EM Projects Perspective

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EM Portfolio Overview

- 4 Line Item Construction Projects (post CD-2) – $23.2B combined TPC
  - Waste Treatment and Immobilization Project (WTP)
  - Salt Waste Processing Facility (SWPF)
  - Saltstone Disposal Unit #6 (SDU-6)
  - K West Basin Sludge Removal Project
- 10 EM Cleanup Projects (post CD-2) – $2.7B combined TPC
- 21 Active Pre CD-2 Projects - $30.6B
- 76 Operations Activities - Life Cycle Cost Range $187B-$210B
EM Project Success Trend

### Project Success by Fiscal Year Baselined (Original CD-2)

- EM projects baselined since 2008 have been more successful
  - Cumulative portfolio success of 92% (49 of 53) for projects baselined after FY 2008
  - Earlier baselines were only 44% (12 of 27) successful
- Factors contributing to improved results include:
  - Smaller well-defined projects
  - More design maturity at CD-2
  - Use of Peer Reviews
  - Proper funding

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<tbody>
<tr>
<td>Success of completed projects</td>
<td>92% 24 of 26</td>
<td>100% 4 of 4</td>
<td>100% 1 of 1</td>
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<td>Forecast for active projects</td>
<td>50% 1 of 2</td>
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<td>100% 1 of 1</td>
<td>100% 1 of 1</td>
<td>100% 3 of 3</td>
<td>100% 5 of 5</td>
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<td>TOTAL All Projects</td>
<td>89% 25 of 28</td>
<td>100% 4 of 4</td>
<td>100% 1 of 1</td>
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<td>100% 1 of 1</td>
<td>100% 3 of 3</td>
<td>100% 5 of 5</td>
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Successful EM Baselines Result in Savings

Projects baselined after FY 2008 were completed $448M (21%) below their approved baseline TPC. Adding the forecast for still active projects, the savings are estimated at $427M (15%).
EM accomplishments

K-27 final wall demolition

SWPF Completed construction

WIPP REOPENS
EM ACCOMPLISHMENTS (Looking back)

• Re-opened WIPP-January 2017

• Modified Hanford Waste Treatment and Immobilization Project (WTP) contract and baseline:
  ➢ WTP contract for Direct Feed Low Activity Waste (DF-LAW) and baseline was modified in December.
  ➢ Aligns both the contractor responsibility and the project risks through the restructuring of incentives

• Salt Waste Processing Facility (SWPF) construction was completed with DOE validation in May 2016
  ➢ Startup, testing, and personnel training will take another 30 months.
  ➢ SWPF is planning to be ready to start up operations by late 2018.

• DOE Oak Ridge: K-27 completed demolition in August 2016

• DOE Oak Ridge: K-31 obtained CD-4 approval February 2016

• WVDP: HLW canister relocation completed approximately 12 months early
HQ Support to the field

• EM HQ reorganization emphasized the need to shift focus to support the field for executing projects and operations activities

• EM HQ will assist field by offering expertise and services to ensure successful execution of field responsibilities
  - Field assist visits to prepare for IPR/EIR ICE reviews
  - Staffing studies using approved methodology and models
  - Self-assessments for independent assessment to determine readiness for EVMS certifications or surveillances
  - Project and Contract management training
  - Other requests

• EM HQ will be coordinating HQ reviews of various field offices to consolidate them during a time frame and lessen impact on site

• Evaluating requirements to lessen administrative burden for non-regulatory required activities and non-value add information requests.
Contracting Initiatives

• Head Contracting Authority Vision
  - Push authority to the field
  - Execute oversight responsibilities off the acquisition critical path
  - Create systemic oversight model

• Streamlining initiatives
  - Revised HCA delegation
    - Allows for contract actions to go directly from the field to the SPE
    - Recognition that there are redundant review levels
      - Impact: More effective resource utilization

• HCA directive project
  - Steering committee reviewed all HCA 31 directives
  - Recommendations:
    - Retain 8, Merge 5, Delete 18
    - Implementation of recommendations underway
Contracting Initiatives (con’t)

• **September industry session**
  - Linked to National Cleanup Workshop
  - Listening session with panel format
  - Focus on three areas of industry concern after bucketing the numerous concerns
    - Cost of cost proposals
    - Past performance
    - Small business participation (prime level, subcontracting level, meaningful work)

• **Fixed price contracting**
  - Current policy is to fix price where it makes sense
  - Use of fixed price CLINS and/or fixed unit rates is growing
    - Requires special care
Major EM Project Management Initiatives for FY 17

- Update EM Guidance for Capital Asset Projects & Operational Activities
- Develop an EM specific appendix to DOE Order 413.3B focusing on non-construction clean up projects
- Develop new guidance on performance metrics for EM Operational activities
- Develop action plan for addressing GAO February 2017 High Risk List Report
- Develop an EM consolidated field assessment plan
Addressing GAO 2017 High Risk Report

• EM’s score on GAO’s five criteria for successful contract & project management:
New addition to GAO High risk report: EM’s portion of the Environmental Liability is growing:

- EM liability grew by $94B

![Bar chart showing annual and cumulative environmental management spending and reported environmental liability from 2011 to 2016.](chart.png)