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|--|------------------------------------|---|---|
| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | 1. CONTRACT ID CODE | PAGE OF PAGES 1 61 |
| 2. AMENDMENT/MODIFICATION NO. 0136 | 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) See Block 14 |

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.)

UEI: KJDUB6XQDTN4


Pursuant to the authority of Clause H.2, Modification Authority, the following is updated. The purpose of this modification is to update Section J, Attachment J to incorporate FY23 PEMP Measures into the contract.

Reference Section J, Attachment J Performance Evaluation and Measurement Plan PEMP, The Performance Evaluation and Measurement Plan for the period October 1, 2022, through September 30, 2023, are hereby incorporated by reference.

See Attachments

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) Kelly M. Gele | |
| 15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign) | 15C. DATE SIGNED | 16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer) | 16C. DATE SIGNED 01/18/2023 |

Previous edition unusable

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
DE-FE0011020/0136

PAGE OF
2 61

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, 2022 through September 30, 2023 is hereby incorporated by reference.



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

FISCAL YEAR 2023

(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)

**LIFE EXTENSION 2
PERFORMANCE EVALUATION AND
MEASUREMENT PLAN**

FOR

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

CONTRACT NO. DE-FE0011020

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

SIGNATURE PAGE

SUBMITTED BY:

DEPARTMENT OF ENERGY



**JUSTIN DUDENHEFER
CONTRACTING OFFICER**

12/09/2022

DATE

Paul Oosterling Digitally signed by Paul Oosterling
Date: 2022.12.13 13:40:04 -06'00'

**PAUL S. OOSTERLING
PROJECT MANAGER**

DATE

ACCEPTED BY:

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

*ACCEPTED AS TO NEGOTIATED MEASURES; DECLINED AS TO
AMOUNT OF FEE POOL. FFPO RESERVES ITS RIGHTS TO PURSUE
MODIFICATION OF FEE POOL BY CLAIM, REA, OR VIA MEDIATION.*

**DANIEL EVANS
(Affiliate)**

Digitally signed by DANIEL
EVANS (Affiliate)
Date: 2022.12.19 16:09:09 -05'00'

**DAN EVANS
PROJECT MANAGER**

DATE

APPROVED BY:

Douglas M. Macintyre Digitally signed by Douglas M.
Macintyre
Date: 2022.12.20 13:19:11 -05'00'

**DOUGLAS MACINTYRE
ACTING DEPUTY DIRECTOR
OFFICE OF PETROLEUM RESERVES**

DATE

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| INTRODUCTION | 1 |
| ORGANIZATIONAL STRUCTURE..... | 1 |
| FEE STRUCTURE | 2 |
| AWARD FEE COMPONENTS | 3 |
| EVALUATION CRITERIA | 3 |
| 1. Objective Fee Criteria | 3 |
| 2. Subjective Fee Criteria..... | 5 |
| ROLES AND RESPONSIBILITIES..... | 6 |
| AWARD FEE PROCESS | 8 |
| ATTACHMENT 1 - AWARD FEE BOARD MEMBERSHIP | 11 |
| ATTACHMENT 2 - PERFORMANCE FEE PLAN OBJECTIVE MEASURES . | 12 |
| ATTACHMENT 3 - SUBJECTIVE MEASURE GRADING TABLE | 18 |
| ATTACHMENT 4 - SUBJECTIVE FEE EVALUATION AREAS..... | 19 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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) Life Extension II Program. 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, 2022 and ending September 30, 2023.

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 the latest revision of SPR Project Management Office (PMO) Order 210.2, *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

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

the exception of administrative changes (e.g., changes in Performance Evaluators), 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 **\$14,059,040**, to be broken down as follows: The fee pool for Facilities is **\$2,825,111**, and for Life Extension 2 (LE2) is **\$11,233,929**. The Facilities measures can be found within its own PEMP (document SPRPMO 0441). 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 objective measures (Attachment 2), 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, 2022, through September 30, 2023.

In addition to evaluating the contractor's achievement of the measures 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:

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

- ◆ 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, 2023, relative to the measures contained in Attachment 2 and a subjective fee component in Attachment 3. 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 performance evaluators' assessment of the performance metrics set forth in the included measures and WADs. The method for determining earned fee is described below.

EVALUATION CRITERIA

Performance Measures

1. Objective Fee Criteria

The objective measures represent the outcomes DOE considers to be critical to the successful execution of the SPR mission. The objective measures are the core outcomes needed to achieve essential contract objectives. A fee is allocated to each measure. Notwithstanding the contractor's success in achieving the targets assigned to each measure, the final determination of fee

FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020

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.

The contractor will continuously monitor performance toward all measures in the PEMP (objective and subjective). A monthly, informal report of performance will be provided to DOE counterparts within the first ten days of the new month. The report will be broken down by measure. Quarterly, a formal, roll-up report of overall contractor performance will be developed and transmitted to the DOE Contracting Officer during the first ten days of the new quarter. This report will be discussed in a formal meeting with DOE and contractor management. If at any point the contractor becomes aware that they are unlikely to achieve the requirements defined for the lowest target for any objective measure due to a performance deficiency within their control, that fact and any steps taken to mitigate the performance deficiency must be formally reported to the DOE Contracting Officer within ten days of discovery of the deficiency. If the contractor becomes aware that they are unlikely to achieve the requirements defined for the lowest target for any objective measure due to a deficiency or condition outside their control, they may formally request that DOE review the circumstances and may be granted dispensation for not meeting the measure based upon DOE's review. Such requests for dispensation must be transmitted to the DOE Contracting Officer within ten days of becoming aware of the problem.

If the contractor self-identifies a deficiency or condition within its control that will likely cause the contractor to miss a performance goal and provides a list of actions taken to mitigate the issue (or a plan deemed by DOE to be likely to result in mitigation) and subsequently misses the goal for that reason, the contractor may still earn some of the fee as determined by the Award Fee Board.

If the contractor does not self-identify any deficiency or condition within its control that will likely cause the contractor to miss a performance goal and DOE subsequently identifies an issue affecting the measure, even if the

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

contractor subsequently makes the goal, the Award Fee Board may reduce the fee earned due to lack of communication of the condition or deficiency.

2. Subjective Fee Criteria

Each DOE Director may identify one or more desired outcomes to be addressed by the contractor during the PEMP cycle. Desired outcomes will become subjective measures in the PEMP. Desired outcomes may include improved performance in some narrowly defined area, development of new tools/approaches/processes that add value, or any other improvement that benefits the government. Desired outcomes will include elements as listed below:

- Definition: Each desired outcome will be succinctly defined as to the end product or condition and identify the period of evaluation (typically quarterly or annually).
- Metric(s): Each desired outcome will define the metric(s) to be used to track progress toward the desired outcome. Metrics should be trackable to the extent possible (such as counts or measurable improvements).
- Validation Method: Each director will identify the method to be used to validate performance. Validation activities should be formally documented using existing oversight methods and rely upon review of the contractor's self-assessment.
- Adjectival Table (AT): Each desired outcome will have its own AT which defines success for each specific desired outcome. The AT will have grading levels including Unsatisfactory, Satisfactory, Good, Very Good, and Excellent. Each category will define the level of performance for that category and provide a fractional fee modifier associated with the category. The fee modifier will be multiplied by the total fee allocated to the desired outcome in order to determine the final fee earned.

