

2. AMENDMENT/MODIFICATION NO. 0084	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO. None	5. PROJECT NO. (If applicable)
6. ISSUED BY NNSA Production OFC NA-00-NPO 301 Bear Creek Road P.O. Box 2050 Oak Ridge TN 37830	CODE 05047	7. ADMINISTERED BY (If other than Item 6)	CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) CONSOLIDATED NUCLEAR SECURITY LLC Attn: MICHAEL VERMEULEN 301 BEAR CREEK RD OAK RIDGE TN 37831	(x)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	x	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-NA0001942
		10B. DATED (SEE ITEM 13) 01/08/2013
CODE 078390708	FACILITY CODE	

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 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)
None

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.
X	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, 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:
	D. OTHER (Specify type of modification and authority)

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.)

Please see the attached Purpose of Modification 0084 for more detailed information. All other terms and conditions remain unchanged.

Payment:
OR for Oak Ridge/OSTI
U.S. Department of Energy
Oak Ridge Office
Oak Ridge Financial Service Center
P.O. Box 6017
Oak Ridge TN 37831

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) Belynda Gail Jam Thompson
15B. CONTRACTOR/OFFEROR <i>(Signature of person authorized to sign)</i>	15C. DATE SIGNED
16B. UNITED STATES OF AMERICA Signature on File <i>(Signature of Contracting Officer)</i>	16C. DATE SIGNED 11/23/2016

The purpose of this modification is to accomplish the following:

- Incorporate the FY 2017 Performance Evaluation and Measurement Plan (Attachment 1) into the contract in Appendix B, Performance Evaluation Plans. This Plan is being incorporated into the contract unilaterally because it has already been agreed to and signed by the Contractor.
- Delete Appendix J, Key Personnel in its entirety and replace with the attached Appendix J, Key Personnel (Attachment 2).
- Amend Appendix K to add the FY 2017 Small Business Subcontracting Goals (Attachment 3) to the Small Business Subcontracting Plan.
- Delete Appendix R, List of Contracting Officer’s Representatives in its entirety and replace with the attached Appendix R, List of Contracting Officer’s Representatives (Attachment 4).
- Replace Section B CLIN 001B Base Term (1 Jul 2014 – 30 Jun 2019) with the version that follows:

CLIN 0001B BASE TERM (1 JUL 2014 – 30 JUN 2019)

Services being Acquired under this CLIN: The Contractor shall, in accordance with the terms and conditions of this Contract, provide the personnel, equipment, material, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely complete all work in accordance with Section J, Appendix A, Statement of Work, except for the work covered by CLIN 0001H and CLIN 0002. The fee available is:

Performance Period	Fixed Fee (FF)	Available Performance Incentive Fee (PIF)	Total Available Fee (FF+PIF)	Total Fee Earned	Estimated Cost Savings Incentive Fee (CSIF)	CSIF Earned
1 Jul 2014 – 30 Sep 2015	\$29,949,750	\$19,966,500	\$49,916,250	\$41,330,657	\$21,439,000	Savings being validated.
1 Oct 2015 – 30 Sep 2016	NA	\$39,933,000	\$39,933,000		\$42,104,000	
1 Oct 2016 – 30 Sep 2017	NA	\$39,933,000	\$39,933,000		\$46,831,000	
1 Oct 2017 - 30 Sep 2018	NA	\$39,933,000	\$39,933,000		\$42,476,000	
1 Oct 2018 – 30 Jun 2019	NA	\$29,949,750	\$29,949,750		\$26,962,000	

[*Performance Period 1 Jul 2014 – 30 Sep 2015 is a 15 month period of performance and Performance Period 1 Oct 2018 – 30 Jun 2019 will be a 9 month period of performance to align with the fiscal year.]

- Replace Section B CLIN 001H Work for Others/Other Reimbursable Work with the version that follows:

CLIN 0001H WORK FOR OTHERS/OTHER REIMBURSABLE WORK (015)

Services being Acquired under this CLIN: The Contractor shall, in accordance with Section J, Appendix A, Chapter II, 1.3 Work for Others/Other Reimbursable Work, and all other the terms and conditions of this Contract, provide the personnel, equipment, materials, supplies, and services, (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to effectively, efficiently, and safely perform all Work For Others and Other Reimbursable Work efforts as directed by the Contracting Officer.

