

This is a draft document for board discussion

Prepare a Lessons Learned Report on the Contract Failures for Manufacturing ASME Vessels for SWPF

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#### Background

The Salt Waste Processing Facility (SWPF) is a large, complex, radioactive waste treatment facility under construction at the Savannah River Site (SRS). The mission of the SWPF is to safely and efficiently decontaminate radioactive salt waste from 47 underground tanks into products suitable for processing at the Defense Waste Processing Facility and the Saltstone Processing Facility, both of which are currently operational. The SWPF facility is a key component needed in the Liquid Radioactive Waste System at SRS and is on the critical path for completion of DOE's cleanup at SRS. The SWPF contract was awarded to Parsons in 2002 for designing, building, starting up and operating the SWPF for one year. Construction was originally scheduled for completion by 2009 but is now projected for late 2016.

While the SWPF Project has incurred substantial delays associated with over 115 contract modifications including changes in design and quality requirements, a significant delay on the SWPF project was related to the manufacturing and delivery of 10 large American Society of Mechanical Engineers (ASME) processing vessels. After initially awarding a subcontract to a small business contractor, it eventually became apparent the vendor could not provide the quality necessary for the large vessels. That contract was terminated and a second subcontractor was incentivized to deliver the vessels by July 2011, however, the 10 large ASME vessels were not delivered to SWPF until June and July 2012.

The late-arrival of these over-sized processing vessels, ranging in volume capacity of roughly 38,000 – 44,000 gallons seriously delayed construction of SWPF and progress in closing future non-compliant liquid radioactive waste tanks at SRS. The SRS Federal Facility Agreement (FFA) deadlines for closure of Tanks 16 and 12 were recently renegotiated through a dispute resolution process between DOE, SCDHEC and EPA. The entire remaining FFA schedule for closure on liquid waste tanks will likely also need to be renegotiated because of SWPF delays and budget reductions. Further, it is unlikely that the Site Treatment Plan regulatory deadline for emptying all tanks by 2028 can be achieved.

#### Discussion:

On July 27, 2015, a representative of the DOE-SR Acquisitions Office briefed the SRS Citizens Advisory Board (CAB) on SRS efforts to contract with small businesses. Under questioning by the CAB, DOE admitted that, despite the significant damage incurred to the schedule for the Liquid Waste System Plan, the STP deadline for waste removal, and

the FFA schedule for future tank closures, it had never conducted a formal systematic root-cause analysis or Lessons Learned Report on the contractual failures associated with manufacture of the 10 ASME vessels for SWPF. When copies of any Lessons Learned reports on SWPF were requested, one DOE official asserted all Lessons Learned reports on SWPF were unavailable because of an “investigation.” Still another DOE official asserted that a Lessons Learned report on the SWPF large ASME vessels cannot be shared with the CAB because it is “business sensitive” or “under litigation.” These DOE statements are inconsistent and undercut DOE’s credibility on whether such reports exist, and, if so, why they are being withheld from the public.

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#### Recommendation

The SRS Citizens Advisory Board recommends that the Department of Energy:

1. Conduct formal root cause analysis and prepare a Lessons Learned Report on the contract problems experienced in manufacturing ASME Vessels for SWPF. If such a Lessons Learned report already exists, share the results with other DOE sites and the public as intended by the DOE Lessons Learned Program.
2. Brief the CAB on the results of its root-cause analysis and Lessons Learned Report on the contract problems experienced in manufacturing ASME Vessels for SWPF and actions to avoid recurrence in future projects.