



Section A

Executive Summary

INTRODUCTION

This section of the report is intended to provide Management with an executive-level summary of the most noteworthy performance information to date. All cost, schedule, milestone commitments, performance measures, and safety data is current as of October 31, 2001. Accomplishments, Issues and Integration items are current as of November 29, 2001 unless otherwise noted.

The section begins with a description of notable accomplishments that have occurred since the last monthly report and are considered to have made the greatest contribution toward safe, timely, and cost-effective clean up. Following the accomplishment section is an overall fiscal year-to-date summary analysis addressing cost, schedule, and milestone performance. Overviews of safety ensue. The next segment of the Executive Summary, entitled Breakthroughs and Opportunities for Improvement represents potential significant improvements over the established baseline. The Critical Issues section is designed to identify the high-level challenges to achieving cleanup progress.

Concluding the Executive Summary, a forward-looking synopsis of Upcoming Planned Key Events is provided.

Note: Milestones tracked and reported in this report are FY2002 Contract Milestones and consist of two Department of Energy levels. In descending order these levels are 1) Department of Energy-Headquarters (HQ), and 2) Richland Operations (RL). Because it is also useful to distinguish milestones based on specific drivers, the Site applies a designation for those milestones created or tracked to meet the requirements of Enforceable Agreements (EAs). When a milestone satisfies both an EA requirement and a milestone level, it is categorized as both. However, in order to avoid duplicate reporting, this report accounts for each milestone only once. Where an overlap exists between EA and a level (i.e., HQ or RL), the milestone is reported as EA. Additionally, Tri-Party Agreement (TPA) Major and Interim milestones are EA milestones. TPA milestones that are not enforceable are called Target milestones and are included in the TPA/EA milestone tables found in the applicable Project Sections.

NOTABLE ACCOMPLISHMENTS

Accelerated Deactivation Project — 300 Area - Washington Department of Health (WDOH) approval of revised Notice of Construction (NOC) to allow removal of 303K slab was obtained. This approval paves the way for completion of the initial phase of the 300 area skyline initiative.

Accelerated Deactivation Project — 200 Area - The non-destructive assay (NDA) results for 224-T D Cell found less than .5 grams of plutonium hold-up in the tanks. These results will allow manned entry.

Mixed Low Level Waste (MLLW) Treatment — Sixty-six cubic meters (m³) of MLLW debris were shipped to Allied Technology Group (ATG) for treatment in FY 2002. The first MLLW thermal treatment residue return shipment was received from ATG's GASVIT® system. This shipment represents ~11.4m³ of pre-treatment waste volume [~8.4m³ or 12,170 lbs of GAC, and ~3.0m³ or 9,025 lbs of soils]. The post-treatment waste volume residing in the six returned boxes is 11.3m³.

Stabilization of Nuclear Material

- **Residues** — During October 27,462 grams were packaged in 19 Pipe Overpack Containers (POCs). Thirty POCs were shipped to the Central Waste Complex (CWC). Removal of the last of the Sand, Slag, and Crucible (SS&C) material from the HA-20MB glovebox was completed on November 27, 2001. This material removal clears the way for the installation of the new TGAs in that glovebox and will allow the stabilization of less than pure Plutonium (Pu) oxides.

- **Solutions** $\frac{3}{4}$ The monthly production was 306 liters. This included a total of 190 liters through the direct discard process and 116 liters through the oxalate precipitation process. October's precipitation rate maintained the increased monthly production rate average of 6.3 columns established in September.
- **Project W-460** $\frac{3}{4}$ Following completion of the FH Operational Readiness Review (ORR), the RL ORR was conducted and completed on November 21, 2001. Upon successful completion of six prestart items, RL granted authorization on November 28, 2001 to proceed with startup operation of the 2736-ZB bagless transfer system. Hot startup was achieved on November 29, 2001.

Spent Nuclear Fuel Movement Activities — Two Multi-Canister Overpacks (MCOs) were removed from K West (KW) Basin during October 2001.

PERFORMANCE DATA AND ANALYSIS

The following provides a brief synopsis of overall PHMC Environmental Management (EM) cost, schedule, and milestone performance.

