

GAO Highlights

Highlights of [GAO-22-105417](#), a report to congressional committees

Why GAO Did This Study

The ESCM uses single-award indefinite delivery/indefinite quantity contracts with task orders for defined scopes of work after contract award. This represents a key difference from EM's prior contracting approach, which generally required developing detailed scopes of work for the full length of the contract prior to award.

Senate Report 117-39 accompanying S. 2792, a bill for the National Defense Authorization Act for Fiscal Year 2022, includes a provision for GAO to review the ESCM. This report (1) describes the current status of the ESCM and EM's reasons for implementing it, (2) examines EM's strategy for ESCM implementation, and (3) examines how EM has administered ESCM contracts. GAO reviewed EM documentation on awarded ESCM contracts and relevant policies and guidance; and interviewed EM officials, industry stakeholders, and relevant contractor personnel.

What GAO Recommends

GAO recommends that DOE (1) pursue its own recommendation to use an independent entity to assess its workforce capacity; (2) implement a formal, structured process to assess ESCM contracts; and (3) develop measures to assess the model's performance. DOE agreed with GAO's recommendations and stated that it is taking steps to implement them by September 30, 2023.

View [GAO-22-105417](#). For more information, contact Nathan Anderson at (202) 512-3841 or AndersonN@gao.gov.

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NUCLEAR WASTE CLEANUP

Actions Needed to Determine Whether DOE's New Contracting Approach Is Achieving Desired Results

What GAO Found

The Office of Environmental Management (EM), within the Department of Energy (DOE), uses contractors to carry out its mission of cleaning up radioactive and hazardous materials at DOE's 15 active environmental cleanup sites. In 2019, EM began using a new contracting approach, the End State Contracting Model (ESCM), with the goal of more effectively moving cleanup sites toward completion. As of June 2022, EM had awarded six contracts worth up to a combined \$47 billion, using the ESCM. EM plans to use the model as its preferred contracting strategy for additional large environmental cleanup contracts going forward. According to EM documentation, the agency sought to incorporate elements of prior successful cleanup projects into the ESCM and to gain key benefits, such as a streamlined procurement process and more realistic pricing. Following the contract award, EM negotiates with the contractor for task orders that define scopes of work and costs for specific cleanup activities (see fig.).

Overview of the End State Contracting Model Process



Source: GAO analysis of Department of Energy documentation. | GAO-22-105417

EM developed a program plan to guide its implementation of the ESCM and has identified and shared lessons learned. However, EM officials said that ongoing challenges with the ESCM include ensuring that EM has the workforce capacity to effectively implement it, especially during the post-award phase. EM recently analyzed this issue but chose not to pursue its own recommendation to use an independent entity to assess its workforce capacity. Such an assessment would provide the impartial information that EM needs to better align its workforce to successfully administer the ESCM.

GAO's analysis of ESCM contracts found weaknesses with the model's post-award phase, such as the use of undefinitized contract actions, which authorize work to begin before EM and contractors reach final agreement on contract terms. Despite these weaknesses, EM has not systematically assessed its awarded ESCM contracts or developed performance goals or associated measures to assess whether the model is achieving its intended benefits. Implementing a formal, structured process to assess the ESCM's rollout and developing performance measures could help EM to better identify and address weaknesses and ensure that the model is achieving desired results before it awards billions more through the ESCM.