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Safely Delivering the U.S. Department of Energy's Vision for the East Tennessee Technology Park Mission

For Immediate Release

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UCOR Modifying Subcontracting Approach

Oak Ridge, Tenn., Feb. 16, 2012 - URS | CH2M Oak Ridge LLC (UCOR) is modifying its subcontracting approach to allow for more efficient use of limited government funding, which can then be used to accomplish more cleanup on the U.S. Department of Energy's Oak Ridge Reservation.

“UCOR has had funding challenges since the start of the contract on August 1, 2011,” said Leo Sain, UCOR President, and Project Manager. “However, we wanted to accomplish as much as possible, so we sought to identify ways to cut costs so that we could funnel those savings into executing more cleanup.”

The new subcontracting approach, Sain said, is the latest measure UCOR has identified to help the company continue saving taxpayer dollars. UCOR's initial subcontracting approach was task-based, under which a task was subcontracted, and the subcontractor provided program management and infrastructure support. UCOR's new approach will increase the use of cost effective and efficient subcontractors to accelerate cleanup of East Tennessee Technology Park (ETTP), where the majority of subcontract work will be executed with staff augmentation subcontractors. With a staff augmentation model, UCOR will manage the work scope and only subcontract out employees and supervisors.

“Because we're not paying subcontractors for management and infrastructure support, we will be able to save significant funds,” Sain said. “In fact, this shift is the reason we recently cancelled the landfill management procurement. We will still subcontract the workers and supervisors.”

This approach will still allow UCOR to meet its commitment to DOE of subcontracting 70 percent of the work in its second year. UCOR currently subcontracts 63 percent of the work, which includes 392 augmentation subcontractor employees and 193 task-based subcontractor employees. Almost 74 percent of the subcontracted work is going to small businesses, exceeding the company's 65 percent goal. The breakdown of small business subcontracting includes 13 percent for small disadvantaged businesses (exceeding a 10 percent goal), 39 percent to woman-owned businesses (exceeding a 10 percent goal), 10 percent to HUBZONE businesses (exceeding a 4 percent goal), 7 percent to veteran-owned small businesses (exceeding a 4 percent goal), and 4 percent to disabled veteran-owned businesses (meeting the 4 percent goal).

Since becoming DOE's cleanup contractor, UCOR has identified approximately \$36 million in savings and has reinvested these savings back into project work.

"These savings, along with the budget we received for FY 2012, allowed us to keep all work on track with no reduction in force," Sain said. "Without these savings, our work could have been stopped due to reductions in force."

Sain pointed out that in the long-term, additional cleanup work will be added to the UCOR contract, allowing additional subcontracting opportunities in the future.

"We understand that we need to work as efficiently as possible at a time when the federal government is cutting budgets to address our national debt," Sain said. "We are constantly looking at ways of saving money, and we feel our new subcontracting approach is the right thing to do in being good stewards of the tax dollars entrusted to us."

UCOR is DOE's Environmental Management contractor at the Oak Ridge Reservation. The company is responsible for deactivation and demolition of the K-25 facility at ETTP, as well as other specific scopes of work at ETTP, the Y-12 National Security Site, and the Oak Ridge National Laboratory.

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