



Department of Energy

Environmental Management Oak Ridge Site Office
 P.O. Box 2001
 Oak Ridge, Tennessee 37831

December 15, 2015

Mr. Kenneth J. Rueter
 President and Project Manager
 URS | CH2M Oak Ridge LLC
 Post Office 4699
 Oak Ridge, Tennessee 37831-4699

Dear Mr. Rueter:

CONTRACT NO. DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 08

The Department of Energy (DOE) Oak Ridge Office of Environmental Management (OREM) Award Fee Board has completed its evaluation of the URS | CH2M Oak Ridge LLC (UCOR) performance for Award Fee Period 08 from April 1, 2015, through September 30, 2015. In its deliberations, the Board considered the Award Fee Evaluation Report and your self-assessment. As the Fee Determination Official, I have determined that UCOR has earned the following award fee for this period: \$1,255,127 for the Project Management Incentive and \$3,214,152 for the Cost and Schedule Incentive. The total award fee is \$4,469,278 against an available award fee of \$4,661,658 for Period 08. Ratings are as follows:

<u>Objective Number</u>	<u>Performance Description</u>	<u>Performance Weight</u>	<u>Available Award Fee Pool</u>	<u>Performance Score</u>	<u>Award Fee Earned</u>	<u>Adjectival Rating</u>
A.	Project Management Incentive					
A.1	Project Management and Business Systems	40%	\$559,388	95%	\$531,419	Excellent
A.2	Worker Safety, Health & Quality Management	35%	\$489,465	80%	\$391,572	Very Good
A.3	Environmental Management	25%	\$349,618	95%	\$332,137	Excellent
Project Management Incentive Total		100%	\$1,398,470	89.75%	\$1,255,127	Very Good
B.	Cost and Schedule Incentive	100%	\$3,263,098	98.5%	\$3,214,152	High-Confidence

During the six-month performance rating period, UCOR has continued to execute the scope under the East Tennessee Technology Park (ETTP) Contract very well. UCOR completed structural demolition of the K-31 Building and continued to progress in the preparation for K-27 Building Demolition.

CONTRACT NO. DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 08

UCOR has performed approximately 74 percent of its contract baseline with a cumulative Schedule Performance Index of 1.03, a Cost Performance Index of 1.12, and a favorable Variance at Completion against the Performance Measurement Baseline of \$150 million. The To Complete Performance Index based upon an Estimate At Completion of 1.05 also continues to reflect a contract that is performing well against the cost and schedule plan.

UCOR completed the K-31 Building Demolition Project and continued to perform activities in the K-27 Building ahead of schedule with actual cumulative unit rates less than the planned rates. For the K-31 building, this includes: completing structural demolition and hauling all debris for disposal. For the K-27 building, this includes: completing over 99 percent of pipe removal, process gas equipment removal, and foaming; and completing 45 percent of transite removal.

UCOR safely completed the removal and final disposition of four (4) irradiated components located inside the 3042 Oak Ridge Research Reactor pool. The activity was conducted with effective "as low as reasonably achievable" tools resulting in a very low collective exposure. During this activity, UCOR also completed a detailed structural evaluation of the floor support system, and executed three (3) critical lifts without incident.

UCOR completed significant design activities for the Outfall 200 Mercury Treatment Facility (OF200 MTF), including the Siting Study for the 9720-08 site, pre-design studies, and evaluation of low-energy electron diffraction certification applicability and approach. UCOR also provided excellent support of regulatory activities associated with the OF200 MTF that resulted in an approved Focused Feasibility Study and advancement of the Proposed Plan through the public review and comment period.

UCOR continued to support timely shipments of contact-handled (CH) waste to the Transuranic Waste Processing Center (TWPC) and return of certified CH-waste to storage. UCOR also worked collaboratively with Wastren Advantage, Inc. to implement revised Documented Safety Analysis and Technical Safety Requirements (TSR) for the Melton Valley Solid Waste Storage Facilities to support forklift transfer of remote-handled (RH) waste casks and canister overpacks. These efforts are critical to TWPC's ability to continue processing waste to meet contract and Site Treatment Plan milestones, as well as to support efficient certification activities by Carlsbad Field Office personnel at TWPC.

UCOR supported the Environmental Management Disposal Facility project in determining the path forward for compliance with DOE Order 435.1 and making significant progress on the preparation of Critical Decision-1 documents.

UCOR continues to work to improve its safety culture initiative. During this performance period, UCOR received Star Status from the DOE Voluntary Protection Program. In addition, UCOR began several initiatives to improve safety culture such as the Slip Simulator Workshop, monthly safety focus areas, and fact-finding processes.

UCOR successfully completed an Emergency Management Full Participation Exercise that involved multiple state agencies and local jurisdictions. The exercise demonstrated UCOR's capabilities to mitigate Sever Event/Beyond-Design-Basis Event.

CONTRACT NO. DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 08

UCOR has continued to assist in efforts that support the Environmental Management (EM) mission at ETTP while enhancing opportunities for site reindustrialization. To this end, UCOR provided outstanding support to ongoing reindustrialization efforts for the ETTP site.

UCOR managed a scrap metal recycling initiative that supports the Environmental Protection Agency, Tennessee Department of Environment and Conservation, and DOE programmatic environmental stewardship goals; and has resulted in reduced disposal volumes into valuable onsite landfill space.

UCOR continues to manage environmental permits, compliance monitoring, and required reports in an exemplary manner. In addition, UCOR has been successful in negotiating several environmental permit changes that will result in cost reduction and/or improved operational efficiency.

In addition to the significant accomplishments over the past six months, there are some opportunities for improvement that require continued attention. UCOR experienced a variety of incidents in the respiratory protection, radiation protection, industrial safety and industrial hygiene programs. The issues associated with work activities involving hydrogen fluoride identified vulnerabilities in job hazard analysis, work planning and control, work execution, and industrial hygiene.

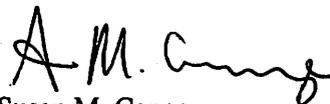
Continued management attention is needed for UCOR's execution of its Nuclear Safety and Criticality Control Program. Technical Safety Requirement violations occurred with diesel-powered equipment and managing fuel-loading sources at the Melton Valley Solid Waste Storage Facilities. UCOR submitted a Documented Safety Analysis with new postulated events without providing supporting hazard analysis.

UCOR also experienced deficiencies in its Transportation Program during this performance period. The most serious led to a temporary suspension in shipments to Nevada National Security Site (NNSS). Other issues included radiation limits on packaging, improper shipping labels, less than adequate self-assessments, and a driver not having the required shipping paperwork.

This Award Fee Determination provides reasonable assurance that UCOR fairly executed the Performance Evaluation Management Plan for Period 08.

Please express our sincere thanks to your entire team for their continuing support of the DOE mission. If you have questions, or if we can be of any further assistance, please contact me at 576-0742 or Jay Mullis at 241-3706.

Sincerely,



Susan M. Cange
Fee Determination Official

Enclosure

See cc list on Page 4

CONTRACT NO. DE-SC0004645, AWARD FEE DETERMINATION FOR PERIOD 06

cc w/ enclosure:

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