

APPROVALS

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FINAL FEE DETERMINATION

TASK ORDER 3.1 - PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP) FY23

I. INTRODUCTION

In accordance with Contract No. 89303321DEM000061, *Idaho Cleanup Project (ICP)*, this Fiscal Year 2023 (FY23) consolidated report fulfills the requirements of Section IV, Paragraph (C)(5) of the Performance Evaluation and Measurement Plan (PEMP). This report is provided to the Fee Determining Official (FDO) for use in determining the final award fee for the Objective (Performance Based Incentives) and Subjective criteria defined in the PEMP. While this report will summarize both Contractor and Federal assessments that were performed throughout the evaluation period, all files will be made available to the FDO for review.

II. FY23 PEMP Summary

The evaluation period for the FY23 PEMP was October 1, 2022, through September 30, 2023. The following table represents the total available fee for FY23 broken down by fund source:

Award-Fee Pools.	
Award Fee	Value
Defense Objective Award Fee	\$22,308,738
Non-Defense Objective Award Fee	N/A
Naval Reactors Objective Award Fee	\$2,018,969
Total Objective Award Fee Available	<u>\$24,327,707</u>
Defense Subjective Award Fee	\$10,787,361
Non-Defense Subjective Award Fee (6% Fee)	\$346,748
Naval Reactors Subjective Award Fee	\$1,387,978
Total Subjective Award Fee Available	<u>\$12,522,087</u>
Total Award Fee Available	<u>\$36,849,794</u>

III. Executive Summary

Per the processes outlined in the PEMP, this report was prepared by the Task Order Integration Manager (TOIM) with input from the Contracting Officer (CO) and DOE ICP

Assistant Managers (AM). On November 16, 2023, the FDO was briefed by these parties on the status of both subjective and objective criterion for FY23. The fee determinations within this report represent the FDO's final award fee determination for FY23.

Objective Fee:

In FY23, Idaho Environmental Coalition, LLC (IEC) fully completed 16 of 17 Performance Based Incentives (PBI) and partially completed one PBI. For the partially completed PBI, IEC formally submitted a letter requesting that 95% of the payment be approved. After reviewing the letter and supporting documentation, input from the Integrated Waste Treatment Unit (IWTU) Program Manager and the Idaho Nuclear Technology and Engineering Center (INTEC) Programs Assistant Manager, the FDO concurred that a partial payment of 95% for PBI 1.10c is fair and reasonable. Overall, in FY23 IEC earned \$24,260,781 out of \$24,327,707, or 99.7% of the total available objective fee.

Subjective Fee:

The subjective area of the PEMP was composed of three primary elements: Cost, Schedule, and Program Management. DOE ICP has three funding types (Defense, Non-Defense, and Navy). Each was evaluated separately using these three evaluation elements. In addition, DOE ICP included a separate subjective element to track Integrated Priority List (IPL) work scope items added in FY23, which was evaluated under the Defense funding type only. Overall, in FY23 IEC earned \$10,890,503 out of \$12,522,087, or 87% of the total available subjective fee across all funding sources.

IV. Objective Fee (PBI) Detail

In FY23, DOE ICP identified 17 PBI milestones. The total available fee for all milestones was valued at \$24,327,707. A summary table of the PBIs and the maximum fee available is shown below. For PBIs identified as complete, the responsible DOE ICP staff member reviewed all closure documents as described in each PBI completion criteria and concurred with the completion of the PBI.

