

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. 0113	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY Strategic Petroleum Reserve Project SPRO U.S. Department of Energy 900 Commerce Road East US 492 New Orleans LA 70123	CODE 892435	7. ADMINISTERED BY (If other than Item 6) SPRO U.S. Department of Energy SPRO 900 Commerce Road East US 492 New Orleans LA 70123	CODE 01601
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Fluor Federal Petroleum Operations, LLC Attn: Paul Avery 850 S Clearview Pkwy New Orleans LA 701233401		(x)	9A. AMENDMENT OF SOLICITATION NO.
CODE 078490442			9B. DATED (SEE ITEM 11)
FACILITY CODE		x	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-FE0011020
			10B. DATED (SEE ITEM 13) 09/18/2013

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended. is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) 970.5215-1 Total available fee: Base fee amount and performance fee amount

E. IMPORTANT: Contractor is not is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to incorporate the FY22 Performance Evaluation and Measurement Plan (PEMP).

Reference Section J, Attachment J - Performance Evaluation and Measurement Plan (PEMP): The Performance Evaluation and Measurement Plan for the period October 1, 2021 through September 30, 2022 is hereby incorporated.

Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Justin Daniel Dudenhefer	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA Signature on File (Signature of Contracting Officer)	16C. DATE SIGNED 10/14/2021

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CONTINUATION SHEETREFERENCE NO. OF DOCUMENT BEING CONTINUED
DE-FE0011020/0113PAGE OF
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NAME OF OFFEROR OR CONTRACTOR

Fluor Federal Petroleum Operations, LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Payment: OR for SPRO U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 6017 Oak Ridge TN 37831 Period of Performance: 04/01/2014 to 03/31/2024				

**ATTACHMENT J – PERFORMANCE EVALUATION AND
MEASUREMENT PLAN**

The Performance Evaluation and Measurement Plan for the period October 1, 2021 through September 30, 2022 is hereby incorporated by reference.



**U. S. DEPARTMENT OF ENERGY
STRATEGIC PETROLEUM RESERVE
PROJECT MANAGEMENT OFFICE**

FISCAL YEAR 2022

(OCTOBER 1, 2021 – SEPTEMBER 30, 2022)

**PERFORMANCE EVALUATION AND
MEASUREMENT PLAN**

FOR

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

CONTRACT NO. DE-FE0011020

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(OCTOBER 1, 2021 – SEPTEMBER 30, 2022)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

SIGNATURE PAGE

SUBMITTED BY:

DEPARTMENT OF ENERGY

JUSTIN
DUDENHEFER Digitally signed by JUSTIN
DUDENHEFER
Date: 2021.10.06 12:27:29
-05'00'

**JUSTIN DUDENHEFER
CONTRACTING OFFICER**

9/27/2021

DATE

Paul S Oosterling

**PAUL S. OOSTERLING
PROJECT MANAGER**

9/27/2021

DATE

ACCEPTED BY:

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

**DAN EVANS
PROJECT MANAGER**

DATE

APPROVED BY:

DOUGLAS MACINTYRE Digitally signed by DOUGLAS
MACINTYRE
Date: 2021.10.13 17:03:20 -04'00'

**DOUGLAS MACINTYRE
ACTING DEPUTY ASSISTANT SECRETARY
OFFICE OF PETROLEUM RESERVES**

DATE

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PERFORMANCE EVALUATION AND MEASUREMENT PLAN
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INTRODUCTION

Purpose: This Performance Evaluation and Measurement Plan (PEMP) supplements and implements the total available fee provisions of Contract No. DE-FE0011020 with Fluor Federal Petroleum Operations, LLC (FFPO). This plan is for the management and operation of the Strategic Petroleum Reserve (SPR). This plan will define methodology and responsibilities associated with determining the incentive fee to be awarded to FFPO. The plan outlines the organization, procedures, and evaluation period for implementing the fee provisions of the contract. The purpose of the incentive/award fee is to motivate the contractor to exceed standards and to emphasize key areas of performance and concern without jeopardizing minimum acceptable performance in all areas.

Incentive/Award Fee Period: The PEMP is for the performance period beginning October 1, 2021, and ending September 30, 2022.

ORGANIZATIONAL STRUCTURE

The organizational structure of the incentive fee process is established to ensure a fair and full evaluation of the contractor's performance. This PEMP is used in conjunction with SPR Project Management Office (PMO) Order 210.2B, SPRPMO Measurement Order, and the Quality Assurance Review. The PEMP states the key contract objective measures, including effectiveness and efficiency measures, corresponding execution targets (and stretch targets where applicable), and the percentage of potential fee to be earned. The PEMP also includes the criteria descriptions and evaluation criteria for each of the subjective measures.

This PEMP may be changed unilaterally by the government as stipulated in the total available fee provisions of the contract. All parties involved in the incentive/award fee process, including the contractor, are encouraged to recommend changes with a view toward redirecting management emphasis, motivating performance improvements, or enhancing the fee process. Any changes to the Plan will become effective consistent with the time frames outlined in the total available fee clause of the contract, or by mutual agreement of the parties. The Fee-Determining Official (FDO) approves all changes to the Plan, with the exception of administrative changes (e.g., changes in Performance Evaluation Committee (PEC) membership), which can be approved by the Award Fee Board (AFB) Chairperson.

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FEE STRUCTURE

Total available fee consists of an award fee based on objective performance measures and an award fee based on a subjective evaluation. The total available fee pool is **\$12,718,343**, to be broken down as follows: The fee pool for Facilities is **\$3,472,858** and for Life Extension 2 (LE 2) is **\$9,245,485**. LE 2 measures can be found within its own PEMP (document SPRPMO 0414). For each evaluation period, the government and the contractor will mutually agree upon, or in the event an agreement cannot be reached, the government will unilaterally establish: the evaluation areas, individual requirements, and the allocation of fee. The contractor's performance relative to the evaluation areas identified in the Critical Few Performance Measures (CFPMs) (Attachment 3), and the subjective measures based on the evaluation areas listed in Attachment 5, determines the amount of fee earned. The method for arriving at this determination is described herein. The evaluation period represented in this document is October 1, 2021, through September 30, 2022.

In addition to evaluating the contractor's achievement of the CFPMs and the subjective evaluation areas, the government will consider the impact of any material performance deficiencies in all areas of performance, regardless of whether a weight or fee has been specifically assigned. This includes, for example, marginal or unacceptable performance of work authorization directive (WAD) requirements; or less serious, but recurring or systemic, negative events. In evaluating the impact of performance deficiencies, the government will consider the timeliness and adequacy of corrective actions as well as the overall success of the contractor in exceeding the government's expectations.

