production goals.
2. Interface with the U.S. Navy to confirm requirements.

Exiting Criteria:

3. The W76-LEP production for subassemblies (except MC4700 AF&Fs) is completed and available for next assembly in accordance with the W76-01 PCD.
4. The MC4700 AF&Fs are NNSA accepted and available for delivery to Pantex in accordance with the FPM recovery schedule.
5. The W76-1/Mk4A Reentry Body Assemblies are NNSA accepted and available for delivery to the Navy in accordance with the FPM recovery schedule.

Fee Schedule:

Multi-Site Fee: \$

**Measure 1.1.3 FY12 B61 Phase 6.3 Development
(Objective/Multi-Site)**

Expectation Statement:

Complete FY 2012 B61 Phase 6.3 Development Engineering activities that enable a 2017 FPU.

Completion Target:

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

Implementing Criteria:

1. Complete component design reviews, IPG component Gate A & B and issue ESR Stage I for B61 ship level entities in accordance with B61 Phase 6.4-6.6 integrated master schedule (IMS).
2. Provide hardware, assembly and conduct environment flight testing (IMTU &VFA) to define STS environments in accordance with the B61 Phase 6.3-6.6 IMS.
3. Continue component development builds to ensure readiness for a 2017 FPU in accordance with the B61

<p>Phase 6.3-6.6 IMS.</p> <p>4. Finalize and issue life of program buy requirements for vendor components in accordance with the B61 Phase 6.3-6.6 IMS.</p> <p>Exiting Criteria:</p> <p>5. Conduct System Conceptual Design Review.</p> <p>6. Achieve FPM approved TRL/MRL targets.</p> <p>Fee Schedule: Multi-Site Fee: \$</p>
<p>Measure 1.1.4 Conduct Phase 6.X Activities for the W78 LEP (Objective/Multi-Site)</p> <p>Expectation Statement: Conduct Phase 6.X activities for the W78 LEP.</p> <p>Completion Target: This measure has been achieved when the Contractor has satisfied the following HQ defined criteria: Implementing Criteria</p> <ol style="list-style-type: none">1. Coordinate with the Air Force on the LEP requirements to develop conceptual designs.2. Propose a design option sub-set to be carried into Phase 6.2/2A.3. Initiate feasibility studies among the option sub-set. <p>Exiting Criteria:</p> <ol style="list-style-type: none">4. Phase 6.1 briefing NWCSSC that requests entry into Phase 6.2/2A.5. Matrix of design options to be carried into Phase 6.2/2A.6. Documentation of analysis activities to determine option feasibility. <p>Fee Schedule: Multi-Site Fee: \$</p>
<p>Measure 1.2 Science</p> <p>Measure 1.2.1 NIF (Objective/Multi-Site)</p> <p>Expectation Statement: Achieve ignition on the NIF.</p> <p>Completion Target: This measure has been achieved when the Contractor has satisfied the following HQ defined criteria: Implementing Criteria:</p> <ol style="list-style-type: none">1. Execute DT implosion experiments with shaped laser pulse to reach ignition conditions. <p>Exiting Criteria:</p> <ol style="list-style-type: none">2. Gain >1 demonstrated in a NIF DIT implosion experiment: capsule output energy is greater than the laser energy delivered to the hohlraum. <p>Fee Schedule: Multi-Site Fee: \$</p>
<p>Measure 1.2.2 Key Experiments and Modeling (Objective/Multi-Site)</p> <p>Expectation Statement:</p>

Achieve advances in experimental and computational tools used in resolving Significant Finding Investigations (SFIs) and in supporting LEP activities associated with early phase primary implosion.

Completion Target:

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

Implementing Criteria:

1. Refine experimental and computational tools that could enable the assessment of a future SFI.

Exiting Criteria:

2. Meet completion criteria for the associated L1 milestone for initial boost conditions including pre-shot predictions for the Pollux experiment.

Fee Schedule:

Multi-Site Fee: \$

**Measure 1.2.3 Subcritical Experiment at U1a
(Objective/Multi-Site)**

Expectation Statement:

Execute the plan for subcritical experiment at U1a.

Completion Target:

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

Implementing Criteria:

1. Carry out the plan for subcritical experiment at U1a with appropriate diagnosis to enable comprehensive data analysis.

Exiting Criteria:

2. Conduct Leda experiment in FY 2012.

Fee Schedule:

Multi-Site Fee: \$

**SECTION 6
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 2012 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 2012 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, 2012.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

PBI No. 2
DP Mission Achievement

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 2

Objective: **DP Mission Achievement and Enablement**

Objective Statement: Develop and apply science and technology to ensure the safety, security, and reliability of the U.S. nuclear deterrent. Demonstrate improvement in mission operations and support that enables the success of NNSA mission at the Laboratory.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$5,600,000(Essential) + \$500,000(Stretch) = \$6,200,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: B. Knapp
 Principal COR: J. Griego

SECTION 2
LINKAGE TO NNSA and LANS GOALS

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

**Manage the Nuclear Weapons Stockpile; Nuclear Deterrence; and
 Performance-Based Management**

SECTION 3
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Program Objective/Stretch measures, the following two gateways must be met:

1. Earn ≥80% total Objective/Essential fee in the aggregate fee area of Programs.
2. Earn an adjectival rating of at least "Very Good" in the Essential Program Subjective measures.

SECTION 4
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 2.1	MRT Milestones	\$5,000,000	E
Measure 2.2	Capability Sustainment and Transition	\$300,000	E
		\$300,000	S
Measure 2.3	Capability Risk Reduction	\$300,000	E
		\$300,000	S

SECTION 5
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 2.1 **MRT Milestones**
(Objective/Essential)

Expectation Statement:

The NNSA will objectively evaluate the contractor's performance on completion of the FY 2012 MRT Milestones

Completion Target:

This measure has been achieved when the Contractor has accomplished:

1. Completion of 96% or greater of the FY 2012 MRT Level 1 and 2 Milestones not included in the Multi-Site Measures.

Fee Schedule:

Essential : \$5,000,000

- 100% of fee - Completion of 96% or greater of the FY 2012 MRT Level 1 and Level 2 Milestones
- Completion of less than 96% but greater than or equal to 86% of the FY 2012 MRT Level 1 or Level 2 milestones will result in a proration of a maximum of 100% of the total fee starting at 50% for achieving 86% of MRT milestones (i.e., each percentage point above 86% is equal to an additional 5% of available fee)
- 0% fee – Completion of less than 86% of the FY 2012 MRT Level 1 and Level 2 milestones

Measure 2.2 **Capability Sustainment and Transition**
(Objective/Essential and Stretch)

Expectation Statement:

LANS will demonstrate Weapons Program capability sustainment and transition in the following projects:

- Sample Management Relocation from CMR to PF-4
- Disposition of Newly Generated Waste
- Managed the Power Supply Assembly Area (PSAA) Project per the FY 2012 Power Supply PEP.

Completion Target:

This measure has been achieved when the Contractor has:

1. Demonstrated progress in Sample Management Relocation—CMR to PF-4.
 - a. Complete installation of gloveboxes and utilities for the Mass Spec. Line (GB-1132, -1133)
 - b. Complete installation of gloveboxes and utilities for the General Dissolution Line (GB-1116)
 - c. Complete installation of gloveboxes and utilities for the Trace Element Analysis Line (GB-197, -198, XB-140)
 - d. Issue the Process Qualification Plan to begin War Reserve Chemistry at TA-55.
2. Demonstrated improvements to disposition of newly generated waste.
3. Completed FY 2012 PSAA Activities by Milestone Date in the Project Execution Plan (PEP).

Deliverables:

1. Sample Management Relocation:
 - a. Deliver the Mass. Spec. Line ready for process qualification by August 31, 2012.
 - b. Deliver the Mass. General Dissolution Line ready for process qualification by August 31, 2012.
 - c. Deliver the Trace Element Analysis Line ready for process qualification by August 31, 2012.
 - d. Deliver the integrated Process Qualification Plan at TA-55 by January 31, 2012.
 - e. Receive JET determination on Readiness Level for deliverables a, b and c by February 28, 2012.

2. Transition RCRA permitted activities for moderate hazard (HC-3) Haz/Chem Waste operations from TA-54 Area G to Area L by August 31, 2012.
3. Completed FY 2012 PSAA Activities by Milestone Date in Project Execution Plan
 - a. Begin construction of the PSAA by March 31, 2012.
 - b. Start installation of the Analytical Chemistry gloveboxes by June 30, 2012.
 - c. Start installation of the low voltage E-Beam Welder by June 30, 2012.

Fee Schedule:

Essential: \$300,000

- Fee for completion of 2 of the 3 targets

Stretch: \$300,000

- Additional fee for completion of all 3 targets

Assumptions Specific to This Measure:

- Final selection of topics will be agreed upon between LANL and NNSA 30 days ahead of the workshop.
- The PSAA Project must receive congressional authorization to start prior to commencement of activities. If this authorization is significantly delayed, the PEP and associated milestones will be re-negotiated.
- All FY 2012 newly generated waste will not require repackaging or further remediation.

**Measure 2.3 Capability Risk Reduction
(Objective/Essential and Stretch)**

Expectation Statement:

LANS will demonstrate Weapons Program capability risk Reduction in the following projects:

- Materials Disposition Implementation Plan/Vault Work-Off
- Follow-on INP Workshop on Solid Waste

Completion Target:

This measure has been achieved when the Contractor has:

1. Materials Disposition Implementation Plan, Vault Work-Off, CMR/TA-55 MAR reduction
 - a. Continued risk based effort to disposition materials from the TA-55 vault.
 - b. Improved waste processing time at CMR and TA-55
2. Ensured mission continuity and reduced programmatic risk due to waste operations, ensuring effective management of solid and liquid waste functions. A preliminary list of the activities should focus on the following areas:
 - a. Consent Order plans and execution
 - b. Solid waste transition plan update and implementation
 - c. Legacy Waste Disposition plans and execution
 - d. RLWTF corrective maintenance plans and implementation
 - e. RLW enduring capability plans and implementation

Deliverables:

1.
 - a. Process, repack, or dispose of 190 non-standard containers from the 00-1 baseline inventory by September 30, 2012.
 - b. Establish capability for MC&A approved NDA on non-amiable to measure (NATM) materials with Pu/U through an acceptance letter from SAFE-4 by September 30, 2012.
 - c. Package 300 waste drums and stage at TA-54 for shipment to WIPP by September 30, 2012.
 - e. Demonstrate TRU waste processing improvements at CMR by shipping 90% of all closed TRU waste drums to TA-54 within 90 days of drum closure date, and in accordance with storage area requirements by September 30, 2012.
2.
 - a. Conduct comprehensive INP workshop by July 31, 2012 as a forum to present the results of the integration activities

- b. Document the continuity and programmatic reduction activities through Workshop Notebook, Meeting Minutes, and Action Items within 30 days of conducting the workshop.

Fee Schedule:

Essential: \$300,000

Stretch: \$300,000

- Achieve all targets prior to August 1, 2012

Assumptions Specific to This Measure:

- Final selection of risk-based prioritized topics will be agreed upon between LANL and NNSA 30 days ahead of the workshop.

**SECTION 6
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 2012 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 2012 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, 2012.
- 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
 NN Mission Achievement**

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 3

Objective:

NN Mission Achievement

Objective Statement: Leverage our science and technology advantage to anticipate, counter, and defeat global threats and meet national priorities, including energy security.

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$900,000 (Essential)+\$1,192,600 (Stretch)= \$2,092,600**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: T. Wallace
 Principal COR: J. Griego

**SECTION 2
 LINKAGE TO NNSA and LANS GOALS**

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

Reduce Nuclear Dangers and Global Security

**SECTION 3
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Program Objective/Stretch measures, the following two gateways must be met:

1. Earn ≥80% total Objective/Essential fee in the aggregate fee area of Programs.
2. Earn an adjectival rating of at least "Very Good" in the Essential Program Subjective measures.

**SECTION 4
 INDEX OF PERFORMANCE MEASURES**

		Allocated Fee	Fee Type E or S
Measure 3.1	ARIES/MOX	\$300,000	E
		\$692,600	S
Measure 3.2	Off Site Source Recovery Program	\$300,000	E
		\$500,000	S
Measure 3.3	Other Nonproliferation Objectives	\$300,000	E

**SECTION 5
PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

**Measure 3.1 ARIES/MOX
(Objective/Essential/Stretch)**

Expectation Statement:

Continue progress towards ARIES and MOX goals and to transition from prototype demonstration to operations.

Completion Target:

This measure has been achieved when the Contractor has:

1. Complete the 3rd Integrated ARIES Demonstration in support of the PDC Project by September 15, 2012.
2. Maintain approved supplier standing with MOX Services and complete production of 150 kg Pu as certified oxide by September 30, 2012.
3. DMO3 Ready for Hot Startup - June 12, 2012.

Deliverables:

1. Final Reports for PITD Test Plan C, NDA Test Plan H, DMO Test Plan C, and HDH Cold Testing are issued and accepted by NNSA. Completion of planned FY 2012 scope is also required to be accomplished.
2. MOX Services written acceptance of 150 kg Pu as oxide in the fiscal year.
3. Successful readiness assessment and authorization to start operations.
4. NA-20 studies and assessments in support of PDC options.

Fee Schedule:

Essential: \$300,000

Stretch: \$692,600

- Production of an additional 50 kg Pu certified oxide above 150 kg.
- 20% fee earned for each additional 10 kgs increment up to a total of the stretch incentive.

**Measure 3.2 Off Site Source Recovery Program
(Objective/Essential/Stretch)**

Expectation Statement:

In support of NNSA's threat reduction initiatives, the Laboratory shall continue to support the recovery of orphaned radiological sources.

Completion Target:

This measure has been achieved when the Contractor has:

1. Recovered an additional 2,015 radiological sealed sources from domestic locations during FY 2012 and complete transfer of their ownership to NNSA. The demonstration of completion of this metric requires the following:

Deliverables:

1. Recovery of 2,015 new sources in FY 2012 by September 30, 2012, documented on signed transfer-of-ownership forms typically used by OSRP (ATRO or ASRO forms).
2. Disposed in FY 2012 offsite an amount equal to that brought onsite during FY 2012.

Fee Schedule:

Essential: \$300,000

Stretch: \$500,000

- Recovery of an additional 500 sources in FY 2012. 20% of stretch fee earned for each additional 100 new sources recovered (material brought onsite).
- For each additional source recovered, one must be dispositioned

Assumptions Specific to This Measure:

- Any radioactive sealed sources received at LANL during FY 2012 must be packaged and ready for disposition, as evidenced by the Acceptable Knowledge Tracking Spread Sheet maintained by the onsite Central Characterization Project (if transuranic waste), or by approved documentation for storage at TA-54 (if low-level waste), by September 30, 2012. The program may choose to substitute legacy sources received in prior years for up to 25% of the sources received at LANL during FY 2012 in order to meet the packaging and "ready-for-disposition" requirement by September 30, 2012.
- Recovery and disposition must be performed in accordance with applicable permits, laws, and regulations.
- Disposed of quantity can include items/volumes already onsite as of October 1, 2011.

