



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
ENVIRONMENTAL
MANAGEMENT

How EM Does Business




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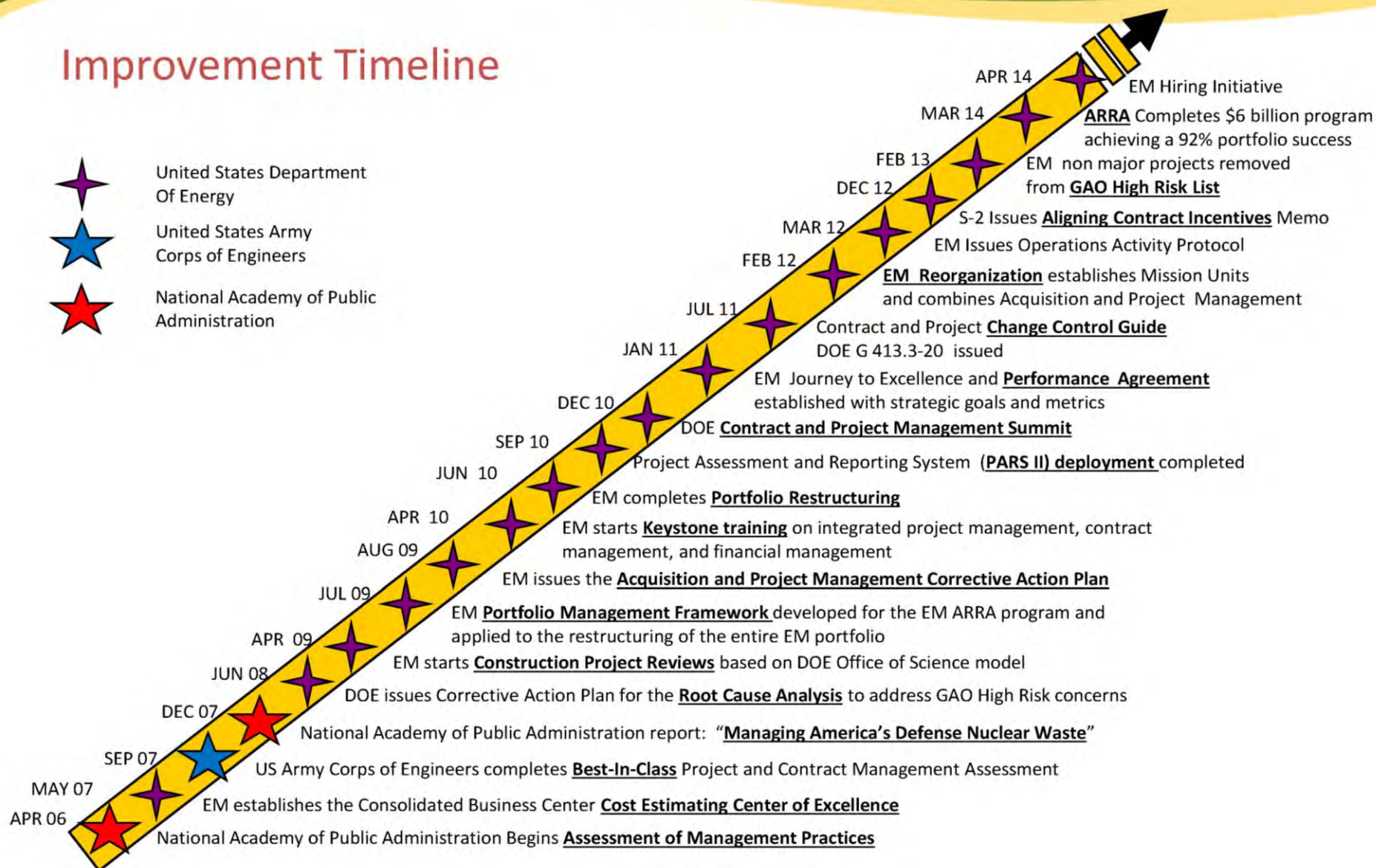
*Deputy Assistant Secretary for
Acquisition and Project Management*