The government expects the contractor to perform all contract work in a satisfactory manner. Therefore, if the contractor's performance is considered to be a less than satisfactory level of performance established in any area of contract performance, regardless of whether a weight or fee has been specifically assigned, the amount of otherwise earned fee may be reduced in whole or in part. In exercising this discretion, the government will consider the extent to which the unfavorable performance:

- ◆ Posed a threat to the environment or the health and safety of workers or the public as defined by the Integrated Safety Management System as approved by the Department of Energy (DOE).

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- ◆ Contributed to the occurrence of a catastrophic event such as a fatality or serious workplace-related injury or illness, hazardous material exposure exceeding regulatory limits, loss of control over classified material, or an event that causes significant damage to the environment.
- ◆ Jeopardized attainment of overall contract requirements, including essential mission requirements such as drawdown readiness.
- ◆ Increased the cost to the government.

AWARD FEE COMPONENTS

The amount of fee earned will be based on an assessment of the contractor's performance through September 30, 2022, relative to the CFPMs contained in Attachment 3 and a subjective fee component in Attachment 5. Attachment 4 contains the grading scale against which the subjective components will be evaluated. Unearned fees will not be rolled over to any subsequent evaluation period but shall be forfeited. The AFB will also take into consideration any special accomplishments or deficiencies that may arise through this performance period. This information is received from the PEC and through the performance metrics set forth in the WADs. The method for determining earned fee is described below.

EVALUATION CRITERIA

Critical Few Performance Measures

1. **Objective Fee Criteria**

The CFPMs represent outcomes crucial to the successful execution of the SPR mission. The CFPMs are the core outcomes needed to achieve essential contract objectives. A fee is allocated to each CFPM. Notwithstanding the contractor's success in achieving the targets assigned to each CFPM, the final determination of fee will consider the extent to which material performance deficiencies (if any) occurred in any area of contract performance. When determining the amount of reduction to otherwise earned fee because of material performance deficiencies, due consideration will be given to the timeliness and adequacy of corrective actions as well as the overall success of the contractor in exceeding the government's expectations.

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In applying these standards, the government will consider any mitigating factors presented by the contractor. Such mitigating factors must have directly and materially affected the contractor's ability to achieve the specified standard and must be beyond the control and responsibility of the contractor.

2. Subjective Fee Criteria

The subjective criteria that have been established include a unique customer satisfaction survey. This survey is a means to measure the M&O contractor's performance in fulfilling contract requirements taking into account the Department's goals and objectives. The focus in the subjective element of this fee appraisal will pertain to the areas of each APM, COVID-19, and Subcontract Management. Results from DOE's ongoing comprehensive surveillance and oversight will be used to aid in grading this subjective evaluation area.

Means to measure fulfillment of the criteria are provided in Attachment 5, Subjective Fee Evaluation Areas. Areas within an evaluation criterion are not sub-criteria and will not be individually rated but considered in the overall evaluation for the particular evaluation criterion. If significant problems are identified in the evaluated performance for any particular criteria, the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems. See Attachment 4 for evaluation criteria for each area. The criteria statements in Attachment 4 are not all inclusive. Any relevant performance information may be considered to assign an adjectival rating.

A grading table will be used to determine a suggested fee determined by the AFB. These scores will fall into the grading table which will consist of Excellent, Very Good, Good, Satisfactory, and Unsatisfactory (Attachment 5).

A minimum level of performance is defined as that which falls within a "Satisfactory" range in the grading table (Attachment 5) (i.e., a score no greater than 50%). Below minimum performance falls within the "Unsatisfactory" range, (i.e., a score of 49% or below). Above minimum performance falls within the "Good" through "Excellent" ranges, (i.e., a score of 51% or above).

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The government shall establish minimum and target output levels for each performance measure contained in the WADs with said levels being indicative of satisfactory and excellent performance, respectively. In addition to evaluating the contractor's achievement of defined output levels (objective evaluation), the government will consider qualitative factors (subjective evaluation) in determining a performance rating. Hence, judgmental factors will be integrated (with mathematical computations when needed) to produce a fee determination representative of the contractor's performance in totality.

ROLES AND RESPONSIBILITIES

- a. **Fee-Determining Official.** The FDO is the Deputy Assistant Secretary for the Office of Petroleum Reserves. The primary responsibilities of the FDO are to:
- ◆ Approve the PEMP and any significant changes.
 - ◆ Approve the amount of fee earned and payable for each evaluation period.
 - ◆ Notify the contractor of the amount of total fee earned during the evaluation period. This notification will identify specific areas of strengths and performance deficiencies.
- b. **Award Fee Board.** The AFB membership is set forth in Attachment 1. The primary responsibilities of the AFB are to:
- ◆ Prepare and submit the PEMP, including any significant changes, for the approval of the FDO.
 - ◆ Submit an AFB report to the FDO covering its findings regarding performance and recommendations for the determination of earned fee.
- c. **Performance Evaluation Committee.** The PEC and its membership are identified in Attachment 2. The primary responsibilities of the PEC are to:
- ◆ Monitor and evaluate the contractor's performance.
 - ◆ Conduct quarterly meetings with the contractor to provide feedback on

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performance.

- ◆ Submit reports to the AFB covering the evaluation of the contractor's performance.
- ◆ Recommend, as appropriate, changes to this plan.

d. Executive Secretary.

- ◆ Develops the PEMP with consultation from the AFB and the Contracting Officer.
- ◆ Prepares a letter for the FDO for notification to the contractor of the amount of fee that has been earned for an evaluation period.
- ◆ Prepares the agenda and manages the quarterly AFB meetings.
- ◆ Submits a copy of the Quality Assurance Review results to the AFB regarding performance.

e. Contracting Officer.

- ◆ Assures appropriate coordination of performance expectations and evaluation criteria with Headquarters and policy organizations.
- ◆ Submits the PEMP to Headquarters Office of Acquisition Management for approval.
- ◆ Negotiates award fee amounts.
- ◆ Forwards the approved PEMP or evaluation criteria to the contractor through a contract modification.
- ◆ Provides technical direction to the contractor.
- ◆ Participates in quarterly AFB and PEC meetings.

AWARD FEE PROCESS

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Performance reviews will be conducted on a schedule as defined in SPRPMO O 210.2B, *SPRPMO Performance Measurement Order*. Formal feedback of strengths and weaknesses will be documented and provided on a quarterly basis by the PEC while a formal fee evaluation and determination by the AFB will be completed at the end of the evaluation cycle and recommended to the FDO.

The evaluation cycle consists of a yearlong evaluation period or may provide for multi-year incentive. During the evaluation period, the AFB/PEC will meet with the contractor quarterly to address the contractor's progress, any changes in goals and priorities, any serious problems or issues requiring resolution, and the results of the contractor's self-assessment process. The AFB, including the Contracting Officer, will attend these meetings. Staff members, who provide input to the PEC, are also invited to attend. The Executive Secretary to the AFB will provide a schedule for these quarterly progress meetings.