FY 2002 Schedule and Cost Performance

Schedule Performance — There is a FY 2002 year-to-date 3.5 percent (\$1.3 million) favorable schedule variance that is within the established 10 percent threshold. Subprojects outside the threshold are Spent Nuclear Fuel, 200 Area Remediation, Waste Management, Plutonium Finishing Plant, and HAMMER. Detailed variance analysis explanations can be found in the Project Sections.

Cost Performance — FY 2002 year-to-date cost performance reflects a 20.3 percent (\$7.9 million) favorable cost variance that is outside the established 10 percent threshold. Subprojects outside the threshold are River Corridor Waste Management, 300 Area Facility Transition, Spent Nuclear Fuel, 200 Area Remediation, Waste Management, Plutonium Finishing Plant, Site Integration, HAMMER, and Near Term Stewardship. Detailed variance analysis explanations can be found in the Project Sections.

BASELINE PERFORMANCE STATUS

FY 2002 COST / SCHEDULE PERFORMANCE – ALL FUND TYPES

FY TO DATE STATUS (\$M)

DATA THROUGH OCTOBER 2001

	Current Fiscal Year Performance (\$ x Million)					Annual Budget	
	FYTD			Schedule Variance	Cost Variance		
	BCWS	BCWP	ACWP				
River Corridor Restoration							
3.1.2	300 Area Cleanup RC02	0.1	0.1	0.1	0.0	0.0	1.4
3.1.3	Advanced Reactor Transition RC03	0.1	0.1	0.1	0.0	0.0	1.6
3.1.5	River Corridor Waste Mgmt. RC05	0.3	0.3	0.2	0.0	0.1	3.9
3.1.6	300 Area Facility Transition RC06	3.1	2.9	2.3	(0.2)	0.6	43.8
	Subtotal Restoration	3.6	3.4	2.7	(0.2)	0.7	50.7
River Corridor Final Closure and SNF							
3.2.3	Spent Nuclear Fuel RS03	10.3	12.0	9.2	1.7	2.8	170.4
	Subtotal SNF	10.3	12.0	9.2	1.7	2.8	170.4
Central Plateau Transition							
3.3.1	200 Area Remediation CP01	0.5	0.9	0.1	0.4	0.8	15.6
3.3.2	Waste Management CP02	5.8	6.7	5.3	0.9	1.4	81.2
3.3.3	Plutonium Finishing Plant CP03	7.7	6.3	5.6	(1.4)	0.7	78.6
	Subtotal Central Plateau	14.0	13.9	11.0	(0.1)	2.9	175.4
Site Integration & Infrastructure							
3.4.1	Site Integration SS01	2.4	2.4	1.5	0.0	0.9	29.8
3.4.2	Landlord & Site Services SS02	6.8	6.8	6.4	0.0	0.4	92.0
3.4.5	HAMMER SS05	0.4	0.3	0.2	(0.1)	0.1	4.5
	Subtotal Site Integration	9.6	9.5	8.1	(0.1)	1.4	126.3
Site Stewardship							
3.5.1	Near Term Stewardship SC01	0.1	0.1	0.0	0.0	0.1	0.9
	Subtotal Stewardship	0.1	0.1	0.0	0.0	0.1	0.9
Total PHMC Projects		37.6	38.9	31.0	1.3	7.9	523.7

Notes: Column headings [Budgeted Cost of Work Scheduled (BCWS), Budgeted Cost of Work Performed (BCWP), etc.] are defined in the glossary at the end of the report. Due to technical difficulties, the Hanford Data Integrator (HANDI) reports have been adjusted to more accurately reflect performance.

MILESTONE PERFORMANCE

Milestones represent significant events in project execution. They are established to provide a higher level of visibility to critical deliverables and to provide specific status about the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the PHMC EM cleanup mission. These milestones have been included in the FH contract.

FYTD milestone performance (Enforceable Agreement [EA], U.S. Department of Energy- Headquarters [DOE-HQ], and RL) shows that one milestone was completed on or ahead of schedule, one milestone was completed late, and two milestones are overdue. The overdue milestones are associated with one subproject: Plutonium Finishing Plant (PFP), Section J.

In addition to the FY2002 milestones described above, there are two overdue milestones from FY2001 [Spent Nuclear Fuel (Section G) and PFP (Section J)]. Further details regarding these milestones may be found in the referenced Project Sections.

