



Section M

Landlord & Site Services

PROJECT MANAGERS

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INTRODUCTION

Landlord and Site Services consists of Project Baseline Summary (PBS) RL-SS02, Work Breakdown Structure (WBS) 3.4.2.

NOTE: Unless otherwise noted, all information contained herein is as of the end of July 2002.

Fiscal-year-to-date milestone performance (EA, DOE-HQ, and RL) shows that all scheduled milestones have been completed ahead of schedule.

NOTABLE ACCOMPLISHMENTS

Landlord Services, 3.4.2.1



Response to ERDF Truck Rollover – HSO Central Site Services responded to an ERDF truck rollover at the Rt. 4S and 11A intersection on July 22, 2002, at 7:00 p.m. The damaged truck, trailer, and cargo box was removed, as well as the load (soil from 100D Area), and the roadway was cleaned and reopened by 4:20 a.m. on July 23, 2002.



HGIS Mapping – The Hanford Geographical Information System (HGIS) maps were transferred from Bechtel Hanford, Inc. (BHI) to FH on July 1, 2002. FH Mapping Services is evaluating and integrating them with FH maps. The end result will be the elimination of duplicate efforts and a cost savings to maintain Hanford Site maps.

BHI Transition – Personnel and computer moves were successfully completed in support of the BHI transition to FH. 197 computers were reconfigured and 80 personnel relocated in two days, working double shifts the weekend of June 28-30, 2002. All 197 BHI/FH/CHG computer systems were transitioned from BLAN to HLAN through the PC nationalization bench.



Radiological Upset Drills – FH Emergency Preparedness is working with the Central Radiological Control Organization and Waste Management Project to increase proficiency of the Radiological Control Technicians (RCTs) and Hazards Assessors in their response to emergencies. A radiological upset drill pilot program has been initiated at Waste Management (T-Plant) to coach the RCTs in fundamental response to emergencies. A Hazards Assessors workshop, currently being developed, is designed to strengthen the Hazards Assessors knowledge regarding response to emergencies and introduce them to the RCT upset drill program and lessons learned.

Improved Fire/Patrol Interaction During Site Emergencies – Hanford Fire is working with Hanford Patrol to improve Patrol and Fire interaction during site emergencies through a series of tabletop and hands-on drills to further enhance the ability of the two groups to manage emergency incidents.

Analytical Services, 3.4.2.2

Certificate of Appreciation – Lloyd Piper, RL Assistant Manager for Infrastructure and Closure, presented a certificate of appreciation plaque to the 222-S Analytical Laboratory employees. The certificate, signed by him and Keith Klein, RL Manager, recognized the laboratory's 50 years of continuous service to the site and nation and expressed appreciation for the employees for their outstanding pride and commitment to excellence. The laboratory provides high radiation sample analysis support to cleanup projects and is the primary support to high level waste tanks characterization, waste retrieval, and tank safety/reliability chemistry issue resolution.

Infrastructure Upgrades, 3.4.2.3

Project L-338, "Septic Tank Soil Absorption System to Relieve 2601-W1" – This project designs and installs a new soil absorption system (drainfield) for the central and northern portions of the 200 West Area, including the PFP. The design was completed on July 9, 2002 and approved by the FH Design Authority on July 15, 2002. These documents are being submitted to the Washington State Department of Health (WSDOH) for approval concurrent with the bid cycle. Bids for the fixed price construction contract are expected to be opened the last week in August 2002. An approval letter from the WDOH will be required before physical construction can begin on this new system. Construction is scheduled to complete in January 2003, assuming the contract is awarded by the scheduled date of September 2002.

Project L-324, "Export Water Lines Replacement, Preliminary Engineering" – This proposed out year project has performance of the Preliminary Engineering effort in FY 2002 to determine the export waterlines system condition and life expectancy. This preliminary engineering effort is planned to include aerial thermal imaging photography, ground truthing to confirm suspected leak locations, internal pipeline video inspection, and the investigation of new technologies to refurbish damaged underground water lines in place. The engineering packages for this work scope (flyover/leak detection and mortar lining/video inspection) were completed in June 2002 and the associated contract requisitions were approved in July 2002. Only one piece of the work (video inspection) will be deferred to FY 2003. The remaining portions of work are currently in final negotiations for placement with fixed price contractors and are scheduled to be complete this fiscal year.

