

## FY14 Fee Determination Scorecard

**Contractor:** Nuclear Waste Partnership, LLC

**Contract:** DE-EM0001971

**Award Period:** October 1, 2013 through September 30, 2014

**Basis of Evaluation:** Performance and Evaluation Plan (PEMP) for FY2014

**The FY2014 PEMP for this contract is available at:** <http://www.wipp.energy.gov/NWPpayments/NWP.htm>

### Award Fee Scorecard:

#### Subjective Fee (Award Fee) Criteria Summary Table

Criteria	Maximum Available Fee	Adjectival Rating	Fee Range Available for Adjectival Ratings	
			Percentage	Fee Amount
1.0 Mission Performance	\$512,026	Satisfactory	50%	\$256,028
2.0 Management Performance	\$512,026	Satisfactory	50%	\$256,028
3.0 ES&H Performance	\$512,026	Satisfactory	50%	\$256,028
4.0 Cost Control	\$512,026	Satisfactory	50%	\$256,028
<b>Total</b>	<b>\$2,048,224</b>			<b>\$1,024,112</b>

### Significant Achievements:

- WIPP site was available 99% of the time from October 1, 2013 through February 4, 2014 (first 4 months of the performance period) to process and dispose of transuranic TRU waste prior to the February 2014 events.
- NWP disposed of 2,115 cubic meters of TRU waste prior to the February 2014 events.
- NWP resumed TRU waste characterization and certification operations at Oak Ridge National Laboratory on time with minimal issues.
- NWP stood up expedited storage capability at Waste Control Specialists near Andrews, TX for as an alternative solution to removing TRU from Los Alamos National Laboratory (LANL) for the LANL 3706 project.
- Received EPA approval of the Run-of-Mine Panel Closure System.
- Maintained the ISO 14001 registration in the wake of the two February 2014 events.
- Consistently met WIPP Hazardous Waste Facility Permit deliverables to the New Mexico Environment Department.
- Prior to the February 2014 events at WIPP, NWP provided excellent financial management and cost control of the WIPP and National TRU program. NWP worked with CBFO to manage costs during the partial government shutdown in October 2013.
- NWP achieved a total cost savings of \$516,500 by performing the security services at WIPP instead of subcontracting those services.
- NWP's management responsiveness since the events offset much of the negative consequences.
- NWP's actions after the event have resulted in a plan for recovering the facility and restoring limited TRU waste disposal operations in FY2016 and full operations FY2018.

## Significant Deficiencies:

- Loss of WIPP plant availability to process and dispose of TRU waste due to the February 2014 events (8 months of the performance period)
- In addition to the loss of plant availability, the events caused a significant delay in TRU waste disposal of 2 years for any disposal and an additional 1-2 years to resume shipping rates near the capability of the facility prior to the events.
- 368 TRU waste containers disposed at WIPP were potentially non-compliant with the WIPP HWFP, resulting in a civil penalty from NMED to CBFO and NWP of \$18M.
- Implementation of the NWP Conduct of Operations program was not fully compliant with DOE Order 422.1, Conduct of Operations, until controls were put in place to correct the deficiencies identified by the events. The inadequate program impacted the identification of abnormal conditions and timely response.
- NWP did not have an effective maintenance program, until controls were put in place to correct the deficiencies identified by the events. The condition of critical equipment and components were degraded to the point where cumulative impact on overall operational readiness and safety was not recognized nor understood by NWP.
- NWP implementation of DOE O 151.1C, Comprehensive Emergency Management System, was ineffective. Personnel did not adequately recognize, categorize or classify the emergency and did not implement adequate protective actions in a timely manner.
- There still remains a concern regarding NWP's reluctance to initiate its issues management (WIPP Form) system as issues and events arise; thus, not always able to track and trend the resolution of issues, and thus not be as effective in preventing recurrence of events and issues. Corrective actions have been put in place or are in process to address this issue.
- The site safety culture did not fully embrace and implement the principles of DOE Guide 450.4-1C, Integrated Safety Management Guide prior to the events. There was a lack of questioning attitude, reluctance to bring up and document issues, and an acceptance and normalization of degraded equipment and conditions.
- NWP did not have an effective Radiation Protection Program in accordance with 10CFR835, Occupational Radiation Protection, until controls were put in place to correct the deficiencies identified by the events.
- Mine Safety and Health Administration (MSHA) performed two quarterly inspections in FY2014 to resume its part of the Memorandum of Agreement with DOE. In June 2014, MSHA conducted a quarterly inspection and issued 52 citations at WIPP against 30CFR57 requirements. In September 2014, MSHA conducted another quarterly inspection and issues 18 citations at WIPP against 30CFR57 requirements. NWP worked diligently to correct the identified deficiencies while making progress on recovery of the WIPP facility. However, most of the conditions cited by MSHA were preventable by NWP.
- NWP did not have an effective nuclear safety program in accordance with 10CFR830, Subpart B, Safety Basis Requirements, until controls were put in place to correct the deficiencies identified by the events.
- There was a significant cost impact to the WIPP and National TRU Program Operational Activities as a result of the two February 2014 events. As of August 31, 2014, NWP estimated approximately \$23,534,200 in costs directly associated with the radiological release event. Additional costs