Goal/End State Area	Title	Maximum Available	Fee Earned
1.1	Develop new Department of Transportation Certified Type A soft-sided based for shipment of 100-gallon TRU Waste Drums	\$669,262	\$669,262
1.2	TRU Indeterminate Waste Processing (up to 1724 Containers)	\$3,569,398	\$3,569,398
1.3	Certify TRU Waste for Disposal at WIPP (1,643 Cubic Meters)	\$3,569,398	\$3,569,398
1.4	Perform confirmation of ICDF conceptual design to support delivery of the capital asset project	\$446,175	\$446,175
1.5	Continue Progress Toward New ICDF Cell	\$669,262	\$669,262
1.6	Cyber Security - Establish an Industrial Control System Accreditation Boundary	\$1,115,437	\$1,115,437
1.7	Deliver a Draft (Interim) Remedial Action Report for Phase 1 for Agency Review for OU 7 13/14	\$223,087	\$223,087
1.8	Deliver Required Documents to Support Cap Construction Start	\$1,561,612	\$1,561,612
1.9	Remove Asphalt from WMF-636 Pad R	\$446,175	\$446,175
1.10	Start Up and Operate IWTU	\$4,461,748	\$4,394,821
1.11	Begin construction on Product Storage Building II	\$446,175	\$446,175
1.12	Perform Remaining Wet to Dry Transfers and Move 125B Casks	\$2,677,049	\$2,677,049
1.13	Complete Total of 13 Peach Bottom Fuel Transfers - Gen 1 to Gen 2	\$2,230,874	\$2,230,874
1.14	Finalize the Calcine Solids Storage Facility Phase 2 Design	\$223,087	\$223,087
	Defense Total	\$22,308,738	\$22,241,812
2.1	Complete Above Ground Demolition of NRF-608/625	\$908,536	\$908,536
2.2	Complete Closure and Preparation Activities for D&D of S1W Prototype	\$908,536	\$908,536
2.3	Complete Action Memorandum for S1W/A1W	\$201,897	\$201,897
	Navy Total	\$2,018,969	\$2,018,969
	COMBINED (Defense and Navy) Total (99.7%)	\$24,327,707	\$24,260,781

IEC fully completed 16 of 17 PBIs. PBI 1.10c relating to the IWTU Radiological Operations, did not fully meet all completion requirements as defined in the completion criteria. Specifically, the portion of the PBI not fully complete required IEC to "Complete

the system performance test and submit data (PLN-3298) to the state of Idaho.” For the partially completed PBI 1.10c, IEC transmittal CCN 331759, dated November 1, 2023, IEC stated that requirements of PBI 1.10c had been “substantially” (partially) met and requested DOE ICP consideration of payment at 95% of the PBI value. IEC claimed this scope was adversely impacted by the ability to maintain an acceptable differential temperature in the Denitration Mineralization Reformer (DMR) during Sodium-Bearing Waste (SBW) processing. This resulted in additional delays due to sampling subcontractor availability, and, in turn, caused the System Performance Test (SPT) to be initiated later than anticipated.

DOE ICP’s technical reviewer concurred with IEC’s analysis of events and added that if the SPT Part II had not been delayed due to DMR differential temperature issues preventing steady state waste processing conditions, the results would have been submitted to DEQ by the end of September as stated in the PBI. In addition, it was noted that IEC’s determined path forward was absolutely the proper course of action and best option at the time even though they recognized it would have the potential to negatively impact the PBI fee they could earn. Based on review and concurrence with IEC’s explanation of events and performance throughout the year, the responsible IWTU Program Manager concurred with 95% payment of this PBI.

As stated in the PEMP, PBIs are intended to be “all or none” unless otherwise stated within the completion criteria. Further, it states, *“For any PBI that is not met during the performance period, the FDO, with input from AMs, CO and TOIM, will determine if any partial PBI fee is warranted. This determination is purely discretionary and is based solely on the judgment of the FDO. There is no minimum or partial PBI fee that must be granted based on the FDO’s review.”*

The FDO reviewed IEC’s transmittal request and the responsible IWTU Program Manager’s written comments, in addition to multiple in-person discussions, and determined that partial payment of fee at 95% is fair and reasonable for PBI 1.10c.

Objective Fee Conclusion:

For FY23, IEC fully completed 16 of 17 PBI’s earning 100% of the available fee in each of these PBIs, and partially completed one PBI. The FDO determined that partial payment of 95% for PBI 1.10c is fair and reasonable. Based on the above assessment, IEC is awarded \$24,260,781 out of a possible \$24,327,707, or 99.7% of the available objective fee.

V. Subjective Fee Evaluation Detail

The FY 23 subjective section of the PEMP evaluated Cost, Schedule, and Program Management. All three funding types (Defense, Non-Defense, and Navy) were evaluated separately using these three evaluation elements. In addition, DOE ICP included a separate subjective element to track IPL work scope items added in FY23, which was evaluated under the Defense funding type only.