Performance Period	Estimated Cost	Available Fixed Fee	Estimated Cost + Available Fixed Fee	Actual Cost	Actual Fee Earned
1 Jul 2014 – 30 Sep 2015	\$41,161,000	\$1,235,000	\$42,396,000	\$38,030,466.67	\$1,140,914.00
1 Oct 2015 – 30 Sep 2016	\$43,934,854	\$1,318,046	\$45,252,900	\$36,289,139.67	\$1,088,674.19
1 Oct 2016 – 30 Sep 2017					
1 Oct 2017 – 30 Sep 2018					
1 Oct 2018 – 30 Jun 2019					
OPTION I	*****	*****	*****		*****
1 Jul 2019 - 30 Jun 2020					
1 Jul 2020 - 30 Jun 2021					
OPTION II	*****	*****	*****		*****
1 Jul 2021 - 30 Jun 2022					
1 Jul 2022 - 30 Jun 2023					
OPTION III	*****	*****	*****		*****
1 Jul 2023 - 30 Jun 2024					

[Table to be completed by the Government in accordance with Section B, B-2(a)(4).]

- Replace Clause B-1 Contract Type and Value with the version that follows:

B-1 CONTRACT TYPE AND VALUE

This is a Performance Based Contract for the Management and Operation of DOE/NNSA facilities governed by FAR 17.6, DEAR 917.6 and DEAR Part 970. It is a Management and Operating (M&O) cost-reimbursement Contract with terms for a Fixed Fee, Performance Incentive Fee, and Cost Savings Incentive Fee for CLIN 0001 and a Maximum Available Uranium Processing Facility Fee for

Contract No. DE-NA0001942

Modification 0084

CLIN 0002.

The total estimated cost, excluding fee and Work for Others/Other Reimbursable Work related to NNSA work:

Year	Total Estimated Cost
1	\$1,775,166,000
2	\$1,814,749,907
3	\$2,021,030,633
4	
5	
OPTION I	
6	
7	
OPTION II	
8	
9	
OPTION III	
10	

[Table to be completed by the Government during the term of the Contract.]

End of Modification



**Department of Energy
National Nuclear Security Administration
Production Office**

P.O. Box 2050
Oak Ridge, Tennessee 37831

P.O. Box 30030
Amarillo, Texas 79120



September 12, 2016

Mr. Michael R. Vermeulen
Contracts Manager
Consolidated Nuclear Security, LLC
P. O. Box 2009
Oak Ridge, Tennessee 37831-8004

Dear Mr. Vermeulen:

**CONTRACT NO DE-NA0001942, FISCAL YEAR 2017 DEPARTMENT OF ENERGY
NATIONAL NUCLEAR SECURITY ADMINISTRATION STRATEGIC
PERFORMANCE EVALUATION AND MEASUREMENT PLAN**

Please find enclosed the Fiscal Year 2017 Performance Evaluation and Measurement Plan (PEMP). This letter serves as direction that the enclosed is officially added to Consolidated Nuclear Security, LLC, Contract and a modification to the Contract will be forthcoming.

If you have any questions, please feel free to contact me at (865) 241-3917.

Sincerely,

Connie D. Bayless
Contracting Officer

Enclosure


cc w/enclosure:
M. Smith, CNS
M. Reichert, CNS
T. Sherry, CNS
M. Underwood, CNS
G. Beausoleil, NPO-01
T. Robbins, NPO-01
L. DeSerisy, NPO-50
J. Brashears, NPO-50

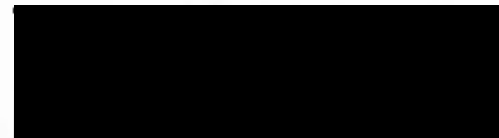
**Fiscal Year 2017
DOE/NNSA Strategic Performance Evaluation and Measurement Plan
(PEMP)**


**Consolidated Nuclear Security, LLC
Management and Operation of the
Pantex Plant and the Y-12 National Security Complex**


Contract Number: DE-NA0001942

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

 9/12/2016
Morgan N. Smith Date
President and Chief Executive Officer
Consolidated Nuclear Security, LLC

 12 SEP 2016
Geoffrey L. Beausoleil Date
Field Office Manager
NNSA Production Office
National Nuclear Security Administration

 9/12/2014
Michael R. Vermeulen Date
Senior Director, Contracts
Consolidated Nuclear Security, LLC

 9/12/16
Connie D. Bayless Date
Contracting Officer
NNSA Production Office
National Nuclear Security Administration

FY [insert year] Performance Evaluation and Measurement Plan

Document Revision History

Revision	Date	Change Description
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INTRODUCTION

The Pantex Plant (Pantex) and Y-12 National Security Complex (Y-12) are plant sites owned by the United States Department of Energy (DOE), herein referenced as “Pantex/Y-12 plants” which are managed by Consolidated Nuclear Security, LLC (CNS). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria in which CNS 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 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 has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

PERFORMANCE BASED APPROACH

DOE/NNSA will use a performance-based approach to evaluate CNS’s performance. The performance-based approach is comprised of Goals, Objectives, and Key Outcomes (KOs) that will be measured against authorized work in terms of cost, schedule, and technical performance, as well as respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission.