The contractor will perform at the satisfactory level in all areas of performance regardless whether a CFPM or fee has been assigned. If the contractor's performance is determined to be less than the minimum level of performance, earned fee may be reduced consistent with "Conditional Payment of Fee, Profit and Other Incentives – Facility Management Contract's clause (DEAR 970.5215-3)."

In applying these standards, the government will consider any mitigating factors presented by the contractor. Such factors must have directly and materially affected the contractor's ability to achieve the specified standard and must be beyond the control and responsibility of the contractor.

The contractor's performance, as a whole, for all evaluation periods will be a factor in considering the exercise of any contract option.

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Key Contract Objectives	Fee Percentage	Fee Allocation
Objective Performance Pool	75%	\$2,604,644
Subjective Performance Pool	25%	\$868,214
Subtotal	100%	\$3,472,858
<i><u>Total Fiscal Year 2022 Facilities Performance Fee Pool</u></i>		<i><u>\$3,472,858</u></i>

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ATTACHMENT 1

AWARD FEE BOARD MEMBERSHIP

Chairperson:	Project Manager Strategic Petroleum Reserve
Members:	SPR Program Office Representative Assistant Project Manager* Management and Administration Assistant Project Manager Maintenance and Operations Assistant Project Manager Systems and Projects Assistant Project Manager Technical Assurance
Ex-officio Member:	Director Acquisition and Sales Division
Executive Secretary:	Special Assistant to the Project Manager Office of Performance and Fee Management
General Attorney:	Office of Chief Counsel Serves in an Advisory capacity to the AFB

* REPRESENTS THE CHIEF FINANCIAL OFFICER

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ATTACHMENT 2

PERFORMANCE EVALUATION COMMITTEE MEMBERSHIP

Roy Habbaz, Crude Oil, Drawdown Readiness, and Cavern Integrity Division (Chair)

Tony Pate, Director, Quality Assurance & Performance Division

Jennifer Coleman, Director, Planning and Financial Management Division*

Diane Willard, Configuration Management Officer

Darryl Rickner, Director, Site Operations and Maintenance Division

Todd Judice, Director, Systems Engineering and Analysis Division

Nick Palestina, Director, Project Engineering Division

Stephen Reese, Director, Environmental, Safety & Health Division

Stephen Gauthé, Director, Security and Emergency Operations Division

Kelly Gele, Director, Acquisition and Sales Division

Leo Selico, Director, Information Systems and Technical Services

*Serves as Chief Financial Officer also

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ATTACHMENT 3

**OBJECTIVE FEE EVALUATION AREAS
CRITICAL FEW PERFORMANCE MEASURES**

For any completed measure that is validated to have fallen between the Target and Stretch Target range, the fee percentage will be subject to linear interpolation in calculating the fee. If a fee calculation cannot be reached using linear interpolation, then the calculation will be made by the Award Fee Board, with approval of the Chairperson.

Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p>90-Day Drawdown Rate</p> <p>Ensure the SPR’s capability to respond to an energy emergency consistent with the established Drawdown criteria.</p>	<p>90-day Drawdown rate in barrels per day (12-month average)</p>	<p>Target: 3.42 MMBD - FY 2022 Target establishment Estimated Completion Date is approximately the end of August</p>	<p>Target: 10%</p>	<p>Target: \$347,286</p>
<p>Maintenance Performance Appraisal Rating (MPAR)</p> <p>Maintain SPR facilities and systems at a level adequate to meet program requirements.</p>	<p>Calculated MPAR score</p>	<p>Stretch Target: ≥ 98-point fiscal year average SPR-wide and ≥ 95-point fiscal year average at each SPR site</p>	<p>Stretch Target: 10%</p>	<p>Stretch Target: \$347,286</p>
		<p>Target: ≥ 95-point fiscal year average SPR-wide and ≥ 94 point fiscal year average at each SPR site</p>	<p>Target: 5%</p>	<p>Target: \$173,643</p>

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Cavern Workovers Ensure compliance with regulations regarding Caverns and Brine Disposal Wells.	Execute workovers (excluding cavern remediations) per workover schedule.	Stretch Target: Completion of 11 diagnostic workovers	Stretch Target: 13%	Stretch Target: \$451,472
		Target: Completion of 9 diagnostic workovers	Target: 8%	Target: \$277,829
Uncosted Balance	Decrease the uncosted balance for FY 2022. Note: An exception may be provided for funds provided outside of the approved AOP unless requested by the M&O. Targets are based upon the anticipated FY 2021 uncosted balance.	Reduce Uncosted Balance by: Stretch Target: 18% or More	Stretch Target: 5%	Stretch Target: \$173,643
		Target: 13% to 17.99%	Target: 3%	Target: \$104,186
		Lower Target: 8% to 12.99%	Lower Target: 2%	Lower Target: \$69,457

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p style="text-align: center;">Reliability Availability Maintainability (RAM)</p> <p>Provide adequate assurance of the availability and reliability of system components necessary to carry out the SPR mission.</p>	<p>Calculated percentage of site availability to be validated by quarterly equipment exercise and required performance of drawn-down critical equipment to support full rate Drawdown.</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">≥ 95 percent for each site each quarter.</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">4%</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">\$138,914</p>
		<p style="text-align: center;">Target:</p> <p style="text-align: center;">≥ 95 percent for SPR-wide average each quarter calculated of all four sites.</p>	<p style="text-align: center;">Target:</p> <p style="text-align: center;">2%</p>	<p style="text-align: center;">Target:</p> <p style="text-align: center;">\$69,457</p>
<p style="text-align: center;">Annual Operating Plan (AOP)</p>	<p>Executes FY 2022 AOP total labor at or below obligated amount for FY 2022 Approved AOP.</p> <p>Note: Consideration will be given to anomalies that occur during the fiscal year that may impact this measure.</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">0% to 4.00%</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">4%</p>	<p style="text-align: center;">Stretch Target:</p> <p style="text-align: center;">\$138,914</p>
		<p style="text-align: center;">Target:</p> <p style="text-align: center;">4.01% to 4.50%</p>	<p style="text-align: center;">Target:</p> <p style="text-align: center;">2%</p>	<p style="text-align: center;">Target:</p> <p style="text-align: center;">\$69,457</p>
		<p style="text-align: center;">Lower Target:</p> <p style="text-align: center;">4.51% to 5.00%</p>	<p style="text-align: center;">Lower Target:</p> <p style="text-align: center;">1%</p>	<p style="text-align: center;">Lower Target:</p> <p style="text-align: center;">\$34,729</p>

