

Interim Award Fee Evaluation Period 3 Determination Scorecard – Revision 3

Contractor: Fluor Federal Services, Inc.

Contract: DE-EM0001131, Task Order: DE-DT0007774

Interim Award Fee Evaluation Period: Period 3 (August 1, 2016 – July 21, 2017)

Basis of Evaluation: Award Fee Plan for Fluor Federal Services, Inc., Interim Award Fee Evaluation Period August 1, 2016 to July 21, 2017

Categories of Performance: Subjective: \$2,480,162.06 PBI: \$4,751,413.10 Stretch: \$0

Award Fee Available: \$ 7,231,575.16 **Award Fee Earned: \$ 5,453,596.46 (75.41%)**

Categories of Performance Award Fee

Award Fee Area Subjective Ratings

Base Fee Available: \$2,480,162.06

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|---|----------------------|
| 1. Quality and Effectiveness of Documents and Associated Support (20%): | ● Satisfactory (35%) |
| 2. Quality and Effectiveness of ESH&QA (35%): | ● Satisfactory (35%) |
| 3. Quality and Effectiveness of Program/Project Support (25%): | ● Good (75%) |
| 4. Quality and Effectiveness of Program/Project Management (20%): | ● Satisfactory (30%) |

The overall fee awarded based on these grades is: **Satisfactory**

$$[(0.2 \times 0.35) + (0.35 \times 0.25) + (0.25 \times 0.75) + (0.2 \times 0.25)] \times \$2,480,162.06 = \mathbf{\$1,091,271.31}$$

This amount takes into consideration Fluor Federal Services, Inc.'s (FFS) overall performance, both positive and negative. In one of the four subjective area ratings, the contractor has exceeded some of the award fee criteria and has met overall cost, schedule, or technical performance requirements of the Task Order in the aggregate as defined and measured against in the evaluation criteria.

Quality and Effectiveness of Documents and Associated Support: Overall, documents and associated support met the minimal requirements of the contract. There are some areas that have improved throughout this reporting period; however, a number of submittals required significant re-work to become acceptable. The FFS Quality programs and processes did not fully achieve the maturity level expected for the project. The Corrective Action Program and Plans, Safety Basis Documents, and General Conduct of Operations were satisfactory. Some program documents were not updated as required until notified by DOE. Notification protocols were not always followed in a timely manner when incidents occurred, but improvement plans were implemented resulting in corrective actions which appeared sufficient. While FFS performance objectives, measurements, and commitments were acceptable, the contractor did not fully update the Site Sustainability Plan and did not take the lead in ISO 14001 compliance as expected. Regulatory permit submittals were on time in order to meet permit due dates. Generally, the basic information was included; however, submittals did not always have developed strategic or long-term site strategies incorporated without DOE providing comments/edits.

FFS' performance, relative to the Stabilization and Deactivation Plan (Deliverable No. 73), was unsatisfactory for most of the period. The plan was set aside after multiple submittals, delays, and unresolved comments. While the Plan was not completed, the groundwork activities that were completed offers a benefit to the Government. All other performance areas in this category are considered excellent. Safeguards and Security continues to develop (and perform timely updates of) comprehensive Post Orders, General Orders, Training Procedures, Standard Operating Procedures, Security Incident Response Plans, Impact Analyses, Performance Test Plans, and Security Risk Assessments. General Federal Facility Agreement (FFA) support materials in preparation for meetings are of high quality. FFS has made improvements regarding invoice submittals, cost presentations and supporting documentation. Performance in this area in the aggregate supports an overall rating of "Satisfactory".

Quality and Effectiveness of ESH&QA: FFS had very good DART and TRC metrics for the period. Serious issues in the Integrated Safety Management System (ISMS) program review were identified and corrective actions successfully implemented. FFS performed more self-assessments than in previous periods and has openly shared information with DOE. FFS declared its ISMS fully implemented and made some progress toward ISMS full implementation. Multiple events occurred related to procedure non-compliances and field events that demonstrated issues with ISMS. Radiological Work Permit revisions improved communication of work instructions to workers and the Hazard Review Board ensured work control documents provide adequate instructions for workers. FFS continued to improve its Contractor Assurance System and installed a system to track issues/corrective actions which allowed trending and status of emerging issues. The areas of Nuclear Criticality Safety Evaluations (NCSE), housekeeping, radiological work permit implementation, and issues management system still required improvement; however, corrective action plans appeared to be satisfactory. FFS' response to the C-400 bulging drums was less than adequate. The two responses were conducted using emergency procedures in a manner inconsistent with the FFS Emergency Management Program, FFS procedures, and DOE regulations. The Process Gas Leak Detection removal project was paused twice during the reporting period due to safety incidents. FFS had multiple safety events related to the utilization and training of spotters and utilization of utility vehicles. These reoccurring events required DOE investigations due to continuing occurrences. While some issues remain in this area, performance in the aggregate supports a rating of "Satisfactory".