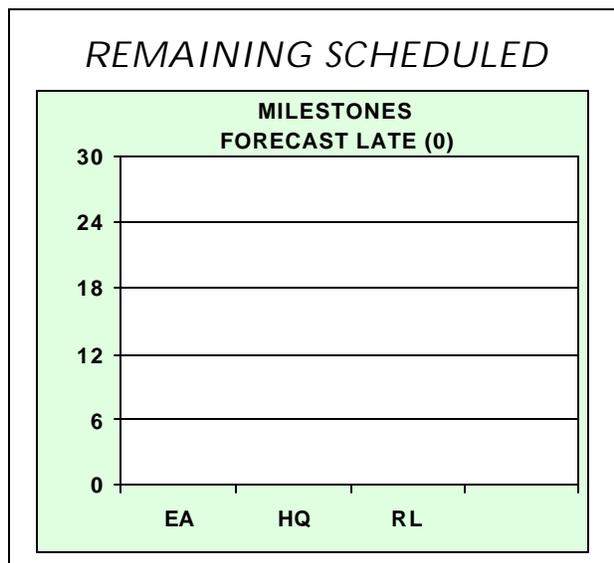
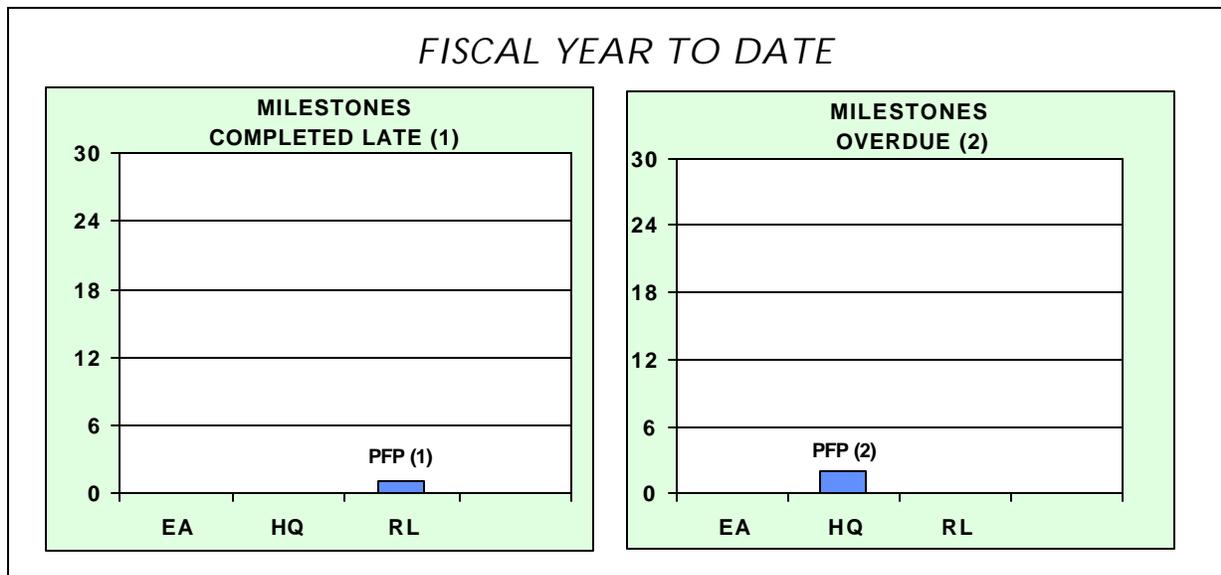
FY 2002 information is depicted graphically on the following page. For additional details related to the data, prior year milestones, and outyear milestones, refer to the relevant project section titled "Milestone Achievement."

FY 2002 information reflects the September 30 Baseline. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

TOTAL ALL HANFORD PROJECTS MILESTONE ACHIEVEMENT FH Contract Milestones

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			Total FY 2002
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	1	0	0	0	0	2	0	3
DOE-HQ	0	0	0	2	0	1	0	3
RL	0	0	1	0	0	6	0	7
Total Project	1	0	1	2	0	9	0	13

MILESTONE EXCEPTIONS



These charts provide detail by project and milestone level / type for milestones

- Completed Late
- Overdue
- Forecast Late
- Detailed information can be found in the individual project sections

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in these rates are due to the efforts of the PHMC workforce as they implement the Integrated ES&H Management System (ISMS), work towards achieving Voluntary Protection Program (VPP) "star" status, and accomplish work through Enhanced Work Planning (EWP). Safety and health statistical data is presented in this section.

