

163539

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contains OUC information~~

JAN 17 2012

U.S. Department of Energy
Oak Ridge Financial Services Center
Attention: Accounts Payable
200 Administration Road
Oak Ridge, Tennessee 37831

SENT VIA FEDERAL EXPRESS

Subject: Contract No. DE-AC06-05RL14655
**WASHINGTON CLOSURE HANFORD LLC QUARTERLY
INTERIM FEE PAYMENT REQUEST FOR PERIOD ENDING
DECEMBER 31, 2011**

Dear Sir or Madam:

In accordance with the U.S. Department of Energy, Richland Operations Office (RL) Contract Clause B.7, *Incentive Fee Payments*, enclosed is Washington Closure Hanford LLC (WCH) Invoice No. 14655-WC1204001 (Enclosure 1) for the Quarterly Interim Fee period ending December 31, 2011. In support of this invoice, the Cost Performance Report (Enclosure 2) is provided that specifies a Cost and Schedule Performance Indicator of 1.12.

This invoice has incorporated the target fee associated with Phase 1, 2, and 3 of the American Reinvestment and Recovery Act of 2009 (ARRA). The invoice has been reformatted to clearly indicate the portion of the requested payment that is in Contract Line Item 4, which is funded by the ARRA.

The verification of the completion of this quarter's Performance Milestone No. 25, *"Complete above grade demolition and load-out of Buildings 320 and 340B,"* includes written approval and concurrence from Mr. R. F. Guercia of RL (Enclosure 3).

With regard to ARRA accomplishments and milestones met by WCH during the performance period, WCH formally transmits to the RL Contracting Officer on a monthly and quarterly basis progress reports and summaries of ARRA related accomplishments.

**DOES NOT CONTAIN
OFFICIAL USE ONLY INFORMATION**
Date: 3/19/2012

JAN 12 2012

163539

Should you have any questions, please contact the undersigned at (509) 372-9213.

Sincerely,



S. L. Feaster
Manager, Contracts

PJK:pjk

Enclosures: (1) WCH Invoice No. 14655-WC1204001
(2) Cost Performance Report
(3) Documents Supporting Performance Milestone No. 25 "*Complete above grade demolition and load-out of Buildings 320 and 340B*"

cc: D. C. Bryson (RL) A3-04, w/a
J. A. Dowell (RL) A5-11, w/a
J. R. Franco (RL) A3-04, w/a
M. S. French (RL) A3-04, w/a
J. D. Kautzky (RL) A3-04, w/a
T. Post (RL) A3-04, w/a
J. J. Short (RL) A7-80, w/a
W. Walton (RL) H6-60, w/a

Enclosure 1

**WASHINGTON CLOSURE HANFORD
2620 FERMI AVENUE
RICHLAND, WA 99354**

TO: U.S. DEPARTMENT OF ENERGY
OAK RIDGE FINANCIAL SERVICES CENTER
200 ADMINISTRATION ROAD
OAK RIDGE, TN 37831

CONTRACT NUMBER
DE-AC06-05RL14655

ATTN: ACCOUNTS PAYABLE

INVOICE NO.	DATE	JOB NUMBER	CONTRACT	CLIN
14655-WC1204001	01/12/2012	14655	DE-AC06-05RL14655	1 & 3 & 4

CY	CY QTR	QTR #	CLIN	INV AMOUNT
2011	4	26	1 & 3	\$3,646,842.11

CY	CY QTR	QTR #	CLIN	INV AMOUNT
2011	4	10	4	\$1,622,716.06

NET AMOUNT DUE WCH	\$5,269,558.17
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PLEASE REMIT PAYMENT VIA ELECTRONIC FUNDS TRANSFER TO:

U.S. BANK
ROUTING #: (b)(4)
ACCOUNT #:

TERMS OF PAYMENT: Net 30 from invoice date

CC: J. J. SHORT, DOE CONTRACTING OFFICER

DOES NOT CONTAIN
OFFICIAL USE ONLY INFORMATION
Name/Org. *J. Short* Date 3/19/2012