MISSION

The Pantex Plant mission supports managing the nation’s nuclear stockpile by performing disassembly, inspection and rebuild of weapon evaluations cycle units, assembly of Joint Test Assemblies (JTAs) and JTA post mortem analysis, assembly and disassembly of test bed units, Limited Life Component Exchange, programmatic alternations (usually defined as Alts or Mods), weapon repairs, weapon and component radiography and non-destructive evaluation, High Explosive (HE) testing and explosive component evaluation, pit and non-nuclear evaluations, electrical and mechanical testing, and surveillance and evaluation testing in support of Quality Evaluation Reports.

The Y-12 National Security Complex supports national security programs through production of weapons components and parts; stockpile evaluation and maintenance; stockpile surveillance; dismantlement; and nuclear materials management, storage, and disposition. Its primary mission is the manufacturing of modern secondaries and processing and storage of highly enriched uranium.

Additionally, Pantex and Y-12 support several of the other NNSA identified missions, including nuclear non- proliferation, the Naval Reactors Program, emergency response, continuing management reform, and recapitalizing the NNSA infrastructure.

MISSION PERFORMANCE

CNS is accountable for and will be evaluated on successfully executing mission program work in accordance with applicable DOE/NNSA safety, quality 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, safety and security improvements and accomplishments are integral to mission performance and will be evaluated in meeting all Goals. The model for this PEMP is to rely on CNS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **CNS 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.** Quality products and services are expected to be delivered on-

schedule and within budget.

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 CNS control), 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. CNS 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 tri-annual feedback to CNS highlighting successes and/or needed improvement. At the end of the performance evaluation period, an evaluation of CNS performance will be completed and documented in a Performance Evaluation Report (PER). The PER will include the performance ratings and award fee earned for the subject performance evaluation period. Objectives and Key Outcomes (KOs) will be assessed in the aggregate to determine an adjectival performance rating for each Goal. DOE/NNSA will consider CNS end of performance evaluation period self-assessment status report in the performance evaluation. The performance ratings will be determined in accordance with FAR 16.401(e) yielding ratings of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. The Goals will then be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. Notwithstanding the overall strategic framework, any significant failure may impact the overall rating and award fee earned.

PEMP 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 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

CNS 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. The Fee Determining Official (FDO) makes the final decision regarding the performance ratings and percentage of award fee earned. This is a unilateral decision made solely at the discretion of the FDO.

TOTAL AVAILABLE AWARD FEE ALLOCATION

Performance Category	Goal	% At-Risk Fee Allocation
Programs	Goal-1: Manage the Nuclear Weapons Mission	35%
Programs	Goal-2: Reduce Nuclear Security Threats	10%
Programs	Goal-3: DOE and Strategic Partnership Project Mission Objectives	5%
Programs	Goal-4: Science, Technology, and Engineering (ST&E)	5%
Operations & Mission Execution	Goal-5: Operations and Infrastructure	30%
Leadership	Goal-6: Leadership	15%

UNEARNED FEE

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

AWARD TERM INCENTIVE

This Contract includes several options: three options (Option Terms 1-3) extend the term of this Contract and an option to include SRTO within the scope of this Contract.

(a) Option Exercise for Additional Term: Gateway Decision: The Gateway Decision is a unilateral decision of the FDO based on the Contractor's performance rating under this Contract in accordance with the Performance Evaluation Plan, and the Contractor's delivery of cost savings reflected in the cost savings profile in Section J, Appendix D, Merger Transformation Plan. The standard of performance is such that the score in the annual PER must be "very good" or above (or achieve 80% or better) under the Performance Evaluation Plan for the performance years evaluated under the Base Term and Option Terms, if exercised, evaluated below. The Contractor must also meet a minimum of 80% of the total projected cost savings within the cost savings profile in Section J, Appendix D, Merger Transformation Plan for the combined performance years evaluated for each gateway decision point, as reflected in the table below. If the FDO's decision is to award additional term, the Contract will be modified unilaterally by the Contracting Officer to extend the term of the Contract, after considering NNSA requirements, in accordance with the Contract's Section I Clause entitled "FAR 52.217-9, Option to Extend the Term of the Contract".

Option Term 1: Commencing in the fourth year of the Contract, the Contract's period of performance may be extended for two additional years based on the standard of performance (score) and cost savings noted above.

Option Term 2: Commencing in the sixth year of the Contract, the Contract's period of performance may be extended for two additional years based on the standard of performance (score) and cost savings noted above.

Option Term 3: Commencing in the eighth year of the Contract, the Contract's period of performance may be extended for one additional year based on the standard of performance (score) and cost savings noted above.

The table below reflects Option Terms 1, 2, & 3.