As described in the PEMP, much of the work outside of the PBIs does not lend itself to being objectively measured. Therefore, the work scope was measured under subjective

criteria. A summary of the FDO’s assigned adjectival ratings and fee are provided in the table below:

Criteria	Adjectival Rating	FY 2023		
		Fee %	Max Available Fee	Award Fee Earned
<u>Defense</u>			\$10,787,361	\$9,306,140
Cost	Very Good (76%)	33.33%	\$3,247,769	\$2,468,304
Schedule	Very Good (90%)	33.33%	\$3,247,769	\$2,922,992
Program Management	Very Good (90%)	33.33%	\$3,247,769	\$2,922,992
FY23 IPL Items	Excellent (95%)	100%	\$1,044,055	\$991,852
<u>Non-Defense</u>			\$346,748	\$344,437
Cost	Excellent (100%)	33.33%	\$115,583	\$115,583
Schedule	Excellent (100%)	33.33%	\$115,583	\$115,583
Program Management	Excellent (98%)	33.33%	\$115,583	\$113,271
<u>Navy</u>			\$1,387,978	\$1,239,926
Cost	Very Good (76%)	33.33%	\$462,659	\$351,621
Schedule	Excellent (95%)	33.33%	\$462,659	\$439,526
Program Management	Excellent (97%)	33.33%	\$462,659	\$448,779
Total Subjective Fee (87%)			\$12,522,087	\$10,890,503

As authorized under the PEMP, IEC submitted a self-assessment for DOE ICP consideration on November 6, 2023. DOE ICP reviewed IEC’s self-assessment during the fee evaluation process and took into consideration IEC’s identified accomplishments, areas of improvement and issues, and corrective actions (where applicable to subjective criteria) when determining the final adjectival rating for each category. In addition, DOE ICP considered daily conversations, weekly project meetings, regular walk-downs of the sites and facilities, and bi-weekly Project Status Review meetings, which are provided as attachments to this document. Based on this cumulative data, DOE ICP’s justification for the subjective ratings are provided below.

Note: A high-level summary of IEC’s accomplishments or areas of improvement are provided below. This information has been gleaned from many sources including: CPARS, Bi-monthly Project Status Reviews, Program Manager input, and the overall general experience that the program experienced throughout the year through daily oversight activities and communication. Much of this backup documentation can be found attached to this document.

1. Defense:

Cost: Very Good (76%)

For FY23 Defense funded scope, IEC had an overall cost performance index (CPI) of 0.98. During the evaluation period, DOE ICP identified concerns with cost and funding forecasting. Processes such as weekly monitoring and partnering meetings between IEC and DOE ICP funds management teams were implemented to increase focus on these areas.

During FY23, particularly near the end, a concern developed regarding IEC's cost/funds control. IEC develops a Contract Funds Status Report (CSFR) that provides DOE a basis to obligate funding where IEC requires the funds and provides a forecast of how long funds are expected to last. On several occasions during the year and specifically during year-end invoicing, some accruals, not accounted for on the CSFR, were identified on the invoice. The accruals exceeded the funds available. Although DOE ICP had available funding, there were not adequate funds on the contract to cover the accruals. In addition, the lack of notification of the accruals in the invoice did not allow DOE adequate time to do a funding mod prior to year-end, and instead DOE ICP had to adjust accrual values to not exceed the available funds on the contract. End-of-year accruals are audited by HQ, and the impact of this is currently unknown. Earlier in the fiscal year, when costs exceeded available funding, DOE ICP had the ability to "fix" the issue on its end by doing a last-minute funding mod to cover the overage which is not how funds/cost control should occur for IEC.

It should be emphasized that IEC has shown an ability to respond and attempted multiple different solutions to address these concerns. In addition, IEC has been flexible and proactive in providing cost savings solutions throughout the FY. Given anticipated funding constraints for FY24 and FY25, IEC offered specific reduction remedies when finalizing the negotiated task order values (cost and fee).

Schedule: Very Good (90%)

For FY23 Defense funded scope, IEC had an overall schedule performance index (SPI) of 0.96. IEC continues to meet the Waste Isolation Pilot Plant (WIPP) shipping schedule. Idaho fell below the 55% WIPP shipping criteria early in FY 2023, but IEC supported recovery efforts, including working through the contractor curtailment, to recover to 55% of the WIPP shipments, ending FY23 above 60% of the WIPP shipments.

