

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

**for**

**Los Alamos National Security, LLC**

**MANAGEMENT AND OPERATION OF THE**

**Los Alamos National Laboratory**

**Contract Number: DE-AC52-06NA25396**

**Performance Evaluation Period: October 01, 2016 through September 30, 2017**

[Redacted Signature]

1-23-17

Date

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# FY 2017 PERFORMANCE EVALUATION AND MEASUREMENT PLAN

## DOCUMENT REVISION HISTORY

<b>Revision</b>	<b>Date</b>	<b>Change Description</b>
1	01/19/2017	Changes to make consistent with current NNSA performance evaluation process.

## INTRODUCTION

The Los Alamos National Laboratory is a Federally Funded Research and Development Center (FFRDC) owned by the United States Department of Energy (DOE), herein referenced as "Laboratory," and is managed by Los Alamos National Security, LLC (LANS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria by which LANS' performance will be evaluated and upon which the determination of the amount of Performance Incentive Fee earned shall be based. The available Performance Incentive Fee amounts for FY 2017 are specified in Section B, *Supplies or Services and Prices/Costs*, of the contract. This PEMP promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, transparency, and renewed trust. It was written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

## PERFORMANCE BASED APPROACH

The performance-based approach evaluates the LANS' leadership performance through a set of seven sub-elements, as described in Clause B-4, *Leadership Performance Evaluation*, of the Contract. Each sub-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.

## MISSION

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

## MISSION PERFORMANCE

LANS is accountable for and will be evaluated on successfully executing program 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 are essential and implicit elements of successful mission performance. Accordingly, LANS shall plan safety and security improvements and accomplishments as an integral component of mission performance contributing to meeting the affected programmatic goals. The model for this PEMP is to rely on LANS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **LANS 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 and within budget.

## INNOVATIVE SOLUTIONS

LANS will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. LANS will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety and security contributing to mission success. In addition, LANS is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

## **LEADERSHIP PERFORMANCE-BASED EVALUATION**

DOE/NNSA will evaluate contractor performance in accordance with Clause B-4, *Leadership Performance Evaluation*, of contract DE-AC52-06NA25396.

### **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 LANS’ control), shortened performance period, 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 limitation to adjectival ratings. Such impacts may be mitigated by the response to the incident, and by other initiatives to improve overall safety or security performance. LANS is encouraged to note significant safety and security continuous improvements.

### **PERFORMANCE RATING PROCESS**

DOE/NNSA will evaluate performance throughout the period of performance, and provide triannual feedback to LANS highlighting successes and/or needed improvement. At the end of the performance evaluation period, an evaluation of LANS’ performance will be completed. This evaluation will be documented in a Performance Evaluation Report (PER), and will include the performance rating and Performance Incentive Fee earned for the subject performance evaluation period. DOE/NNSA will consider LANS’ end of year self-assessment report in the performance evaluation. The performance rating will be determined in accordance with FAR 16.401(e) (3) yielding ratings of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. Notwithstanding the overall strategic framework, any significant failure may impact the overall rating and award fee earned. The Fee Determining Official’s (FDO) award fee determination is a unilateral decision made solely at the discretion of NNSA.

### **PEMP CHANGE CONTROL**

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 ratings and percentage of performance incentive fee earned. This is a unilateral decision made solely at the discretion of the FDO. LANS may request a face-to-face meeting with the FDO to highlight their site’s strategic performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the period.

### **UNEARNED FEE**

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