Significant Safety and Health Events

PHMC Level

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: A significant increase was noted in the OSHA Recordable Case Rate in last month's report. The data are not yet sufficiently stable to form a new baseline average, and October 2001 data did return to baseline. FH has begun a five-point improvement plan focused on employee awareness, responsibility, and management involvement in injury prevention.

Lost Away Workday Case Rate: The current safe work hour count for the FH Team is 28,814 hours. Two new lost away workday cases occurred in October 2001. One case was the result of fractures the employee received in an automobile accident; improper lifting caused the other. An investigation into the lifting case reaffirmed the need to be aware of proper body positioning when lifting and to seek assistance when performing awkward lifts. The causes for these lost away workday cases will also be addressed in the five-point improvement plan.

DOE Safety Cost Index: Increases in restricted workdays on August 2001 cases have driven the August data up above the upper control limit (UCL), a statistically significant increase.

Project Level

The **Plutonium Finishing Plant (PFP)** subproject is approaching 2.3 million safe work hours. The PFP OSHA Recordable Case Rate and DOE Safety Cost Index are stable at the current baselines.

The **300 Area Facility Transition** (WBS 3.1.6) subproject (formally called the River Corridor Project) safe hours run ended in October 2001, just short of 2 million hours. On October 9, 2001, an employee pulled a muscle while lifting a piece of equipment. The October 2001 DOE Safety Cost Index showed a nearly significant increase.

The scheduled on-site Voluntary Protection Program (VPP) review for the 300 Area Facility Transition was conducted during the week of October 15, 2001. The review team concluded that the subproject has met and/or exceeded each of the five DOE-VPP tenets. Accordingly, the team's technical opinion was documented in its report, and will be presented to the DOE-VPP Program Administrator for consideration.

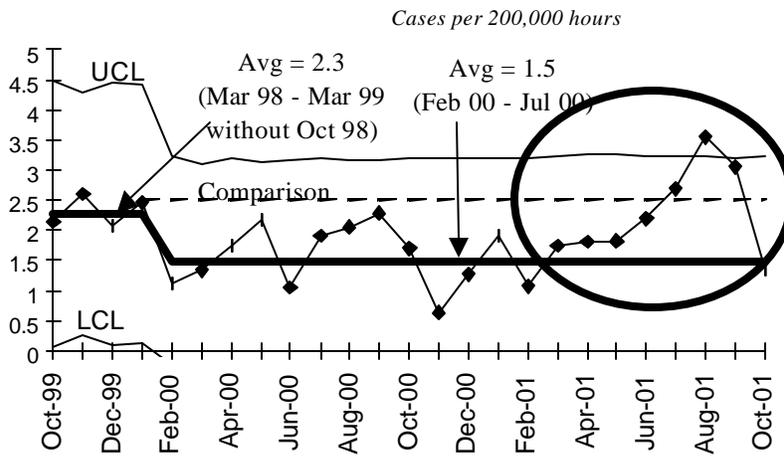
The **Spent Nuclear Fuel (SNF)** subproject reached 3.5 million safe work hours at the end of October 2001. A new trend developed in the SNF DOE Safety Cost Index for June 2001. The accumulation of additional restricted workdays on one June 2001 case represents a statistically significant increase.

The **200 Area Materials and Waste Management** (WBS 3.3.2) subproject (formally called the Waste Management Project) should achieve 3 million work hours on November 11, 2001. There was a nearly significant increase in the WM OSHA Recordable Case Rate in August 2001. In August and September 2001, there was a significant increase in the WM DOE Safety Cost Index due to five restricted workday cases; however, October 2001 appears to have returned to normal.

Due to space constraints, FY 1996 through FY 1998 data is not portrayed on the following graphs.

