

PHMC CONTRACT OVERVIEW

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INTRODUCTION

This section of the report is intended to provide management with an executive-level overview of the most noteworthy performance information. Unless otherwise noted, all information is as of the end of February 2003.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely and cost-effective clean up; progress against the contract with RL; project cost summary analysis; overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

NOTABLE ACCOMPLISHMENTS

Spent Nuclear Fuel

Multi-Canister Overpacks (MCO) Welding at Canister Storage Building (CSB): Actions were completed to address technical requirements necessary to begin welding operations. The project commenced welding operations on schedule, February 3, 2003. Five MCOs have been welded since operations began. As of March 3, 2003, the project is currently one MCO ahead of schedule.

Canister Cleaning Operations: FH cleaned and removed 277 empty canisters from K West. Cumulatively, a total of 1,890 canisters and 917 lids have been prepared for shipment to the Environmental Restoration Disposal Facility. The project is 188 canisters ahead of the baseline schedule.

Fuel Movement Activities: FH shipped eight MCOs containing approximately 59 Metric Tons of Heavy Metal (MTHM) from the K West Basin to the Cold Vacuum Drying Facility (CVDF). Cumulatively, a total of 197 MCOs containing 1,031 MTHM have been shipped to date, currently three MCOs behind schedule.

Fuel Transfer System (FTS): FH completed 12 FTS shipments (120 canisters). A cumulative total of 63 shipments (630 canisters) have been completed to date, compared to 71 scheduled.

Sludge Water System (SWS): Sludge Retrieval System (SRS) construction at K East is 95 percent complete. Readiness Self Assessments are in progress. Operational Test Procedures (OTPs) were completed February 26, 2003. Tri-Party Agreement (TPA) Milestone M-34-12-T01 to complete SWS construction, operational testing and approval of test results by September 30, 2002, is forecast to complete on March 4, 2003.

Central Plateau Remediation Project

200 Area Remediation: Completed the DOE (RL/HQ) review of the Gable Mountain Pond/B Pond (200-CW-1) Operable Unit Feasibility Study and Proposed Plan (TPA Milestone M-15-38A).

300 Area Facility Transition: A Baseline Change Request (BCR) FH-2003-007 to extend work scope to the contract baseline through April 30, 2003 was approved and implemented.

Groundwater Management and Monitoring: Pacific Northwest National Laboratory transmitted the final report, *Hanford Site Groundwater Monitoring for FY 2002* to DOE-RL the week of February 24, 2003 for RL's transmittal to regulators.

Groundwater Vadose Zone Integration: The *Hanford Groundwater Protection Management Plan: Accelerated Cleanup/Protection* was approved by RL.

Plutonium Finishing Plant Project

Metals, Alloys, Oxides and Polycubes: Polycube stabilization was completed on February 28, 2003 one month ahead of the Defense Nuclear Facility Safety Board (DNFSB) milestone IP-115. Eighty-seven polycube items were completed during the reporting period.

As of February 23, 2003, 908 oxide items have been processed under the 2736-ZB facility work scope. The 908 items surpassed the contract-to-date goal by 79 items.

Residues: During the reporting period, 48,472 grams of oxide/Mixed Oxide (MOX) were packaged into 57 Pipe Overpack Containers (POCs). The last 19 Sand, Slag and Crucible (SS&C) Nondestructive Assay (NDA) batch reports were validated.

Outer Can Packaging: A total of ninety 3013 containers were produced during this reporting period. A total of three hundred seventy one 3013 containers have been produced during this fiscal year, sixty-one containers ahead of the FY 2003 production baseline.

Transition 232-Z Facility: The Engineering Evaluation/Cost analysis (EE/CA) for 232-Z deactivation and decommissioning (D&D) has been developed and reviewed by FH. A draft has been provided to DOE for informal transmittal to the Environmental Protection Agency (EPA) and Ecology per their request for an advance review. The 232-Z Notice of Construction (NOC) for 232-Z has been revised to address comments provided by the Washington State Department of Health (WDOH).

Transition 241-Z Facility: The 241-Z NOC for terminal clean-out activities was declared incomplete by the WDOH on January 6. FH Environmental Engineering has prepared an alternate monitoring plan for submission to EPA and has redrafted the NOC for submission to WDOH in early March.

FFTF Closure Project

Closed Loop Ex-Vessel Machine (CLEM): The CLEM Readiness Assessment Findings were presented to FFTF management and corrective actions were identified. Revised design has been developed that will eliminate slippage of the resolver, which is used for position measurement of the load limiter.

Solid Waste Casks (SWC): Modification of the SWC control console and subsequent testing were completed. The System Requirements Specification was released.

Waste Management Project

Transuranic (TRU) Waste Retrieval: RL approved the Safeguards and Security Plan and all required mitigation actions have been implemented. Completed negotiations to align the Drum Venting System technical requirements and the contractor's proposal.