The contractor will continuously monitor performance toward all measures in the PEMP (objective and subjective). A monthly, informal report of performance will be provided to DOE counterparts within the first ten days of the new month. The report will be broken down by measure. Quarterly, a formal, roll-up report of overall contractor performance will be developed and transmitted to the DOE Contracting Officer during the first ten days of the

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

new quarter. This report will be discussed in a formal meeting with DOE and contractor management. If at any point the contractor becomes aware that they are unlikely to achieve the requirements defined performance below the satisfactory level defined for any subjective measure due to a performance deficiency within their control, that fact and any steps taken to mitigate the performance deficiency must be formally reported to the DOE Contracting Officer within ten days of discovery of the deficiency. If the contractor becomes aware that they are unlikely to achieve the requirements defined for the performance below the satisfactory level defined for any subjective measure due to a deficiency or condition outside their control, they may formally request that DOE review the circumstances and may be granted dispensation for not meeting the measure based upon DOE's review. Such requests for dispensation must be transmitted to the DOE Contracting Officer within ten days of becoming aware of the problem.

Desired Outcomes (Subjective Measures) can be found in Attachment 4 below.

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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

- 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 Evaluators**.
- ◆ Monitor and evaluate the contractor's performance.
 - ◆ Conduct monthly meetings with the contractor to provide feedback on performance.
 - ◆ Develop quarterly reports of contractor performance in conjunction with the Performance Management Coordinator to be submitted to the AFB.
 - ◆ Submit reports to the AFB covering the evaluation of the Contractor's performance.
 - ◆ Recommend, as appropriate, changes to this plan.
- d. **Performance Management Coordinator**.
- ◆ 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.
 - ◆ Coordinates Reviews of proposed performance measures and performance evaluation information in conjunction with DOE Legal and DOE Contracts.
 - ◆ Prepares the agenda and manages the quarterly AFB meetings.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

- ◆ 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 meetings.

AWARD FEE PROCESS

Performance reviews will be conducted on a schedule as defined in the latest revision of SPRPMO O 210.2, *SPRPMO Performance Measurement Order*. Formal feedback of strengths and weaknesses will be documented and provided on a quarterly basis by the performance evaluators 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, DOE and FFPO counterparts will meet monthly to discuss performance and review the contractor's self-assessment reports. The AFB 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 and Performance Evaluation Coordinator, will attend these meetings. Staff members, who provide input to the

FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020

performance evaluators, 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 of whether a measure 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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Fee Percentage | Fee Allocation |
|--|-----------------------|-----------------------|
| LE2 Objective Performance Pool | 80% | \$8,987,143 |
| LE2 Subjective Performance Pool | 20% | \$2,246,786 |
| LE2 Subtotal | 100% | \$11,233,929 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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: | Performance Management Coordinator |
| General Attorney: | Office of Chief Counsel Serves in an Advisory capacity to the AFB |

* REPRESENTS THE CHIEF FINANCIAL OFFICER

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

ATTACHMENT 2

**PERFORMANCE FEE PLAN
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 |
|--------------------------------|--|---|--------------------------------------|---|
| Safety Leadership | For each SPR Site, where active LE2 Subcontractor work is performed, Conduct and Document Daily, Field S&H Oversight of Contractor Safe Work Practices. Communicate deficiencies, Corrective Actions, and Observation Trends weekly in the Weekly SH&EP Report and LE2 Weekly Meeting. | <p>Stretch Target: 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: 8%</p> | <p>Stretch Target: \$898,714</p> |
| | | <p>Target: 4 per calendar week with LE2 M&O Safety Participation at each weekly meeting to discuss corrective actions and observations.</p> | <p>Target: 5%</p> | <p>Target: \$561,696</p> |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|--|---|---|----------------------------------|---|
| Safety Leadership (Continued) | Observations will be conducted by any M&O LE2 Construction Management Team (CMT) member, including assigned Safety Professionals. Observations are documented, tracked and reported as in FY 2022 | 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. | | |
| Leadership Excellence 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: 9% | Stretch Target: \$1,011,054 |
| | | 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. | Target: 5% | Target: \$561,696 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|--|--|--|-----------------------------------|---|
| Leadership Excellence (Continued) | | 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. | | |
| First Time 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: 9% | Stretch Target: \$1,011,054 |
| | | Target: 90% FTQ | Target: 5% | Target: \$561,696 |
| Environmental Stewardship Construction and Demolition (C&D) Materials and Debris | Divert at least "X" % of construction and demolition materials and debris. | Stretch Target: 75% | Stretch Target: 10% | Stretch Target: \$1,123,393 |
| | | Target: 50% | Target: 6% | Target: \$674,036 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|---|--|--|-------------------------------|---------------------------------------|
| Cost Control for Construction Subcontracts Cost Management | The total value of Construction Subcontracts that are closed within the FY shall not exceed: | Stretch Target: 107% of initial contract award value | Stretch Target: 12% | Stretch Target: \$1,348,071 |
| | | Target: 110% of initial contract award value Does not include changes driven by additional approved Scope, Force Majeure, and Differing Site Conditions, and Directed Changes such as the emergency oil sales | Target: 7% | Target: \$786,375 |
| Cost Control for Government Furnished Property Cost Management | The total value of GPF Purchase Orders that are closed within the FY shall not exceed: | Stretch Target: 103% of initial contract award value | Stretch Target: 12% | Stretch Target: \$1,348,071 |
| | | Target: 105% of initial contract award value | Target: 7% | Target: \$786,375 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|---|--|---|---|---------------------------------------|
| Cost Control for Government Furnished Property Cost Management (Continued) | | Does not include changes driven by additional approved Scope, Force Majeure, and Differing Site Conditions, and Directed Changes such as the emergency oil sales. | | |
| Schedule Adherence: Construction Support 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: Respond to S1/S2/RFIs within 5 days | Stretch Target: 10% (5% each) | Stretch Target: \$1,123,393 |
| | | Target Respond to S1/S2/RFIs within 10 days | Target: 5% (3% each) | Target \$561,696 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|--|--|---|-------------------------------|---------------------------------------|
| Milestone Project Milestone Schedule Adherence. | 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: 10% | Stretch Target: \$1,123,393 |
| | | 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: \$449,357 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

ATTACHMENT 3

**SUBJECTIVE MEASURE 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. |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

ATTACHMENT 4

SUBJECTIVE FEE EVALUATION AREAS

Subjective fee will be determined by DOE by reviewing the monthly and quarterly contractor self-assessment reports, monitoring the metrics, and applying the validation techniques to arrive at a score for each subjective measure. The score will be categorized according to the adjectival table for each measure and the corresponding fee modifier will be applied. Gradings will be as follows:

- EXCELLENT
- VERY GOOD
- GOOD
- SATISFACTORY
- UNSATISFACTORY

| Criteria Description | Evaluation Criteria |
|--|---|
| <p>LE2 2023-1 Management of the LE2 Project: (4%) – \$449,357 – Ensure that the Management of the LE2 Project is appropriate for a project of this size, importance, and complexity. To properly manage a project like LE2 the management actions below should be followed:</p> <ul style="list-style-type: none"> • Problem areas are resolved before they impact project cost and schedule. • Senior Management is active in driving initiatives that will enhance management practices devoted to the program. • Demonstrate proactive communication with all stakeholders to identify and resolve project issues before they impact productivity. • Demonstrate effective subcontract management, including award of subcontracts as scheduled, inclusion of all requirements and subcontractor audits. Contractor will monitor subcontractor performance to ensure compliance with <p>(Continued on the next page)</p> | <p>Validation: DOE personnel will attend pertinent meetings and observe field activities. Constructive feedback regarding the LE2 Project’s Management Practices will be provided using Surveillance Reports, Onsite Management Reviews, DOE Weekly Reports and Quarterly Self-Assessment Reviews.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: 20 or more documented instances (using the methods described above) of Management failures during an annual reporting period (Fee Modifier 0.0) • <u>Satisfactory</u>: From 15 to 19 documented instances of Management failures during the annual reporting period (Fee Modifier 0.01 to 0.50) • <u>Good</u>: From 10 to 14 documented instances of Management failures during the annual reporting period (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: From 5 to 9 documented instances of Management failures during the annual reporting period (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: From 0 to 4 documented instances of Management failures during the annual reporting period (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|--|--|
| <p>all requirements including but not limited to small business subcontracting plans, Buy American Act, Cargo Preference Act and applicable labor statutes.</p> <ul style="list-style-type: none"> • Management ensures that Lessons Learned are integrated into planning when applicable. • Management ensures compliance with DOE Orders and Directives and FFPO Procedures. <p>Metric: Required elements defined above are communicated and documented in LE2 Weekly Progress Meetings, LE2 Project Reviews, Counterpart Meetings and Quarterly Self-Assessments.</p> | |
| <p><u>LE2 2023-2 LE2 Quality Program: (4%) \$449,357</u> – Ensure the LE2 Quality Program is sufficient to manage the complexities of the LE2 project and will guide the Project to a positive outcome. To determine if the LE2 Quality Program is sufficient the elements below should be followed:</p> <ul style="list-style-type: none"> • Compliance with the Quality Assurance procedures and the LE 2 Construction Management Procedures. • Products and services meet contractual quality requirements. • Analyses Non-Conformance Reports are accurate and effectively communicated. <p>Metric: Required elements defined above are communicated and documented in LE2 Weekly Progress Meetings, LE2 Project Reviews, Counterpart Meetings and Quarterly Self-Assessments.</p> | <p>Validation: DOE personnel will attend pertinent meetings and observe field activities. Constructive feedback regarding the LE2 Project’s Health and Safety Program will be provided using Surveillance Reports, Onsite Management Reviews, Weekly Reports, and Quarterly Self-Assessment Reviews.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: 15 or more documented instances (using the methods described above) of a failure in the Quality Program during the annual reporting period (Fee Modifier 0.0) • <u>Satisfactory</u>: From 13 to 15 documented instances of a failure in the Quality Program during the annual reporting period (Fee Modifier 0.01 to 0.50) • <u>Good</u>: From 9 to 12 documented instances of a failure in the Quality Program practices during the annual reporting period (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: From 5 to 8 documented instances of a failure in the Quality Program during the annual reporting period (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: From 0 to 4 documented instances of a failure in the Quality Program during the annual reporting period (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|--|---|
| <p><u>LE2 2023-3 LE2 Health and Safety Program: (4%) – \$449,357</u> – Ensure that the LE2 Safety and Health Program is proactive in its safety monitoring of the LE2 project. To determine if the LE2 Safety and Health Program is sufficient the elements below should be followed:</p> <ul style="list-style-type: none"> • Proactively monitor the LE 2 project and provide S&H oversight of subcontractor S&H plans and programs, adherence to SPR applicable Accident Prevention Manual (APM) sections, subcontract language and special subcontract provisions. • Identify, report, and immediately address S&H issues and concerns. <p>Metric: Required elements defined above are communicated and documented in LE2 Weekly Progress Meetings, LE2 Project Reviews, Counterpart Meetings and Quarterly Self-Assessments.</p> | <p>Validation: DOE personnel will attend all meetings and observe field activities. Constructive feedback regarding the LE2 Project’s Health and Safety Program will be provided using Surveillance Reports, Onsite Management Reviews, Weekly Reports and Quarterly Self-Assessment Reviews.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: 16 or more documented instances (using the methods described above) of a failure in the Health and Safety Program during the annual reporting period (Fee Modifier 0.0) • <u>Satisfactory</u>: From 13 to 15 documented instances of a failure in the Health and Safety Program during the annual reporting period (Fee Modifier 0.01 to 0.50) • <u>Good</u>: From 9 to 12 documented instances of a failure in the Health and Safety Program during the annual reporting period (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: From 5 to 8 documented instances of a failure in the Health and Safety Program during the annual reporting period (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: From 0 to 4 documented instances of a failure in the Health and Safety Program during the annual reporting period (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|---|--|
| <p><u>LE2 2023-4 LE2 Accuracy and Completeness of FFPO Initiated Solicitations: (4%) – \$449,357 –</u> Solicitation packages and designs are to be in full compliance with approved procedures, complete, and accurate. This is determined by the number of amendments caused by engineering design errors or omissions issued to a solicitation. Note: This measure is only related to designs that were completed by FFPO; designs by DOE’s Architect-Engineer should not figure in this PEMP measure. Therefore, amendments must be categorized into the following three groups:</p> <ul style="list-style-type: none"> (i) Administrative (ii) Answers to Bidders’ Queries (iii) Revisions to Engineering Documents due to design errors or omissions. <p>Only items in the third category (iii) are counted for this PEMP measure.</p> <p>Metric: Procurement Summaries along with the amendments of contracts issued during the reporting period are shared with the measure owner. The number of amendments in the Adjectival Table shall be the fiscal year total amendments attributable to design errors or omissions (across all applicable solicitation packages for the year) divided by the number of solicitations.</p> | <p>Validation: DOE personnel will attend pertinent meetings and review CCTA data to determine if solicitation amendments are attributed to deficient designs.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: Greater than 0.75 ratio (of amendments due to design errors or omissions to solicitations) (Fee Modifier 0.0) • <u>Satisfactory</u>: Greater than 0.50 but less than or equal to 0.75 ratio (Fee Modifier 0.01 to 0.50) • <u>Good</u>: Greater than 0.33 but less than or equal to 0.50 ratio (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: Greater than 0.17 but less than or equal to 0.33 ratio (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: Less than or equal to 0.17 ratio (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|---|---|
| <p><u>CONTRACTS: (4%)</u></p> <p><u>A&SD 2023-5, Procurement: (4%) – \$449,357</u> – Ensure procurement is in full compliance with approved purchasing procedures, statutes, regulations, or contract terms and condition.</p> <p>Compliance is measured by the following standards:</p> <ul style="list-style-type: none"> • Acquisition of quality products and services at fair and reasonable prices using techniques identified within FAR 15.404-1. • Use of capable and reliable subcontractors. • Minimization of acquisition lead-time and administrative costs of purchasing as calculated by the FY 2023 BSCSA. • Use of competitive techniques as identified within FAR 6.102 as calculated by the FY 2023 BSCSA. • Reduction of performance risks associated with subcontractors, and facilitation of quality relationships which can include techniques such as partnering agreements, ombudsmen, and alternative dispute procedures. • Use of self-assessment and benchmarking techniques to support continuous improvement in purchasing provided monthly to the cognizant DOE official. • Maintenance of professional and ethical standards. • Audits of file documentation appropriate to the value of the purchase and which is adequate to establish the propriety of the transaction and the price paid. <p style="text-align: center;">(Continued on the next page)</p> | <p>Validation: DOE CO will document findings of each significant weakness of standards within Management Appraisals, consent packages, monthly reviews, or during quarterly reviews.</p> <p>A significant weakness is defined as:</p> <ul style="list-style-type: none"> - one or more of the applicable standards are not met - there are no compensating factors to reduce the impact on effectiveness, and - resulting deficiencies seriously degrade effectiveness. <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: A rating of 64% or lower. (Fee Modifier 0.0) • <u>Satisfactory</u>: A rating of 65%-74%. (Fee Modifier 0.01 to 0.50) • <u>Good</u>: A rating of 75%-84%. (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: A rating of 85%-94%. (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: A rating of 95% or greater. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|--|--|
| <p><u>CONTRACTS</u> (Cont'd)</p> <ul style="list-style-type: none"> Maximization of opportunities for small business, HUBZone small business, small, disadvantaged business, and woman-owned small business concerns to participate in contract performance. <p>Metric Quarterly reviews indicate Purchasing System trending, and the final Adjectival rating shall be based upon the cumulative FY 2023 Year-end metrics of standards averaged.</p> | |