Total OSHA Recordable Case Rate

Green



FY 2001 = 1.9
 FY 2002 to date = 1.3
 Contractor Comparison
 Average = 2.5 (CY00)

A significant increase was noted in the OSHA Recordable Case Rate in last month's report. The data are not yet sufficiently stable to form a new baseline average, but October 2001 did return to baseline.

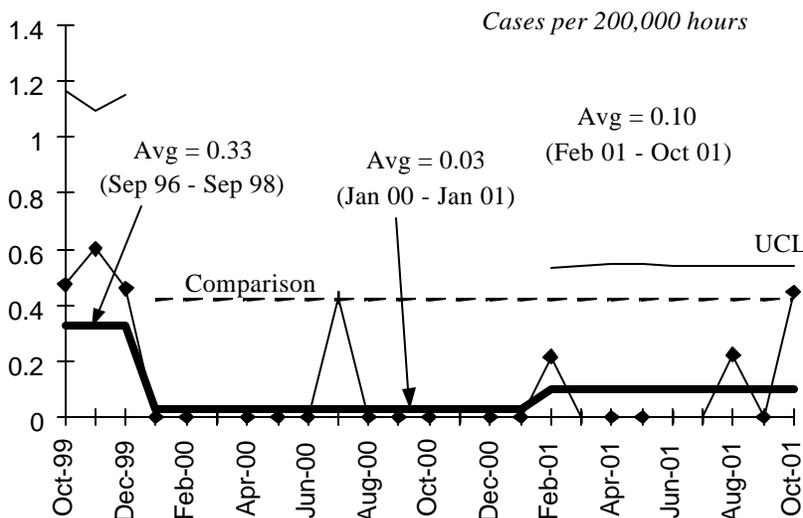
The Fluor Global Services goal is 0.9.

FH has begun a five-point improvement plan focused on employee awareness, responsibility, and management involvement in injury prevention.

The Department of Energy complex-wide rates for DOE contractors are used as comparisons on these charts.

OSHA Lost Away Workday Case Rate

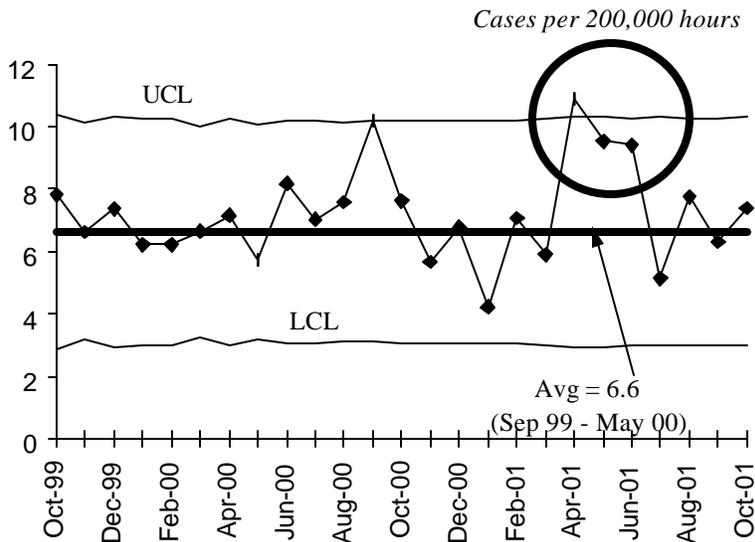
Green



FY 2001 = 0.04
 FY 2002 to date = 0.45
 Contractor Comparison Average = 0.42 (CY00)

The current safe work hour count for the FH Team is 28,814. There were two new Lost Away Workday Cases in October 2001. One case was the result of fractures the employee received in an automobile accident; improper lifting caused the other. The causes for these lost away workday cases will also be addressed in the five-point improvement plan.