Quality and Effectiveness of Program/Project Support: Overall, FFS project support organizations were responsive. Good, open communication with DOE ensured positive responsiveness to DOE's external stakeholders (Citizens Advisory Board, regulators, public, Paducah Economic Development). Areas of public and regulatory interface continued to be the driver for a rating of "Good" in this category. FFS routinely conducted excellent ad hoc tours, including successfully planning and executing a large tour for the complex-wide Site Specific Advisory Board Chairs hosted in Paducah. The tours for emergency responders were well planned and conducted. These public tours were an important function towards meeting DOE's ability to project a positive image for DOE and the Paducah Site. FFS was also fully engaged with the community. FFS successfully conducted an intern program for predominantly local skilled professionals, which allows for the continual development of the workforce of the future. FFS met the minimal requirements for Earned Value Management and Monthly Performance Reviews. Some projects were behind schedule due to poor planning and

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inadequate support from the contractor support organizations; however, the issues were identified and corrective measures appeared to be adequate. The contractor's performance in the aggregate supports an overall rating of "Good".

Quality and Effectiveness of Program/Project Management: Overall project management performance related to cost and schedule tracking has been satisfactory. However, several major scope areas were not completed during the performance period, including small cylinders disposition; C-400 deactivation; general deactivation scope; deposit removal (Non-Destructive Assay, Loose Materials); and utility optimizations. The Cost Performance Index for (non-fixed price) work performed (assuming all costs are accounted for in July Monthly Project Review) is 0.905, which is the low end of the threshold for successful performance. While not completed, these discreet areas did make progress to the benefit of the Government.

Many of the projects, such as Solid Waste Management Unit 27 time critical removal, Southeast limited area fence installation, C-400 deactivation (removal of mercury switches, asbestos wiring, removal of equipment in designated areas), and waste shipment preparation were completed successfully. The Safeguards and Security Program continued to minimize cost and complete site security requirements with limited budgets. Unscheduled overtime was held to a low level.

DOE performed an independent assessment of the FFS Earned Value Management System this period and identified seven findings and five observations indicating conditions adverse to quality. FFS instituted an improved baseline management system which enabled improved reporting against the known baseline and contractor's performance baseline, as well as improved project/program management. Since completing the improvements, confidence in FFS project reporting has increased. FFS has transferred personal property to the community and has voluntarily added more items to the list of property to be transferred. FFS performance in this category in the aggregate results in a rating of "Satisfactory".