Landlord & Site Services Project Management and Support, 3.4.2.4

Support of Site Infrastructure Savings – FH completed two deliverables designed to streamline Hanford infrastructure and reduce costs. The first is an accounting practice change in support of the City Manager Concept implementation, to establish "readiness-to-serve" accounts for three of the major site services (Crane & Rigging, Fleet Maintenance, and Site Fabrication Services). This change focuses efforts on monitoring and reducing overhead costs while lowering customer rates for services. The second achievement is the submittal of an interim deliverable identifying over 800 site employees as potential candidates to be relocated off site as part of an effort to move towards site closure and reduce life cycle costs related to maintaining general-purpose office space on site.

BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Breakthroughs

Voluntary Protection Program (VPP) - Hanford Site Operations has submitted their Voluntary Protection Program (VPP) application to RL. This is an outstanding achievement because of the significant reorganization HSO accomplished last October. That reorganization consolidated Site Infrastructure, Analytical Services, Information Resource Management, Emergency Services, Account Management, and Project Maintenance Center activities. Additionally, the organization assumed responsibility for HAMMER and Hanford Training this spring. This application, in concert with the Integrated Safety Management System, reflects the dedication to safety improvement through employee involvement and managerial commitment.

UPCOMING ACTIVITIES

Negotiations on Firefighter/Firefighter Captain Appendix A of the HAMTC Agreement – Following the ratification by HAMTC members of the General Contract, FH Industrial Relations and HFD will meet to complete the negotiation of Firefighter and Firefighter Captain Appendix A portions of the contract.