**Measure 3.3 Other Nonproliferation Objectives
(Objective/Essential)**

Expectation Statement:

Develop a functional nondestructive assay instrument.

Completion Target:

This measure has been achieved when the Contractor has by September 30, 2012:

1. Boron-10 neutron coincidence counting system development: completed development of a functional nondestructive assay instrument, similar to the International Atomic Energy Agency (IAEA) High Level Neutron Counter (HLNC), based on commercially available B-10 neutron detectors.
2. IAEA joint training on nuclear forensics course development: successfully transmitted identified LANL course modules to DOE/NNSA.
3. Complete and document tests on bidder prototypes for procurement plus test three other portal monitor systems being deployed or being considered for deployment at SLD sites (Core or Megaports) at the SLD Test Facility.
4. Co-host at least one US/Russian Laboratory Director's Meeting in FY 2012.

Fee Schedule:

Essential: \$300,000

- 75% fee earned upon completion of 3 of 4 Targets
- Additional 25% fee earned upon completion of 4 of 4 Targets

Assumptions Specific to This Measure:

- Contingent upon timely receipt of the commercial B-10 detectors.
- The specific modules for which LANL will be responsible is still under consideration. Deliverable dates are dependent on when training will be fully defined and then offered at PNNL.
- The Next Generation Safeguards Initiative (NGSI) SBD project includes DOE laboratory studies, international workshops, engagement with industry and the IAEA, and the setting of an example through its planned use in new nuclear facilities in the US.
- The testing of Prototypes and First articles will be conducted in January 2012 and August 2012 as specified in the RPM procurement schedule.
- Tests of the three other portal monitor systems will include NuSAFE, NucTech (RM2000/RM3000), and Polimaster (PM5000A) in a configuration representative of those deployed or being considered for deployment.
- The testing of Prototypes and First articles will be conducted in January 2012
- Funding is provided to procure and test the three additional portal monitor systems.

SECTION 6
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 2012 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 2012 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, 2012.
- 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
EM Mission Achievement

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 4

Objective:

EM Mission Achievement

Objective Statement: Comply with Consent Order requirements in an effective and efficient manner, and disposition legacy waste

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$3,000,000(Essential) + \$500,000(Stretch) = \$3,500,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: M Graham
 Principal COR: G. Rael

SECTION 2
LINKAGE TO NNSA and LANS GOALS

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

Reduce Nuclear Dangers and Environmental Stewardship

SECTION 3
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Program Objective/Stretch measures, the following two gateways must be met:

1. Earn ≥80% total Objective/Essential fee in the aggregate fee area of Programs.
2. Earn an adjectival rating of at least "Very Good" in the Essential Program Subjective measures.

SECTION 4
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 4.1	Consent Order Compliance	\$500,000	E
Measure 4.2	Disposition Transuranic Waste from LANL	\$1,000,000	E
		\$500,000	S
Measure 4.3	Environmental Planning, Preparation, Execution, Evaluation, and Improvement	\$1,500,000	E/Subjective

SECTION 5
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 4.1 **Consent Order Compliance:
 Stipulated Penalty and Key Deliverables
 (Objective/Essential)**

Expectation Statement:

Complete FY 2012 Consent Order Stipulated Penalty and other Key Deliverables with high quality and on schedule.

Completion Target:

This measure has been achieved when the Contractor has:

Submitted FY 2012 Stipulated Penalty requirements and other Key Deliverables on time and substantially compliant so that no stipulated penalty or fine is paid. LANL and LASO will mutually agree to a list of FY 2012 Stipulated Penalty requirements and other Key Deliverables that are technically achievable.

Fee Schedule:

Essential: \$500,000

- Earn 100% of fee if all deliverables are met
- Earn 75% of fee if no more than one deliverable is missed
- Earn 50% of fee if no more than two deliverables are missed
- Earn 0% of fee if three or more deliverables are missed.
- Earned fee is reduced by \$50K for each incorrect deliverable that is not submitted in final signed form to LASO-EPO
- Earned fee is reduced by \$20K for each correct deliverable that is not submitted in final signed form to LASO-EPO for review at least two full working days prior to the NMED deliverable due date.

Assumptions Specific to This Measure:

- The stipulated penalty and other key deliverable lists will be established in the FY 2012 Annual Work Plan and will be updated throughout the year as changes are negotiated.
- Other key deliverables include Investigation Work Plans, Investigation Reports, Corrective Measure Evaluations, Corrective Measure Implementations, Remedy Completion Reports, and other substantial documents such as General Facility Information or Interim Facility-Wide Groundwater Monitoring Plan. Letters, notifications, and periodic monitoring reports or regular data submittals are not considered substantial documents for this PBI.
- Should the total number of funded stipulated penalty deliverables addressed by this measure fall below 10 and/or the total number of funded other key deliverables fall below 10, this measure will be renegotiated.
- Should NMED modify a deliverable's requirements such that it cannot be achieved by the deliverable due date, this measure will be renegotiated.
- In all cases, missed deliverables are those submitted after the stipulated penalty or key deliverable NMED due date or determined to be substantially non-compliant, and resulting in payment of a stipulated penalty or a fine.
- The deliverable submission date to LASO will be documented in the LASO-EPO deliverable compliance log and date stamped.

**Measure 4.2 Disposition Transuranic Waste from LANL
(Objective/Essential/Stretch)**

Expectation Statement:

Disposition of legacy and newly generated transuranic waste in coordination with the Carlsbad Field Office's Central Characterization Project. (Combines MAR reduction, and volume dispositioned to accomplish DOE/EM Goal 3 for 90% of complex legacy TRU which includes 100% of LANL Legacy TRU).

Completion Target:

This measure has been achieved when:

LANS in coordination with the Central Characterization Project have accomplished the following as documented in relevant work/program plans.

1. Ship a specified activity of MAR off site.
2. Disposition a specified volume (As defined in the Annual Work Plan) of legacy TRU waste as documented by acceptance of waste into the WIPP WDS or by shipment offsite.

3. Disposition a specified volume of non-legacy waste as documented by acceptance of waste into the WIPP WDS or by shipment offsite.

Fee Schedule:

Essential: \$1,000,000

- Earn 20% of fee for 90% completion of Target 1
- Earn 30% of fee for 90% completion of Target 2
- Earn 20% of fee for 90% completion of Target 3
- Earn up to 10% of fee pro-rated in 10 PE-Ci increments for completion of the last 10% of Target 1
- Earn up to 10% of fee pro-rated on 24 drum equivalents (4.99 cubic meters) for completion of the last 10% of Target 2
- Earn up to 10% of fee pro-rated on 24 drum equivalents (4.99 cubic meters) for completion of the last 10% of Target 3

Fee Schedule:

Stretch: \$500,000

- After completion of all three essential Targets, the contractor must exceed the sum of the essential target quantities by a minimum average of 10% to earn this fee.

Assumptions Specific to This Measure:

- Transuranic waste performance is based upon the volumes and activity as specified in the approved: 1) annual work plan, 2) RTBF Work Packages, and, 3) OSRP work plan.
- If the Central Characterization Project cannot provide the resources (people, equipment, & shipments) necessary to implement their support for the performance described in this measure, or the WIPP facility cannot receive the targeted amount of LANL waste, this measure will be renegotiated.
- If the terms of this measure cannot be achieved due to delays or other events caused by organizations outside LANS's control (i.e. NMED, DOE-LASO, EPA, CBFO, or similar organizations), this measure will be renegotiated to account for those events.
- TRU waste that is reclassified as MLLW will be counted as dispositioned at the time it permanently leaves LANL property.
- Readiness activities associated with the start-up of the capabilities will not be greater than the level of readiness assessment specified by the JET process or this measure will be renegotiated.
- EM Goal 3 Waste volumes are based on the parent volume as of September 30, 2011.
- For the purpose of this measure the MAR values are based on the methodology described by the LANL institutional process, not values generated by CCP.
- All newly generated MTRU waste will be given priority for certification and shipment to WIPP or other authorized locations to comply with the requirements for storage to be less than 12 months. This measure has been coordinated with CBFO to correspond with a similar CCP contract incentive measure that awards fee for targets 2 & 3; should CCP's contract not include such a measure, this measure will be renegotiated.

Measure 4.3 Environmental Planning, Preparation, Execution, Evaluation and Improvement (Subjective/Essential)

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in the following areas: planning, preparation, execution, evaluation, and improvement of EM programs, projects, and activities, with emphasis on LANS effective, efficient, and professional relationship with the customer and Regulator.

Fee Schedule: \$1,500,000

Criteria	Target
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<p>4.3 Environmental Programs General Planning, Preparation, Execution, Evaluation, and Improvement</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"> • Planning and Preparation: The contractor shall provide expert management of annual work plan development, planning, and preparation – including planning for success, closure of project activities, and holistic approaches. • Execution: The contractor shall demonstrate expert technical competencies, compliance, program and project management, and execution – including execution of the annual work plan, management of changes, managing variances and demonstrated risk reduction. <ul style="list-style-type: none"> ○ Quality of Deliverables. Contractor shall demonstrate that deliverables were prepared with the necessary quality to achieve completion of major activities through acceptance by NMED including stipulated penalty documents and other key deliverables (as defined in PBI 4.1). Quality shall be assessed by LASO and may include consideration of NMED responses to submittals and specific comments against submittals and consideration of new/first-submission documents and subsequent phase/revision documents. • Evaluation and Improvement: The contractor shall demonstrate appropriate use of tools and techniques to assure proactive, effective, and efficient execution as well as application of lessons learned across the EM program, such as: deliverable preparation (from NMED), reducing variances, reducing management and overheads, and using Contractor Assurance System/Metrics. • Progress on Identifying and Implementing Innovative technologies, processes, systems, benchmarks. • Speed, Accuracy and Effectiveness addressing Operations and Program Challenges/Emergent Issues. • Integration of Projects/Operations activities for efficient execution and economies of scale including integration across LANS to assure mission success • Proactive Management of Compliance including Individual Permit for Storm Water, RCRA Permit, and Consent Order • Timely and effective notifications and communications with LASO, and adherence to established communications channels. • Public confidence in EM cleanup program. • Effective use of the 50 year Environmental Stewardship and Action Plan as the primary LANL environmental management tool.
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SECTION 6
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 2012 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 2012 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, 2012.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)
- Planning for the Annual Work Plan (AWP) is the baseline for the subjective measure to be evaluated against. Changes to this initial AWP will be evaluated, and shall not necessarily reflect acceptable changes to the PBIs.

PBI No. 5
Facilities/Utilities

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 5

Objective: **Facilities/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 28, 2011
 Maximum Available Incentive Fee: **\$1,100,000 (Essential) + \$250,000 (Stretch) = \$1,350,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: J. Johnson, C. Anderson
 Principal COR: J. Griego

SECTION 2
LINKAGE TO NNSA and LANS GOALS

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

**Drive an Integrated and Effective Enterprise; Safe, Secure Workplace; and
 Environmental Stewardship**

SECTION 3
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Operations Objective/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 measures.

SECTION 4
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 5.1	Maintenance and Site Services	\$200,000	E
Measure 5.2	Infrastructure Investment/Footprint Reduction	\$400,000	E
Measure 5.3	Energy, Water, and Greenhouse Gas Management	\$500,000	E
		\$250,000	S

**SECTION 5
PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

**Measure 5.1 Maintenance and Site Services
(Objective/Essential)**

Expectation Statement:

Build upon prior year maintenance improvement initiatives by expanding the Conduct of Maintenance Program to include performance based CRADs and identifying efficiencies within existing and recently implemented Conduct of Maintenance procedures. A Preventive Maintenance Instruction (PMI) initiative to review and update PMIs on a three-year rotating period will be implemented. New opportunities for efficiency and effectiveness will be explored within the LANL Maintenance Program. LANS will demonstrate comprehensive, accurate, effective, and transparent Contractor Assurance System (CAS) metrics with an appropriate suite of leading indicators that are used by LANS to manage their maintenance and site services.

Completion Target:

This measure has been achieved when the Contractor has:

1. Each FOD level Maintenance Manager will complete a review of all PMs in Passport within their respective areas and certify that all PMs and their frequencies are efficient and effective and are appropriate for the age and condition of the facility.
2. A three year PMI review and re-write schedule will be developed, and the FY 2012 targets will be completed.
3. Conduct of Maintenance will be moved to a Performance Based Assessment.

Deliverables:

1. Completed PM Assessment by FOD that certifies PMs were reviewed from an efficiency and effectiveness perspective.
2. PMI review and re-write schedule and completed FY 2012 targets.
3. Completed FY 2012 Conduct of Maintenance Assessment Reports utilizing new CRADs.

Fee Schedule:

Essential: \$200,000

Assumptions Specific to This Measure:

- Agreed to schedule submitted by October 30, 2011, for PMI review and rewrite

**Measure 5.2 Infrastructure Investment/Footprint Reduction
(Objective/Essential)**

Expectation Statement:

In FY 2010 the Laboratory Director initiated an institutional program to reinvest in the Lab's aging infrastructure. A multi-year plan was developed in FY 2011 to prioritize investments by year amongst the following categories: 1) New construction, 2) Life extension, 3) Footprint reduction, 4) D&D, and 5) Utility investments. The Director will determine the FY 2012 infrastructure reinvestment amount, and the FY 2012 milestones will be developed and executed. The Multi-year plan will assist with funding prioritization decisions. The plan covers items that must be completed over the next 20 – 30 years, for the program to be more efficient and effective by partnering with work executing organizations at LANL to smooth the investment curve, ensure that projects are integrated and not conflicting, and develop the ability to self-perform using internal resources which allows us to avoid acquisition process delays and costs. Through this measure, the plan will be finalized, and FY 2012 infrastructure and footprint reduction investments will be selected and executed. Efforts to continue to improve communication with our customer with regards to site planning and management will continue in FY 2012. Efforts to improve energy efficiency in our lease portfolio will continue in FY 2012.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed the agreed to FY 2012 LRDP milestones.
2. Completed of the agreed to Footprint Reduction FY 2012 milestones.
3. Met FY 2012 actions with regards to improved efficiency in LANL leased training space.
4. Met FY 2012 agreed to milestones for improved energy performance in our leased portfolio.
5. Completed design for two replacement Fire Stations.

Deliverables:

1. Evidence packages for FY 2012 LRDP milestones.
2. Evidence packages for FY 2012 Footprint Reduction milestones.
3. Evidence packages for FY 2012 LANL leased Training Space Assessment actions.
4. Evidence packages for FY 2012 lease property energy projects.
5. Two completed Fire Station designs.