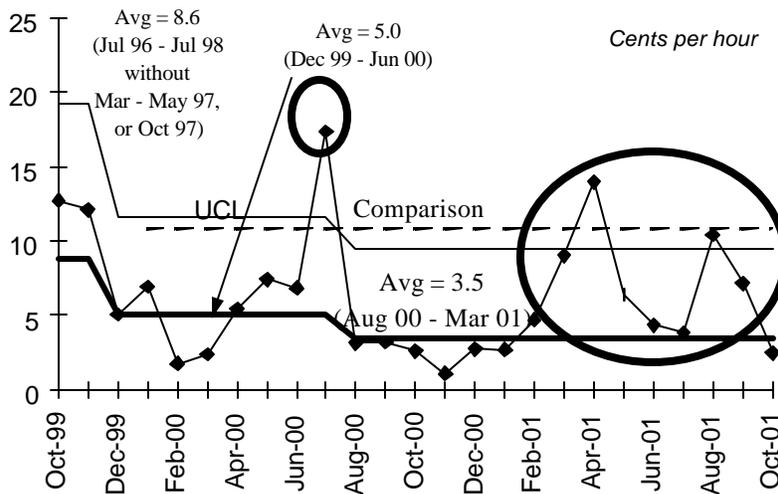
FIRST AID CASE RATE



First Aid Rate undergoes seasonal cycles. Increases occur in warmer weather due to insect and animal encounters, and due to wind related minor injuries. Such an increase did occur this past summer. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire the summer before last. First Aid case rate has remained relatively stable, a good indicator that injuries are not being under-reported.

Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the cyclical trend in the data.

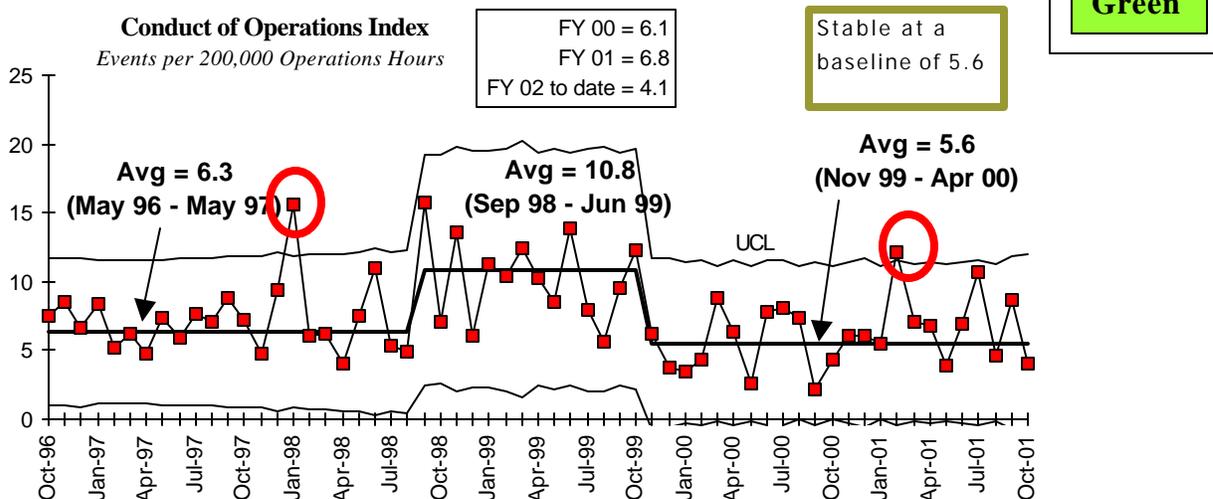
DOE SAFETY COST INDEX



FY 2001 = 5.7
 FY 2002 to date = 2.5
 Contractor Comparison Average = 10.8 (CY00)
 There was a statistically significant increase in the FH DOE Safety Cost Index from Feb. 1 to Aug. 1 due to the accumulation of additional restricted workdays. The current performance is well below the DOE average, and the historical 8.0 goal for this indicator.

Past data continue to be corrected as further days accumulate on any work restrictions or lost days.

CONDUCT OF OPERATIONS



BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Breakthroughs

Permit By Rule Treatment at 300 Area TEDF — FH investigated the potential to treat limited categories of liquid non-radioactive hazardous wastes using the existing capabilities of the 300 Area TEDF by applying a permit exclusion available within the waste regulations. Treatment of hazardous wastes at TEDF could provide a low-cost option for disposal of some wastes currently sent off-site. The regulatory analysis and cost-benefit evaluation concluded that there is an opportunity to better utilize existing assets and resources while remaining compliant with applicable regulations. Initial implementation activities are planned through the remainder of FY 02.