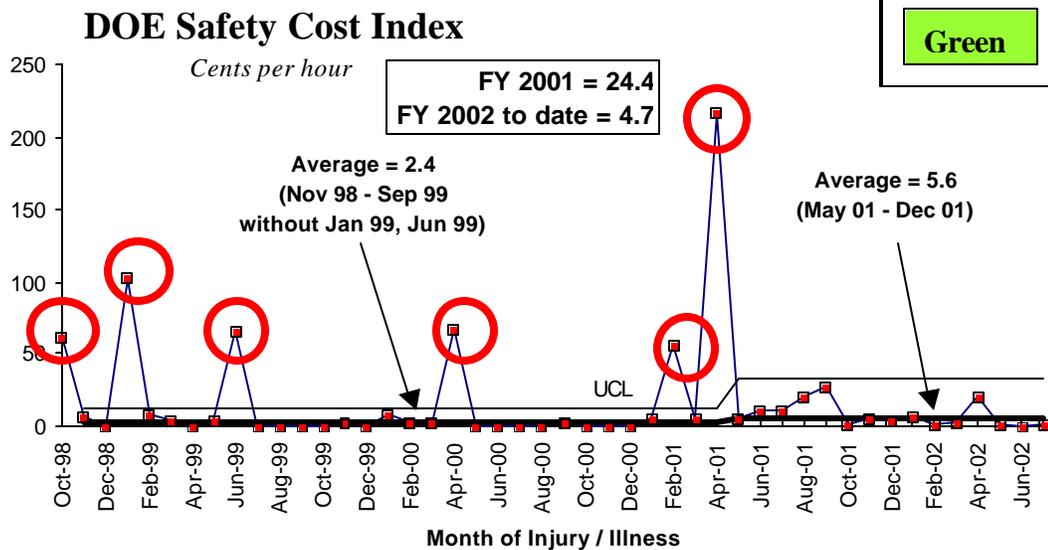
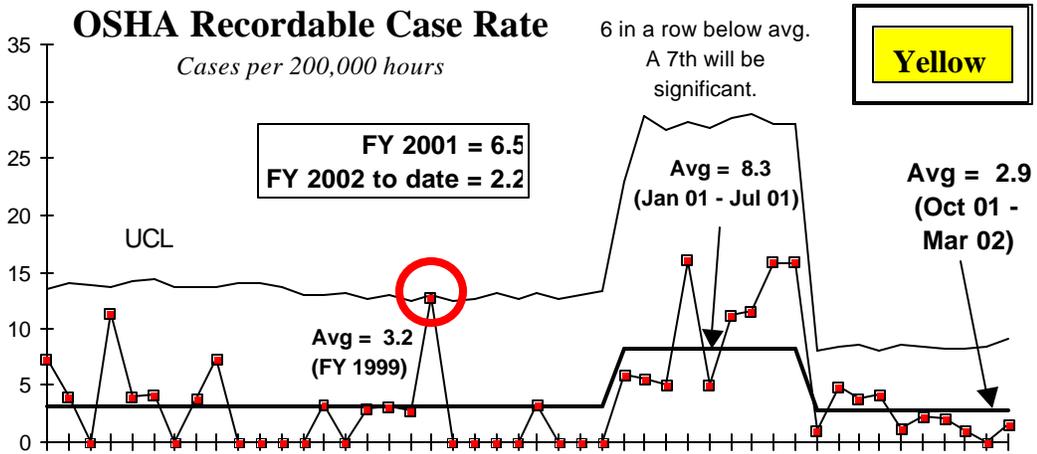
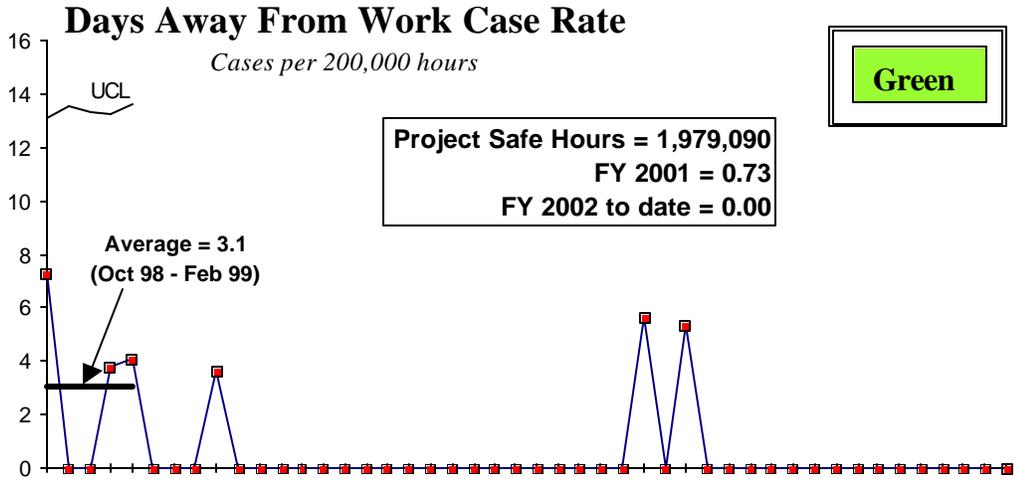
Energy Northwest Evaluated Drill – HFD has received a request to support an evaluated drill at Energy Northwest on September 17, 2002. The NRC will be evaluating the Columbia Generating Plant's ability to respond to an emergency. The HFD crews will play a large part in this drill.

Project L-337, "300 Area Pump Replacement 312 Building" – This project will install two new pumps and motors, associated piping modifications, a new electrical service and some associated local controls to replace an existing pump that have deteriorated to the point where it is no longer providing reliable service. Construction completion and system startup are planned for September 2002.

Project L-335, "Export Water Line to Meteorological Laboratory" – This project designs and constructs a replacement waterline for the deteriorated raw water line in the 600 Area, which supplies fire protection water to the Hanford Meteorological Station. This waterline will replace the deteriorated, existing line that is over 40 years old and has exceeded its original design life. It is anticipated that construction will complete in early September 2002.

SAFETY

Several actions have been initiated to improve safety performance including implementing a Zero Accident Council (ZAC) structure, which includes six directorate and 35 grass-roots level councils, and implementing a Safety Improvement Program. The OSHA Recordable Case Rate has been reset to Yellow since it has stabilized out at a rate higher than the DOE CY 2001 average. The past six months have been below average, and a seventh month below average will be a significant decrease. Landlord should reach two million safe hours in August 2002. The DOE Safety Cost Index is stable at the new lowered baseline. In October 2001, all organizations except for IRM were added into the Landlord category. This significantly increased the population size of this group.