Mixed Low Level Waste (MLLW) Treatment: Completed five shipments totaling 54 cubic meters (m³) of MLLW debris and radioactive lead solids to ATG, Inc (ATG). Received five MLLW shipments totaling 46 m³ of macroencapsulated debris and radioactive lead solids from ATG. Treated 85 m³ of macroencapsulated debris and radioactive lead solids (pre-treatment volume).

Landlord and Site Services



Yakima Barricade (604A) Water and Sewer Compliance

Modifications: This project replaced the old sewage disposal system and provides a sanitary water system by installing a potable water trailer at the Yakima Barricade. The old septic tank soil absorption system had failed and Washington Administrative Code 246-272-16501 requires that a failed septic system be repaired or replaced. The fixed-price contractor completed fieldwork on schedule on February 24, 2003. The new system was fully operational on February 25, 2003.

Planning & Integration

FH Life Cycle Rebaselining: On February 20, 2003 Planning and Integration held a guidance meeting on requirements for the baseline deliverable due to RL on June 30, 2003. Discussions focused upon the changes required to the technical, schedule and cost baseline as a result of the FH contract revisions.

Training on a standard estimating tool (Maestro Estimator) was held from February 10 to 13, 2003. FH has a team to facilitate transition from multiple existing estimating methods into Maestro. Each project has developed a schedule for the conversion/update of their estimates.

Environmental Compliance Program (ECP)

Working Group for Subpart H Compliance: The working group for Subpart H compliance (stack sampling inspections) met with the Washington State Department of Health (WDOH) and United States Environmental Protection Agency (EPA) on February 19, 2003. Most questions about the inspection methods were resolved, and the regulators agreed to consider a proposal for an alternative method (aerosol testing the sample lines). This could potentially save several million dollars for FH and CH2M HILL Hanford Group, Inc. (CH2M HILL).

GOVERNMENT FURNISHED SERVICES/ITEMS (GFS/I)

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web site

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Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0016	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization SNM	• Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 2 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	If the disposition path for the 126 items is LLNL, LLNL must accept all material no later than 2/18/04 or relief will be granted from the 2/18/04 date. Further, if the disposition path is to LLNL, the SAFKEG SARP (CoC) must be approved. Commitment: 1 March 2003				SARP at DOE Albuquerque for review. Approval date TBD. ISSUE: FH submitted letter to RL 3/5/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300969

GFS/I, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0017	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 3 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	DOE-SR approval of PFP's compliance with SRS acceptance criteria within 60 days of submittal				
					DOE-SR approval of PFP's compliance with SRS acceptance criteria, Part 1 Commitment: 22 November 2002		<i>Savannah River Site (SRS) Acceptance Criteria Submittal, Part 1</i> Planned: 20 September 2002	Completed: 23 September 2002	SRS has sent approval to RL.
					DOE-SR approval of PFP's compliance with SRS acceptance criteria, Part 2 Commitment: 11 March 2003		<i>Savannah River Site (SRS) Acceptance Criteria Submittal, Part 2</i> Planned: 10 January 2003	FH-0103610AR10 Completed: 10 January 2003	RL has forwarded all documents to SRS for review and approval.
GF0018	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 4 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	Approve Safeguards Termination Limit (STL) for low plutonium content mixed oxides and Group II alloys (dispose as is) within 60 days of submittal.				
					Approve Safeguards Termination Limit (STL) to Discard 10> w% Commitment: 29 November 2002		<i>Safeguards Termination Letter (STL) to Discard 10> w%</i> Planned: 30 September 2002	FH-0204572 Completed: 30 September 2002	Verbal approval received from RL, pending compliance with WIPP acceptance criteria. ISSUE: RL disposition of FH-0204572 letter, dated 9/30/02 for which disposition was due 11/29/02. FH submitted letter to RL 1/15/03, of RL's delay, FH-0300184
GF0022	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 5 • DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 3 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003				SARP (COC) at DOE Albuquerque for review. Anticipate approval ~ mid April. ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300950
GF0022	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM	Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 5 • DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 3 • DE-AC06-96RL13200, GFS/GFI 3 	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003				SARP (COC) at DOE Albuquerque for review. Anticipate approval ~ mid April. ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by