For the Idaho Comprehensive Environmental Response Compensation and Liability Act (CERCLA) Disposal Facility (ICDF) project, IEC worked cooperatively with DOE ICP, the U.S. Environmental Protection Agency (EPA), and the Idaho IDEQ during the agency review process to meet the schedule and potentially accelerate the

schedule for design development to allow for the site preparation activities to occur in the fall of 2023.

Another significant achievement was accomplished this year when the last shipment of SNF fuel was transferred from wet-to-dry storage. This was completed nine (9) months ahead of schedule and ensured DOE's commitment was kept with the State of Idaho.

Program Management: Very Good (90%)

IEC continues to meet or exceed all the performance requirements in the Defense work scope areas. This includes all remaining work scope items under TO-3 Phase 1 that did not receive a PBI, such as facility maintenance, managing the workforce, working with other site contractors, etc. More detailed examples include:

This fiscal year IEC shifted its focus to certifying the Accelerated Retrieval Project (ARP) waste due to commodity constraints (supply chain impacts) in shipping BN510 waste. This shift maintained the shipping pipeline and contributed to over 1,400 m3 of waste certified/shipped.

The IWTU facility has processed over 68,000 gallons of Sodium-Bearing Waste(SBW). This FY marks the first time the IWTU has processed SBW, a significant milestone and accomplishment for IEC. The team continues to focus on creative problem-solving as challenges arise with this one-of-a-kind facility.

IEC successfully completed and submitted the 3116 Draft Basis Documentation, a significant step forward in the Calcine Retrieval Project. This submittal required coordination among multiple federal agencies and was very high quality.

IEC's implementation of most Contractor Assurance System (CAS) processes was effective, with continued effective performance in several key CAS areas including management of identified issues, sharing of Lessons Learned from events, and use of metrics for trending performance. IEC self-assessments were effective in most areas and marginally effective in others. IEC management is aware that improvement is needed in the performance of self-assessments and is providing training to staff to help improve performance. Contractor CAS managers continued to work with Performance Assurance staff to improve CAS performance in the field.

FY23 IPL Items: Excellent (95%)

During this evaluation period, 10 additional work scope items were added to IEC's work scope. It was determined that these scope items were significant enough that they should be managed and evaluated separately. These scope items include:

- Transuranic Storage Area – Retrieval Enclosure (TSA-RE) Deactivation, Vault Pad Construction
- Subsurface Disposal Area (SDA) Cap Contaminated Sludge Shipments
- Transuranic (TRU) Contaminated Sludge Shipments
- INTEC Cell Phone Coverage

- DOE O 436.1 Energy Audits
- Light Emitting Diode (LED) Lighting Upgrades – CPP-659
- INTEC Liquid Waste Management System (ILWMS) Closure – Replace Reboiler
- ILWMS Closure – Liquid Effluent Treatment and Disposal (LET&D) High-efficiency Particulate Air (HEPA) and Knife Valve Replacement, New Waste Calcining Facility (NWCF) Calcine Exhaust HEPA Filter Replacement and Lead Blanket Disposition.
- IWTU Spare Decon Robot

The above items were evaluated in a similar manner to other subjective items including, cost, schedule, and program management. Overall DOE ICP found significant progress had been made on each scope of work.

2. **Non-Defense:**

Cost: Excellent (100%)

For FY23 Non-Defense funded scope, IEC had an overall CPI of 1.25. Overall DOE ICP is pleased with IEC's management of Non-Defense funds and had no significant issues with cost control in FY23. IEC proactively seeks cost savings even if the TO type does not specifically reward cost savings. IEC has been extremely responsive to any concern DOE ICP has brought up concerning this fund source.

Schedule: Excellent (100%)

For FY23 Non-Defense funded scope, IEC had an overall SPI of 0.92. Non-Defense project schedules were effectively managed by IEC during the evaluation period. No significant schedule issues were identified during the evaluation period. Required submittals to DOE ICP were timely, of high quality, and required little to no rework. Additionally, all Nuclear Regulatory Commission (NRC) required submittals and reviews were performed on schedule.