**Northern New Mexico Citizens' Advisory Board Meeting
January 28, 2015**

EM's Contract and Project Management Improvement Timeline

Improvement Timeline

-  United States Department Of Energy
-  United States Army Corps of Engineers
-  National Academy of Public Administration



Evolution of EM Contracts

- EM moved away from mostly M&Os in the past to more cost and schedule focused vehicles, which serve the taxpayer better, for accomplishing EM's mission:
 - EM now has 2 M&Os vs. 12 in 1995
 - EM has over 35 Federal Acquisition Regulation (FAR) Part 15 Cost Based Contracts
 - Require more thorough early planning so the work is more clearly defined
 - Allows allocating risk to contractor and Fee Incentives
 - Using Partnering
- Improving utilization of Small Businesses by reducing the size of overly large requirements to carve out meaningful and sustainable small business work.
- EM is ensuring all new procurements, and where possible existing contracts when modified, adhere to EM Procurement Policy.

EM Procurement Policy

- **Ensure contracts align with taxpayer interests and structure contracts so contractors bear responsibility**
 - Hold contractors accountable for overruns due to negligence
 - Share savings due to better-than-promised performance
- **Improve upfront planning and requirements definitions**
 - Ensure sufficient design and technical readiness before beginning construction activities
- **Consider Firm-Fixed-Price (FFP) contracts first**
 - Identify work that can be awarded FFP in new procurements and when exercising options on current contracts
 - Negotiate cost caps or ceilings on existing contracts
- **Incentives**
 - Use objective performance based incentives for non-FFP contracts
- **Ensure parties bear responsibility for their actions**
 - Use provisional fee, hard cost caps, or cost share approaches
- **Hold contractors accountable**
 - Document performance and hire contractors who provide good performance

Comparison of Traditional vs M&O Contracts

	Management & Operating	Traditional (Cost Type)
FAR Cite	FAR Part 17	FAR Part 15
Approach	Mission/Budget-Based	Scope/Cost-Based
Execution	Annual Work Plan	Full Contract Period Work scope
Term	10-15+ Years	5-10 Years
Oversight	Integrated	Arms Length
Scope	Broad	Detailed Work scope
Source Selection	No Cost Proposal	Full Cost Proposal
Pricing Information	None	Certified Cost/Pricing
Fee Incentive	Base Fee (3-8%)	At Risk Fee (6-15%)
Contract Modifications	Few (broad scope)	Frequent (specific scope/cost)
Accounting System	Integrated with DOE	Separate Certified System
Contracting Officers Role	Low: Few Contract Changes	High: Many Contract Changes
Workforce	Remains Intact	Based on Proposal