Fee Schedule:

Essential: \$400,000

Assumptions Specific to This Measure:

- Conduct site planning and management updates (minimally monthly), to ensure that our LASO customer is current on pending issues.
- Agreed to list submitted by October 30, 2011, for F/P and LRDP milestones.
- Based on FY 2011 Leased Space Assessment Action Plan.

**Measure 5.3 Energy, Water, and Greenhouse Gas Management Execution
(Objective/Essential and Stretch)**

Expectation Statement:

LANS will continue its efforts to institute wholesale cultural change to factor Sustainability and Greenhouse Gas emissions reductions into all corporate management decisions; planning, executing, evaluating and improving operations to maximize sustainable use of energy and natural resources by implementation of the LANL Energy Management program through the Site Sustainability Plan. LANL's Site Sustainability Plan will be developed to achieve compliance with all requirements, goals (essential and stretch), and objectives identified in the DOE Strategic Sustainability Performance Plan. LANL will implement the FY 2012 developed Site Sustainability Plan as part of LANL's Energy Management Program within the Utilities and Institutional Facilities FOD and the ISO 14001 Certified Environmental Management System. LANS will demonstrate comprehensive CAS metrics that track site progress on these measures in order to earn any fee in this area.

Completion Target:

This measure has been achieved when the Contractor has:

1. Reduced energy intensity by 3% by the end of FY 2012 as compared to FY 2003 baseline energy intensity.
2. Cumulative energy intensity reduction from 2003 baseline will be 18%
3. Demonstrated continuous progress with the development of an additional on-site renewable energy system of at least 3 kilowatts in size.
4. Ensured at least 5% of LANL electricity usage is derived from both on-site and off-site renewable energy resource (REC purchases OK for off-site renewables)
5. All the meters installations funded by the Energy Modernization and Improvement Program (EMIP) will be installed as defined in the approved Work Authorization.
6. By June 15, 2012 complete the remaining percentage of the facilities that need to be audited, per EISA 2007, to ensure 100% of covered facilities have been audited in the last four years.
7. Demonstrated progress toward meeting the HPSB Guiding Principles by achieving a site average Guiding Principle score of 40% for entire program including a Plan that demonstrates when (by year) the required buildings will be complete.
8. Achieved a 5% reduction in site wide water usage compared to FY 2010, implement any low cost recommendations from the planned water assessment, and create a plan that demonstrates a 16%

reduction from the FY 2007 baseline will be achieved by 2015.

9. Completion of an updated Metering Plan, which includes analysis of Electric, Water, Thermal, and Natural Gas metering needs and documents the expected implementation schedule.
10. Demonstrated continuous improvement in the management and implementation of the night set back program, with a least an additional 500,000 sq ft brought online.
11. Timely submittal of the Site Sustainability Plan to support HQ delivery date and completion of at least 85% of the FY 2012 milestones identified in the Site Sustainability Plan. (LANS is allowed to move the milestone dates within the SSP by up to 90 days, as long as they do not exceed Sept 20, 2012, without processing a formal PEP change control action.)

Deliverables:

1. Evidence packages for progress on or completion of each of the targets by September 20, 2012.
2. Quarterly status reports on execution of completion targets and Site Sustainability Plan.
3. Completion of all FY 2012 milestones identified in the Site Sustainability Plan.
4. Complete and maintain night setback implementation for all Building Automation Systems.
5. Cumulative energy intensity reduction from 2003 baseline will be 19%

Fee Schedule:

Essential: \$500,000 (Deliverables 1-2)

- 15% reduction in fee for each target not achieved.

Stretch: \$250,000

- Stretch fee will be earned upon completion of Deliverables 3-5 with each measure equally rated.

**SECTION 6
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 2012 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 2012 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, 2012.
- All calculations for determining performance ratings shall be rounded to one tenth of a decimal point. (e.g., 88.88 = 88.9)

**SECTION 5
PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

**Measure 6.1 CMRR Project Execution
(Objective/Essential/Stretch)**

Expectation Statement:

The CMRR project shall be effectively managed.

Completion Target:

This measure has been completed when the contractor has successfully met the following objective CMRR milestones and performance requirements.

1. Accomplished complete turnover of REI labs by April 30, 2012.
2. Awarded 1st contract on Infrastructure package by January 15, 2012.
3. Began sub-contractor work for the 1st Infrastructure activity by March 31, 2012.
4. Prepared an ESAAB submittal on the Infrastructure Package in accordance with applicable DOE order guidance by December 31, 2011.
5. Awarded by September 15, 2012, a single construction subcontract for Site Infrastructure Construction Packages CP-02 (Temporary Utilities), CP-03 (Site Preparation for TA-46 and TA-63 lay-down areas), and CP-34 (Site Excavation and Storm Pond) as evidenced by a Notice of Award letter from LANS to the successful bidder.
6. Reached 75% or greater maturity on Nuclear Facility design by September 30, 2012.
7. Executed the LANS FY2012 plan for maintainability, constructability, and operability reviews of the Nuclear Facility.
8. Prepared a PSVR-ready document and assure integration with design and construction planning activities
9. Cumulative CPI and SPI on the Authorized Infrastructure Subproject are each greater than or equal to 0.95 on August 31, 2012.
10. Developed, with LASO CMRR FPD concurrence, a list of coordination activities between CMRR and the NNSA Y-12 Plant UPF Project that will be conducted during FY12 and execute the listed coordination activities during FY12.
11. Maintain a high quality risk register and a comprehensive suite of project measures.
12. Use of a common set of data/CAS project metrics by LANS and LASO that are fully transparent to LASO.

Fee Schedule:

Essential: \$1,000,000

- 100% fee shall be earned for attainment of 12 of 12 Completion Targets
- 75% fee shall be earned for attainment of 11 of 12 Completion Targets
- 50% fee shall be earned for attainment of 10 of 12 Completion Targets
- 25% fee shall be earned for attainment of 8 of 12 Completion Targets

Stretch: \$500,000

- Earn \$250,000 for completion of Target 1 \$20M or more under budget
- Earn \$125,000 for achieving a cumulative CPI and SPI through August 31, 2012 on the Authorized Infrastructure Subproject each greater than 0.97
- Earn \$125,000 by achieving 85% or greater maturity on Nuclear Facility design by September 30, 2012

Assumptions Specific to This Measure:

- All Completion Targets assume a Record of Decision (ROD) for the CMRR Supplemental Environmental Impact Statement (SEIS) is published before October 15, 2011. If this does not occur Completion Targets are subject to re-negotiation.
- All Completion Targets assume that the ROD authorizes the work necessary to produce these deliverables. Specific Completion Targets will be renegotiated should the ROD not authorize the work necessary to produce the associated deliverable.
- The sub-contractor work required for Completion Target 3 is understood to be work beyond sub-contractor

mobilization according to one sub-contractor procurement package associated with the Infrastructure Subproject

- The plan specified for Completion Target 7 shall consist only of LANS sponsored or executed reviews and will be presented to the Federal Project Director by October 15, 2011. LANS may periodically update that plan and those updates will likewise be presented to the Federal Project Director within two weeks of the update.
- Completion Target 10 requires execution of coordination activities. Subjective evaluation of the quality of execution shall be made within Measure 6.2. Completion Target 10 will be renegotiated if one or more listed coordination activity cannot be executed due to circumstances beyond LANS control. Completion Target 10 will also be renegotiated if negotiations with the UPF project cannot be completed in a manner that wins LASO COR concurrence due to circumstances beyond LANS control or lack of agreement by the UPF Project.

Measure 6.2 Site-Wide Project Management Performance (Subjective/Essential)

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance on CMRR and other projects. A comprehensive, effective and accurate suite of project (CAS) metrics with high quality risk registers is a requirement for any fee in this area.

Fee Schedule: \$1,500,000

Completion Target:

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

Criteria	Target
6.2 Overall Project Management Performance	<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"> • Project milestones are achieved in an efficient, effective, economic, and quality manner to include project CPI/SPI and portfolio EVMS. • Excellence in design construction execution and project management by achieving milestones on schedule and within cost parameters meeting mission requirements in an effective, efficient, and economic manner; • Performance of work is conducted safely and proactive safety programs are in place to measure effectiveness and mitigate unsafe work practices; proactive LANS management engagement when safety incidents or trends warrant. • Effective integration of safety and security into the design and construction of all projects. Safety and design on Nuclear and high hazard line item projects demonstrate compliance with STD 1189 and are maintained through configuration control. Changes are documented and allow for approval with limited rejection and re-work. • LANS demonstrates effective coordination between the CMRR & the UPF project according to applicable LANS plans and between onsite projects to include lessons learned and pursuit of common work activities.

6.2	Overall Project Management Performance (continued)	<ul style="list-style-type: none"> • Effective identification and proactive management of issues pertaining to project management through demonstrated use of management dashboards, reviews, assessments, and other management systems. • Effective LANS/LASO communication with transparent common data. • Risk identification, trends, and management are tracked for projects and reported on a monthly basis to LASO. • Effective, efficient, and economic acquisition planning and execution. • Effective use of assessments and other Contractor processes and procedures pertaining to Project Management, with demonstrated continuous improvement steps and results. • CMRR maintainability, constructability, and operability reviews are satisfactorily accomplished with quality and action items are acted upon in a timely manner. • Application of project management practices to projects other than line item construction. • PADCAP organizational and project effectiveness. • Project performance leveraging from lessons learned and best practices from other projects, including demonstrated reduction in repeat findings. • Cost and risk informed decision-making. Risk management plans/activities are reviewed and reported on a routine basis to ensure the mitigation strategies are effective. • LANS improves the Laboratory's capability in project delivery and construction by developing and implementing management systems that enable increased alignment with the strategic framework established by LASO comments to the LANS Board of Governors. This improvement will be characterized by improved real-time communication and situational awareness concerning project delivery and construction, improved management of project requirements, LANS documented and improved corporate accountability for projects that is shared with LASO, improved performance on project delivery, and improved institutional ownership of project delivery and construction. • Holds sub-contractors fully accountable for their performance.
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**SECTION 6
 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 2012 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 2012 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, 2012.
 - If LANS cannot meet/complete a Performance Based Incentive measure 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. 7
High Hazard Operations

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 7

Objective: **High Hazard Operations, Safety and Health**

Objective Statement: Operate and maintain facilities in a safe, secure and environmental compliant manner while achieving critical mission objectives. Enhance system and processes that enable LANS to protect its workers, the public, and the environment while accomplishing LANL's mission.

SECTION 1
GENERAL INFORMATION

Revision Number and Date: Revision No.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$2,050,000(Essential) + \$200,000(Stretch) = \$2,250,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: C. Anderson, C. Cantwell
 Principal COR: C. Keilers

SECTION 2
LINKAGE TO NNSA and LANS GOALS

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

**Reduce Nuclear Dangers;
 Safe, Secure Workplace; and Performance-Based Management**

SECTION 3
PERFORMANCE REQUIREMENTS

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Operations Objective/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 measures.

SECTION 4
INDEX OF PERFORMANCE MEASURES

		Allocated Fee	Fee Type E or S
Measure 7.1	Integrate and Execute Mission and Safety Commitments	\$1,000,000	E
Measure 7.2	Sustain Formality of Operations	\$200,000	E
Measure 7.3	Nuclear Safety Improvements	\$250,000	E
Measure 7.4	Fire Protection	\$100,000	E
Measure 7.5	CMR CVD Transition to Operations	\$100,000	E
		\$200,000	S
Measure 7.6	Conduct of Operations Maturity	\$250,000	E
Measure 7.7	Improve Worker Safety and Health	\$150,000	E

SECTION 5
PERFORMANCE MEASURES

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

**Measure 7.1 Integrate and Execute Mission and Safety Commitment
(Objective/Essential)**

Expectation Statement:

Execute an integrated set of actively managed commitments to improve the mission, safety, and security posture at LANL Nuclear and High Hazard Facilities, including but not limited to: PF-4 seismic upgrades for structure and fire suppression, safety basis commitments, criticality safety, PF-4 vault material consolidation, and excess material disposition.

Completion Target:

This measure has been fully achieved when LANS has completed a list of actively managed commitments that improve the mission, safety, and security posture at LANL Nuclear and High Hazard Facilities.

Deliverables:

1. Submittal of list of commitments to improve the mission, safety, and security posture at LANL Nuclear and High Hazard Facilities by October 31, 2011. Obtain LASO concurrence in the list and any changes to the list.
2. Monthly progress reports and periodic status briefings.
3. Evidence of timely completion of each of the milestones in the approved commitment list by September 30, 2012.
4. Evidence of timely reporting, appropriate use of critiques, and timely communication with LASO.

Fee Schedule:

Essential: \$1,000,000

- 100 % fee is earned for 100% completion.
- 50% fee is earned for 60% completion.
- Fee paid for greater than 60% completion and is paid linearly between 60% and 100% completion.

Assumptions Specific to This Measure:

- List of commitments, defining the scope, can be revised through proper change control, based on emergent events, with LASO concurrence.
- By November 15, 2011, LANS will propose a list of commitments that, when successfully completed, improve the mission, safety and security posture at LANL Nuclear and High Hazard Facilities.
- The commitment list will include but not be limited to: (1) FY 2012 commitments in TA55-JCO-11-002, Justification for Continued Operation (JCO) for Potential Increase in Probability of Structural Failure of TA55 Plutonium Facility-4 (PF-4) due to Seismic Activity; (2) Completed FY 2012 commitments outlined in the Nuclear Criticality Safety Program Improvement Plan (NCS PIP); (3) Completed FY 2012 commitments outlined the Los Alamos National Laboratory Materials Stabilization Project, Project Execution Plan (PEP), as concurred by NNSA.
- LANS will periodically brief LASO on their improvement metrics and provide a monthly progress report on progress toward completing their commitments, and demonstrate active management through completion.
- As part of the periodic briefings, provide evidence for deliverable 4.

**Measure 7.2 Formality of Operations
(Objective/Essential)**

Expectation Statement:

Demonstrate continuous improvement and maturity of Formality of Operations as measured against mature metrics and use of leading indicators to drive sustainability and continuous improvement for nuclear and high-

hazard facilities.

Completion Target:

This measure has been achieved when the Contractor has:

1. Established and maintained qualitative objectives for metrics that roll up to a performance index.
2. Demonstrated effective and sustainable management actions that are developed from documented analysis and performance trends.
3. Demonstrated effective use of transparent management systems/CAS processes and tools to manage operations and self assess performance.

Deliverables:

1. Submit initial metrics and objectives to NNSA for concurrence by November 15, 2011.
2. Submit list of management actions entered in PFITS for this measure monthly, by the 14th of the following month. LANS will provide a summary by the end of the month, except September 2012. PFITS records are expected to show timely status and effectiveness for management actions.
3. Evidence of use of transparent management systems and CAS processes to manage the actions, thereby completing effective and sustainable actions that improve Formality of Operations.

