

Fiscal Year 2017 - 2018
DOE/NNSA Strategic Performance Evaluation and Measurement Plan (PEMP)

for

National Technology & Engineering Solutions of Sandia (NTESS)

MANAGEMENT AND OPERATION OF THE

Sandia National Laboratories

Contract Number: DE-NA0003525

Performance Evaluation Period: May 1, 2017 through September 30, 2018

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FY 2017 – FY 2018 PERFORMANCE EVALUATION AND MEASUREMENT PLAN

DOCUMENT REVISION HISTORY

Revision	Date	Change Description
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INTRODUCTION

Sandia National Laboratories is a Federally Funded Research and Development Center (FFRDC) owned by the United States Department of Energy (DOE), herein referenced as “Laboratories,” and is managed by National Technology & Engineering Solutions of Sandia (NTESS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria in which NTESS’ performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2017 – FY 2018, May 1, 2017 through September 30, 2018, are specified in Section B, *Supplies or Services and Prices/Costs*, of the Contract. Prior to the end of the award fee period, the award fee periods will be modified to a fiscal year basis. This PEMP promotes a strategic governance and oversight framework based on prudent management of risk, accountability, transparency, and trust. It has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

LEADERSHIP PERFORMANCE BASED APPROACH

DOE/NNSA will use a leadership performance-based approach to evaluate NTESS’ performance. NTESS’ performance will be measured against how it has strategically partnered with DOE/NNSA and demonstrated leadership success in achieving positive results through a set of seven performance elements, as described in the Contract clause B-7 *Leadership Performance Evaluation* (also provided below). Each element will be measured against authorized work in terms of cost, schedule, and technical performance, and the respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission.

B-7 LEADERSHIP PERFORMANCE EVALUATION

The Contractor’s Leadership performance will be measured against how the Contractor has strategically partnered with DOE/NNSA and demonstrated leadership success in achieving positive results. This may be evidenced by:

- (a) Achieving site mission deliverables while supporting and enabling the overall DOE/NNSA mission,
- (b) Improving safety culture,
- (c) Maintaining critical skills and infrastructure,
- (d) Advancing Science, Technology & Engineering (ST&E), including Laboratory Directed Research and Development (LDRD) and Tech Transfer,
- (e) Operating the Laboratories effectively, efficiently, safely, and securely to meet current mission requirements and to accomplish additional Strategic Investments that enhance or develop new capabilities, address long-standing challenges, or respond to new or emerging threats,
- (f) Resolving issues and ensuring continuous improvement internally and across the DOE/NNSA while meeting Contract requirements, and
- (g) Demonstrating parent company involvement/commitment to the overall improvement of the Laboratories and the DOE.

MISSION

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

MISSION PERFORMANCE

NTESS is accountable for and will be evaluated on successfully executing mission work in accordance with applicable DOE/NNSA safety and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security (both physical and cyber) are essential and implicit elements of successful mission performance. NTESS is expected to manage in a safe, secure, efficient, effective, results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance. Products and services are expected to be delivered on-schedule, within budget, and meeting requirements. Additionally, NTESS is expected to maintain, operate, and modernize DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider "context" such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside NTESS' control), lengthened initial performance period, contract transition, degree of difficulty, significant accomplishments, and other events that may occur during the performance period. A significant safety or security event may result in an overall reduction to the adjectival rating. Such impacts may be mitigated by the response to the incident, and by other initiatives to improve overall safety or security performance. NTESS is encouraged to note significant safety and security continuous improvements.

PERFORMANCE RATING PROCESS

DOE/NNSA will review performance throughout the performance evaluation period and provide three Interim Feedback Reports (IFRs) to NTESS highlighting successes and/or areas needing improvement. At the end of the performance evaluation period, DOE/NNSA will provide a Performance Evaluation Report (PER). DOE/NNSA will assess all areas of leadership in the aggregate to determine an overall adjectival performance rating. DOE/NNSA will consider NTESS' self-assessment report in the performance evaluation, which shall be submitted on or before the last day of the performance evaluation period. The overall performance rating and percentage of award fee earned will be determined in accordance with FAR 16.401 (e) (3) Award Fee Adjectival Ratings and Supplemental Definitions included in this PEMP that include ratings of Excellent, Very Good, Good, Satisfactory, and Unsatisfactory.

PEMP CHANGE CONTROL

This PEMP establishes the baseline of performance expectations for the performance period to equitably measure performance. Any change to the PEMP requires concurrence by the appropriate program office and the NNSA Senior Procurement Executive prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in the contract terms and conditions, bilateral changes are the preferred method of change whenever possible.

FINAL DECISION

The Fee Determining Official (FDO) makes the final decision regarding the performance rating and percentage of award fee earned. This is a unilateral decision made solely at the discretion of the FDO. NTESS may request a face-to-face meeting with the FDO to highlight their leadership performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the performance evaluation period.

The Sandia Field Office (SFO) Manager shall issue the FDO's determination of the total incentive fee amount earned to NTESS within seventy calendar days after the end of the evaluation period, and no more than ten business days later, the Contracting Officer shall issue the contract modification allowing NTESS to invoice for the award fee, unless a longer period is agreed to by NTESS and the Contracting Officer.

UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute unearned fees.

FAR 16.401 (e) (3) AWARD FEE ADJECTIVAL RATINGS AND SUPPLEMENTAL DEFINITIONS

Excellent	91%- 100%	<p>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.</p> <p><i>This performance level is evidenced by at least one significant accomplishment, or a combination of accomplishments that significantly outweigh very minor issues, if any. No significant issues in performance exist.</i></p>
Very Good	76% - 90%	<p>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.</p> <p><i>This performance level is evidenced by accomplishments that greatly outweigh issues. No significant issues in performance exist.</i></p>
Good	51% - 75%	<p>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.</p> <p><i>This performance level is evidenced by accomplishments that slightly outweigh issues. No significant issues in performance exist.</i></p>
Satisfactory	No greater than 50%	<p>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.</p> <p><i>This performance level is evidenced by issues that slightly outweigh accomplishments.</i></p>
Unsatisfactory	0%	<p>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.</p> <p><i>This performance level is evidenced by issues that significantly outweigh accomplishments, if any.</i></p>

Definitions:

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

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