



U.S. DEPARTMENT OF  
**ENERGY**

# ***Acquisition and Contract Management Update***

**J. E. Surash, P.E.**

**Deputy Assistant Secretary for Acquisition  
and Project Management**

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# EM Journey to Excellence

**Goal #3: Improve project, budget and contract management with the objective of delivering results on time, within cost, and with world-class technical competencies.**

## Key Strategies

- Establish an internal quality assurance process
- Improve and expand the use of independent reviews
- Strengthen the integration of acquisition and project management
- Establish a policy for performance of EM's portfolio of non-capital asset operations activities
- Become a stronger owner
- Develop EM-specific cost estimating policy, guidance and databases
- Provide training in contract and project management
- Make effective use of small and minority owned businesses
- Shift away from M&O culture



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# EM Journey to Excellence

## Key Success Measures

- Achieve EM overall prime contract goal of 5% at each site
- Approve 80% of contract performance baselines within 180 days
- Finalize 80% of change orders within 180 days
- Negotiate 90% of contract changes in advance of Acquisition Executive approval of baseline changes
- Implement partnering Policy to transform contract management
- Conduct a Contracting Summit
- Complete 90% of capital projects within 10% of original cost and schedule baselines
- Ensure 90% of projects have FPDs certified at the appropriate level assigned to projects no later than CD-3
- Ensure 90% of contractors managing capital asset projects maintain EVMS certification
- Negotiate all project changes requiring contract modification prior to AE approval
- Conduct Project Peer Review and develop/implement corrective action plans
- Accomplish Project Peer Review and develop/implement corrective action
- Perform complex-wide strategic planning analysis of costs, benefits and other impacts to cleanup schedules and approaches
- Establish an X-Team to streamline reporting requirements



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# EM Acquisition Center Business

## Best Practices - Pre-Award

- Improved the acquisition planning process to expedite release of Requests for Proposals
- Issued more robust Request for Proposals to include draft Performance Evaluation Measurement Plans
- Reduced volume of pricing information required from offerors
- Revised acquisition process to ensure all parties are informed and engaged to make transition more efficient
- Established an acquisition improvement program to capture and apply to future procurements
- Increased transparency by working more closely with industry during the procurement process
- Improved debriefing process to share technical and cost evaluation documentation



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# EM Acquisition Center Business

## Best Practices - Post-Award

- Implemented fee and pricing structures to protect tax payer interests, such as “claw-back provisions” and cost ceilings.
- Changing the award fee environment to better focus contractors on mission priorities
- Improved accuracy and timeliness of reporting of contractor past performance information in the Contract Performance Assessment Reporting System (CPARS)
- Improved alignment between the Performance Management Baseline and the contract estimated cost.
- Improved contract transition through implementation of formal partnering sessions



# EM Acquisition Center Business

## Best Practice - Partnering

### Purpose

To increase interactions with internal and external stakeholders to foster better communication and problem solving, and mutual trust

- 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 on all contacts
- Include a Partnering Clause in EM contracts
- Nine (9) Partnering Agreements have been completed to date



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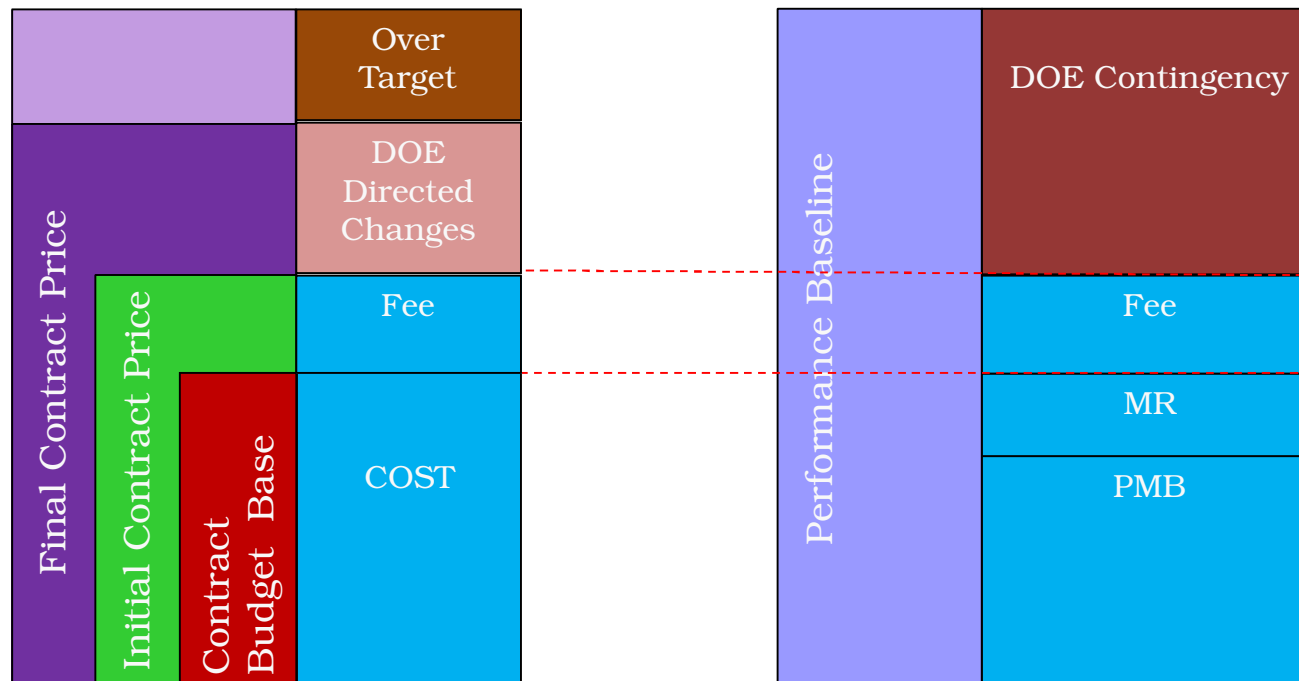
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# Contract and Project Baselines

