

River Corridor Closure Contract

Hanford Advisory Board
Budgets & Contracts Committee

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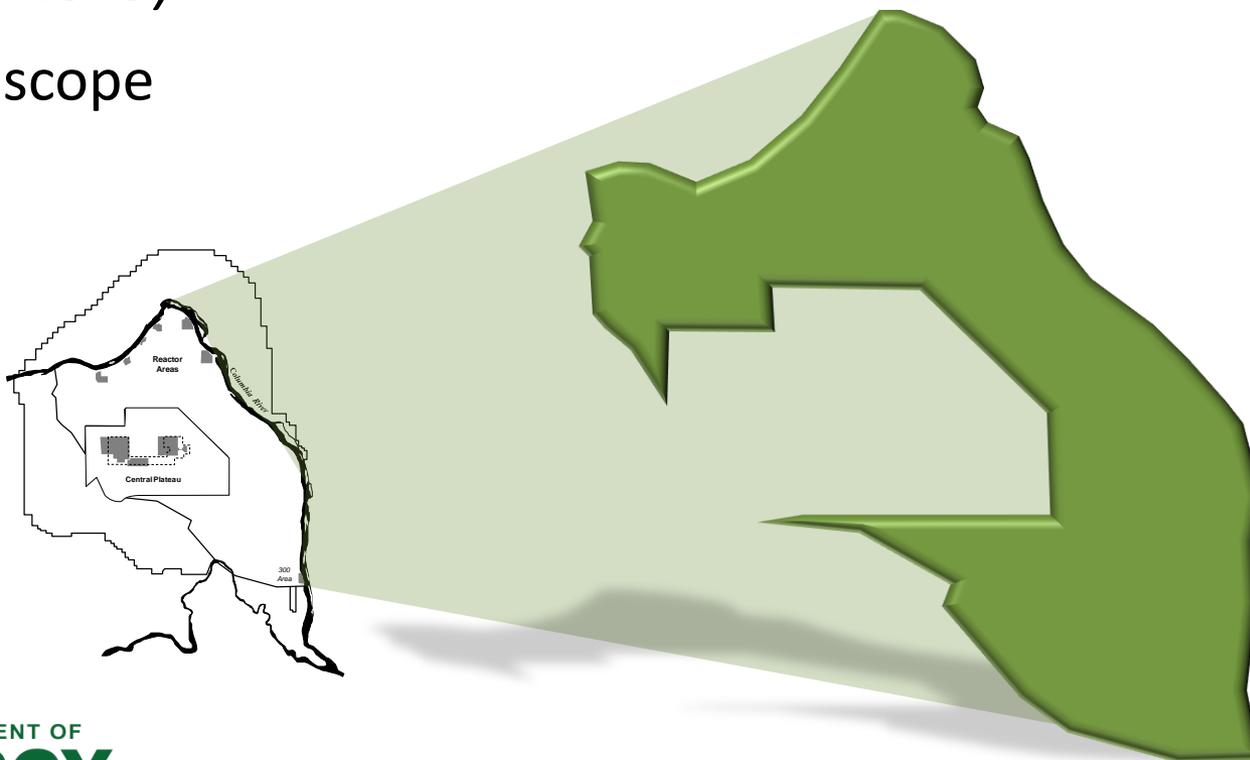
November 18, 2010



River Corridor Closure Contract



- Integrated cleanup and closure of the Hanford River Corridor
- Washington Closure Hanford (WCH) is Prime Contractor
- 10 year Contract Period
(2005 -2015)
- \$2.3B scope



