

Award Fee Determination Scorecard

Contractor: Savannah River Nuclear Solutions

Contract: Management and Operations

Contract Number: DE-AC09-08SR22470

Award Period: October 1, 2016 – September 30, 2017

Basis of Evaluation: Performance Evaluation and Measurement Plan (PEMP)

This is a Cost Plus Award Fee contract as defined by Federal Acquisition Regulation (FAR). Fee is made available for the completion of explicit work results, such as completing a task on time, or for implicit performance in areas of cost, schedule/timeliness, quality and business relations. Fee may be earned based on an annual evaluation of contract performance. Total available fee for each contract year is identified in the contract. Fee-bearing work may be assigned as an award fee component for subjectively measured performance requirements or a performance based incentive fee component for objectively measured requirements.

Total Fee Available:

Total fee available for this past year was \$44,211,120. The contractor earned \$39,949,880 which is 90 percent of the total available fee. Fee-bearing work is funded and evaluated separately by U.S. Department of Energy (DOE) Environmental Management (EM) and National Nuclear Security Administration (NNSA) programs. The determination of earned fee is also made by each program.

Program	Fee available	Fee earned	Percent
EM	\$26,526,672	\$24,979,797	94%
NNSA	\$17,684,448	\$14,970,083	84%
Total	\$44,211,120	\$39,949,880	90%

Award Fee Adjectival Rating:

The DOE Savannah River Operations Office (DOE-SR) performs monthly surveys of federal senior site management who report observations in monthly Fee Board meetings and monthly Subjective Performance Review meetings. These areas are given a subjectively measured adjectival rating in accordance with the FAR. For Fiscal Year (FY) 2017, the contractor received a composite performance rating of 90 percent based on feedback from the monthly surveys. As defined by the FAR, this performance rating is Very Good. This rating means the contractor exceeded many of the significant award fee criteria and met performance requirements of the contract.

Performance Based Incentive Fee:

Contractor work must be planned, funded, and approved for each fiscal year, resulting in an approved baseline. The baseline work implements strategic decisions relative to agency and

program initiatives. An additional element of strategy includes the decision by federal management to apply a portion of available fee to certain work, or aspects of work that may be interdependent on other work. This fee bearing work must benefit the agency and/or program goals or strategic initiatives. Fee bearing work is identified at the beginning of the fiscal year and managed through the baseline Earned Value Management (EVM) and Work Authorization (WA) systems.

Significant Achievements:

- Throughout FY 2017, SRNS maintained ongoing operations of its assigned facilities and executed work safely as evidenced by illness/injury rates well below EM established goals (Goal/Actual for TRC 1.10/0.25; Goal Actual for DART 0.60/0.04).
- Effectively utilized partnerships with local colleges and universities to staff a large number of vacancies with recent graduates from programs that were tailored to long-term site needs. Benefits to the site include reduced time required for qualifications and lower rejection rates.
- Completion of the planning and execution of the 2017 Site Emergency Preparedness evaluated Exercise. The successfully completed exercise required participation of a significant number of onsite and external participants.
- Exceeded overall small business goals, including exceeding all socioeconomic category goals.

In FY 2016, DOE identified the Contractor Assurance System (CAS) Program and Contracting and Acquisition Management as critical areas of site operations that required improvement.

- SRNS has made several improvements to the overall CAS Program. SRNS has taken a leadership role with strengthening CAS through their involvement with the Energy Facility Contractors Group (EFCOG). A manager for the Operational Excellence Division served as the Vice Chair and has recently assumed the Chair position of the CAS Task Group for EFCOG. Notable improvements to the Program include: Providing SRNS leadership insight of performance during Senior Management Review Board discussions; Development of a CAS Program and Analysis Manual; Improved Quarterly Performance Analysis Report; and Parent Company involvement.
- Although SRNS has made significant improvements to the overall CAS Program and its implementation, opportunities for improvement still exist in the areas of self-assessment, causal analysis, issue management significance determination, and metrics. DOE-SR recognizes strong performance in several safety management functions this past year to include industrial safety, hazardous energy control, emergency management, and radiological controls, but continued success and strengthening of the CAS Program depend upon continued management focus on the effectiveness of implementation in the areas identified above. DOE will further evaluate these areas in FY 2018, along with the overall expectation the improvements realized this past year will continue to be maintained or strengthened.
- In the area of Contracting and Acquisition Management, SRNS has significantly improved performance, cooperation, and timely communication with DOE counterparts throughout FY

2017. Monthly meetings continue to be very effective. SRNS exceeded the overall small business goal, as well as exceeding all socioeconomic category goals. During FY 2017, several isolated purchasing system deficiencies were observed and continued attention in this area is needed during FY 2018.

Significant Areas for Improvement:

In making my final determination, I have also considered less-than-expected performance issues in FY 2017 that will require management focus in FY 2018 such as:

- Less than adequate work planning and control implementation with respect to asbestos work.
- Increased number of Technical Safety Requirement violations and receipt of four environmental notices of violations.
- Three significant Conduct of Operations events were encountered within the Nuclear Materials Stabilization Area.