GFS/I, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0023	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 4 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	At least 75 9975s certified over packs will be made available to PFP from Rocky Flats. Commitment: 28 February 2003				FH received two 9975s for training and shipping. RF believes additional 9975s will be made available in April/May. ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification will be requested from RL reflecting the impacts. FH-0300953
GF0024	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 5 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	Obtain SAFKEG Certificate of Compliance. Commitment: 1 March 2003				SARP at DOE Albuquerque for review. Approval date TBD. ISSUE: FH submitted letter to RL 3/5/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300969
GF0025	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 6 • DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI 	Approve SRS/RL Shipper/Receiver Plan Commitment: 31 January 2003		<i>DOE-SRS/RL Shipping & Receiving Plan</i> Planned: 17 December 2002	FH-0205876 Completed: 17 December 2002	Westinghouse SR and DOE-SR field office have signed a one-page addendum. The addendum is being routed through FH and RL for concurrence. ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification will be anticipated from RL reflecting the impacts. FH-0300955
GF0043	C.2.2.1.3 Waste Encapsulation and Storage Facility (WESF) Cleanup	WBS 3.3.2.5 WESF (HLW Storage) Place Capsules in Dry Storage	• Waste Management	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.3, Row 2, GFS/GFI 4 • DE-AC06- 	Issue authorization to proceed no later than 1 April 2003. Commitment: 1 April 2003				

GFS/I, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0081	C.3.11 Mixed Waste Disposal Trenches (MMDT)	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste	• Waste Management	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.3.11, Row 1, GFS/GFI 3 • DE-AC06-96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI 	Approve disposal of the 183-H Basin waste in ERDF. Commitment: 31 March 2003				ISSUE: NOTIFICATION OF POTENTIAL TO MISS APPROVAL OF ENGINEERING EVALUATION & COST ANALYSIS TO ALLOW DISPOSAL OF 183H BASIN WASTE INTO DISPOSAL FACILITY FH-0300389
GF0092	C.5.1 Environment, Safety, Health and Quality Assurance (ESH-Q)	WBS 6.10.1.5.2 Radiation Protection Radiation Protection	• Safety & Health	• DE-AC06-96RL13200, C.5.1, Row 6, GFS/GFI 1	Approve volumetric and real property release documentation within 60 days of receipt or in accordance with approved Project Plan milestones.				
					Approve volumetric and real property release documentation within 60 days of receipt or in accordance with approved Project Plan milestones. Commitment: 10 April 2003		<i>Authorized Limits for the Washington Nuclear Power Supply Plant (WNP)-1 & WNP-4 Sites</i>	FH-0205262AR1 Completed: 10 February 2003	

CONTRACT DELIVERABLES

Listed below are the current FH contract deliverables. Only data for the next 30 days (including any open deliverables from prior periods) are shown. The "blue" text is hyper-linked to the current PHMC/RL contract at web-site

[\\Ap001\HSTD\IRMS\CONTRACTS AND ACQUISITION\CONTRACT DELIVERABLES\SUMMARY\ALL CONTRACT DELIVERABLES.HTM](#).

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0020	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.2 Maintain Safe and Compliant PFP	• Plutonium Finishing Plant	<ul style="list-style-type: none"> • DE-AC06-96RL13200, C.2.2.1.2, Row 2, Deliverable 1 • DE-AC06-96RL13200, H.41, first sentence • DE-AC06-96RL13200, H.41, third sentence 	Authorization Agreement for PFP (Review and update yearly)				
					Authorization Agreement for PFP (2003) Planned: 21 March 2003				

CONTRACT DELIVERABLES, CONTINUED

Reference ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0085	C.3.4 T-Plant	WBS 3.3.2.3 Solid Waste Treatment Facility Receive and Store SNF Sludge	• Waste Management	• DE-AC06-96RL13200, C.3.4, Row 3, Deliverable 1	T Plant ready to receive the first canister of K Basin floor pit sludge (M-091-20) Commitment: 31 December 2002 Planned: 31 December 2002				
CD0114	C.4.2 Hanford Site Services	WBS 3.4.6.2 FH Safeguards & Security Safeguards & Security	• Safety & Health	• DE-AC06-96RL13200, C.4.2, Row 41, Deliverable 1	Nuclear Material Accountability Transaction Data Report (Monthly)				
					Nuclear Material Accountability Transaction Data Report (FY2003 October) Planned: 12 November 2002				Due the 8th working day of the following month.
					Nuclear Material Accountability Transaction Data Report (FY2003 March) Planned: 10 April 2003				Due the 8th working day of the following month.
CD0115	C.4.2 Hanford Site Services	WBS 3.4.6.2 FH Safeguards & Security Safeguards & Security	• Safety & Health	• DE-AC06-96RL13200, C.4.2, Row 41, Deliverable 2	Nuclear Material Balance Report (Monthly)				
					Nuclear Material Balance Report (FY2003 October) Planned: 15 November 2002				Due the 15th day of the following month.
					Nuclear Material Balance Report (FY2003 March) Planned: 15 April 2003				Due the 15th day of the following month.
CD0169	C.5.3 Management Products and Controls	WBS 3.4.1.1 Budget & Performance Analysis Contract Reporting	• Project Systems & Support	• DE-AC06-96RL13200, C.5.3, Row 4, Deliverable 13	Project Hanford Management Contract Performance Report (Monthly)				
					Project Hanford Management Contract Performance Report (2/2003) Planned: 7 April 2003				

