



Section L

Landlord & Site Services

PROJECT MANAGERS

S.H. Wisness, RL
(509) 373-9337

J.D. Wood, FH
(509) 372-0499

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 June 2002.

Fiscal-year-to-date milestone performance (EA, DOE-HQ, and RL) shows that two milestones were completed ahead of schedule.

NOTABLE ACCOMPLISHMENTS

Landlord Services, 3.4.2.1

BHI to FH Transition – The Real Property organization successfully transferred and relocated approximately 80 Bechtel Hanford Inc. (BHI) employees into approximately 14,000 square feet of office space at 1200 Jadwin. The relocation was tied to the Central Remediation workscope transferring from BHI to Fluor effective July 1, 2002.



2703E Building Lifting Device Installation – Central Maintenance Services installed a lifting device on the roof of the 2703E Building to resolve a safety concern for work on the roof-mounted refrigeration unit.

2002 Hanford Field Exercise – On Thursday, June 20, 2002, the Hanford Emergency Preparedness Organization conducted the “2002 Hanford Field Exercise” to assess the readiness of response organizations in responding to emergency conditions on the Hanford Site. In addition to Hanford Site emergency responders, representatives from Benton, Franklin, and Grant Counties; Washington and Oregon States; Kadlec Medical Center; and DOE-HQ participated. A preliminary report identified many positive aspects of the exercise and also pointed out several opportunities for improvement. Over the next few weeks, the evaluation team will further analyze the results of the exercise. At the conclusion of this effort, a final report will be issued.

Independent Third-Party Needs Assessment Update – The updated independent third-party needs assessment was delivered to the Hanford Fire Department (HFD) during this reporting period. This in-depth and comprehensive document serves to recognize the improvements in the HFD and to update the needs assessment to account for changes in the mission and operations at Hanford. The assessment was based on the prevailing orders, codes, and standards that were implemented by FH and documented via the fire protection program. The Needs Assessment team validated that the HFD is well prepared to respond to site emergencies and continues to provide excellent levels of services.

Prescribed Burning Activities – Prescribed burning of the easements along State Routes 24 and 240 concluded on June 28, 2002. This year the HFD, in cooperation with the Washington State Department of Transportation, and with help from USFWS fire crews, completed approximately 33 miles of prescribed burning along the roadway easement of State Routes 24 and 240.



Analytical Services, 3.4.2.2



222-S Lab 50-Year Anniversary Celebration – More than 500 people celebrated the 50-year anniversary of the 222-S Laboratories. Eric Vogt and keynote speakers Mike Schlender, Keith Thomson, John Wood, Ray Kofoed, Bill Winters, and Dave Dodd welcomed guests. Festivities included escorted laboratory tours, displays, videos, and a catered barbeque lunch. Many thanks go out to the anniversary team for all their efforts in orchestrating such a fun, educational, and successful event.

Infrastructure Upgrades, 3.4.2.3

Project L-276, “200 Area Emergency Services Vehicle Bay Renovations” – Project L-276, “200 Area Emergency Services Vehicle Bay Renovations,” designed and constructed renovations to the existing 200 Area Fire Station Equipment Bays. Construction activities began in June 2001, and completed approximately one week ahead of schedule on June 6, 2002 with minor exceptions. Renovations included: replacing the vacated 609A dormitory and living area with two new drive through vehicle equipment bays and a medical storage room; expanding and renovating the equipment bays; installing a new storage building (609E); and installing a new five-bay vehicle storage building (609H). These renovations have brought the 200 Area Fire Station into compliance with National Fire Protection Agency (NFPA) code requirements and will accommodate the personnel and equipment for the future merging of the 100N and 200 Area Fire Stations. The 609E and 609H Buildings were completed and occupied by the Hanford Fire Department on November 5, 2001, and January 15, 2002, respectively. Renovation of the 609A Equipment Bays began the week of January 21, 2002, and construction of the new equipment bays began January 9, 2002.



BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Nothing to report at this time.