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

FISCAL YEAR 2023

(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)

**PERFORMANCE EVALUATION AND
MEASUREMENT PLAN**

FOR

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

CONTRACT NO. DE-FE0011020

SPRPMO 0441

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
LIFE EXTENSION 2
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

SIGNATURE PAGE

SUBMITTED BY:

DEPARTMENT OF ENERGY



**JUSTIN DUDENHEFER
CONTRACTING OFFICER**

12/09/2022

DATE

Paul Oosterling Digitally signed by Paul Oosterling
Date: 2022.12.13 13:39:40 -06'00'

**PAUL S. OOSTERLING
PROJECT MANAGER**

DATE

ACCEPTED BY:

FLUOR FEDERAL PETROLEUM OPERATIONS, LLC

*ACCEPTED AS TO NEGOTIATED MEASURES; DECLINED AS TO AMOUNT
OF FEE POOL. FFPO RESERVES ITS RIGHTS TO PURSUE MODIFICATION
OF FEE POOL BY CLAIM, REA, OR VIA MEDIATION.*

DANIEL EVANS (Affiliate) Digitally signed by DANIEL EVANS
(Affiliate)
Date: 2022.12.19 16:08:06 -05'00'

**DAN EVANS
PROJECT MANAGER**

DATE

APPROVED BY:

Douglas M. Macintyre Digitally signed by Douglas M.
Macintyre
Date: 2022.12.20 13:18:23 -05'00'

**DOUGLAS MACINTYRE
ACTING DEPUTY DIRECTOR
OFFICE OF PETROLEUM RESERVES**

DATE

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| INTRODUCTION | 1 |
| ORGANIZATIONAL STRUCTURE..... | 1 |
| FEE STRUCTURE | 2 |
| AWARD COMPONENTS | 3 |
| EVALUATION CRITERIA | 3 |
| 1. Objective Fee Criteria..... | 3 |
| 2. Subjective Fee Criteria | 5 |
| ROLES AND RESPONSIBILITIES..... | 6 |
| AWARD FEE PROCESS | 8 |
| ATTACHMENT 1 - AWARD FEE BOARD MEMBERSHIP | 10 |
| ATTACHMENT 2 - AWARD FEE PLAN OBJECTIVE MEASURES | 12 |
| ATTACHMENT 3 – SUBJECTIVE MEASURE GRADING TABLE..... | 19 |
| ATTACHMENT 4 - SUBJECTIVE FEE EVALUATION AREAS | 20 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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, 2022, and ending September 30, 2023.

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 the latest revision of SPR Project Management Office (PMO) Order 210.2, *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 format, grammar, spelling etc.), which can be approved by the Award Fee Board (AFB) Chairperson.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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 **\$14,059,040**, to be broken down as follows: The fee pool for Facilities is **\$2,825,111** and for Life Extension 2 (LE 2) is **\$11,233,929**. LE 2 measures can be found within its own PEMP (document SPRPMO 0442). 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 objective measures (Attachment 2), 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, 2022, through September 30, 2023.

In addition to evaluating the contractor's achievement of the measures 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).

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

- ◆ 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, 2023, relative to the measures contained in Attachment 2 and a subjective fee component in Attachment 4. 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 performance evaluators' assessment of the performance metrics set forth in the included measures and W A D s . The method for determining earned fee is described below.

EVALUATION CRITERIA

1. **Objective Fee Criteria**

The objective measures represent outcomes DOE considers to be critical to the successful execution of the SPR mission. The objective measures are the core outcomes needed to achieve essential contract objectives. A fee is allocated to each measure. Notwithstanding the contractor's success in achieving the targets assigned to each measure, 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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

The contractor will continuously monitor performance toward all measures in the PEMP (objective and subjective). A monthly, informal report of performance will be provided to DOE counterparts within the first ten days of the new month. The report will be broken down by measure. Quarterly, a formal, roll-up report of overall contractor performance will be developed and transmitted to the DOE Contracting Officer during the first ten days of the new quarter. This report will be discussed in a formal meeting with DOE and contractor management. If at any point the contractor becomes aware that they are unlikely to achieve the requirements defined for the lowest target for any objective measure due to a performance deficiency within their control, that fact and any steps taken to mitigate the performance deficiency must be formally reported to the DOE Contracting Officer within ten days of discovery of the deficiency. If the contractor becomes aware that they are unlikely to achieve the requirements defined for the lowest target for any objective measure due to a deficiency or condition outside their control, they may formally request that DOE review the circumstances and may be granted dispensation for not meeting the measure based upon DOE's review. Such requests for dispensation must be transmitted to the DOE Contracting Officer within ten days of becoming aware of the problem.

If the contractor self-identifies a deficiency or condition within its control that will likely cause the contractor to miss a performance goal and provides a list of actions taken to mitigate the issue (or a plan deemed by DOE to be likely to result in mitigation) and subsequently misses the goal for that reason, the contractor may still earn some of the fee as determined by the Award Fee Board.

