EXCEPTION TO SF 30, APPROVED BY NARS 5/79

# AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

| 1. CONTRACT ID CODE | PAGE 1 OF 1 |
|---|---|

| 2. AMENDMENT/MODIFICATION NO. | 3. EFFECTIVE DATE | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
|---|---|---|---|
| 387 | October 1, 2012 | NA27344 | |

| 6. ISSUED BY CODE | 7. ADMINISTERED BY (If other than Item 6) |
|---|---|
| U.S. Department of Energy/NNSA SC<br>M&O Contract Support Division<br>P.O. Box 5400<br>Albuquerque, NM 87185-5400 | U.S. Department of Energy/NNSA<br>Livermore Site Office M/S L-293<br>7000 East Avenue<br>Livermore, CA 94550 |

| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, country, State, and ZIP Code) | | 9A. AMENDMENT OF SOLICITATION NO. |
|---|---|---|
| Lawrence Livermore National Security, LLC<br>Lawrence Livermore National Laboratory M/S L-294<br>7000 East Avenue<br>Livermore, CA 94550 | | |
| | | 9B. DATED (SEE ITEM 11) |
| | X | 10A. MODIFICATION OF CONTRACT/ ORDER NO.<br>DE-AC52-07NA27344 |
| | | 10B. DATED (SEE ITEM 13) |
| CODE / FACILITY CODE | | May 8, 2007 |

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 25, 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 telegram 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 telegram or letter, provided each telegram or letter 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 attached

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

| | |
|---|---|
| | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN 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)<br>Modification Pursuant to Contract Clause H-13, PERFORMANCE BASED MANAGEMENT |

E. IMPORTANT: Contractor __ is not, _XX_ is required to sign this document and return 2__ copies to the issuing office.

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

Incorporate the FY 2013 Performance Evaluation Plan, Revision 1, into Section J, Appendix F.

Except as provided herein, all terms and conditions of the document referenced in Item 9A 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) |
|---|---|
| Joseph "Trey" Johnston,<br>Acting Director, Prime Contract Management | Homer Williamson, Contracting Officer<br>U.S. Department of Energy/NNSA |
| 15B. CONTRACTOR/OFFEROR | 15C. DATE SIGNED |
| (Signature of person authorized to sign) | 9/19/13 |
| 16B. UNITED STATES OF AMERICA | 16C. DATE SIGNED |
| By (Signature of Contracting Officer) | 9/19/13 |

# Fiscal Year 2013
# National Nuclear Security Administration Strategic Performance Evaluation Plan Revision 1

For

Management and Operation of the
Lawrence Livermore National Laboratory
by
Lawrence Livermore National Security, LLC

Contract Number: DE-AC52-07NA27344

Performance period: October 1, 2012 through September 30, 2013

## INTRODUCTION

The Lawrence Livermore National Laboratory is managed by the Lawrence Livermore National Security, LLC, herein referenced as the "Contractor," for the U.S. Department of Energy (DOE)/National Nuclear Security Administration (NNSA). Pursuant to the terms and conditions of the Contract, and Clause H-13 *Performance Based Management*, this Performance Evaluation Plan (PEP) sets forth the criteria in which the Contractor's 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 Fiscal Year 2013 are specified in Section B-2 of Contract DE-AC52-07NA27344.

The performance-based approach evaluates the Contractor's performance through a set of Performance Objectives (PO). Each PO will be measured on demonstrated performance and its impact to the NNSA mission. Critical factors and applicable site specific outcomes will be assessed in the aggregate to establish an adjectival performance rating for each Performance Objective. This PEP evaluates Contractor performance and promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the Deputy Secretary of Energy and the NNSA Administrator.

## PERFORMANCE MEASUREMENT AND OVERSIGHT

The Contractor is accountable for successfully executing the work in accordance with applicable NNSA safety and security requirements while assessing its performance against the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, the model for this PEP is to rely on the Contractor's leadership in utilizing appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. The Contractor is expected to manage in a safe, secure, efficient, effective, mission driven manner, with appropriate risk management and transparency to the government.

## PERFORMANCE STANDARDS/PERFORMANCE EVALUATION

The NNSA has an established and approved evaluation process. The evaluation of performance will consider unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside Contractor's control), accomplishments, and other events that may occur during the performance period. Effective efforts to overcome or mitigate the impact of such barriers or circumstances will also be a factor in evaluating performance.