Fee Schedule:

Essential: \$200,000

- 100 % fee is earned for 100% completion for all metrics
- 50% fee is earned for 60% completion.
- Fee paid for greater than 60% completion and paid linearly between 50% and 100%.

Assumptions Specific to This Measure:

- Evidence of the following, supported by documentation, will constitute completion of a metric for the purposes of this PBI: establishment and maintenance of quantitative objectives for the metric; effective use of transparent CAS processes and tools; effective and sustainable management actions, based on documented analysis and performance trends.
- At least one of the metrics will involve the quality and effectiveness of Criticality Safety Program related corrective actions.
- At least one of the metrics will involve WETF's ability to operate and manage its infrastructure in accordance with its safety basis; this includes demonstrating a high level of engineering competence.

**Measure 7.3 Nuclear Safety Improvements
(Objective/Essential)**

Expectation Statement:

Address longstanding safety issues and demonstrate improvement by fully establishing the annual Safety Bases update process. Active management of annual DSA update submittals and implementation of the approved updates will be used to demonstrate that the annual update process required by 10 CFR 830, Nuclear Safety Management, is implemented at LANL.

Completion Target:

This Measure has been achieved when LANS has completed the following by September 30, 2012:

1. Submitted the FY 2012 annual Documented Safety Analyses (DSA) updates as defined and scheduled in an NNSA concurred list; submitted final Implementation Plans (IPs) as required, within 30 days of NNSA approval or an alternate time frame agreed to by NNSA; and implemented annual updates to DSAs and TSRs as scheduled in the IP or as revised per IP revision agreement with LASO.

Deliverables:

1. Submit to LASO for concurrence the annual update schedule that establishes submittal dates and implementation dates.
2. Documentation demonstrating completion of each safety basis annual update submittal and the implementation verification review (IVR) report (if required) or an implementation status report,

demonstrating that implementation of at least 90% of the milestones from Deliverable 1 are completed or is on schedule if not due to be completed by September 30, 2012.

Fee Schedule:

Essential: \$250,000

Assumptions Specific to This Measure:

- Scope can be revised, based on emergent events, with LASO concurrence.
- Completion:
 - The annual DSA update requirement can be found in 10 CFR 830, Subpart B, 830.202(c).
 - The DSA update milestones and due dates and IP milestones and due dates can be revised with LASO concurrence. Initial due dates will be proposed by November 15, 2011.
 - An IP for an annual update is only needed if the implementation will require >120 days following NNSA approval.

**Measure 7.4 Fire Protection Deficiencies
(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. Developed 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 2012 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 2012 on-schedule. Milestone dates may be revised through change control process.

Deliverables:

1. Prioritized list of legacy facility fire protection deficiencies - updated list for FY 2012 due November 30, 2011, to include remaining fire protection pre-existing conditions.
2. Plan and schedule of activities and milestones, including proposed scoring/weighting schedule, for FY 2012 submitted to LASO for review and concurrence. Draft due November 30, 2011. Final due within 30 days following the transmittal of comments by LASO or as negotiated with LASO.
3. Evidence of completion of legacy fire protection deficiencies scheduled for completion in FY 2012.

Fee Schedule:

Essential: \$100,000

- 100 % fee is earned for 100% completion.
- 50% fee is earned for 60% completion.
- Fee paid for greater than 60% completion and paid linearly between 50% and 100%.

Assumptions Specific to This Measure:

- In establishing a plan, a risk based graded approach will be used for determining priorities and funding.
- 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 prior to the scheduled

milestone completion date.

**Measure 7.5 CMR CVD Transition to Operations
(Objective/Essential and Stretch)**

Expectation Statement:

Using the LANS readiness process, verify the CMR Containment Vessel Disposition (CVD) activity can safely and compliantly be performed.

Completion Target:

This measure has been achieved when the Contractor has:
Successfully demonstrated that the CMR CVD activity can safely and compliantly be performed by completing the readiness-to-startup process through the contractor and federal readiness reviews.

Deliverables:

1. An integrated schedule and milestones to LASO for concurrence by the close of business November 30, 2011.
2. Submit to LASO for concurrence the DSA update.
3. Completed IVR Report prior to MSA start date.
4. Successfully completed a Contractor ORR.
5. Successfully completed a Federal ORR.

Fee Schedule:

Essential: \$100,000
• 100% fee for completion of deliverables 1-3

Fee Schedule:

Stretch: \$200,000
• 50% fee for completion of deliverable 4
• 50% fee for completion of deliverable 5

Assumptions Specific to This Measure:

- LASO concurs with submitted milestones.
- Scope can be revised, based on emergent events, with LASO concurrence.
- A review sufficient that it does not have to be repeated constitutes successful completion of an IVR or ORR.
- LANS effectively uses its Performance Feedback and Issues Tracking System (PFITS) to close identified findings/issues.
- Have a high quality of readiness when LANS declares they are ready for a Federal ORR, demonstrated by no significant pauses or failure after declaration for readiness for the LANS ORR.

**Measure 7.6 Conduct of Operations Maturity
(Objective/Essential)**

Expectation Statement:

Maintain sustainability and continuous improvement of Conduct of Operations for the nuclear and high hazard facilities consisting of TA-55, RLW, CMR, WETF, Area G, RANT, WCRR, NES, and LANSCE.

Completion Target:

This Measure has been achieved when LANS has:

1. Demonstrated compliance and improvement in implementation of Conduct of Operations (CoO), at nuclear and high hazard facilities for four programs:
 - Effective Implementation Verification
 - Control of Equipment and System Status

- Lockouts and Tagouts
 - Procedure Quality and Execution
2. Demonstrated greater than 90 % of nuclear facility engineering, operational, procedural, and safety basis issues are self-identified.

Deliverables:

1. Management Assessment (MA) reports showing acceptable performance to CRADS for the above stated programs for each of the following sets of facilities: TA-55, RLW, CMR, WETF, EWMO, LANSCE.
2. Summary report or CAS metrics demonstrating greater than 90% of engineering, operational, procedural and safety basis findings identified and reported by LANS personnel, instead of DOE, NNSA, or DNFSB staff.

Fee Schedule:

Essential: \$250,000

- 20 % fee for demonstrating greater than 98% of issues are self-identified.
- 80% fee paid for demonstrating acceptable performance for the four programs listed at the six facility groups cited (total of 24).
- 60% fee paid for demonstrating acceptable performance for a total of 12 programs.
- Fee to be paid linearly between 60% to 80% for demonstrating acceptable performance between 12 and 24 programs.

Assumptions Specific to This Measure:

- Management assessment report is deemed acceptable with concurrence from Facility Operations Director, Associate Director Nuclear and High Hazard Operations, and LASO.
- Laboratory effectively uses its Performance Feedback and Issues Tracking System (PFITS) to close identified findings/issues.
- The CRADs will be submitted to LASO for concurrence at least two weeks before the start of the Management Assessment.

**Measure 7.7 Improve Worker Safety and Health
(Objective/Essential)**

Expectation Statement:

Assess and improve IH/S Program Implementation.

Completion Target:

This measure has been achieved when the Contractor has:
Performed 10 IH/S Division Program Implementation Reviews and has taken appropriate action.

Deliverables:

1. Evidence of issues identified and managed to resolution through a transparent and fully shared CAS system (PFITS)
2. Use of metrics to monitor and support the management and improvement of IH/S program implementation.

Fee Schedule:

Essential: \$150,000

Assumptions Specific to This Measure:

- Reviews will be focused on worker safety.
- Federal counterparts will be given sufficient notice so as to allow for shadowing.
- Program review checklists will be developed and used and will focus on implementation of a sample of operational aspects of the program in the field. For example: PPE use, Laser Safety, etc.
- LANS will inform LASO of any review area selection or schedule changes that occur through the year.

SECTION 6
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 2012 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 2012 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, 2012.
- 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
Safeguards and Cyber Security Improvements

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 8

Objective: Safeguards and Cyber Security Improvements and Emergency Operations

Objective Statement: Execute efficient and effective improvements in physical and cyber security programs. Provide emergency planning and preparedness services to minimize or mitigate the consequences of an emergency incident; to protect the health and safety of workers, the public, and the environment; and ensure national security.

**SECTION 1
 GENERAL INFORMATION**

Revision Number and Date: Revision No.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$1,650,000(Essential) + \$350,000(Stretch) = \$2,000,000**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: M. Lansing, T. Harper
 Principal COR: J. Griego

**SECTION 2
 LINKAGE TO NNSA and LANS GOALS**

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

**Modernize the NNSA Infrastructure; Drive an Integrated and Effective Enterprise;
 Safe Secure Workplace; and Information Security**

**SECTION 3
 PERFORMANCE REQUIREMENTS**

GATEWAYS: *(Describe Gateways (if applicable) that must be completed before fee can be paid.)*
 In order to earn any incentive fee in Operations Objective/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 measures.

**SECTION 4
 INDEX OF PERFORMANCE MEASURES**

		Allocated Fee	Fee Type E or S
Measure 8.1	<u>Security and Safeguards</u>		
Measure 8.1.1	Transition of the NMSSUP II to Operations	\$300,000	E
Measure 8.1.2	Protective Force Training Facility Modernization	\$200,000	E
Measure 8.1.3	Improved Active Shooter Response Capability	\$100,000	S
Measure 8.2	<u>Emergency Operations</u>		
Measure 8.2.1	LANS Emergency Accountability System	\$100,000	E
Measure 8.2.2	EOC Information System Improvements	\$300,000	E

Measure 8.2.3	EOC Facility Improvements	\$100,000	E
Measure 8.3 Information Systems and Security			
Measure 8.3.1	Vulnerability Management	\$300,000	E
		\$250,000	S
Measure 8.3.2	Risk Management Framework	\$200,000	E
Measure 8.3.3	Cyber Security Profile	\$150,000	E

SECTION 5
PERFORMANCE MEASURES
List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 8.1	Security and Safeguards		
Measure 8.1.1	Transition of the NMSSUP II Project to Operations (Objective/Essential)		
Expectation Statement: ADSS will transition the completed project into ADSS operations as the "owner/user" LANS organization.			
Completion Target: This measure has been achieved when the Contractor has:			
<ol style="list-style-type: none"> 1. Assumed operational responsibility for NMSSUP II facilities/systems. 2. Secured NNSA/LASO approval to operate project-delivered infrastructure and security systems to protect TA-55 assets by providing a "highly effective security system." 3. Reduction of SPO 1 Compensatory Posts. 			
Deliverables: (Optional)			
<ol style="list-style-type: none"> 1. Completed associated Management Self Assessment (MSA) Reports. 2. (NMSSUP II) NNSA/LASO Memo indicating permission to operate. 3. Post/patrol sheets provided on a quarterly basis that indicate reduction or elimination of SPO 1 Compensatory Posts. 			
Fee Schedule:			
Essential : \$300,000			
<ul style="list-style-type: none"> • 100% of fee will be earned for successful operations of the NMSSUP II Project. 			
Assumptions Specific to This Measure:			
<ul style="list-style-type: none"> • Construction Project delays that impact ADSS' ability to control/conduct transition activities may serve to extend deliverable expectations based on a mutual LASO/SS-ADSS agreement. 			

Measure 8.1.2	Protective Force Training Facility Modernization (Objective/Essential)		
Expectation Statement: ADSS will modernize protective force training capabilities through design, construction, and transition into operations of two training facilities.			
Completion Target: This measure has been achieved when the Contractor has:			
<ol style="list-style-type: none"> 1. Assumed operational responsibility for the Indoor Firing Range and completed an initial protective force qualification course of fire using the facility within 60 days of beneficial occupancy. 2. Secured a LASO funding determination (including preliminary design) for the Outdoor Firing Range 			

project.

Deliverables:

1. Documentation of indoor firing range qualifications.
2. Documentation of the Outdoor Firing Range funding determination.

Fee Schedule:

Essential : \$200,000

- 50% of fee will be earned for completion of the initial protective force qualification course in the Indoor Firing Range.
- 50% of fee will be earned for securing a LANS/LASO funding determination and design for the Outdoor Firing Range project
-

Assumptions Specific to This Measure:

- Indoor firing range construction project schedule will be evaluated during the third fiscal quarter/2012 - and an alternative completion target maybe submitted by ADSS no later than August 1, 2012 for LASO consideration.

**Measure 8.1.3 Improved Active Shooter Response Capability
(Objective/Stretch)**

Expectation Statement:

Achieve improved capability to respond to site active shooter emergencies.

Completion Target:

This measure has been achieved when LASO/SS confirms the Contractor has conducted a least two additional table-top exercises with LANL, LASO, county, state and federal law enforcement and first responder agencies, and completed one full-scale exercise involving these same organizations/agencies.

Deliverables:

1. Meeting summaries and attendance rosters from the table-top exercises.
2. After-action reports from the full scale exercise.

Fee Schedule:

Stretch : \$100,000

- 20% of fee will be earned for delivery of the modified VAR/SSSP that includes the results of all related analytical data.
- 80% of fee will be earned for completion of related performance test results validating efficiencies can be achieved.

Assumptions Specific to This Measure:

- Construction Project delays that impact ADSS' ability to control/conduct validation/verification activities may serve to extend deliverable expectations based on a mutual LASO/SS-ADSS agreement.

Measure 8.2 Emergency Operations

**Measure 8.2.1 LANS Emergency Accountability System
(Objective/Essential)**

Expectation Statement:

Develop and execute a project plan to acquire and implement Laboratory personnel accountability system used during site emergencies.

Completion Target:

This measure has been achieved when the Contractor has:

1. Provided LASO a project plan and schedule that outlines associated milestones necessary to implement an effective capability to account for personnel on site during emergency situations.
2. Executed the project plan according to schedule.
3. Performed a field exercise that validates the system works as designed.

Deliverables:

1. Accountability System project plan.
2. Milestone completion documentation.
3. Exercise test results.

Fee Schedule:

Essential: \$100,000

**Measure 8.2.2 EOC Information System Improvements
(Objective/Essential)**

Expectation Statement:

Improvement and utilization of communication systems of emergency information during Laboratory incidents/events.