	Gateway Decision Point	Performance Years* Evaluated	Option Years* Available
Option Term 1	Beginning of Year 4*	1-3	6-7
Option Term 2	Beginning of Year 6*	4-5	8-9
Option Term 3	Beginning of Year 8*	6-7	10

*Years are counted from the beginning of the Base Term.

- (b) Option Exercise to add SRTO: This option allows for adding the SRTO scope of work to the Contract. If the NNSA determines it is in the best interest of the Government to exercise this option, the Contract will be modified unilaterally by the Contracting Officer to add the SRTO effort. Immediately upon option exercise, the Contractor will be required to provide a Transition Plan including the same elements as noted in Section F, F-7(a) and (b). The Contractor shall also update applicable Contract requirements, as directed by the Contracting Officer, including, but not limited to, the Performance Guarantee(s) and Subcontracting Plan, at the time of option exercise. NNSA may exercise the SRTO option at the end of the first year; however the determination will be based on NNSA mission requirements and other factors.

INNOVATIVE SOLUTIONS

CNS will recommend innovative, science-based, systems-engineering solutions to the most challenging national and global problems. CNS 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, CNS is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

Goal-1: Manage the Nuclear Weapons Mission

Successfully execute Nuclear Weapons mission work in a safe and secure manner in accordance with DOE/NNSA Priorities, Program Control Document and Deliverables, Program Implementation Plans, and Weapon Quality Assurance Requirements. Integrate across the Pantex/Y-12 plants, while maintaining a DOE/NNSA enterprise-wide focus, to achieve greater impact on strategic national security priorities.

Objectives:

- Objective-1.1 Accomplish work as negotiated with program sponsors and partners integrating quality requirements into an effective Quality and Nuclear Enterprise Assurance program at their sites and through their suppliers that results in the design, production, and delivery of safe, secure, and reliable weapon products meeting performance, transportation, and cost effective operations.
- Objective-1.2 Maintain knowledge of the state of the stockpile, resulting from successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- Objective-1.3 Execute stockpile work to deliver stockpile system maintenance, production, limited-life component exchanges, weapon containers and dismantlements.
- Objective-1.4 Demonstrate the application of new strategies, technologies, and scientific understanding to support stewardship of the existing stockpile and future stockpile needs.
- Objective-1.5 Sustain unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- Objective-1.6 Execute Phase 6.X, product realization processes and activities in support of nuclear weapon life extension programs, modifications, and alterations in accordance with NNSA requirements, Nuclear Weapons Council guidance, and NNSA project control processes: to 1) integrate schedules; 2) lower risks; 3) control costs; and, 4) control change.

Key Outcome(s):

- KO-1.1 Meet the nuclear weapon mission Type B container requirements in support of the Packaging & Transportation program for NNSA. Specifically, continue to provide Design Agency support for the DT and DPP packaging developed and maintained by CNS. FY17 deliverables include continued performance of design analysis for varying content in the DPP-2 package to meet complex-wide needs. Complete and successfully gain approval by NNSA of the DPP-2 packaging structural modeling analysis deficiencies.
- KO-1.2 Continue to implement the Enriched Uranium Mission Strategy and Requirements, as outlined in the Implementation Plan for the Highly Enriched Uranium Mission Strategy and funded through the appropriate work authorizations to optimize scope and performance, further needed technologies, implement the Extended Life Program for EU facilities, and integrate with the UPF project, all to ensure long-term stewardship of the Y-12 site. Execute the required actions to achieve the purified metal production objectives, while continuing to successfully implement the Material Recycle and Recovery scope as defined in the work authorization documents.

KO-1.3

Continue to develop and implement NNSA's Lithium Strategy including executing the CNS Y-12 Lithium Implementation plan activities to provide material, sustain facility infrastructure, sustain unit operations, mature and deploy technologies while supporting the planning to provide an alternative Lithium Production Capability to ensure the long-term mission requirements are met.

Goal-2: Reduce Nuclear Security Threats

Successfully execute authorized global nuclear security mission work in a safe and secure manner to include the Defense Nuclear Nonproliferation, Nuclear Counterterrorism, and Counter Proliferation and Incident Response missions. Integrate across the NNSA enterprise to achieve greater impact on a focused set of strategic national security priorities.

Objectives:

- Objective-2.1 Support efforts to secure, account for, and interdict the illicit movement of nuclear weapons, weapons-useable nuclear materials and radiological materials.
- Objective-2.2 Support U.S. national and nuclear security objectives in reducing global nuclear security threats through the innovation of unilateral and multi-lateral technical capabilities to detect, identify, and characterize: 1) foreign nuclear weapons programs, 2) illicit diversion of special nuclear materials, and 3) global nuclear detonations.
- Objective-2.3 Support efforts to achieve permanent threat reduction by managing and minimizing excess weapons-useable nuclear materials and providing nuclear materials for peaceful uses.
- Objective-2.4 Support efforts to prevent proliferation, ensure peaceful nuclear uses, and enable verifiable nuclear reductions in order to strengthen the nonproliferation and arms control regimes.
- Objective-2.5 Sustain and improve nuclear counterterrorism and counterproliferation science, technology, and expertise; execute unique emergency response missions, implement policy in support of incident response and nuclear forensics missions, and assist international partners/ organizations.