Performance Based Incentives Award Fee

Performance Based Incentive Fee Available: \$4,751,413.10

1. Facility Deactivation & Stabilization (40% of total PBI fee)

- a) Complete asbestos sampling and abatement with the exception of the transite walls, dip sump, bricks, inaccessible areas above Areas 2 and 19 by July 15, 2017. (\$285,084.79) ● Partially Met (\$242,322.07)
- b) Complete NCS characterization of entire building and complete NCSE/A revisions required to support future deactivation in Areas 9, 14 and pulverizer in Area 12 by May 31, 2017. (\$285,084.79) ● Met (\$285,084.79)
- c) Complete removal of floor level equipment and hazardous materials necessary to support future demolition in Areas 1, 2, 3, 5, 6, 7, 8, 10, 11, 12 (except pulverizer), 13, and Area 19. Remove lube oil and airgap sprinklers (air gapping sprinklers assumes DOE approval) by July 15, 2017. This removal will not include utility piping and infrastructure mounted on walls and in the overhead that would be expected to be demolished with the building. All Waste generated 90 days before July 22, 2017 must be disposed offsite or in the onsite landfill. (\$570,169.57) ● Partially Met (\$513,152.61)
- d) Develop and implement a measurement system compliant with DOE Order 414.1C as specified in DOE/PPPO/03-0235&D1 (Quality System Non-Destructive Assay [QSNDA] requirements) or in another DOE/PPPO approved QSNDA System Document. (\$760,226.10)
 - i. Gamma NDA Method (\$80,246.09) ● Not Met (\$0)
 - ii. Passive Neutron NDA Method (\$80,246.09) ● Met (\$80,246.09)
 - iii. Passive Neutron Drum/Box Counter (\$80,246.09) ● Met (\$80,246.09)
 - iv. Design through Certified for Construction, a Reconfigurable Shielded Passive Neutron System (RSPNS) structure capable of counting all major stage components except the Compressor in a C-337 000-stage. (\$80,246.06) ● Met (\$80,246.06)
 - v. Fabricate and assemble the RSPNS structure (without detectors or electronic suite) including storage Stand/frame and provide field demonstration of deployment. (\$38,011.30) ● Not Met (\$0)
 - vi. Construct and certify Working Reference Material standards required for measurement system initial calibration, calibration confirmation, calibration verification, and performance demonstrations.
 - a. 60 PSI-tube UF6 gamma standards (\$80,246.09) ● Met (\$80,246.09)
 - b. 50 Tacky Mat UO2F2 gamma/neutron standards $\geq 3\%$ enrichment (\$80,246.09) ● Met (\$80,246.09)
 - c. >700g U-235 of 9-inch tube style neutron standards $\geq 4\%$ enrichment (\$80,246.09) ● Met (\$80,246.09)
 - d. >100g U-235 of 9-inch tube style neutron standards < 1% enrichment (\$80,246.09) ● Met (\$80,246.09)
 - e. All remaining WRM standards required for NDA at the PGDP (\$80,246.09) ● Met (\$80,246.09)

2. Utility and Laboratory Optimization (15% of total PBIs)

Complete small cylinders processing of a minimum of 1,000 small cylinders from the current inventory of 2,461 cylinders located in C-710. Processing will include completion of all disposition and disposal of associated wastes and empty cylinders. The work must be completed by July 15, 2017. (\$712,711.96) ● Met (\$712,711.96)

3. Surveillance and Maintenance Tasks (35% of total PBIs)

- a) All deferred maintenance on industrial or radiological systems that are related to or support safety not specifically associated with facilities/systems under going active D&D or being deactivated for future D&D is completed no later than July 1, 2017. (\$356,355.98) ● Met (\$356,355.98)

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- b) Radiological Control Area (\$712,711.96 – Total Available)
1. Downposting of radiological areas and removal of radiological signs. Review for downposting must meet authorized limits. Review existing data for the following areas to identify where radiological control signs (not directed required by CERCLA or RCRA) can be removed. ● Partially Met (\$171,050.87)
 - All property outside the Limited Area, except roads and creeks. These areas should be MARSAME class 3.
 - Creeks outside the Limited Area. This element is related to the signs that not are covered by the Surface Water Operations and Maintenance Plan. These areas should be a MARSAME class 1 or 2.

All records for tracking of contamination areas must be updated with the downposted areas. The data used for downposting shall be submitted to DOE prior to downposting and the downposting performed after obtaining DOE's concurrence. The decision for removing the signs shall be in accordance with DOE O 458.1 using the MARSSIM process. (\$342,101.74)
 2. Small contamination areas (below 100m²) that have radioactive contamination within the top 6 inches shall have the radioactively contaminated soil removed, such that the area can be downposted. DOE does not expect the entire 100m² removed unless necessary to allow for downposting. If the contamination is more than 6 inches deep, the area is not expected to be addressed by this PBI. Evidence that contamination is more than 6 inches deep will be required for each area not downposted. All waste associated with this activity must be dispositioned. (\$342,101.74) ● Met (\$342,101.74)
 3. Obtain approval to use the Authorized Limits for DOE Property Outside the Limited Area to the soils inside the Limited Area. These areas should be a MARSSIM class 1. (\$28,508.48) ● Met (\$28,508.48)
 - c) Complete installation of a roof drains associated with C-333, C-720, and C-337 by February 20, 2017. ● Met (\$356,355.98)
(\$356,355.98)
4. **Environmental Remediation Tasks (15% of total PBIs)**
- a) Complete installation of 7 transect wells for the Northeast Plume Optimization, including waste disposal of all project waste associated with this scope by December 15, 2016. (\$285,084.79) ● Met (\$285,084.79)
 - b) Remove Sludge and liquid from SWMU 27 for the SWMU 27 Time-Critical Removal Action and disposition all waste (treat and ship to disposal facility) and complete filling of SWMU 27 with appropriate material by November 14, 2016. (\$427,627.18) ● Met (\$427,627.18)

Base Performance Based Incentive Fee Earned: The overall fee awarded is based on completion of PBI activities is 91.8%: **\$4,362,325.15**.

