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DOE

INDUSTRY RESPONDS TO DOE'S REQUEST FOR TANK WASTE REMEDIATION SYSTEM PRIVATIZATION PROPOSALS

The Department of Energy's Richland Operations Office (RL) received proposals from firms interested in treating and immobilizing highly radioactive tank wastes currently stored at Hanford. RL operates the Hanford Site in southeastern Washington State.

Proposals were received from:

- *BNFL Incorporated. Team members include Bechtel National Inc., GTS Duratek and SAIC.*
- *Lockheed Martin Advance Environmental Systems (LMAES). Team members include M4 Environmental Management Inc., Fluor Daniel Inc., Numatec, Duke Engineering and Services Inc., Babcock and Wilcox, Nukem Nuclear Technologies Corporation, Molten Metals Technologists Inc., Los Alamos Technical Associates Inc., AEA Technology, and OHM Remediation Services Corporation.*

Hanford was established during the Second World War to produce plutonium for America's nuclear weapons. All weapons material production was halted in the late 1980s and the site is now engaged in the world's largest environmental cleanup project. Currently, 177 Hanford tanks store about 55 million gallons of highly radioactive and chemical wastes resulting from decades of nuclear weapons production.

"We are very excited to have attracted internationally recognized firms interested in helping solve one of the most complex cleanup challenges facing the Department of Energy," says Ron Izatt, Deputy Manager of the Richland Operations Office. "This is a major step toward bringing the innovation and efficiency of the private sector to bear on DOE's environmental cleanup mission."

The Source Evaluation Board (SEB), appointed by John Wagoner, Manager of the Richland Operations Office, will now start evaluating the proposals. Contractor selection is expected to occur at the end of August 1996.

"The privatized contracting approach embodied in this procurement represents a fundamental change in our contracting strategy," says Jackson Kinzer, Assistant Manager for the Tank Waste Remediation System. With a privatized contracting approach, much more of the cost, technical and performance responsibility will shift to the contractor. As a result, DOE expects to treat tank waste more efficiently than under the management and operations cost-plus award fee contracting approach currently used. DOE evaluation of privatizing the tank waste remediation system revealed a potential for substantial cost savings. The receipt of these industry proposals are an important first step in evaluating the private marketplaces ability to provide these services.

Adopting the privatized contracting approach allows DOE to move from a government-owned, contractor-operated facility operating on a cost reimbursable basis, to contractor-owned, contractor

operated facilities to treat waste at fixed unit prices (per unit of treated waste). Under this approach, payment is made when a satisfactory product (immobilized waste) is delivered. If the contractor fails to deliver treated waste meeting DOE specifications, the contractor will not be paid.

Thomas P. Grumbly, Under Secretary of Energy, stated, "This represents the Department's largest procurement privatization effort to date. It should provide long-term business opportunities for the private sector and facilitate site cleanup in a more timely and cost effective manner."

Information regarding the TWRS Privatization effort may be obtained at the U.S. DOE Public Reading Room at the WSU Tri-Cities Branch Campus in Richland. Information is also accessible via the Internet at http://twins.pnl.gov:8001/twrs_rfp/homepage.htm.

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