



BUSINESS SENSITIVE
Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802
DEC 08 2010

Mr. Garry Flowers, President & CEO
Savannah River Nuclear Solutions, LLC
Building 730-1B, Room 333
Aiken, South Carolina 29808

Dear Mr. Flowers:

SUBJECT: Final Fee Determination for Fiscal Year (FY) 2010 Base Work Performance Period

The purpose of this letter is to inform you of my determination of the performance fee to be awarded to the Savannah River Nuclear Solutions, LLC (SRNS) for FY 2010, in accordance with Contract No. DE-AC09-08SR22470, Section H-28 (d)(2). Fee associated with the American Recovery and Reinvestment Act will be addressed in separate correspondence.

The Savannah River Site (SRS) has enjoyed a long history of supporting national defense, while ensuring the safety and well-being of our community as well as our Nation. Our continued success relies on our ability to perform unique operations in a safe and compliant manner.

The SRS workforce is highly skilled and experienced, contributing to a long standing history of successful mission accomplishment, which sustains public confidence. This past year has been an example of that success. As Managing and Operating Contractor at the Site, SRNS has performed well, completing several milestones worthy of special note:

- Contract Performance Baseline submittal and approval;
- Voluntary Protection Program re-certification;
- Infrastructure upgrades, notably the D-Area Powerhouse;
- Regulatory Agency compliance;
- Graded Security Protection Policy implementation;
- Improvement in the Medical Department efficiency of operation; and
- Implementation of the ARGUS Security System and establishment of appropriate technical security controls for the Radiological Evidence Examination Facility.

In making my final determination, I have also had to consider less-than-expected performance issues such as the Transuranic Waste Type B Accident, Earned Value Management System certification timeliness, and H-Canyon/HB-Line Documented Safety Analysis submittal quality (technical and schedule), in accordance with Contract Clause I.40, *Total Available Fee: Base Fee Amount and Performance Fee Amount* (DEC 2000) ALTERNATE II (DEC 2000) ALTERNATE IV (DEC 2000).

BUSINESS SENSITIVE

BUSINESS SENSITIVE

Mr. Garry Flowers

2

DEC 03 2010

Total fee available for SRNS in FY 2010 is \$50,354,780 per Contract No. DE-AC09-08SR22470, Section B-2.3, *Total Available Fee*. As a result of careful and considerate evaluation of the performance-based incentives, I have determined that SRNS has earned \$45,568,718.00.

Additional guidance will be provided to your office within the next 30 days providing you with direction on the distribution of the unearned fee.

If you have any questions, please contact me or have your staff contact Mr. Douglas E. Hintze at (803) 952-8422.

Sincerely,



David C. Moody
Manager

MPD-11-002

cc: J. F. Dohse, SRNS, 730-1B
H. E. Bilson, SRNS, 730-1B
J. W. Temple, SRNS, 730-1B
L. C. Clevinger, SRNS, 730-1B
D. C. Shaver, SRNS, 730-1B
D. E. Eyler, SRNS, 704-2H

BUSINESS SENSITIVE

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 3359
RECIPIENT ADDRESS 28981
DESTINATION ID
ST. TIME 12/08 09:20
TIME USE 00'24
PAGES SENT 3
RESULT OK

U
CLASSIFICATION

U. S. DEPARTMENT OF ENERGY
SAVANNAH RIVER OPERATIONS OFFICE
AIKEN, SOUTH CAROLINA

OFFICE OF THE MANAGER

FAX NUMBER: (803) 952-8144

VERIFICATION: (803) 952-8142 OR 952-8725

DATE:

TO: Mr. Garry Flowers

2-8981

FROM: Mr. Dave Moody

NUMBER OF PAGES

(COVER PAGE NOT INCLUDED)

COMMENTS:

Advance copy: original to follow.