

WM2015 Conference Panel Report

PANEL SESSION 037: US DOE Acquisition and Project Management - "The Last 5 Years in Review"

Session Co-Chairs: **Kenneth Rueter**, *URS / CH2M Oak Ridge, LLC*
Jack Surash, *US DOE*

Panel Reporter: **Betsy Child**, *RSI (Restoration Services, Inc.)*

Panelists:

- **Jack Surash**, *Deputy Assistant Secretary (DAS) for Acquisition and Project Management, US DOE EM*
- **Chris Honkomp**, *Assistant Secretary and Director of Project Assets, US DOE*
- **Kenneth Rueter**, *President and Project Manager URS / CH2M Oak Ridge, LLC*
- **Jeff Bradford**, *Chief Operating Officer, Washington Closure Hanford, LLC*
- **Dennis Carr**, *Site Project Director, Fluor / B&W Project, LLC*

The Panel consisted of DOE representatives and DOE prime contractors focused on the U.S. DOE acquisition and project management implementation process, contractor implementation, federal requirements and expectations after contract award. DOE presented initiatives underway to increase contractor accountability to deliver scope on time and within budget "as sold". The contractors presented the challenges they encounter during the contract true-up period and the delivery of the project to their proposed baseline, sharing lessons learned. Approximately, 80 people attended the session.

Jack Surash, Deputy Assistant Secretary for Acquisition and Project Management US DOE EM, started the panel by providing an update to the audience on the implementation of the enhanced project management process, used to assess the contractor's performance based on DOE expectations to deliver their contract as promised in alignment with their proposal commitments. DOE's implementation rationale is to 1) Ensure contractor proposals and subsequent contracts align with taxpayer interests, 2) Structure contracts so contractors bear the majority of the responsibility, 3) Improve upfront planning and requirements definitions, 4) Provide realistic and timely contract "true-up" to reduce the risk to both the contractors and the government, and 5) Document performance to hold contractors accountable. Mr. Surash also focused on DOE's Partnering initiative. Partnering establishes a collaborative approach among DOE and the Contractor to achieve results, including open communication, collaboration, and commitment to joint success.

Chris Honkomp, Assistant Secretary and Director of Project Assessment US DOE EM, discussed the DOE process for evaluating recurring work. When evaluating recurring work, DOE looks at contract types, periods of performance, and small business set aside possibilities. DOE looks ahead, approximately 2 years in advance of the contract expiring, to decide whether or not to extend the option period on the incumbent contractor or re-compete the contract. DOE is leaning more toward fixed unit rate and fixed price type contracts versus cost plus type contracts. Contract durations are dependent on the nature of work, however 5 years is a typical contract duration.

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Kenneth Rueter, President and Project Manager URS | CH2M Oak Ridge, LLC; **Jeff Bradford**, Chief Operating Officer, Washington Closure Hanford, LLC; and **Dennis Carr**, Site Project Director, Fluor | B&W Project, LLC, each provided an overview including lessons learned during the implementation of their prime contracts over the past 5-year period of performance. Kenneth Reuter's presentation focused primarily on the advantage of establishing a partnership early with DOE, and other site stakeholders including the community, the regulators, and the unions, discussing these relationships as enablers to meeting contractual commitments cost effectively and efficiently. Mr. Rueter provided evidence of success through partnership using the example of the progress made during the first five years of the UCOR contract providing examples of project milestones being delivered ahead of the proposed project baseline, indicating that the K-25 facility was delivered significantly ahead of schedule and under budget.

Jeff Bradford, Chief Operating Officer, Washington Closure Hanford, LLC provided a presentation focused on the state of project implementation for a project that is nearing the end of its mission. The Washington Closure Hanford project has delivered significant progress with a contract completion in 2016. Mr. Bradford provided numerous examples of contract successes, commenting on the benefits of partnerships being especially beneficial to contractors performing work in conjunction with other multiple site contractors.

Dennis Carr, Site Project Director, Fluor | B&W Project, LLC, provided a presentation focused on the D&D activities being performed on the Portsmouth Gaseous Diffusion Plant. The beginning of this contract was particularly challenging due to the facility transition requirements as the facility was returned to DOE from the United States Enrichment Corporation (USEC). The importance of partnerships was again stressed in the part that it enabled with the site regulators. Mr. Carr provided a status of the project D&D status with an emphasis on lessons learned.