If the contractor does not self-identify any deficiency or condition within its control that will likely cause the contractor to miss a performance goal and DOE subsequently identifies an issue affecting the measure, even if the contractor subsequently makes the goal, the Award Fee Board may reduce the fee earned due to lack of communication of the condition or deficiency.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

2. Subjective Fee Criteria

Each DOE Director may identify one or more desired outcomes to be addressed by the contractor during the PEMP cycle. Desired outcomes will become subjective measures in the PEMP. Desired outcomes may include improved performance in some narrowly defined area, development of new tools/approaches/processes that add value, or any other improvement that benefits the government. Desired outcomes will include elements as listed below:

- Definition: Each desired outcome will be succinctly defined as to the end product or condition and identify the period of evaluation (typically quarterly or annually).
- Metric(s): Each desired outcome will define the metric(s) to be used to track progress toward the desired outcome. Metrics should be trackable to the extent possible (such as counts or measurable improvements).
- Validation Method: Each director will identify the method to be used to validate performance. Validation activities should be formally documented using existing oversight methods and rely upon review of the contractor's self-assessment.
- Adjectival Table (AT): Each desired outcome will have its own AT which defines success for each specific desired outcome. The AT will have grading levels including Unsatisfactory, Satisfactory, Good, Very Good, and Excellent. Each category will define the level of performance for that category and provide a fractional fee modifier associated with the category. The fee modifier will be multiplied by the total fee allocated to the desired outcome in order to determine the final fee earned.

The contractor will continuously monitor performance toward all measures in the PEMP (objective and subjective). A monthly, informal report of performance will be provided to DOE counterparts within the first ten days of the new month. The report will be broken down by measure. Quarterly, a formal, roll-up report of overall contractor performance will be developed and transmitted to the DOE Contracting Officer during the first ten days of the new quarter. This report will be discussed in a formal meeting with DOE and contractor management. If at any point the contractor becomes aware that they are unlikely to achieve the requirements defined performance below the satisfactory level defined for any subjective measure due to a performance deficiency within their control, that fact and any steps taken to mitigate the

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

performance deficiency must be formally reported to the DOE Contracting Officer within ten days of discovery of the deficiency. If the contractor becomes aware that they are unlikely to achieve the requirements defined for the performance below the satisfactory level defined for any subjective measure due to a deficiency or condition outside their control, they may formally request that DOE review the circumstances and may be granted dispensation for not meeting the measure based upon DOE's review. Such requests for dispensation must be transmitted to the DOE Contracting Officer within ten days of becoming aware of the problem.

Desired Outcomes (Subjective Measures) can be found in Attachment 4 below.

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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

c. Performance Evaluators.

- ◆ Monitor and evaluate the contractor's performance.
- ◆ Conduct monthly counterpart meetings with the contractor to provide feedback on performance.
- ◆ Develop quarterly reports of contractor performance in conjunction with the Performance Management Coordinator to be submitted to the AFB.
- ◆ Submit reports to the AFB covering the evaluation of the contractor's performance.
- ◆ Recommend, as appropriate, changes to this plan.

d. Performance Management Coordinator.

- ◆ 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.
- ◆ Coordinates Reviews of proposed performance measures and performance evaluation information in conjunction with DOE Legal and DOE Contracts.
- ◆ Prepares the agenda and manages the quarterly AFB meetings.

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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

- ◆ Forwards the approved PEMP or evaluation criteria to the contractor through a contract modification.
- ◆ Provides technical direction to the contractor.
- ◆ Participates in quarterly AFB meetings.

AWARD FEE PROCESS

Performance reviews will be conducted on a schedule as defined in the latest revision of SPRPMO O 210.2, *SPRPMO Performance Measurement Order*. Formal feedback of strengths and weaknesses will be documented and provided on a quarterly basis by the performance evaluators 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, DOE and FFPO counterparts will meet monthly to discuss performance and review the contractor's self-assessment reports. The AFB 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 and Performance Evaluation Coordinator, will attend these meetings. Performance evaluators 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 of whether a measure 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

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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.

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Fee Percentage | Fee Allocation |
|------------------------------------|-----------------------|-----------------------|
| Objective Performance Pool | 75% | \$2,118,833 |
| Subjective Performance Pool | 25% | \$706,278 |
| Subtotal | 100% | \$2,825,111 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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: | Performance Management Coordinator |
| General Attorney: | Office of Chief Counsel Serves in an Advisory capacity to the AFB |