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed the following equipment, process and/or system upgrades related to communication/management of emergency information.
 - a. Implement the following communication enhancements:
 - i. Provide LASO connectivity to the "LANL Update Line".
 - ii. Emergency Response Organization call-out for emergency notifications/EOC activations including LASO management.
 - iii. Evaluate EOC Public Address System and apply enhancements/corrections to improve clarity and volume of transmissions from the Primary and the field.
 - b. Establish a Senior Executive Emergency Management Committee work area within the EOC facility that provides the following capabilities:
 - i. Work stations.
 - ii. Computers with WebEOC access.
 - iii. Communication equipment, including phones, radio feed from the field, and web-EOC for connectivity with primary EOC.
 - iv. Senior management reference and connectivity materials.
 - c. Develop/revise necessary internal processes/procedures necessary to establish and maintain EOC internal/external communications.
2. Expand the current capabilities of the LANL WebEOC in order to move towards a fully electronic submittal, tracking and distribution system:
 - a. Provide WebEOC updates to include:
 - EOC Action Items
 - Notification reports
 - Maps
 - Depiction or equivalent modeling program
 - EALs
 - Resources on scene
 - Access by LASO and DOE HQ EOC for monitoring
3. Expand site video coverage and use.
4. Substantial improvement and utilization of information technology, video and radio communications used during emergency Laboratory incidents/evident.
 - a. Develop a project plan that provides mobile/fixed EOC cameras and wireless transmission of remote

LANL locations and incident scene video signals to EOC radio room, EOC primary room, LASO building, and DOE HQ.

- b. Complete a LANS Trunked Radio System needs analysis/project plan that integrates the needs of LANLS and Los Alamos County emergency response organizations.
- c. Complete a phone system upgrade analysis.

Deliverables:

1. EOC exercise performance report that validates performance improvement objectives has been met.
2. WebEOC screen shots that display the additional data sets.
3. Demonstrate the site video coverage expansion and phone/communications systems improvements via use in EOC exercise scenarios.
4. Project plan and schedule for fixed/mobile cameras, wireless networking, based on the feasibility study. Trunked radio system needs analysis, project plan, and schedule.

Fee Schedule:

Essential: \$300,000

Assumptions Specific to This Measure:

- Select remote access shall be considered for LANS, LASO, and DOE Headquarters users and be further defined by signed agreement between LANS and LASO before December 22, 2011.
- Radio communication evaluation and purchase plans shall be coordinated both with the LANL Emergency Management, ProForce and the Los Alamos Fire Department.

**Measure 8.2.3 EOC Facility Improvements
(Objective/Essential)**

Expectation Statement:

Full confidence in the utilization of primary Emergency Operations Center equipment (ex. ventilation, UPS).

Completion Target:

This measure has been achieved when the Contractor has:

1. Completed and issued an Emergency Operations Facility Systems Requirements Evaluation Report that defines primary facility needs in terms of the following:
 - a. Ventilation and filtration systems
 - b. Uninterruptible Power Supplies and back-up generator(s)
 - c. Potable water system
2. Conduct a system evaluation that baselines the current facility configuration capabilities to meet the requirements established in the Requirement Evaluation Report. Develop a corrective action plan to address any gaps noted in the requirements evaluation report.

Deliverables:

1. Completion and issuance of an Emergency Operations Facility Requirements Evaluation Report required to properly supporting the emergency operations at the EOC.
2. A corrective action plan noting how any necessary improvements will be accomplished.

Fee Schedule:

Essential: \$100,000

Assumptions Specific to This Measure:

- All evaluation reports and corrective action plans shall be reviewed by LASO.
- Drills conducted in FY12 will be within the capabilities of the current facility configuration(s) and may not fully meet the requirements stated in the Evaluation Report pending the resolution of the corrective action plan.

Measure 8.3 Information Systems and Security

**Measure 8.3.1 Vulnerability Management
(Objective/Essential/Stretch)**

Expectation Statement:

Continued progress in integrating patching and host based monitoring with CPAT network monitoring to improve the Vulnerability Management of Windows workstations. Advance the Continuous Monitoring efforts and the Patching Implementation developed in 2011.

Completion Target:

This measure has been achieved when the Contractor has:

Essential:

1. Baseline scoring for the Continuous Monitoring system with all desired scoring elements correctly configured and weighted. Determined scoring ranges and appropriate action. i.e. if baseline is 100, determine what scoring ranges constitute CPAT low, medium, high, or blocking vulnerability reporting.
2. Executed the Project Plan developed in the LANL LIMTS 2010-5076 Corrective Action Plan (Milestone 7 - Submit a Project Plan to Include Dates for Implementation or Request a Variance for all classified Systems).
3. Operate the Continuous Monitoring system and maintain content based on NIST National Vulnerability Database/National Checklist Program for Unclassified systems. Review Continuous Monitoring data looking for trends that might be addressed by central services as an aid to deployed unclassified system administrators.
4. Developed and Maintained Windows OS content based on NIST National Vulnerability Database/National Checklist Program for unclassified systems.
5. Developed clients and content for RedHat and Macintosh OS platforms based on NIST National Vulnerability Database/National Checklist Program or alternate sources like The Center for Internet Security for classified systems.

Stretch:

6. Operate the Continuous Monitoring system and maintain content based on NIST National Vulnerability Database/National Checklist Program for classified systems. Review Continuous Monitoring data looking for trends that might be addressed by central services as an aid to deployed classified system administrators.
7. Developed and Maintained Windows OS content based on NIST National Vulnerability Database/National Checklist Program for classified systems.
8. Developed clients and content for RedHat and Macintosh OS platforms based on NIST National Vulnerability Database/National Checklist Program or alternate sources like The Center for Internet Security for classified systems.
9. When initiated, facilitate LASO's transition to LANL's system.

Deliverables:

Essential:

1. Provide data feeds to CPAT for action by the end of Q1.
2. Provide quarterly evidence as determined in LANL LIMTS 2010-5076 Corrective Action Plan (Milestone 7 Project Plan) within 30 days of the end of each quarter.
3. Publish a Continuous Monitoring SOP for unclassified systems by the end of Q3 documenting the sustained efforts initiated in LANL LIMTS 2010-5076 Corrective Action Plan (Milestone 7 - Submit an acceptable Project Plan to Include Dates for Implementation or Request a Variance for all Classified Systems):
 - a. (Formalize Monitoring for Vulnerabilities, Remediations, and Threats)
 - b. (Review/Identify all assets owned by organizations that prohibit automatic patching and document alternative process)
 - c. (Identify and document assets that do not have agents installed).
4. By the end of Q3, report on Tier IV changes to National Checklist Program showing how the changes will be integrated into LANL Continuous Monitoring for unclassified systems.
5. Initial implementation of new un-classified RedHat and Macintosh OS clients and content by

September 30, 2012.

Stretch:

6. Publish a Continuous Monitoring SOP for classified systems by the end of Q2 documenting the sustained efforts initiated in LANL LIMTS 2010-5076 Corrective Action Plan (Milestone 7 Project Plan):
 - a. (Formalize Monitoring for Vulnerabilities, Remediations, and Threats)
 - b. (Review/Identify all assets owned by organizations that prohibit automatic patching and document alternative process)
 - c. (Identify and document assets that do not have agents installed).
7. By the end of Q3, report on Tier IV changes to National Checklist Program showing how the changes will be integrated into LANL Continuous Monitoring for classified systems.
8. Initial implementation of new classified RedHat and Macintosh OS clients and content by September 30, 2012.

Fee Schedule:

Essential: \$300,000

- Fee earned upon completion of targets 1-5

Stretch: \$250,000 (contingent upon achievement of targets 1-5)

- Fee earned upon completion of targets 6-9

Assumptions Specific to This Measure:

- Completion of Targets 7 and 8 is dependent upon completion of Targets 4 and 5.
- Completion of Target 8 is dependent upon completion of Target 6.
- If target 9 is included in NNSA HQ Multi-Site for CIO initiatives a change control will be processed to be deleted from this measure.

**Measure 8.3.2 Risk Management Framework
Objective/Essential**

Expectation Statement:

Demonstrate the effectiveness of the cyber security program as represented by the development and implementation of a Risk Management Approach to cyber security.

Completion Target:

This measure has been achieved when the Contractor has:

1. Developed and received LASO approval for a Risk Management Framework.
2. Developed an Implementation Plan for the Risk Management Framework.
3. Completed FY12 deliverables, as described in the RMF Implementation Plan.
4. Demonstrated LANS/LASO teamwork, transparency, and common data/metrics.

Deliverables:

1. Initial LASO approval of LANS Risk Management Framework by the end of Q1.
2. Completed Implementation Plan for Risk Management Framework by January 31, 2012.
3. Completion of scheduled FY12 deliverables per the RMF Implementation Plan.
4. Demonstrated teamwork and effective communication.
5. Timely notifications on all significant cyber/IT issues.

Fee Schedule:

Essential: \$200,000

- 25% of allocated fee will be paid upon completion of Target 1
- 25% of allocated fee will be paid upon completion of Target 2
- 50% of allocated fee will be paid upon completion of all FY 2012 deliverables in Target 3.

Assumptions:

- RMF will be developed using applicable federal laws, executive orders, and other directives (ie. NIST standards, CNSS, etc.)

**Measure 8.3.3 Cyber Security Profile
(Objective/Essential)**

Expectation Statement:

Demonstrate continuous improvement in Cyber Security Profile

Completion Target:

This measure has been achieved when the Contractor has:

Demonstrated compliance in the implementation of least privilege principle, configuration management and patch management in the Cyber Security Profile.

Deliverables:

1. By June 30, 2012, LANS shall demonstrate that it has implemented the Least privilege principle, consistent with NNSA policy, such that each user with Privileged User status has been evaluated by a defined process involving line management and cyber security representatives and has been determined to have a legitimate need for Privileged User status on systems accredited by the DAA and has received appropriate training for a Privileged User.
2. By March 31, 2012 LANS shall have demonstrated effective implementation of a NAP 14.1-C compliant configuration Management Policy through a joint LASO and LANS assessment of 50% of the High and Moderate Consequence of Loss categorization. An assessment checklist will be developed that includes the outcomes that should be accomplished with a compliant policy. By August 31, 2012 LANS shall demonstrate implementation through the joint assessment process for the remainder of High and Moderate systems.
3. By March 31, 2012 LANS shall have demonstrated implementation of a NAP 14.1C compliant Vulnerability Management policy through a joint LASO and LANS assessment of 50% of the High and Moderate Consequence of Loss categorization. An assessment checklist will be developed that includes the outcomes that should be accomplished with a compliant policy. By August 31, 2012 LANS shall demonstrate implementation through the joint assessment process for the remainder of High and Moderate systems.

Fee Schedule:

Essential: \$150,000

- \$50,000 fee earned upon completion of Deliverable 1
- \$50,000 fee earned upon completion of Deliverable 2
- \$50,000 fee earned upon completion of Deliverable 3

**SECTION 6
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 2012 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 2012 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

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to be September 30, 2012.

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

Measure 9.5	Emergency Response Programs
Measure 9.6	Nonproliferation Mission Delivery
Measure 9.7	National Security Science Laboratory
Measure 9.8	Energy Security
Measure 9.9	Sustain Integrated Nuclear Planning Processes
Measure 9.10	Program Execution, Leadership, and Management

**SECTION 5
 PERFORMANCE MEASURES**
List associated performance measures, expectations, targets, and fee schedules for FY 2012.

<p>Measure 9</p> <p style="text-align: center;">Excellence in Scientific and Programmatic Pursuits (Subjective/Essential)</p> <p>Expectation Statement: For subjective area components of the focus areas (Programs, Operations, Business) within a Performance Objective (PO), up to two-thirds (67%) of that area's rating can be achieved by LANS for transparently providing metrics/data they use for tracking performance and managing their functional area. To achieve that level of performance credit metrics/data must be adequately comprehensive, reflective of the most important parts of the functional area, have an appropriate subset of designated leading indicators, be accurate, and actively used to manage their day-to-day operations and activities. Additionally, further rating credit will be given if most of those metrics/data are in the LANL Contractor Assurance System (CAS) institutional metrics on the LANL CAS website. The balance of each functional area rating will be a LASO subjective assessment of LANS performance, including but not limited to the following factors: (1) did the performance meet DOE/NNSA/Contractual requirements, (2) given the funding provided how well did LANS perform, (3) general safety & security performance results, (4) were activities conducted with the best use of the government's money, (5) effectiveness of communication with LASO and other stakeholders, (6) did LANS provide a comprehensive accounting of their internal performance, and (7) were external customer's satisfied with LANL's performance/products/services. The NNSA will subjectively evaluate the contractor's performance in the following Criteria areas.</p> <p>Completion Target: This measure has been achieved when the Contractor has accomplished the following:</p>	<table border="1"> <thead> <tr> <th style="text-align: left;">Criteria</th> <th style="text-align: left;">Target</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">9.1 Progress on Peg Posts</td> <td style="vertical-align: top;"> <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"> • Progress towards Peg Posts as part of Predictive Capability Framework. • Development of linkages to Component Maturation Framework. </td> </tr> </tbody> </table>	Criteria	Target	9.1 Progress on Peg Posts	<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"> • Progress towards Peg Posts as part of Predictive Capability Framework. • Development of linkages to Component Maturation Framework.
Criteria	Target				
9.1 Progress on Peg Posts	<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"> • Progress towards Peg Posts as part of Predictive Capability Framework. • Development of linkages to Component Maturation Framework. 				

<p>9.2 Performance of Defense Program 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"> • Overall performance (including the manner of accomplishment) in support of Programs apart from deliverable incentives. • Mission Facility Utilization Performance. • Support for “Select Initiatives” for FY 2012 as outlined in the NNSA Strategic Plan, May 2011. • Compliance with the statutorily-required deliverables specified in Section 3141 of the FY03 National Defense Authorization Act: Annual assessment reports for the B61 bomb and W76, W78, and W88 warheads; Red Team report to the Director; and 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 of Code Blue Needs and weapons responses to NSE. • Weapons Program Strategic Review. • Utilization of DARHT dual-axis capabilities to meet requirements of the National Hydrotest Plan. • Action taken on Voice of the Customer (VOC) results to improve program integration and performance within the Laboratory. • Science, ICF and other program commitments (documented in program plans, spreadsheets, etc). • Performance on FY 2012 Commitments under Laboratory Goal related to Defense Programs. • Technical leadership for Life Extension Programs (LEPs). • Execute activities in support of US-UK mutual defense agreement. • Utilization of transportation resources. • Demonstrate close and effective teamwork with LASO, NA-11/12, and LANS. • Proactive and effective communication.
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<p>9.3 Center of Pu 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"> • Continue implementation of the multi-year multi-program integrated <i>Plutonium Science and Research Strategy</i> developed in FY 2010 that supports cultivation and maturation of plutonium and actinide science. • Identify educational and experience gaps, and develop a strategy to assure retention of senior personnel, and a pipeline of future viable mission talent is support of the plutonium and actinide missions of the laboratory. • Rejuvenate and strengthen plutonium science and engineering. • Recapitalize the scientific infrastructure for plutonium. • Maintain required workforce capabilities.
<p>9.4 Intelligence and Counterintelligence 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 the DOE and Intelligence Community programs. • The Laboratory will conduct research, development, analysis, and other activities in support of Intelligence Programs originating with the DOE Office of Intelligence and Counterintelligence. • The Laboratory will conduct the Counterintelligence program for Los Alamos National Laboratory as directed by the DOE Office of Intelligence and Counterintelligence. • The Laboratory will effectively manage and perform Intelligence Work for Others (IWFO) activities under the oversight of the DOE Office of Intelligence and Counterintelligence. • Appropriate awareness and involvement of Site Office personnel consistent with IN-1, NA-1 direction, and IC sponsor billet authorization.

