

Project Operating Plan – Richland - Hanford Site - D&D of Central Plateau

**Attachment B:
Richland - Hanford Site - D&D of Central Plateau
Project Operating Plan**

BACKGROUND

Recovery Act Project: Richland - Hanford Site - D&D of Central Plateau
TAFS: 89-09/10-0253
Project Identification Code: 2002140
Recovery Act Bill Reference: PL 111-5, Title IV – Energy and Water
Development, Defense Environmental Cleanup
(H.R. 1-26)
Project Cost: \$740,120,000
Budget Authority: 06049, FD.02.10.00.0 - \$740,120,000
Program Office: Environmental Management (EM)
Recovery Program Plan: EM - Defense
Management Office: Dave Brockman, Manager, Richland Operations
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509-376-4424, 803-952-8696

LEADS

Implementation: Richland – Hanford Site
Breakthrough: NA
Laboratory: NA

I. SUMMARY & OBJECTIVES

Summary:

This American Recovery and Reinvestment Act (ARRA) Project supports the mission of DOE and the Office of Environmental Management (EM) by 1) Completing deactivation and decommissioning (D&D) of facilities that provide no further value to reduce long-term liabilities and maximize resources for cleanup, 2) Remediating sources of soil and ground water contamination with radioactive and hazardous constituents, and 3) Reconfiguring/relocating/replacing systems impacted by D&D that are required to support remaining site operations in a safe and cost effective manner to reduce risk.

By the end of fiscal year 2011, complete 75% of the 200 North waste site remediation in support of shrinking the Hanford site; complete 25% of the U Plant Zone Canyon and Structures D&D; complete D&D of 15 industrial facilities; complete up to 75% of Semi Works Zone Structure D&D; and accelerate D&D of 25 facilities. The required funding for this work is \$740M.

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

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- DOE Strategic Goal/Theme 4 –Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.
- DOE Strategic Goal/Theme 5 – Management 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.

The original scope and purpose of the existing contract will not change with the addition of the Recovery Act (RA) funding. The overall goal is to accomplish the mission of DOE-RL by eliminating environmental threats to the Columbia River and reducing the overall footprint of the Hanford Site through demolition of contaminated facilities, remediation of burial grounds, and remediation of groundwater.

Public Benefits:

Numerous on-site jobs will be created and/or retained by implementing this project, bolstering the local economy. In Washington, the unemployment rate is 8.4 percent. Major types of workers required for this work include construction labor, engineer, heavy equipment operator, field technician, truck driver, and administrative support worker. The large number of workers trained by completing this project will be available for future missions. Personnel brought in for this initiative could also provide a critical source of employees to support completion of the EM mission at the site necessitated by the current aging Hanford workforce and attrition associated with the expanding nuclear industry. Surrounding area businesses will also experience a job creation benefit from this work scope initiative. Additional off-site jobs will likely be created in the surrounding communities due to the in flux of new workers.

This project will accelerate removal and cleanup of nuclear facilities and contaminated sites while creating jobs for the existing locally available skilled workforce. In addition, the operational footprint at the 586 square-mile Hanford Site will be reduced by 29 square miles by the end of fiscal year 2011. This project will accelerate reuse of the Hanford infrastructure for other energy missions and community reuse.

Recovery Act Project Impacts:

Investment in this project will reduce the overall operational footprint of the Hanford Site through demolition of contaminated facilities and cleanup of contaminated areas in the Central Plateau area of the Hanford Site thereby eliminating environmental threats to the Columbia River. The EM footprint at the 586 square-mile Hanford Site will be reduced by approximately 29 square miles by the end of fiscal year 2011. This project will provide a rough order of magnitude (ROM) savings of \$200M and will enable reuse of EM infrastructure for other energy missions or community reuse.

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II. COST & SCHEDULE

Budget

Table 1a: Budget Implementation 12 Week Obligations (\$M)

	Week of ARRA Activities (Beginning Week of March 9)											
	1	2	3	4	5	6	7	8	9	10	11	12
Hanford – D&D Central Plateau												

Table 1b: Budget Implementation 12 Week Expenditures (\$M)

	Week of ARRA Activities (Beginning Week of March 9)											
	1	2	3	4	5	6	7	8	9	10	11	12
Hanford – D&D Central Plateau												

Table 2a: Budget Implementation Monthly & Yearly Obligations (\$M)

	FY 2009 Q3			FY 2009 Q4			FY 2010 Q1					
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec			
Hanford – D&D Central Plateau	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		

Table 2b: Budget Implementation Monthly & Yearly Expenditures (\$M)

	FY 2009 Q3			FY 2009 Q4			FY 2010 Q1					
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec			
Hanford – D&D Central Plateau	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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Funds Returned and Offsetting Collections

NOTE: No returned funds or any offsetting collections are expected to be received as a result of carrying out any Recovery Act projects.

Table 3: Funds Returned and Offsetting Collections (\$M)

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
[Provide description and amounts for Funds Returned and Offsetting Collections]							

Indirect Costs

This work will be performed by facility management contractors either utilizing an approved indirect rate structure or billed as a direct cost. All Hanford contractor indirect rates are subject to an annual audit review by the Defense Contract Audit Agency (DCAA) and require final approval by the Contracting Officer.