* REPRESENTS THE CHIEF FINANCIAL OFFICER

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

ATTACHMENT 2

**OBJECTIVE FEE EVALUATION AREAS
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: 1.78 MMBD - FY 2023 Target establishment ECD is approximately the end of August (in order to capture impacts of later/more-accurate versions of: LE2 Construction Schedule, Workover Schedule and CO Inventory)</p> | <p>Target: 10%</p> | <p>Target: \$282,511</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: \$282,511</p> |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|--|--|--|-------------------------------|-------------------------------------|
| Maintenance Performance Appraisal Rating (MPAR) (Continued) | | Target: ≥ 95 point fiscal year average SPR-wide and ≥ 94 point fiscal year average at each SPR site | Target: 8% | Target: \$226,009 |
| Cavern Workovers Ensure compliance with regulations regarding Cavern and Brine Disposal Wells. | Execute workovers (excluding cavern remediations) per workover schedule and budget. | Stretch Target: Completion of 9 diagnostic workovers | Stretch Target: 13% | Stretch Target: \$367,264 |
| | | Target: Completion of 8 diagnostic workovers | Target: 11% | Target: \$310,762 |
| Uncosted Balance | Decrease the uncosted balance for FY 2023. 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 2022 uncosted balance. | Stretch Target: 18% or More | Stretch Target: 5% | Stretch Target: \$141,256 |
| | | Target: 13% to 17.99% | Target: 3% | Target: \$84,753 |
| | | Lower Target: 8% to 12.99% | Lower Target: 2% | Lower Target: \$56,502 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|---|---|---|---|--|
| <p>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>Stretch Target:</p> <p>≥ 95 percent for each site each quarter.</p> | <p>Stretch Target:</p> <p>4%</p> | <p>Stretch Target:</p> <p>\$113,004</p> |
| | | <p>Target:</p> <p>≥ 95 percent for SPR-wide average each quarter calculated of all four sites.</p> | <p>Target:</p> <p>2%</p> | <p>Target:</p> <p>\$56,502</p> |
| <p>Annual Operating Plan (AOP)</p> | <p>Executes FY 2023 AOP total labor at or below obligated amount for FY 2023 Approved AOP.</p> <p>Note: Consideration will be given to anomalies that occur during the fiscal year that may impact this measure.</p> | <p>Stretch Target:</p> <p>0% to 4.00%</p> | <p>Stretch Target:</p> <p>4%</p> | <p>Stretch Target:</p> <p>\$113,004</p> |
| | | <p>Target:</p> <p>4.01% to 4.50%</p> | <p>Target:</p> <p>2%</p> | <p>Target:</p> <p>\$56,502</p> |
| | | <p>Lower Target:</p> <p>4.51% to 5.00%</p> | <p>Lower Target:</p> <p>1%</p> | <p>Lower Target:</p> <p>\$28,251</p> |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| 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 2023 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 LE2 milestones. See attachment 6 for LE2.)</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>\$84,753</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>1.5%</p> | <p>Target:</p> <p>\$42,377</p> |
| <p>Ensure effective delivery and receipt of External Crude Oil Movements</p> | <p>Successfully deliver and receive external crude oil in a safe and environmentally compliant manner to/from customers that were awarded contracts under Congressional mandated and authorized oil sales, Emergency Exchanges, Presidentially authorized Emergency Drawdowns and Fill Program.</p> | <p>Target:</p> <p>Per approved oil delivery/receipt schedule and oil contract requirements.</p> | <p>Target:</p> <p>10%</p> | <p>Target:</p> <p>\$282,511</p> |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| 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: More than 90% within contingency (excluding scope change)</p> | <p>Stretch Target: 3%</p> | <p>Stretch Target: \$84,753</p> |
| | | <p>Target: More than 75% within contingency (excluding scope change)</p> | <p>Target: 1.50%</p> | <p>Target: \$42,377</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: +/- 20% GE vs. Award</p> | <p>Stretch Target: 3%</p> | <p>Stretch Target: \$84,753</p> |
| | | <p>Target: +/- 25% GE vs. Award</p> | <p>Target: 1.5%</p> | <p>Target: \$42,377</p> |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| 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: \$84,753 |
| | | Target: 6 reportable releases | Target: 1.5% | Target: \$42,377 |
| 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. 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. | Stretch Target: 2% | Stretch Target: \$56,502 |
| | | | Target: 1.5% | Target \$42,377 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Key Contract Objectives | Effectiveness and Efficiency Measures | Execution Targets | Fee Percentage | Fee Allocation |
|------------------------------------|---|---|----------------------------------|--|
| Internal Audit - Audit Plan | Percentage of audits completed from the FY 2023 FFPO IA Audit Plan, including all scheduled audits within the FY 2023 Audit Plan and including any audits added or substituted as needed. | Stretch Target: 90% of audits completed from the FY 2023 FFPO IA Audit Plan | Stretch Target: 3% | Stretch Target: \$84,753 |
| | | Target: 85% of audits completed from the FY 2023 FFPO IA Audit Plan | Target: 2% | Target: \$56,502 |
| Emergency Management | Ensure that Emergency Response Team (ERT) members, 20 per site are qualified and active as defined (per ASL5500.25 and AAA9004.1). | Target: 20 per site | Target: 2% | Target: \$56,502 |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

ATTACHMENT 3

**SUBJECTIVE MEASURE 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. |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

**ATTACHMENT 4
SUBJECTIVE FEE EVALUATION AREAS**

Subjective fee will be determined by DOE by reviewing the monthly and quarterly contractor self-assessment reports, monitoring the metrics, and applying the validation techniques to arrive at a score for each subjective measure. The score will be categorized according to the adjectival table for each measure and the corresponding fee modifier will be applied. Gradings will be as follows:

EXCELLENT

VERY GOOD

GOOD

SATISFACTORY

UNSATISFACTORY

| Criteria Description | Evaluation Criteria |
|---|--|
| <p><u>TECHNICAL ASSURANCE (8%)</u></p> <p><u>Quality & Performance Assurance Division</u></p> <p><u>QPAD 2023-1 Trending Analysis: (2%) – \$56,502</u> – Develop Quality trending analyses that inform work planning, allocation of resources, and process improvement initiatives. Demonstrate use of these to improve technical performance, cost reduction, safety improvement, or schedule improvement.</p> <p>Metric: Implementation of analyses that direct management’s steps in conducting work planning, resource allocation, or process improvements and can be tied to improved technical performance, reduced costs, improved safety or improved schedule. DOE will review FFPO Quarterly Self Assessments for evidence that trending analyses are being developed and having the desire affect.</p> | <p>Validation: DOE will review FFPO Quarterly Self Assessments for evidence that trending analyses are being developed and having the desired effect. DOE will review demonstrations and other evidence supporting self-assessments to validate progress.</p> <p>Adjectival Table (Annual):</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: No new trending analyses. Fee Modifier 0.0 • <u>Satisfactory</u>: Any number of analyses that do not result in documentable improvements. (Fee Modifier 0.01 to 0.50) • <u>Good</u>: 1-3 analyses that result in at least one documentable improvement in at least one identified area (work planning, allocation of resources, and process improvement initiatives). (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: >3 analyses that result in at least one documentable improvement in each of two of the identified areas. (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: >4 analyses that result in any amount of documentable improvements in each of the identified areas or multiple documentable improvements in at least two of the identified areas. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|--|--|
| <p><u>Environmental Safety & Health Division</u></p> <p><u>ESHD 2023-1 Training Program</u> Effectiveness: (2%) – \$56,502 – Analyze incidents, accidents, and near misses for lack of knowledge, skills, and training necessary to perform task. Where training is not a causal factor, include supporting documentation of the analysis of the training. Ensure training programs for similar tasks are uniform and effective SPR wide. Demonstrate use of these analyses to enhance safety improvement opportunities, technical performance, and compliance</p> <p>Enhancements may include, but are not limited to:</p> <ul style="list-style-type: none"> • Newly defined training (including Toolbox Topics, technical on-the-job training plans, required reading, and other structured training plans) for employees to eliminate recurrence of similar incidents. • Developing improved training, which is more structured, has clearer language, removes incorrect procedures, captures missing components to previous training. • Identifying areas which training is insufficient for employees and developing further training to meet these needs. • Involving management/supervision to attend trainings for personnel they are overseeing, which they are not trained to the same level as their craft personnel. • Implementing new ways to verify employee Knowledge, Skills, and Abilities (KSAs) after training and during their course of employment, both managerial and craft employees. <p>(continued on the next page)</p> | <p>Validation: DOE will review FFPO incident reports, weekly SH reports, ATS findings, Organizational Assessments, and self-assessments for evidence that training gaps are being identified and addressed in an appropriate manner. DOE will review revised training plans, APM sections, and other media to establish where FFPO identifies increased developments to safety improvement opportunities, technical performance, and compliance. DOE will ensure that processes and procedures are enforced in the field by supervisors. DOE will also ensure changes from previous incidents and lessons learned are appropriately applied to future training. DOE will utilize routine surveillance reports and oversight documentation to document discrepancies in contractor and subcontractor lack of knowledge, skills, and training necessary to perform task.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: No training enhancements that result in increased developments to safety improvement opportunities, technical performance, and compliance. (Fee Modifier 0.0) • <u>Satisfactory</u>: One training enhancement that results in increased developments to safety improvement opportunities, technical performance, and compliance. (Fee Modifier 0.01 to 0.50) • <u>Good</u>: Two training enhancements that result in increased developments to safety improvement opportunities, technical performance, and compliance. (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: Three training enhancements that result in increased developments to safety improvement opportunities, technical performance, and compliance. (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: Four or more training enhancements that result in increased developments to safety improvement opportunities, technical performance, and compliance. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|---|--|
| <p><u>Environmental Safety & Health Division: (Cont'd)</u></p> <p>Metric: Implementation of training programs which ensure that all personnel possess the experience, knowledge, skills, and abilities necessary to discharge their safety and health responsibilities (ISM Guiding Principle 3).</p> | |
| <p><u>Security and Emergency Operations Division:</u></p> <p><u>Security</u></p> <p><u>SEOD 2023-2 Security Self-Assessments: (3%) – \$84,753</u> – Validate the quality of FFPO Security Self-Assessments (Site Security Self-Assessments, and Range Self-Assessment) to ensure a satisfactory degree of quality in programmatic activities and order compliance by adhering to documented established assessment practices to include:</p> <ul style="list-style-type: none"> • Ensure that assessment activities (data call, records review, interviews, observations, performance monitoring, and performance testing) are adequate to assess programs and are properly referenced in assessment reports when appropriate. • Ensure that sufficient evidence to support the program and topical area ratings are collected and in assessment reports when appropriate. • Ensure assessment reports are well written and accurate. <p>Metric: Required elements defined above are adequate and documented in assessment reports.</p> | <p>Validation: DOE will review M&O contractor security self-assessments for evidence that thorough analysis is being conducted and process improvements are developed that achieve the desired outcome(s). DOE will review contractor self-assessments, utilize follow-on site security surveys, or conduct focused special assessments to validate contractor self-assessments.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory:</u> Five or more documented gaps in confidence due to deviations from good assessment practice (inadequate/undocumented assessment activities, unsupported topical ratings, poorly written, etc.) (Fee Modifier 0.0) • <u>Satisfactory:</u> Four documented gaps in confidence due to deviations from good assessment practice (inadequate/undocumented assessment activities, unsupported topical ratings, poorly written, etc.) (Fee Modifier 0.01 to 0.50) • <u>Good:</u> Three documented gaps in confidence due to deviations from good assessment practice (inadequate/undocumented assessment activities, unsupported topical ratings, poorly written, etc.) (Fee Modifier 0.51 to 0.75) • <u>Very Good:</u> Two documented gaps in confidence due to deviations from good assessment practice (inadequate/undocumented assessment activities, unsupported topical ratings, poorly written, etc.) (Fee Modifier 0.76 to 0.90) • <u>Excellent:</u> No more than one documented gap in confidence due to deviations from good assessment practice (inadequate/undocumented assessment activities, unsupported topical ratings, poorly written, etc.) (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|--|---|
| <p><u>Emergency Mgt:</u></p> <p><u>SEOD 2023-1 Preparedness Readiness Exercise Program (PREP): (1%) – \$28,521</u> – Develop an oil spill response exercise program consistent with the requirements of the Oil Pollution Act of 1990 (OPA 90) and the requirements of DOE O 151.1D, Comprehensive Emergency Management. Demonstrate the ability to meet submission timeline requirements of the Exercise Plans (EXPLANS) and After-Action Reports (AARs) while conducting 4 announced and 4 unannounced exercises per calendar year. Demonstrate that lessons learned in the exercises are implemented to validate improvements.</p> <p>Metric: Number of instances where a submission date was missed or lack of supporting documentation for an EXPLAN or evaluation grade and if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year.</p> <p>(Continued on the next page)</p> | <p>Validation: DOE will review and approve EXPLANS and AARs for submission timeliness and overall quality of the submitted exercise documents. DOE will validate contractor submitted evidence supporting exercise evaluation grades. DOE will attend exercises to validate lessons are incorporated into AARs and that technical proficiency is demonstrated. This would be documented through DOE written response to AARs and review and approval of EXPLANS.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory:</u> Five or more instances where a submission date was missed due to untimely submission or a lack of supporting documentation for an exercise plan or evaluation grade. In addition, if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year. (Fee Modifier 0.0) • <u>Satisfactory:</u> Four instances where a submission date was missed due to untimely submission or a lack of supporting documentation for an exercise plan or evaluation grade. In addition, if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year fee modifier will be further reduced. (Fee Modifier 0.01 to 0.50) • <u>Good:</u> Three instances where a submission date was missed due to untimely submission or a lack of supporting documentation for an exercise plan or evaluation grade. In addition, if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year the fee modifier will be further reduced. (Fee Modifier 0.51 to 0.75) • <u>Very Good:</u> Two instances where a submission date was missed due to untimely submission or a lack of supporting documentation for an exercise plan or evaluation grade. In addition, if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year the fee modifier will be further reduced. (Fee Modifier 0.76 to 0.90) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|---|--|
| <p><u>Emergency Mgt: (Cont'd)</u></p> | <ul style="list-style-type: none"> • <u>Excellent:</u> One or fewer instances where a submission date was missed due to untimely submission or a lack of supporting documentation for an exercise plan or evaluation grade. In addition, if the contractor fails to provide and document training to address noted deficiencies in the PREP AAR from the previous year the fee modifier will be further reduced. (Fee Modifier 0.91 to 1.00) |
| <p><u>MAINTENANCE & OPERATIONS: (6%)</u></p> <p><u>Site Operations & Maintenance Division (SOMD):</u></p> <p><u>SOMD 2023-1 Site Management and Preservation: (4%) – \$113,004 –</u> Contractor to develop plans focusing on maintaining acceptable levels of grounds maintenance and corrosion control. Ground's maintenance will be evaluated according to security and personnel safety needs. Corrosion control will be evaluated to ensure items needing attention are identified and addressed before equipment/system integrity is compromised.</p> <p>This measure is needed to ensure grounds maintenance is addressed before becoming non-compliant with security requirements while also keeping safety risks to personnel to a minimum. The corrosion control portion is needed to ensure maintenance is addressing corrosion items before they evolve from aesthetic issues to actual degradation needing replacement before the end of the equipment/system's useful life.</p> <p>(Continued on the next page)</p> | <p>Validation: DOE Site Engineers will inspect schedules to ensure work has been completed and site is maintaining acceptable levels of grounds maintenance and corrosion control. Validation will be documented using Observation Reports or on the OMP SharePoint site.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory:</u> No plans developed. (Fee Modifier 0.0) • <u>Satisfactory:</u> Plans developed but monthly schedule not provided to DOE, at least 50% of schedule completed during period (each site). (Fee Modifier 0.01 to 0.50) • <u>Good:</u> Plans developed, monthly schedules provided to DOE, at least 65% of schedule completed during period (each site). (Fee Modifier 0.51 to 0.75) • <u>Very Good:</u> Plans developed, monthly schedules provided to DOE, 80% of schedule completed during period (each site). (Fee Modifier 0.76 to 0.90) • <u>Excellent:</u> Plans developed, monthly schedules provided to DOE, 95% of schedule completed during period (each site). (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

