



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 37831-7294

Dear Mr. Rueter:

URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 13

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 13 from October 1, 2017 through March 31, 2018. 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 Period 13: \$1,776,580 for the Project Management Incentive and \$1,874,957 for the Cost and Schedule Incentive. The total Award Fee is \$3,651,537, against an available Award Fee of \$4,208,658 for Period 13. Ratings are as follows:

| Objective Number | Performance Description | Performance Weight | Available Award Fee Pool | Performance Score | Award Fee Earned | Adjectival Rating |
|---|---|--------------------|--------------------------|-------------------|------------------|-------------------|
| A. | Project Management Incentive | | | | | |
| A.1 | Project Management and Business Systems | 25% | \$578,691 | 93% | \$538,182 | Excellent |
| A.2 | Work Planning and Control; and Worker Safety, Health and Quality Management | 50% | \$1,157,381 | 60% | \$694,429 | Good |
| A.3 | Regulatory and Stakeholder Activity | 25% | \$578,690 | 94% | \$543,969 | Excellent |
| Project Management Incentive Total | | 100% | \$2,314,762 | 76.75% | \$1,776,580 | Very Good |
| B. | Cost and Schedule Incentive | 100% | \$1,893,896 | 99% | \$1,874,957 | High-Confidence |

Document transmitted contains **Official Use Only** information. When separated from the enclosure, this document DOES NOT contain Official Use Only information.

OFFICIAL USE ONLY

URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 13

UCOR has performed 74 percent of their contract baseline with a cumulative Schedule Performance Index of .99, a Cost Performance Index of 1.07, To-Complete Performance Index based upon Estimate at Completion of .95, and a favorable Variance at Completion against the Performance Measurement Baseline of \$104 million. These indicators reflect a contract that is performing well against the cost and schedule plan and will underrun the contract price.

During the six-month performance rating period, UCOR has continued to execute the scope under the East Tennessee Technology Park (ETTP) contract very well, advanced multiple projects required to complete the cleanup of ETTP, and reduced risks associated with OREM operations at the Oak Ridge National Laboratory and Y-12 National Security Complex including:

- Identifying a new approach for disposal of a large volume of mixed low-level waste in K-1037. Past practice for the disposal of this type of waste was macro-encapsulation. UCOR obtained approval from the Nevada Nuclear Security Site to use a macro bag that will save over \$400,000 in disposal costs.
- Ceasing operations at the ETTP garage following transition of the fleet to a U.S. General Services Administration leased fleet. This will allow Building K-1414 to be demolished earlier than planned and maintain momentum to achieve Vision 2020.
- Completing the installation, and beginning to collect and report data on nine new piezometers at the existing onsite Comprehensive Environmental Response, Compensation, and Liability Act disposal facility. It was a significant effort completed well ahead of the commitment to the regulators to have the piezometers installed by December 2017. These new piezometers will provide important information to DOE and the regulators about the water levels at and around the disposal facility.
- Beginning large-scale equipment removal on the Alpha 4 West Column Exchange project. UCOR implemented modified control activities to minimize personnel exposures to mercury, including glove boxes for pipe grit consolidation and High Efficiency Particulate Air hose discharge diffuser boxes. The previously damaged waste box and heat exchanger were repackaged enabling them to be removed from the work area.
- Identifying an existing lease being vacated by the tenant and actively engaging in executing the assignment of the lease for the Union Valley Road facility. This lease required coordination with numerous organizations within Oak Ridge, the National Nuclear Security Administration, and the Environmental Management program for resolution of new terms and conditions. This lease will provide office space to relocate personnel to support the closure of ETTP.
- Continuing to exceed Small Business subcontracting goals with the exception of Service-Disabled Veteran-Owned Small Business: (a) Small Business – achieved 80.2 percent versus the goal of 65 percent; (b) Small Disadvantaged Business – achieved 17.3 percent versus the goal of 10 percent; (c) Women-Owned Small Business – achieved 22.6 percent versus the goal of 10 percent; (d) Historically Underutilized Business Zone – achieved 5.7 percent versus the goal of 4 percent;

OFFICIAL USE ONLY

**URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE
DETERMINATION FOR PERIOD 13**

(e) Service-Disabled Veteran-Owned Small Business – achieved 3.9 percent versus the goal of 4 percent; and (f) Veteran-Owned Small Business – achieved 14.9 percent versus the goal of 4 percent.