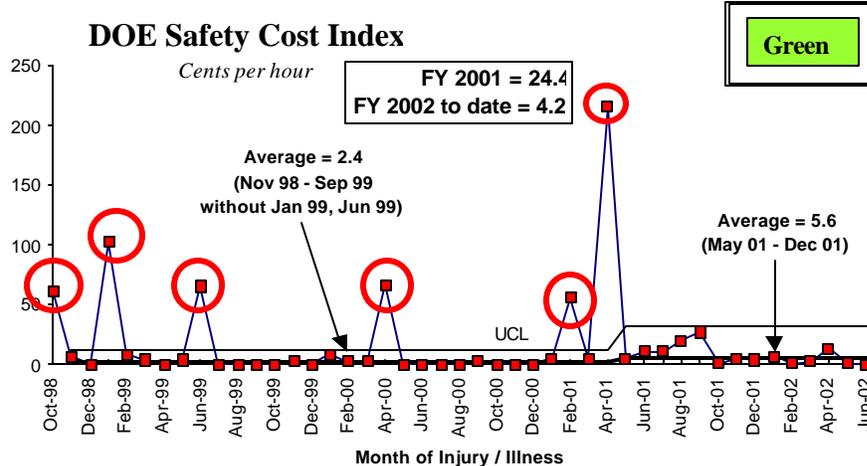
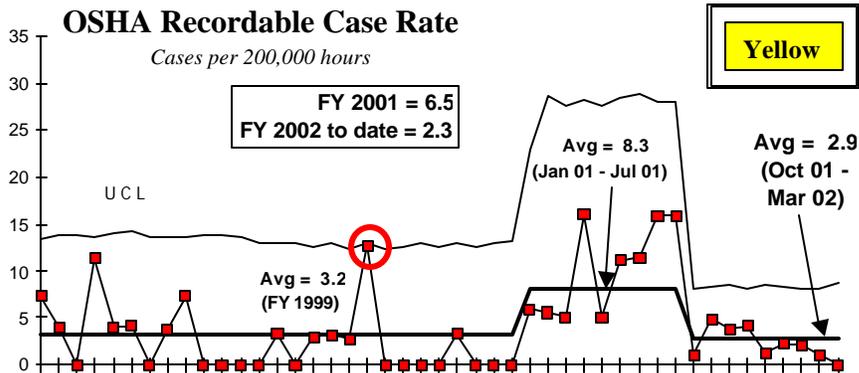
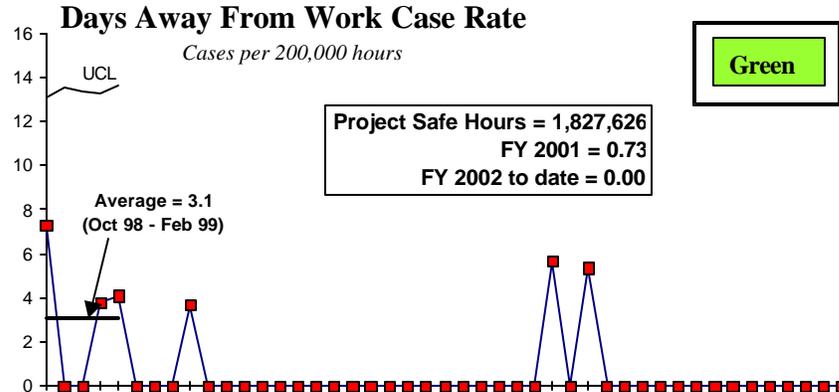
UPCOMING ACTIVITIES

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.

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

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 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	Complete.
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	Complete.

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)

By PBS		FYTD							
		BCWS	BCWP	ACWP	SV	%	CV	%	BAC
PBS SS02 WBS 3.4.2.1	Landlord Services	49,878	50,034	48,791	156	0.3%	1,243	2.5%	69,009
PBS SS02 WBS 3.4.2.2	Analytical Services	25,488	24,802	24,029	(686)	-2.7%	773	3.1%	34,647
PBS SS02 WBS 3.4.2.3	Infrastructure Upgrades	5,539	3,730	3,283	(1,809)	-32.7%	447	12.0%	7,598
PBS SS02 WBS 3.4.2.4	Landlord & Site Services Project Management & Support	9,019	9,019	8,763	-	0.0%	257	2.8%	12,104
PBS SS02 WBS 3.4.2.4	Landlord & Site Services Revenue	(25,563)	(25,563)	(19,341)	-	0.0%	(6,222)	24.3%	(34,084)
Total SS02		64,361	62,022	65,525	(2,339)	-3.6%	(3,503)	-5.6%	89,274

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: (-\$2.3M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$0.2M (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 (3 percent) unfavorable schedule variance is within established thresholds.

Impact: None.

Corrective Action: None.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The \$1.8M (33 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 issues. The negative schedule variance is 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 in June 2002 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: (-\$3.5M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$1.2M (2.5 percent) favorable cost variance is due to a reversal of FY 2001 steam over accrual, delay in contract billings from Duratek and RL, and delay in procuring chemicals for ISVAC due to procurement process. The unfavorable variance is offset by a shortfall in services revenue (occupancy and fleet). The revenue shortfall is due to transfer of 2750-E facility to CHG, lag in billings, and inadequate funds in the indirect to direct conversion to support occupancy and fleet requirements.

Impact: None.

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 \$0.8M (3 percent) favorable cost variance is within established thresholds.

Impact: None.