FY 2003 SCHEDULE/COST PERFORMANCE (\$M)

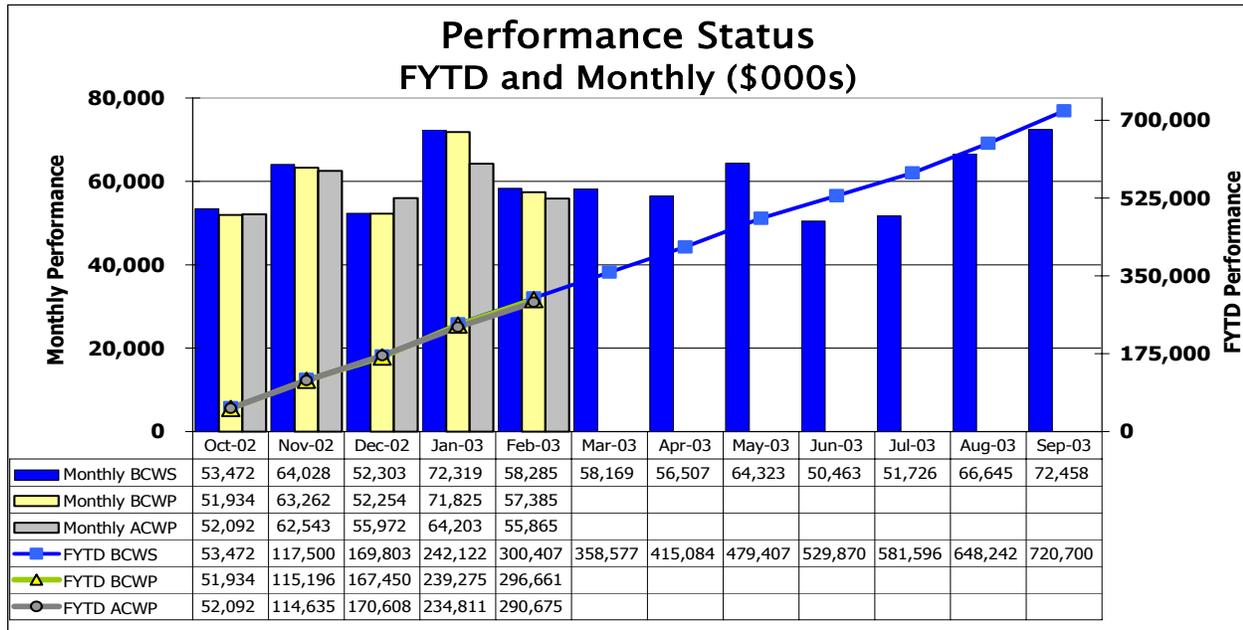
The following provides a brief synopsis of overall PHMC contract cost/schedule performance.

SCHEDULE PERFORMANCE: FYTD schedule performance reflects a -1% (-\$3.7 million) unfavorable schedule variance. The established threshold is +/-10% and \$1M. Subprojects outside the threshold are the Central Plateau Remediation and Work for Others/Requests for Services, which are addressed in Sections C and I, respectively.

Cost Performance: FYTD cost performance reflects a 2% (\$6.0 million) favorable cost variance. The established threshold is +/-10% and \$1M. Subprojects outside the threshold include Landlord and Site Services (Section G), Site Systems and Regulatory Analysis (Section H) and Work for Others/National Programs (Section I). These favorable variances are offset by an unfavorable variance in Spent Nuclear Fuel (Section B). Variance analysis explanations are in the noted project sections.

PERFORMANCE STATUS FISCAL YEAR TO DATE (\$M)

