

**Attachment B:  
NTS Recovery Act Project  
Project Operating Plan**

**BACKGROUND**

**Recovery Act Project:** NTS Recovery Act Project  
**TAFS:** 89-09/10-0253  
**Project Identification Code:** 2002070  
**Recovery Act Bill Reference:** PL 111-5 Title IV – Energy and Water Development, Defense Environmental Cleanup (H.R. 1-26)  
**Project Cost:** \$44,325,000  
**Budget Authority:** 06049, FD.06.21.00.0 - \$44,325,000  
**Program Office:** Environmental Management (EM)  
**Recovery Program Plan:** EM - Defense  
**Management Office:** Nevada Site Office  
Cindy Lockwood, Acting Deputy Assistant Manager for Environmental Management, [lockwood@nv.doe.gov](mailto:lockwood@nv.doe.gov)

**LEADS**

**Implementation:** N/A  
**Breakthrough:** N/A  
**Laboratory:** N/A

**I. SUMMARY & OBJECTIVES**

**Summary:** The Environmental Management objective on the Nevada Test Site includes assessing the degree of contamination of support facilities, soils, and groundwater resulting from the historic nuclear weapons testing program, and performing corrective actions required by federal and state regulations. The goal is to implement appropriate corrective actions and establish institutional controls to ensure the protection of human health and the environment. Recovery Act funding of this project will accelerate remediation of soil and groundwater contamination and accelerate demolition of excess facilities. Specific activities include:

- Characterization and closure of contaminated soil at three corrective action units
- Installation of two groundwater monitoring wells in the area of Pahute Mesa to improve environmental characterization data
- Demolition of the Reactor Maintenance, Assembly, and Disassembly Facility; the Engine Maintenance, Assembly, and Disassembly Facility; and the Pluto Disassembly Facility, thereby reducing the Department’s environmental liability footprint by approximately 214,000 square feet
- Demolition of two ancillary structures (i.e. nuclear furnace piping and a removable shed) associated with the Test Cell C Facility

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Acceleration of these activities is anticipated to expedite completion of existing environmental protection and site cleanup goals by several years and reduce life-cycle costs.

This Recovery Act work ties to the following DOE and EM Strategic Goals and Themes:

DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.

DOE Strategic Goal 5 – Management and Excellence – Enabling the Department’s mission through sound management and business practices.

EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come.

**Public Benefits:** The near-term benefits of this project include the creation/preservation of environmental remediation jobs at the Nevada Test Site and a reduction in risk to site workers and the environment. The long-term benefits include the accelerated completion of project elements, a reduction in the total project baseline cost, and a more efficient use of taxpayer money.

**Recovery Act Project Impacts:** This investment fully supports the strategic goals and the mission of the DOE which encompasses the accelerated risk reduction and cleanup of the environmental legacy of the nation's nuclear weapons program and government-sponsored nuclear energy research. This project will accelerate remediation of soil and groundwater contamination and accelerate demolition of excess facilities (reducing the site’s contaminated footprint by approximately 214,000 square feet) from the nation’s historic nuclear weapons testing program. The project relies on existing, proven technologies, and utilizes a risk-based approach to cost-effectively reduce hazards to Nevada Test Site workers and the environment.

## II. COST & SCHEDULE

### Budget

**Table 1a: Budget Implementation 12 Week Obligations (\$M) [ENTER INTO SHAREPOINT DIRECTLY]**

	Week of ARRA Activities (Beginning Week of March 9)											
	1	2	3	4	5	6	7	8	9	10	11	12
NTS Recovery Act Project												

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**Table 1b: Budget Implementation 12 Week Expenditures (\$M) [ENTER INTO SHAREPOINT DIRECTLY]**

	Week of ARRA Activities (Beginning Week of March 9)												
	1	2	3	4	5	6	7	8	9	10	11	12	
<b>NTS Recovery Act Project</b>													

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**Table 2a: Budget Implementation Monthly & Yearly Obligations (\$M) [ENTER INTO SHAREPOINT DIRECTLY]**