continue to be incurred for cleaning, decontaminating, replacing, or rehabilitating property from the radiological release event.

**Performance Based Incentive Scorecard (Prior to Fee Reductions):**

Metric/Milestone	Maximum Available Fee	\$ per cubic meter	Multiplier, as applicable	Fee Earned
CH TRU Waste Volume Disposed	\$1,944,671	\$659	541.18 cubic meters	\$356,638
RH TRU Waste Volume Disposed	\$500,000	\$22,727	0 cubic meters	\$0
4,200 m <sup>3</sup> TRU Waste Disposed Goal Met	\$200,000			\$0
Invest/Reinvest \$5M Buy-Back Activities	\$1,000,000			\$0
Revise 220 Critical PMs by April 30, 2014	\$450,000		10%	\$45,000
Reduce Backlog of PM actions by 10%	\$925,000			\$0
Reduce Backlog of non-PM actions by 10%	\$1,125,000			\$0
<b>Totals</b>	<b>\$6,144,671</b>			<b>\$401,638</b>

**Total Fee Scorecard**

**Total Fee Earned After Fee Reductions:**

On two occasions during FY14, CBFO issued letters to NWP significantly reducing the total fee available to the company in accordance with the Conditional Payment of Fee (CPOF) clause in the contract. CPOF letters were issued following determinations by the DOE accident investigation board (AIB) regarding NWP’s level of culpability and poor response to the February 2014 fire and radiological release events that temporarily closed the WIPP facility. Following fee determinations for both subjective and objective components, the total fee earned by NWP was \$1,425,750. However, in accordance with the CPOF clause, the reductions of fee are only applied after the fee determinations (subjective and objective) are completed. After the first reduction of fee (25%), NWP was given the opportunity to recover up to 50% of the fee reduction. As a result of their positive performance on 2 of 5 specific recovery program activities; they earned back \$53,219 in fee. This resulted in an earned fee of \$1,122,531. For the second (CPOF) reduction of fee, the remaining earned fee (\$1,122,531) was reduced again by 50%, leaving a total of \$561,266 of fee earned by NWP in maximum available for FY14. The following table shows how the total fee earned by NWP was reached.FY14. As indicated in the paragraph above, this represented approximately 7% of the total \$8,192,895 maximum available for FY14. The following table shows how the total fee earned by NWP was reached.

FY2014 Fee	Earned Fee Prior to Fee Reductions	First Fee Reduction			Second Fee Reduction
		25% Fee Reduction	Recovered Fee	Subtotal Earned Fee	Earned Fee After 50% Reduction
Award Fee (Subjective)	\$1,024,112				
PBIs (Objective)	\$401,638				
<b>Total</b>	<b>\$1,425,750</b>	<b>(\$356,438)</b>	<b>\$53,219</b>	<b>\$1,122,531</b>	<b>\$561,266</b>