Key Outcome(s):

- KO-2.1: Successfully produce experimental products for the U. S. High Performance Research Reactor program (USHPRR) supporting reactor conversions.
- KO-2.2 Facilitate the timely removal of excess, unirradiated HEU from Europe in support of the U.S./Euratom HEU Exchange Memorandum of Understanding.
- KO-2.3: Support the U.S. Highly Enriched Uranium (HEU) Disposition Program with strategic and tactical planning, oversight, technical analyses, regulatory coordination, business development and marketing, and coordination of interfaces among key participants and stakeholders.

Goal-3: DOE and Strategic Partnership Project Mission Objectives

Successfully execute high-impact work for DOE and Strategic Partnership Project Mission Objectives safely and securely. Demonstrate the value of the work in addressing the strategic national security needs of the U.S. Government.

Objectives:

- Objective-3.1 Pursue and perform high-impact work for DOE that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills.
- Objective-3.2 Pursue and perform high-impact Strategic Partnership Projects that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of national security mission requirements.

Key Outcome(s):

None

Goal-4: Science, Technology, and Engineering (ST&E)

Successfully advance national security missions and advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule and risk while achieving the expected level of quality, safety and security. Effectively manage Pantex/Y-12 plants Directed Research and Development (PDRD) and Technology Transfer programs to advance the frontiers of ST&E.

Objectives:

- Objective-4.1 Execute a research strategy that is clear and aligns discretionary investments (e.g., PDRD) with Pantex/Y-12 plant strategy and supports DOE/NNSA priorities.
- Objective-4.2 Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- Objective-4.3 Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- Objective-4.4 Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.
- Objective-4.5 Research and develop high-impact technologies through effective partnerships and technology transfer mechanisms that support the Pantex/Y-12 plants strategy, DOE/NNSA priorities and impact the public good; ensure that reporting and publishing (via DOE's Public Access Plan) requirements for broad availability of federally funded scientific research are implemented.

Key Outcome(s):

None

Goal-5: Operations and Infrastructure

Effectively and efficiently manage the safe and secure operations of the Pantex/Y-12 plants 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 a 21st century government-owned, contractor-operated facility.

Objectives:

- Objective-5.1 Deliver effective, efficient, and responsive environment, safety, health and quality (ESH&Q) management and processes.
- Objective-5.2 Accomplish capital projects in accordance with scope, cost, and schedule baselines.
- Objective-5.3 Deliver effective, efficient, and responsive safeguards and security. Deliver effective site emergency management programs in support of the DOE/NNSA Emergency Management Enterprise.
- Objective-5.4 Manage NNSA infrastructure to maintain, operate and modernize DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner that minimizes operational, security, and safety risks. Improve site conditions via: 1) disposition of unneeded infrastructure and excess hazardous materials, 2) increasing the viable use of facilities and equipment, and 3) delivering cost efficient improvements. Demonstrate progress to advance the Department of Energy's crosscut initiative to halt the growth of deferred maintenance and support arresting the declining state of infrastructure while working collaboratively with NNSA to implement management improvements (e.g, G2, MDI, BUILDER, and AMPs). Support NNSA's corporate sustainability and energy conservation goals including use of ESPCs and UESCs.
- Objective-5.5 Deliver efficient and effective business operations and systems, financial management, including financial transparency, budget formulation and execution, and internal controls.
- Objective-5.6 Deliver efficient and effective management of legal risk and incorporation of best legal practices.
- Objective-5.7 Deliver effective, efficient and responsive information technology and cyber security.

Key Outcome(s):

- KO-5.1 Implement Nuclear Safety and Engineering programs that promote the safe execution of nuclear safety and nuclear explosive safety work, and that build and maintain a sound engineering and technical base. This includes effectively supporting installation of equipment that eliminates critical single point failure of safety Structures, Systems, and Components; new facility construction, including major modifications; effectively executing the Uranium Processing Facility Design Authority responsibilities; and, the ongoing NS&E improvement plans and initiatives, e.g., DSAIP, NCSIP, PISAIP, etc.
- KO-5.2 Deliver effective, efficient, and responsive emergency preparedness and services with specific emphasis on strengthening the Pantex Emergency Management Program. Support milestones for the improvement of emergency preparedness and response core capabilities and demonstrate site-specific actions to increase overall readiness and

performance.