	FY 2009 Q3			FY 2009 Q4			FY 2010 Q1		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
NTS Recovery Act Project									
	FY 2010 Q2			FY 2010 Q3			FY 2010 Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
	FY 2011 Q1			FY 2011 Q2			FY 2011 Q3 & Q4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr – Sept		
	FY 2012		FY 2013		FY 2014		FY 2015		

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**Table 2b: Budget Implementation Monthly & Yearly Expenditures (\$M) [ENTER INTO SHAREPOINT DIRECTLY]**

	FY 2009 Q3			FY 2009 Q4			FY 2010 Q1		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
NTS Recovery Act Project									
	FY 2010 Q2			FY 2010 Q3			FY 2010 Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
	FY 2011 Q1			FY 2011 Q2			FY 2011 Q3 & Q4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr – Sept		
	FY 2012		FY 2013		FY 2014		FY 2015		

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**NOTES:** N/A

Funds Returned and Offsetting Collections  
N/A

**Table 3: Funds Returned and Offsetting Collections (\$M)[ENTER INTO SHAREPOINT DIRECTLY]**

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
N/A							

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### Indirect Costs

Indirect cost estimates are currently being compiled at the contractor level. Contractors will be required to track and report on actual indirect costs.

In accordance with the general principles of the Recovery Act, DOE Nevada Site Office will take the following steps to minimize the impacts of indirect costs and enhance transparency and accountability of project:

- (a) Clearly identify the estimated full cost of projects to include total direct and indirect costs, indirect costs rates, and adjust existing indirect cost rate to account for the material infusion of funds provided in the Recovery Act;
- (b) Ensure all funds transferred to contractors/subcontractors are completed using the Approved Funding Program process described in Chapter 12 of the Accounting Handbook; and
- (c) The Federal Administrative Charge (FAC) of three percent is waived on reimbursable work funded by the Recovery Act and performed by DOE federal offices or the site contractor.

### Changes to Baseline Budget

**Table 4: Changes to Baseline Budgets (\$M) [ENTER INTO SHAREPOINT DIRECTLY]**

Changes to Baseline Budget	Increase/Decrease	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Project Acceleration	See notes below							

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**NOTES:** Recovery Act activities will result in an overall decrease to the out year baseline budget. This reduction will be realized in the 2020-2027 time frame as baseline elements are completed ahead of schedule.

### **Milestones**

See attachment for weekly/monthly milestones.

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**Table 5: Delivery Schedule for Capital Asset Projects [ENTER INTO SHAREPOINT DIRECTLY] N/A (until OECM and EM agree on 413.3A graded approach)**

<b>Program/OECM Milestone</b>	<b>Delivery (End) Date</b>	<b>Comments</b>
Develop capital asset projects Integrated Project List		
Develop Parametric Performance Baseline (Individual Projects)	June 2006	
If < \$100 M Perform IPR, > \$100 M Perform EIR (Individual Projects)	August 2006	Onsite review started in August 2006. The certified baseline included the drilling of groundwater characterization wells, demolition of facilities, and closure of one contaminated soils corrective action unit. The verified out year planning and estimate range (OPER) included closure of two contaminated soils corrective action units. The OPER activities will be accelerated into the near-term performance period by a Baseline Change Proposal. Contractor estimates for the OPER activities are scheduled to be reviewed and validated.
Approve Performance Baseline	January 2008	
Approve Start of Construction	January 2008	
Approve Project Completion	September 2011	Project completion date is for Recovery Act activities only.

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**NOTES:** Impacts to the critical path may include unanticipated field conditions (e.g. well failure, extent of contamination, etc.) and regulatory decision points. These risks are maintained in the project’s risk management plan. The baseline schedule is at least a 50 percent confidence level and is based on past experience with similar projects at the Nevada Test Site.