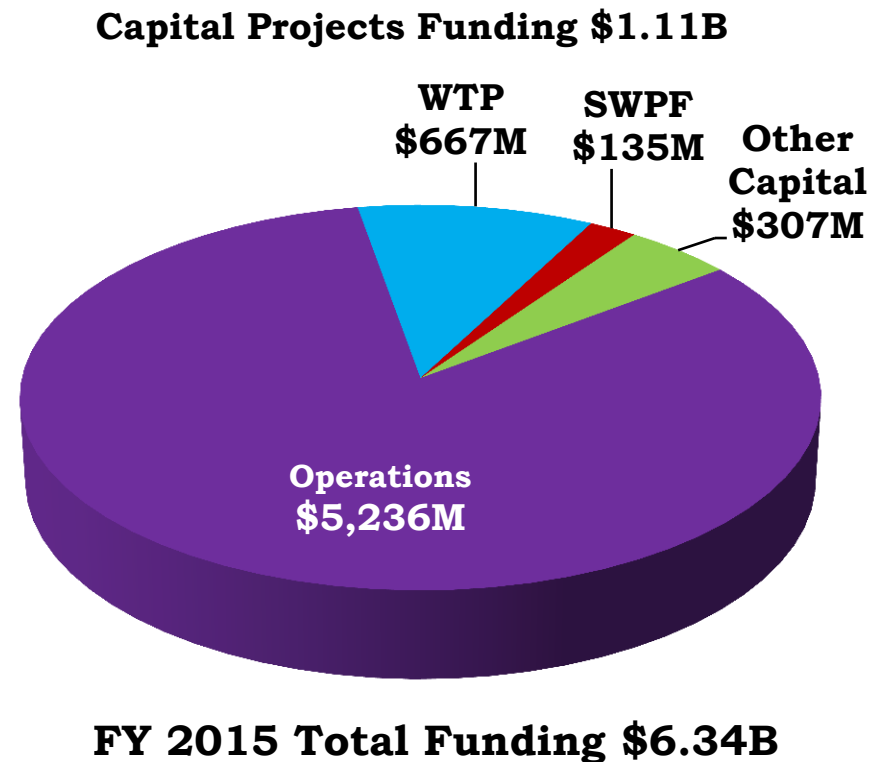
Contract Assistance

After contract award, post award contract management assistance provided to manage and oversee contract administration within the EM Program includes:

- Performance Evaluation Measurement Plans (PEMP)
- Fee Determining Official (FDO) Determination
- Contractor Performance Assessment Reporting System (CPARS)
- Workforce Restructuring (WFR) Plans
- Contract Management Plans

EM Portfolio Overview

- 4 Line Item Construction Projects (post CD-2)
 - Waste Treatment and Immobilization Project (WTP) - \$12.3B TPC
 - Salt Waste Processing Facility (SWPF) - \$2.3B TPC
 - Other Line Item Projects – \$451.4M Combined TPC
- 8 EM Cleanup Projects (post CD-2) – \$3.4B combined TPC
 - Facility Construction / Modification
 - Soil and Groundwater Remediation
 - Decontamination & Decommissioning
- 11 Active pre CD-2 Projects
 - Cost Range: \$12.1B - \$31.6B
 - Waste Disposition
 - Soil and Groundwater Remediation
 - Decontamination & Decommissioning
- 43 Operations Activities, \$5.2B
 - Solid Waste Stabilization
 - Deactivation
 - Tank Operations
 - Spent Fuel Stabilization
 - Safeguards and Security
 - Technology Development



EM's Fixed Price Journey

- Deputy Secretary's memorandum of December 2012
 - Improve Upfront Planning and Requirements Definition
 - In selecting contract type, contracting officers will first consider the use of a firm-fixed-price contract
 - If fixed-price approach concluded to be not best contracting vehicle, identification of additional planning and risk reduction will be needed before resorting to a cost-reimbursement contract.
 - Objective performance measures will be used as much as possible to incentivize optimal contractor performance and reduce costs for those instances where a fixed-price contract is not deemed to be in the best interest of the government.

Savannah River Bio Mass Cogeneration Facility

Scope of Work

- Design, construction, operation, and maintenance of a new Biomass Cogeneration Facility
- Energy Savings Performance Contract
- Firm-Fixed-Price Task Order



Value at Award

\$795 million

Request for Proposals	Award
NA	May 15, 2009

Oak Ridge Building K-33 Demolition

Scope of Work

- Demolition and disposition activities to include siding removal and building demolition to the slab
- Packaging and transportation of all associated wastes to onsite waste disposal facilities operated by DOE.
- Completed March 2012



Value at Award

\$51 million

Request for Proposals	Award
February 5, 2010	April 6, 2010

Scope of Work

- Cleanup of radioactive mill tailings.
- Safe and secure transportation of mill tailings to disposal site.
- Disposal of radioactive mill tailings at engineered disposal site.