- KO-5.3 Implement a Quality Assurance Program that effectively implements contractual quality- related requirements, including the graded approach to quality, into Facility, Weapons, Construction and Software activities, ensuring procurement quality activities demonstrate measurable improvements in nuclear safety item/weapons product acceptance. Weapons Quality Assurance activities will be effectively executed to include processes to identify and correct weapon product and process defects to ensure continued weapon product acceptance delegation capability.
- KO-5.4 Implement a cradle to grave Material Management Program, in concert with the Supply Chain Management System. The program shall ensure the inventory of material is sufficient to meet operational needs, minimizes purchasing surplus material, stores material in a manner that prevents degradation, and has a defined disposition path, and is dispositioned in a timely manner.

Goal-6: Leadership

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, improving safety culture, the responsiveness of CNS 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 Pantex/Y-12 plants and the Enterprise.

Objectives:

- Objective-6.1 Define and implement a realistic strategic vision for the Pantex/Y-12 plants, in alignment with the NNSA Strategic Vision, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.
- Objective-6.2 Demonstrate performance results through the institutional utilization of a Contractor Assurance System and promoting a culture of critical self-assessment, transparency, and accountability through the entire organization, while also leveraging parent company resources and expertise.
- Objective-6.3 Demonstrate leadership engagement in integrating Nuclear Security Enterprise (NSE) activities; enhancing cooperation and problem solving among NSE elements; and incorporating best practices and lessons learned from other NSE elements.
- Objective-6.4 Exhibit professional excellence in performing roles/responsibilities while pursuing opportunities for continuous learning.

Key Outcome(s):

- KO-6.1 Continue to establish a Performance Excellence Culture that enhances all aspects of CNS operations. Performance Excellence must include both immediate and long term actions that result in tangible improvements in the conduct of disciplined operations. An effective Performance Excellence Culture includes a mature Contractor Assurance System that links Performance Excellence and Performance Assurance to provide a more effective evaluation of performance and assurance of sustained performance improvement.

APPENDIX J
KEY PERSONNEL

CLIN 0001

Morgan Smith	Chief Executive Officer
Michelle Reichert	Deputy Enterprise Manager
Richard Goffi	Merger and Cost Savings Manager
Dave Beck	Program Integration Manager
Michael Beck	Mission Engineering Manager
Bill Tindall	Y-12 Site Manager
Todd Ailes	Pantex Site Manager
Linda Bauer	Mission Assurance Manager
Darrell Graddy	Operations Support Manager
Doris Heim	Business Management and Transformation Manager
Maureen Mendez	Chief Financial Officer
Diane Grooms	Human Resources Manager

CLIN 0002

Brian Reilly	Project Director
Mike Pratt	Project Manager



Department of Energy
National Nuclear Security Administration
Production Office



P.O. Box 2050
Oak Ridge, Tennessee 37831

P.O. Box 30030
Amarillo, Texas 79120

November 14, 2016

Mr. B. (Skip) Skelton
Director, Supply Chain Management
Consolidated Nuclear Security, LLC
P.O. Box 2009
Oak Ridge, Tennessee 37831-8004

Dear Mr. Skelton:

CONTRACT NO. DE-NA0001942, APPROVAL OF FISCAL YEAR 2017 SMALL BUSINESS SUBCONTRACTING GOALS

Reference: Letter from Richard K. Atwood to Frank G.E. Cruz, subject, Contract DE-NA0001942, Fiscal Year 2017 Small Business Subcontracting Goals, dated October 25, 2016

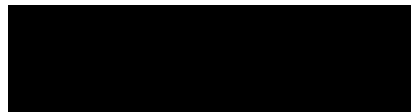
The National Nuclear Security Administration (NNSA) reviewed the Consolidated Nuclear Security, LLC (CNS), Fiscal Year (FY) 2017 Small Business Subcontracting Goals, and concludes the intent of this agreement is not to reduce small business goals when a company has consistently performed higher than the overall goal. Therefore, NNSA approves the CNS FY 2017 Small Business Subcontracting Goals based on the procurement base of \$475M as indicated below:

SB Program	FY 2017 Goals
Small Business	60%
Small Disadvantaged Business	12%
Woman-Owned Small Business	12%
HUBZone	4%
Veteran-Owned Small Business	6%
Service Disabled Veteran-Small Business	4%

CNS shall comply with the small business policy in accordance with FAR Part 52.219-8(b) & (c) to award subcontracts to the fullest extent consistent with efficient contract performance based on the approved FY 2017 goals indicated above.

If you have any questions, please contact me at (806) 477-6699.

