Fiscal Year 2024
DOE/NNSA Strategic Performance Evaluation and Measurement Plan
National Technology & Engineering Solutions of Sandia, LLC (NTESS)

MANAGEMENT AND OPERATION OF THE

Sandia National Laboratories

Contract Number: DE-NA0003525

Performance Evaluation Period: October 1, 2023 through September 30, 2024

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<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Change Description</th>
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INTRODUCTION
Sandia National Laboratories is a Federally Funded Research and Development Center owned by the United States Government, under the custody of the Department of Energy (DOE), herein referenced as “Laboratories” and is managed and operated by National Technology and Engineering Solutions of Sandia, LLC (NTESS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria by which NNSA will evaluate NTESS performance and upon which NNSA shall determine the amount of award fee earned. The available award fee amounts for FY 2024 are specified in Section B, Supplies or Services and Prices/Costs, of the Contract. This PEMP promotes a strategic Governance and Management Framework in support of the NNSA’s Strategic Vision. This Strategic Vision requires NTESS to fully execute mission milestones in support of key mission objectives and effectively meet significant management challenges identified by NNSA.

PERFORMANCE BASED APPROACH
The performance-based approach evaluates the NTESS performance through a set of Goals. Each Goal, and its associated Objectives and Key Outcomes (KOIs) as applicable, will be measured against authorized cost, schedule, and technical performance, based on respective outcomes, demonstrated performance, and impact to DOE/NNSA missions.

MISSION
NTESS shall manage, operate, protect, sustain, and enhance the Laboratories’ multi-mission capabilities, while assuring accomplishment of the Laboratories’ primary mission work in nuclear weapons and nuclear non-proliferation research, development, and engineering. NTESS shall facilitate the Laboratories’ capability to project its efforts to participate with the scientific, engineering, and technical communities on both the national and international levels with a high degree of vision, quality, integrity, and technical excellence. NTESS shall engage in the strategic and institutional planning necessary to assure that the Laboratories maintain a posture aimed at anticipating the national technical and scientific needs and dedicated to providing practical solutions. NTESS shall study and explore innovative concepts to minimize or mitigate possible current and future national security threats.

MISSION PERFORMANCE
NTESS is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety, security, and sustainability requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, NTESS shall plan mission work with safety and security as integral to mission execution and meeting the affected programmatic Goals. The model for this PEMP is to rely on NTESS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of its assurance system and supporting measures, metrics, and evidence. NTESS is expected to manage in a safe, secure, sustainable, efficient, effective, and results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance. Products and services are expected to be delivered on-schedule and within budget.

INNOVATIVE SOLUTIONS
NTESS will recommend innovative, technology/science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. NTESS will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety, security, and sustainability contributing to mission success. In addition, DOE/NNSA expects NTESS to recommend and implement innovative business and management improvement solutions
that enhance effectiveness and efficiency, to include partnering with external vendors and the Department of Defense's existing industrial base.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION
The evaluation of performance will consider context such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside NTSS control), degree of difficulty, significant accomplishments or improvements, and other events that may occur during the performance period. A significant safety or security event may result in an overall limitation to adjectival ratings. Such impacts may be balanced by the response to the incident and by other initiatives to improve overall safety or security performance. NTSS is encouraged to note significant safety and security continuous improvements.

PERFORMANCE RATING PROCESS
DOE/NNSA will review performance throughout the performance evaluation period and provide tri-annual feedback to NTSS highlighting accomplishments and/or issues. At the end of the performance evaluation period, an evaluation of NTSS performance will be completed based on contractor oversight against the criteria in the PEMP. Sources of oversight data include, but are not limited to, DOE/NNSA formal assessments, contractor self-assessments, internal and external audits, inspections, program and project reviews, operational awareness activities, contractor assurance system, etc.

This evaluation will be documented in a Performance Evaluation Report (PER) and will include the performance ratings and award fee earned for the subject performance evaluation period. DOE/NNSA will consider NTSS end of year self-assessment report in the performance evaluation. Performance of Objectives and Key Outcomes (KOs) (if any) will be assessed in the aggregate, with due consideration given to the level of progress made on achieving KOs, to determine an adjectival performance rating for each Goal. The Goals will then be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. The performance ratings will be determined in accordance with FAR 16.401(e)(3) yielding ratings of Excellent, Very Good, Good, Satisfactory, or Unsatisfactory. Notwithstanding the overall strategic framework, any significant failure in any goal may impact the overall rating and award fee earned. Dollar values contained in the PEMP are provided as guidelines for developing a recommendation of fee allocation to the Fee Determining Official (FDO). The final determination as to the amount of fee earned is a unilateral determination made by the FDO.

