SRMC SAVANNAH RIVER MISSION COMPLETION®

BWXT • FLUOR • AMENTUM

Understanding Costs within Liquid Waste System

Bret Evans – SVP & Chief Administrative Officer

Savannah River Mission Completion

SRMC®
SAVANNAH RIVER
MISSION COMPLETION

Teaming Partners

Proudly led by

amentum

BWXT®
BWX Technologies, Inc.

FLUOR®

Named subcontractors

DBD

WesWorks, LLC

Responsible for eliminating radioactive liquid waste produced from Cold War era nuclear weapons production

Current Headcount = 3448 (2832 FSE, 556 Craft, 60 Staff Aug.)

Contract Summary

- *“The purpose of the SRS Integrated Mission Completion Contract (IMCC) is to achieve significant risk and financial liability reduction that provides the best overall optimal solution to Site accelerated completion and closure”*
- **SRMC Cost Reimbursable (End-State) Contract**
  - *10-year base contract (2022-2031) with 5-year option*
- **Active Task Orders**
  - *TO 5 SDUs 10, 11 and 12*
  - *TO 6 Liquid Waste Operations*
  - *TO 7 Waste Retrieval and Tank Closure*
  - *TO’s 10, 11, & 12 – Accelerated Basin De-inventory / Fast Critical Assembly*

Project Cost Categories

- **Direct and Indirect costs**
  - *Direct costs - all costs other than Fringe Benefits and Program Support and charged directly to the Task Order*
  - *Indirect costs - employee Fringe Benefits and Program Support, charged to overhead pools and allocated to the final cost objective*
- **Employee Fringe Benefits**
  - *Payroll Taxes, Paid Time Off, Holidays, Medical, Dental and Disability Insurance, Workers Comp., Jury Duty, Bereavement, Military*
- **Program Support**
  - *Human Resources, Accounting & Payroll, Internal Audit, Legal, Office of the President, Public Affairs, Procurement, Risk Management, EEO*

Project Cost Elements – Direct & Indirect

- **Labor**
  - *Exempt, Non-exempt, Craft*
  - *Staff augmentation subcontracts*
- **Subcontractors – companies providing specialized services**
  - *Engineering, modeling, project controls*
- **Service Level Agreements(SLA) –** Services that SRMC chooses to buy from SRNS and BSRA
  - *Examples: Payroll and Benefits Accounting, Diesel Services, Sample Analysis, Telephones, Radios, Pagers, Site Training, Dosimeters, Information Technology*
- **Direct Materials –** identified to a specific Task Order
  - *Material field and operating, freight, protective equipment, office supplies, furniture/fixtures, training materials, engineered materials*
- **Travel Expenses –** costs cannot exceed Federal Travel Regulations

Compliance w/ Cost Accounting Standards

- **SRMC Operates on a Fiscal Year -** 10/1 to 9/30
- **All project costs are subject to audit**
  - *DOE*
  - *SRMC Internal Audit*
  - *Defense Contractor Audit Agency (DCAA) – Annual Incurred Cost*
- **Required to comply with SRMC Disclosure Statement**
  - *Describes cost accounting practices, including how we measure, assign and allocate costs to contracts*
- **Timekeeping System –** Costpoint / Time
  - *An electronic system for collecting labor hours and leave hours in tenth hour (six minute) increments. Time is recorded on a timesheet and then exported to Costpoint General Ledger for labor distribution and payroll costing.*