| Criteria Description | Evaluation Criteria (Includes but Not Limited To) |
|---|--|
| <p><u>Site Operations & Maintenance Division (SOMD): (Cont'd)</u></p> <p>Metric: Each site to develop and execute plans to address grounds maintenance and corrosion control. At the start of each month, the contractor shall provide a schedule of work to be performed during the month to each DOE Senior Site Representative.</p> | |
| <p><u>Crude Oil, Drawdown Readiness, & Cavern Integrity (CODDRCI):</u></p> <p><u>CODDRCI 2023-1 Improved Cavern Library: (2%) – \$56,502 – Subjective Measure:</u> Maintain an accurate and accessible Cavern Integrity Library/Well Database. The electronic database shall contain all appropriate and accurate information in an organized and timely manner where documents are retrievable within 10 working days (2-weeks) of the delivery date for each report.</p> <p>Metric: Below are the minimum required documents to be reviewed, but not limited to the items found within the Cavern Library:</p> <ul style="list-style-type: none"> • Workover Management Plans • Workover Performance Charts • Workover Completion Reports • Sonar Surveys • Mechanical Integrity Tests • Cavern Engineer’s Daily Reports • Site Weekly Reports • Daily Rig Reports • Bi-Monthly SPR Inventory Reports • Monthly Cavern Capacity Reports | <p>Validation: DOE Cavern Integrity will review FFPO’s Cavern Library on a quarterly basis for evidence that all the metrics are being saved, updated, and/or uploaded to the Cavern Library, SharePoint Website. DOE will review the minimum cavern reports (i.e., metrics) or other miscellaneous reports to confirm improvements are being made each fiscal year. The review will be verified by the known reports generated each quarter and calculating the percentage of documents found to be satisfactory of performance. Below are the ratings for the calculated percentages of the documents retrievable from the Cavern Library.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: Less than 50% of the reports have been uploaded to the Cavern Library Database. (Fee Modifier 0.0) • <u>Satisfactory</u>: Greater than or equal to 50% and less than 75% of reports have been uploaded to the Cavern Library Database. (Fee Modifier 0.01 to 0.50) • <u>Good</u>: Greater than or equal to 75% and less than 90% of reports have been uploaded to the Cavern Library Database. (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: Greater than or equal to 90% and less than 95% of reports have been uploaded to the Cavern Library Database. (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: Greater than or equal to 95% of reports have been uploaded to the Cavern Library Database. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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|--|---|
| <p><u>SYSTEMS AND PROJECTS: (5%)</u></p> <p><u>Project Engineering Division:</u></p> <p><u>PED 2023-1 Descriptions of Work (DOWs): (5%) – \$141,256</u> – Ensure the quality of FFPO DOWs such that they identify all design requirements to be delivered by the architect engineer (A-E) for a given task, including engineering scope and deliverables. DOWs must address all the following requirements:</p> <ul style="list-style-type: none"> • Ensure the DOW correctly identifies all task scope such that the A-E's detailed design can sufficiently address the problem to be corrected. • Ensure design assumptions, theoretical approaches, and any necessary studies, reports, or investigations are identified in the DOW where appropriate. • Ensure each DOW receives an adequate design review such that any issues identified are resolved prior to transmittal to DOE. • Ensure DOWs are delivered complete. <p>Metric: Each DOW addresses the required elements as defined above sufficient to avoid contract modifications during the current FY.</p> | <p>Validation: DOE will review each DOW submittal for the required elements and identify any inadequacies that result in Task Order (TO) modifications during detailed design in the current FY. DOE will document all identified DOW issues in SharePoint.</p> <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory:</u> Eight or more issues identified with DOW deliverables during the current FY. Issues include any failure to address the listed requirements resulting in Task Order modification. (Fee Modifier 0.0) • <u>Satisfactory:</u> Six to seven issues identified with DOW deliverables during the current FY. Issues include any failure to address the listed requirements resulting in Task Order modification. (Fee Modifier 0.01 to 0.50) • <u>Good:</u> Four to five issues identified with DOW deliverables during the current FY. Issues include any failure to address the listed requirements resulting in Task Order modification. (Fee Modifier 0.51 to 0.75) • <u>Very Good:</u> Two to three issues identified with DOW deliverables during the current FY. Issues include any failure to address the listed requirements resulting in Task Order modification. (Fee Modifier 0.76 to 0.90) • <u>Excellent:</u> One or fewer issues identified during the current FY. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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|---|---|
| <p>CONTRACTS: (6%)</p> <p>A&SD 2023-1, Procurement: (6%) – \$169,507 – Ensure procurement is in full compliance with approved purchasing procedures, statutes, regulations, or contract terms and condition.</p> <p>Compliance is measured by the following standards:</p> <ul style="list-style-type: none"> • Acquisition of quality products and services at fair and reasonable prices using techniques identified within FAR 15.404-1. • Use of capable and reliable subcontractors. • Minimization of acquisition lead-time and administrative costs of purchasing as calculated by the FY 2023 BSCSA. • Use of competitive techniques as identified within FAR 6.102 as calculated by the FY 2023 BSCSA. • Reduction of performance risks associated with subcontractors, and facilitation of quality relationships which can include techniques such as partnering agreements, ombudsmen, and alternative dispute procedures. • Use of self-assessment and benchmarking techniques to support continuous improvement in purchasing provided monthly to the cognizant DOE official. • Maintenance of professional and ethical standards. • Audits of file documentation appropriate to the value of the purchase and which is adequate to establish the propriety of the transaction and the price paid. • Maximization of opportunities for small business, HUBZone small business, small, disadvantaged business, and woman-owned small business concerns to participate in contract performance. <p>(Continued on the next page)</p> | <p>Validation: DOE CO will document findings of each significant weakness of standards within Management Appraisals, consent packages, monthly reviews, or during quarterly reviews.</p> <p>A significant weakness is defined as:</p> <ul style="list-style-type: none"> - one or more of the applicable standards are not met - there are no compensating factors to reduce the impact on effectiveness, and - resulting deficiencies seriously degrade effectiveness. <p>Adjectival Table:</p> <ul style="list-style-type: none"> • <u>Unsatisfactory</u>: A rating of 64% or lower. (Fee Modifier 0.0) • <u>Satisfactory</u>: A rating of 65%-74%. (Fee Modifier 0.01 to 0.50) • <u>Good</u>: A rating of 75%-84%. (Fee Modifier 0.51 to 0.75) • <u>Very Good</u>: A rating of 85%-94%. (Fee Modifier 0.76 to 0.90) • <u>Excellent</u>: A rating of 95% or greater. (Fee Modifier 0.91 to 1.00) |

**FISCAL YEAR 2023
(OCTOBER 1, 2022 – SEPTEMBER 30, 2023)
PERFORMANCE EVALUATION AND MEASUREMENT PLAN
CONTRACT NO. DE-FE0011020**

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|---|--|
| <p><u>CONTRACTS</u> (Cont'd)</p> <p>Metric Quarterly reviews indicate Purchasing System trending, and the final Adjectival rating shall be based upon the cumulative FY 2023 Year-end metrics of standards averaged.</p> | |