NTSS may request a face-to-face meeting with the FDO to highlight its strategic performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the period.

PEMP CHANGE CONTROL
It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Nonetheless, unforeseen circumstances and/or changes in priorities may necessitate corresponding changes to individual PEMP(s). Any change to the PEMP, including adjustments or removal of KOs, requires concurrence by the appropriate field/program/functional office, the NNSA Senior Procurement Executive, and the FDO prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in the contract terms and conditions, bilateral changes are the preferred method of change whenever possible.
FEE ALIGNMENT AND "AT-RISK" AWARD FEE ALLOCATION
This table is provided for information only and does not change the terms and conditions of the contract. All goals will receive an adjectival assessment as a part of the Corporate Performance Evaluation Process (CPEP).

<table>
<thead>
<tr>
<th>Goal</th>
<th>At Risk Award Fee</th>
<th>At Risk Award Fee Percent</th>
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</thead>
<tbody>
<tr>
<td>Goal-1: Mission Delivery: Nuclear Weapons</td>
<td>$4,041,306.40</td>
<td>40%</td>
</tr>
<tr>
<td>Goal-2: Mission Delivery: Global Nuclear Security</td>
<td>$1,010,326.60</td>
<td>10%</td>
</tr>
<tr>
<td>Goal-3: Mission Innovation: Advancing Science and Technology</td>
<td>$1,515,489.90</td>
<td>15%</td>
</tr>
<tr>
<td>Goal-4: Mission Enablement</td>
<td>$2,020,653.20</td>
<td>20%</td>
</tr>
<tr>
<td>Goal-5: Mission Leadership</td>
<td>$1,515,489.90</td>
<td>15%</td>
</tr>
</tbody>
</table>

The above template is applied to each field office using At-Risk Award Fee (AF) amounts established in each individual contract.

UNEARNED FEE
DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.
Goal-1: Mission Delivery: Nuclear Weapons

Successfully execute the cost, scope, and schedule of the Nuclear Stockpile mission work for Defense Programs work in a safe and secure manner in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-1.1: Work as a team across the Nuclear Security Enterprise on stockpile program scope to 1) achieve and maintain program delivery schedules; 2) lower risk to achieving First Production Unit (FPU), Initial Operational Capability (IOC), and Final Operational Capability (FOC); 3) improve manufacturability and supply chain execution; and 4) control costs.

Objective-1.2: Execute stockpile maintenance, surveillance, assessment, and development studies/capability improvement requirements, and meet transportation and weapon containers schedules.

Objective-1.3: Work as a team to support and execute production modernization processes and activities to sustain and improve production capabilities, equipment, and infrastructure for 1) War Reserve production; 2) components (particularly pit production); 3) strategic materials capabilities; and 4) improve safety margins, technology maturation strategies, and qualification, logistics, and security plans collaboratively across the NSE.

Objective-1.4: Provide the knowledge and expertise to maintain confidence in the nuclear stockpile without additional nuclear explosive testing by developing, maturing, and applying innovative strategies and technologies to sustain a robust stockpile and improve science and engineering capabilities, facilities, and essential skills to support existing and future nuclear security enterprise requirements. Triad, LLNS, NTESS, and MSTS will collaborate to execute Office of Experimental Sciences-sponsored activities relevant for obtaining data for developing predictive models for improving production, assessing the current stockpile, and certifying the future stockpile in accordance with milestone schedules.

Key Outcomes: None
Goal-2: Mission Delivery: Global Nuclear Security

Successfully execute the cost, scope, and schedule of the authorized global nuclear security mission work in a safe and secure manner to include the Defense Nuclear Nonproliferation, Nuclear Counterterrorism and Counterproliferation, and Incident Response missions in accordance with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-2.1: Support efforts to secure, account for, and interdict the illicit movement of nuclear weapons, weapons-useable nuclear materials, and radioactive materials.