Sincerely,



Frank G.E. Cruz
Contracting Officer

cc:

Dan Saiz, NA-APM-131

Christopher Duran, NA-APM-131

Gregory Gonzales, NA-APM-1

Gary Lyttek, NA-APM-1

Lloyd DeSerisy, NPO-50

Becky Tracy, NPO-50

Janice Brashears, NPO-50

Jill Albaugh, NPO-50

Connie Bayless, NPO-50

Justin Higdon, NPO-50

Belynda Thompson, NPO-50

Michael Bocskovits, UPO

Phil Kirby, UPO

LIST OF CONTRACTING OFFICER'S REPRESENTATIVES

Contracting Officer's Representative (COR)

Alternate Contracting Officer's Representative (ACOR)

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
CLIN 0001			
Beausoleil, Geoffrey L.	Manager	COR	All Assistant Manager's Functional Area(s): Senior Scientific and Technical Advisor; Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects
Robbins, Teresa	Deputy Manager	COR	All Assistant Manager's Functional Area(s): Senior Scientific and Technical Advisor; Operations Management; Business & Contract Management; Safeguards & Security; Nuclear Safety & Engineering; Environment, Safety, Health & Quality; Programs & Projects
Ivey, Ken	Senior Scientific Technical Advisor	COR	All technical and scientific functions, including matters relating to the DNFSB and other high-level advisory organizations regarding NPO; weapon program design agencies; startup/restart and operational readiness review/readiness assessments.
McFall, Carroll	Associate Deputy Manager for Operations (Y-12)	COR	All facility operations to include, but not limited to nuclear facility operations, site occurrences, conduct of operations program, activity-level work control, facility and site management and maintenance programs.
Alvarado, Carlos	Associate Deputy Manager for Operations (PX)	COR	All facility operations to include, but not limited to nuclear facility operations, site occurrences, conduct of operations program, activity-level work control, facility and site management and maintenance programs.
DeSerisy, Lloyd	Assistant Manager for Business & Contract Management	COR	All Business and Contract Management functions to include but not limited to Budget, Finance, Internal and External Audit, Supply Chain Management, Interagency Work, Information Technology and Contractor Human Resources.

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
			Authority should include providing program direction, initiating timely work authorizations, and performing oversight and contract administration of the aforementioned areas.
Brashears, Janice	Deputy Assistant Manager for Business & Contract Management	COR	All Business and Contract Management functions to include but not limited to procurement and contracts, budget formulation and execution, directives, Performance Evaluation Plan (PEP) fee process, audits, information technology, employee concerns and cost savings validation.
Tracy, Becky	Deputy Assistant Manager for Business & Contract Management	COR	All Business and Contract Management functions to include but not limited to procurement and contracts, budget formulation and execution, directives, Performance Evaluation Plan (PEP) fee process, audits, information technology, employee concerns and cost savings validation.
Hoar, Kenneth	Assistant Manager for Nuclear Safety & Engineering	COR	All nuclear and criticality safety functions, including safety basis, criticality safety, nuclear explosives safety, and vital safety systems.
Kellogg, Del W.	Classification Officer, Safeguards & Security	COR	All Safeguards and Security functions to include, but not limited protection program management, physical security, protective force operations, information protection, personnel security, cyber security, material control and accountability and the Nuclear Incident Response Program.
Padilla, Mark	Assistant Manager for Program & Projects	COR	All programmatic and project activities to include, but not limited to Directed Stockpile Work Readiness in Technical Basis and Facilities, Facilities and Infrastructure Recapitalization Program, Work for Others, Naval Reactors, Nuclear Nonproliferation, Campaigns, Packaging and Transportation, Nuclear Material Management, Plant Direct Research and Development and the preparation of strategic planning documents. Additional activities include infrastructure planning, energy sustainment, explosives program, start-up and restart activities, capital line items, expense projects and GPD/GPP.

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
Morris, Susan	Assistant Manager for Environment, Safety, Health & Quality	COR	<p>All ESH&Q activities, which provides day-to- day oversight of health physics and radiological protection, industrial hygiene and occupational medicine, industrial safety, construction safety, firearm safety, aviation safety, explosive safety, pressure safety, electrical safety, transportation safety, chemical safety, fire protection program, Federal Employee Occupational Safety and Health, ES&H reporting, waste management, environmental programs, Environmental Management System, training (contractor and fed FTCP), Accident Investigation, National Environmental Policy Act, cultural resources, and implementation of ISMS.</p> <p>Implementation of the Lean Governance model, manages the NPO operational infrastructure, and champions the ISO 9001 registration and LOCAS efforts. The office provides day-to-day oversight of Contractor activities including: Directives Management (internal and external), records management, Nuclear Facility Quality Assurance (QA), Software QA, and Weapons QA (WQA), Enforcement, Performance Assurance, Issues Management, CAS, and the Lessons Learned Program. Delegation of Product Acceptance Authority, in accordance with the NNSA Defense Programs Weapons Quality Assurance Procedures Manual Chapters 4.3.b.(4) and 5.3.b.(1).</p>
Hitson, Mary Helen	Deputy Assistant Manager for Environment, Safety, Health & Quality	COR	<p>All ESH&Q activities, which provides day-to- day oversight of health physics and radiological protection, industrial hygiene and occupational medicine, industrial safety, construction safety, firearm safety, aviation safety, explosive safety, pressure safety, electrical safety, transportation safety, chemical safety, fire protection program, Federal Employee Occupational Safety and Health, ES&H reporting, waste management, environmental programs, Environmental</p>

