CH2MHILL
Plateau Remediation Company

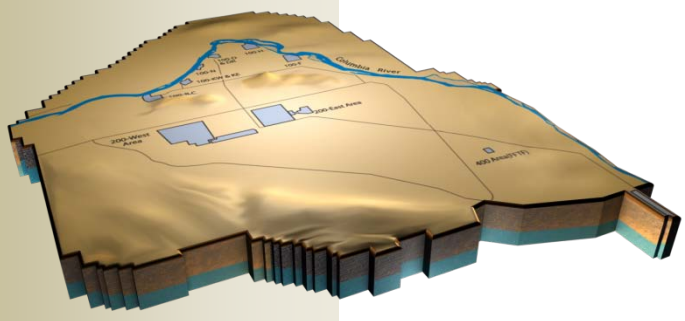
Appendix A-1

Contract Performance Reports ARRA

Format 1 - Work Breakdown Structure

Format 3 - Baseline

Format 5 - Explanation and Problem Analysis



July 2010
DOE/RL-2008-69, Rev. 34
Contract DE-AC06-08RL14788
Deliverable C.3.1.3.1 - 1

FORMAT 1, DD FORM 2734/1, WORK BREAKDOWN STRUCTURE

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 1 - WORK BREAKDOWN STRUCTURE
DOLLARS IN Thousands of $

FORM APPROVED
OMB No. 0704-0188

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME CH2M HILL Plateau Remediation Company	a. NAME Plateau Remediation Contract		a. NAME Plateau Remediation Contract	a. FROM (YYYYMMDD) 2010 / 06 / 21
b. LOCATION (Address and ZIP Code) Richland, WA	b. NUMBER RL14788		b. PHASE	b. TO (YYYYMMDD) 2010 / 07 / 25
	c. TYPE CPAF	d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES X 9/18/2009	

5. CONTRACT DATA

a. QUANTITY	b. NEGOTIATED COST	c. ESTIMATED COST OF AUTHORIZED UNPRICED WORK	d. TARGET PROFIT/ FEE	e. TARGET PRICE	f. ESTIMATED PRICE	g. CONTRACT CEILING	h. ESTIMATED CONTRACT CEILING	i. DATE OF OTB/OTS (YYYYMMDD)
	1,195,802	143,104	68,782	1,264,584	1,411,047	1,264,584	1,411,047	

6. ESTIMATED COST AT COMPLETION

	MANAGEMENT ESTIMATE AT COMPLETION (1)	CONTRACT BUDGET BASE (2)	VARIANCE (3)
a. BEST CASE	1,338,906		
b. WORST CASE	1,338,906		
c. MOST LIKELY	1,338,906	1,338,906	0

7. AUTHORIZED CONTRACTOR REPRESENTATIVE

a. NAME (Last, First, Middle Initial): Bang, M.V.
b. TITLE: Prime Contract Manager
c. SIGNATURE:
d. DATE SIGNED (YYYYMMDD): 2010/06/29

8. PERFORMANCE DATA

WBS[1]	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION		
	BUDGETED COST		ACTUAL COST	VARIANCE		BUDGETED COST		ACTUAL COST	VARIANCE							
ITEM (1)	WORK SCHEDULED (2)	WORK PERFORMED (3)	WORK PERFORMED (4)	SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)	WORK PERFORMED (9)	SCHEDULE (10)	COST (11)	COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)	BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)
RL-0011.R1 PFP D&D	9,908	7,961	9,772	(1,947)	(1,811)	129,950	121,404	115,675	(8,546)	5,728	0	0	0	292,148	292,148	0
RL-0013C.R1.1 MLLW Treatment	1,843	921	71	(922)	850	31,765	30,949	28,018	(816)	2,932	0	0	0	47,683	47,683	0
RL-0013C.R1.2 TRU Waste	10,993	8,390	8,966	(2,603)	(576)	98,112	90,277	94,606	(7,835)	(4,329)	0	0	0	238,923	238,923	0
RL-0030.R1.1 GW Capital Asset	6,801	7,976	10,850	1,176	(2,874)	44,674	52,055	49,477	7,380	2,578	0	0	0	171,151	171,151	0
RL-0030.R1.2 GW Operations	5,121	2,369	4,425	(2,752)	(2,056)	49,677	43,369	33,014	(6,308)	10,355	0	0	0	84,490	84,490	0
RL-0040.R1.1 U Plant/Other D&D	8,030	7,629	6,403	(401)	1,227	108,871	104,589	91,418	(4,281)	13,172	0	0	0	197,576	197,576	0
RL-0040.R1.2 Outer Zone D&D	2,887	2,195	(539)	(692)	2,734	36,122	34,131	28,807	(1,992)	5,324	0	0	0	86,701	86,701	0
RL-0041.R1.1 100 K Area Remediation	8,699	10,974	13,869	2,275	(2,895)	112,199	105,288	90,576	(6,911)	14,712	0	0	0	189,827	189,827	0
b. Cost of Money	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Gen. and Admin.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Undist. Budget														0	0	0
e. Sub Total	54,281	48,415	53,816	(5,866)	(5,401)	611,370	582,062	531,590	(29,308)	50,471	0	0	0	1,308,497	1,308,497	0
f. Management Resrv.														30,409		
g. Total	54,281	48,415	53,816	(5,866)	(5,401)	611,370	582,062	531,590	(29,308)	50,471	0	0	0	1,338,906		
9. Reconciliation to CBB																
a. Variance Adjustment									0	0						
b. Total Contract Variance									(29,308)	50,471				1,338,906	1,308,497	30,409