MILESTONE ACHIEVEMENT FH CONTRACT MILESTONES

Number	Milestone Title	Type	Due Date	Actual Date	Forecast Date	Status/ Comments
LLP-01-535	L-339, PFP Water System Isolation - Install Sanitary Water to WRAP	RL	12/28/01	12/20/01	12/21/01	Completed.
LLP-01-515	L-276, Equipment bay Const. Phase II - Complete Construction of Project L-276	RL	6/14/02	6/6/02	6/14/02	Completed.

NOTE: Above data includes all TPA/DNFSB/Performance Incentive milestones as included in the FH baseline, and provides Contract-to-Date status.

PERFORMANCE OBJECTIVES

Nothing to report at this time.

FY 2002 SCHEDULE / COST PERFORMANCE – ALL FUND TYPES FY TO DATE STATUS – (\$000)

		FYTD							
By PBS		BCWS	BCWP	ACWP	SV	%	CV	%	BAC
PBS SS02	Landlord Services	55,168	55,324	53,513	156	0.3%	1,811	3.3%	69,135
WBS 3.4.2.1									
PBS SS02	Analytical Services	27,995	27,341	25,611	(654)	-2.3%	1,730	6.3%	34,647
WBS 3.4.2.2									
PBS SS02	Infrastructure Upgrades	6,072	3,801	3,598	(2,271)	-37.4%	203	5.3%	7,598
WBS 3.4.2.3									
PBS SS02	Landlord & Site Services	9,930	9,930	10,816	-	0.0%	(886)	-8.9%	12,105
WBS 3.4.2.4	Project Management & Support								
PBS SS02	Landlord & Site Services	(28,383)	(28,383)	(21,078)	-	0.0%	(7,305)	25.7%	(34,022)
WBS 3.4.2.4	Revenue								
Total SS02		70,782	68,013	72,460	(2,769)	-3.9%	(4,447)	-6.5%	89,463

FY TO DATE SCHEDULE / COST PERFORMANCE

For all active sub-PBSs and TTPs associated with the Operations/Field Office, Fiscal Year to Date (FYTD) Cost and Schedule variances exceeding + / - 10 percent or one million dollars require submission of narratives to explain the variance.

Schedule Variance Analysis: (-\$2.8M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$0.2M or (0.3 percent) favorable schedule variance is within established threshold.

Impact: None.

Corrective Action: None.

Analytical Services — 3.4.2.2/SS02

Description and Cause: The \$0.7M or (2 percent) unfavorable schedule variance is within established thresholds.

Impact: None.

Corrective Action: None.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The \$2.3M (37 percent) unfavorable schedule variance is due to the deferral, late start, or on hold status of many infrastructure construction activities (water line replacements, road refurbishments, electrical upgrades, facility upgrades, and radio frequency) and equipment replacements contracts due to FY 2002 funding constraints. The negative schedule variance is also skewed due to the completion of a fire truck in FY 2001 planned for completion in FY 2002 (fiscal year to date performance does not allow for performance from a prior year to count towards schedule completion in the current fiscal year).

Impact: The continued deferral of infrastructure upgrades and equipment may potentially impact other site operations due to unplanned failures to aging systems and add to outyear funding issues.

Corrective Action: Selected upgrades are proceeding. A baseline change request was approved and implemented to defer selected projects.

Landlord & Site Services Project Management & Support — 3.4.2.4/SS02

Description and Cause: None.

Impact: None.

Corrective Action: None.

Landlord & Site Services Revenue — 3.4.2.4/SS02

Description and Cause: None.

Impact: None.

Corrective Action: None.

Cost Variance Analysis: (-\$4.4M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$1.8M (3.3 percent) favorable cost variance is due to a reversal of FY 2001 steam over accrual, company level credit passbacks, diversion of resources to other funding sources, and delay in contract billings from Duratek and RL. The favorable variance is partially offset by a shortfall in services revenue (occupancy and fleet). The revenue shortfall is due to the transfer of 2750-E facility to CHG, a lag in billings, and inadequate funds in the indirect-to-direct conversion to support occupancy and fleet requirements.