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
			<p>Management System, training (contractor and fed FTCP), Accident Investigation, National Environmental Policy Act, cultural resources, and implementation of ISMS.</p> <p>Implementation of the Lean Governance model, manages the NPO operational infrastructure, and champions the ISO 9001 registration and LOCAS efforts. The office provides day-to-day oversight of Contractor activities including: Directives Management (internal and external), records management, Nuclear Facility Quality Assurance (QA), Software QA, and Weapons QA (WQA), Enforcement, Performance Assurance, Issues Management, CAS, and the Lessons Learned Program. Delegation of Product Acceptance Authority, in accordance with the NNSA Defense Programs Weapons Quality Assurance Procedures Manual Chapters 4.3.b.(4) and 5.3.b.(1).</p>
Snider, Craig	Deputy Assistant Manager for Environment, Safety, Health & Quality	COR	<p>All ESH&Q activities, which provides day-to-day oversight of health physics and radiological protection, industrial hygiene and occupational medicine, industrial safety, construction safety, firearm safety, aviation safety, explosive safety, pressure safety, electrical safety, transportation safety, chemical safety, fire protection program, Federal Employee Occupational Safety and Health, ES&H reporting, waste management, environmental programs, Environmental Management System, training (contractor and fed FTCP), Accident Investigation, National Environmental Policy Act, cultural resources, and implementation of ISMS.</p> <p>Implementation of the Lean Governance model, manages the NPO operational infrastructure, and champions the ISO 9001 registration and LOCAS efforts. The office provides day-to-day oversight of Contractor activities including: Directives Management (internal and external), records management,</p>

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
			Nuclear Facility Quality Assurance (QA), Software QA, and Weapons QA (WQA), Enforcement, Performance Assurance, Issues Management, CAS, and the Lessons Learned Program. Delegation of Product Acceptance Authority, in accordance with the NNSA Defense Programs Weapons Quality Assurance Procedures Manual Chapters 4.3.b.(4) and 5.3.b.(1).
Slack, Terri L.	Site Counsel	COR	Oversight of all legal matters, including the administration of 10 CFR 719, Contractor Legal Management Requirements.
Warner, Larry D	Site Counsel	COR	Oversight of all legal matters, including the administration of 10 CFR 719, Contractor Legal Management Requirements.
Beard, Anna	Federal Project Director	COR	Ongoing programmatic and project activities to but not limited to Nuclear Facility Fisk Reduction Project, American Recovery and Reinvestment Act, Emergency Operations Center and Lithium Production Capability.
Clark, Amanda	Federal Project Director	COR	Is limited to providing program direction on the High Explosive Pressing Facility (HEPF) and High Explosive Science & Engineering (HES&E) project-related functions to include, but not limited to project controls, engineering, contracting/ subcontracting, cost accounting/ reporting, project management, program management, startup team activities, warranty work coordination/support, utility support, testing/commissions, and readiness verification activities.
Thompson, Michael	Assistant Deputy Administrator for Major Modernization Programs NA-19	COR	All Major Modernization Programs to include but not limited to providing program direction on initiating timely work authorization, and performing oversight activities for Life Extension.
Stenseth, William L.	Director, Office of Field Financial Management	COR	All financial and allotment related services to include but not limited to accounting, administrative control of funds and distribution and related budget execution, financial oversight, and financial reporting.

<u>Name</u>	<u>Title</u>	<u>COR/ACOR</u>	<u>Functional Area</u>
Roundtree-McClennan, Eileen	Deputy Director, Office of Field Financial Management	COR	Activities for all financial and allotment related services to include but not limited to accounting, administrative control of funds and distribution and related budget execution, financial oversight, and financial reporting.
Sandoval, Nick A.	Office of Field Financial Management	COR	Providing program direction, initiating timely work authorizations, and performing oversight activities for the Secure Transportation Asset in the Office of Secure Transportations.

CLIN 0002			
Christenson, Dale E.	UPF Federal Project Director NA-APM-1	COR	CLIN 0002 Uranium Processing Facility Project Management
Folden, Laurie E.	UPF Deputy Federal Project Director, NA-APM-1.3	COR	CLIN 0002 Uranium Processing Facility Project Management
LaForest, James	UPF Subproject Federal Project Director, NA-APM-1.3	COR	CLIN 0002 Uranium Processing Facility Project Management