Objective-2.2: Support U.S. national and nuclear security objectives in reducing global nuclear security threats through the innovation of technical capabilities to detect, identify, and characterize: 1) foreign nuclear weapons programs, 2) illicit diversion of special nuclear materials, and 3) global nuclear detonations.

Objective-2.3: Support efforts to achieve permanent threat reduction by managing and minimizing excess weapons-useable nuclear materials and providing nuclear materials for peaceful uses.

Objective-2.4: Support efforts to prevent proliferation, ensure peaceful nuclear uses, and enable verifiable nuclear reductions to strengthen the nonproliferation and arms control regimes.

Objective-2.5: Sustain and improve nuclear counterterrorism, counterproliferation, and forensic science, technology, expertise and associated Nuclear Emergency Support Team (NET) capabilities; execute response missions, implement policies and procedures in support of response and forensics missions, and assist international partners/organizations.

Key Outcomes: None
Goal-3: Mission Innovation: Advancing Science and Technology

Successfully advance national security missions through innovation by expanding the frontiers of Science, Technology, and Engineering (ST&E). Execute transformative and leading-edge Research and Development (R&D) by creating a vibrant, creative, environment that leverages effective strategic partnership projects and technology transfer endeavors. Effectively manage high-impact DOE Work and Laboratory Directed Research and Development (LDRD) and Technology Transfer, etc. in a safe and secure manner consistent with DOE/NNSA priorities, Work Authorizations, and Execution/Implementation Plans.

Objectives:

Objective-3.1: Execute a research strategy that is clear and aligns discretionary investments (e.g., LDRD) with the Laboratories’ strategy and supports DOE/NNSA priorities.

Objective-3.2: Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.

Objective-3.3: Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.

Objective-3.4: Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.

Objective-3.5: Research and develop high-impact technologies through effective strategic partnerships and technology transfer mechanisms that support the Laboratories’ strategy, DOE/NNSA priorities and impact the public good; and ensure that reporting, publishing, and information management requirements of federally funded scientific research and development are implemented (via DOE’s Public Access Plan) and per DOE’s Scientific and Technical Information Management directive (DOE O 241.1B).

Objective-3.6: Pursue and perform high-impact work for DOE that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities, and essential skills.

Key Outcomes: None
Goal 4: Mission Enablement

Effectively and efficiently manage the safe and secure operations of the Laboratories in accordance with cost, scope and schedule while maintaining an NNSA enterprise-wide focus; demonstrating accountability for mission performance and management controls; successfully executing cyber, technical, informational, and physical security requirements, and assure mission commitments are met with high-quality products and services while partnering to improve the site infrastructure. Performance will be measured by the contractor’s assurance system, NNSA metrics, cost control, business and financial operations, project baselines, implementation plans, assessment, and audit results, etc., with a focus on mission enablement.

Objectives:

Objective-4.1: Deliver effective, efficient, and responsive Environment, Safety, and Health (ES&H), Quality (including weapon quality) and radioactive waste management. Advance DOE/NNSA’s climate resiliency and sustainability goals with a focus on maximizing energy efficiency and supporting Carbon Pollution-Free Electricity (CFE) objectives.

Objective-4.2: Deliver mission capabilities through the planning, design, acquisition, operation, maintenance, recapitalization, and disposition of facilities and infrastructure. Execute design and construction projects to achieve the scope on schedule and on budget.

Objective-4.3: Deliver effective, efficient, and responsive safeguards and security, including assigned enterprise initiatives.

Objective-4.4: Deliver efficient, effective, responsible, and transparent financial management operations and systems including financial integration reporting; budget formulation and execution; programmatic cost estimates; and internal controls.

Objective-4.5: Deliver efficient and effective management of legal risk and incorporation of best legal practices. Deliver timely and actionable recommendations and analysis to Freedom of Information Act and Privacy Act requests.

Objective-4.6: Deliver effective, efficient, and responsive information technology systems and cybersecurity that provides for a comprehensive mission and functional area delivery through the execution of the implementation factors established in the NA-1M IT and Cybersecurity Program Execution Guidance, and adaptive day-to-day IT and cybersecurity operations to support, protect, and defend mission/business systems and networks.

Objective-4.7: Deliver effective, efficient, and responsive site emergency management programs in support of the DOE/NNSA Emergency Management Enterprise.