River Corridor Scope

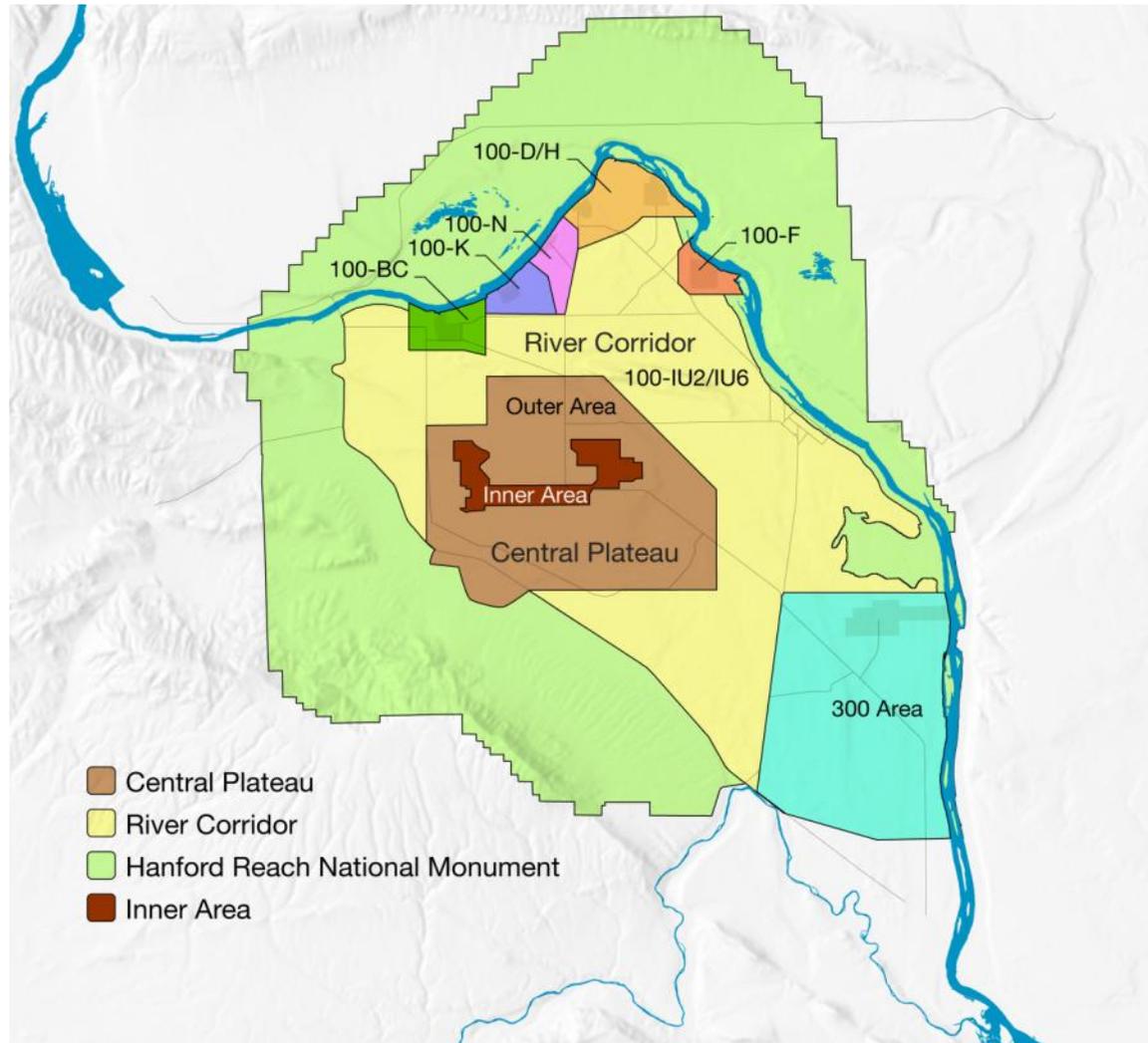
- **100 Area** – Nine former production reactors, support facilities, waste sites
- **300 Area** – Research, development and fuel fabrication facilities, waste sites
- **400 Area** – Facilities and waste sites located outside the Fast Flux Test Facility reactor area
- **600 Area** – Two major burial grounds (618-10 & 11)
- **Environmental Restoration Disposal Facility** - operations



