



Savannah River Site Watch

**Savannah River Site Watch
(SRS Watch)**

<http://www.srswatch.org/>

For Immediate Release

Tuesday, February 28, 2017

Contact: Tom Clements, cell 803-240-7268, tomclements329@cs.com (in Washington, DC to speak on "Future of MOX" panel at [Nuclear Deterrence Summit](#), February 28, 4 p.m.)

SRS Watch Releases DOE's Devastating FY 2016 Assessment of CB&I AREVA MOX Services' Construction of Troubled Plutonium Fuel (MOX) Plant at Savannah River Site

DOE: Claim by MOX Services that MOX Plant Construction "70% Complete" is "Patently False"

Report "[A Project in Disarray: MOX](#)" Released Today by SRS Watch, Shows \$17-Billion MOX Plant Construction Not Viable and Must be Officially Terminated; "Rework" Memo Released

Washington, DC – Savannah River Site Watch has obtained and released the scathing National Nuclear Security Administration's Fiscal Year 2016 assessment of the performance of the contractor in constructing the mismanaged plutonium fuel (MOX) construction project at the U.S. Department of Energy's Savannah River Site in South Carolina.

The highly critical assessment by the U.S. Department of Energy's NNSA rates the construction performance of CB&I AREVA MOX Services as "unsatisfactory." This devastating rating and the justification for it merits the termination of the project-management contract, according to SRS Watch, a non-profit public interest oversight organization based in Columbia, South Carolina and near to SRS.

The "[Award Fee Determination](#)" for **CB&I AREVA MOX Services, LLC**, dated December 5, 2016, was obtained on February 21, 2017 through a Freedom of Information Act request. The analysis of the construction management of the \$17-billion MOX plant, which has turned into a funding and schedule black hole, is uniformly harsh and reveals persistent problems with the contractor's poor management of project.

As the government's report card declares, activities related to construction "during the evaluation period, the contractor's overall cost, schedule and performance was unsatisfactory." Of the potential \$2.7 million award fee for "Integrated Project Execution" (weighted at 90% of the award fee), the government awarded CB&I AREVA MOX Services zero dollars (\$0). Such a stunningly negative performance assessment is unheard of and may well reflect that NNSA has grown weary of the chronic mismanagement of the project and is again seeking to bring the dead-end project to an end, according to SRS Watch.

NNSA repeatedly states that CB&I AREVA MOX Services provided inaccurate and misleading information, stopping just short of stating that the company lied. Some major findings on the performance of MOX Services, charged with designing and constructing the MOX plant, include:

- “The contractor lacked the fiduciary will to plan and execute work to fully benefit the project and taxpayer...”
- “There continued to be a lack of transparency and openness in external communications with key project stakeholders by the contractor including continued release of misleading and inaccurate project information.”
- “The contractor continued to increase the amount of legal positioning and posturing throughout many of the project deliverables and activities including ... claims and notices of impact/change under the contract that did not have any valid or plausible bases.”
- “The over 70% physical completion figures reported by the contractor are patently false.” (This inaccurate figure has continually been stated by pro-MOX politicians without any proof; DOE claimed in a September 2016 report - linked below- that construction was 28% complete.)
- “NNSA disagrees with the majority of the input provided by the contractor to justify its self-rating of Excellent (92%) for the Integrated Project Management criteria.” In contrast, NNSA gave the contractor a 0% rating.
- “The contractor’s Management Team continued to impose unnecessary activities upon the Government due to poor functional performance, lack of planning, lack of attention to detail, and continued misaligned corporate posturing.”
- “...there continued to be too many delays and impacts to planned and ongoing work and an overall increased amount of unfinished work and final attributes to be completed.”

Tom Clements, director of SRS Watch, commented, “This report card makes it clear that not only has CB&I AREVA MOX Services utterly failed in its construction performance but the company also been actively misleading the government and the public about its chronic shortcomings. This assessment confirms that the MOX project should be shut down and that investigations into waste, fraud, abuse, mismanagement and corruption must be ramped up. A first action of Secretary of Energy Perry should be to halt the dead-end debacle the MOX project has become and tell MOX Services ‘You’re fired.’”

A major problem with construction at the MOX plant is the high rate of improper installation of commodities such as piping, HVAC systems, cable trays and wiring. A DOE official testified to Congress in October 2015 that the “reinstallation” rate was a stunning 25%. In a too-little, too-late effort to get a handle on rework, whereby improperly installed materials are ripped out and reinstalled, CB&I Project Services Group has directed workers to classify the severity of rework problems and determine if the taxpayers or contractors are to be billed for that effort. The [“rework definitions” memo](#) obtained by SRS Watch appears to be a diversion to make some feel that after 10 years of construction that rework problems are finally being addressed.

The negative award fee document, the “rework” memo, massive funding shortfalls, huge schedule delays and a host of other things that are debilitating the MOX project are discussed in detail in a new SRS Watch 41-page report entitled [A Project in Disarray: MOX](#), which is being released today. The findings of the report and its conclusion that the MOX project is no longer viable and must be terminated will be discussed by author Tom Clements on February 28, 4 p.m. at the Exchange Monitor’s Nuclear Deterrence Summit at the Capital Hilton in Washington, DC.

SRS Watch is a proud member of the Alliance for Nuclear Accountability (ANA), a 35-member network of grassroots and national organizations addressing the DOE’s nuclear weapons complex and contractor accountability. In 2012, fellow ANA member [Nuclear Watch New](#)

[Mexico](#) successfully sued NNSA to ensure that contractor award fee assessments - [Performance Evaluation Reports](#) (PERs) - were publicly available. Site evaluations are posted but NNSA continues to withhold the MOX "PER," making it only available via a FOIA request.

###

Notes:

Documents linked on SRS Watch website:

The FY 2016 MOX Services performance evaluation, obtained Feb. 21, 2017 by SRS Watch, posted at: <https://tinyurl.com/hffcldq>

SRS Watch draft report "*A Project Chaos: MOX*" – released for comments on February 28, 2017, posted at: <https://tinyurl.com/z5h67gz>

"Rework Definitions – September 2016" memo, by CB&I Project Services Group, posted at: <https://tinyurl.com/j6epkdm>

SRS Watch news release of April 21, 2016, on the award fee for CB&I AREVA MOX Services for Fiscal Year 2015, posted at (and linked via a [Project on Government Oversight blog](#)): http://www.srswatch.org/uploads/2/7/5/8/27584045/srs_watch_news_on_mox_award_fee_april_21_2016.pdf

MOX plant aerial photos provides to SRS Watch by @High Flyer posted at: <http://www.srswatch.org/photos.html> and available on request

...and, the latest DOE assessment of the overall MOX project, including the \$17-billion MOX plant construction cost and a start-up date of 2048:

NNSA/Corps of Engineers report *2016 Updated Performance Baseline for the Mixed Oxide Fuel Fabrication Facility at the Savannah River Site: Overview of DOE's 2016 Updated Performance Baseline with a Comparison to the Contractor's Estimates and Data* - https://nnsa.energy.gov/sites/default/files/nnsa/inlinefiles/2016_updated_performance_baseline_for_mox.pdf

Contact:

Tom Clements
Director, Savannah River Site Watch
1112 Florence Street
Columbia, SC 29201
USA
tel. 1-803-834-3084
cell 1-803-240-7268
tomclements329@cs.com
<http://www.srswatch.org/>
<https://www.facebook.com/SavannahRiverSiteWatch>