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p>Master Project Milestone Schedule</p> <p>Ensure effective mission execution through management and control of project milestones.</p>	<p>Percentage of FY 2022 Level 1, 2, and 3 milestones for which FFPO is responsible (excluding milestones associated with the Program Cyber Security Plan (PCSP) Implementation) that are completed in compliance with established Control Milestone Change Requests (CMCRs). (Excludes LE 2 milestones.)</p>	<p>Stretch Target:</p> <p>Complete all Level 1 and 2 milestones by the scheduled date. Complete at least 95% of all Level 3 milestones by the end of the fiscal year and at least 93% within 30 days of scheduled date.</p>	<p>Stretch Target:</p> <p>3%</p>	<p>Stretch Target:</p> <p>\$104,186</p>
		<p>Target:</p> <p>Complete all Level 1 and 2 milestones by the scheduled date. Complete at least 90% of all Level 3 milestones by the end of the fiscal year and at least 85% within 30 days of scheduled date.</p>	<p>Target:</p> <p>2%</p>	<p>Target:</p> <p>\$69,457</p>
<p>Ensure effective delivery of Crude Oil Sale</p>	<p>Successfully deliver crude oil in a safe and environmentally compliant manner to customers that were awarded contracts under Congressional mandated and authorized oil sales.</p>	<p>Target:</p> <p>Per approved oil delivery schedule and sales contract requirements.</p>	<p>Target:</p> <p>10%</p>	<p>Target:</p> <p>\$347,286</p>

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p style="text-align: center;">Major Maintenance Cost Performance</p>	<p>Maintain cost growth of awarded contract value within the allowable contingency (7% for construction and 3% for GFP). This measure will consider all completed projects during the FY.</p>	<p>Stretch Target:</p> <p>More than 90% within contingency (excluding scope change)</p>	<p>Stretch Target:</p> <p>3%</p>	<p>Stretch Target:</p> <p>\$104,186</p>
		<p>Target:</p> <p>More than 75% within contingency (excluding scope change)</p>	<p>Target:</p> <p>1.5%</p>	<p>Target:</p> <p>\$52,093</p>
<p style="text-align: center;">Major Maintenance Accuracy of Government Estimates (GE) vs. Award Value</p>	<p>The cumulative value of Contract Awards for Major Maintenance projects awarded during this fiscal year, excluding delivery orders or projects with extenuating circumstances, are maintained within the allowable targets.</p>	<p>Stretch Target:</p> <p>+/- 20% GE vs. Award</p>	<p>Stretch Target:</p> <p>3%</p>	<p>Stretch Target:</p> <p>\$104,186</p>
		<p>Target:</p> <p>+/- 25% GE vs. Award</p>	<p>Target:</p> <p>1.5%</p>	<p>Target:</p> <p>\$52,093</p>

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Reportable Spills	Reportable releases to the environment, as defined by Federal and state regulatory agencies (this does not include any Reportable Releases that would correspond to the "Severe" or "Catastrophic" consequences as defined by the SPR Risk Coding Matrix, FFPO Document #AAA9020.1057, dated 08/2017).	Stretch Target: 4 reportable releases	Stretch Target: 3%	Stretch Target: \$104,186
		Target: 6 reportable releases	Target: 1.5%	Target: \$52,093
Repeat Findings during SEOD Security Surveys and Emergency Management Audits	Complete Five (5) SEOD Security Surveys and Five (5) Emergency Management Audits with a Satisfactory Composite Rating without Repeat Findings documented from the previous 2-years of Emergency Management Audits and Security Surveys in Topical Areas including Program Management Operations, Physical Protection, Personnel Security, Information Security, Protection Force and Foreign Visits and Assignments during the next 12-months.	Stretch Target: Zero Repeat Findings as a result of Emergency Management Audits and SEOD Security Surveys at BM, BH, WH, BC and New Orleans/Stennis sites during the next 12-month period.	Stretch Target: 2%	Stretch Target: \$69,457
		Target: One Repeat Findings as a result of Emergency Management Audits and SEOD Security Surveys at BM, BH, WH, BC and New Orleans/Stennis sites during the next 12-month period.	Target: 1.4%	Target: \$48,620

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p>Internal Audit Control Operations</p> <p>Maintain Audit Resolution and Follow-up System to track compliance with issues/findings identified through any review or audit conducted by any of the following groups: Inspector General (IG), Government Accountability Office (GAO), FFPO Internal Audit, or DOE Audit.</p>	<p>Timely resolution of Internal Audit findings and recommendations as well as timely resolution of IG, GAO, FFPO, and DOE Audit findings and recommendations leading to closure with signed resolution agreement between DOE Audit, DOE Contracting Officer and M&O Contractor.</p>	<p>Stretch Target:</p> <p>60 Days for any audit closed in FY 2022 (regardless of when it began) with findings for the SPR, the corrective action plan was developed by FFPO within 60 days.</p>	<p>Stretch Target:</p> <p>3%</p>	<p>Stretch Target:</p> <p>\$104,186</p>
		<p>Target:</p> <p>75 Days for any audit closed in FY 2022 (regardless of when it began) with findings for the SPR, the corrective action plan was developed by FFPO within 75 days.</p>	<p>Target:</p> <p>2%</p>	<p>Target:</p> <p>\$69,457</p>
		<p>Lower Target:</p> <p>90 Days for any audit closed in FY 2022 (regardless of when it began) with findings for the SPR, the corrective action plan was developed by FFPO within 90 days.</p>	<p>Lower Target:</p> <p>0.5%</p>	<p>Lower Target:</p> <p>\$17,364</p>
<p>Emergency Management</p>	<p>Ensure that Emergency Response Team (ERT) members, 20 per site are qualified and active as defined (per ASL5500.25 and AAA9004.1).</p>	<p>Target:</p> <p>Maintain at least 20 ERT members per site.</p>	<p>Target:</p> <p>2%</p>	<p>Target:</p> <p>\$69,457</p>

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ATTACHMENT 4

**GRADING TABLE
(FAR 16.401)**

AWARD-FEE ADJECTIVAL RATING	AWARD-FEE POOL AVAILABLE TO BE EARNED	DESCRIPTION
Excellent	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 in the aggregate 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 in the aggregate 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 in the aggregate 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 in the aggregate 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 in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

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**ATTACHMENT 5
SUBJECTIVE FEE EVALUATION AREAS**

Subjective fee will be determined by way of an extensive questionnaire of performance and management of each APM’s respective WAD and its associated criteria within that WAD. Results from DOE’s ongoing comprehensive surveillance/oversight will be used to aid in grading this subjective evaluation area. A grading will be assigned to each APM quarterly utilizing the scores generated from the issued questionnaires as follows:

- EXCELLENT
- VERY GOOD
- GOOD
- SATISFACTORY
- UNSATISFACTORY

Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>1. <u>Technical Assurance APM (5% Fee - \$173,643)</u></p>	<p><u>Environmental Safety & Health (ES&H) Division</u></p> <ul style="list-style-type: none"> • The Environmental subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Waste Management • ISO 14001 Compliance • Environmental CAS development and execution in accordance with DOE P 226.2 and SPRPMO O 226.1C • The Safety & Health subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Safety & Health Management CAS development and execution in accordance with DOE P 226.2 and SPRPMO O 226.1C • Welding Fume Exposure Control Implementation and Effectiveness • Hazard Assessment, Work Planning and Controls