	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion
River Corridor Restoration								
3.1.3 RC03 Advanced Reactor Transition	0.4	0.4	0.5	0.0	0%	-0.2	-44%	2.2
3.1.6 RC06 300 Area Facility Transition	12.7	12.5	11.2	-0.1	-1%	1.4	11%	18.7
Subtotal River Corridor Restoration	13.0	12.9	11.7	-0.1	-1%	1.2	9%	20.9
River Corridor & Spent Nuclear Fuel								
3.2.1 RS01 South Hanford Industrial Area Clean Up	0.0	0.1	0.0	0.0	35%	0.0	53%	0.2
3.2.3 RS03 Spent Nuclear Fuel	78.4	77.5	79.3	-0.9	-1%	-1.9	-2%	149.7
Subtotal River Corridor & SNF	78.4	77.5	79.4	-0.9	-1%	-1.9	-2%	149.9
Central Plateau Transition								
3.3.1 CP01 200 Area Remediation	13.1	12.5	14.4	-0.6	-5%	-1.8	-15%	30.5
3.3.2 CP02 200 Area Materials & Waste Management	43.2	42.6	41.2	-0.7	-2%	1.4	3%	128.1
3.3.3 CP03 Plutonium Finishing Plant	39.3	39.3	39.8	0.0	0%	-0.4	-1%	110.1
Subtotal Central Plateau Transition	95.7	94.4	95.3	-1.2	-1%	-0.9	-1%	268.7
Site Integration & Infrastructure								
3.4.1 SS01 Site Systems & Regulatory Analysis	8.4	8.4	7.2	0.0	-1%	1.2	14%	23.6
3.4.2 SS02 Landlord & Site Services	26.4	26.2	23.2	-0.2	-1%	3.0	12%	70.8
3.4.3 SS03 Groundwater Management & Monitoring	7.5	7.3	7.1	-0.2	-2%	0.2	3%	22.3
3.4.4 SS04 Groundwater/Vadose Zone Protection	1.3	1.2	1.2	-0.1	-7%	0.1	6%	3.3
3.4.6 SS-D Safeguards & Security	17.7	17.7	17.0	0.0	0%	0.7	4%	44.4
Subtotal Site Integration & Infrastructure	61.3	60.8	55.6	-0.5	-1%	5.2	9%	164.5
Site Stewardship								
3.5.1 SC01 Near Term Stewardship	1.0	1.0	0.9	0.0	4%	0.1	12%	2.5
Subtotal EM Work Scope	249.4	246.7	242.9	-2.7	-1%	3.8	2%	606.4
Non-EM Work Scope								
1.1 National Programs (T&P, WM)	0.3	0.3	0.4	0.0	0%	-0.1	-34%	0.6
2.1.1.1.21 FFTF Project	16.1	15.4	16.0	-0.7	-5%	-0.6	-4%	38.4
2.1, 2.2, 2.9 RFS/DOE-Directed	3.6	3.6	3.0	0.0	0%	0.6	16%	6.9
2.3 Work for Federal Agencies	3.6	3.6	2.5	0.0	0%	1.1	30%	7.8
2.4 Work for Non-Federal Agencies	0.4	0.4	0.1	0.0	0%	0.3	78%	1.1
2.5 Inter-DOE Work Orders	1.4	1.4	1.0	0.0	0%	0.4	27%	2.7
2.6.2 Work from PNNL	2.4	2.4	2.2	0.0	0%	0.2	8%	6.1
2.6.3 Work from BHI	1.2	1.2	0.7	0.0	0%	0.5	38%	1.9
2.6.8 Work from CH2M	21.1	20.8	20.9	-0.3	-1%	-0.1	0%	46.9
2 Other Work for Others	0.8	0.8	0.9	0.0	4%	0.0	-154%	1.9
Subtotal Non-EM Work Scope	51.0	50.0	47.8	-1.0	-2%	2.2	4%	114.3
Total FH Contract Work scope	300.4	296.7	290.7	-3.7	-1%	6.0	2%	720.7



MILESTONE PERFORMANCE

Milestones represent significant events in project execution. Milestones are established to provide high level visibility to critical deliverables and specific status on 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 contract.

Fiscal year milestone performance (Enforceable Agreement [EA], U.S. Department of Energy-Headquarters [DOE-HQ], and RL) shows that three milestones were completed on or ahead of schedule, one was completed late and four milestones are overdue.

The overdue enforceable agreement milestones are Tri-Party Agreement (TPA) Milestone M-34-08, *Initiate Full Scale KE Basin Sludge Removal*, forecast to be complete May 12, 2003 (addressed in Section B); M-91-12A, *Treat 240 Cubic Meters by 12/31/2002* that is being renegotiated between the TPA parties; and M-91-20, *T-Plant ready to receive canister of K-Basin floor pit sludge* where a recovery plan was submitted to RL and the forecast is now April 11, 2003. These last two are detailed in Section F. The overdue RL milestone is S04-00-205, *CD4/Complete Operational Readiness Review sludge transfer from K Basins* forecast to be complete May 12, 2003 (detailed in Section B as M-34-08).

FY 2003 milestone information is based upon the February 28, 2003 baseline including RL approved changes. 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.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2003
Enforceable Agreement	2	0	1	3	1	2	1	10
DOE-HQ	1	0	0	0	0	0	0	1
DOE-RL	0	0	0	1	0	0	0	1
Total FH	3	0	1	4	1	2	1	12

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in occurrence rates are due to the efforts of the PHMC workforce as they implement the Integrated Environmental Safety & Health 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 below. The safety charts are reported according to OSHA standards.