Monolithic Removal of 327 Hot Cells — Last year a technical review team found the concept of intact removal of the 327 hot cells to be feasible, to have potentially significant ALARA benefits, and if implemented, will reduce project schedule/cost. Certification that the cells could be disposed of as non-Transuranic waste was a key assumption in that review. The 327 Building Deactivation Project is preparing a characterization strategy to establish the data quality objectives, and to identify techniques for obtaining necessary data to verify the cells as Low Level Waste (LLW). The characterization strategy will be issued in December. In parallel, an Accelerated Site Technology Deployment (ASTD) proposal was submitted to obtain funding (\$935K) to purchase in-situ characterization instruments that will lead to the eventual LLW certification.

The 200 Area Materials and Waste Management subproject — the conversion of the Waste Retrieval and Packaging (WRAP) low-level waste glovebox line is currently being evaluated to provide added TRU waste processing capability. This conversion will improve WRAP operating reliability, increase throughput capacity, and through the application of supercompaction to waste destined for WIPP, will offer considerable return on investment (savings) over the FH contract period. Pursuing conversion of the WRAP low-level glove box for use on TRU waste through the Accelerated Site Technology Deployment Process.

Cold Vacuum Drying Facility (CVDF) Fuel Processing / Production Improvements ¾ The processing times at CVDF have been reduced from approximately 100 working hours per MCO to a current average of 88.1 working hours per MCO, 1.9 working hours less than the required target of 90 working hours. Options continue to be evaluated to ensure this average stays below the 90 working hour target.

Deactivation Acceleration ¾ Development of End Point Criteria, KE Basin Deactivation Alternative Study, and Data Quality Objectives and KE Basin Wall Sampling Analysis Planning has been initiated.

Opportunities for Improvement

Conduct of Operations Improvement Initiative — The 300 Area Facility Transition subproject has initiated a Conduct of Operations Improvement Plan to improve organizational performance, and to create a culture change regarding effective implementation of Conduct of Operations principles. The subproject has completed the first three months of the Conduct of Operations Improvement Plan. Each facility and participating organization has spent time reviewing its Conduct of Operations Matrix, identifying areas of improvement and communicating results to the staff. The facility project director will provide a summary review of progress to the subproject Vice President at the two, four and six-month milestones. The four-month status meeting is planned for December 6, 2001.

SNF Removal — Thorough and complete planning is needed to prepare for the SNF removal from the 324 B Cell. A significant schedule enhancement effort began on Tuesday, October 30, 2001. Two outside scheduling personnel were obtained to perform a "murder board" of schedule scope and logic in order to develop the necessary schedule detail to efficiently coordinate and manage SNF transfer preparations. An important part of this effort is the development and finalization of the split Readiness Assessment. The effort has made significant progress in the last month and a finalized schedule is estimated to be complete the first week in December.

Fuel Processing at KW ¾ Efforts continue to reduce the fuel processing times at K West (KW) basin and the Cold Vacuum Drying Facility (CVDF).

K Basin Sludge Container and Storage Optimization ¾ Efforts to identify more cost effective KW container configurations and storage options could lead to the elimination of KW sludge storage in a pool at T Plant. The option to use a modified HIC for fuel piece and settler tank sludge (with strict mass limits) continues to be evaluated as a potential option.

ISSUES

Shippingport fuel movement schedules and T Plant cell cleanout schedules are impacted by the Operations Readiness Review (ORR) delay ¾ The ORR Corrective Action Plan was drafted and reviewed with RL on November 29, 2001. All project issues have been evaluated through the Deficiency Evaluation Group (DEG) process; corrective action implementation is underway. The T Plant Crane Maintenance Outage was successfully completed. Progress has been made with RL on cell waste disposition, and cell clean out will begin December 10, 2001.

ATG's financial status jeopardizes project performance and TPA milestones — Notification is in progress to RL that interim milestone (M-91-12A) is in jeopardy due to recent events with ATG and their financial status. A letter is also being prepared for notification that the PI may be impacted. Cure notices have been drafted to ATG on all three major contracts. A FH team has been established to manage and monitor the situation and address issues and concerns as they arise. Alternatives are being developed. Bankruptcy proceedings are in progress in California. It is unknown if ATG will be allowed to continue operating at this time. Inspection of wastes at ATG were conducted by FH, with CHG representation, on November 28, 2001. No issues were noted. The facility has all wastes under control,

secured, and under surveillance. Issues are being managed by ATG with appropriate notifications to Ecology.