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	9.5 Emergency Response Programs	<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 NA-40 Programs.• The Laboratory will provide design and other nuclear weapons expertise to further the assessment of improvised and/or foreign nuclear device designs.• The Laboratory will provide responsive management support of Emergency Response activities.• Timely and effective Site Office communication.	
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9.6	Nonproliferation Mission Delivery	<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 Defense Nuclear Nonproliferation Programs. • The Laboratory will conduct research and development activities for Defense Nuclear Nonproliferation (NA-20), including but not limited to developing and deploying safeguards instruments, nuclear-detection sensors, optical and RF sensors, and instruments to measure proliferation signatures and observables. • Support for “Select Initiatives” for FY 2012 as outlined in the NNSA Strategic Plan, May 2011 • Mission support to MOX and PDC. • 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 U.S. 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, New START, CTBT, FMCT (as the need arises), conducting IAEA training events, export control activities, and other emerging issues. • Nuclear/Chemical/Bio interdiction and scientist engagement initiatives. • The Laboratory will provide treaty support for the appropriate US government agencies and will document this support. • The Laboratory will support threat reduction initiatives, including but not limited to elimination of weapon grade materials, converting nuclear reactors to low-enrichment fuel (with special consideration for evolution and communication fidelity regarding this effort at Sigma), recovering sources, and protecting vulnerable materials. • Timely and effective communication, coordination, and engagement with the Site Office in applicable LANL NA-20 activities.
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<p>9.7 National Security Science Laboratory</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">• Pursue national security missions in the national interests that are mutually beneficial to NNSA and other customers.• Support for “Select Initiatives” for FY 2012 as outlined in the NNSA Strategic Plan, May 2011.• Implement staffing plans consistent with NNSA mission and three science, technology and engineering (STE) pillars.• Integration, alignment, and balancing of institutional STE resources to deliver on mission commitments and to position the Laboratory for FY 2012 and beyond.• Assess quality of STE with 2012 Capability Reviews.• Provide planning and acquire facilities and infrastructure required to support the continuation of the Laboratory’s mission and programs.• LANS management and mitigation of site risks.• 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.• Develop and share transparent comprehensive STE performance (CAS) metrics.• Proactively engage LASO in developmental activities that lead toward greater LANS/LASO teamwork and NNSA mission enablement for LANS/LANL.	
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<p>9.8 Energy Security</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"> • Focus Laboratory’s energy research community on sustainable nuclear energy, mitigating the impacts of energy demand growth, and developing materials and concepts for clean energy. • Support for “Select Initiatives” for FY 2012 as outlined in the NNSA Strategic Plan, May 2011. • Address recommendations from annual review of Laboratory’s Energy Security Science Strategy. • Implement staffing and facilities plans to support Energy Security mission. • Effectiveness of joint planning (e.g., workshops) with outside community. • Diversify funding base to maintain core science, technology and engineering base.
<p>9.9 Sustain Integrated Nuclear Planning Processes</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"> • Continued use and maturation of INP Program Management processes to support management and integration of programmatic, facilities, infrastructure, and waste management activities to maintain program continuity and reduce programmatic risk. • Plan, coordinate, and conduct INP workshops as necessary during FY 2012 as a forum to present the results of integration activities. • Continuous maturation of INP risk-based planning and execution processes for execution of workshops, to include documentation of results, identification of action items, and closure of action items. • Demonstration of improved integration across functional lines within the Laboratory through use of INP tools and processes.

<p>9.10 Program 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"> • Management commitment and proactive efforts to mature CAS metrics that LANS uses to manage its operations and demonstrate PEP/Contract performance. • Measures and metrics should be fully transparent to LASO, comprehensive and accurate, and contain an appropriate suite of leading indicators. • Integration, alignment, and balancing of institutional resources to deliver on program 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 2012 and beyond. • Risk to DOE/NNSA and laboratory continuity by LANS action or inaction. • LANS management and mitigation of site and mission risks. • Communication of any increases or decreases in site risks to LASO. • Effective participation with WFO partners to contribute to national security missions and provide stewardship of Laboratory national security mission capabilities. • 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 programs.
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**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 2012 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 2012 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, 2012.
 - Performance Objectives (POs) 4.3, 6.2, 9, 11, and 12 may each address elements of concern and/or success associated with a common driver, deliverable or initiator.

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- 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. 10
 Excellence in Operations**

FY 2012 PERFORMANCE BASED INCENTIVE

PBI No. 10

Objective: **Excellence in Operations**

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.: 0 Date: September 28, 2011
 Maximum Available Incentive Fee: **\$6,282,600 (Essential)**
 Duration: Annual
 Fee Payment Type: Completion
 Principal LANS Owner: C. Beard
 Principal COR: J. Griego

**SECTION 2
 LINKAGE TO NNSA and LANS GOALS**

Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:

Manage the Nuclear Weapons Stockpile; Modernize the NNSA Infrastructure; Reduce Nuclear Dangers; Strengthen the ST&E Base; Drive an Integrated and Effective Enterprise; Nuclear Deterrence; Future Weapons Complex; Global Security; Safe, Secure Workplace; Information Security; Environmental Stewardship; Performance-Based Management; Business Excellence; and Successful Workforce

**SECTION 3
 PERFORMANCE REQUIREMENTS**

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

In order to earn any incentive fee in Operations Subjective/Stretch measures, the following two gateways must be met:

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

**SECTION 4
 INDEX OF PERFORMANCE MEASURES**

Measure	Description	Allocated Fee	Fee Type E or S	
Measure 10	Excellence in Operations	\$6,282,600	E	Subjective
Measure 10.1	Safeguards & Security Program			
Measure 10.2	Information Systems and Cyber Security Programs			
Measure 10.3	Safety and Health Performance			
Measure 10.4	Site Environmental Stewardship			
Measure 10.5	Site Infrastructure Stewardship and Revitalization			
Measure 10.6	Hazardous Operations			

Measure 10.7 Energy and Utility Management
Measure 10.8 Integration Across All Functional Areas

SECTION 5
PERFORMANCE MEASURES
List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 10 Excellence in Operations
(Subjective/Essential)

Expectation Statement:

For subjective area components of the focus areas (Programs, Operations, Business) within a Performance Objective (PO), up to two-thirds (67%) of that area's rating can be achieved by LANS for transparently providing metrics/data they use for tracking performance and managing their functional area. To achieve that level of performance credit metrics/data must be adequately comprehensive, reflective of the most important parts of the functional area, have an appropriate subset of designated leading indicators, be accurate, and actively used to manage their day-to-day operations and activities. Additionally, further rating credit will be given if most of those metrics/data are in the LANL Contractor Assurance System (CAS) institutional metrics on the LANL CAS website. The balance of each functional area rating will be a LASO subjective assessment of LANS performance, including but not limited to the following factors: (1) did the performance meet DOE/NNSA/Contractual requirements, (2) given the funding provided how well did LANS perform, (3) general safety & security performance results, (4) were activities conducted with the best use of the government's money, (5) effectiveness of communication with LASO and other stakeholders, (6) did LANS provide a comprehensive accounting of their internal performance, and (7) were external customer's satisfied with LANL's performance/products/services. The NNSA will subjectively evaluate the contractor's performance in the following Criteria areas.

Completion Target:

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

Criteria	Target

<p>10.1 Safeguards & 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 2012 Commitments under Laboratory Goals related to Safeguards and Security and sustainment of improvement efforts from past years.<ul style="list-style-type: none">○ Increase and maintain the awareness level of Laboratory leaders/workers regarding their responsibilities during workplace violence events.○ Maintain the Los Alamos Material Control and Accountability System (LAMCAS) as a modern, reliable, and supportable software system, including the addition of an effective “cost accounting” module.○ Maintain “high security effectiveness” at TA-55 throughout the NMSSUP II construction period.○ Reduce the Laboratory’s reliance on brass keys/cores by exploring the expanded application of the VIDEX electronic key/core system.○ Develop and execute the SOC-LA Annual Training Plan according to schedule to employ the firearms Simulation Center, Tactical Training Facility and Indoor Firing Range which accomplishes specific training objectives to enhance Protective Force individual and team response capabilities.○ Develop an exercise “active shooter” response plans in coordination with LASO and county/state/federal agencies to enhance the Laboratory’s ability to minimize adverse impacts.
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	<ul style="list-style-type: none"> • Timeliness and effectiveness of ADSS response to LASO/SS physical or other 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 • Effective and efficient implementation of NNSA NAPs. • Quality and timeliness of all DNS Planning, Programming, Budgeting and Evaluation (PPBE) deliverables. • Support provided to the DNS Enterprise-wide lifecycle management and the DNS Commodity programs. • Satisfactory or effective performance rating in all applicable topical areas in Site Office performance evaluations and external surveys. • Successful incorporation of security technologies (such as PF post automation) to increase program efficiency. • Contractor validation of S&S staff skills and efforts to enhance professional capabilities. • Provide and utilize an applicable suite of ADSS metrics used to assess safeguards and security operations and demonstrate contract performance. • Provide and utilize an applicable suite of CAS metrics used to assess safeguard and security operations and demonstrate contract performance.
<p>10.2 Information Systems and Cyber 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"> • Manner of success in Cyber and Information Security Program execution to include performance on FY 2012 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. • Proactively identify and manage issues, then continuously demonstrate effective and timely Site Office communications framework. • Respond to cyber security systems and LASO/SS security issues in a timely and effective manner. • Utilize a graded approach for projects funded by the LANS OCIO to ensure the effective use of project management. • Continued improvement in the management of IT assets through IT Standardization, implementation of the IT Roadmap, and effective IT Portfolio/Program Management. • Develop and use an appropriate suite of CAS metrics that seamlessly shares data with LASO.

<p>10.3 Safety and Health 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 2012 Commitments under Laboratory Goal. • Demonstrate analytic and proactive site-wide responses to health and safety issues and trends. • Sustainment of improvement efforts from past years <ul style="list-style-type: none"> -- Integrated Safety Management (Annual Declaration) -- 10CFR851 Program Implementation -- The LANL Radiation Protection Program will be managed and implemented in accordance with 10CFR835 -- Resolution of Safety Concerns • Voluntary Protection Program (VPP)---Maintain Merit "Status" and pursue "Star" <ul style="list-style-type: none"> -- Including but not limited to implementation of Behavior Based Safety and applied aspect of Human Performance Improvement (HPI) process • Apply supporting metrics and coordinate with LASO to monitor and support specific program performance and improvement of programs/activities listed above. This includes effective use of transparent management systems/CAS process and tools to support program management, decision making, management of risk, and performance improvement.
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<p>10.4 Site Environmental 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"> • Environmental Compliance. Execute a self-inspection program across environmental media that evaluates environmental compliance performance and identifies corrective and preventive actions when issues are identified, as evidenced by: <ul style="list-style-type: none"> -- Execution of the RCRA program. -- Execution and implementation of a NPDES program including lessons learned program for NPDES permit exceedances. -- Execution of the Construction General Permit program. -- Execution of the Multi Sector General Permit program. -- Execution of the Individual Permit program. -- Execution of the Air Quality program. • Environmental Stewardship. Execute an Environmental Stewardship program that improves the environmental performance of existing operations while improving the sustainability of the site for the future, as evidenced by: <ul style="list-style-type: none"> -- Maintaining an ISO 14001 compliant Environmental Management System. -- Execution of a Pollution Prevention program that actively reduces environmental risk. -- Support of LASO in the execution of the Natural Resources Damage Assessment process. -- Maturation and execution of a 50 Year Site Stewardship Plan in cooperation with NNSA. • Demonstrate long-term proactive environmental stewardship through effective use of the 50 year Environmental Stewardship Action Plan. <ul style="list-style-type: none"> - Utilize as the integrating framework with EMS for environmental management activities and communication. - Mature the Action Plan into a high value tool that is the primary reference for Environmental Management. - Demonstrate that it is a proactive management plan that has defense in depth. - Demonstrate and communicate responsible, long-term site stewardship to the full range of stakeholders and tribal governments.
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<p>10.5 Site Infrastructure Stewardship and Revitalization</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 2012 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.• Real Estate and Property Performance and CAS metrics.• 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.• 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.• Comprehensive, accurate, effective, and transparent Contractor Assurance System metrics with an appropriate suite of leading indicators, that are used by LANS to manage their maintenance and site services.• Comprehensive CAS metrics that track site progress on these measures.• Integrate long-term strategy with 50 year environmental stewardship and site strategic planning transparently available to LASO.
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<p>10.6 Hazardous 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 2012 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. • Conduct of Operations • Safety Basis • Operational Readiness for Startup and Restart • Fire Protection, including FHAs • Leading metrics • Operational Management (e.g., Management, Operation and Verification) • Engineering Design and Design Review. • Nuclear Facility Training and Qualification • Credited Safety Management Programs • Criticality Safety • Formality of Operations • Vital Safety Systems (VSS) program improvement • Occurrence Reporting, Investigation, and Issue Closure • Lessons Learned Program / Extent of Condition • Nuclear Facility Maintenance • Operational/Nuclear Facility risk reduction • Radiation Protection • Pressure Safety • Demonstrate improvement in Safety Basis Document Quality. • Demonstrate the ability to submit and implement high quality Safety Basis documents on schedule. • Improve FY12 execution of holdup measurements over FY11 execution while balancing Programs, Operations, and Security.
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<p>10.7 Energy & Utility 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"> • Measure of the site’s compliance with EO 13423 and 13514 and implementing NNSA Guidance in meeting reductions in GHG emissions, energy intensity, water consumption; expanding energy use from on-site renewable sources; metering electrical, thermal, and water usage; achievement of LEED Gold Certification or High Performance Sustainable Buildings Guiding Principles for all new construction, major building renovations; and selected existing buildings. • Submission and execution of an annual Site Sustainability Plan that identifies appropriate site contributions towards meeting mandated DOE-wide goals. • 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 and water goals. • 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 Policy Act of 2005. • Support the efforts of the Los Alamos County Power Pool to procure reliable, diverse, and cost-effective electricity including the funding of consultants as appropriate. • Develop CAS metrics that are transparent and measure energy management performance toward DOE goals. • Continue to increase the percentage of LANL electricity usage is derived from on-site renewable energy resources. • Apply at least 50% of the last year’s expected savings into the following year’s energy & natural resources program to ensure a funding stream for energy and water efficiency improvements and the installation of on-site renewable energy projects. • Encourage regional improvements in sustainability by participation in various meetings outside of Los Alamos to include, but not limited to, NNSA Sustainability Transition Team meetings, coordination with SNL, the state of New Mexico and other federal agencies. • Integrate long-term strategy with 50 year environmental stewardship and site strategic planning transparently available to LASO. • Delivery of an executable plan for management of electric use that meets site needs for the next 30 years.
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10.8	Integration Across All Functional Areas and Flow Down to Subcontractors	<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"> • Aggressive and timely resolution of cross institutional issues affecting site performance, efficiency, and effectiveness. • Improve institutional planning and processes in activities required to efficiently and effectively manage the laboratory across all functional areas. • Response to emergent issues or chronic concerns. • Demonstrate continuous product and process improvements across the institution. • Consistent submittal of integrated, fully coordinated work products and services. • CAS metrics and tools demonstrate and reinforce cross-functional integration. • Responsible for sub-contractor's performance and minimizing equitable adjustment claims.
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**SECTION 5
 ASSUMPTIONS / TECHNICAL BOUNDARY CONDITIONS**

