



Savannah River Site Watch

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**For Immediate Release**

**April 21, 2016**

**SRS Watch Obtains MOX Fiscal Year 2015 Award Fee Documents for CB&I AREVA MOX Services via FOIA request, Publicly Releases them as DOE's NNSA and CB&I AREVA MOX Services Fail to Do So**

**MOX Services Rated "Satisfactory" for Bonus Fee Award for FY 2015; NNSA Determines "Overall performance below the level needed for successful project execution" and Drug Testing Inadequate**

*Award Fee Documents Linked in "Notes" Below and Posted at <http://tinyurl.com/zc8ryrw>*

**Columbia, South Carolina** – Documents obtained from the U.S. Department of Energy's National Nuclear Security Administration (NNSA) reveal that the contractor designing and constructing the plutonium fuel (MOX) project at the Savannah River Site (SRS) rated only an overall performance rating of "satisfactory" for work in Fiscal Year 2015. The documents affirm that the project execution is below the level needed to successfully execute the MOX project, according to Savannah River Site Watch, the public interest group that obtained and reviewed the documents.

NNSA's MOX contractor, CB&I AREVA MOX Services, garnered only 49% of the maximum bonus fee ("award fee") of \$8.86 million, earning \$4.33 million. The overall "satisfactory" rating, based on an award-fee system that is tipped in favor of the contractors, included some key areas of performance receiving ratings as low as 23%.

The annual award fee determinations are made shortly after the end of the fiscal year on October 1. As the NNSA is averse to releasing its award fee assessments, SRS Watch had to request the documents for the MOX project under a Freedom of Information Act (FOIA) request.

"The award fee documents confirm that effective project management and construction oversight are lacking by both CB&I AREVA MOX Services and NNSA, causing one to wonder how such a negative situation could be allowed to exist nine years after construction of the MOX plant began," said Tom Clements, director SRS Watch. "The award fee assessments for not only the MOX project but all over NNSA projects across the DOE complex must be routinely posted and not shielded from public review," stated Clements.

The construction of the Mixed Oxide Fuel Fabrication Facility (MFFF) at SRS in August 2007 and has faced continual cost increases and schedule delays. Originally estimated to cost under \$1 billion, the cost of the MOX plant, which is chronically lacking an official rebaselined cost estimate, is now estimated to be \$8 billion to \$12 billion. Completion of construction is a decade or more away, if daunting problems related to design, construction, start-up and funding can be addressed. As DOE has affirmed that

funding for the problem-plagued project is unsustainable, DOE has proposed that MOX plant construction be terminated in Fiscal Year 2017 (which begins October 1, 2016).

The NNSA's assessment of management and construction of the problem-plagued MOX plant identified some "positive trends" in certain areas but negatively assessed CB&I AREVA MOX Service's performance and determined that "Overall performance is below the level needed for successful project completion, as culminated in cost overruns and schedule delays." The award fee document did not explain why the contractor is still being allowed to continue work on the contract given its low performance.

The documents on the annual bonus were obtained by a FOIA request filed on December 11, 2015 by SRS Watch. Due to an unexplained delay in a response to the request, SRS Watch received the requested documents on April 19, 2016, far beyond the 20-day period allowed for a response to a FOIA request. It is suspected that NNSA did not want the bad news on the MOX construction by CB&I AREVA MOX Services to be seen by the public, according to SRS Watch.

The documents detail a number of positive and negative trends but the top four area of work, comprising 70% of the award fee, all rated only "satisfactory" and all had "ratings" of 50% or less.

The 43-page award fee "narrative" discusses a number of items of concern and shockingly concludes that "During this assessment NNSA found that MOX Services is not implementing random drug testing in a manner that is compliant with the procedure and is therefore not appropriately providing assurance of a drug free workplace." There is no indication that either MOX Services or the NNSA were able to get control of the failure in the company's compliance with the requirements of a drug testing program.

"While NNSA rates the performance of MOX Services as only satisfactory, NNSA itself earns an even lower rating for allowing this unacceptable and chronic situation to drag on," added Clements. "At a time when construction problems should have been worked out, it's clear that neither CB&I AREVA MOX Services nor the NNSA have the project under control. The question hangs: why is NNSA allowing CB&I MOX Services to keep the MOX design and construction contract as NNSA itself has determined that the company will not be able to successfully complete the project?"

The [Strategic Forces subcommittee](#) of the House Armed Services meets at noon on April 21 to discuss defense authorization for FY 2017. The [subcommittee's mark-up](#) includes language that would allow DOE to waive construction of the MOX plant, essentially terminating the project, if several basic conditions are met.

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#### **Notes:**

**Freedom of Information Act documents on FY 2015 MOX project bonus fee, received April 19, 2016 – posted on the SRS Watch website at <http://tinyurl.com/zc8ryrw> and below:**

**NNSA cover letter on release of FOIA documents, to Tom Clements, SRS Watch, April 19, 2016, [http://www.srswatch.org/uploads/2/7/5/8/27584045/foia\\_16-00066-k\\_clements\\_final\\_response\\_ltr\\_4-14-16.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/foia_16-00066-k_clements_final_response_ltr_4-14-16.pdf)**

**Fiscal Year 2015 MOX Plant Award Fee Determination letter, December 17, 2015,**  
[http://www.srswatch.org/uploads/2/7/5/8/27584045/fy2015\\_award\\_fee\\_determination.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/fy2015_award_fee_determination.pdf)

**FY 2015 Performance Evaluation of CB&I AREVA MOX Services, LLC Contract No. DE-AC02-99CH10888,**  
[http://www.srswatch.org/uploads/2/7/5/8/27584045/fy2015\\_performance\\_evaluation\\_brief.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/fy2015_performance_evaluation_brief.pdf)

**MFFF Award Fee 43-page narrative,**  
[http://www.srswatch.org/uploads/2/7/5/8/27584045/mfff\\_fy2015\\_award\\_fee\\_narrative.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/mfff_fy2015_award_fee_narrative.pdf)

**NNSA letter of January 20, 2016 acknowledging FOIA request from SRS Watch for "Performance Evaluation Reports" for MOX for Fiscal Year 2015,**  
[http://www.srswatch.org/uploads/2/7/5/8/27584045/foia\\_16-00066-k\\_clements\\_ack\\_ltr\\_1-20-16.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/foia_16-00066-k_clements_ack_ltr_1-20-16.pdf)

**SRS Watch FOIA request to NNSA for MFFF award fee documents, December 11, 2015,**  
[http://www.srswatch.org/uploads/2/7/5/8/27584045/foia\\_request\\_for\\_mfff\\_documents\\_december\\_11\\_2015.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/foia_request_for_mfff_documents_december_11_2015.pdf)

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