## PERFORMANCE RATING PROCESS

The Contractor will provide a self-critical and comprehensive self-assessment of its performance. The self-assessment will be submitted to the respective NNSA Field Office no later than October 7, 2013, to allow sufficient time for NNSA review (per the NNSA corporate evaluation process). An overall performance rating will be assigned for each PO using the table in Federal Acquisition Regulation Subpart 16.401(e)(3). Meeting expectations herein equates to a satisfactory performance based on the Federal Acquisition Regulation table. NNSA will consider the contractor's self-assessment in preparing the PEP and will also independently

evaluate contractor performance when making the final recommendations to the Fee Determining Official (FDO) on performance ratings and award fee earned for the award fee period of performance. The unilateral decision of the total award fee earned will be made by the FDO.

## PERFORMANCE EVALUATION PLAN CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Any change to the PEP requires concurrence by the appropriate program office, NA-00 and the NNSA Senior Procurement Executive prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of NNSA as expressed in contract clauses H-13 *Performance Based Management*, and (2) H-15 *Performance Incentives*, bilateral changes are the preferred method of change whenever possible.

## TOTAL AVAILABLE AWARD FEE ALLOCATION

| Performance Category | Performance Objective | % At-Risk Fee Allocation |
|---|---|---|
| Programs | PO-1: Nuclear Weapons Mission | 40% |
| Programs | PO-2: Broader National Security Mission | 10% |
| Programs | PO-3: Science, Technology and Engineering Mission | 10% |
| Operations and Mission Execution | PO-4: Security, Infrastructure, Environmental Stewardship and Institutional Management | 30% |
| Operations and Mission Execution | PO-5: Contractor Leadership | 10% |

### Unearned Fee

The NNSA reserves the right to withdraw and redistribute NNSA unearned fees.

### Award Term Incentive

To earn award term the contractor must meet the following criteria: Earn an adjectival score of Very Good or better in each of the Performance Objectives 1-5 and experience no significant safety or security incident during the performance period.

## PERFORMANCE OBJECTIVES

The Contractor will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. The Contractor will also provide evidence to support programmatic needs and operational goals tempered by risk. NNSA will take into consideration all major functions contributing to mission success.

Along with the Contributing Factors, and Site Specific Outcomes, the Contractor's performance will be evaluated against the NNSA's Strategic Plan, NNSA Performance Priorities and Deliverables, Program Execution Plans, Work Authorizations and other key inputs (e.g. Multi-Year Strategic Objectives).

**PO-1: Nuclear Weapons Mission – (At-Risk Fee: 40%)**
Successfully execute Nuclear Weapons mission work in accordance with NNSA Priorities, Program Control Document and Deliverables, and Program Execution Plans. Integrate across the site, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

- Accomplish work within the budget profile, scope, cost, schedule, and risk negotiated with program sponsors and partners, achieving the expected level of quality.
- Increase knowledge of the state of the stockpile resulting in successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- Execute product development and deliveries in the life extension programs (e.g., B61-12), Alterations (ALTs) (e.g., W88 ALT 370), and Limited Life Component exchanges.
- Demonstrate the application of new strategies, technologies, and scientific understanding in anticipation of future stockpile needs including enhanced stockpile surety.
- Sustain and strengthen unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- Demonstrate effective operations and implementation of policy for mission success.

Site Specific Outcomes:

- Execute Key Special Nuclear Material (SNM) and Integrated Experiments including JASPER, Hydrotests, High Energy Density and Equation of State experiments.
- Demonstrate effective use of Advanced Scientific Computing high performance computing systems for weapons applications.
- Execute shots on National Ignition Facility (NIF) in support of the Stockpile Stewardship Program in accordance with an agreed upon NIF Governance Plan, providing weapons relevant data at extreme temperatures and pressures that otherwise would be inaccessible without returning to nuclear weapons testing.
- Complete a Joint Integrated Lifecycle Surety baseline and conduct surety option benefit assessments.

**PO-2: Broader National Security Mission (At-Risk Fee: 10%)**
Successfully execute the broader national security mission work in accordance with NNSA Priorities, Program Work Authorizations, priorities and deliverables, and Program Execution Plans to include the Non-Proliferation, Emergency Operations and Counterterrorism missions among others. Integrate across the site, while maintaining an NNSA enterprise-wide focus, to

achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

- Accomplish work within the budget profile, scope, cost, schedule, and risk negotiated with the program sponsors or partners, achieving the expected level of quality.
- Demonstrate the application of new strategies, technologies, and scientific understanding in anticipation of future national security needs.
- Pursue and perform high impact work that leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills to ensure the ability to meet current and future national security mission requirements.
- Demonstrate effective operations and implementation of policy for mission success.
- Maintain effective nuclear counterterrorism and incident response mission support capability.
- Execute DOE mission work (outside NNSA) (e.g. EM, IN).