- Submit initial Contract Performance Baseline within 90 day of contract award
- Submit overall Contract Performance Baseline within 180 days of contract transition

## Contract and Project Baselines



# Recent Contract Awards

<b>East Tennessee Technology Park</b>	<b>04/11</b>	<b>\$2.2B</b>
<b>Advanced Mixed Waste Treatment Plant</b>	<b>05/11</b>	<b>\$417M</b>
<b>West Valley Demonstration Project</b>	<b>08/11</b>	<b>\$333M</b>
<b>* Moab Uranium Mill Tailings**</b>	<b>11/11</b>	<b>\$121M</b>
<b>* Carlsbad Transportation Services</b>	<b>01/12</b>	<b>\$119M</b>
<b>(2 contracts)</b>		<b>\$121M</b>

\*Small Business Award

\*\*Contract Award protested



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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-\$2B, 5-year base, 5-year option

Request for Proposals	Industry Proposal Due	Award
June 20, 2011	August 17, 2011	Apr-May-June 2012



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# Low Level Waste/Mixed Low Level Waste Disposal

## Scope of Work

- Provide disposal services for Class A, B and C low-level-waste, Class A, B and C mixed low-level-waste, 11e2 byproduct material and sealed sources at a permitted commercial disposal facilities.
- Cleanup Services
- Sampling and Analysis of waste and waste residuals
- Recordkeeping and reporting on data related to the contract



## Estimated Value

\$50M-\$1B

Request for Proposals	Industry Proposal Due	Award
Jan-Feb-Mar 2012	Apr-May-Jun 2012	Oct-Nov-Dec 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
November 14, 2011	February 15, 2012	Jul-Aug-Sep 2012



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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
TBD	TBD	TBD



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# Mercury Storage

## Scope of Work

- Design, construction and installation, and operations of a DOE-facility for long-term management and storage of elemental mercury
- Operations of the facility following construction



## Estimated Value

TBD

Request for Proposals	Industry Proposal Due	Award
TBD	TBD	TBD



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# Environmental Technical Services

## Scope of Work

- Environment and technical support
- Program Management Services
- Administrative Services
- Environmental Safety and Health and Quality Assurance
- Regulatory Support
- D&D Oversight and Infrastructure Support



