



Department of Energy

Oak Ridge Office of Environmental Management
P.O. Box 2001
Oak Ridge, Tennessee 37831

Mr. Kenneth J. Rueter
President and Project Manager
URS | CH2M Oak Ridge LLC
Post Office 4699
Oak Ridge, Tennessee 37831-4699

Dear Mr. Rueter:

URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 10

The U.S. Department of Energy (DOE) Oak Ridge Office of Environmental Management (OREM) Award Fee Board has completed its evaluation of the URS | CH2M Oak Ridge LLC (UCOR) performance for Award Fee Period 10 from April 01, 2016, through September 30, 2016. In its deliberations, the Board considered the Award Fee Evaluation Report and your self-assessment. As the Fee Determination Official, I have determined that UCOR has earned the following Award Fee for this period: \$1,439,374 for the Project Management Incentive, and \$1,962,415 for the Cost and Schedule Incentive. The total Award Fee is \$3,401,789, against an available Award Fee of \$3,604,067 for Period 10. The ratings are as follows:

<u>Objective Number</u>	<u>Performance Description</u>	<u>Performance Weight</u>	<u>Available Award Fee Pool</u>	<u>Performance Score</u>	<u>Award Fee Earned</u>	<u>Adjectival Rating</u>
A.	Project Management Incentive					
A.1	Project Management and Business Systems	35%	\$567,640	95%	\$539,258	Excellent
A.2	Worker Safety, Health & Quality Management	40%	\$648,732	80%	\$518,986	Very Good
A.3	Environmental Management	25%	\$405,458	94%	\$381,130	Excellent
Project Management Incentive Total		100%	\$1,621,830	88.75%	\$1,439,374	Very Good
B.	Cost and Schedule Incentive					
		100%	\$1,982,237	99%	\$1,962,415	High-Confidence

During the six-(6) month performance rating period, UCOR has continued to execute the scope under the East Tennessee Technology Park (ETTP) contract very well. UCOR has performed approximately 63 percent of its contract baseline with a cumulative Schedule Performance Index of 1.02, a Cost Performance Index of 1.11, and a favorable Variance at Completion against the Performance Measurement Baseline of \$158 million. These indicators continue to reflect a contract that is performing well against the cost and schedule plan, and an Estimate at Completion that is realistic and reasonable.

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UCOR completed the K-27 Building demolition, debris and compressor removal, and offsite shipments of converters ahead of schedule and actual costs were less than planned costs. The Safeguards and Security Program downgraded the K-25/K-27 Limited Area to a Property Protection Area, as soon as changes in security requirements made it possible with the demolition of Building K-27, significantly increasing workforce efficiency.

UCOR has worked over 7.5 million hours without a lost time injury, and completed 11,349 waste shipments to onsite landfills for FY 2016 without a transportation accident or incident. UCOR completed 502 waste shipments without issues from the K-27 Project to the Emergency Management Waste Management Facility (EMWMF) during the week of August 22-26, 2016. That was the first time that UCOR had exceeded over 500 shipments in one (1) week from the ETTP site which is considered significant. In addition, UCOR demonstrated a proactive approach to addressing potential heat stress issues for its workers over the summer months, and has appropriately responded to hydrogen fluoride alarms while safely and efficiently conducting the work in Buildings K-631/K-131.

UCOR initiated activities to address failing infrastructure at the Oak Ridge National Laboratory (ORNL) liquid waste treatment and processing system (i.e., Liquid Gaseous Waste Operations) to extend the life of this operational system critical to enabling ongoing missions at ORNL. UCOR also made noteworthy progress on risk reduction activities at ORNL and Y-12 National Security Complex excess contaminated facilities, and continued to advance the high priority construction line item project, Mercury Treatment Facility, critical to the cleanup of Y-12 National Security Complex.

