

Award Fee Determination Scorecard

Contractor: Savannah River Nuclear Solutions

Contract: Management and Operations

Contract Number: DE-AC09-08SR22470

Award Period: October 1, 2015 – September 30, 2016

Basis of Evaluation: Performance Evaluation and Measurement Plan (PEMP)

This is a Cost Plus Award Fee contract as defined by Federal Acquisition Regulation (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 \$44,930,000. The contractor earned \$39,157,202, which is 87 percent of the total available fee. 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	\$26,782,000	\$23,862,067	89%
NNSA	\$18,148,000	\$15,295,135	84%
Total	\$44,930,000	\$39,157,202	87%

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 the FAR. For Fiscal Year (FY) 2016, the contractor received a composite performance rating of 87 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:

- Significant progress was achieved in FY16 relative to Nuclear Facility Operations. This was been demonstrated in H-Canyon by all units being operational for the first time since 2011, K-Area plutonium down blending achieving startup and operations in September 2016, and L-Area effectively using limited resources to address emergent issues from fuel receipts, including completing modifications necessary for receipt of Target Residue Material (TRM).
- Progress continues with 235-F risk reduction and execution of Defense Nuclear Facility Safety Board (DNFSB) 2012-1 Implementation Plan requirements. Radiological protection personnel continue to modify protective actions to support improved operational efficiencies resulting in negligible additional risks.
- Savannah River National Laboratory (SRNL) selected a construction developer and received CD-1 approval for the Advanced Manufacturing Collaborative (AMC). SRNL continues to work effectively with EM-HQ and DOE-SR to meet deadlines and make significant progress with the AMC.
- Cyber Security improvements and accomplishments enabled SRS to be a top performer in the DOE Complex.
- SRNS strongly managed the D-Area Ash Project and a Firm Fixed Price Contract. A specific example is the water management issue when SRNS assisted DOE-SR to reach a resolution with the South Carolina Department of Health and Environmental Control for reusing the excess water without increasing the cost of the project.

In FY15, three critical areas of site operations I identified that required improvement were Contractor Assurance Systems (CAS), Emergency Management, and Conduct of Operations. I have seen improvement and progress in all three areas in FY16.

In the area of CAS, SRNS focused on developing the structure of an effective CAS, completed a revised and improved CAS system description, upgraded metrics, and began implementation of the revised CAS in 2016. By implementing the improved CAS in 2017, I believe SRNS is now poised for improvement in all contractual areas.

In the area of Emergency Management, improvements have been noted in resource management, and in the planning and conduct of drills and exercises. In addition, SRNS has been proactive in the site's Active Shooter Awareness Program with a multitude of video clips, on employee's desktop computers, posters, information pamphlets, and education/awareness tables at various site events.

In the area of Conduct of Operations, SRNS used the lessons learned and actions identified from the HB-line event to improve employee and supervisory training, improve the quality of site procedures, readiness evaluations for site nuclear activities, and overall nuclear operations. This

has been evident by operators demonstrating a willingness to stop work, increased emphasis by management on procedure compliance, and revising procedures when needed in a more efficient manner.

In addition to the three areas above, work completed by SRNS in FY16 to establish the SRNL as a Separate Independent Business Unit (SIBU), along with a new Governance Framework, was another significant achievement for the site. I believe this will allow for greater flexibility for SRNL in the future and deliver more efficient and timely research, development, and engineering support to the EM Complex and other SRNL customers.

Significant Areas for Improvement:

- Where CAS realized significant improvement during FY16, it is still immature and SRNS needs more time to implement the new procedures. However, DOE noted the following deficiencies that provide continuing opportunity for improvement in FY17:
 - Corrective action closure not timely, closure not documented adequately and without consistent post-closure effectiveness reviews
 - Incomplete metrics required to track progress

- Significant opportunities for improvement also exist in the area of contracting and acquisition management, including:
 - Insufficient subcontract acquisition planning and management.
 - Inadequate communication with DOE counterparts
 - Contractor Purchasing System deficiencies not identified through SRNS self-assessments, but identified by DOE
 - Incomplete Purchasing Action Under Review (PUR) packages lacking adequate sole source justification and small business consideration.