EM Acquisition Focus and Expectations

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Office of Environmental Management
2015 DOE Acquisition and Project Management (APM) Workshop
March 24, 2015
Presentation Topics

• EM Funding
• Evolution of EM Contracts
• EM Portfolio
• Project Success
Where Does Each Dollar of Funding Go? Funding by EM Mission Area in FY 2015

EM’s FY 2015 Budget Request - $5.622 Billion Total

- **Radioactive Tank Waste**
  - $2,042M / 36%

- **Facility D&D**
  - $992M / 18%

- **Transuranic & Solid Waste**
  - $758M / 13%

- **Site Services**
  - $392M / 7%

- **Special Nuclear Materials and Used Nuclear Fuel**
  - $971M / 17%

- **Soil and Groundwater**
  - $466M / 8%

*Includes Program Direction, Program Support, Technology Development & Deployment, Post Closure Administration and Community and Regulatory Support

**Includes Safeguards and Security
EM moved away from mostly Management & Operating (M&Os) in the past to more cost and schedule focused contract vehicles, which serve the taxpayer better, for accomplishing EM’s mission

- EM now has 2 M&Os Versus 12 in 1995
- EM has over 40 Federal Acquisition Regulation (FAR) Part 15 Cost based Contracts
  - Require more thorough early planning to establish clear Requirements
  - Better allocation of risk

Holding Contractors Accountable through:

- Improved Fee Structures (FDO Role)
- Adding Rigor in Development of Performance Evaluation and Measurement Plans (PEMPs)
- Contractor Performance Assessment Reporting System (CPARS)

Improving utilization of Small Businesses carving out meaningful and sustainable small business work.
## Evolution of EM Contracts

### M&O Vs. Traditional Contracts

<table>
<thead>
<tr>
<th></th>
<th>M&amp;O</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Federal Acquisition Regulation Part 17</td>
<td>Federal Acquisition Regulation Part 15 Cost Type</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td>Mission/Budget-Based</td>
<td>Scope/Cost-Based</td>
</tr>
<tr>
<td><strong>Execution</strong></td>
<td>Annual Work Plan</td>
<td>Full Contract Period Work scope</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>10-15+ Years</td>
<td>5-10 Years</td>
</tr>
<tr>
<td><strong>Oversight</strong></td>
<td>Less Than Arms Length</td>
<td>Arms Length</td>
</tr>
<tr>
<td><strong>Scope</strong></td>
<td>Broad</td>
<td>Detailed Work scope</td>
</tr>
<tr>
<td><strong>Source Selection</strong></td>
<td>No Cost Proposal</td>
<td>Full Cost Proposal</td>
</tr>
<tr>
<td><strong>Pricing Information</strong></td>
<td>None</td>
<td>Certified Cost/Pricing</td>
</tr>
<tr>
<td><strong>Fee Incentive</strong></td>
<td>Base Fee (3-8%)</td>
<td>At Risk Fee (6-15%)</td>
</tr>
<tr>
<td><strong>Contract Modifications</strong></td>
<td>Few (broad scope)</td>
<td>Frequent (specific scope/cost)</td>
</tr>
<tr>
<td><strong>Accounting System</strong></td>
<td>Integrated with DOE</td>
<td>Separate Certified System</td>
</tr>
<tr>
<td><strong>Contracting Officers Role</strong></td>
<td>Low: Few Contract Changes</td>
<td>High: Many Contract Changes</td>
</tr>
<tr>
<td><strong>Workforce</strong></td>
<td>Remains Intact</td>
<td>Based on Proposal</td>
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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

<table>
<thead>
<tr>
<th>Request for Proposals</th>
<th>Award</th>
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<tbody>
<tr>
<td>NA</td>
<td>May 15, 2009</td>
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</table>
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.

Value at Award

$51 million

<table>
<thead>
<tr>
<th>Request for Proposals</th>
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</thead>
<tbody>
<tr>
<td>February 5, 2010</td>
<td>April 6, 2010</td>
</tr>
</tbody>
</table>
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.
- 5 Year Term

Value at Award

$124.5 million

<table>
<thead>
<tr>
<th>Request for Proposals</th>
<th>Award</th>
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<tbody>
<tr>
<td>December 17, 2010</td>
<td>November 4, 2011</td>
</tr>
</tbody>
</table>
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
- 5 Year Term + One 5 Year Option

**Value at Award**
(1) $ 21.5 million  
(2) $21.2 million

<table>
<thead>
<tr>
<th>Request for Proposals</th>
<th>Award</th>
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<tbody>
<tr>
<td>March 30, 2011</td>
<td>January 9, 2012</td>
</tr>
</tbody>
</table>
Hanford Occupational Medical Services

**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
- 2 Year Term + Four 1 Year Options

**Value at Award**

$ 98.6 million

<table>
<thead>
<tr>
<th>Request for Proposals</th>
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<tbody>
<tr>
<td>November 14, 2011</td>
<td>June 8, 2012</td>
</tr>
</tbody>
</table>
Energy Technology Engineering Center

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
- 3 Year Term + One 2 Year Option

Value at Award

$25.7 million

<table>
<thead>
<tr>
<th>Request for Proposals</th>
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<tbody>
<tr>
<td>January 3, 2014</td>
<td>June 26, 2014</td>
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</table>
**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

<table>
<thead>
<tr>
<th>Request for Proposals</th>
<th>Receipt of Industry Proposals</th>
<th>Award</th>
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<tbody>
<tr>
<td>June 4, 2014</td>
<td>August 7, 2014</td>
<td>Apr-Jun 2015</td>
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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

<table>
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<th>Request for Proposals</th>
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<tbody>
<tr>
<td>October 6, 2014</td>
<td>December 12, 2014</td>
<td>Apr-Jun 2015</td>
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Transuranic Waste Processing Center 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

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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
• 1 Year Term + Four 1 Year Options

Estimated Value

$130-$150 million

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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
---|---|---
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

FY 2015 Total Funding $6.34B

Capital Projects Funding $1.11B
- **WTP** $667M
- **SWPF** $135M
- **Other Capital** $307M
- **Operations** $5,236M
• EM projects baselined since 2008 have been more successful
• Several factors contributing to improved success
  – Smaller, well-defined projects
  – More design maturity prior to CD-2
  – Use of peer reviews

* Using the DOE Project Success criteria