- Implementing recommendations from an engineering study that addressed the critical maintenance issues on the Liquid and Gaseous Waste Operations systems in order to avoid impacts to Office of Science research missions.
- Completing procedure revisions, chemical trap changeout, calibrations, and maintenance items necessary to conduct the fall 2017 pumpdown of the Molten Salt Reactor Experiment Reactive Gas Removal System. The Molten Salt Reactor Experiment Operations personnel are to be commended on their ability to remain focused on task completion despite facing several challenges.
- UCOR Quality Assurance promptly responded to a recall for Honda EB2800i generators from the U.S. Consumer Product Safety Commission website. To ensure personnel working on UCOR projects would not be exposed to the fire and burn hazards these generators could cause, UCOR Quality Engineers conducted an Extent of Condition review to determine if UCOR had any of these generators in use or in stock. As a result of the review, UCOR Quality Assurance identified a gap in their Operating Experience review process and developed a new method to document and track Extent of Condition reviews that are not driven by corrective actions. This new method will become part of the UCOR Quality Assurance System Management Assessment Program.
- All exit pathway, integration point, and performance assessment monitoring of groundwater, surface water, sediments, and biota throughout the Oak Ridge Reservation was completed in accordance with the six governing Remedial Action Report Comprehensive Monitoring Plans. Conformance with agreed-upon sampling is key to developing and maintaining cost-effective long-term monitoring programs for the Oak Ridge watersheds.
- All Federal Facility Agreement Milestones for the period were either met or successfully renegotiated.
- Continuing to support the OREM Comprehensive Environmental Response, Compensation, and Liability Act responsibilities to maintain a comprehensive Administrative Record and enable effective public access to information in a noteworthy manner. The seamless working relationship between the Document Management Center's numerous archived AR files and delivery of these documents and related correspondence records to the DOE Information Center supports the efficient access of these materials for public access at the DOE Information Center or online. The UCOR efforts have helped sustain one of the most effective and efficient Administrative Record systems identified by the U.S. Environmental Protection Agency across the DOE complex.

URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 13

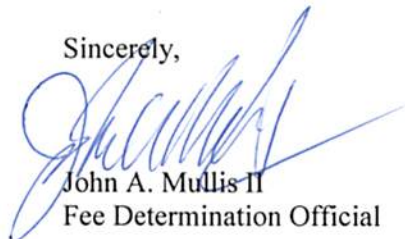
- The Tennessee Department of Environment and Conservation annual Resource Conservation and Recovery Act hazardous waste inspection at ETTP did not identify any violations, concerns, or issues associated with the UCOR Resource Conservation and Recovery Act permitted facilities or waste generator areas. The subsequent Hazardous Waste Compliance Evaluation Inspection report confirmed no violations were identified.

In addition to the significant accomplishments over the past six months, there are some opportunities for improvement that require continued attention. DOE identified several issues with work planning and control, hazard awareness, and inadequate recognition of changing conditions. In October 2017, UCOR responded to the OREM request to provide evidence of the action being taken to assure that the UCOR Contractor Assurance and Integrated Safety Management Systems are operating proactively and work is being performed safely, securely, and in compliance with all requirements; risks are being identified and managed; and systems of control are effective and efficient. The UCOR response included an overview of planned and completed corrective actions for the Nuclear and High Hazard Operations project, procedure revisions, and other improvement actions. In December 2017, OREM identified a potential decline in the effective implementation of the systems of control covered under the UCOR Contractor Assurance System (CAS) (e.g., integrated safety management and work planning and control). As corrective actions are completed, OREM will continue to monitor the effectiveness of the UCOR CAS. In addition, OREM is scheduled to perform an assessment of the UCOR CAS in the Fourth Quarter of Fiscal Year 2018.

This Award Fee Determination provides reasonable assurance that DOE fairly executed the Performance Evaluation Management Plan and Award Fee process for Period 13.

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 David Adler at 576-4094.

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 5 for cc list.

OFFICIAL USE ONLY

Mr. Kenneth J. Rueter

-5-

**URS | CH2M OAK RIDGE LLC CONTRACT NUMBER DE-SC0004645, AWARD FEE
DETERMINATION FOR PERIOD 13**

cc w/enclosure:

ETTPDMC@ettp.doe.gov

Vickie Keith, FM-73, SC-OR

Jamie Standridge, FM-72, SC-OR

Dave Adler, EM-94

Karen Deacon, EM-92

Heather Cloar, EM-91

Brian DeMonia, EM-933

Brian Henry, EM-92

Bill McMillan, EM-92

Larry Perkins, EM-93

John Phelps, EM-91

Michael Pribish, EM-941

Karen Shears, EM-91

Alan Stokes, EM-92

OFFICIAL USE ONLY