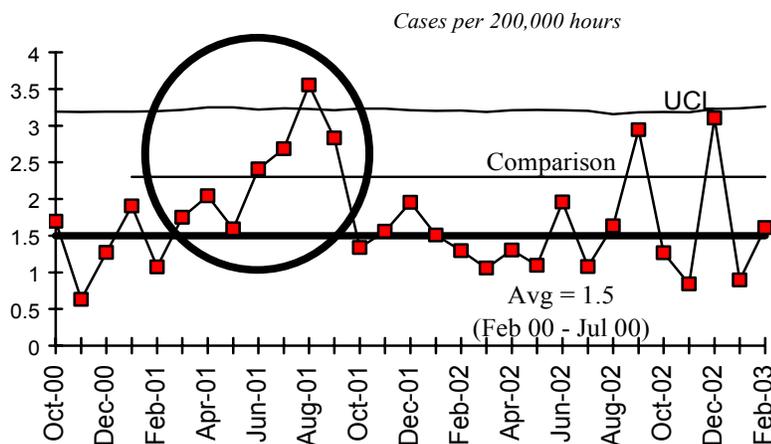
SIGNIFICANT SAFETY AND HEALTH EVENTS

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: The FH OSHA Recordable Rate remains stable at the 1.5 baseline average. Increased focus on workplace safety and project safety improvement plans is ongoing.

Days Away From Work (DAFW) Case Rate: The FH safe hours total is currently 1.2 million hours. A case from January 2003 reclassified to DAFW status due to surgical repairs. The DAFW baseline average is 0.12, less than DOE CY 2001 rate of 0.45.

DOE Safety Cost Index: The DOE Safety Cost Index baseline was increased to 7.5 cents per hour. FH has reviewed past restricted work cases that are still incurring restricted time, and has referred several for medical reevaluation.

Total OSHA Recordable Case Rate

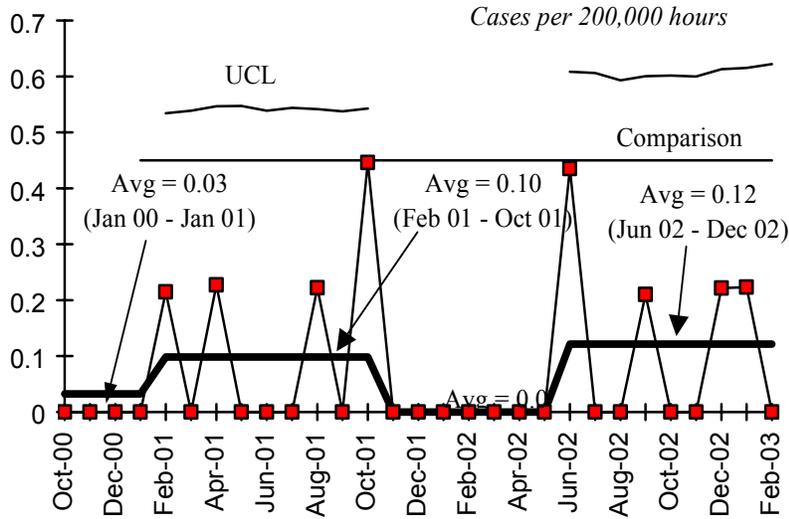


FY 2002 = 1.6
 FY 2003 = 1.5
 DOE Complex Comparison
 Average = 2.3 (CY01)

The FH Team OSHA Recordable Rate remains stable at the 1.5 baseline average.

Increased focus on workplace safety and project safety improvement plans is ongoing.

OSHA Days Away From Work Case Rate

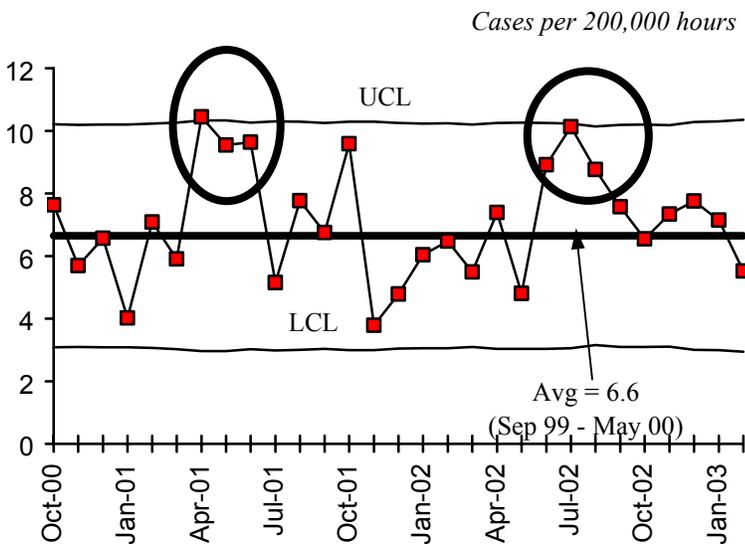


FY 2002 = 0.09
 FY 2003 = 0.09
 DOE Complex Comparison Average = 0.45 (CY01)

A case from January 2003 reclassified to DAFW status.

The Safe Hours total is currently 1.2 million hours.