Program Management: Excellent (98%)

IEC continues to meet or exceed all the performance requirements in the Non-Defense work scope areas, which primarily consists of managing Three Mile Island (TMI)-2 and Fort St. Vrain (FSV) in Colorado. IEC has demonstrated high engagement during the period in receiving, assembling, and installing the administrative building furniture, upgrading of the west gate and actuator, asphalt repair, restoration of the telephone system, and disposition of old equipment. In addition to the above successes, IEC and DOE completed a significant NRC inspection successfully addressing legacy program issues. The inspection concluded with no findings. Lastly, interactions with other site contractors in integrating program requirements have shown a high level of maturity by IEC. The

team has excelled in prioritizing cross-communications with a critical eye on value-added activities.

3. Navy:

Cost: Very Good (76%)

For FY23 Navy funded scope, IEC had an overall CPI of 1.01. One item that stands out as a cost savings, as well as a safety improvement, was IEC's decision to restore the crane within the Submarine 1st Generation Westinghouse (S1W). Compared to other lifting solutions, this initiative has proved to be extremely useful for the demolition and dismantlement (D&D) project and is cost-effective.

In the second half of the FY, concerns arose related to cost control and charging practices, which resulted in charges being placed on the wrong project for several months after the issue was identified by DOE ICP. The issue was corrected by the end of FY. In addition, IEC develops a Contract Funds Status Report (CFSR) that provides DOE a basis to obligate funding where IEC needs it and provides an estimated forecast of how long funds should last. On several occasions during the year and specifically during year-end invoicing, some accruals were on the invoice that DOE ICP was not informed of previously on the CFSR. The accruals exceeded the funds available. Although DOE ICP had funds set aside for other purposes, there were not adequate funds on the contract to cover the accruals.

Schedule: Excellent (95%)

For FY23 Navy funded scope, IEC had an overall SPI of 0.87. This schedule variance is primarily due to factors outside of IEC's control; therefore, is not a significant factor in DOE ICP's evaluation. Specifically, the Core Car project has experienced some schedule delays due to brittle fracture concerns; however, IEC continues to manage the project effectively. IEC continues to meet or exceed schedule requirements regarding the Naval Reactors Facility (NRF) D&D.

Program Management: Excellent (97%)

IEC continues to meet or exceed all the performance requirements in the Navy work scope areas. An example includes the NRF D&D project's recycling over 100 tons of lead, brass, and steel to-date. Recycling reduces space for debris in the landfill. In addition, the S1W crane was restored to full capacity and has been effectively used in dismantlement. Lastly, IEC performed well during regulatory inspections this year at NRF by DEQ. The DEQ annual sanitary survey inspection of the NRF D&D drinking water systems noted no significant deficiencies.

Subjective Fee Conclusion

The subjective area of the PEMP was composed of three primary elements: Cost, Schedule, and Program Management. DOE ICP has three funding types (Defense, Non-Defense, and

Navy). Each was evaluated separately using these three evaluation elements. In addition, DOE ICP included a separate subjective element to track IPL work scope items added in FY23, which was evaluated under the Defense funding type only.

Overall, in FY23 IEC earned \$10,890,503 out of \$12,522,087, or 87% of the total available subjective fee across all funding sources.

Final FDO Determination

Based on the information provided above, the FDO determines that IEC has earned a total \$35,151,284 out of \$36,849,794 (95.4%) of the available fee in the FY23 PEMP.

{Subjective Adjectival Ratings and Definitions are shown below}

Subjective Rating Definitions Award Fee Adjectival Rating	Award Fee Pool Available to Be Earned	Description
Excellent	91%-100%	Contractor has exceeded almost all of the performance requirements of the applicable criterion for the award-fee evaluation period. Contractor has exceeded almost all of the significant Award Fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the Award Fee Plan for the Award Fee evaluation period.
Very Good	76%-90%	Contractor has exceeded many of the significant Award Fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the Award Fee Plan for the Award Fee evaluation period.
Good	51%-75%	Contractor has exceeded some of the significant Award Fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the Award Fee Plan for the Award Fee evaluation period.
Satisfactory	No Greater Than 50%	Contractor has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the Award Fee Plan for the Award Fee evaluation period.
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the Award Fee Plan for the Award Fee evaluation period.

APPENDIX A

Attached to this document is the documentation supporting DOE ICP's final fee determination.