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**III. PERFORMANCE**

**Performance Measures**

**Table 6: Project Performance Targets [ENTER INTO PMM DIRECTLY]**

Recovery Act Project Identification Code	2002070
Linkage To S-1 Priorities	National Security and Legacy: Complete legacy environmental clean-up This investment fully supports the strategic goals and the mission of the DOE which encompasses the accelerated risk reduction and cleanup of the environmental legacy of the nation's nuclear weapons program and government-sponsored nuclear energy research.
Linkage to Current Program Goal (if applicable)	DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.  EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come.
Two-Year Outcome-Oriented Performance Measure	This project includes the closure of three contaminated soils corrective action units, drilling of two groundwater wells, and the demolition of three facilities and two ancillary structures on the NTS.
First Year Performance Target (FY09)	Complete initial funds distribution Complete drilling of first accelerated groundwater well
Q1 - Project-Level Quarterly Performance Milestone(s)	N/A

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Q2 - Project-Level Quarterly Performance Milestone(s)	N/A
Q3 - Project-Level Quarterly Performance Milestone(s)	Complete initial funds distribution
Q4 - Project-Level Quarterly Performance Milestone(s)	Complete drilling of first accelerated groundwater well
Second Year Performance Target (FY10)	Complete initial investigation activities at three contaminated soils corrective action units and submit CAIPs to State of Nevada Complete demolition of two ancillary structures associated with the Test Cell C Facility
Q1 - Project-Level Quarterly Performance Milestone(s)	Complete demolition of two ancillary structures associated with the Test Cell C Facility
Q2 - Project-Level Quarterly Performance Milestone(s)	Complete initial investigation activities at one contaminated soils corrective action unit and submit CAIP to State of Nevada
Q3 - Project-Level Quarterly Performance Milestone(s)	Complete initial investigation activities at one contaminated soils corrective action unit and submit CAIP to State of Nevada
Q4 - Project-Level Quarterly Performance Milestone(s)	Complete initial investigation activities at one contaminated soils corrective action unit and submit CAIP to State of Nevada
Third Year Performance Target (FY11)	Complete characterization and closure activities at three contaminated soils corrective action units and submit CADD/CRs to State of Nevada Complete demolition of the Reactor Maintenance, Assembly, and Disassembly Facility Complete demolition of the Engine Maintenance, Assembly, and Disassembly Facility Complete demolition of the Pluto Facility Complete drilling of second accelerated groundwater well
Q1 - Project-Level Quarterly Performance Milestone(s)	Complete demolition of the Reactor Maintenance, Assembly, and Disassembly Facility
Q2 - Project-Level Quarterly Performance Milestone(s)	Complete characterization and closure activities at one contaminated soils corrective action unit and submit CADD/CR to State of Nevada

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Q3 - Project-Level Quarterly Performance Milestone(s)	Complete demolition of Pluto Complete characterization and closure activities at one contaminated soils corrective action unit and submit CADD/CR to State of Nevada
Q4 - Project-Level Quarterly Performance Milestone(s)	Complete drilling of second accelerated groundwater well Complete demolition of the Engine Maintenance, Assembly, and Disassembly Facility Complete characterization and closure activities at one contaminated soils corrective action unit and submit CADD/CR to State of Nevada

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**NOTE:** In addition to the cost and schedule performance targets, the number of remediations completed will be captured in Fiscal Year 2011. Recovery Act funding will accelerate the closure of several environmental release sites on the Nevada Test Site, accelerate completion of program elements by several years, and result in a long-term cost savings to the program.

**National Strategic Benefits**

**Table 7: National Strategic Benefits [ENTER INTO SHAREPOINT DIRECTLY]**

1. Carbon Emission Reductions: Estimated 5-year undiscounted CO <sub>2</sub> reduction (in metric tonnes of CO <sub>2</sub> equivalent) are NA
2. Oil Consumption Reductions: Estimated 5-year reduction in undiscounted oil consumption (in barrels of oil equivalent) is NA

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**NOTES :** N/A

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**IV. MANAGEMENT**

**Secretarial-level Items**

Intended Results and Linkage to Secretary’s Priorities

**Table 8: Secretary's Priorities [ENTER INTO SHAREPOINT DIRECTLY]**

Economic prosperity and national security/legacy as described below.