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<ul style="list-style-type: none"> • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Quality & Performance Assurance (QPAD) Division</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Extent of Conditions for non-conformances • Issues Management Trending • Utilization of Lessons Learned Program • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Security & Emergency Operations (SEOD) Division</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Site Security Surveys • Protective Force Management • Range Qualification Management

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<ul style="list-style-type: none"> • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution
<p>2. <u>Management & Administration APM (5% Fee - \$173,643) –</u></p>	<p><u>Planning & Financial Management (P&FD)</u></p> <ul style="list-style-type: none"> • <u>Division</u> The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Cost & Obligations • Budget formulation • Financial Reporting • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Acquisition & Sales Division</p>

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Deliver timely procurement and best value products/services • Personal/Real Property management • SMTR program management • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution
<p>3. <u>Maintenance & Operations APM 5% Fee - \$173,643)</u></p>	<p><u>Crude Oil, Drawdown Readiness, & Cavern Integrity (CODDRCI) Division</u></p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Cavern Inventory Reporting Accuracy • LDNR/TRRC reporting & communication • Cavern Library • Systems Test Exercises • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<p><u>Site Operations & Maintenance Division (SOMD) Division</u></p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Grounds Maintenance • Green Room Projects • Raw Water Intake Water Depth Maintenance • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Four SPR sites – Feedback in the form of a customer service survey/questionnaire from each of the 4 sites will also be included from:</p> <ul style="list-style-type: none"> • Bryan Mound • Big Hill • West Hackberry • Bayou Choctaw

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>4. <u>Systems & Projects APM</u> <u>(5% Fee - \$173,643)</u> –</p>	<p>Information Systems & Technical Services (IT) Division</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Cyber Security Threat reaction • Schedules for data management plans • IT support (Help Desk, etc.) • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Systems Engineering & Analysis Division –</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Pipeline Preventative Maintenance Program • Subsidence Management Plan • Vapor Pressure Monitoring Plan • Process Hazard Analysis (PHAs) • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<ul style="list-style-type: none"> • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Project Engineering Division</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Management of Design reviews • Construction Management • Conceptual Design reports • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution <p>Configuration Management</p> <ul style="list-style-type: none"> • The subjective evaluation will include a grading for the overall management of these areas: <ul style="list-style-type: none"> • Change control mechanisms • ECP closeout • Utilizing Level I, II, & III criteria into engineering designs

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
	<ul style="list-style-type: none"> • Additionally, subjective evaluation will grade customer service in these areas: <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution
<p>5. <u>COVID-19 (2% Fee - \$69,457)</u> – M&O contractor’s readiness to support COVID-19 response activities throughout the SPR complex.</p>	<ul style="list-style-type: none"> • This subjective evaluation will include a grading for the overall management of the COVID-19 response activities. The areas of evaluation will include: <ul style="list-style-type: none"> • Enhanced cleaning and building management • Case management • Data management
<p>6. <u>Subcontract Management (3% Fee - \$104,185)</u> – This subjective evaluation will assess the M&O contractor’s management of Facilities subcontractors only.</p>	<ul style="list-style-type: none"> • The M&O contractor will demonstrate effective subcontract management to include: <ul style="list-style-type: none"> • Award of subcontracts as scheduled • Inclusion of all requirements • Perform subcontractor audits • Subcontractor administration • Contractor will monitor subcontractor performance to ensure compliance with all requirements to include: <ul style="list-style-type: none"> • Small business subcontracting plans • Buy American Act • Applicable labor statutes



**U. S. DEPARTMENT OF ENERGY
STRATEGIC PETROLEUM RESERVE
PROJECT MANAGEMENT OFFICE**

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**LIFE EXTENSION 2
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MEASUREMENT PLAN**

FOR

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

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SIGNATURE PAGE

SUBMITTED BY:

DEPARTMENT OF ENERGY

**JUSTIN
DUDENHEFER**  Digitally signed by JUSTIN
DUDENHEFER
Date: 2021.09.27 15:05:58
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**JUSTIN DUDENHEFER
CONTRACTING OFFICER**

DATE

Paul S Oosterling

**PAUL S. OOSTERLING
PROJECT MANAGER**

9/27/2021
DATE

ACCEPTED BY:

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

**DAN EVANS
PROJECT MANAGER**

DATE

APPROVED BY:

DOUGLAS MACINTYRE  Digitally signed by DOUGLAS
MACINTYRE
Date: 2021.10.13 17:06:48 -04'00'

**DOUGLAS MACINTYRE
ACTING DEPUTY ASSISTANT SECRETARY
OFFICE OF PETROLEUM RESERVES**

DATE

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INTRODUCTION

Purpose: This Performance Evaluation and Measurement Plan (PEMP) supplements and implements the total available fee provisions of Contract No. DE-FE0011020 with Fluor Federal Petroleum Operations, LLC (FFPO). This plan is for the management and operation of the Strategic Petroleum Reserve (SPR). This plan will define methodology and responsibilities associated with determining the incentive fee to be awarded to FFPO. The plan outlines the organization, procedures, and evaluation period for implementing the fee provisions of the contract. The purpose of the incentive/award fee is to motivate the contractor to exceed standards and to emphasize key areas of performance and concern without jeopardizing minimum acceptable performance in all areas.

Incentive/Award-fee Period: The PEMP is for the performance period beginning October 1, 2021 and ending September 30, 2022.

ORGANIZATIONAL STRUCTURE

The organizational structure of the incentive fee process is established to ensure a fair and full evaluation of the contractor's performance. This PEMP is used in conjunction with SPR Project Management Office (PMO) Order 210.2B, *SPRPMO Measurement Order and the Quality Assurance Review*. The PEMP shall include the key contract objective measures, with their effectiveness and efficiency measures, their corresponding execution target (and in most cases their stretch targets as well), and percentage of the fee potential to be earned. The PEMP also will include the criteria description and evaluation criteria of each of the subjective measures.

This PEMP may be changed unilaterally by the government as stipulated in the total available fee provisions of the contract. All parties involved in the incentive/award fee process, including the contractor, are encouraged to recommend changes with a view toward redirecting management emphasis, motivating performance improvements, or enhancing the fee process. Any changes to the Plan will become effective consistent with the time frames outlined in the total available fee clause of the contract, or by mutual agreement of the parties. The Fee-Determining Official (FDO) approves all changes to the Plan, with the exception of administrative changes (e.g. changes in Performance Evaluation

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Committee (PEC) membership), which can be approved by the Award Fee Board (AFB) Chairperson.

