Department of Energy
Oak Ridge Office
P.O. Box 2001
Oak Ridge, Tennessee 37831

September 26, 2013

Mr. Robert C. McKay
General Manager
Wastren Advantage, Inc.
TRU Waste Processing Center
100 WIPP Road
Lenoir City, Tennessee 37771

Dear Mr. McKay:

Contract No. DE-EM0000323, Award Fee Determination for Period 2013-A

The Department of Energy Oak Ridge Office of Environmental Management has completed its evaluation of Wastren Advantage, Incorporated's (WAI) performance for the period February 1, 2013 through July 31, 2013. I have determined that WAI has earned $585,435 out of the potential award fee amount of $795,968, or 73.63% of available award fee. Specifically, ratings are as follows:

Objective Number	Performance Description	Performance Weight	Available Award Fee Pool	Performance Score	Award Fee Earned	Adjectival Rating
A.I	**TRU Waste Processing Center Facility Operations (65%)**					
I.a	Processing and Disposal of TRU Waste Inventory	25%	$198,992	62%	$123,375	Good
I.b	Sludge Buildout	25%	$198,992	88%	$175,113	Very Good
I.c	Facility Operations	15%	$119,395	51%	$60,892	Good
B.II	**Cost and Project Management (25%)**					
II.a	Cost Performance	15%	$119,395	80%	$95,516	Very Good
II.b	Project Management Systems	10%	$79,597	75%	$59,698	Very Good
C.III	**Business Management and Stakeholders Relations (10%)**					
III.a	Business Management and Stakeholder Relations	10%	$79,597	89%	$70,841	Very Good

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WAI generally met the performance objectives for this period. Contact Handled (CH), Remote Handled (RH) and Mixed Low Level Waste/Low Level Waste (MLLW/LLW) processing efforts by WAI were good. CH waste processed was 100% of planned volume in the baseline while waste shipped offsite was 66% of planned volume. RH processing was 72% of planned volume and 97% of waste inventory was shipped offsite. Processing was impacted by the Breathing Air System incident in March 2013 leading to the shutdown of the Cask Processing Enclosure (CPE) operations for approximately one month. WAI has been proactive in dispositioning MLLW and LLW within funding constraints and managed the overall inventory to free up storage space for processed TRU waste. WAI has done an excellent job managing the Nevada National Security Site (NNSS) Certification Program and there have been no instances with the program regarding shipment delays or compliance issues associated with waste shipments to the site. Preparation activities to support the Sludge Buildout CD-1 re-approval process have been very good. Facility Operations are good and sufficiently maintained. WAI has adequately maintained proper working conditions for the main Process Building and waste storage facilities. The RH Hot Cell was out of commission due to a scheduled outage. Maintenance and Engineering routinely and regularly met immediate and impromptu mechanical and operational needs and repairs. The appearance, organization and maintenance of the facilities were more than adequate.

During the performance period, WAI's implementation of its Conduct of Operations Program remains inconsistent. A near miss incident occurred at TWPC when three workers experienced a loss of supplied breathing air while working in the Box Breakdown Area (BBA). One worker was momentarily disoriented and nearly collapsed during the expedited egress. The contributing factors to this event included: lack of procedural adherence and usage, inadequate system design, inadequate worker training on expedited egress and personal protective equipment, and failure to adequately address previously identified problems with conduct of operations, procedure usage, and worker training. Although WAI's response to this event was immediate and thorough and no serious injuries were incurred, the recurrence of this type of event and the increased severity of this breathing air system occurrence raised significant concerns. Due to the significance of this event, WAI received an enforcement letter from the Office of Health, Safety and Security's Office of Enforcement and Oversight.

WAI needs to improve baseline variance explanations by addressing the root cause of issues and ensuring corrective action narratives correlate with mitigating actions being implemented in the field. WAI should be vigilant in identifying and implementing appropriate corrective actions to eliminate continued variances to help ensure performance indicators accurately convey performance status. A favorable variance at completion (VAC) was realized during this evaluation period. BCPs were submitted in parallel with contract change actions; however, WAI needs to improve the quality of supporting documentation to submitted proposals. WAI continued to perform assessments focused on risk mitigation and reduction and participated in Lessons Learned discussions with other DOE sites.
Monthly Risk Management Reports did not always reflect changes realized during the evaluation period for CH/RH waste processing, Sludge Processing Facility Buildouts and SWSA 5 Buildouts.

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Business Management is performed at a competent and responsive level addressing contract administrative actions, Government Property Management Systems, subcontract management, and effective communication with various offices and other prime contractors in the Oak Ridge area. WAI utilizes effective senior level management to accomplish goals and daily operations. Addressing DOE information support requests, interfacing activities with various offices, and responses to regulatory requests continue to be strengths for WAI.

It should be noted that DOE is concerned by recent operational upsets occurring during this performance period and the decline in some areas of performance relative to the previous period. DOE is assessing the situation to ensure that we are best positioned for success and that focus is maintained on our most immediate programmatic need to process and dispose of TRU CH and RH debris waste inventory.

This determination provides reasonable assurances that the Department fairly executed the Performance Evaluation Plan and award fee review process for the period.

Enclosed is the Award Fee Evaluation Report for Evaluation Period 2013-A.

If you have any questions, or if we can be of any further assistance, please contact me at 576-0742 or Laura Wilkerson at 576-9900.

Sincerely,

Mark Whitney
Fee Determination Official

Enclosure

cc w/enclosure:
John Grillo, WAI
Fred Heacker, WAI
Barry Kanter, WAI
Bruce Weible, WAI
Jason Dozier, FM-742
Karen Shears, FM-742
Sue Cange, EM-90
Karen Deacon, EM-91
David Queen, EM-91
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