Value at Award

\$124.5 million

Request for Proposals	Award
December 17, 2010	November 4, 2011

Waste Isolation Pilot Plant Transportation

Scope of Work

- Two contracts
- Safely transport Transuranic waste across United States
- Transport will be from various DOE sites to the Waste Isolation Pilot Plant



Value at Award

(1) \$ 21.5 million (2) \$21.2 million

Request for Proposals	Award
March 30, 2011	January 9, 2012

Scope of Work

- Integral component of the site safety management system
- Fitness-for-duty evaluations, first aid services, drug screening, medical qualifications and monitoring
- Emergency preparedness planning
- Support epidemiological studies and programs such as the Chronic Beryllium Disease Prevention and Energy Employees Occupational Illness Compensation Program



Value at Award

\$ 98.6 million

Request for Proposals	Award
November 14, 2011	June 8, 2012

Scope of Work

- Environmental Monitoring, Surveillance and Maintenance Activities, and Project Support activities
- Option for D&D work plans, process work plan approval
- Firm-Fixed-Price Task Order with Fixed Unit Pricing under existing Nationwide Small Business IDIQ– Set-Aside Contracts



Value at Award

\$25.7 million

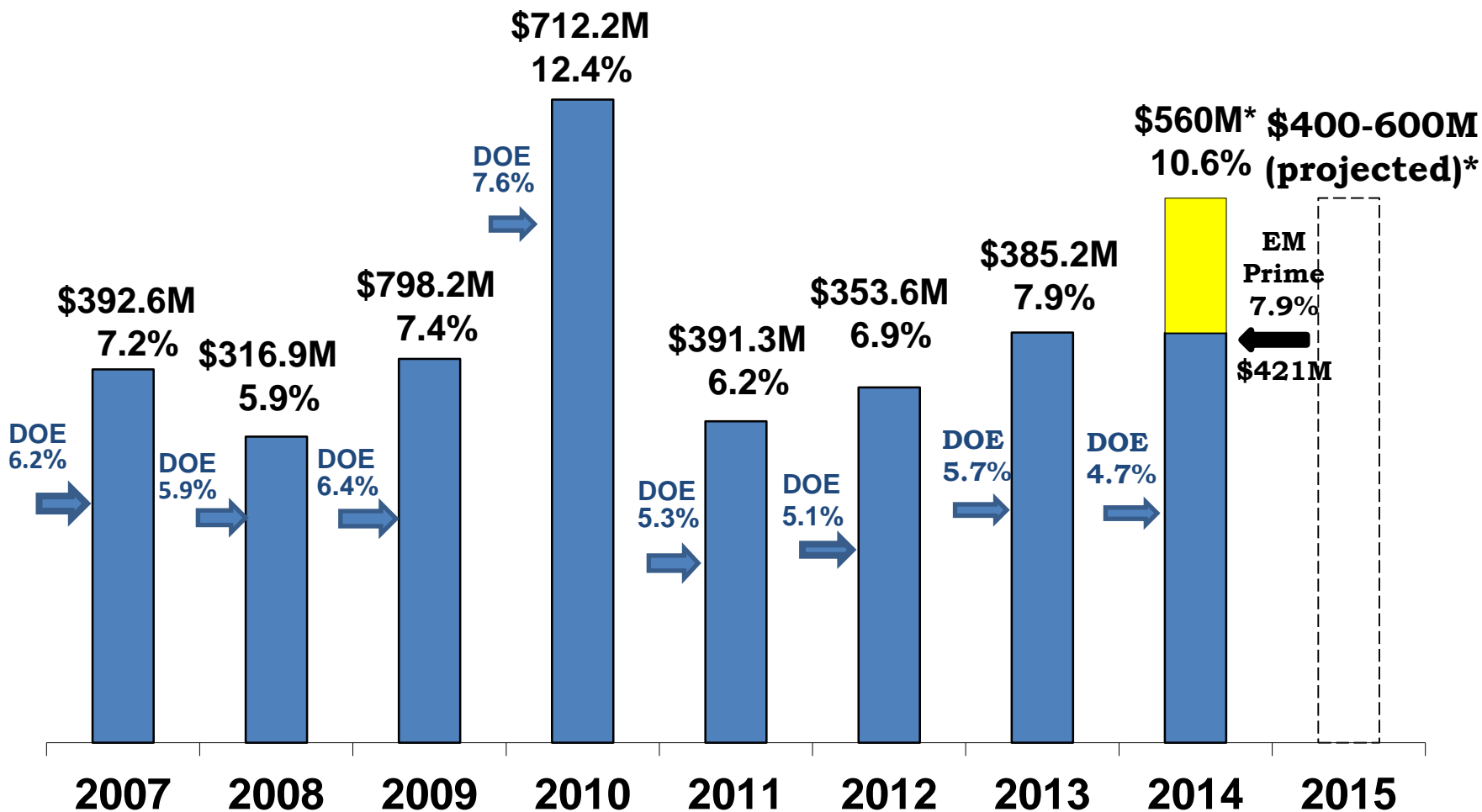
Request for Proposals	Award
January 3, 2014	June 26, 2014