Corrective Action: None.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The \$0.4M (12 percent) favorable cost variance is due to the receipt of favorable bids for Project L-310, "Replacement of 24-inch Export Water Line." In addition, Project L-276, "Emergency Services Vehicle Bay Renovation," costs are skewed due to understated accruals and overstated progress of the project.

Impact: None.

Corrective Action: None.

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

Description and Cause: The \$0.3M (3 percent) favorable cost variance is within established thresholds.

Impact: None.

Corrective Action: None.

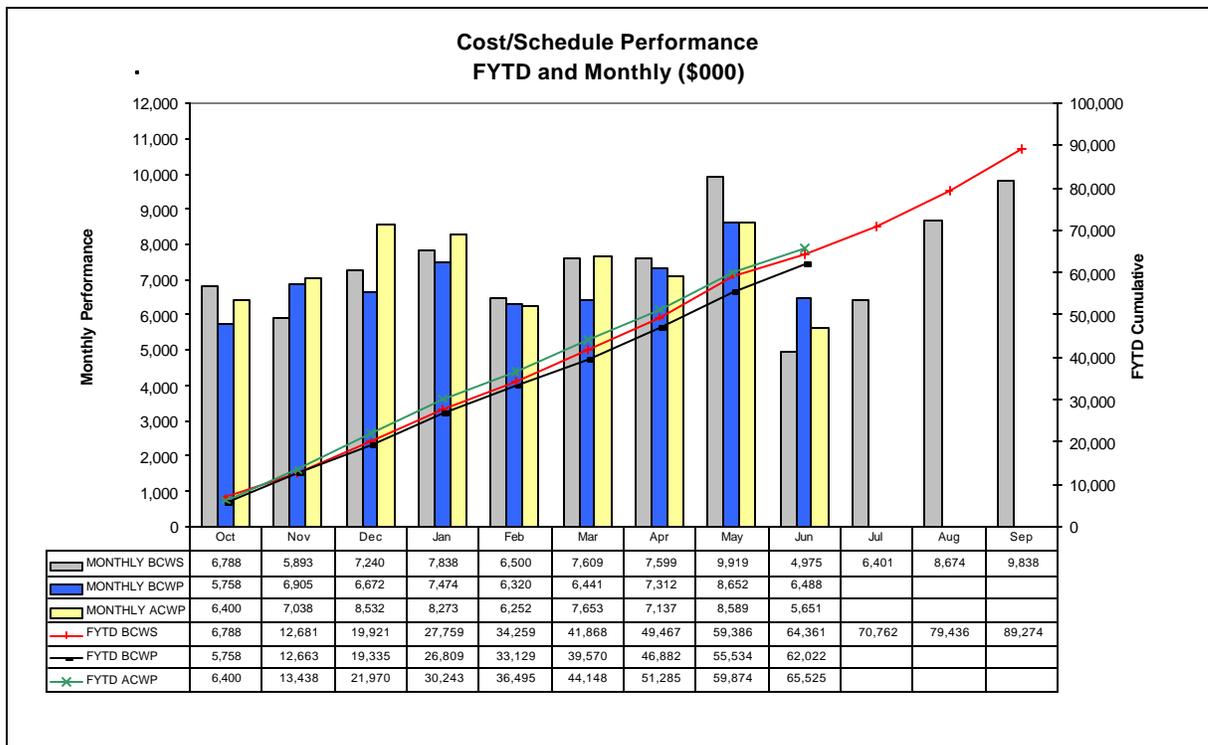
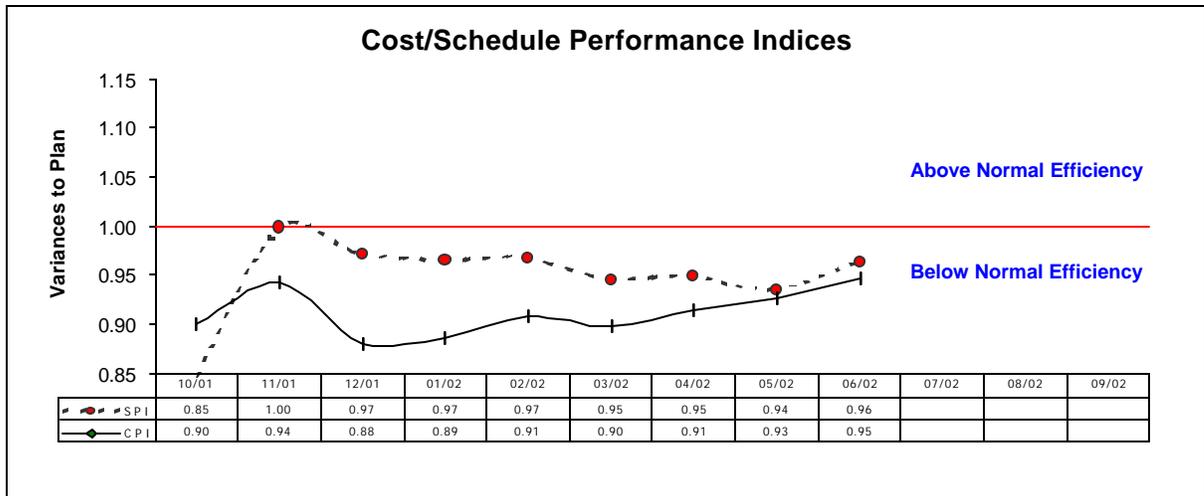
Landlord Services Revenue — 3.4.2.4/SS02

Description and Cause: The \$6.2M (24 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 is excluded because they were not classified as a shared service in FY 2001.

