



## Department of Energy

Oak Ridge Office  
P.O. Box 2001  
Oak Ridge, Tennessee 37831

October 29, 2014

Mr. Robert C. McKay  
General Manager  
Wastren Advantage, Inc.  
TRU Waste Processing Center  
100 WIPP Road  
Lenoir City, Tennessee 37771

Dear Mr. McKay:

### Contract No. DE-EM0000323, Award Fee Determination for Period 2014-A

The Department of Energy Oak Ridge Office of Environmental Management has completed its evaluation of Wastren Advantage, Incorporated's (WAI) performance for the period February 1, 2014 through July 31, 2014. I have determined that WAI has earned \$405,601 out of the potential award fee amount of \$592,117, or 68.5% of available award fee. Specifically, ratings are as follows:

Objective Number	Performance Description	Performance Weight	Available Award Fee Pool	Performance Score	Award Fee Earned	Adjectival Rating
A.I	TRU Waste Processing Center Facility Operations (60%)					
I.a	Processing and Disposal of TRU Waste Inventory	35%	\$207,241	70%	\$145,069	Good
I.b	Facility Operations	25%	\$148,029	80%	\$118,423	Very Good
B.II	Cost and Project Management (30%)					
II.a	Cost Performance	20%	\$118,423	50%	\$59,212	Satisfactory
II.b	Project Management Systems	10%	\$59,212	50%	\$29,606	Satisfactory
C.III	Business Management and Stakeholders Relations (10%)					
III.a	Business Management and Stakeholder Relations	10%	\$59,212	90%	\$53,291	Very Good
	TOTAL		\$592,117		\$405,601	

Contact Handled (CH) Waste inventory processed was 62% of the planned volume in the baseline, while the amount of waste inventory shipped offsite was 14% of the planned volume. Processing of CH waste was primarily impacted by ongoing analysis of hazards associated with a subset of this waste, and related waste containers that are currently inaccessible. Processing efforts for CH were further impacted by technical issues with the puncturing of overpacked drums. CH disposition volumes were impacted by delayed approval to resume Central Characterization Program (CCP) activities and the suspension of waste shipments to the Waste Isolation Pilot Plant (WIPP) in February 2014. Although the delays in approval of CCP certification and the suspension of shipments to WIPP were outside of the WAI's control, WAI quickly developed a plan to minimize related impacts.

Remote Handled (RH) Waste inventory processed was 67% of the planned volume in the baseline, and the amount shipped offsite was 21% of the planned volume. Processing of RH waste was primarily impacted by the WIPP shipment suspension. Due to the limited RH storage capacity at the Transuranic Waste Processing Center absent shipments to WIPP, the project had to postpone high dose RH cask processing activities planned in the baseline. The project developed a revised approach to minimize operational impacts involving resequencing of low dose RH casks that result in CH daughter containers. Approximately 70% of the planned RH TRU dispositioned volume for this period was anticipated to be dispositioned at WIPP. DOE has taken into consideration the WIPP suspension and the proactive response by WAI in this evaluation.

WAI continues to be proactive in dispositioning Mixed Low Level Waste/Low Level Waste as soon as possible and freeing up additional storage space, which has become even more essential due to the suspension of disposal activities at WIPP. WAI has done a very good job of managing the National Nuclear Security Site (NNSS) Certification Program. During this period the project underwent an NNSS surveillance to verify implementation and effectiveness of WAI's Waste Certification Program, and at the out-briefing on July 30, 2014, the auditors concluded that there was not need to develop a Corrective Action Report, and that the program does an excellent job maintaining compliance.

Facility Operations are very good and the facility is sufficiently maintained. WAI maintained all waste processing and storage facilities and buildings in proper working condition and has provided an adequate level of radiological controls.

WAI's implementation of its Conduct of Operations Program (CONOPS) is improving with additional management oversight of daily operations. Once all of the corrective actions, identified from the Collective Significance Review, were closed WAI initiated an effectiveness review to validate the adequacy and closure of corrective actions, and to assess the institutional health of WAI's CONOPS program.

Although the Cost Performance Index (CPI) and Schedule Performance deviated unfavorably by more than 10% from 1.00 during this period, WAI's Project to Date Cost Performance Index remains favorable at 0.99 and 0.97, respectively. It is noted that some changes outside of WAI's control occurred during the evaluation period that affected their performance and will require negotiation and implementation of contract and baseline changes before the extent of impact on their performance will be fully known. The WIPP suspension that occurred at the beginning of this evaluation is one example of the changes outside of their control that will have to be evaluated.

The realism of WAI's reported Estimate at Completion (EAC) is a concern based on the following: 1) WAI only reported a \$5.8 million (M) increase in their EAC while reporting a cost overrun of \$7.8M during the evaluation period; 2) the To Complete Performance Index indicates that future cost performance will have to be 1.10 versus an average CPI of 0.7 during the evaluation period; and 3) the EAC captures cost through January 2015 and not the cost to complete all of the scope of the contract.

Business Management activities are performed by a qualified staff in order to meet DOE requirements and WAI is very responsive to all data requests related to the TRU project. WAI utilizes strategic sourcing in order to reduce purchase and contract costs in which savings are realized by DOE. Excellent communication between WAI and the DOE Property Administrator continues to be achieved with the notification of potential problems, suggested resolutions and completion of provided corrective actions in order to ensure on-site property protection. In addition, the use and management of subcontract support continues to be adequately utilized on site. Planning and organizational management is supported by a qualified senior level management team along with a highly trained and skilled workforce capable of completing various assigned tasks. Communications with internal and external stakeholders remain a key asset of the Contractor's partnership mentality.

This determination provides reasonable assurances that the Department fairly executed the Performance Evaluation Plan and award fee review process for the period.

If you have any questions, or if we can be of any further assistance, please contact me at 576-0562 or the Federal Project Director, Laura Wilkerson at 576-9900.

Sincerely,



Susan M. Cange  
Fee Determination Official

Enclosure

cc w/enclosure:

K. Deacon, EM-91  
P. Dodd, EM-90.1  
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