UCOR continues to provide outstanding support to ongoing reindustrialization and historic preservation efforts for the ETTP site. UCOR assisted OREM in successful completion of Headquarters briefings and the Congressional Review of the K-31/K-33 mega-parcel, enabling the transfer of over 200 acres to the Community Reuse Organization of Tennessee for reuse. Related to this effort, the Reindustrialization Team proactively identified the need for a Tennessee Valley Authority flowage easement abandonment request, provided extensive support to resolve this issue, and ensured that post-transfer redevelopment could occur without restrictions. UCOR support of ETTP historic preservation initiatives exceeded expectations both in terms of responsiveness and quality of the work in supporting interfaces with multiple external stakeholders.

UCOR continues to manage environmental permits, compliance monitoring, and required reports in an exemplary manner. In addition, UCOR has been successful in negotiating regulatory approvals that resulted in cost reduction, improved operational efficiency, and/or support closure of ETTP. Some examples include the negotiation of alternative treatment standards that led to the approval and closure of three (3) hazardous waste storage units at the K-1065 complex, and approval for the K-1423 Container Processing Facility Polychlorinated Biphenyl Closure Report.

UCOR continued recycle initiatives that have resulted in reduced disposal volumes and cost savings. During this period, the approved screening process was applied to clean scrap metal from 13 facilities covered by the Remaining Facilities Action Memorandum, diverting over 1,500 cubic yards of scrap metal from landfill disposal to beneficial use. Additionally, approximately 10,000 linear feet of electrical cable located in K-731 was approved for recycling.

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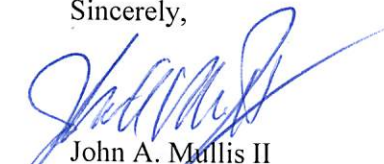
UCOR provided excellent support related to the Federal Facility Agreement and Site Treatment Plan requirements and regulatory interactions, with all milestones met or revised during the reporting period. For example, UCOR met the Tennessee Department of Environment and Conservation Site Treatment Plan milestones by packaging three (3) large Molten Salt Reactor Experiment Sodium Fluoride Traps into an approved U.S. Department of Transportation container and shipping them to the Nevada National Security Site. Execution of the OREM water quality program has been exemplary, specifically responding to requests to co-sample background locations on short notice and support the preparation or review of water agreements with private homeowners.

In addition to the significant accomplishments over the past six (6) months, there are some opportunities for improvement that require continued attention. DOE identified several issues with UCOR work execution, including hoisting and rigging, implementation of transportation requirements, and Solid Waste Storage Area 6 well drilling activities. UCOR also experienced difficulties in fulfilling the requirements of the Occurrence Reporting program. Finally, on multiple occasions, UCOR lacked proper planning before conducting work activities. Some examples include the implementation of the hierarchy of controls and Industrial Hygiene Work Permit process for the repackaging of a deteriorated alumina oxide drum located in a Sealand container at the Molten Salt Reactor Experiment, procedure omissions for remote-handled transuranic cask pickup at the Radiochemical Engineering Development Center, documentation of equipment modification approval by the electrical Authority Having Jurisdiction, and inadequate inspection criteria for a design feature associated with Building 7827 storage wells.

This Award Fee Determination provides reasonable assurance that UCOR fairly executed the Performance Evaluation Management Plan for Period 10.

Please express our sincere thanks to your entire team for their continuing support of the DOE mission. If you have questions, or if we can be of any further assistance, please contact me at 576-0742 or Laura Wilkerson at 576-9900.

Sincerely,



John A. Mullis II
Fee Determination Official

Enclosure:

Award Fee Evaluation Report of the Performance Evaluation Board, East Tennessee Technology Park,
Contract Number DE-SC0004645

See Page 4 for cc list.

Kenneth J. Rueter

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DETERMINATION FOR PERIOD 10**

cc w/enclosure:

Vickie Keith, FM-73, SC-OR
Jamie Standridge, FM-72, SC-OR
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Terry Allen, EM-942
Wendy Cain, EM-92
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John Phelps, EM-91
Michael Pribish, EM-941
Karen Shears, EM-91
Alan Stokes, EM-92
Laura Wilkerson, EM-92