Impact: None. Corrective action addressed potential yearend overruns in occupancy and fleet revenue.

Corrective Action: FH reallocation of funds has partially addressed projected occupancy and fleet revenue shortfalls. Contract billings are expected to align with projected cost.

Analytical Services — 3.4.2.2/SS02

Description and Cause: The \$1.7M (6 percent) favorable cost variance is due to realized cost efficiencies to achieve directed reductions, company level credit passbacks, delayed initiation of procurements related to facility and equipment reliability, redirection of resources to other funding sources, and significant labor variances due to absences, labor rate differentials, and staff vacancies. The favorable variance is partially offset by non-PHMC sample analysis revenue shortfalls.

Impact: None.

Corrective Action: Projected yearend passbacks expected to rectify revenue shortfalls.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The \$0.2M (5 percent) favorable cost variance is within established thresholds.

Impact: None.

Corrective Action: None.

Landlord & Site Services Project Management & Support — 3.4.2.4/SS02

Description and Cause: The \$0.9M (9 percent) unfavorable cost variance is within established thresholds.

Impact: None.

Corrective Action: None.

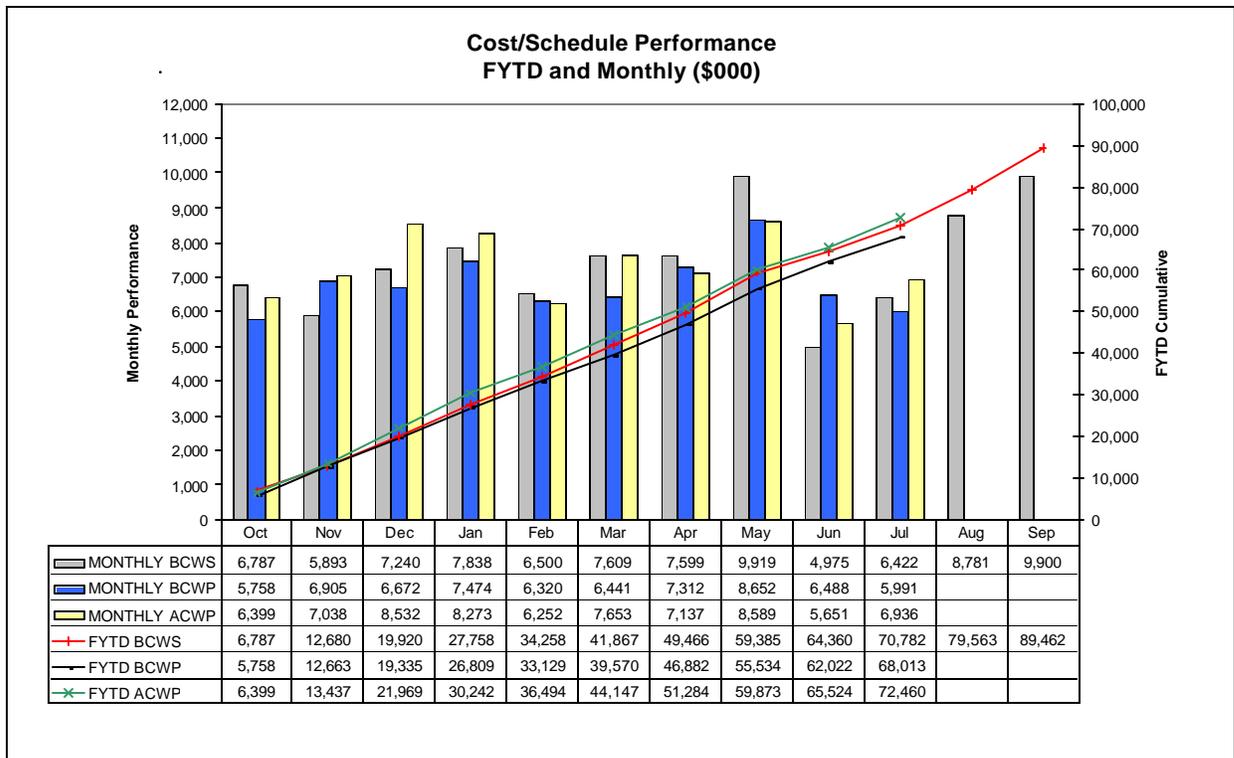
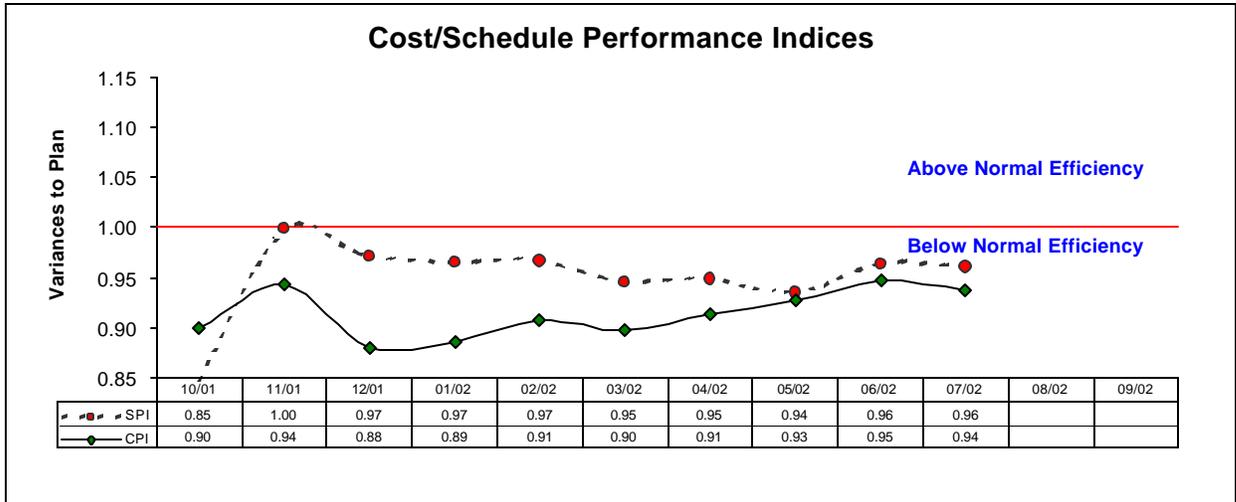
Landlord Services Revenue — 3.4.2.4/SS02

