



U.S. DEPARTMENT OF  
**ENERGY**

OFFICE OF  
**ENVIRONMENTAL  
MANAGEMENT**

# Meeting the Challenge: Integrating Acquisition and Project Management

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# Agenda

- **EM Contracting Background**
- **EM Portfolio**
- **ARRA Success**
- **Risk Allocation**
- **Brooks Bill Design Approach**

# EM Contracting Background

- EM in 1995: Decentralized, individual site acquisitions
  - 12 M&O contracts
- EM in 2014: Complex-wide, standardized acquisition process
  - Nature of EM Work
  - 35+ major cost type traditional contracts, 2 M&O contracts
  - Closure/completion contracts
  - Focused on high contractor performance
  - Highly incentivized

➤ **2 Line Item Construction Projects**  
(post CD-3)

- Waste Treatment and Immobilization Project (WTP) - \$12.263B TPC
- Salt Waste Processing Facility (SWPF) - \$1.339B TPC

➤ **7 EM Cleanup Projects**  
(post CD-3) – \$4.2B combined TPC

- Facility Construction / Modification
- Soil and Groundwater Remediation
- Decontamination & Decommissioning

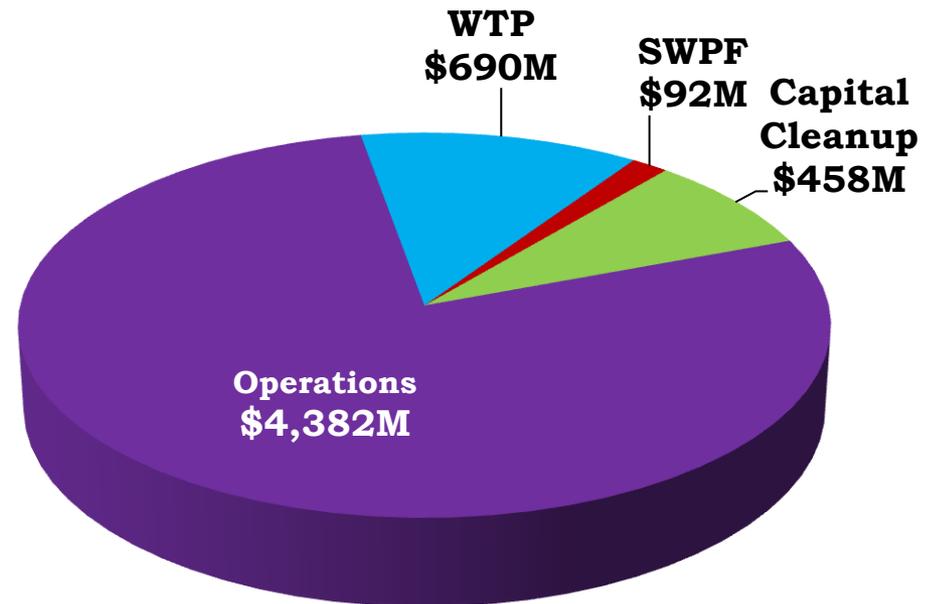
➤ **11 Active pre CD-2 Projects**

- Cost Range: \$13.8B - \$34.7B
- Waste Disposition
- Soil and Groundwater Remediation
- Decontamination & Decommissioning

➤ **43 Operations Activities, \$4.4B**

- Solid Waste Stabilization
- Deactivation
- Tank Operations
- Spent Fuel Stabilization
- Safeguards and Security

**FY 2014 Total Funding \$5.62B**  
**Capital Project Funding \$1.24B**



# Consistent Cost Savings

- Saltstone Disposal Units 3 & 5
  - Approved CD-4 Date: 9/30/2014, TPC \$76.5M
  - Actual CD-4 Date: 9/19/2013, TPC \$68.7M
- Idaho Soil and Water Remediation:
  - Approved CD-4 Date: 9/30/2012, TPC \$742.7M
  - Actual CD-4 Date: 9/26/2012, TPC \$548.4M
- Idaho Nuclear Facility D&D
  - Approved CD-4 Date: 9/30/2012, TPC \$753M
  - Actual CD-4 Date: 9/28/2013, TPC \$356M
- American Reinvestment and Recovery Act (ARRA)
  - EM Footprint reduced by 74%
  - EM Lifecycle Cost reduced by \$7B