FEE STRUCTURE

Total available fee consists of an award fee based on objective performance measures and an award fee based on a subjective evaluation. The total available fee pool is **\$12,718,343**, to be broken down as follows: The fee pool for Facilities is **\$3,472,858**, and for Life Extension 2 (LE2) is **\$9,245,485**. The Facilities measures can be found within its own PEMP (document SPRPMO 0415). For each evaluation period, the government and the contractor will mutually agree upon, or in the event an agreement cannot be reached, the government will unilaterally establish: the evaluation areas, individual requirements, and the allocation of fee. The contractor's performance relative to the evaluation areas identified in the critical few performance measures (CFPMs) (Attachment 3), and the subjective measures based on the evaluation areas listed in Attachment 4, determines the amount of fee earned. The method for arriving at this determination is described herein. The evaluation period represented in this document is October 1, 2021, through September 30, 2022.

In addition to evaluating the contractor's achievement of the CFPMs and the subjective evaluation areas, the government will consider the impact of any material performance deficiencies in all areas of performance, regardless of whether a weight or fee has been specifically assigned. This includes, for example, marginal or unacceptable performance of work authorization directive (WAD) requirements; or less serious, but recurring or systemic, negative events. In evaluating the impact of performance deficiencies, the government will consider the timeliness and adequacy of corrective actions as well as the overall success of the contractor in exceeding the government's expectations.

The government expects the contractor to perform all contract work in a satisfactory manner. Therefore, if the contractor's performance is considered to be a less than satisfactory level of performance established in any area of contract performance, regardless of whether a weight or fee has been specifically assigned, the amount of otherwise earned fee may be reduced in whole or in part. In exercising this discretion, the government will consider the extent to which the unfavorable performance:

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- ◆ Posed a threat to the environment or the health and safety of workers or the public as defined by the Integrated Safety Management System as approved by the Department of Energy (DOE).
- ◆ Contributed to the occurrence of a catastrophic event such as a fatality or serious workplace-related injury or illness, hazardous material exposure exceeding regulatory limits, loss of control over classified material, or an event that causes significant damage to the environment.
- ◆ Jeopardized attainment of overall contract requirements, including essential mission requirements such as drawdown readiness.
- ◆ Increased the cost to the Government.

AWARD-FEE COMPONENTS

The amount of fee earned will be based on an assessment of the contractor's performance through September 30, 2022, relative to the CFPMs contained in Attachment 3 and a subjective fee component in Attachment 4. Attachment 5 contains the grading scale against which the subjective components will be evaluated. Unearned fee will not be rolled over to any subsequent evaluation period but shall be forfeited. The AFB will also take into consideration any special accomplishments or deficiencies that may arise through this performance period. This information is received from the PEC and through the performance metrics set forth in the WADs. The method for determining earned fee is described below.

EVALUATION CRITERIA

Critical Few Performance Measures

1. Objective Fee Criteria

The CFPMs represent the outcomes crucial to the successful execution of the SPR mission. The CFPMs are the core outcomes needed to achieve essential contract objectives. A fee is allocated to each CFPM.

Notwithstanding the contractor's success in achieving the targets assigned to

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each CFPM, the final determination of fee will consider the extent to which material performance deficiencies (if any) occurred in any area of contract performance. In determining the amount of reduction to otherwise earned fee because of material performance deficiencies, due consideration will be given to the timeliness and adequacy of corrective actions as well as the overall success of the contractor in exceeding the government's expectations.

In applying these standards, the government will consider any mitigating factors presented by the contractor. Such mitigating factors must have directly and materially affected the contractor's ability to achieve the specified standard and must be beyond the control and responsibility of the contractor.

2. Subjective Fee Criteria

The subjective criteria that have been established include a unique customer satisfaction survey. This survey is a means to measure the M&O contractor's performance in fulfilling contract requirements taking into account the Department's goals and objectives. The focus in the subjective element of this fee appraisal will pertain to the areas of Quality, Schedule/Reporting, Project Management, Regulatory Compliance (ES&H), and Procurement. Results from DOE's ongoing comprehensive surveillance and oversight will be used to aid in grading this subjective evaluation area.

Means to measure fulfillment of the criteria are provided in Attachment 4, Subjective Fee Evaluation Areas. Areas within an evaluation criterion are not sub-criteria and will not be individually rated but considered in the overall evaluation for the particular evaluation criterion. If significant problems are identified in the evaluated performance for any particular criteria, the allocation scheme may be revised at the discretion of the FDO to appropriately reflect the impact of the identified problems. See Attachment 4 for evaluation criteria for each area. The criteria statements in Attachment 4 are not all inclusive. Any relevant performance information may be considered to assign an adjectival rating.

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A grading table will be used to determine a suggested fee determined by the AFB. These scores will fall into the grading table which will consist of Excellent, Very Good, Good, Satisfactory, and Unsatisfactory (Attachment 5).

A minimum level of performance is defined as that which falls within a "Satisfactory" range in the grading table (Attachment 5) (i.e., a score no greater than 50%). Below minimum performance falls within the "Unsatisfactory" range, (i.e., a score of 49% or below). Above minimum performance falls within the "Good" through "Excellent" ranges, (i.e., a score of 51% or above).

The government shall establish minimum and target output levels for each performance measure contained in the WADs with said levels being indicative of satisfactory and excellent performance, respectively. In addition to evaluating the contractor's achievement of defined output levels (objective evaluation), the government will consider qualitative factors (subjective evaluation) in determining a performance rating. Hence, judgmental factors will be integrated (with mathematical computations when needed) to produce a fee determination representative of the contractor's performance in totality.

ROLES AND RESPONSIBILITIES

- a. **Fee-Determining Official**. The FDO is the Deputy Assistant Secretary for the Office of Petroleum Reserves. The primary responsibilities of the FDO are to:
 - ◆ Approve the PEMP and any significant changes.
 - ◆ Approve the amount of fee earned and payable for each evaluation period.
 - ◆ Notify the contractor of the amount of total fee earned during the evaluation period. This notification will identify specific areas of strengths and performance deficiencies.

- b. **Award Fee Board**. The AFB membership is set forth in Attachment 1. The primary responsibilities of the AFB are to:

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- ◆ Prepare and submit the PEMP, including any significant changes, for the approval of the FDO.
 - ◆ Submit an AFB report to the FDO covering its findings regarding performance and recommendations for the determination of earned fee.
- c. **Performance Evaluation Committee**. The PEC and its membership are identified in Attachment 2. The primary responsibilities of the PEC are to:
- ◆ Monitor and evaluate the contractor’s performance.
 - ◆ Conduct quarterly meetings with the contractor to provide feedback on performance.
 - ◆ Submit reports to the AFB covering the evaluation of the Contractor’s performance.
 - ◆ Recommend, as appropriate, changes to this plan.
- d. **Executive Secretary**.
- ◆ Develops the PEMP with consultation from the AFB and the Contracting Officer.
 - ◆ Prepares a letter for the FDO for notification to the contractor of the amount of fee that has been earned for an evaluation period.
 - ◆ Prepares the agenda and manages the quarterly AFB meetings.
 - ◆ Submits a copy of the Quality Assurance Review results to the AFB regarding performance.
- e. **Contracting Officer**.
- ◆ Assures appropriate coordination of performance expectations and evaluation criteria with Headquarters and policy organizations.