<p><i>List foreseeable impacts to performance.</i></p> <ul style="list-style-type: none"> • 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 2012 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 2012 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, 2012. • Performance Objectives (POs) 4.3, 6.2, 9, 10, and 11 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. 11 Excellence in Business and Institutional Management

FY 2012 PERFORMANCE BASED INCENTIVE			
PBI No. 11	Objective:	Excellence in Business and Institutional Management	
Objective Statement: Ensure highly effective leadership, integration, and excellence in management of 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>September 28, 2011</u>		
Maximum Available Incentive Fee:	\$7,732,000 (Essential) + \$1,500,000 (Stretch) = \$9,232,000		
Duration:	Annual		
Fee Payment Type:	Completion		
Principal LANS Owner:	I. Richardson		
Principal COR:	J. Griego		
SECTION 2 LINKAGE TO NNSA and LANS GOALS			
Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:			
Drive an Integrated and Effective Enterprise; Performance-Based Management; Business Excellence; Communications and Community; and Successful Workforce			
SECTION 3 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 Business and Institutional Management Objective/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 and Institutional Management. 2. Earn an adjectival rating of at least "Very Good" in the Essential Business and Institutional Management Subjective measures. 			
SECTION 4 INDEX OF PERFORMANCE MEASURES			
		Allocated Fee	Fee Type E or S
Measure 11	Excellence in Business and Institutional Management	\$6,732,000	E Subjective
Measure 11.1	Business Systems		
Measure 11.2	Financial Stewardship		
Measure 11.3	Performance Based Management/CAS		
Measure 11.4	Management of Contractual Interfaces/Requirements		
Measure 11.5	Resolution of Non-compliances		
Measure 11.6	Legal Management		

Measure 11.7	Sustainment of Prior Year Improvements			
Measure 11.8	LANS Organizational Integration			
Measure 11.9	Work for Others Integration and Execution			
Measure 11.10	Institutional Management and Other Institutional Issues/Efforts			
Targeted Areas of Improvement				
Measure 11.11	Site Office Manager Initiatives	\$1,500,000	S	Subjective
Measure 11.12	Quality Assurance Improvement	\$1,000,000	E	Subjective

SECTION 5
PERFORMANCE MEASURES
List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 11	Excellence in Business and Institutional Management (Objective/Essential)			
Expectation Statement:				
<p>For subjective area components of the focus areas (Programs, Operations, Business) within a Performance Objective (PO), up to two-thirds (67%) of that area's rating can be achieved by LANS for transparently providing metrics/data they use for tracking performance and managing their functional area. To achieve that level of performance credit metrics/data must be adequately comprehensive, reflective of the most important parts of the functional area, have an appropriate subset of designated leading indicators, be accurate, and actively used to manage their day-to-day operations and activities. Additionally, further rating credit will be given if most of those metrics/data are in the LANL Contractor Assurance System (CAS) institutional metrics on the LANL CAS website. The balance of each functional area rating will be a LASO subjective assessment of LANS performance, including but not limited to the following factors: (1) did the performance meet DOE/NNSA/Contractual requirements, (2) given the funding provided how well did LANS perform, (3) general safety & security performance results, (4) were activities conducted with the best use of the government's money, (5) effectiveness of communication with LASO and other stakeholders, (6) did LANS provide a comprehensive accounting of their internal performance, and (7) were external customer's satisfied with LANL's performance/products/services. The NNSA will subjectively evaluate the contractor's performance in the following Criteria areas.</p>				
Completion Target:				
This measure has been achieved when the Contractor has accomplished the following:				
Criteria	Target			

<p>11.1 Business Systems</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 2012 Commitments under Laboratory Goals and Performance Improvement Strategy related to business processes. • Performance against small business goals. • Reduction in business vulnerabilities, liabilities, and non-compliances. • Efficient, effective and economic innovation and support to site objectives. • Efficient and effective stewardship of site resources • Timely and compliant subcontract closeouts • Maximize support of Supply Chain Management Center (SCMC) goals and functions through the efficient, economical and effective use of SCMC tools and agreements, and through active participation in SCMC efforts to drive supply chain cost savings and exercise procurement best practices. • Timely processing of FOIA requests • Acquisition and procurement execution • Close Statements of Costs Incurred and Claimed (SCIC) within one year after the end of the fiscal year. • Develop and utilize a suite of management metrics that LANS uses to manage its business and financial organizations, and are shared transparently with LASO. Metrics should include an appropriate suite of leading indicators. 	
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<p>11.2 Financial 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"> • OFFM Performance and Metrics. • Internal Audits and Assessments meeting 2012 Assessment Plans Commitments. • Closeout of issues and concerns • Management and closeout of American Recovery & Reinvestment Act Projects • Compliance with Cost Accounting Standards • Provide transparent visibility to the discovery and remediation of financial issues through CAS • Prompt notification of finance or budget issues affecting LASO/LANL missions or site stewardship • Develop and utilize a suite of management metrics that LANS uses to manage its business and financial organizations, and are shared transparently with LASO. Metrics should include an appropriate suite of leading indicators. • Work within LANL's CAS framework to close out any issues noted in Ethics and Audits Allowable Cost Audit. • Demonstrate an assertive effort to close the annual Statement of Costs Incurred and Claimed (SCIC) within one year after submitting the previous fiscal year's SCIC. 	
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<p>11.3 Performance Based Management/CAS</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>Improve/demonstrate the Contractor Assurance System (CAS) effectively monitors overall LANL performance and assists NNSA/LASO to more accurately gauge the health of functional and mission activities without redundant or in-depth assessments of those activities.</p> <ul style="list-style-type: none"> • Develop and execute an institutional trending and analysis process that collectively reviews LANL operational information resulting in the implementation of corrective actions that help reduce the severity and frequency of LANL operational events and enhance institutional risk management. • Enhance Performance Measurement through collaboration with NNSA to develop and implement a mutually agreed upon suite of Institutional Metrics. • Improve Corrective Action Plan (CAP) quality through use of the “MRB Corrective Action Guidance” to drive better defined, more relevant, and achievable corrective action plans. • Facilitate and support partnering to improve performance and improve transparency. • Establish a methodology and routinely evaluate and report (e.g., CAS Metric/Index) on the quality of management and independent assessments relative to assessment program objectives (e.g., report quality, Assessment Lead training, quality of findings, etc.) and to evaluate assessment reports in support of trending and analysis. • Execute the governance reform activities identified in the Governance Reform Project Execution Project (GRPEP). • CAS integration and tool utilization. • Financial integration with CAS tools. • Demonstrate a transparent decision support system or methodology (utilizing management and assurance systems, process, and information) that identifies, frames, guides and documents institutional risk-based decisions.
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<p>11.4 Management of Contractual Interfaces/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"> • Active and timely management of the Performance Evaluation Process. • Management of emergent Contract issues and non-compliances. • Effective use of the LASO/LANS Zipper Plan and improved contract management communications. • Management of Contracting Officer performance direction and Contracting Officer Representative technical direction • Contractual Compliance. • Requirement and risk management. • Resolution of pre-existing conditions (PECs) forecast to be completed by FY 2012 or earlier.. With mutual agreement, long term PECs will be removed from PECs and tracked in another system. • Demonstrate value added LANS management of Parent Organization Governance and Reachback reviews, findings and recommendations
<p>11.5 Resolution of Significant Non-compliances</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 significant non-conformances and non-compliances • Timely and appropriate use of Extent of Condition (EoC) reviews • Demonstrate proactive resolution of significant non-compliances • Reduction in identified functional vulnerabilities, liabilities, and significant non-compliances.
<p>11.6 Legal 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"> • Compliance with 10 CFR 719 and related negotiated expectations with Department Counsel • Communication on institutional legal issues with Department Counsel • Management of legal risk for the institution including dispute resolution and legal counseling on key risk areas • Demonstrate effective litigation of contract claims

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<p>11.7 Sustainment of Prior Year Improvements</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"> • Continued improvement of site-wide processes and sustainment of improvement efforts from prior years. • Sustainment of prior year improvements and achieved outcomes.
<p>11.8 LANS Organizational Integration</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"> • Proactive integration and synergy across the institution • Management of institutional resources to position Laboratory for FY 2013 and beyond • Integration, alignment, and balancing of institutional resources to deliver on commitments
<p>11.9 Work for Others Integration and Execution</p>	<p>The list below represents subject areas to be considered for scoring effective communication of integration performance. 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 WFO other than National Security, to the benefit of the Laboratory's mission performance, inclusive of semi-annual briefings to LASO on alignment of WFO portfolio to contract requirements for this work being "complementary" to NNSA's mission. • Improve efficiency of WFO execution and documentation of mission relevance through continued development, implementation, and improvement of a common set of tools (administrative and software) to standardize the shared elements of the OFA and NFE processes, including maturation of eWFO. • Demonstrate effective stewardship of Laboratory National Security mission capabilities by effective integration between PADGS and PADSTE in the portfolio management of OFA and NFE programs. • Creation and implementation of an initial set of WFO performance metrics which demonstrate process improvements and consistent portfolio execution.

<p>11.10 Institutional Management and Other Institutional Issues/Efforts</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 all inclusive and other topics, issues, or area of concern, may be addressed under this criterion.</p> <ul style="list-style-type: none"> • Response to changing mission and operational requirements and implementation of reform initiatives/outcomes. • Proactive, responsive and accountable Institutional Leadership. • Transition excess skill-sets to needed skill-sets. • Management of unallocated labor account utilization • Investment in laboratory systems, infrastructure, and facilities to promote continuance of mission capability, reduce risk, reduce deferred & current operating costs & improve morale. • Future LANL Enterprise Positioning. • Transparency of LANL operations. • Proactive communication and engagement of LASO. • Degree of items self-identified vs LASO identified disclosure. • Degree of federal intervention required. • LANL Senior Management will demonstrate a transparent decision support system or methodology (utilizing management and assurance systems, process, and information) that identifies, frames, guides and documents institutional risk-based decisions. • Use of LANL's institutional CAS in management's decision making process and resource allocations.
<p>Measure 11.11 Site Office Manager's Initiatives (Subjective/Stretch)</p> <p>Expectation Statement: Degree of effort and results in pursuit of Site Office Manager's emerging or high value initiatives. Timely Site Management Communication/Partnership.</p> <p>Fee Schedule: Stretch: \$1,500,000</p>	
<p>Measure 11.12 Quality Assurance Improvement (Subjective/Essential)</p> <p>Expectation Statement: LANS will demonstrate an improved level of Quality Assurance programmatic implementation through incorporation of DOE Order 414.1D; improved execution, level, and reporting of internal Quality Assurance assessments facilitating self identification of issues; and improved level of analysis and trending of metrics</p>	

with appropriate corrective/improvement actions accomplished. LANS will also demonstrate an improved level of performance in the planning, submittal and accuracy of stamping-related activities that results in delivery of error-free product submittals. LANS will demonstrate proficiency in offsite weapon, weapon-related, and fissile material package shipping without errors.

Completion Target:

This measure addresses improvement across the institution, whereas LANS QA specific objectively measured criteria are utilized to define improvement results. This measure also addresses the means and manner of accomplishment. The goals are as follows:

- Continued site-wide implementation of Quality Assurance programmatic requirements specified in DOE Order 414.1D through institutional procedural alignment and/or the development of local procedures to address gaps in adherence to implementation plan).
- LANS independent QA assessments demonstrate appropriate use of technical subject matter experts, defined review scope, clear findings linked to requirements, and high quality reports that provide LANS with self identification opportunities to preclude significant issues being identified by LASO.
- LANS to provided trending and analysis of reported metrics and objective evidence reflects that LANS has taken appropriate and documented corrective/improvement actions with realized improvements in established metrics.
- Effectiveness in product submittal actions resulting in reduced incorrect stamping requests
- Effectiveness in product submittal actions resulting in stamping requests that reflect the appropriate quality marking to be applied for the application of the item.
- Effectiveness in product submittal actions resulting in appropriate engineering authorizations to support the request that are accurate and in place at the time of the request.
- Efficiency in product submittal actions resulting in stamping requests that are in alignment with the product submittal schedule.
- Reduction of product submittals having incidental defects.
- Maintain an acceptable PATF.
- Sustain high performance in off-site shipments completed error-free to include all ICO and PCD deliverables, Pu-238 components, Plutonium oxide materials (ARIES/MOX and stabilized materials), Trainers, etc.

Fee Schedule:

Essential: \$1,000,000

**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 2012 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 2012 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, 2012.
- Performance Objectives (POs) 4.3, 6.2, 9, 10, and 11 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.

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PBI No. 12
Award Term

FY 2012 PERFORMANCE BASED INCENTIVE		
PBI No. 12	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>September 28, 2011</u>
Maximum Available Incentive Fee:	\$0	
Duration:	Annual	
Fee Payment Type:	Completion	
Principal LANS Owner:	I. Richardson	
Principal COR:	J. Griego	
SECTION 2 LINKAGE TO NNSA and LANS GOALS		
Activities in this PBI are tied to the following NNSA and LANS Strategic Goals:		
Manage the Nuclear Weapons Stockpile; Modernize the NNSA Infrastructure; Reduce Nuclear Dangers; Strengthen the ST&E Base; Drive an Integrated and Effective Enterprise; Nuclear Deterrence; Future Weapons Complex; Global Security; National Security Science; Energy Security; Safe Secure Workplace; Information Security; Environmental Stewardship; Performance-Based Management; Business Excellence; Communications and Community; and Successful Workforce		
SECTION 3 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% of overall At-Risk fee (Essential and Stretch combined) 2. Achieve success in 4 of the 5 Award Term measures. 3. Successful completion of the mandatory Award Term Measure (PBI 12.1) 		
SECTION 4 INDEX OF PERFORMANCE MEASURES		
		<u>Fee Type</u>
Measure 12.1	Improve and Integrate Formality of Operations in PF-4 for Nuclear CONOPS, Safety, Security, and Mission Execution	Mandatory Award Term
Measure 12.2	Reduce PF-4 Facility Offsite Consequences to less than 25 REM	Award Term
Measure 12.3	FY 2012 National Security Mission Requirements	Award Term
Measure 12.4	Sustain LANL's Science and Technology Leadership	Award Term
Measure 12.5	Implement LANL's Strategic Framework to Achieve Stated	Award Term

**Objectives in the Areas of Science of Signatures in
Nuclear/Radiological and Sensing/Measurement**

**SECTION 4
PERFORMANCE MEASURES**

List associated performance measures, expectations, targets, and fee schedules for FY 2012.

