

Over \$375 Million Cumulative Savings



Budget Reductions

Cost Savings & Avoidance

Transformation from an M&O to a Performance-based Contract

When production began at the Hanford Site in 1943, few could have imagined the evolution from plutonium production for the Manhattan Project, through the Cold War, the world's largest environmental cleanup mission, and now a future which includes a National Park. Hanford's mission continues to evolve.

With the release of the Mission Support Contract, the government had the vision to recognize the benefits of change. The MSC scope transitioned to a performance-based contract structure with usage-based pricing services. The new structure has resulted in a culture change where resources are better utilized, efficiencies have improved and cost savings are realized. Through proven performance this evolution is paying tangible dividends.

Today the MSC offers a service delivery model where infrastructure needs and its total cost of ownership are no longer buried within cleanup projects. Even more tangible, users buy services on an as-needed basis. Through integration of service needs and the ability to forecast and prioritize services – tax payers are seeing dramatic cost reductions.

FAST FACTS:

- \$375 million cumulative cost savings
- Achieving all Service Level Agreements and performance metrics since contract inception
- Averaging 94.6 percent customer service ratings from more than 23,000 customer surveys since contract inception
- Achieved 98.97 percent on-time contract cumulative deliverables
- Exceeding all socioeconomic and small business goals with over \$667 million contracted with small businesses since contract inception

Best Practices

- Proven business systems to offer **firm fixed price, fixed unit price, and usage-based services** – matching supply and demand
- **Forecasting of services** to trend customer needs and capture true cost of ownership
- Institutionalized a standard Operating Excellence methodology to right-size services and reduce waste with **Lean Management** and **Six Sigma**
- Mission Service Desk providing a **single, integrated customer service system** to resolve service needs across multiple prime contractors
- **Online catalog** to simplify readily available services with access to pricing options and Service Level Agreements aligned to mission requirements
- Proven methodology for **contracting with small businesses** and achieving federal goals
- **Published service metrics**

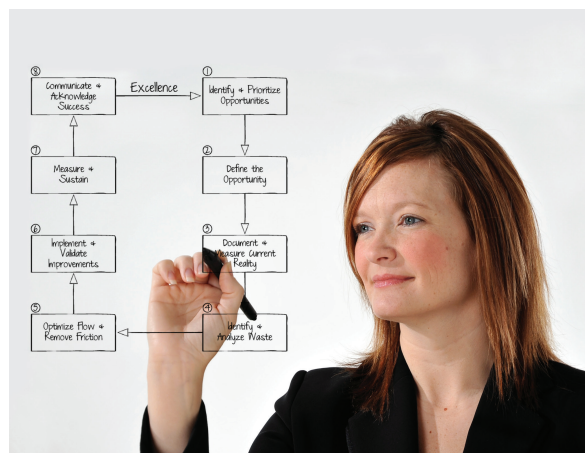
You can't improve what you don't measure

While the Mission Support Contract was focused on integration of services across multiple DOE Field Offices and prime contractors with differing cleanup responsibilities, the core focus was **innovation and integration** – delivering a new way of doing business.

That culture change required an extreme effort to transform a mind-set of several decades, but changes have resulted in new best practices for the DOE Richland Operations Office.

BEST PRACTICES:

- **Proven business systems to offer firm fixed price, fixed unit price, and usage-based services** – offers a business model with published rates. UBS is transforming the way contractors are using services to pay for what they need, and only when they need it.
- **Forecasting of services to trend customer needs** – through our Integrated Services & Alignment Plan. This plan provides the foundation for integrated multi-contractor infrastructure out-year planning needs with assessment conditions on critical systems such as emergency response, electrical, water, sewer, roads and more.
- **Operating Excellence** – offers a Lean Six Sigma methodology that was implemented day-one of the MSC. It focused on right-sizing services and working inter-contractor service needs to reduce waste and rework and improve quality.
 - 95% crane and rigging availability
 - 53% reduction in warehouse operations cycle time
 - 31% reduction in inter-contractor work order process time
 - 55% reduction in fleet services cycle time
- **Mission Service Desk providing a single integrated system to resolve service needs across multiple prime contractors** – our integrated call center provides 24-hour access to service technicians offering over 90 percent first call resolution rates.
- **Online catalog to simplify access to services with access to pricing options and Service Level Agreements** – offering clients flexible service options that meet their budget or one-time production needs. Much like your experience with commercial carriers or services you select from your city government – you understand what you are paying for.
- **Proven methodology for contracting with small businesses** – to simplify alignment with federal and community goals. MSC has tools and processes in place to streamline contract placement and ensure alignment with Small, Disadvantage, Small Women Owned, HubZone, Service Disabled, and Veteran Owned business goals.
- **Published service metrics** – when pay for performance matters. Published service metrics are updated on a routine basis and serve as an indicator on potential degradation in services, before an issue becomes a problem.



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