

memorandum

Savannah River Operations Office (SR)

DATE: **DEC 10 2013**REPLY TO:
ATTN OF: AMMS (Hintze, 803-952-8422)SUBJECT: Savannah River Remediation (SRR) Award Fee Determination for Evaluation Period
October 1, 2012 to September 30, 2013

TO: Charlene Smith, Contracting Officer, Contract DE-AC09-09SR22505

SRR has provided safe, timely, and cost-effective management and execution of the Liquid Waste program at the U.S. Department of Energy (DOE) Savannah River (SR) site in an excellent manner. The contractor has exceeded almost all of the significant performance-based incentive criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the Performance Evaluation and Measurement Plan (PEMP) for the evaluation period.

Noteworthy positive performance during the period included:

- Record operational performance year in salt and sludge processing. This was achieved with an eye toward preserving capability for future processing and health of the systems.
- Maintained an outstanding safety record among the top in the complex.
- Closely coordinated with Savannah River Nuclear Solution on impacts to H-Canyon receipts due to Fiscal Year (FY) 2014 funding shortfall.
- Outstanding project management performance overall – Saltstone Disposal Unit (SDU) 3/5 completed ahead of schedule and under budget, SDU 6 Critical Decision-2/3A, SDU 6 construction contract awarded and initiated, and completed conceptual design for the Glass Waste Storage Project.
- Outstanding partnering and support for the Salt Waste Processing Facility Project Office.
- Seamless transition to a new President/Project Manager handled with sensitivity especially in light of significant Human Resource impacts due to the WFR.
- Continued to strive for and achieve efficiencies to position for the future and maximize scope through, for example, the Service Level Agreement reviews. Focused on efficiencies in engineering, business, acceleration of tank closure, and salt processing.

Notwithstanding these noteworthy positive results, some Opportunities for Improvement exist, including:

- Issues leading to the movement of a Submersible Mixer Pump into a riser in tank 8. Continued Conduct of Engineering issues resulted in a need for self-evaluation and corrective actions to address weaknesses. Additionally, there was some miscommunication between engineering and the performance assessment highlighted by the SDU 3/5 and 6 roof slope issue.
- Trend of increasing maintenance backlog in liquid waste facilities which was self-recognized and corrective actions identified for FY14.

Ms. Smith

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In summary, measured in terms of significance, the contractor's positive performance far outweighed the opportunities for improvement. The contractor's management clearly and continuously demonstrates quality-driven program management with a focus toward safe and optimized performance. SRR's decision-making for key program issues demonstrates a desire to achieve the greatest benefit to the program and to Departmental success.

In accordance with Contract DE-AC09-09SR22505, Section B.2 (h), my determination of the amount of performance fee to be awarded to SRR LLC for the Evaluation Period October 1, 2012 to September 30, 2013, \$29,742,886 of the maximum available fee of \$31,370,000.

You are authorized to make fee payment to the contractor for the amount of \$29, 742,886 in accordance with Section G.7 of the contract. Unearned fee in the amount of \$1,627,114 is considered uncosted carryover. As such these funds are available for the contractor to apply to FY14 workscope.

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

Sincerely,


For David C. Moody
Manager

MPD-14-005

cc: C. Armstrong, DOE-SR, 730-B
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