Impact: FH reallocation of funds has partially addressed projected revenue shortfalls. However, the revision in direct distributable labor base assumption results in a projected direct distributable shortfall.

Corrective Action: Discussions/analysis are ongoing regarding necessary corrective actions. The project is continuing to identify possible cost savings to offset shortfall.

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	\$ 91,912	\$ 92,600	\$ (688)
- Line Item			
Total	\$ 91,912	\$ 92,600	\$ (688)

ISSUES

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

Issue: Nothing to report at this time.

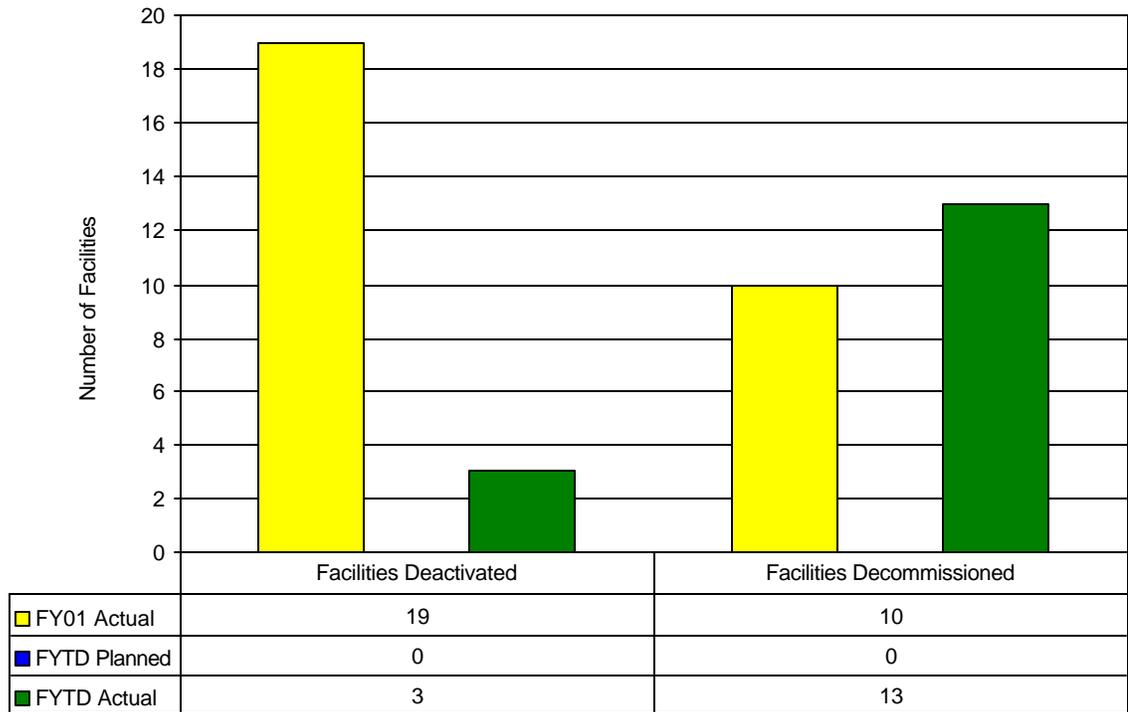
Impacts: None.

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)		
FH-2002-007/3.4.2.1	1/23/02	Transfer Facilities per RL Letter of Direction.	0	0	4/4/02	Approved.
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.
SS02-2002-027/3.4.2.1	3/25/02	Transfer of Mobile Offices from PBS RS03, Spent Nuclear Fuels, to PBS SS02, Landlord & Site Services.	0	0	05/22/02	Approved.
SS02-2002-030/3.4.2.1	3/28/02	Transfer Deactivation/Excess of Mobile Offices from WM to Landlord & Site Services.	0	0	05/22/02	Approved.
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.

SE&I FACILITY DEACTIVATION/DECOMMISSIONING



Facilities Deactivated: Landlord Services is on schedule to deactivate four facilities by Fiscal Year end.

Facilities Decommissioned: Landlord Services planned to decommission seven facilities by Fiscal Year end. More facilities and mobiles than planned have become available.