OFFICIAL USE ONLY

**WASHINGTON CLOSURE HANFORD
2620 FERMI AVENUE
RICHLAND, WA 99354**

INVOICE NO. 14655-WC1204001	DATE 01/12/2012	JOB NUMBER 14655	CONTRACT DE-AC06-05RL14655	CLIN 1 & 3
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CY	CY QTR	Notes	QTR #	TARGET FEE PER QTR *	CUMULATIVE QUARTERLY TARGET FEE [Column (c) x (d)]	CUMULATIVE CSPI	TOTAL CUMULATIVE INTERIM FEE [Column (e) x (f)]	TOTAL CUMULATIVE INTERIM FEE @ 75%
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)
2005	3	(*)	1	\$2,421,525.52	\$2,421,525.52	0.925	\$2,239,911.11	\$1,455,942.22
2005	4		2	\$2,421,525.52	\$4,843,051.04	0.925	\$4,479,822.21	\$2,911,884.44
2006	1		3	\$2,421,525.52	\$7,264,576.56	1.164	\$8,455,967.12	\$6,341,975.35
2006	2		4	\$2,421,525.52	\$9,686,102.08	1.223	\$11,848,102.84	\$8,884,577.13
2006	3		5	\$2,421,525.52	\$12,107,627.60	1.225	\$14,831,843.81	\$11,123,882.86
2006	3 - True-Up	(1)	5	\$2,894,657.26	\$14,473,288.30	1.225	\$17,729,775.72	\$13,297,331.79
2006	4		6	\$2,894,657.26	\$17,367,943.56	1.231	\$21,379,938.52	\$16,034,953.89
2007	1		7	\$2,894,657.26	\$20,262,600.82	1.186	\$24,031,444.57	\$18,023,583.43
2007	2		8	\$2,894,657.26	\$23,157,258.08	1.150	\$26,630,846.79	\$19,973,135.09
2007	3		9	\$2,894,657.26	\$26,051,915.34	1.130	\$29,438,664.33	\$22,078,988.25
2007	4		10	\$2,894,657.26	\$28,946,572.60	1.120	\$32,420,161.31	\$24,315,120.98
2008	1		11	\$2,894,657.26	\$31,841,229.86	1.100	\$35,025,352.85	\$26,269,014.64
2008	2		12	\$2,894,657.26	\$34,735,887.12	1.120	\$38,904,193.57	\$29,178,145.18
2008	3		13	\$2,894,657.26	\$37,630,544.38	1.120	\$42,146,209.71	\$31,609,657.28
2008	4	(4)	14	\$2,888,032.19	\$37,604,450.66	1.160	\$43,621,162.77	\$32,715,872.08
2009	1		15	\$2,688,032.19	\$40,290,482.85	1.150	\$46,334,055.28	\$34,750,541.48
2009	2		16	\$2,688,032.19	\$42,976,515.04	1.140	\$48,993,227.15	\$36,744,920.36
2009	3	(6)	17	\$2,849,785.52	\$48,446,353.84	1.160	\$56,197,770.45	\$42,148,327.84
2009	4		18	\$2,849,785.52	\$51,296,139.36	1.160	\$59,503,521.66	\$44,627,641.25
2010	1	(7)	19	\$2,857,808.95	\$54,298,370.05	1.160	\$62,986,109.26	\$47,239,581.95
2010	2	(8)	20	\$2,848,325.88	\$56,966,517.60	1.160	\$66,081,160.42	\$49,560,870.32
2010	3	(10)	21	\$2,915,728.31	\$61,230,294.51	1.160	\$71,027,141.63	\$53,270,356.22
2010	4	(11)	22	\$2,874,472.36	\$63,238,391.92	1.160	\$73,356,534.63	\$55,017,400.97
2011	1	(12)	23	\$2,922,450.69	\$67,216,365.87	1.140	\$76,626,857.09	\$57,469,992.82
2011	2	(13)	24	\$2,939,500.48	\$70,548,011.52	1.150	\$81,130,213.25	\$60,847,659.94
2011	3	(14)	25	\$3,166,079.38	\$79,151,984.50	1.130	\$89,441,742.49	\$67,081,306.87
2011	4	(15)	26	\$3,238,468.36	\$84,200,177.36	1.120	\$94,304,198.64	\$70,728,148.98

CUMULATIVE DUE WITHOUT CPOF	\$70,728,148.98
CPOF DEDUCTIONS TO DATE ^(2,3,5, & 6)	(\$2,800,000.00)
ADJUSTED CUMULATIVE DUE WCH	\$67,928,148.98
PAID PREVIOUSLY	(\$64,281,306.87)
NET AMOUNT DUE WCH	\$3,646,842.11