Surface weld porosity of 3013 outer containers exceeds American Society of Mechanical Engineer (ASME) Boiler and Pressure Vessel Code, Section VIII standards of .040-inch diameter for this material— Savannah River Technology Center (SRTC) has performed testing on the Outer Can Welder (OCW) system. The initial testing identified the gap distance between the lid and the 3013 container may contribute/cause porosity in the weld. Additional field-testing was completed in October. Field-testing identified a direct correlation between lid/can fit tolerances and porosity. A final report with recommendations was issued by SRTC on November 26. OCW operations resumed December 3, 2001. At this time repackaging of 3013 containers is not expected. *(No further status to be provided)*

EM CORPORATE PERFORMANCE MEASURES

This information is provided quarterly.

UPCOMING PLANNED KEY EVENTS

The following key events are extracted from the authorized baseline and are currently expected to be accomplished during the next several months. Most are Enforceable Agreement (EA), HQ or DNFSB Milestones.

300 Area Remediation

324 SNF Transfer — Submit NAC-1 Safety Analysis Report for Packaging (SARP) to RL by December 11, 2001.

324 SNF Removal — Submit 324 SNF Readiness Assessment plan of action document by December 14, 2001.

340 Facility Waste Boxes — Procure waste boxes by January 15, 2002.

Effluent Tank — Replace effluent tank by April 2002.

TEDF Database Servers — An upgrade to TEDF database servers will be complete by April 2002.

TEDF HVAC — Upgrade TEDF HVAC control system by April 2003.

340 Facility — Update the 340 Facility Deactivation Project Management Plan by May 2002.

324 Building — Complete 26.5 percent remaining 324/327 deactivation scope by June 20, 2002

Contract Transition — Support transfer of Bechtel Hanford, Inc. (BHI) Central Plateau scope to FH on June 30, 2002 and FH 300 Area scope to River Corridor Contract (RCC) on September 30, 2002.

Spent Nuclear Fuel

Canister cleaning operations — Begin SNF canister cleaner operations in December 2001.

K West Outage — Perform K West Maintenance Outage in December 2001.

200 Area ISA — Implement 200 Area ISA authorization basis by January 2002.

K West 24/7 Shift — Implement K West 24/7 Shift Implementation on February 4, 2002.

MCO shipments — Continue MCO shipments through FY 2002.

200 Area Materials & Waste Management

Waste Encapsulation and Storage Facility (WESF) Operations — Prepare for DNFSB 2000-2 Phase II assessment of Confinement Ventilation Systems scheduled for December 2001.

TRU Recertification and PFP Audits — Complete corrective actions associated with the (Plutonium Finishing Plant and Re-Certification) WIPP audits. Closure of the associated CBFO CARs will occur after successful completion of the CBFO/EPA audit scheduled for December 18-19, 2001.

Accelerate Readiness to Receive SNF K Basin Sludge — 1) Complete RL ORR for Shippingport (PA) fuel, 2) Initiate Shippingport fuel movement, and 4) Accelerate T Plant Canyon cell cleanout.

MLLW Treatment — Continue characterization and direct disposal activities.

TRU Waste Retrieval — Continue technical planning to support buried drum retrieval start-up by April 2002.

Nuclear Materials Stabilization (NMS) Project Support — Continue to receive waste in support of Hanford ash processing.

Support to 300 Area — Support the removal of a Curium/Americium source from the 327 Facility. Support characterization, transport and storage of 324 pipe pit Remote-Handled (RH) wastes.

Liquid Waste Processing — Continue groundwater processing at the 200 Area ETF.

Plutonium Finishing Plant

Nothing to report.

200 Area Remediation

224-T Phase I Characterization — Complete Phase I characterization on the remaining five cells at 224-T by December 31, 2001.

Tall Well Cars — Ship the second of four tall well cars to Memphis, TN during the first quarter of 2002.

Roof Installation — Complete installation of roofs on B Plant and PUREX by September 30, 2002.