



U.S. DEPARTMENT OF **ENERGY**

Procurement & Contract Management Update

J. E. Surash, P.E.

Deputy Assistant Secretary

Acquisition and Contract Management

Waste Management

March 2, 2011



EM Environmental Management

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EM Journey to Excellence

Goal #6: Improve contract and project management with the objective of delivering results on time and within cost.

Key Strategies

- Establish an internal quality assurance process
- Improve and expand the use of independent reviews
- Strengthen the integration of acquisition and project management
- Complete restructuring of the EM cleanup portfolio into capital projects and operations
- Become a stronger owner
- Develop EM's ability to perform Independent Government Cost Estimates and Reviews
- Provide training in contract and project management
- Make effective use of small and minority owned businesses



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EM Journey to Excellence

Goal #6: Improve contract and project management with the objective of delivering results on time and within cost.

Key Success Indicators

- Complete 90% of capital asset projs within 10% of original cost & schedule baseline
- Maintain at least 95 to 98 percent (meets/exceeds) of project performance data reporting in IPABS/PARS II error free
- Approve contract performance baselines within 180 days from contractor's final accepted submission
- Finalize 80% of change orders within 180 days
- Negotiate contract changes in advance of Acq. Exec. approval of baseline changes
- Manage life-cycle costs within 5% of EM current EM program portfolio using FY 2011 Budget and Planning Guidance
- Implement partnering agreements for at least five major contracts
- Ensure 85% of contracting series workforce has appropriate certification
- Ensure 90% of projects have FPDs certified at the appropriate level assigned to projects no later than CD-3
- Achieve EM overall prime contract small business goal of 5%



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EM Acquisition Center Business Model

EM Acquisition

The EM Acquisition Center (EMAC) was established to streamline the procurement process, reduce acquisition lead times and promote consistency in EM acquisition actions.

- Reliable acquisition forecasts & schedule execution
- Culture and organization built to maintain, grow, and share acquisition knowledge
- Accessible, managed repository of examples, guidelines, and leading practices
- Repeatable and efficient acquisition processes with consistent level of quality



Procurement & Contract Management Initiative

Identify meaningful, impactful, and measurable reform to improve

➤ Approach:

- EM-wide survey to key Federal and contractor staff to identify specific contract management issues and barriers
- Two targeted workshops completed:
 - March 3 for key contractor executives
 - March 4 for key EM contract managers

➤ Three Major Findings:

- Lack of consistency across the complex; each RFP is a singular event.
- Adversarial relationships across both sides of the fence.
- Contract true-up, requires major reform.



Finding #1 – Improve Consistency and Acquisition Processes

Standardize RFPs

In collaboration with industry; streamline, standardize, and replicate across the EM community a streamlined RFP process.

Recent Initiatives:

- A common framework of consistency for submitting proposals
- Reduced level of detail required for cost proposals
- Expanded communication with industry
- Pricing structure to support contract management and maximize ordering flexibility
- Standardized formats for submission of Key Personnel data
- Standardized approach to collection and review of Past Performance Information



Finding #2 - Build Partnerships

Partnering

Increase interactions with internal and external stakeholders

- Contractor must be successful for the EM program to be successful
- Established Guidelines for Partnering-based Contract Management
- EM Policy is to establish partnering agreements on all contracts
- Conduct Partnering Workshops
- Develop a Partnering Clause for inclusion in EM contracts
- Execute Partnering Agreements



Finding #3 – Address Contract “True-Ups”

Contract True-Up

Revisit, revamp and clarify the true-up phase of the post-award process:

- HQ team visits SRS – May 24th; RL and ORP – July 26th; and PPPO – December 13th
- Day 1 with Site Federal Team
- Day 2 joined by contractor



Recent Contract Awards

| | | |
|--|--------------|---------------|
| Idaho Advanced Mixed Waste Treatment Project* | 03/10 | \$592M |
| Oak Ridge Hot Cell Deactivation, Demolition and Disposition | 03/10 | \$50M |
| Oak Ridge Building K-33 Demolition | 04/10 | \$51M |
| Paducah Remediation | 04/10 | \$285M |
| Low Level Waste/Mixed Low Level Waste Treatment | 06/10 | \$24M |
| Carlsbad Technical Assistance | 07/10 | \$30M |
| Portsmouth Decontamination and Decommissioning | 08/10 | \$2.1B |
| Indefinite Delivery/Indefinite Quantity Set Aside | 09/10 | \$926M |
| Depleted Uranium Hexafluoride Operations | 12/10 | \$428M |
| Indefinite Delivery/Indefinite Quantity Unrestricted | 12/10 | \$907M |