- * TARGET FEE PER QTR is calculated by using the Target Fee Pool amount from the B-1 Table for CLIN 1 only, divided by 42 quarters. Began including CLIN 3 Target Fee Pool in the 3rd Qtr-2011 calculation.
- (1) Based on CLIN 1 Target Fee of \$121,575,605.00 submitted in Integrated Project Baseline (IPB) Volume 1, divided by 42 quarters equals \$2,894,657.26 per quarter. (3rd Qtr-2006)
- (2) Conditional Payment of Fee Final DOE-RL Letter No. 07-ODD-0017. Reduction of \$100,000 included in January 2007 Invoice Number 14655-WC070401. (4th Qtr-2006)
- (3) Conditional Payment of Fee Final DOE-RL Letter No. 08-AMSE-0003. Reduction of \$1,000,000 included in March 2008 Invoice Number 14655-WC0806001. (4th Qtr-2007)
- (4) Target Fee Pool reduction of \$8,762,253 per WCH Letter No. 141952. Reduction beginning on Invoice Number 14655-WC0903001. (4th Qtr-2008)
- (5) Conditional Payment of Fee Final DOE-RL Letter No. 09-ODD-0094. Reduction of \$2,300,000 included in October 2009 Invoice Number 14655-WC1001001. (3rd Qtr-2009)
- (6) Target Fee Pool increase per DOE-RL Contract Modification Number 123 and 142. (3rd Qtr-2009)
- (7) Target Fee Pool increase per DOE-RL Contract Modification Number 163. (1st Qtr-2010)
- (8) Target Fee Pool increase per DOE-RL Contract Modification Number 184 and 185. (2nd Qtr-2010)
- (9) Conditional Payment of Fee Final DOE-RL Letter No. 10-ODD-0083. Final fee determination mitigated from \$2.3M to \$1.7M. Invoice Number 14655-WC1012001. (2nd Qtr-2010 Supplemental Invoice)
- (10) Target Fee Pool increase per DOE-RL Contract Modification Number 230 and 222. (3rd Qtr-2010)
- (11) Target Fee Pool increase per DOE-RL Contract Modification Number 231, 244, and 248. (4th Qtr-2010)
- (12) Target Fee Pool increase per DOE-RL Contract Modification Numbers 246, 249, 258, 259, 260, 264, 265. (1st Qtr-2011)
- (13) Target Fee Pool increase per DOE-RL Contract Modification Numbers 275, 280, 282, 294, 295, 296. (2nd Qtr-2011)
- (14) Target Fee Pool increase (CL 1 & 3) per DOE-RL Contract Modification Numbers 310,316,318,319,324,325,327,330,332. (3rd Qtr-2011)
- (15) Target Fee Pool increase (CL 1 & 3) per DOE-RL Contract Modification Numbers 339,343,348,348,349,350,351,352,353,354,355 (4th Qtr-2011)

**WASHINGTON CLOSURE HANFORD
2620 FERMI AVENUE
RICHLAND, WA 99354**

INVOICE NO. 14655-WC1204001	DATE 01/12/2012	JOB NUMBER 14655	CONTRACT DE-AC06-05RL14655	CLIN 4
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CY	CY QTR	Note	QTR #	TARGET FEE PER QTR *	CUMULATIVE QUARTERLY TARGET FEE [Column (c) x (d)]	CUMULATIVE CSPI	TOTAL CUMULATIVE INTERIM FEE [Column (e) x (f)]	TOTAL CUMULATIVE INTERIM FEE @ 75%
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)
2009	2	(2)	1	\$0.00	\$0.00	0.000	\$0.00	\$0.00
2009	3	(1)	2	\$699,004.90	\$1,398,009.80	1.160	\$1,621,691.37	\$1,216,268.53
2009	4		3	\$699,004.90	\$2,097,014.70	1.160	\$2,432,537.05	\$1,824,402.79
2010	1		4	\$699,004.90	\$2,796,019.60	1.160	\$3,243,382.74	\$2,432,537.06
2010	2	(3)	5	\$1,432,279.10	\$7,161,395.50	1.160	\$8,307,218.78	\$6,230,414.09
2010	3	(4)	6	\$1,514,689.80	\$9,088,138.80	1.160	\$10,542,241.01	\$7,906,680.76
2010	4		7	\$1,514,689.80	\$10,602,828.60	1.160	\$12,299,281.18	\$9,224,460.89
2011	1		8	\$1,514,689.80	\$12,117,518.40	1.140	\$13,813,970.98	\$10,360,478.24
2011	2		9	\$1,514,689.80	\$13,632,208.20	1.150	\$15,677,039.43	\$11,757,779.57
2011	3		10	\$1,514,689.80	\$15,146,898.00	1.130	\$17,115,994.74	\$12,836,996.06
2011	4	(5)	10	\$1,721,394.30	\$17,213,943.00	1.120	\$19,279,616.16	\$14,459,712.12
CUMULATIVE DUE								\$14,459,712.12

PAID PREVIOUSLY	(\$12,836,996.06)
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NET AMOUNT DUE WCH	\$1,622,716.06
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* TARGET FEE PER QTR is calculated by using the Target Fee Pool amount from the B-1 Table for CLIN 4 only, divided by 10 quarters.