The Plateau Remediation Contract (PRC) has a General and Administrative (G&A) rate of 15.6% (currently under DCAA review). G&A functions include Finance, Human Resources, Legal, Internal Audit, Procurement, Information technology, organizational administration, dosimeter and usage based services supporting overhead activities. Because G&A is distributed on a total cost base for the Plateau Remediation Contract (PRC), ARRA funds will also be assessed G&A. Since the ARRA funds represent a significant increase in contract funding it is likely the G&A rate will decrease in the out-years.

Changes to Baseline Budget

Table 4: Changes to Baseline Budgets (\$M)

Changes to Baseline Budget	Increase/Decrease	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Program Direction After FY 2010	Increase							
Continuation of New Programs	Increase							
Project Acceleration	Increase							

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NOTES: The RL Recovery Act projects involve accelerating existing projects. This will result in changes to the baseline budgets in the long term. Potential out-year savings include accelerating suspect transuranic waste retrieval, solid waste treatment, demolition of facilities, and field remediation originally scheduled to take place in 2016 and beyond to be completed during FY 2009-2011 through utilization of Recovery Act funds.

Milestones

The milestones and performance measures provided in Table 6 are based on the best available information about ARRA requirements and pre-work authorization project definitions. Rough order of magnitude (ROM) estimates have been developed to date for costs and associated end-state and interim milestones and performance measures. These assumed ARRA funding availability in the second quarter FY09. It is expected that as the detailed estimates and resource-loaded schedules (using Primavera 6.2) are developed, there will be some change to cost estimates, milestones and performance measures.

As this scope will be integrated into the RL baseline, but tracked and reported separately and uniquely, the internal DOE approved change control process will be applied to all ARRA scope. It is assumed that there will also be a future DOE-HQ change control process associated with costs, milestones and performance measures that have been reported to date and included in this plan.

Table 5: Delivery Schedule for Capital Asset Projects N/A (until OECM and EM agree on the 413.3A graded approach)

Program/OECM Milestone	Delivery (End) Date	Comments
Develop capital asset projects Integrated Project List	N/A	N/A
Develop Parametric Performance Baseline (Individual Projects)	N/A	N/A
If < \$100 M Perform IPR, > \$100 M Perform EIR (Individual Projects)	N/A	N/A
Approve Performance Baseline	N/A	N/A
Approve Start of Construction	N/A	N/A
Approve Project Completion	N/A	N/A

NOTES: RL has no Capital Asset Projects that will be funded by Recovery Act funds.

III. PERFORMANCE

Performance Measures

The project will regularly report on all aspects of project cost including schedule, performance, results and impacts. Reporting of the estimation of jobs created and retained will also be made.

Within 120 days after the effective date of the contract modification, the contractor shall propose to the Contracting Officer a Contract Performance Baseline to accommodate the Recovery Act Project scope.

The period of performance for the Recovery Act work begins April 2009 through September 30, 2011.

The following reporting procedure will apply to the submission of monthly cost reports for Recovery Act work specified in the accelerated work scope baseline.

- (a) DOE will conduct a review of the contractor’s proposed EVMS for compliance with ANSI/EIA-748 according pursuant to DOE Order 413.3A.
- (b) The contractor shall certify in each monthly report that the costs included in the report for Recovery Act work were incurred only to accomplish the Recovery Act work in accordance with the accelerated work scope.

Table 6: Project Performance Targets

NOTE: The Project Performance Targets table will be populated starting at the beginning of the 4th quarter FY2009.

Recovery Act Project Identification Code	2002140
Linkage To S-1 Priorities	National Security and Legacy - Accelerate decommissioning of nuclear facilities and contaminated areas in the Central Plateau area of Hanford.
Linkage to Current Program Goal (if applicable)	DOE Strategic Goal/Theme 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	By the end of fiscal year 2011, reduce the RL Central Plateau operational footprint by 29 square miles.

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First Year Performance Target (2009)	Initiate procurement activities to D&D Central Plateau facilities.
Q3 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Provide Contractor with Notice to Proceed. • Initiate acceleration of decontamination and disposition of PFP glove boxes, hoods and pencil tanks. • Initiate mobilization for outer area waste site remediation. • Initial Change Request submitted • Initiate procurement for BC Control Area North remediation • Initiate CERCLA documentation for outer area zone remediation to include interim and final actions
Q4 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Complete Contract Modification for definitized ARRA workscope. • Complete disposition of 4 facilities within the Central Plateau • Final Change Request submitted • Initiate BC Control Area North remediation
Second Year Performance Target (2010)	Achieve progress in Central Plateau D&D and remediation
Q1 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Contractor Provides RL Final UBS Needs • Contractor Implements PMB on EVM Systems • Complete disposition of 4 facilities within the Central Plateau • Initiate MG 1/2 waste site remediation in outer zone – 20 sites
Q2 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Complete disposition of 4 facilities within the Central Plateau • Initiate procurement and design of NRDWL/SWL caps
Q3 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Submit outer zone FS/PP
Q4 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Complete MG 1/2 waste site remediation in outer zone – 20 sites
Third Year Performance Target	Achieve Central Plateau D&D and remediation completions
Q1 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Complete disposition of 10 facilities within the Central Plateau
Q4 - Project-Level Quarterly Performance Milestone(s)	<ul style="list-style-type: none"> • Complete 75% of the Outer Area Waste Site Remediation • Complete decontamination and disposition of

