



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
**ENVIRONMENTAL
MANAGEMENT**

Savannah River Site Contractor Performance Evaluation Process

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- Savannah River Nuclear Solutions, LLC, (SRNS) is a Performance-Based Management Contract for the management and operation of the SRS and those activities as specified in the Statement of Work. The definition of a Management and Operating (M&O) contract can be found in the Federal Acquisition Regulation 17.6 and Department of Energy Acquisition Regulation 917.6 (Section C-1 of the Contract)
- Savannah River Remediation, LLC, (SRR) is a Performance-Based Management Contract. Performance requirements are identified in the Liquid Waste System Plan and/or other programmatic requirements (Section H.50 of the Contract). The fee the contractor earns is the result of applying the “math” (amount of items achieved * fee per item/outcome = total fee earned).
- SRNS and SRR are Cost-plus-award-fee contracts. Award fee contracts provide fee consisting of 1.) a base amount (which may be zero) and 2.) an award amount, sufficient to provide motivation for excellence in contract performance. Fee earned in a particular period is a sum of the base fee plus the award fee earned by the contractor based upon how well it meets criteria within the Performance Evaluation and Measurement Plan that states objectives the contractor must meet for a given period to earn fee.
- SRNS and SRR are Facility Management Contracts, which means fee earned can be impacted by :
 - Contract requirements relating to ES&H, worker safety and health, and performance under an approved ISMS
 - Contract requirements regarding safeguarding Restricted Data and other classified information

The PEMP:

- Identifies strategic goals that the Government expects the contractor to meet as it performs the contract.
- Describes performance objectives, measures, and expectations allocated to specific contract tasks, reflecting their priority and value to the Government, and impact on the fee earned for a contract period.
- Contains Performance Incentive Documents, which are used to verify satisfactory completion of incentives.
 - Example of good versus bad Performance Incentive Document Completion Criteria:

Good Completion Criteria	Bad Completion Criteria
"Complete the Mixed Waste Management Facility drainage enhancements"	"Develop a plan"

Objective Incentives

- Specific in nature and quantifiably measured (i.e., objective performance measures).
- The fee associated with achieving/completing objective incentives is earned based on the extent to which the contractor's performance meets those objective terms.

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2015ACP-1-1	3/31/2015	\$1,250,000	All RCRA Permit commitments and Federal Facility Agreement (FFA) milestones are achieved from October 1, 2014, through March 31, 2015.

Subjective Incentives

- Use adjectival measures related to quality of service or product.
- The success of a contractor against subjective measures is determined by the Government, which will consider the related conditions under which the work was performed and the contractor's specific performance as measured against the government's objective

Number	Date	Fee	Contract Output Completion Criteria:
SRNS2015SUBJ-1.01	9/30/2015	\$5,389,000	Provide a monthly report measuring trends and improvements in technical, cost, schedule performance and business relations/ management activities. The report will include trending data and analysis of direct program (PBS) continuous improvement efforts, and cost performance of the Indirect cost pools (Essential Site Services, Landlord Services, and G&A).

How performance is assessed

A range of assessment techniques from data/metric reviews and analysis, to review of self-assessments by the contractor, to formal multidisciplinary assessments are utilized.

Assessments are designed to provide managers with meaningful, accurate, and current information on the status of program compliance, productivity, and quality.

- **STAR** – The Site Tracking, Analysis, & Reporting (STAR) is used to document assessments, identify root causes, and track corrective actions.
- **Monthly DOE Scorecard** – The Scorecard enhances communications between the Government and the Contractor by documenting issues and tracking corrective actions related to performance. The scorecard allows the contractor to provide a self-assessment. DOE also provides an assessment of SRNS' performance.
- **Completion of incentives** – Verification of Incentive completion includes a rigorous quality process to ensure documentation is proper and adequate, and completion of fee-bearing work is verified.
- **Monthly DOE and SRNS Subjective Performance Review Meetings** – DOE and SRNS meet monthly to discuss the positive attributes, items that need improvement, and trends from information within the Scorecard.
- **Fee Board** – The Fee Board is an DOE Integrated Project Team that meets to discuss contract performance on fee-bearing work, review completion documentation for incentives, and to make recommendations regarding award fee to the Fee Determining Official, who is the Site Manager.

- The Fee Determining Official (DOE Site Manager) determines fee earned for the period.
- The fee is based on the criteria in the PEMP and output of the PBI formulas.
- The fee pool is based on the relative risk the contractor bears in performing the work under the contract. The fee earned is based on how well the contractor's performed contract requirements during the evaluation period.

Questions?