(1) Based on CLIN 4 Target Fee of \$6,990,049 per DOE-RL Contract Modification Numbers 142.

(2) Qtr 1- Scope not definitized; fee not billable.

(3) Based on CLIN 4 Target Fee of \$14,322,791 per DOE-RL Contract Modification Number 185.

(4) Based on CLIN 4 Target Fee of \$15,146,898 per DOE-RL Contract Modification Number 230.

(5) Based on CLIN 4 Target Fee of \$17,213,943 per DOE-RL Contract Modification Number 334 & 340.

Enclosure 2

RIVER CORRIDOR PROJECT INTEGRATED PROJECT BASELINE WBS LEVEL 2 (AREA) SUMMARY CLIN(s) 1, 2, 3, 4

COST PERFORMANCE REPORT (CPR)

WBS Level 2	DESCRIPTION	CURRENT PERIOD												INCEPTION-TO-DATE												AT COMPLETION			
		BUDGETED COST OF WORK SCHED			ACTUAL COST WORK PERF			VARIANCE SCHED COST			BUDGETED COST OF WORK SCHED			ACTUAL COST WORK PERF			VARIANCE SCHED COST			* SPI	* CPI	* CSPI	SAC	EAC	VAC				
		WORK SCHED	PERF	COST	WORK SCHED	PERF	COST	WORK SCHED	PERF	COST	WORK SCHED	PERF	COST	WORK SCHED	PERF	COST	WORK SCHED	PERF	COST										
(\$ IN THOUSANDS)																													
*Note: SPI, CPI, CSPI Calculations Exclude Fee, Pension, Contingency, Future Descops																													
RCC Project Costs																													
RCC Project Target Costs																													
Performance Measurement Baseline																													
1.01	D4-04 Closure Totals	6,095	5,823	6,483	(472)	(860)						402,824	458,816	1.14	81.8%	369,244	56,782	89,372	1.24	1.19		562,138	531,539	30,599					
1.04	ISS-Reactor ISS Closure Totals	1,046	552	501	(493)	51						76,911	73,707	1.03	88.6%	72,411	(3,204)	1,298	1.02	1.03		86,191	89,669	(1,678)					
1.03	Flg. Rem.-Field Remediation Closure Totals	19,608	13,175	10,172	(6,438)	3,002						499,556	484,556	0.97	75.8%	458,556	(15,000)	25,999	1.06	1.02		638,939	771,522	(132,583)					
1.04	Waste Ops-Waste Operations Totals	1,994	6,996	4,358	4,604	1,740						319,953	422,443	1.32	93.9%	330,311	102,491	92,132	1.28	1.30		449,832	427,320	22,512					
1.06	ES/PC-End State/Final Closure Totals	1,328	1,213	176	(119)	1,037						61,573	60,371	0.98	84.0%	51,516	(1,202)	8,655	1.17	1.08		71,887	66,248	3,619					
1.08	MS/GS-Mission Support/General Support Totals	15,100	15,100	3,073	0	12,027						266,318	266,318	1.00	90.3%	242,759	0	25,559	1.11	1.05		297,198	340,855	(43,516)					
1.10	Transition Totals	0	0	0	0	0						3,979	3,979	1.00	100.0%	3,747	0	232	1.08	1.03		3,978	3,747	232					
1.10	RCC Undistributed Budget Totals	0	0	0	0	0						0	0	0.0%	0.0%	0	0	0	0	0		0	0	0					
Performance Measurement Baseline																													
45,170	42,262	25,264	(2,908)	16,998								1,633,114	1,771,990	1.09	83.9%	1,528,544	139,876	243,446	1.16	1.12		2,112,065	2,232,900	(120,815)					
Contingency																													
WCH Contingency Totals																													
0	0	0	0	0	0	0						0	0	0.0%	0.0%	0	0	0	0	0		47,838	47,838	0					
Contingency																													
45,170	42,262	25,264	(2,908)	16,998								1,633,114	1,771,990	1.09	82.0%	1,528,544	139,876	243,446	1.16	1.12		2,159,723	2,280,538	(120,815)					
RCC Project Target Costs																													
RCC Project Non-Target Costs																													
Pension Totals																													
381	381	490	0	(99)								22,881	22,881	59.2%	59.2%	26,573	0	(5,692)				36,876	49,786	(13,111)					
3,024	3,024	1,382	0	1,641								96,819	89,819	58.7%	58.7%	108,610	0	(18,992)				152,906	242,537	(89,631)					
3,404	3,404	1,652	0	1,642								112,700	112,700	88.8%	88.8%	136,384	0	(23,684)				191,582	292,324	(100,741)					
3,404	3,404	1,632	0	1,642								112,700	112,700	88.8%	88.8%	135,384	0	(22,684)				191,582	292,324	(100,741)					
48,574	45,866	27,126	(2,908)	16,541								1,743,814	1,884,890	1.09	80.2%	1,643,929	139,976	220,762	1.16	1.12		2,351,305	2,572,862	(221,556)					
48,574	45,866	27,126	(2,908)	16,541								1,743,814	1,884,890	1.09	80.2%	1,643,928	139,876	220,762	1.16	1.12		2,351,305	2,572,862	(221,556)					
Total RCC Contract Costs																													
48,574	45,866	27,126	(2,908)	16,541								1,743,814	1,884,890	1.09	80.2%	1,643,928	139,876	220,762	1.16	1.12		2,351,305	2,572,862	(221,556)					