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	glove boxes, hood and pencil tanks
	<ul style="list-style-type: none">• Complete disposition of 13 facilities within the Central Plateau• Complete NRDWL/SWL cap construction

National Strategic Benefits

This project provides for protection of the Columbia River and therefore has significant benefit to the Pacific Northwest. It does not directly provide national strategic benefit such as reduction of carbon emissions or oil consumption.

Table 7: National Strategic Benefits

NA

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IV. MANAGEMENT

Secretarial-level Items

Table 8: Secretary's Priorities

Secretary's Priorities	Project Impacts (Qualitative)	Project Impacts (Quantitative)
Science and Discovery		
Clean, Secure Energy		
Economic Prosperity	<ul style="list-style-type: none"> • Create new jobs. • Retain existing jobs. 	The expected number of jobs to be created from this Recovery Act project (TBD)
National Security and Legacy	<ul style="list-style-type: none"> • Eliminate environmental threats to Columbia River. • Remediation of waste sites • Decontamination and Decommissioning of facilities • Reduce operational footprint of Hanford Site 	<ul style="list-style-type: none"> • Operational Foot print reduction by 29 square miles.
Climate Change		

Collaboration and Coordination

Upon the completion of this project, there will be new and additional expertise within DOE on Decontamination and Decommissioning of contaminated facilities. This knowledge and expertise can be used on a global scale to assist other countries dealing with contaminated facilities that provide no further value and therefore reduce risks to the world.

The DOE Nevada Test Site, EnergySolutions in Utah, and other commercially-operated waste treatment/ storage/disposal Facilities will be needed to support treatment and disposal of waste generated during the Recovery Act Project. Coordination with these interfaces already exists however will be enhanced throughout this project. Maintaining continuity of available disposal capacity for Class A and Greater-Than Class A Mixed Low Level Radioactive Waste is important to the project.

The DOE-RL Procurement Division will continue to work closely with DOE-EM and DOE-MA to insure timely business clearance approval for procurement actions that exceed local authority.

Training programs and/or courses will be established and provided at the HAMMER Training Center for identified positions which may require additional training outside of standard site training courses. This training will continue to be used throughout other

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federal and state agencies, as well as private organizations further preparing individuals to resolve similar challenges throughout the world.

There are many external interfaces associated with the normal operations at Hanford. These include:

- **Regulatory** Environmental Protection Agency, Washington Department of Ecology, Department of Transportation, and Defense Nuclear Facilities Safety Board
- **Community** Hanford Advisory Board, Benton and Franklin Counties, Surrounding States, Nevada, and Utah
- **Industry** Environmental Engineering/Remediation, Waste Management, Construction, Cement, Container, Transportation, Housing, Utilities, etc.
- **Other** Other RL Contractors, Labor Unions, Parent Companies, Local Universities/Colleges

Federal Infrastructure Investments

There are no infrastructure investment project activities associated with this Recovery Act Project.

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

DOE-RL intends to use existing EM site 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.
- 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.

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- 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 management reviews to provide updates on the Recovery Act Project to EM’s senior-most executives.
- Secure support service contractors to provide limited augmentation of federal procurement, budget and finance, project controls, and technical oversight capabilities for the Recovery Act Project.
- Assign appropriately qualified staff to the Recovery Act Project to provide technical and programmatic oversight of the contractors performing the work and be the day-to-day governmental interface and manager for the project.
- Use an Integrated Project Team (IPT) 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.
- Develop detailed risk management plans for the Recovery Act Project to identify and mitigate risks, and assign roles and responsibilities for managing the risks.

Needs from Staff Offices

N/A

1) Human Capital

DOE-RL intends to use and support service contractors to provide limited augmentation to federal staff in the areas of procurement, budget and finance, project controls, and technical oversight. DOE-RL is nearly staffed to the DOE Environmental Management program’s "Best-In-Class" federal staffing levels for both acquisition and project controls. In addition, DOE-RL will be required to hire additional federal Accountants and Contract Specialist staff.

Table 9: Information on Hiring Under the Recovery Act

# & 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)
4 Contract Specialists	Richland	Contractor	see Note 1
4 General Engineers	Richland	Contractor	see Note 1
1 Industrial Relations Specialist	Richland	Contractor	see Note 1
6 Cost Estimators	Richland	Contractor	see Note 1
4 Schedulers	Richland	Contractor	see Note 1
3 Project Analysts	Richland	Contractor	see Note 1

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2 Risk Analysts	Richland	Contractor	see Note 1
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Note 1: Additional resources are required immediately to implement the requirements of the ARRA. The need for these additional resources will continue until such time that the ARRA work is completed or the requirements are relaxed.

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