



Department of Energy

Washington, DC 20585

SEP 18 2009

MEMORANDUM FOR INES TRIAY

ASSISTANT SECRETARY FOR ENVIRONMENTAL
MANAGEMENT

FROM:

PAUL BOSCO *PB*
DIRECTOR, OFFICE OF ENGINEERING AND
CONSTRUCTION MANAGEMENT

SUBJECT:

Transmittal of the External Independent Review Report for the P Area &
R Area Closure Projects at Savannah River Site, South Carolina

This memorandum forwards the report from the External Independent Review (EIR) of the P Area and the R Area Closure Projects at Savannah River Site, South Carolina. The review was performed from August 10 to September 14 2009. The EIR was conducted to support Critical Decision-2 and 3 (CD-2/3), Approve Performance Baseline and Start of Construction, under the American Recovery and Reinvestment Act (ARRA) of 2009. Based on this review we do not validate the projects' baselines in view of significant scope definition, cost estimate, schedule, risk management, and project management issues that need to be resolved. Our EIR Team identified 11 major findings, 16 findings, 23 negative observations, 2 neutral observations, and 8 positive observations that are each discussed in the body of the report attached.

The specific deficiencies include:

- Scope, cost, and schedule were not firmly and properly supported with sound underlying technical, economic, and programmatic basis, assumptions, and front-end planning.
- Basis of cost estimate for major activities was not traceable to clear resources for man-hours or dollars
- Significant discrepancies existed between the scope definition and key performance parameters
- Schedule development (interfaces, critical path and contingency) was fragmented and ambiguous
- Risk management lacked project-specific plans and analyses

The SRS project team and EM are working to address these issues and restate the scope of work, performance baseline cost and duration for the same scope key performance parameters, and execution plans for the P&R Areas Closure projects. Upon restatement of both projects, OECM will conduct a Phase II EIR.

Please feel free to contact me or have your staff contact Carmelo Melendez of my staff at (202) 586-6465 if you have any questions or comments concerning this review.

Attachment

cc: Ingrid Kolb, Director, MA-1

Cynthia Anderson, Director, EM ARRA

Bob Raines, Deputy Assistant Secretary Project Management, EM-10

Jeff Allison, Site Manager, Savannah River Site

Rodrigo Rimando, Federal Project Director, Savannah River Site