EM is committed to creating sustainable contract opportunities for small businesses by increasing the amount of meaningful work for small business prime contracting.

Key Strategies

- Increase the amount of meaningful work for small business prime contracting by working closely with the EM sites
- Continue to expand outreach to Socio-Economic small business
- Expand ordering capability of small business contracts to other DOE Program offices, such as EM's small business IDIQ contact(s) for D&D services
- Work with DOE's Office of Small and Disadvantaged Business Utilization and EM Sites to develop small business contracting strategies

Small Business Prime Contract Funding Trends



* Includes M&O First Tier Small Business subcontract commitments

A-E Services for Transuranic Sludge Treatment Facility Project

Scope of Work

- Procure architect-engineering services for design of the Sludge Processing Facility



Estimated Value

\$25-35 million

Issue Synopsis	Issue RFP	Award
Mar 17, 2014	Nov 14, 2014	Jan-Mar 2015

Scope of Work

- Provide analytical services and testing of various samples
- Majority of samples come from the Tank Farms
- Samples may be liquid or sludge, salt cake or a mixture
- Support also includes industrial hygiene and ground water monitoring
- This will be a fixed priced, small business set-aside procurement with limited cost-reimbursable portion
- 2 Year Term + Three 1-Year Options



Estimated Value

\$40-\$60 million

Request for Proposals	Receipt of Industry Proposals	Award
June 4, 2014	August 7, 2014	Mar-May 2015

Transuranic Waste Processing Center (TWPC) Oak Ridge

Scope of Work

- Manage and operate the TWPC Category II nuclear facility in support of processing Remote-Handled and Contact-Handled Transuranic waste
- Provide support to Central Characterization Project for final certification and disposition to the Waste Isolation Pilot Plant
- Perform facility surveillance and maintenance activities
- Fixed price with one CPAF CLIN
- 3 Year Term + One 2 Year Option



Estimated Value

\$150-\$200 million

Request for Proposals	Receipt of Industry Proposals	Award
October 14, 2014	December 23, 2014	May-Jul 2015

DOE Low-Level and Mixed Low-Level Waste Treatment Services

Scope of Work

- DOE Low-Level / Mixed Low-Level Waste Treatment Services
- Services will include the treatment of low-level and mixed low-level waste, bulk survey for release waste, low activity waste, and recycle/reuse waste.
- This requirement also includes ancillary services such as the following: interim storage, transportation, regulatory report writing, data analysis, waste profiling, and technical oversight, and disposal services.
- DOE anticipates issuing one or more Basic Ordering Agreements (BOAs) as a result of the RFP. All treatment BOA(s) will be for a period of five years with no associated option periods.
- Work is not performed at DOE Sites. All work is performed at the Contractor(s) Treatment, Storage and Disposal Facility (TSDF)



Estimated Value

\$15-\$50 million

Request for Proposals	Receipt of Industry Proposals	Award
Jan-March 2015	April-June 2015	April-June 2015

Paducah Infrastructure

Scope of Work

- Infrastructure support services in support of the Paducah Site.
- Services will include, but will not be limited to, Computer and Telecommunication Services, Security, Maintenance of Grounds, Roads, and Parking Lots including snow removal, Training Services, Environmental, Safety, Health, and Quality Program, Facility Maintenance, Property Management, Janitorial Services, Records Management, and Mail Services.
- Small Business set-aside, fixed price with IDIQ
- 3 Year Term + One 22-Month Option