***Contract Award protested**



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East Tennessee Technology Park

Scope of Work

- Environmental Remediation
- Decontamination and Decommissioning (asbestos, hazardous material abatement)
- Demolition and disposition including the East Wing of the K-25 process building, K-27 Gaseous Diffusion Process Building



Estimated Value

\$900M-\$1.4B, 5-year base, 4-year option

| Request for Proposals | Industry Proposal Due | Award |
|-----------------------|-----------------------|-------------------|
| July 8, 2010 | September 21, 2010 | Apr-May-June 2011 |



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West Valley Demonstration Project

Scope of Work

- Build High Level Waste canister storage facility
- Facility Removal
- Contaminated Soil removal
- Maintain Tank Waste Farm
- Shipment and disposal of LLW, MLLW, and TRU waste



Estimated Value

\$50M-\$1B, 7 years

| Request for Proposals | Industry Proposal Due | Award |
|-----------------------|-----------------------|------------------|
| October 13, 2010 | December 28, 2010 | Jul-Aug-Sep 2011 |



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Moab Remedial Action

Scope of Work

- Relocate the Moab tailings and associated wastes to the Crescent Junction site
- Reclaim the Moab Site to the appropriate standards, including ground water, and remediate any vicinity properties
- Restore the Moab Site to a condition appropriate for the future land use as determined by DOE, NRC, and state and local governments



Small Business Set-Aside

Estimated Value

\$50M-\$1B, 5-years

| Request for Proposals | Industry Proposal Due | Award |
|-----------------------|-----------------------|------------------|
| December 17, 2010 | February 22, 2011 | Oct-Nov-Dec 2011 |



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Idaho Cleanup Project

Scope of Work

- Environmental Remediation Services
- Radioactive Waste Management (WM) Services
- Facility Deactivation, Decommissioning, Decontamination, and Demolition (D&D) services
- Regulatory Services
(Number of Contracts TBD)



Estimated Value

\$2-\$3B, number of years TBD

| Request for Proposals | Industry Proposal Due | Award |
|-----------------------|-----------------------|-------------------|
| Apr-May-Jun 2011 | Apr-May-Jun 2011 | Apr-May-June 2012 |



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Carlsbad Carrier Services

Scope of Work

- Provide transportation services to support WIPP for Remote-Handled and Contact-Handled TRU waste and other wastes
- Participate in training exercises to demonstrate readiness for responding to transportation emergencies
- Provide public awareness support at public meetings, conferences and for training programs



Small Business Set-Aside

Estimated Value

\$50M-\$1B

| Request for Proposals | Industry Proposal Due | Award |
|------------------------------|------------------------------|-------------------------|
| Jan-Feb-Mar 2011 | Apr-May-June 2011 | Jan-Feb-Mar 2012 |



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Carlsbad Operations Contract

Scope of Work

- Characterization of TRU waste for shipment
- Retrieve, remediation, and disposal of TRU waste
- Placement of TRU waste
- Records maintenance
- Operate and maintain Waste Isolation Pilot Plant



Estimated Value

\$1.5-\$2.0B, 5-year base, 5-year option

| Request for Proposals | Industry Proposal Due | Award |
|-----------------------|-----------------------|-------------------|
| Apr-May-June 2011 | Jul-Aug-Sep 2011 | Apr-May-June 2012 |



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Hanford Occupational Medical Services

Scope of Work

- Integral component of the site safety management system
- Fitness-for-duty evaluations, first aid services, drug screening, medical qualifications and monitoring
- Emergency preparedness planning
- Support epidemiological studies and programs such as the Chronic Beryllium Disease Prevention and Energy Employees Occupational Illness Compensation Program



Small Business Set-Aside

Estimated Value

\$50M-\$1B

| Request for Proposals | Industry Proposal Due | Award |
|------------------------------|------------------------------|--------------------------|
| Apr-May-June 2011 | Jul-Aug-Sep 2011 | Apr-May-June 2012 |