CONTRACT PERFORMANCE REPORT FORMAT 3 - BASELINE DOLLARS IN THOUSANDS				Form Approved OMB No. 0704-0188
1. CONTRACTOR CH2M HILL Plateau Remediaction Company b. LOCATION: Richland, WA	2. CONTRACT a. NAME: Plateau Remediation Contract b. NUMBER: RL14788 c. TYPE: CPAF d. SHARE RATIO:	3. PROGRAM a. NAME: Plateau Remediation Contract b. PHASE c. EVMS ACCEPTANCE NO YES X 9/18/2009		4. REPORT PERIOD a. FROM: 2010/06/21 b. TO: 2010/07/25

5. CONTRACT DATA

a. ORIGINAL NEGOTIATED COST	b. NEGOTIATED CONTRACT CHANGE	c. CURRENT NEGOTIATED COST (A + B)	d. ESTIMATED COST AUTH UNPRICED WORK	e. CONTRACT BUDGET BASE (C + D)	f. TOTAL ALLOCATED BUDGET	g. DIFFERENCE (E - F)
0	$1,195,802	$1,195,802	143,104	$1,338,906	$1,338,906	$0

h. CONTRACT START DATE	i. DEFINITIZATION DATE	j. PLANNED COMPL DATE	k. CONT COMPLETION DATE	l. EST COMPLETION DATE
4/9/2009		9/30/2011		9/30/2011

6. PERFORMANCE DATA — BUDGETED COST FOR WORK SCHEDULED (NON - CUMULATIVE)

ITEM	BCWS CUM TO DATE	BCWS FOR REPORT PERIOD	SIX MONTH FORECAST +1 Aug-10	+2 Sep-10	+3 Oct-10	+4 Nov-10	+5 Dec-10	6+ Jan-11	FY09	FY10	FY11	FY12	OUT YEARS	UNDISTRIB BUDGET	TOTAL BUDGET
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
a. PM BASELINE															
(BEGIN OF PERIOD)	**613,621**	**56,532**	**51,376**	**90,241**	**35,036**	**43,841**	**43,374**	**42,327**	**161,538**	**593,700**	**553,810**	**0**	**0**	**0**	**1,309,048**
b. BASELINE CHANGES AUTH DURING REPORT PERIOD															
AWA-PRC-10-045R0 Continuation of Waste Site 600-222 as RTD Site (failed CSNA)									0	(1,217)	1,252	0	0		**35**
BCR-030-10-017R0 Revision to Integrated Field Work Spares & Training, RL-30									0	0	0	0	0		**0**
BCR-041-10-003R0 Removal of RL-41 Scope per TPA Change Package M-16-09-10									0	0	0	0	0		**0**
BCR-PRC-10-049R0 Adjust Schedule Activities with Budget and No Resource Units									0	(648)	0	0	0		**(648)**
BCR-PRC-10-050R0 Outer Zone Re-Planning of Existing Waste Sites, RL-40									0	(2,112)	2,174	0	0		**62**
BCRA-012-10-009R0 FY - 2011 STP Testing and MASF Support									0	0	0	0	0		**0**
BCRA-013-10-011R0 Expense to Capital for Mobile Trailer at 200 ETF									0	0	0	0	0		**0**
BCRA-030-10-018R0 ZP-1 Pump Setting Truck Purchase, Capital									0	0	0	0	0		**0**
BCRA-PRC-10-051R0 General Administrative Changes for July 2010									0	0	0	0	0		**0**
c. PM BASELINE (END OF PERIOD)	**611,370**		**50,092**	**89,799**	**35,100**	**44,193**	**43,742**	**43,212**	**161,538**	**589,723**	**557,236**	**0**	**0**	**0**	**1,308,497**
7. MANAGEMENT RESERVE															**30,409**
8. TOTAL															**1,338,906**