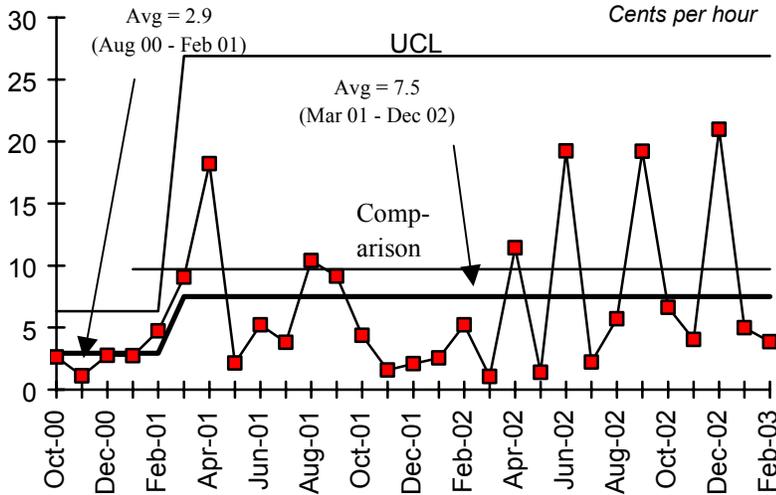
First Aid Case Rate



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 has occurred for 2002. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire in June 2000. First Aid case rate has remained relatively predictable.

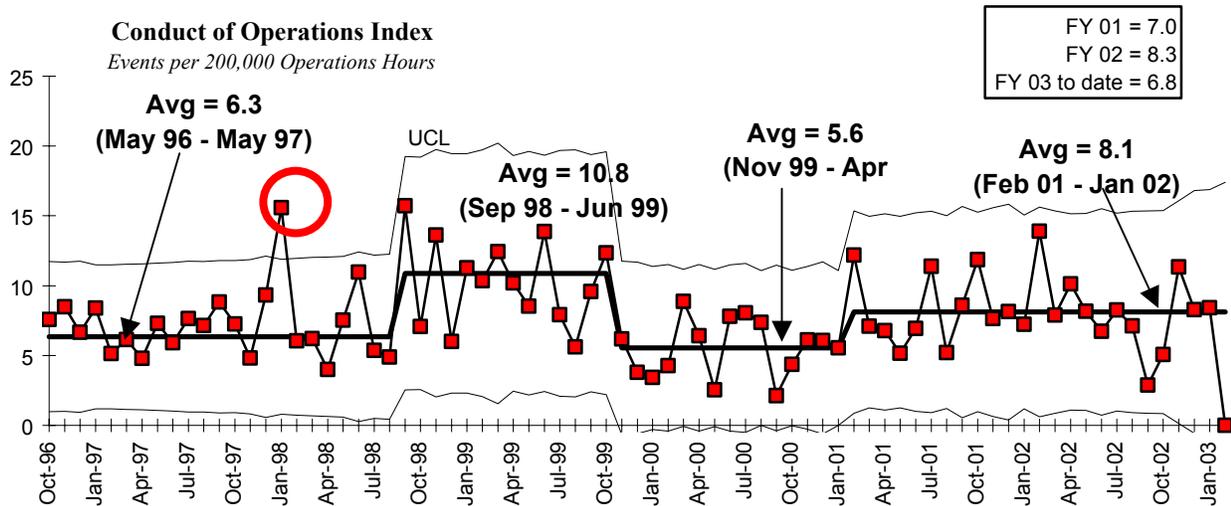
Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the routine cyclical trends in the data.

DOE Safety Cost Index



FY 2002 = 6.4
 FY 2003 = 8.1
 DOE Complex Comparison = 9.71
 The past two baselines were consolidated into one baseline due to growth of days of restricted work activity on current cases. FH has reviewed past Restricted Work cases that are still incurring restricted time, and has referred several for medical reevaluation.

Conduct of Operations



FY 01 = 7.0
 FY 02 = 8.3
 FY 03 to date = 6.8

FY 2003 FH FUNDS VS. SPEND FORECAST (\$000)

This chart reflects the FH organizational structure. This breakout is necessary to provide FH project managers with information specific to their areas of responsibility and accountability and to facilitate effective management of the funds within their control (obligated to the PHMC).