## Small Business Set-Aside

## Estimated Value

\$50M-\$1B

Request for Proposals	Industry Proposal Due	Award
2012	2012	2013



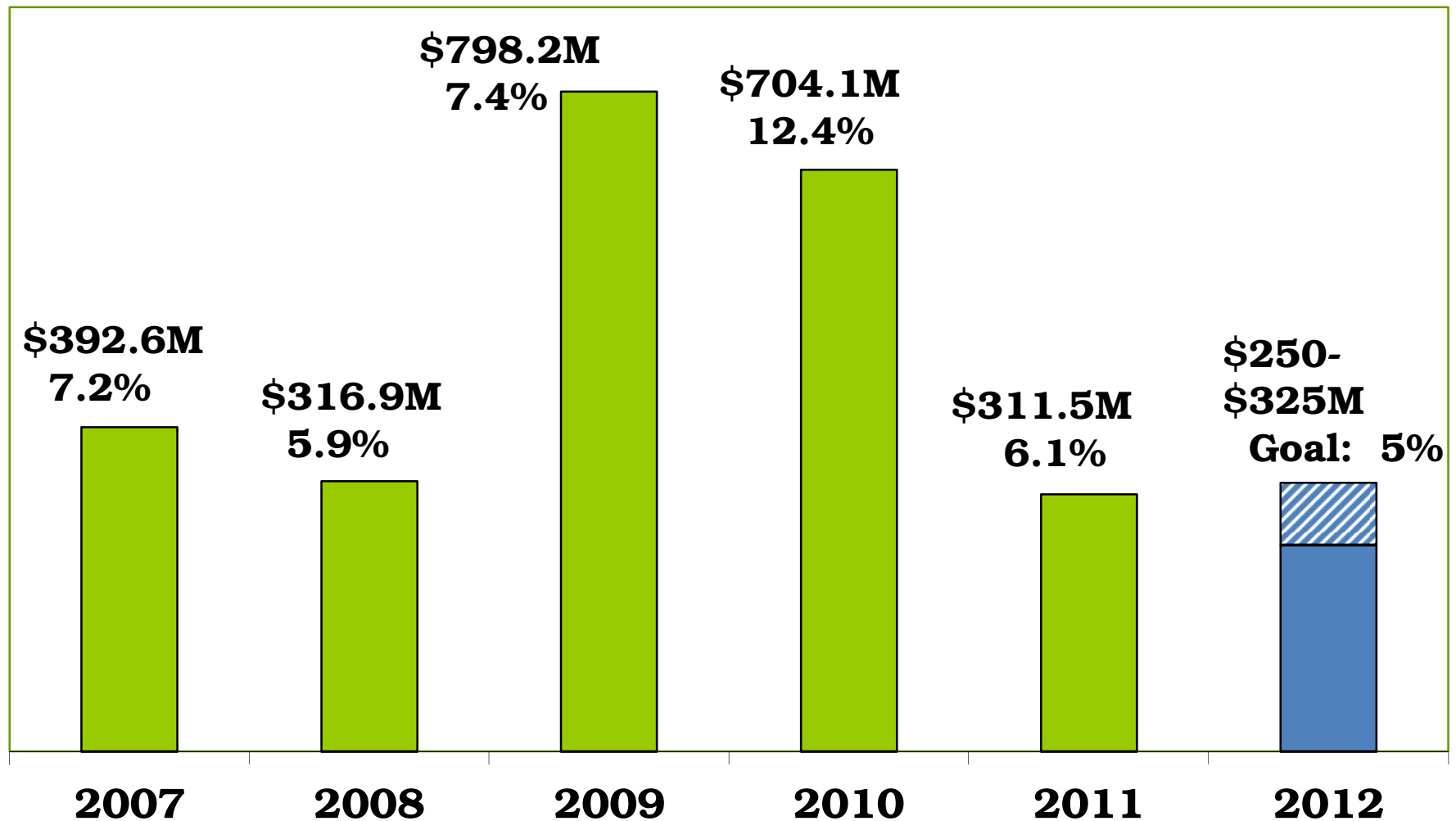
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# Small Business Prime Contract Funding Trends



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# Helpful Websites

- Fees Earned on EM Major Contractors: <http://www.em.doe.gov/Pages/EMContractorPayments.aspx>
- Listing of EM Major procurements:  
[http://www.em.doe.gov/pdfs/EM%20Major%20Contracts Public%20Web%20PageUpdate 12-30-10.pdf](http://www.em.doe.gov/pdfs/EM%20Major%20Contracts%20Public%20Web%20PageUpdate%2012-30-10.pdf)
- Listing of EM Major Active Contracts:  
[http://www.em.doe.gov/pdfs/Revised%20Major%20Contract%20For%20EM-1\(Rcv%202-8-12\).pdf](http://www.em.doe.gov/pdfs/Revised%20Major%20Contract%20For%20EM-1(Rcv%202-8-12).pdf)
- DOE Acquisition Forecast:  
<http://hqlnc.doe.gov/Forecast>
- EMCBC Major Procurements Website:  
<http://www.emcbc.doe.gov/doingbusiness.php>
- EM Public Website:  
<http://www.em.doe.gov>
- Project Management Earned Value Management  
<http://www.em.doe.gov/pages/Projects.aspx>
- Capital Projects Status Cost Performance Index/Schedule Performance Index  
<http://energy.gov/management/office-management/operational-management/project-management>



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