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- ◆ Submits the PEMP to Headquarters Office of Acquisition Management for approval.
- ◆ Negotiates award fee amounts.
- ◆ Forwards the approved PEMP or evaluation criteria to the contractor through a contract modification.
- ◆ Provides technical direction to the contractor.
- ◆ Participates in quarterly AFB and PEC meetings.

AWARD FEE PROCESS

Performance reviews will be conducted on a schedule as defined in SPRPMO O 210.2B, *SPRPMO Performance Measurement Order*. Formal feedback of strengths and weaknesses will be documented and provided on a quarterly basis by the PEC while a formal fee evaluation and determination by the AFB will be completed at the end of the evaluation cycle and recommended to the FDO.

The evaluation cycle consists of a yearlong evaluation period or may provide for multi-year incentive. During the evaluation period, the AFB/PEC will meet with the contractor quarterly to address the contractor's progress, any changes in goals and priorities, any serious problems or issues requiring resolution, and the results of the contractor's self-assessment process. The AFB, including the Contracting Officer, will attend these meetings. Staff members, who provide input to the PEC, are also invited to attend. The Executive Secretary to the AFB will provide a schedule for these quarterly progress meetings.

The contractor will perform at the satisfactory level in all areas of performance regardless whether a CFPM or fee has been assigned. If the contractor's performance is determined to be less than the minimum level of performance, earned fee may be reduced consistent with "Conditional Payment of Fee, Profit and Other Incentives – Facility Management Contract's clause (DEAR 970.5215- 3)."

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In applying these standards, the government will consider any mitigating factors presented by the contractor. Such factors must have directly and materially affected the contractor's ability to achieve the specified standard and must be beyond the control and responsibility of the contractor.

The contractor's performance, as a whole, for all evaluation periods will be a factor in considering the exercise of any contract option.

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Key Contract Objectives	Fee Percentage	Fee Allocation
LE2 Objective Performance Pool	75%	\$6,934,114
LE2 Subjective Performance Pool	25%	\$2,311,371
LE2 Subtotal	100%	\$9,245,485
<i><u>Total Fiscal Year 2022 LE2 Performance Fee Pool</u></i>		<i><u>\$9,245,485</u></i>

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ATTACHMENT 1

AWARD FEE BOARD MEMBERSHIP

Chairperson:	Project Manager Strategic Petroleum Reserve
Members:	SPR Program Office Representative Federal Project Director Life Extension 2 Assistant Project Manager* Management and Administration Assistant Project Manager Maintenance and Operations Assistant Project Manager Systems and Projects Assistant Project Manager Technical Assurance
Ex-officio Member:	Director Acquisition and Sales Division
Executive Secretary:	Special Assistant to the Project Manager Office of Performance and Fee Management
General Attorney:	Office of Chief Counsel Serves in an Advisory capacity to the AFB

* REPRESENTS THE CHIEF FINANCIAL OFFICER

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ATTACHMENT 2

PERFORMANCE EVALUATION COMMITTEE MEMBERSHIP

Patrick Shepherd, Deputy Federal Project Director (Chair)

Edwards Frost, Bryan Mound Site Federal Project Director

Chris Pryor, Big Hill Site Federal Project Director

Scott Denneau, West Hackberry Site Federal Project Director

Claudia LeCompte-Johnson, Bayou Choctaw Site Federal Project Director

Kevin Redmann, Projects and Business Specialist

Stephen Reese, ESH Division Director

Kelly Gele, Acquisition and Sales Division Director

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ATTACHMENT 3

**PERFORMANCE FEE PLAN
CRITICAL FEW PERFORMANCE MEASURES**

For any completed measure that is validated to have fallen between the Target and Stretch Target range, the fee percentage will be subject to linear interpolation in calculating the fee. If a fee calculation cannot be reached using linear interpolation, then the calculation will be made by the Award Fee Board, with approval of the Chairperson.

Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
<p style="text-align: center;">Safety</p> <p>Perform Field S&H Observations and Corrective Actions.</p>	<p>For each SPR Site, where active LE2 Subcontractor work is performed, Conduct and Document Daily Field S&H Oversight of Contractor Safe Work Practices.</p> <p>Communicate deficiencies, Corrective Actions, and Observation Trends weekly in the Weekly SH&EP Report and LE2 Weekly Meeting.</p>	<p>Stretch Target:</p> <p>5 per calendar week with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations.</p> <p>If >2% of the weeks are missed (1 or more) with no credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.</p>	<p>Stretch Target:</p> <p>8%</p>	<p>Stretch Target:</p> <p>\$739,639</p>
	<p>Observations will be conducted by FFPO ES&H specialists and LE2 personnel and documented in Coreworx.</p>	<p>Target:</p> <p>4 per calendar week with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations.</p> <p>If >2% of the weeks are missed (1 or more) with no</p>	<p>Target:</p> <p>6%</p>	<p>Target:</p> <p>\$554,729</p>

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		credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.		
Management Participation Perform Management Level Safety Observations of Subcontractors	For Each SPR site, where active LE2 Subcontractor work is performed, perform Management-in-Action Observations and document trends. Communicate deficiencies, Corrective Actions, and Observation Trends weekly in the Weekly SH&EP Report and LE2 Weekly Meeting.	Stretch Target: 2 per Week per site when craft headcount exceeds 50 per site with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations. If >2% of the weeks are missed (1 or more) with no credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.	Stretch Target: 4%	Stretch Target: \$369,819
		Target: 1 per Week per site when craft headcount exceeds 50 per site with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations. If >2% of the weeks are missed (1 or more) with no credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.	Target: 2%	Target: \$184,910

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<p>Safety Leadership</p> <p>Demonstrate Senior Leadership Involvement to prevent S&H shortfalls.</p>	<p>At each SPR Site, perform and document Weekly Critical Observation Walkdowns by FFPO Construction Leadership with Contractor Leadership.</p> <p>Communicate deficiencies, Corrective Actions, and Observation Trends weekly in the Weekly SH&EP Report and LE2 Weekly Meeting.</p>	<p>Stretch:</p> <p>2 per Week per project with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations.</p> <p>If >2% of the weeks are missed (1 or more) with no credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.</p>	<p>Stretch Target:</p> <p>4%</p>	<p>Stretch Target:</p> <p>\$369,819</p>
		<p>Target:</p> <p>1 per Week per project with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations.</p> <p>If >2% of the weeks are missed (1 or more) with no credible exception (work cancelled, not scheduled for the whole week), miss the annual measure.</p>	<p>Target:</p> <p>2%</p>	<p>Target:</p> <p>\$184,910</p>