Measure 12.1 Improve and Integrate Formality of Operations in PF-4 for Nuclear CONOPS, Safety, Security, and Mission Execution (Mandatory Award Term)

Expectation Statement:

1. LANS will integrate and execute the mission in program areas that distinguish the Laboratory as a premier national security institution. Focus Areas include: Defense Programs, NASA Heat Source Program, and ARIES.
2. LANS will address longstanding safety issues and demonstrate improvement on Plutonium Facility seismic safety as well as nuclear facility safety bases and controls. This includes achieving and maintaining a higher standard of CONOPS, engineering and procedural compliance on operations under a safety basis-
3. LANS will continuously improve the security of nuclear materials and classified information in PF-4, without significant detriment to ongoing production and science missions.

Completion Target:

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

1. Integration and execution of PF-4 Mission to support National Security Objectives and Defense Nuclear Nonproliferation Programs.
 - a. Complete the LASO and LANL agreed to FY 2012 list of milestones, including but not limited to demonstrating integration of LANL and LLNL plutonium capabilities to support National Security objectives
 - b. Completion of items required to support 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
 - c. Demonstrated integration of LANL and LLNL plutonium capabilities to support National Security objectives.
2. Reduce Site Nuclear Safety and Worker Safety Risks
 - a. Complete the LASO and LANL agreed to FY 2012 list of milestones, including but not limited to TA55-JCO-11 (TA55-JCO-11-002: Justification for Continued Operation (JCO) for Potential Increase in Probability of Structural Failure of TA55 Plutonium Facility-4 (PF-4) due to Seismic Activity, and four Appendices); demonstrated effective criticality safety program; demonstrated training and qualification program that inculcate nuclear operations to all newly assigned personnel.
 - b. LANS will demonstrate an effective criticality safety program.
3. PF-4 Security Improvements
 - a. Complete the LASO and LANL agreed to FY 2012 list of milestones for the second phase of 2-Person Rule Implementation in PF-4

Deliverables:

1. Evidence of completion of the FY 2012 milestones for PF-4 mission integration and execution
2. Evidence of completion of FY 2012 milestones for improving PF-4 safety and CONOPS
3. Evidence of completion of FY 2012 milestones for 2-person rule commitments

Assumptions Specific to This Measure:

- LANS will submit a proposed list of FY-12 milestones for the three deliverables for LASO concurrence by

November 15, 2011. Changes, as necessary, will be submitted for LASO concurrence.

- These deliverables assume that the milestones and commitments identified represent the agreed upon set and that change control on these are within LANL and LASO authority to modify as necessary.
- LANS will provide LASO unclassified monthly progress reports and periodic status briefings.
- LANS will submit objective evidence of completion by September 30, 2012.
- LANS will provide metrics demonstrating a higher standard of CONOPS.

**Measure 12.2 Reduce PF-4 Facility Offsite Consequences to less than 25 REM
(Award Term)**

Expectation Statement:

The Contractor shall conservatively demonstrate offsite consequences from postulated nuclear accident scenarios at the LANL Plutonium Facility (PF-4) are below the 25 rem evaluation guideline.

Completion Target:

This measure has been achieved when LANS has satisfactorily closed out the PF-4 seismic justification for continued operation (JCO-11-002) and implemented the directly relevant safety basis controls that ensure offsite consequences are below 25 rem, as defined in LANS May 2011 and prior safety basis submittals. LANS will achieve the expectation statement and obtain LASO concurrence in the state of implementation by September 30, 2012.

Deliverables:

1. Evidence of satisfactory close-out of the PF-4 seismic justification for continued operation (JCO-11-002).
2. Evidence of implementation of the directly relevant safety basis controls that ensure PF-4 offsite consequences are below 25 rem as defined in LANS May 2011 and prior safety basis submittals.

Assumptions Specific to This Measure:

- LASO approves an updated PF-4 safety basis and technical safety requirements by about October 31, 2011. LANS makes the necessary changes to the May 2011 safety basis submittal to address LASO comments and support that approval schedule.
- LANS identifies and obtains LASO concurrence in the specific control set to satisfy this PBI when submitting the safety basis implementation plan. Fundamentally, this should include all safety-class engineered and specific administrative controls.
- For the purposes of this PBI, LASO concurrence will be based on the completeness and adequacy of the submitted evidence. LANS remains responsible for verifying and sustaining complete implementation.
- The scope of this PBI is based on JCO-11-002 and the May 2011 and prior safety basis submittals. Subsequent unanticipated changes in calculated accident doses or the safety basis controls to achieve below 25 rem that are not within LANS control will be evaluated on a case-by-case basis. In these cases, LANS should provide a technical basis and propose for LASO concurrence removing these from the scope of this PBI.

**Measure 12.3 FY 2012 National Security Mission Requirements
Science and Technology Leadership
(Award Term)**

Expectation Statement:

The contractor shall maintain the Los Alamos National Laboratory as a premier national security science laboratory by providing capabilities to address U.S. government national security requirements across a broad range.

Completion Target:

This measure has been satisfied when the Contractor has, by September 30, 2012, integrated broad-based, multi-disciplinary capabilities in conducting programs in Stockpile Stewardship in support of US national security policy such as the National Security Strategy, the Nuclear Posture Reviewⁱ (NPR), the Quadrennial Defense Review (QDR), the Work Plan from the Nuclear Security Summit held in April 2010, and the current

DOE and NNSA Strategic Plans.

Deliverables: (Tentative initial listing to be finalized between LASO and LANS by October 31, 2011)

A. Stockpile Stewardship Program

1. Conduct rigorous stockpile assessments in support of annual assessment reports.
2. Meet program commitments for the B61 full scope Life Extension Program (LEP) and also meet W76 build rate commitments.
3. Conduct "Scaled Experiments" on their approved schedule, including any modifications that may be made and approved by NNSA. Integrate key milestones for Gemini with NNSS and NSO for effective, transparent (management level) experiment progress tracking with a risk characterizations.

B. Capability for National Security Missions

1. Develop and/or monitor metrics, including performance goals (and comparative lab benchmarks) for those metrics, concerning recruiting, retention, and hiring of the science and engineering staff at the Laboratory necessary for national security missions
2. Develop and/or monitor metrics, including performance goals (and comparative lab benchmarks) for those metrics, concerning facilities and laboratory utilization including working conditions, facility age, equipment age, downtime, etc used across all missions

Assumptions Specific to this Measure:

- Periodic LASO updates and associated communication that adequately demonstrates LANL's progress in these programs.

**Measure 12.4 Sustain LANL's Science and Technology Leadership
(Award Term)**

Expectation Statement:

The contractor shall continue to steward and develop the Los Alamos National Laboratory as a premier national security science laboratory by providing capabilities to address U.S. government national security requirements across a broad range.

Completion Target:

This measure has been satisfied when the Contractor has, by September 30, 2012, integrated broad-based, multi-disciplinary capabilities in conducting programs in Global Security, and Science Programs, in support of US national security policy such as the National Security Strategy, the Global Initiative to Combat Nuclear Terrorism, United Nations Security Council Resolution 1540, the Proliferation Security Initiative, treaties such as the Nuclear Nonproliferation Treaty, the Work Plan from the Nuclear Security Summit held in April 2010, and the current DOE and NNSA Strategic Plans.

Deliverables:

A. Global Security

1. Update the Global Security (GS) program strategy and efforts based on the recent organizational changes and new direction envisioned by PADGS leadership. Specific measures and actions for this effort include the following:
 - a. Update the goals and objectives and other necessary content and reissue a new GS program strategy document, GS program implementation plan document, and GS program infrastructure plan, based on the new strategic approach of PADGS.
 - b. Execute a Parent Organization Functional Management Review (POFMR), or equivalent review, of the current state of the GS programs with consideration for the documents mentioned in item (i). The deliverable, to be provided to PADGS, will be the report out of the POFMR, or equivalent review.
 - c. The final deliverable will be a report that documents the outcome of the reviews with actionable recommendations for PADGS.
2. PADGS will track and deliver key sponsor milestones in the area of Nuclear Forensics. Execution of specific project funded nuclear forensic milestones identified in FY 2012:
 - a. Completion of IAEA training focused on nuclear forensics.

- b. NA-22 nuclear forensics funded efforts TBD – pending approval of proposals provided to NA-22.
 - c. CWME – Utilization of plutonium archived materials in preparation for performing bulk characterization (on pre-detonation materials) for nuclear forensics activities (IC & DNDO). Deliverable – report (classified) on archive.
 - d. BSAP - Nuclear Forensics (Chemical Analysis) Accreditation – Accredited to provide officially recognized evidence. ISO 17025 accredited (FBI) for 10 methods for Marble Challenge (national level exercise), initial accreditation by Sept. 15, 2012.
3. Develop and Promote Engagement with Russia through the Laboratory Directors. In coordination with NNSA, LANL will lead a Tri-Lab effort to engage Russian laboratories in targeted projects deemed to be of mutual benefit. LANL will:
- a. Participate in bilateral follow on meetings from the June 2011 U.S.-Russian Laboratory Directors Meeting. Send staff to topical meetings at U.S. and Russian laboratories to develop proposals for joint work, as appropriate through September 30, 2012.
 - b. Collaborate with LLNL and SNL to formulate a Tri-Lab strategy for engagement with key Russian laboratories by March 31, 2012.
 - c. Engage the 3 Russian weapons labs to develop joint actions plans by July 30, 2012. .
 - d. Socialize and gain initial approval from NA-10 and NA-20, Brief to NA-1, by September 15, 2012.

B. Science Programs

1. Continue to provide national leadership in Exascale Computing initiatives and meet LANL commitments for the national program.
2. Meet key Science, Technology, and Engineering (STE) program deliverables for LANSCE/MaRIE, energy programs, and Office of Science programs.

C. Capability for National Security Missions

1. Develop and/or monitor metrics, including performance goals (and comparative lab benchmarks) for those metrics, concerning recruiting, retention, and hiring of the science and engineering staff at the Laboratory necessary for Global Security and Science Programs consistent with the national security missions.
2. Develop and/or monitor metrics, including performance goals (and comparative lab benchmarks) for those metrics, concerning facilities and laboratory utilization including working conditions, facility age, equipment age, downtime, etc used across all missions.
3. Provide staffing and retention information demonstrating adequate strength of science and technology leadership.

Assumptions Specific to this Measure:

- Deliverable A1: Examples changes that are relevant to the GS program strategy may include Continuing Resolutions, broader budget adjustment in Congress, and future budget actions in Congress
- Deliverable A2: The intent of this sub-measure is to compliment the nuclear forensics strategic efforts in PBI 12.5 and build on the Laboratory's overarching Plutonium Strategy. PADGS has confirmed that these efforts are in line with the Laboratory's Plutonium Strategy.
- Periodic LASO updates and associated communication that adequately demonstrates LANL's progress in these programs.

Measure 12.5 Implement LANL's Strategic Framework to Achieve Stated Objectives in the Areas of Science of Signatures in Nuclear/Radiological and Sensing/Measurement (Award Term)

Expectation Statement:

An essential capability for Los Alamos National Laboratory is the measurement, analysis, and characterization of chemical and physical signatures of nuclear processes. The contractor will steward the technical capabilities in sensing and measurement by finalizing and implementing the LANL science, technology and engineering strategy for detecting and characterizing nuclear, radiological and isotopic signatures of interest to national security missions.

Completion Targets:

1. Finalize the Science of Signatures (SoS) strategic plan and develop an implementation plan for the nuclear detection component.
2. Develop a plan, layout and prioritized equipment list for laboratory space in RLUOB in conjunction with Plutonium Science Strategy and draft SoS plan.
3. Focus institutional investments in the nuclear science and signature detection and measurement capabilities by updating the LDRD Grand Challenges targets, through equipment investment opportunities, collaborations with Institutes and Centers and infrastructure and facilities planning.
4. Develop a multi-directorate Nuclear Forensics Capability Strategy that provides a roadmap for development and application of LANL capabilities (Nuclear Forensics Capability Strategy).
5. Install and startup Secondary Ion Mass Spectrometry (SIMS) equipment in the NISC Building.
6. Install and startup 700 MHz nuclear magnetic resonance instrument in NMR Building at TA-3.

Deliverables:

Delivery of these objectives will occur when the Laboratory participates in achievement of the objectives. For the purposes of this Award Term measure, successful delivery shall be documented by:

1. Phased deliverables on plans:
 - a. Submit schedule for development of SoS strategic plan Q1 2012.
 - b. Final implementation plan for nuclear detection and measurement by Q4 2012.
2. Identify laboratory requirements for RLUOB that fully take advantage of any updates to STD 1027, in conjunction with Plutonium Science Strategy, by Q3, 2012.
3. Phased deliverable on investments:
 - a. Submit and track schedule for institutional investments in 2012 into signature science including LDRD, equipment, Institutes and Centers and facilities development.
 - b. A plan for investment into signature detection and measurement equipment based on an institutional prioritization. Q4 2012
4. Nuclear Forensics Capability Strategy:
 - a. Submit schedule for development of the Nuclear Forensics Capability Strategy.
 - b. Submit a final strategy through Principal Associate Directors and the Director. Q4, 2012
5. 700 MHz NMR is operational by end of Q3 2012.
6. SIMS is operational at the NISC Building by end of Q4 2012.
7. Provide a comprehensive briefing on the results of these initiatives in Q4, FY 2012 that demonstrates that the Science of Signatures (SoS) strategic plan and Nuclear Forensics Capability Strategy will lead to the stated objectives.

Assumptions Specific to This Measure:

- If LANLS cannot meet/complete this Measure because of conditions or events that are outside of LANS' ability to control, this Measure maybe renegotiated.
- Periodic LASO updates and associated communication that adequately demonstrates LANL's progress in these initiatives.

**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 2012 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 2012 PEP measures within 15 business days following the approval of the Continuing Resolution.

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- 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, 2012.
- If LANS cannot meet/complete an Award Term Incentive (ATI) 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)

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