Estimated Value

\$45-\$60 million



Request for Proposals	Receipt of Industry Proposals	Award
October 6, 2014	December 12, 2014	Jun-Aug 2015

Portsmouth Infrastructure

Scope of Work

- Infrastructure support services in support of the Portsmouth Site.
- Services will include, but will not be limited to, Computer and Telecommunication Services, Security, Maintenance of Grounds, Roads, and Parking Lots including snow removal, Training Services, Environmental, Safety, Health, and Quality Program, Facility Maintenance, Property Management, Janitorial Services, Records Management, and Mail Services.
- Small Business set-aside, fixed price procurement
- 3 Year Term + One 22-Month Option

Estimated Value

\$130-\$150 million



Request for Proposals	Receipt of Industry Proposals	Award
Dec 9, 2014	Feb 5, 2015	Jun-Aug 2015

Idaho NRC Licensed Facilities Management Cleanup

Scope of Work

- Management and operation of the Fort Saint Vrain (FSV) Independent Spent Fuel Storage Installation (ISFSI) facility in Colorado (including security)
- Management, operation and oversight of the Three Mile Island-2 (TMI-2) ISFSI facility at the Idaho Nuclear Technology and Engineering Center (INTEC) in Idaho
- Management of the Idaho Spent Fuel Facility (ISFF) license.
- Small business set-aside
- 4 Year Term + One 12-Month Option

Estimated Value

\$25-\$50 million



Request for Proposals	Receipt of Industry Proposals	Award
Nov 2014-Jan 2015	Dec 2014-Feb 2015	Jun-Aug 2015

Portsmouth/Paducah Gaseous Diffusion Plant DUF6

Scope of Work

- Operate depleted uranium hexafluoride (DUF6) conversion facilities at Paducah, Kentucky and Portsmouth, Ohio
- Convert DOE's inventory of DUF6 to a more stable uranium oxide form (UOx), acceptable for transportation and disposal
- Work also includes continuing surveillance and maintenance for the cylinder storage yard
- 3 Year Term + One 24 Month Option

Estimated Value

\$490-\$530 million



Request for Proposals	Receipt of Industry Proposals	Award
Jan-Mar 2015	Mar-May 2015	Aug-Oct 2015

Scope of Work

- The ICP-Core post FY15 EM mission work encompasses ongoing Idaho Cleanup Project and Advanced Mixed Waste Treatment Project work scopes
- Work includes stabilizing and dispositioning spent nuclear fuel and high-level waste; dispositioning transuranic waste; retrieving target buried waste; and closing the Idaho Nuclear Technology and Engineering Center (INTEC) tank farm.
- 5 Year Term

Estimated Value

\$1.3-\$1.7 billion



Request for Proposals	Receipt of Industry Proposals	Award
Oct-Dec 2014	Dec 2014 – Feb 2015	Oct-Dec 2015

Idaho Calcine Disposition Project and Spent Fuel Repackaging (A&E)

Scope of Work

- Develop and submit Best Demonstrated Available Technology petition to EPA for Hot Isostatic Press process
- Pre-design and design for receiving, packaging, and shipping facility for Spent Nuclear Fuel
- Study re-purposing of existing Integrated Waste Treatment Unit
- Term - TBD

Estimated Value

\$50 million-\$1 billion



Request for Proposals	Receipt of Industry Proposals	Award
TBD	TBD	TBD

Helpful Websites

- Fees Earned by EM Major Contractors:
<http://www.em.doe.gov/Pages/EMContractorPayments.aspx>
- Listing of EM Major Contracts:
http://www.em.doe.gov/pdfs/EM%20Major%20Contracts_Public%20Web%20PageUpdate_12-30-10.pdf
- DOE Acquisition Forecast:
<http://hqinc.doe.gov/Forecast>
- EMCBC Major Procurements Website:
<http://www.emcbc.doe.gov/doingbusiness.php>
- EM Public Website:
<http://www.em.doe.gov/Pages/EMHome.aspx>