Hanford Cleanup



River Corridor Cleanup



ARRA Scope



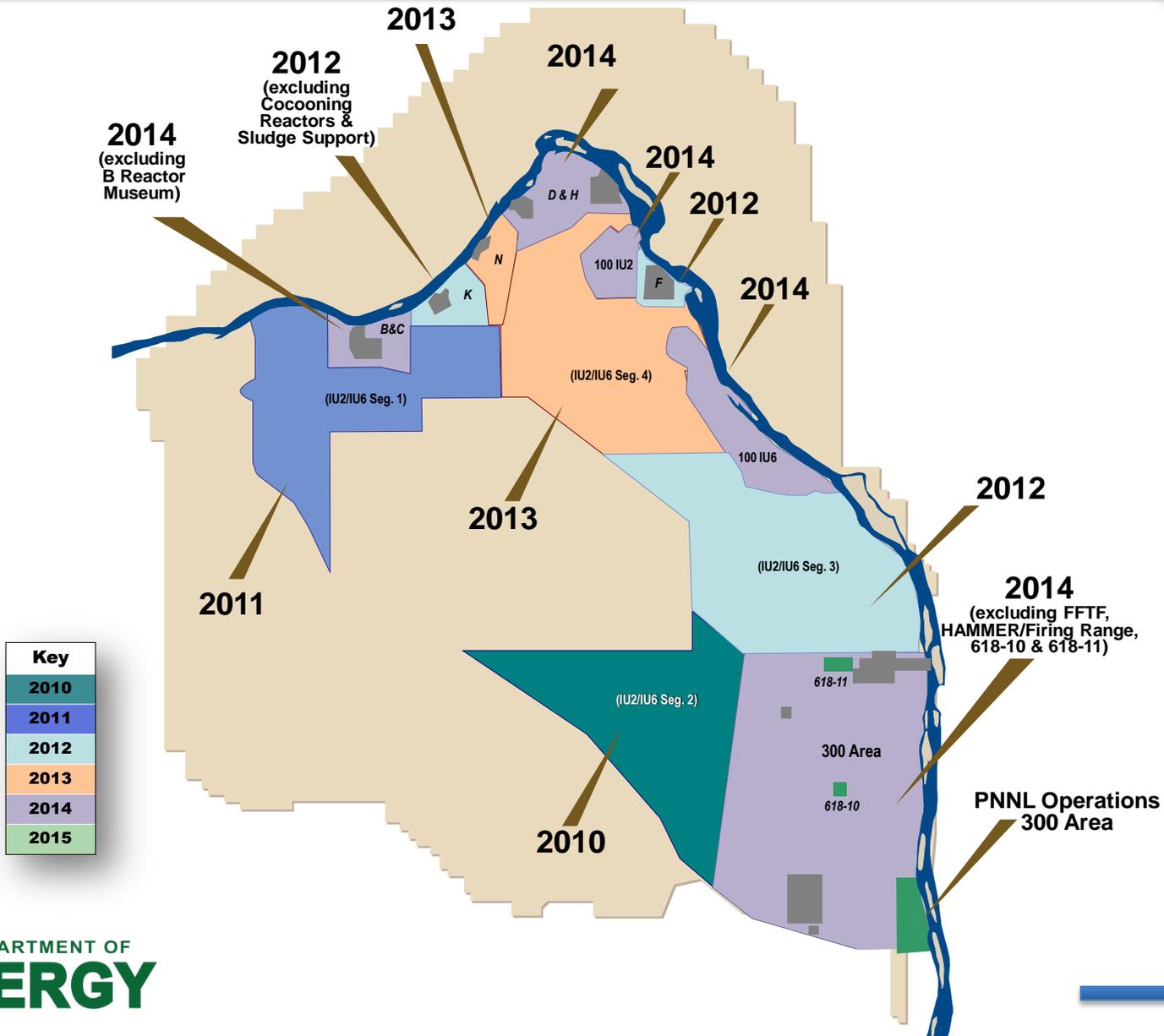
- \$233M ARRA Scope
 - Accelerated Remediation and Disposal
 - Characterize and Remediate Discovery (Orphan) Waste Sites
 - Upgrade Environmental Remediation Disposal Facility (ERDF)
 - ERDF Super Cell 9 Construction
 - ERDF Super Cell 10 Construction
 - 618-10 characterization and initial trench remediation
 - 618-11 characterization

ARRA Completion



- Significant ARRA work completed to date
 - ERDF Super Cell 9 excavation
 - ERDF Super Cell 10 excavation
 - 618-10 non-intrusive and intrusive characterization
 - Segment 1 (28 mi²) waste sites complete
- All planned ARRA scope on track for completion in 2011
- Some Buy Back work may be performed in 2012

River Corridor Completion



RCC Contract Status



- RCC Contract is over 60% complete
- Contract performance is very good
 - Performance tracked by Cost Schedule Performance Incentive (CSPI)
 - $\frac{1}{2}(\text{BCWP}/\text{ACWP} + \text{BCWP}/\text{BCWS})$
 - CSPI = 1.16 (September 2010)
- Safety performance is significantly better than industry standard
 - DART (days away) Case Rate of 0.11 per 200,000 hrs worked
 - OSHA Recordable Rate of 0.70 per 200,000 hrs worked

Contract Incentives



- Fee is contingent on completing all scope safely and efficiently by the end of contract
- Interim Fee controlled by CSPI performance
- Cost incentives provide 80/20 cost savings split
- Schedule incentives reward early completion
- Conditional Payment of Fee clause allows fee reduction for Environmental, Safety and Health performance failures

Contract Responsibilities



- WCH is responsible for performing all work scope by end of contract
- WCH is responsible for performing scope up to 15% above original estimates to meet cleanup requirements
- WCH is incentivized to perform work efficiently and use savings to accelerate other scope
- DOE is responsible for changing contract to recognize scope exceeding 15% above original estimates
- DOE is responsible for providing annual funding agreed in contract

River Corridor Completion



- 10-year project is at the half-way mark and over 60 percent complete
- Maintains an excellent safety record
- Getting an average of \$1.18 worth of cleanup for every \$1 spent

