Department of Energy
National Nuclear Security Administration
Washington, DC 20585

November 28, 2014

MEMORANDUM FOR: Douglas Dearolph
Manager
NNSA Savannah River Field Office

From: Madelyn R. Creedon
Principal Deputy Administrator

Subject: Savannah River Nuclear Solutions, LLC, DE-AC09-SR22470, Fiscal Year 2014 Performance Fee

The National Nuclear Security Administration (NNSA) has completed its assessment of Savannah River Nuclear Solutions, LLC's (SRNS) effectiveness in meeting the performance expectations established in the Fiscal Year 2014 Performance Evaluation Plan for the period of October 1, 2013 through September 30, 2014. Based on assessments provided in the NNSA Performance Evaluation Report, award fee amounts and award term are as follows:

	At Risk %	Available	Final	Percent
PO 1: Nuclear Weapons Mission	25%	$5,296,250	$4,872,550	92%
PO2: Broader National Security Mission	12.5%	$2,648,125	$1,588,875	60%
PO 3: Science, Technology & Engineering	12.5%	$2,648,125	$2,250,906	85%
PO 4: Operations & Infrastructure	25%	$5,296,250	$3,177,750	60%
PO 5: Leadership	25%	$5,296,250	$4,131,075	78%
Total		**$21,185,000**	**$16,021,156**	**75%**

In addition, the fixed fee and total fee summaries are provided below for your information:

Fixed Fee	$0	$0	
WFO (Fixed Fee)	$0	$0	
Total Fixed Fee	**$0**	**$0**	
Total Summary	**$21,185,000**	**$16,021,156**	**75%**

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As part of my overall assessment of SRNS's performance, I note that senior management engagement and use of corporate reach-back assets to improve schedule performance on the Waste Solidification Building (WSB) were a step in the right direction. However, I am disappointed that SRNS did not obtain certification of the Earned Value Management System, which NNSA relies upon as a critical tool for evaluating project performance against approved baselines. Ultimately, the on-going concern with cost overruns resulted in no fee awarded for WSB performance and a reduction in scoring for PO-4 and PO-5.