Enclosure 3

Performance Milestone No. 25

***Complete Above Grade Demolition
and
Loadout of Buildings 320 and 340B***

RIVER CORRIDOR CLOSURE CONTRACT

Summary

An interim fee milestone was established to complete the 320 Physical Sciences Laboratory and 340B Waste Loading Building above grade demolition and load out. This completion report documents the activities for the D4 Closure Project. Work required to complete this milestone was completed on September 28, 2011. The following is a summary of the work activities performed to achieve this milestone:

- The Building 340B work commenced on January 3, 2011.
- Building 340B deactivation was completed on April 25, 2011.
- Above grade demolition started August 22, 2011.
- Load out was completed on September 20, 2011.
- DOE-RL verification was performed on September 20, 2011 marking partial accomplishment of Interim Fee Performance Milestone No. 25.

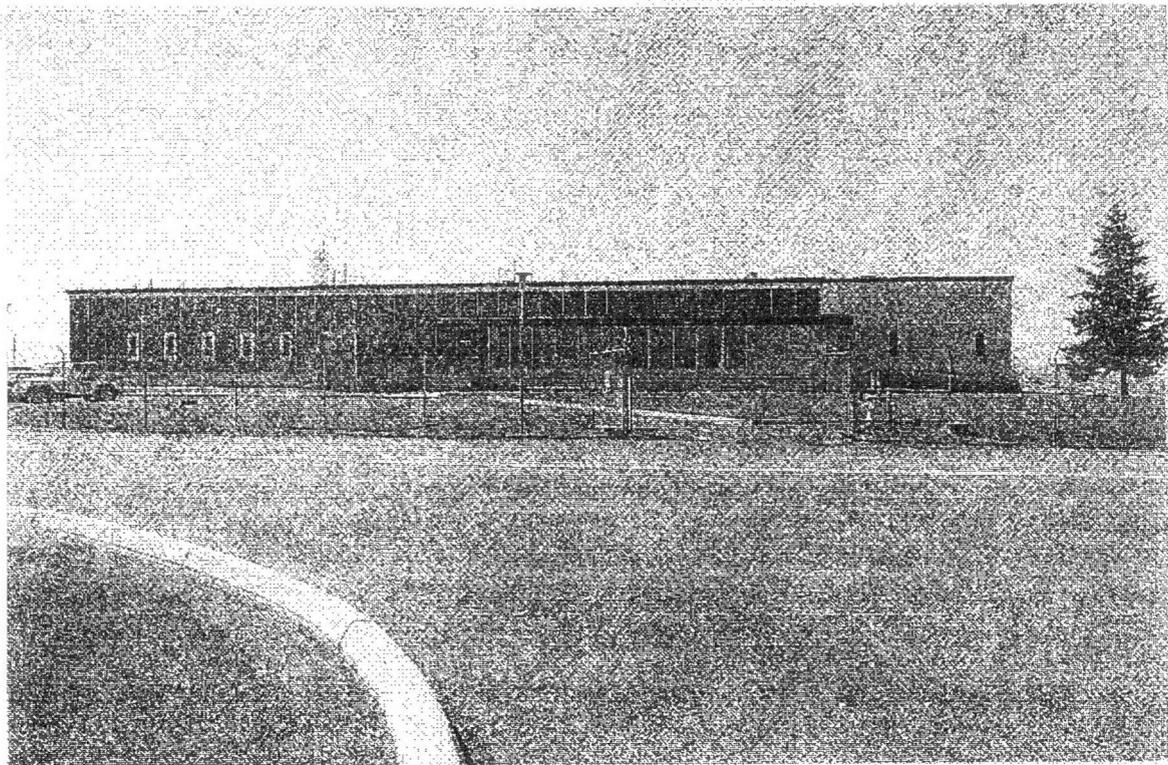
- The Building 320 work commenced on January 25, 2011.
- Building 320 deactivation was completed on August 18, 2011.
- Above grade demolition started August 17, 2011.
- Load out was completed on September 28, 2011.
- DOE-RL verification was performed on September 28, 2011 marking accomplishment of Interim Fee Performance Milestone No. 25.