The Award Fee Plan included a cost overrun penalty for the Performance Based Incentive portion of the available award fee for the entire contract period. If the contractor exceeded the total costs of the Contractor Performance Baseline, then the available fee shall be reduced by percentages designated in the Plan. DOE and FFS have agreed to a 7.23% reduction in available Performance Based Incentive Award Fee. The total available Performance Based Incentive Fee for all three periods was \$14,324,090.20. A 7.23% reduction in total available Performance Based Incentive Award Fee is \$1,035,631.72 which was applied as a reduction to the Period 3 available Performance Based Incentive Award Fee.

Award Fee Period	Available PBI Fee	Overall PBI Fee Reduction (7.23%)	Revised PBI Award
Period 1	\$ 4,319,531.97	\$ 0	\$ 4,319,531.97
Period 2	\$ 4,217,513.42	\$ 0	\$ 4,217,513.42
Period 3	\$ 5,787,044.82	\$ 1,035,631.72	\$ 4,751,413.10
Total	\$14,324,090.20	\$ 1,035,631.72	\$13,288,458.48

Contract Award Fee

FY 17 Award Fee Plan Fee Amount throu \$ 18,591,691.64

Fee Changes since Plan Issuance

Mod 90 Definitize Security Fence 115/R1	\$ 23,005.00
Mod 93 Definitize SWMU 4 BCR 77	\$ 91,072.00
Mod 94 Definitize SW Plume BCR 84	\$ 148,450.00
Mod 101 Definitize Soils	\$ 34,530.00
Mod 102 Definitize SWMU 4 add	\$ 2,729.00
Mod 103 Delete C-746-U Design	\$ (21,495.00)
Mod 104 Definitize Mod 57 Fire Impairm	\$ 41,998.00
Mod 105 Definitize Offsite Water Design	\$ 9,343.00
Mod 106 Definitize Mod 53 Facility Mod:	\$ 601,052.00
Mod 107 Definitize Mod 59 OSWDF	\$ 83,171.00
Mod 109 CLIN 3 Material Diff Definitize	\$ (525,458.64)
Mod 109 CLIN 2 Material Diff Definitize	\$ (79,949.00)
Mod 111 Nitrogen System Definitize	\$ 14,317.00
Mod 114 OSWDF Definitize	\$ (689,494.00)
Mod 117 R114 Definitize	\$ 3,167.00
Mod 120 C-400	\$ (538,671.00)
Mod 121 SWMU 27	\$ 36,954.00
Mod 125 229 boundary	\$ 124,177.00
Mod 126 Limited Area Changes	\$ 42,563.00
Mod 127 BGOU	\$ 54,119.00
Mod 128 Roof Drains	\$ 78,524.00
Mod 129 C-727	\$ 58,067.00
Mod 130 Remove Severance Plu	\$ (636,456.00)
Mod 132 Roof Vents	\$ 60,190.00
Mod 134 WDA Descope	\$ (35,135.00)
Mod 139 NE Plume	\$ 286,200.00
Mod 144 C-409 REA	\$ 10,093.00
Mod 147 inactive deduct	\$ (133,770.00)
Mod 149 Carts	\$ 451,939.00
Mod 151 C-400 Deactivation	\$ 1,251,289.00
Mod 153 Convertor Weld and Fluorine D	\$ (199,267.00)
Mod 155 Deposit Removal	\$ 1,240,211.00
Mod 157 BGOU	\$ (28,975.00)
Mod 156 Facilitiation	\$ 3,576.00
Mod 154 NE Plume Addition	\$ 9,229.00

Total Award Fee Available \$ 20,462,986.00

Mod 156	
CLIN 0002	\$ 6,146,890.00
CLIN 0003	\$ 12,571,570.00
CLIN 0004	\$ 202,154.00
CLIN 0005	\$ 308,958.00
CLIN 0006	\$ 48,036.00 Check

CLIN 0007	\$ 1,185,378.00	\$ 20,462,986.00
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Period 1 Available	\$ 6,170,759.95	
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Period 2 Available	\$ 6,025,019.17	
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Period 3 Available	\$ 8,267,206.88	
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Total Check	\$ 20,462,986.00	
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30% Subjective	\$ 6,138,895.80	
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70% PBI	\$ 14,324,090.20	
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3I Fee Penalty 7.23% of PBI Available Fee	\$ (1,035,631.72)	
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Total Fee Available	\$ 19,427,354.28	
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