

Award Fee Determination Scorecard

Contractor: Savannah River Remediation, LLC
Contract: Cost Plus Award Fee (CPAF)
Contract Number: DE-AC09-09SR22505

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

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

Award Fee Available:	\$2,500,000
Award Fee Earned:	\$2,000,000
Incentive Fee Available:	\$22,100,000
Incentive Fee Earned:	\$21,210,489
Total Fee Available:	\$25,600,000
Fee Amount Available for DOE to Make Determination On:	\$24,600,000
Fee Amount Earned based on DOE Determination:	\$23,210,489
Percentage Fee Earned:	94%

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 Performance Evaluation and Measurement Plan (PEMP). Fee-bearing work is assigned an award fee component for subjective performance requirements or an incentive fee component for objective performance requirements.

During the evaluation period, October 1, 2015 to September 30, 2016, a total of \$25,600,000 was available as fee on the SRR contract. A final determination has been made on work scope associated with \$24,600,000 of the available fee of which SRR has earned 94 percent which is \$23,210,489.

For the remaining milestone SRR-SDU6-01.04 (Saltstone Disposal Unit 6 (SDU6) Hydrotest), the Department of Energy (DOE) final evaluation of contractor performance for this incentive is deferred until after the second SDU6 Hydrotest attempt (currently scheduled for completion in early CY 2017) (\$1,000,000 in available fee).

Overall cost, schedule, and technical performance requirements of the contract in the aggregate, as defined and measured against the Performance Evaluation and Measurement Plan (PEMP), have been met for the evaluation period.

In summary, SRR's performance during the award period was excellent. Management remains actively engaged in maintaining operational excellence and is quick to address

issues as they emerge. Although there remains a clear focus on safe operation of the facilities, improvements are needed in the areas of Conduct of Operations and management of corrective actions.

Award Fee Component:

The Contractor earned 80 percent of the available award fee, which comprised approximately ten percent of the total available fee for the evaluation period.

Incentive Fee Component:

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.

The Contractor earned 96 percent of the available incentive fee. The contractor met the majority of performance goals and objectives for the period.

SRR's noteworthy positive performance during the period included:

- The contractor appropriately made conservative determinations in the identification and resolution of significant emergent technical issues. Noteworthy among these issues were the actions taken to mitigate the impact of the 25H evaporator pot failure to salt and sludge processing. This included reducing the production rate of Defense Waste Processing canisters to align with strip effluent from salt processing, using supernate in lieu of inhibited water to remove solids from Tank 15, continuing receipts from H-Canyon, and creating a sludge batch 9B, which will not add additional water into the system. Additionally, the contractor completed the mercury evaluations noted in last year's report and developed a path forward for the entire system.
- The contractor provided excellent regulatory support and performance. The contractor achieved the completion of Tank 12 operational closure on April 27, 2016 ahead of the Federal Facilities Agreement (FFA) commitment date and completed numerous regulatory documents for F- and H-Tank Farms, Tank 16, and Tank 12 that are required under the Resource Conservation Recovery Act. SRR substantially supported the informal dispute process regarding the FY 16 Bulk Waste Removal Effort FFA milestone.
- The contractor successfully completed a no Monosodium Titanate (MST) processing demonstration in the Actinide Removal Process and Modular Caustic Side Solvent Extraction Unit (ARP/MCU) achieving 8 gpm to 10 gpm.
- The contractor continues to demonstrate effective cost control, and has performed numerous LEAN/Six Sigma reviews to identify efficiency improvements for multiple aspects of the LW program.
- The contractor exhibited excellent support for the startup and integration of the Salt Waste Processing Facility (SWPF) into the LW program. SRR has worked closely with DOE's SWPF Project Office in the direct review of key project deliverables. Additionally, SRR has effectively supported the integration of SWPF and the LW program to enable the timely startup of SWPF.

- The contractor initiated and awarded a contract for the Tank Closure Cesium Removal (TCCR) demonstration project, which will supplement current salt processing throughput rates.

Several precursors identified by DOE indicate continued management attention is needed in the future to ensure corrective actions address observed operational weaknesses.

- A degradation in Conduct of Operations in the LW facilities was observed during this period. The areas identified include electrical maintenance, procedural compliance, radiological contamination events, and housekeeping. Even though SRR self-initiated actions such as entering a period of Deliberate Operations and focused training, subsequent DOE assessments reflected slow improvement progress. Enhanced management focus is warranted in this area, since disciplined and robust Conduct of Operations is essential to the safe operation of the facilities.
- An overall increase in errors found in the closeout of corrective actions and failure to maintain configuration control in corrective action due dates has been noted this year.