

Award Fee Determination Scorecard

Contractor: Savannah River Nuclear Solutions
Contract: Management and Operations
Contract Number: DE-AC09-08SR22470
Award Period: October 1, 2013 – September 30, 2014
Basis of Evaluation: Performance and Evaluation Plan (PEMP)

This is a Cost Plus Award Fee contract as defined by federal acquisition regulations (FAR). Fee is made available for the completion of explicit work results, such as completing a task on time, or for implicit performance in areas of cost, schedule/timeliness, quality and business relations. Fee may be earned based on an annual evaluation of contract performance. Total available fee for each contract year is identified in the contract. Fee-bearing work may be assigned as an award fee component for subjectively measured performance requirements or a performance based incentive fee component for objectively measured requirements.

Total Fee Available:

Total fee available for this past year was \$46,535,000.00. The contractor earned \$39,953,256.00, which is 86 percent of the total available. Fee-bearing work is funded and evaluated separately by U.S. Department of Energy (DOE) Environmental Management (EM) and National Nuclear Security Administration (NNSA) programs. The determination of earned fee is also made by each program.

Program	Fee available	Fee earned	Percent
EM	\$25,350,000.00	\$23,932,100.00	94%
NNSA	\$21,185,000.00	\$16,021,156.00	75%
Total	\$46,535,000.00	\$39,953,256.00	86%

Award Fee Adjectival Rating:

The DOE Savannah River Operations Office (DOE-SR) performs monthly surveys of federal senior site management who report observations in monthly fee board meetings. These areas are given a subjectively measured adjectival rating in accordance with FAR. For Fiscal Year (FY) 2014, the contractor received a composite performance rating of 82 percent based on feedback from the monthly surveys. As defined by the FAR, this performance rating is very good. This rating means the contractor exceeded many of the significant award fee criteria and met performance requirements of the contract.

Performance Based Incentive Fee:

Contractor work must be planned, funded and approved for each fiscal year, resulting in an approved baseline. The baseline work implements strategic decisions relative to agency and program initiatives. An additional element of strategy includes the decision by federal management to apply a portion of available fee to certain work, or aspects of work that may be interdependent on other work. This fee-bearing work must benefit the agency and/or program goals or strategic initiatives. Fee-bearing work is identified at the beginning of the fiscal year and managed through the baseline Earned Value Management (EVM) and Work Authorization (WA) systems.

Significant Achievements:

- Savannah River National Laboratory (SRNL) continues to set the safety performance benchmark for all DOE National Laboratories and is working without an injury or illness involving days away from work for over 7.5M hours and 5 years.
- Nuclear Materials received outstanding comments from the Nuclear Regulatory Commission (NRC) on Safety Analysis.
- SRNS demonstrated its commitment to safety and security, receiving its 13th consecutive Voluntary Protection Program (VPP) Star of Excellence; its fourth consecutive Legacy of Stars award; and were recognized as an Industry Leader by the National Safety Council.
- SRNL continues to play a pivotal role internationally in the Fukushima recovery strategy and technology deployment.
- SRNS supported EM with the Waste Isolation Pilot Plant (WIPP) Recovery Project by providing key resources and expertise, specifically, SRNL providing analytical services for samples collected in the WIPP mine as part of its investigation into the event. SRNS also provided material and equipment for mine entries and recovery efforts.
- Senior management engagement and use of corporate assets to improve schedule performance on the Waste Solidification Building (WSB) project demonstrated effective and constructive use of resources.
- Site Infrastructure, in coordination with SRNL, successfully completed an agency initiative to assess laboratories infrastructures within the Department of Energy (DOE) Complex.
- Significant progress has been made in the management and control of the site overhead pools (Landlord Services, Essential Site Services, and General and Administrative) by placing these budgets under configuration control and applying disciplined project management and oversight.

Significant Deficiencies:

- On August 21, 2013, SRNS was notified of the revocation of your Earned Value Management System (EVMS) certification. Over the past sixteen months, although significant progress has been made toward recertification,

the fact remains the SRNS EVMS is still not certified and won't be until late FY2015. With the EVMS not being certified, this calls in to question how EVMS principles are being applied to non-capital asset scope and the integrity of data being reported. In addition, until your EVMS is recertified, this may jeopardize the start of the D-Area Ash Basin capital asset project scheduled to start in the spring of 2015. NNSA also relies on EVMS as a critical tool for evaluating project performance against approved baselines.

- There remains an on-going concern with potential cost overruns for WSB performance. The lack of a functioning EVMS inhibited the ability to understand the true extent of cost performance on the WSB project.
- Decline in overall performance within the site's Emergency Management Program resulting in less than adequate engagement and response. While this causes no eminent danger to operations, it forces us to take a more comprehensive review of all aspects of the program management.
- Engineering technical performance did not meet expectations. Conduct of Engineering experienced a number of technical errors and issues.
- Improper management of spare parts, Stores inventory and chemicals, resulting in an excessive accumulation of slow moving stock and unneeded and un-characterized chemical inventories were noted as performance deficiencies during the year.
- Poor execution of site procedures and federal requirements used to protect production records resulted in destruction of 17,000 total records including supporting documentation.
- Conduct of operations in our tritium programs during the summer posed challenges throughout the remainder of the year. The SRNS actions to recover, combined with measured corrective actions ended the year with a positive trend.
- Production of plutonium oxide commenced; however production was not at the expected rate which led to an overrun of the project schedule, subjecting the government to higher cost.