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 5 - EXPLANATIONS AND PROBLEM ANALYSES

FORM APPROVED
OMB No. 0704-0188

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME CH2M HILL Plateau Remediation Company	a. NAME Plateau Remediation Contract		a. NAME Plateau Remediation Contract	a. FROM (YYYY/MM/DD) 2010/06/21
b. LOCATION (Address and ZIP Code) Richland, WA 99354	b. NUMBER RL		b. PHASE ARRA	b. TO (YYYY/MM/DD) 2010/07/25
	c. TYPE CPAF	d. SHARE RATIO	c. EVMS ACCEPTANCE 2009/09/18 NO YES X	

	BCWS	BCWP	ACWP	SV in $	SV in %	CV in $	CV %	SPI	CPI
Current:	54,281	48,415	53,816	(5,866)	-12.1%	(5,401)	-11.2%	0.89	0.90
Cumulative:	611,370	582,062	531,590	(29,308)	-5.0%	50,471	8.7%	0.95	1.09
	BAC	**EAC**	**VAC in $**	**VAC in %**	**CPI to BAC**	**CPI to EAC**			
At Complete:	1,308,497	1,308,497	0	0.0%	0.9	0.9			

Explanation of Variance/Description of Problem:

Current Period Schedule Variance: The unfavorable schedule variance occurs in the Direct Projects, specifically RL11.R1 (-$1.9M), RL-13C.R1.1/RL-13C.R1.2 (-$0.9M & -$2.6M), respectively, RL-30.R1.2 (-$2.8M) and RL-40.R1.1/RL-40.R1.2 (-$0.4M & -$0.7M) respectively, which are partially offset by favorable schedule variances in RL-30.R1.1 (+$1.2M) and RL-41.R1.1 (+$2.3M). For RL-11.R1 the primary unfavorable variance occurs in all D&D activities at PFP, except D&D work on Yard area and support buildings, the PFP air conditioning project and ARRA facility modifications. For RL-41.R1.1 the primary favorable variance occurs in the 100K Reactor Power & Waste Isolation projects, which are partially offset by unfavorable variances in the RTD of the 100-K area waste sites and KW Basin D&D activities. For RL-30.R1.2, the primary unfavorable variance occurs in the capital EPC Construction Complex & GPP Soil & Groundwater and the barrier efforts on the 100-NR-2 wells. For RL-30.R1.1, the primary favorable variance occurs in capital construction efforts on the ZP-1 Pump & Treat facility, which are partially offset by unfavorable performance on the capital DX Pump & Treat facility. For RL-13C.R1.2 the unfavorable schedule variance occurs in TRU Retrieval and the capital Next CH Retrieval efforts, which are partially offset by favorable progress on the Next Generation Retrieval TFRCS[(2)] and TRU characterization/shipping. For RL-13C.R1.1, the primary unfavorable variance occurs in the M-91-42/M-91-43 mixed low level waste efforts and the early completion of Stimulus 435.1 Compliance (i.e., work completed in prior months).

Current Period Cost Variance: The unfavorable cost variance occurs in the following two (2) areas: (1) Unfavorable variances (-$3.5M) in the Direct projects, specifically RL-13C.R1.2 (-$0.6M), RL-11.R1 (-$1.3M), RL-41.R1.1 (-$1.6M), RL-30.R1.1 (-$2.9M) and RL-30.R1.2 (-$1.5M), which are partially offset by favorable cost variances in RL-13C.R1.1 ($0.9M), RL-40.R1.2 ($2.7M) and RL-40.R1.1 ($0.7M); and, (2) Unfavorable PSD distributables (-$1.6M) associated with an additional cost adjustment due to revised Use tax accumulation on capital equipment purchases. For the Direct Projects, the primary unfavorable cost variances occur in: (a) RL-13C.R1.2 due to increased costs for TRU Retrieval, T-Plant repackaging and Next Generation Retrieval TFRCS[(2)] ,which are partially offset by favorable costs TRU Characterization/shipping; (b) RL-11.R1 continues to use overtime as appropriate to recover from the recent safety stand-down and two stop works resulting in increased costs this month for D&D; (c) RL-41.R1.1 due to unfavorable cost performance on KW Sedimentation Basin Complex efforts, demolition of the 115KE/116KE/1706KER/1706KE structures, KW Basin deactivation efforts and 100K Reactor Power, partially offset by reduced costs on 100K River Water isolation; (d) RL-30.R1.1 due primarily to increased costs on the capital DX and ZP-1 Pump & Treat plants; and, (e) RL-30.R1.2 due primarily to increased costs on capital EPC construction complex. These unfavorable cost variances are partially offset by a favorable variance in RL-40.R1.2 ($2.7M) on O-Zone RTD and RL-40.R1.1 ($0.7M) on capital D&D Stimulus equipment purchases, partially offset by increased costs for U-Plant Ancillary D&D.