Site Specific Outcomes:

- Broaden NNSA National Security Mission, maximize NNSA buying power, and maintain critical skills through strategic pursuit of interagency work. Implement institutional project management tools and business systems to improve interagency work execution, quality of work proposals, and process efficiencies.
- Develop and execute a Foreign Nuclear Weapons Assessment/Capabilities for Nuclear Intelligence Program Plan.
- Provide technical expertise to secure vulnerable Nuclear Materials (e.g., radioisotope thermoelectric generators).

**PO-3: Science, Technology & Engineering Mission (At-Risk Fee: 10%)**
Successfully execute research to enable, support, and advance national security missions and to advance the frontiers of Science, Technology & Engineering (ST&E) in accordance with budget profile, scope, cost, schedule, and risk, achieving the expected level of quality. Effectively manage Laboratory/Plant/Site Directed Research and Development Programs (LDRD/PDRD/SDRD). Execute the ST&E mission and provide defensible objective evidence.

Contributing Factors:

- Implement a research strategy that is clear and aligns discretionary investments (e.g., LDRD/PDRD/SDRD) with the research strategy and support NNSA priorities.
- Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.

- Perform research to accomplish the high priority, multi-year research objectives, advance ST&E, and develop technologies for the public good through technology transfer.

Site Specific Outcomes:

- Define a Future Capabilities roadmap that fulfills Stockpile Stewardship and other National Security objectives.

**PO-4: Security, Infrastructure, Environmental Stewardship and Institutional Management (At-Risk Fee: 30%)**

Effectively and efficiently manage the operations of the site while maintaining an NNSA enterprise-wide focus; demonstrate accountability for mission performance and management controls; assure mission commitments are met with high-quality products and services; and maintain excellence as 21st century government-owned, contractor-operated facility.

Contributing Factors:

- Accomplish the safeguards and security and emergency management mission by applying prudent risk management and implementing rigorous contractor governance processes to ensure sustained effective performance with no significant failures.
- Line item construction projects will be accomplished in accordance with the budget profile, scope, cost, schedule, and risk negotiated with the program sponsors or partners, achieving the expected level of quality.
- In concert with NNSA Strategies:
  - Deliver efficient, effective, and responsive business operations and systems.
  - Deliver efficient, effective, and secure networks and information systems.
  - Deliver efficient and effective facility and infrastructure portfolio management.
  - Deliver efficient, effective, and responsive environment, safety and health management and processes.
  - Deliver efficient, and effective management of legal risk and incorporation of best legal practices.
  - Deliver efficient and effective management of a quality assurance system and decision-making model framework that improves the quality of mission products and services.

Site Specific Outcome:

- Achieve maturation of a comprehensive, transparent, and integrated Contractor Assurance System.
- Complete the closure of Building 419, which includes the removal of the slab and contaminated soil, as mandated under the Resource Conservation and Recovery Act.
- Transition to a Category III SNM security posture and reduce Security Organization staffing and facilities to be consistent with requirements for a Cat III facility.

**PO-5: Contractor Leadership (At-Risk Fee: 10%)**

Successfully demonstrate leadership in supporting the direction of the overall NNSA mission, the responsiveness of the contractor's leadership team to issues and opportunities for continuous

improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the site and the Enterprise.

Contributing Factors:

- Define a realistic and strategic vision for the site in alignment with the NNSA Strategic Plan and progress to meet that vision.
- Demonstrate enterprise leadership and effective collaboration to ensure enterprise success.
- Establish and maintain long-term partnerships/relationships with private industry and the scientific and local communities.
- Instill a culture of accountability and responsibility through the entire organization.
- Strategically integrate interagency work to ensure necessary capabilities are maintained over time to support the NNSA mission.
- Create a work environment that achieves compliant and effective safety and security performance, and attracts the best and brightest scientist/engineers to execute our national programs.
- Work selflessly within the NNSA/DOE complex to develop, integrate, and implement enterprise solutions that maximize program outputs at best value to the government.
- Exhibit professional excellence in performing contractor roles/responsibilities while pursuing opportunities for continuous learning.
- Coordinate/Communicate key issues and concerns to NNSA leadership.
- Demonstrate performance results through the institutional utilization of the Management Assurance System and the leveraging of parent company resources and expertise.
- Lead a culture of critical self-assessment across all areas.