VERIFICATION

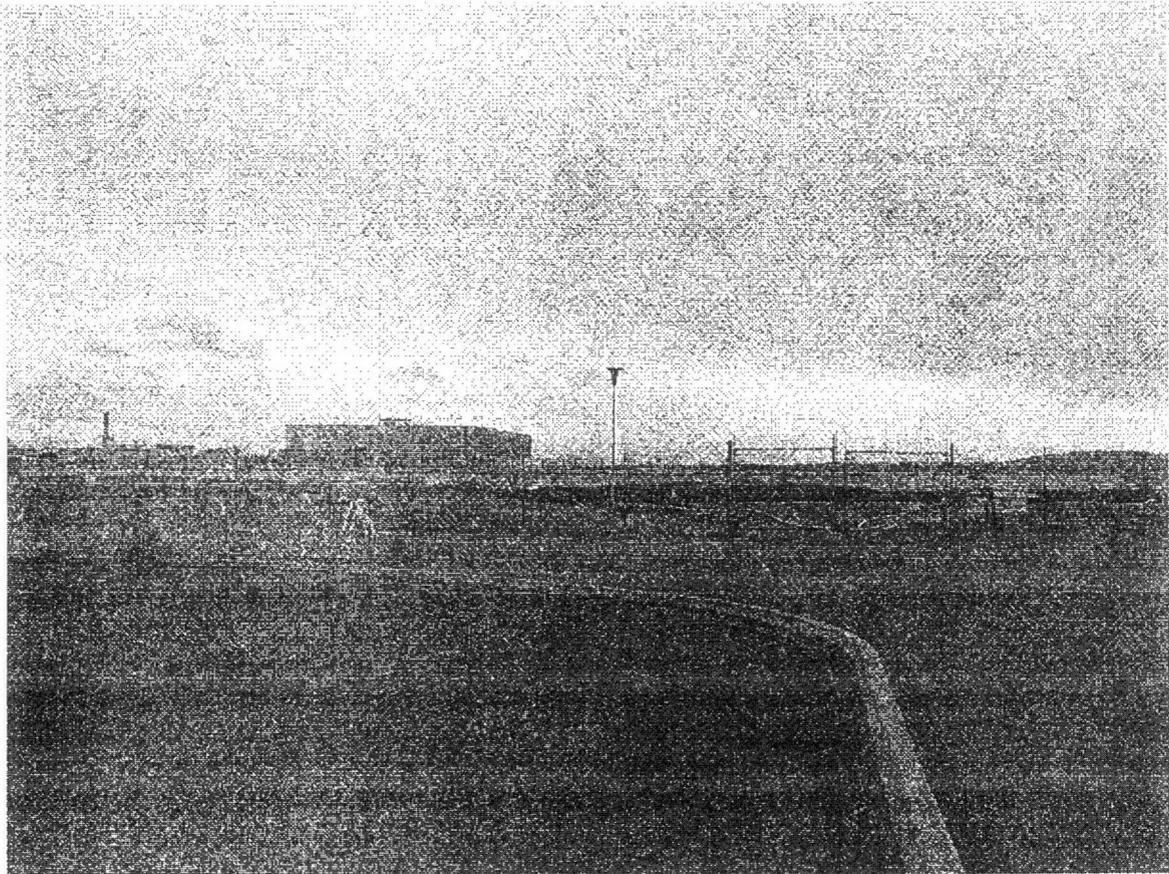
Description:

- The following photographs depict completion of the D4 scope of work for Performance Milestone #25.