<b>Secretary’s Priorities</b>	<b>Project Impacts (Qualitative)</b>	<b>Project Impacts (Quantitative)</b>
Science and Discovery	N/A	N/A
Clean, Secure Energy	N/A	N/A
Economic Prosperity	This project will create/preserve environmental remediation jobs.	(# of new and/or retained jobs – TBD)
National Security and Legacy	This project will create/preserve jobs and accelerate completion of legacy environmental clean-up. The project relies on existing, proven technologies, and utilizes a risk-based approach to cost-effectively reduce hazards to NTS workers and the environment.	This project includes the closure of three contaminated soils corrective action units, drilling of two groundwater wells, and the demolition of three facilities and two ancillary structures on the NTS.
Climate Change	N/A	N/A

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**Collaboration and Coordination**

This project requires coordination with the U. S. Air Force for access to the Nevada Test and Training Range to drill one of the groundwater monitoring wells in Pahute Mesa. Additionally, the Nevada Division of Environmental Protection has regulatory and oversight responsibility for Nevada, and ensures that the impacts associated with the release of hazardous substances, pollutants, solid wastes, and hazardous waste into the environment are thoroughly investigated and remediated per applicable regulations and agreements. The Nevada Division of Environmental Protection issues and provides oversight of various environmental permits and enters into agreements with Nevada’s environmental projects.

**Federal Infrastructure Investments**

This project does not include any federal infrastructure investments.

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However, ancillary benefits may be achieved through the elimination of facilities resulting in reduced electrical power consumption and corresponding reduction of greenhouse gas emissions. Reuse/Recycle of excess materials could result in reduced consumption in fossil fuels required to process raw materials.

These facilities contain hazardous or radiological material. Accelerating the removal and proper disposal reduces risk of releases of this material to the environment

### **Line Management**

The Nevada Site Office intends to use existing systems and practices to effectively monitor and report on the Recovery Act Project activities, including:

- Fully implement all Recovery Act transparency and reporting requirements through modifications to the contract that will fund this Recovery Act Project.
- Conduct audits and assessments to maintain accountability and transparency with respect to Recovery Act activities.
- Implement a separate Work Breakdown Structure and cost structure to effectively capture, report, and maintain accountability for the Recovery Act funds.
- Continue applying project management principles to Recovery Act Project execution, including reviewing and validating EM project cost and schedule baselines consistent with DOE Order 413.3 and identifying project risks and strategies for managing them.
- Continue use of industry standard Earned Value Management System (EVMS) to compare actual project scope, cost, and schedule performance against planned performance as depicted in the baseline.
- Continue monitoring of the contractors' EVMS reports to ensure the Recovery Act Project is on track and, if not or if trends are in a negative direction, to develop and implement corrective actions.
- Hold monthly and quarterly management meetings with contractors to provide updates on the Recovery Act Project.
- Assign appropriately qualified personnel to the Recovery Act Project to provide technical and programmatic oversight of the contractors performing the work and are the day-to-day governmental interface and manager for the project.
- Use the Nevada Site Office Environmental Restoration Integrated Project Team of federal and contractor staff with project knowledge and subject matter expertise essential to the successful planning and execution of the project – including safety, risk management, engineering, quality assurance, contracts administration, and project controls.
- Maintain detailed risk management plans to identify and mitigate risks.

### **Needs from Staff Offices**

N/A

#### **1) Human Capital**

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Federal staff is on board and systems are in place to ensure cost tracking, validation, and oversight of project execution. No additional permanent federal staff will be hired.

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**Table 9: Information on Hiring Under the Recovery Act [ENTER INTO SHAREPOINT DIRECTLY]**

# & Type of Positions (Title, Series and Grade)	Location (HQ or Field – w/location)	Federal or Contractor	Timeframe (1-6mos; 6+mos; other; specify date needed if possible)
N/A			

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