## EM Project Success Metrics 2011-2013

	2011	2012	2013	Total
# of Projects Completed	30	19	4	53
# Met Cost Success Criteria	26	12	3	41

**\$700 Million\* Under Budget,  
77% Met DOE Success Metric**

\* Total Approved Cost of 53 Projects was \$5.3B, Actual Cost: \$4.6B

# ARRA Successes



12 States, 17 Sites  
 Uranium/Thorium \$70 M  
 Management & Oversight \$28 M

## ARRA HIGHLIGHTS

- \$6B Investment = \$7.2 Life Cycle Cost Savings
- 74% Footprint Reduction
- Over 11,000 Highly-Skilled, Paid Technical Jobs
- Over \$2.1B to Small Business
- All 17 Sites/12 States = 135 Projects/Activities Completed
- 92% Success Rate
- Legacy TRU Waste Removed from 8 Small Quantity Sites
- 2013 PMI Project of The Year Finalist – SRS Recovery Act Project

Legend:  
 Actual to Date (2/28/14)  
 Target to Date (2/28/14)  
 ARRA Total

**COME CELEBRATE OUR SUCCESS!**  
 Office of Environmental Management  
**RECOVERY ACT**  
 A ceremony recognizing the people who made the EM Recovery Act Program a success.  
 MARCH 27, 2014 | FORRESTAL ROOM 5C-033 | 1:00 PM  
 U.S. DEPARTMENT OF ENERGY | OFFICE OF ENVIRONMENTAL MANAGEMENT

# Risk Allocation

- **Control and Proper Allocation of Risk:**
  - **Fixed Price Contracts:**
    - K-33 Demolition, Oak Ridge, awarded 4/6/2010, \$71M
    - Moab Uranium Mill Tailing, UT, awarded 12/17/2010, \$121.2M
    - Hanford Occupational Medicine, awarded 6/18/2012, \$22.4M
    - Savannah River Biomass ESPC, awarded 5/15/2009, \$795M
  - **Cost Plus Incentive Fee**
    - Idaho Cleanup Project, awarded 3/23/2005, \$3.81B
    - River Corridor, awarded 3/23/2005, \$2.18B
  - **Provisional Fee**
    - Paducah Gaseous Diffusion Plant Demolition, July-Sept 2014, \$600-\$800M
    - West Valley, awarded 7/1/2011, \$333M.
  - **Cost Caps**
    - SPRU, New York, Mod approved 2/4/2011 , \$125M cost cap
    - Salt Waste Treatment Facility, Savannah River, Mod approved 8/14/2010, \$1.189B cost cap
  - **Upfront Planning and Requirements Definition**
    - Sludge Processing Facility Design Contract, Oak Ridge,
- **Future Procurements:**
  - 222S Laboratory Support, **Fixed Unit Prices**, award expected Jan-Mar 2015, \$40-60M
  - Oak Ridge Transuranic Waste, **Fixed Price**, award expected Mar-May 2015, \$150-200M
  - Paducah Infrastructure, **Fixed Price with limited Cost-Reimbursable** portions, award expected Dec 2014-Feb 2015, \$45M-\$60M
  - Portsmouth Infrastructure, **Fixed Price with limited Cost-Reimbursable** portions, award expected May-Jul 2015, \$130M-\$150M

# A-E Services for Transuranic Sludge Facility Project

## Scope of Work

- Procure architect-engineering services for design of the Sludge Processing Facility



## Estimated Value

\$25-35 million

**Request for Capabilities**

**Feb - Apr 2014**

**Industry Capabilities Due**

**Mar - May 2014**

**Award**

**Oct - Dec 2014**

# Basics of A&E Contracting