Description and Cause: The \$7.3M (26 percent) unfavorable cost variance is due to shortfalls in shared services revenue assessments to non-PHMC customers, variance in the planned versus actual direct distributable base, and a reduction in Fabrication Services direct labor adder. The maintenance, janitorial, and environmental, safety, health and quality department overheads, originally assumed to be included in the shared service assessment to CHG direct distributable rate, have been excluded from the direct distributable allocation because they were not classified as a shared service in FY 2001.

Impact: FH reallocation of funds and corrective actions initiated by the project have addressed the impacts of projected revenue shortfalls.

Corrective Action: None.

COST / SCHEDULE PERFORMANCE (MONTHLY AND FYTD)



FUNDS MANAGEMENT FYTD FUNDS VS SPENDING FORECAST (\$000)

	Expected Funds	FYSF	Variance
3.4.2 Landlord & Site Services - SS02			
Project Completion - Operating - Line Item	\$ 91,912	\$ 91,762	\$ 150
Total	\$ 91,912	\$ 91,762	\$ 150

ISSUES

Technical, Regulatory, External, and DOE Issues and DOE Requests

Issue: Nothing to report at this time.

Impacts: None.

Corrective Action: None at this time.

BASELINE CHANGE REQUESTS CURRENTLY IN PROCESS

BCR No./ Level 4 WBS	Date Originated	Description	Impact		Date Approved	Status
			Days	Dollars (\$000s)		
SS02-02-025 3.4.2.1	3/8/02	Operation and Maintenance Responsibility of Lift Station Number One.	0	0		Pre-RMB recommendations incorporated and BCR resubmitted for approval.
SS02-02-020 3.4.2.2	2/5/02	RL Requested USQ Process Change Impacts on the 222-S Laboratory.	0	5		In process.
SS02-02-029 3.4.2.3	4/4/02	Rebaseline Project L-347, VHF/UHF Narrowband Migration.	0	365		In signature process.