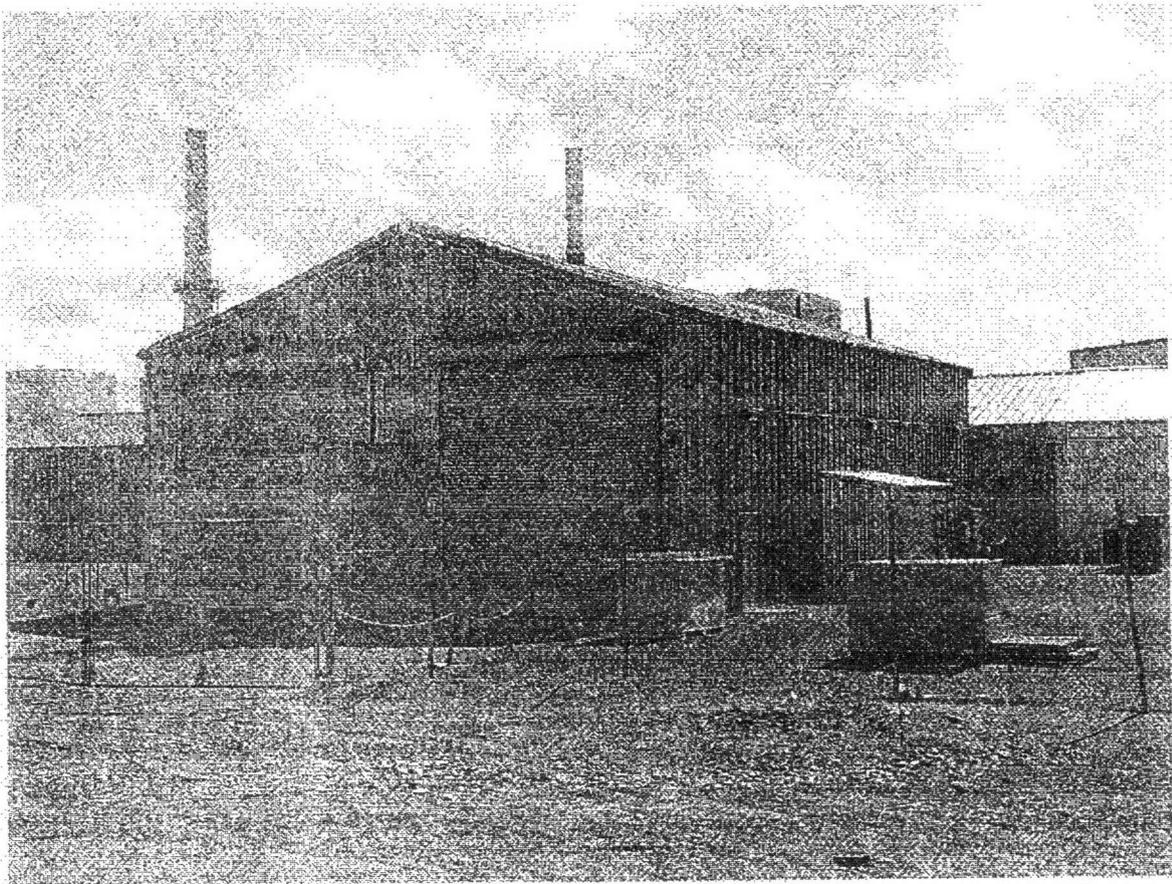
The 320 Facility prior to demolition.