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Weld Quality Weld Acceptance Rate at first inspection	Prime Contractor provides governance of sub-contractor welding performance by monitoring First Time Quality (FTQ). Weld Acceptance rate of "X"%. Annual measure reported quarterly.	Stretch Target: 95% FTQ	Stretch Target: 7%	Stretch Target: \$647,184
		Target: 90% FTQ	Target: 4%	Target: \$369,819
Environmental Construction and Demolition (C&D) Materials and Debris	Divert at least "X"% of construction and demolition materials and debris.	Stretch Target 75%	Stretch Target 8%	Stretch Target: \$739,639
		Target 50%	Target 5%	Target: \$462,274

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Cost Cost Management.	Closeout subcontracts within "X" % of Contract Value at Milestone Closeout. (7% for construction and 3% for GFP. Initial Award Value vs Closed Contract Value).	Stretch Target: More than 95% (7% for construction and 3% for GFP. Initial Award Value vs Closed Contract Value) (excluding scope change)	Stretch Target: 8%	Stretch Target: \$739,639
		Target More than 90% (excluding scope change) Stretch: 7% for construction and 3% for GFP.	Target: 4%	Target \$369,819

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Schedule Construction Support	<ul style="list-style-type: none"> • Respond to S1 and S2 technical submittals within "X" working days of receipt. • Respond to RFIs within "X" working days of receipt. 	Stretch Target: 5 Days (Working Days)	Stretch Target: 8%	Stretch Target: \$739,639
		Target: 10 Days (Working Days)	Target: 3%	Target: \$277,365
Milestone Adherence. Master LE 2 Master Milestone Schedule Milestones Level 1, 2, and 3	Complete all Level 1 and Level 2 Milestones by the schedule date. Additionally, meet Level 3 by year end.	Stretch Target: Meet 100% of Level 1 and Level 2 Milestones by the scheduled date. Additionally, meet 90% Level 3 by year end.	Stretch Target: 8%	Stretch Target: \$739,639
		Target: Meet 100% of Level 1 and Level 2 Milestones by the scheduled date. Additionally, meet 85% Level 3 by year end.	Target: 4%	Target: \$369,819

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Key Contract Objectives	Effectiveness and Efficiency Measures	Execution Targets	Fee Percentage	Fee Allocation
Earned Value Management System (EVMS) Obtain EVMS Certification	Obtain EVMS Certification by X date.	Target: December 31, 2021	Target 12%	Target: \$1,109,458
EVMS Freeze Period Waivers	Request no more than X Baseline Change Proposal Freeze Period Waivers per quarter	Stretch Target 1/quarter	Stretch Target: 8%	Stretch Target: \$739,639
		Target: 2/quarter	Target: 4%	Target: \$369,819

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ATTACHMENT 4

SUBJECTIVE FEE EVALUATION AREAS

Subjective fee will be determined by way of an extensive questionnaire of performance and management of the below criteria. Results from DOE’s ongoing comprehensive surveillance/oversight will be used to aid in grading this subjective evaluation area. A grading will be assigned quarterly utilizing the scores generated from the issued questionnaires as follows:

- EXCELLENT
- VERY GOOD
- GOOD
- SATISFACTORY
- UNSATISFACTORY

Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>1. <u>Quality – (4% Fee - \$369,819).</u></p>	<p>The Quality subjective evaluation will include a grading for the overall management of these areas:</p> <ul style="list-style-type: none"> • Communication of quality concerns • Design Quality • Resolution of design quality issues <p>Additionally, subjective evaluation will grade customer service in these areas:</p> <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Quality of deliverables • Repeat PEC “deficient” narrative comments resolution

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>2. <u>Schedule/Reporting – (4% Fee - \$369,819).</u></p>	<p>The Schedule/Reporting subjective evaluation will include a grading for the overall management of these areas:</p> <ul style="list-style-type: none"> • Communication of schedule concerns • Timeliness of Deliverables • Reporting of formal project status • Timeliness of Resolution of technical issues • Reporting of formal project status <p>Additionally, subjective evaluation will grade customer service in these areas:</p> <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Response to special information requests or unique reporting when requested by the customer

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>3. <u>Project Management – (4% Fee - \$369,819).</u></p>	<p>The Project Management subjective evaluation will include a grading for the overall management of these areas:</p> <ul style="list-style-type: none"> • Timely Resolution of Technical Issues • Overall Project Management Performance • Overall sub-contractor management performance • Responsiveness to the voice of the customer • Application of Lessons Learned to future projects • Timeliness of communication to the DOE customer on issues, activities, or project changes <p>Additionally, subjective evaluation will grade customer service in these areas:</p> <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Response to special information requests or unique reporting when requested by the customer

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>4. <u>Regulatory Compliance/ Environmental/Safety and Health – (4% Fee - \$369,819).</u></p>	<p>The Regulatory Compliance ES&H subjective evaluation will include a grading for the overall management of these areas:</p> <ul style="list-style-type: none"> • Compliance with the protocols of DOE O 413.3, Acquisition of Capital Assets • Compliance with all environmental permit requirements • Demonstration of effective LE2 Safety and Health contractor prequalification’s • Demonstration of effective reporting of Safety and Health issues, and incident/injury management • Response to and correction of S&H deficiencies identified by M&O staff, subcontractor staff, and DOE staff <p>Additionally, subjective evaluation will grade customer service in these areas:</p> <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Response to special information requests or unique reporting when requested by the customer

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Criteria Description	Evaluation Criteria (Includes but Not Limited To)
<p>5. <u>Procurement – (9% Fee - \$832,093).</u></p> <p>Demonstrate effective subcontract management, including award of subcontracts as scheduled, inclusion of all requirement, subcontractor audits, and subcontract administration. Contractor will monitor subcontractor performance to ensure compliance with all requirements including small business subcontracting plans, Buy American Act, and applicable labor statutes.</p>	<p>The Procurement subjective evaluation will include a grading for the overall management of these areas:</p> <ul style="list-style-type: none"> • Performance of subcontracting methods, consent reviews, and other documentation to include small business goals, providing for adequate competition, and other associated procurement activities. • Adherence to all applicable procurement laws, regulations and internal procedures <p>Additionally, subjective evaluation will grade customer service in these areas:</p> <ul style="list-style-type: none"> • WAD performance • Timeliness of deliverables • Response to special information requests or unique reporting when requested by the customer

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**ATTACHMENT 5
GRADING TABLE
(FAR 16.401)**

AWARD-FEE ADJECTIVAL RATING	AWARD-FEE POOL AVAILABLE TO BE EARNED	DESCRIPTION
Excellent	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 in the aggregate 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 in the aggregate 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 in the aggregate 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 in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

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AWARD-FEE ADJECTIVAL RATING	AWARD-FEE POOL AVAILABLE TO BE EARNED	DESCRIPTION
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.