Project	PBS	Funding Guidance FY 2003	February FY 2003 Fiscal Year Spend Forecast	Project Completion	Post 2006	Other
Spent Nuclear Fuel	RS03	\$149,722	\$154,963	(\$5,241)		
Plutonium Finishing Plant	CP03	\$110,030	\$112,182	(\$2,152)		
Central Plateau Remediation	RC06	\$18,652	\$16,811	\$1,841		
	RS01	\$199	\$172		\$27	
	CP01	\$30,502	\$33,153		(\$2,650)	
	SS03	\$22,283	\$22,465		(\$182)	
	SS04	\$3,347	\$3,219		\$128	
	Subtotal CP		\$74,983	\$75,820	\$1,841	(\$2,705)
Waste Management	CP02	\$128,130	\$123,000	\$5,129		
Hanford Site Operations	SS02	\$70,868	\$70,487	\$380		
Site Integration	SS01	\$23,367	\$20,507		\$2,860	
Near Term Stewardship	SC01	\$2,519	\$2,494		\$24	
SUBTOTAL EM		\$559,618	\$559,454	(\$42)	\$180	
Advanced Reactor	RC03	\$2,214	\$2,175			\$39
Safeguards and Security	SS-D	\$44,407	\$44,350			\$57
Fast Flux Facility (EX03)	CP04	\$38,449	\$38,448			\$1
SUBTOTAL OTHER		\$85,070	\$84,973			\$97
TOTAL		\$644,688	\$644,427	(\$42)	\$180	\$97

ISSUES

Spent Nuclear Fuel

SNF Project Sludge and Water System (SWS): Tri-Party Agreement Milestone (M-34-08) to begin K East sludge movement by December 31, 2002 is behind schedule. The revised target date is May 12, 2003. The revised date will allow the project to adequately address operator concerns and outstanding construction items.

The target milestone (M-34-12-T01) to complete SWS construction, operational testing and approval of test results by September 30, 2002, will be completed March 4, 2003.

Fuel Production – FTS Shipments: Removal of all K Basin fuel by July 31, 2004 from the basins is based upon the completion of FTS shipments by January 31, 2004. Equipment failures have impacted FTS shipments. The project has added critical staff and continues to focus on addressing equipment problems.

Fuel Production – K West Equipment Reliability: As of March 3, 2003, the project is about three MCOs (or ten MTHM) behind the baseline schedule. Failure rates continue to increase as the equipment approaches the end of its normal design life cycle. Corrective actions are under way.

Central Plateau Remediation Project

10-CFR-830 Rule Compliant Documentation Activities for Facilities and Waste Sites: The requirement to submit and achieve approval/compliant documents by the April 10, 2003 deadline requires a high level of continued focus. The recent identification of four additional waste sites requiring Documented Safety Analysis has added to the overall challenge. Expected resolution date is April 10, 2003.

Plutonium Finishing Plant Project

Shipment of the first 3013 containers to Savannah River Site (SRS): FH is working with DOE (RL, HQ and SRS) to resolve and complete all activities needed to make the first shipment of material from PFP to SRS. Goal is to make one shipment in April 2003 to verify readiness.

Fast Flux Test Facility Closure Project

FFTF Shutdown Delay until April 2, 2003: Further activities to dismantle the FFTF are on hold until April 2003 due to pending litigation from Benton County against RL.

Shipment of Mixed Oxide Fuels from the Plutonium Finishing Plant: PFPs accelerated closure baseline removed the cost for repackaging and shipping of FFTF fuel based on an assumption that the material would be shipped to the Savannah River Site in the existing Radial Reflector Shipping Container and M-60s/60A containers.

Waste Management Project

T Plant Readiness to Receive K Basin Sludge: T Plant expects to receive authorization to begin sludge receipt on or before April 10, 2003. The Major Stack Designation process and canyon crane repairs are critical path. RL has reviewed the draft Plant Operating Authority (POA) and all comments have been incorporated. The POA is to be submitted to RL March 17, 2003.

Low Level Burial Ground (LLBG) Trench Capacity: Disposal capacities for Low Level Waste will be impacted in FY 2003 due to delays of National Environmental Policy Act documentation approval. RL was scheduled to release the draft Environmental Assessment (EA) for public review January 23, 2003, but missed this date since guidance was not received from HQ. RL is pursuing potential dates for recommencing EA activities.

Transuranic (TRU) Program Acceleration: FH needs to increase production rates for TRU certification and shipment to WIPP. FH placed a subcontract with Parsons Engineering on March 12, 2003 to develop procedure changes required for implementation of a new critical safety evaluation report. Staffing requisitions for additional bargaining unit resources at Waste Receiving and Packaging (WRAP) to allow parallel TRU characterization efforts have been approved and are in process. FH plans to achieve eight TRU waste shipments to WIPP in April 2003.

Mixed Waste Performance Incentive: Establish Commercial Mixed Waste treatment capabilities to meet performance incentives. Regulatory authorities determined that they must submit a 30-day notice for public comment before sending the Engineering Evaluation/Cost Analysis (EE/CA) document out for comment (the Hanford Advisory Board presentation in December 2002 was deemed inadequate). Notice was sent out on March 5, 2003 informing the public that the EE/CA will be available for review on March 31, 2003. RL has been formally notified of the potential to miss the Government Furnished Services/Items date of March 30, 2003.