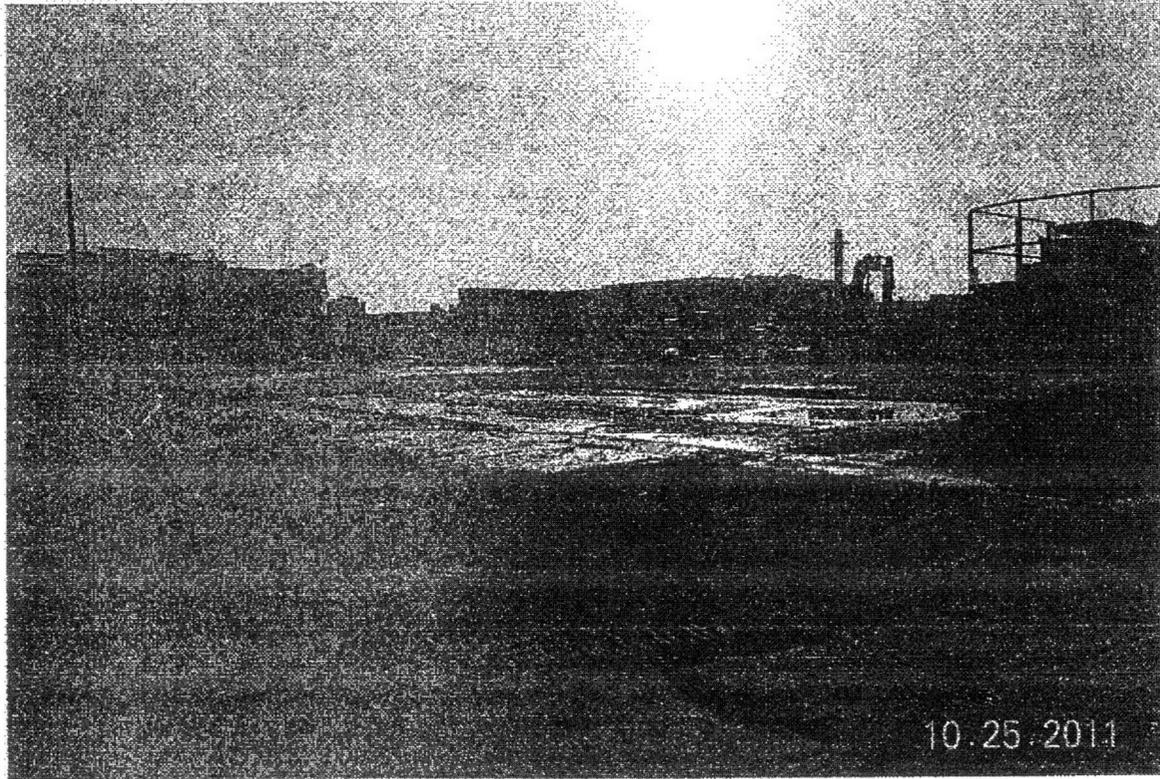
The 320 Facility after the above grade demolition and load out were completed.



The 340B Facility prior to demolition.



The 320 Facility after the above grade demolition and load out were completed.



Supporting Documents

- The following OA report authored by Rudy Guercia, DOE-RL Project Manager, provides concurrence (paragraph 6) that the scope of work for 340B was completed prior to the 12/31/2011 Interim Fee Milestone due date.



Department of Energy
Operational Awareness

OpAware: Project/Issue Detail

River Corridor Project

Rudy Guercia		300AREA	
Rpt #:	Date Entered:	Date Observed:	Hours in Field:
39612	09/22/2011	09/20/2011	1

Entry Type: Routine Oversight

Include in CIR: No

Title:

300 Area demolition

Summary:

The teamsters are performing aerial lift and forklift training for the subcontractors.

308A is not loading out anything. Crews are inside the 308 building working ductwork and hazardous waste removal.

PNL is still removing lead from 329 building. Hazardous material removal continues throughout the building.

324 building is spending a large quantity of money from the request for equitable adjustment on preventive maintenance activities.

320 continues size reduction and load out. Above grade 320 demolition is completed; however, performance milestone 25 for 320 above grade demolition is not complete as loadout has not been finished.

Above grade demolition of 340B is completed. This portion of performance milestone 25 for 340B, due December 31, 2011 is completed as loadout of the above grade portion of 340B is finished.

340 building continues lead removal.

Excavation of the underground storage tank in 3621B/C is ongoing. Work is being completed in accordance with an agreement with the Washington Department of Ecology.

The Hanford Fire Department is performing walk downs and 337B. the walked down revolves around the fire occurred rescue plan for the caisson.

Images for
Activity:

Image 1

Image 2

Image 3

Image 4

Image 5

- The following OA report authored by Rudy Guercia, DOE-RL Project Manager, provides concurrence (paragraph 2) that the scope of work for 320 was completed prior to the 12/31/2011 Interim Fee Milestone due date.

River Corridor Project

Rudy Guercia

FDP/D4

Rpt #:

Date Entered:

Date Observed:

Last Modified Date:

39803

09/28/2011

09/28/2011

09/29/2011

Entry Type: Routine Oversight

Include in CIR: No

Hours in Field: 1

Title:

300 Area demolition

Summary:

No field work was noted in the 300 area other than general area cleanup. Some 309 wall panels are ready for load out. The 324 building is performing a number of preventive maintenance activities.

The 320 building was walked down to verify compliance with performance milestone 25. This milestone requires both 340B and 320 to be demolished above grade. Demolition and loadout of 340B is documented in OA 39612. A walked down of the 320 basement has been completed. The above grade structures were demolished and allowed to drop into the basement. The basement has been completely cleaned out and loaded out. Therefore, the above grade demolition of 320 building is complete. This completes the second portion of performance milestone 25. With the completion of 340B documented in OA 39612, this performance milestone is completed.

A discussion of performance milestone 28 was had with the 300 area manager