

## Award Fee Determination Scorecard

**Contractor:** Bechtel National, Inc. (BNI)  
**Contract:** Design, Construction, and Commissioning of the Hanford Tank Waste Treatment and Immobilization Plant  
**Contract Number:** DE-AC27-01RV14136  
**Award Fee Period:** January 1, 2015, to December 31, 2015  
**Basis of Evaluation:** 2015 Performance Evaluation and Measurement Plan  
**Award Fee Available:** \$12,600,000  
**Award Fee Earned:** \$8,310,000 (66.0\* percent)

### Incentive B.1 – Award Fee-Project Management – Good

The fee for Project Management is divided into five award fee objectives (AFO) as follows:

	<u>Available</u>	<u>Rating</u>	<u>Earned</u>
AFO 2: One System	\$600,000	100%	\$600,000
AFO 3: Environmental/Safety/Health and Safety Conscious Work Environment	\$2,000,000	97%	\$1,940,000
AFO 4: Quality Assurance Program and Quality of Performance	\$2,500,000	49%	\$1,225,000
AFO 5: Nuclear Safety	\$2,000,000	46%	\$920,000
AFO 6: Technical Issue Resolution	\$2,000,000	50%	\$1,000,000

### Incentive B.2 – Award Fee-Cost - Good

The fee for Cost consists of one AFO as follows:

	<u>Available</u>	<u>Rating</u>	<u>Earned</u>
AFO 1: Project Performance (Cost, Schedule, and Efficiencies)	\$3,500,000	75%	\$2,625,000

Total Award Fee – Period 2015	\$12,600,000	66.0%*	\$8,310,000
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\* Figures rounded to one decimal place.

#### Key Positives for AFO 1: Project Performance (Cost, Schedule, and Efficiencies)

- Meeting commitments for DFLAW.
- Achieved the fiscal year 2015 goal to turn over all major systems in three buildings of the Waste Treatment and Immobilization Plant (WTP).
- Higher productivity in high-level waste (HLW) with 22 total concrete placements, exceeding goal of 20.
- Initiated an independent expert review team to assess all Managed Improvement Plan initiatives.
  - Team concluded programs made considerable progress, determined the “health of its program is improving.”

#### Key Areas for Improvement for AFO 1: Project Performance (Cost, Schedule, and Efficiencies)

- Slight negative trend last two months of calendar year 2015.
- Hasn't done sufficient preventive maintenance for installed structures, equipment, and components in HLW.
- Field work has taken longer than expected to complete upgrade to cathodic protection on underground piping.

#### Key Positives for AFO 2: One System

- Effectively established integrated permitting schedule with the State Department of Ecology supporting direct feed low-activity waste (DFLAW). Strategy provides a framework for resource planning to manage dangerous waste permit modification submittals needed for DFLAW, including those needed for tank farm operations.

- Pursued program opportunities in operational readiness, waste management, software sharing, waste feed qualification, and safety analysis methodologies.
- Led efforts to align U.S. Department of Energy orders and directives between Tank Farms and WTP contracts.
- Participated and integrated with the tank farms organization to complete revision and gain management approval of all interface control documents (ICD) supporting DFLAW.

**Key Positives for AFO 3: Environmental/Safety/Health and Safety Conscious Work Environment**

- The WTP Project received the DOE Voluntary Protection Program Star of Excellence award.
- WTP Project and construction site continues to demonstrate a strong workplace safety record, exceeding performance goals.
- In preparation for startup, BNI issued an Operation Readiness Strategy and Integrated Safety Management System Phase I preparation document, which allows the project to achieve operational readiness by first leveraging the project's Integrated Safety Management System to demonstrate safety programs and controls.
- The DOE Office of Enterprise Assessment conducted a culture assessment in January and February 2015 and found statistically positive improvement in 10 of the 12 behavioral norms measured.

**Opportunity for Improvement for AFO 3: Environmental/Safety/Health and Safety Conscious Work Environment**

- It was noted there was a reduction in activity for monitoring of nuclear safety and quality culture health metrics.

**Key Positives for AFO 4: Quality Assurance Program and Quality of Performance**

- The Project Health Dashboard developed by BNI in February 2015 provides senior management with a tool to evaluate the quality of the WTP Project by looking at trends regarding performance.
- Emphasis on utilizing its lessons learned program with 27 lessons learned submitted, with 21 being published.
- Created a SmartPlant software application to relate multiple source data and provide better traceability.

**Key Areas for Improvement for AFO 4: Quality Assurance Program and Quality of Performance**

- Root cause analyses and apparent cause analyses are not being performed as timely as they should be.
- Commercial Grade Dedication Program not fully meeting requirements, but management is focusing here.
- Quality Assurance corrective action plan needs work.

**Key Positives for AFO 5: Nuclear Safety**

- BNI participated effectively with the DOE Office of River Protection (ORP) during low-activity waste C5V Integrated Project Team meetings in the development of potential control strategies for that system.
- BNI self-identified and subsequently issued a Management Suspension of Work for the development of preliminary hazards analysis then worked collaboratively with ORP on the resolution.

**Key Areas for Improvement for AFO 5: Nuclear Safety**

- Several safety design basis change packages submitted did not meet ORP standards and required rework.
- The BNI nuclear safety team communications with the ORP nuclear safety team in advance of product submittals needs improvement.
- BNI has not provided an adequate schedule to ORP outlining its plans for development of nuclear safety documents needed for WTP engineering, procurement, and construction.

**Key Positives for AFO 6: Technical Issue Resolution**

- The BNI Pretreatment Facility (PTF) Area Project Manager developed and uses project management tools to align project staff, report project performance, and ensure visibility of required work.
- Vessel Test Completion Team is fully functional and is effectively leading and executing its assigned work scope.

**Key Areas for Improvement for AFO 6: Technical Issue Resolution**

- Technical issues for the PTF are not meeting BNI's internal schedule.
- Technical justifications provided to ORP for PTF are not yet fully defensible for issue closure.
- ORP has not received the final plans for HLW technical issue resolution such as confinement ventilation, mechanical handling, and HLW melter off-gas treatment process reassessment.
- The standard vessel testing program has been delayed.
- Work has also been delayed in some cases on the resolution of PTF technical/safety basis issues.