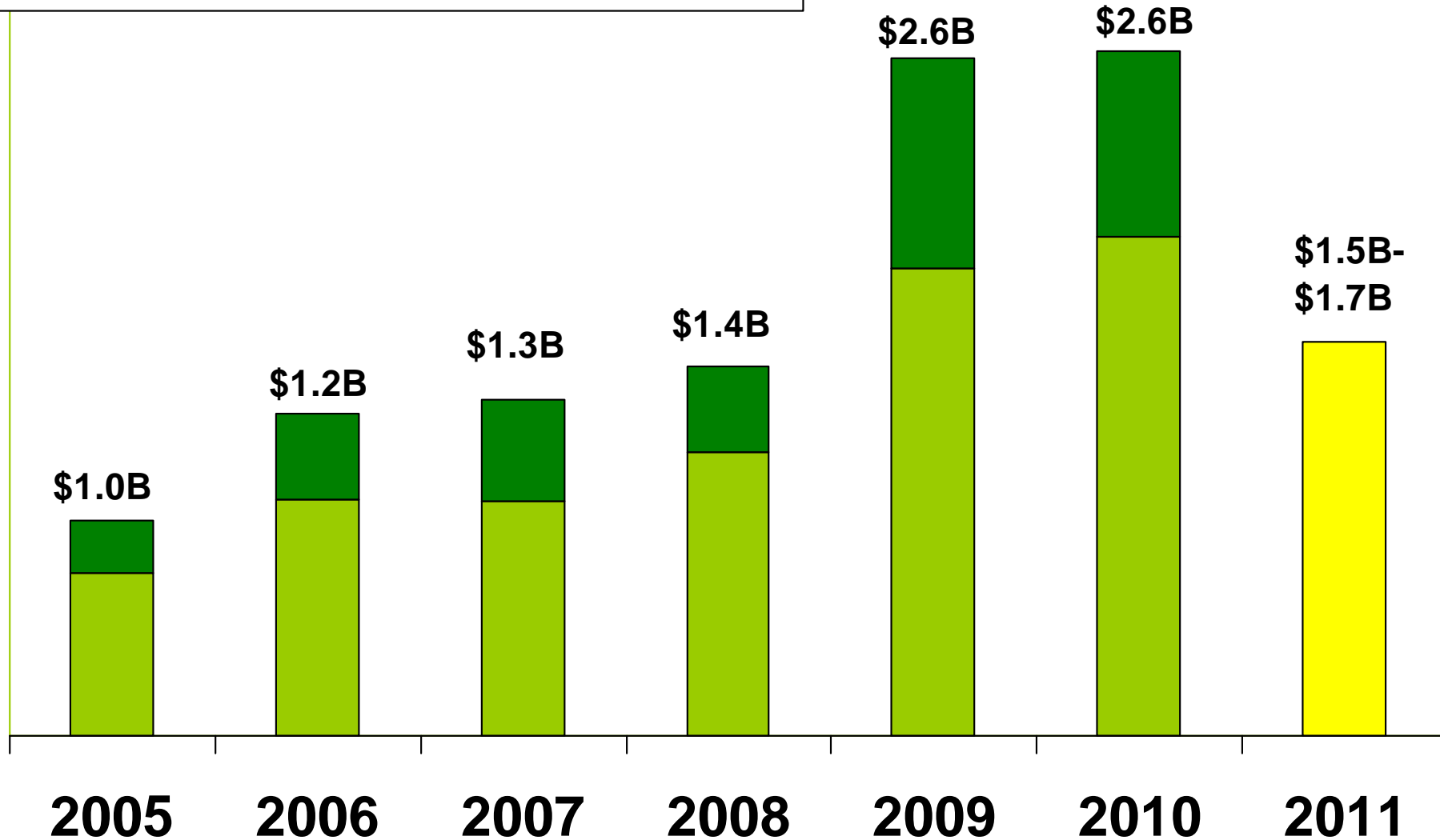
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EM Total Small Business Funding

■ Subcontracts ■ Prime Contracts ■ Projected



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Helpful Websites

- Fee Earned on EM Major Contracts:
<http://www.em.doe.gov/Pages/EMContractorPayments.aspx>
- Project Management Earned Value Management:
<http://www.em.doe.gov/pages/Projects.aspx>
- Listing of EM Major Contracts:
http://www.em.doe.gov/pdfs/EM%20Major%20Contracts_Public%20Web%20PageUpdate_12-30-10.pdf
- DOE Acquisition Forecast:
<http://hqlnc.doe.gov/Forecast>
- EMCBC Major Procurements Website:
<http://www.emcbc.doe.gov/doingbusiness.php>
- Capital Projects Status Cost Performance Index(CPI)/Schedule Performance Index (SPI) – Coming Soon