Objective-4.8: Deliver efficient, effective, and compliant business operations including, but not limited to, procurement, human resources, and property systems, in support of NNSA missions. Focus areas to include achievement of small business and socioeconomic goals; timely and high-quality subcontract actions, support provided to the NSE Workforce Recruitment Strategy; and strategic management of integrated recruiting, retention, and diversity programs.
Key Outcomes:

KO 4.1: Plan and execute the Enhanced Capabilities for Subcritical Experiments portfolio projects in accordance with approved scope and baselined cost and schedule milestones; risk management; and cost estimating and cost control.

KO 4.2: Plan and execute the Microsystems Engineering, Science and Applications (MESA) Complex Extended Life Program (ELP) projects in accordance with federally approved scope, cost, and schedule baselines.

KO 4.3: Complete the Power Sources Capability project deliverables to achieve Title I Preliminary Design by the end of FY 2024.

KO 4.4: Award critical subcontracts by the end of FY 2024 to support the Combined Radiation Environment for Survivability Testing (CREST) Conceptual Design activities necessary to achieve CD-1 approval on-schedule.
Goal-5: Mission Leadership

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, cultivating a Performance Excellence Culture that encompasses all aspects of operations and continues to emphasize safety and security, improving the responsiveness of NTESS leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the Laboratories and the Enterprise.

Objectives:

Objective-5.1: Define and implement a realistic strategic vision for the Laboratories, in alignment with the NNSA Strategic Vision, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.

Objective-5.2: Demonstrate performance results through the institutional utilization of a Contractor Assurance System and promoting a culture of critical self-assessment, transparency, and accountability through the entire organization, while also leveraging parent company resources and expertise.

Objective-5.3: Develop and implement a National Security Enterprise-wide partnership model that enhances collaboration, reinforces shared fate and enables mission success including transformation of the stockpile and the enterprise.

Objective-5.4: Exhibit professional excellence in performing roles/responsibilities while pursuing collaborative opportunities for continuous organizational and enterprise learning and demonstrated improvements that will improve productivity, grow the capacity to execute mission, and manage, rather than avoid, risk. Pursue innovations to increase agility and resilience while controlling costs. Advance the operational capabilities of the National Security Enterprise (NSE) by identifying and employing latent capacity existing in the NSE.

Objective-5.5: Demonstrate leadership in driving enhanced and sustainable formality and rigor of operations through proactive implementation of effective and efficient measures to minimize operational upsets that have potential to impact mission.

Objective 5.6: Leadership takes decisive action, as a cooperative partner of NNSA, to attract and retain the workforce needed to achieve the nuclear security enterprise missions, with particular emphasis on critical and under-resourced skill sets, reaching back to parent company resources as necessary.

Key Outcomes: None
### FAR 16.401(e)(3) AWARD FEE ADJECTIVAL RATINGS AND SUPPLEMENTAL DEFINITIONS

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>Excellent</td>
<td>91%-100%</td>
<td>Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. &lt;br&gt;&lt;br&gt; <em>This performance level is evidenced by at least one significant accomplishment, or a combination of accomplishments that significantly outweigh very minor issues, if any. No significant issues in performance exist.</em></td>
</tr>
<tr>
<td>Very Good</td>
<td>76% - 90%</td>
<td>Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. &lt;br&gt;&lt;br&gt; <em>This performance level is evidenced by accomplishments that greatly outweigh issues. No significant issues in performance exist.</em></td>
</tr>
<tr>
<td>Good</td>
<td>51% - 75%</td>
<td>Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. &lt;br&gt;&lt;br&gt; <em>This performance level is evidenced by accomplishments that slightly outweigh issues. No significant issues in performance exist.</em></td>
</tr>
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</table>
| Satisfactory | No greater than 50% | Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

*This performance level is evidenced by issues that slightly outweigh accomplishments.* |
| Unsatisfactory | 0% | Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

*This performance level is evidenced by issues that significantly outweigh accomplishments, if any.* |

**Definitions:**

An **Accomplishment** is an achievement or success in the performance of contract requirements that exceeds standards or expectations. Examples might be performing full contract requirements under budget while meeting or exceeding schedule baselines or performing additional scope within the initial cost targets with no negative effect on requirements or other programs, indicating continued performance improvement.

An **Issue** is a point in question or a matter that raises concerns regarding successful performance of contract requirements within scope, cost (budget), and schedule baselines or concern of negative effect on requirements or other programs, indicating a decline in performance that needs attention and improvement.