FY26 Enacted Funding/Budget

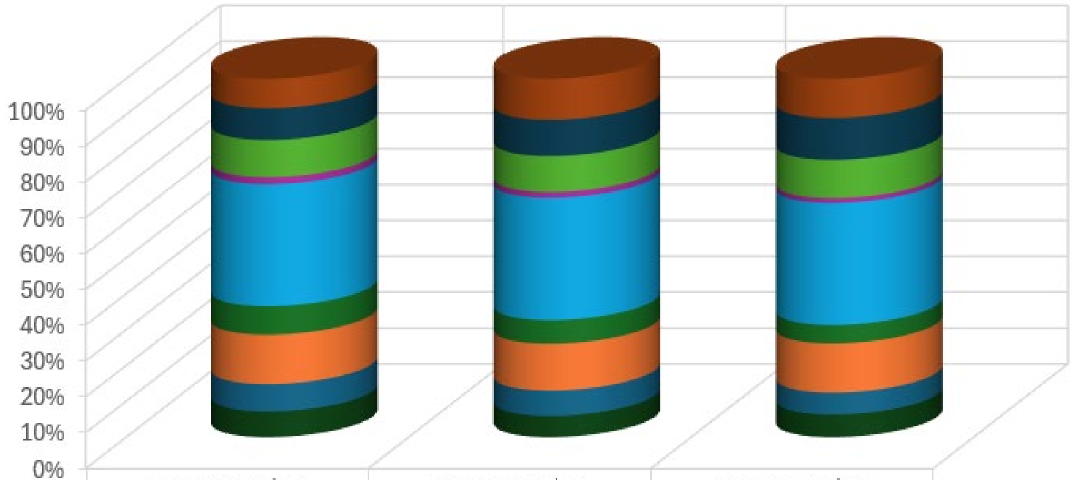
EAC – Estimated Annual Cost

Task Order	Area		EAC
TO5	Salt Disposal Units 10-12		$ 74,916,316
TO6	Tank Farms (F&H)		$ 315,810,218
TO6	Defense Waste Processing Facility		$ 294,116,267
TO6	Salt Waste Processing Facility		$ 133,473,533
TO6	End Stream Delivery		$ 92,483,722
TO7	Waste Retrieval & Tank Closure		$ 84,803,156
TO10-12	Accelerated Basin De-inventory / FCA		$ 14,390,980
	Other (Cyber / WDA)		$ 9,026,279
	Site Mgmt & Program Support		$ 176,434,529
	Total		**$ 1,195,455,000**

Element of Cost		EAC
Craft		$ 71,965,013
Direct Labor		$ 465,530,910
Staff Aug		$ 18,413,315
Subcontracts		$ 146,085,341
Material		$ 167,563,563
Service Level Agreements		$ 149,462,329
Site Mgmt & Program Support		$ 176,434,529
Total		**$ 1,195,455,000**

Cost Trending

SRMC COST TRENDING ($M)



	FY 24 Cost ($M)	FY 25 Cost ($M)	FY 26 Cost ($M)
Service Level Agreements	85.3	135.3	135.3
Material	91.8	119.2	144.0
Subcontracts	107.5	118.0	131.7
Staff Aug	20.1	19.2	16.5
Direct Labor	352.2	402.5	420.2
Craft	82.2	77.6	63.5
Program Support & Fee	142.8	154.2	169.4
Other Indirects	79.1	83.4	75.4
Site Overheads	74.0	69.7	77.6

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Service Level Agreements	85.3	135.3	135.3
Total Spend	1,034.9	1,179.0	1,208.1
Funding	1,074.1	1,157.7	1,195.5
Carryover Gained (Burned)	39.1	-21.3	-12.6

- FY 2026 is based on forecasted spend which may differ from enacted budget
- Carryover is available to cover variances in spend from enacted budget
- Site Overheads includes M&O indirect costs
- Other Indirects includes DOE Managed and PRB costs

How much do things cost?

- Preliminary Cease Waste Removal - $22.8M (average cost of the 8 PCWRs)
- Operational Tank Closure - $15M estimated
- Agitator Assembly - $2.7M
- Cross Flow Filter - $3.7M
- Quadvolute Pump - $3.0M
- Contactors - $339K
- Tank Crawler - $529K
- Commercial Submersible Mixing Pump - $204K

Cost Efficiency Focus

- **SRMC is focused on generating savings that are reinvested to reduce environmental liability**
  - *Utilize Artificial Intelligence (AI) to drive efficiencies and productivity*
  - *Reducing SRMC indirect costs (program support) and re-allocating to direct budgets for scope execution*
  - *Working on opportunity cost savings*
    - Incorporating drones and 3-D printed attachments (saves 4 weeks, $700K per tank)
    - GEL labs offsite laboratory performs tank characterization samples (saves 6 months, $2M per tank)
    - Invest in critical spares over next 6 years to increase reliability and reduce downtime
- **Scope internalization from M&O via self perform or competitive market bids**
- **Continuing to pursue graded approach (risk, directives, etc.)**

Line-Item Cost Savings

- **Task Order 5 - capital line-item project (SDU 10-12), CPIF contract**
  - *Construction has started on the final SDU*
- **Delivering ahead of schedule and under budget produces cost savings that are shared between the government and contractor**
- **Current estimate is to come in under budget and ahead of schedule**

Age of SRMC Facilities

Age of facilities is a big contributor to cost - maintenance, emergent repairs, critical spares, parts obsolescence

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Questions?