Cumulative Schedule Variance: The unfavorable cumulative schedule variance occurs in the Direct Projects, specifically RL-41.R1.1 (-$6.9M), RL-13CR1.2 (-$7.8M), RL-13CR1.1 (-$0.8M), RL-11.R1 (-$8.5M), RL-30.R1.2 (-$6.3M), RL-40R1.1 (-$4.3M), and RL-40R1.2 (-$2.0M). These unfavorable variances are partially offset by a favorable cumulative schedule variance in RL-30R1.1 (+$7.4M). For RL-41.R1.1, delays continue to occur in the isolation of 100K River Water and Reactor power efforts, KW Sedimentation Basin Complex D&D and 100K structures, and RTD of 100-K Group 1 and 100-K-3/42/47/53 waste sites, which are notably offset by the ahead of schedule performance on the removal/disposal of KW Basin debris and equipment. For RL-13C.R1.2 delays occur in TRU Retrieval, Next Generation Retrieval TFRCS[(2)] ,capital Next Gen CH Retrieval and TRU Characterization/Shipping, which are partially offset by favorable variances in additional WRAP/T-Plant repackaging efforts. For RL-11.R1 delays continue on all D&D efforts except D&D of yard and support buildings the PFP temporary power. For RL-40.R1.1 delays occur in demolition of U- Plant/Ancillary Facilities and 200E administrative buildings due to ERDF higher priority support for ERDF containers. For RL-40.R1.2 delays in remediation of the O-Zone waste sites RTD continue to occur. For RL-13C.R1.1 a noted ahead of schedule performance continues on the Stimulus 435.1 Compliance activities but is almost entirely offset by behind schedule performance on the procurement of Type A waste containers and M-91-42 mixed low level waste efforts. For RL-30.R1.1, favorable schedule performance occurs in all areas of the capital and GPP projects for the new ZP-1 and DX Pump & Treat facilities and the 100-NR-2 Drill Well Barrier efforts. For RL-30.R1.2, delays continue in the capital & EPC Construction Complex and GPP S&GW efforts and well drilling.

Cumulative Cost Variance: The favorable cumulative cost variance occurs primarily in the following areas: (1) Favorable variances (+$39.5M) in all Direct Projects supporting ARRA work scope, except RL-13C.R1.2 (-$0.7M); and, (2) Favorab6e variances (+$12.9M) resulted from lower than expected G&A costs due to company level and Other Hanford pass-backs coupled with a labor underrun in project support staff related to ARRA ramp-up. For the specifics on the variances in Direct Projects see Section A, Sections C through F of this Monthly Report.

FORMAT 5, DD FORM 2734/5, EXPLANATION AND PROBLEM ANALYSIS

Impact:

Current Period Schedule: For RL-40.R1.1, RL-40.R1.2 and RL-41.R1.1 the current period schedule impacts are the same as the CTD schedule impacts (see below). For RL-11R.1 a 3-month impact to the completion of demolition ready (9/30/12) is forecast due primarily to the recent safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. A recovery plan has been developed. For RL-13.C.R1.2 **c**ontinued delays are anticipated in TRU Retrieval and Next Generation TRU Retrieval, and delay in the full implementation of the TRU along with ERDF additional disposal capabilities, in the near term. However, the ERDF additional disposal capabilities will correct and recovery plans are in development for the CH TRU Retrieval issues associated with deteriorated containers and upset conditions. For RL-30.R1.1 Drilling, 100DX P&T and 200W P&T had favorable schedule performance for the period. For RL-30.R1.2 the unfavorable impact occurs in well drilling activities, which are being addressed to minimize work scope carryover into FY 2011 and the Construction Complex schedule performance continues to struggle.

Current Period Cost: For RL-11.R1 labor costs will increase due to overtime utilization to recover schedule on D&D of PRF, 234-5Z Active RMA/RMC lines and the labs due primarily to the recent safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. For RL-40.R1.2 remediating more soil than planned has increased costs, as do regulatory review delays. For RL-40.R1.1 and RL-13C1.1 there is no cost impact for the favorable performance. For RL-30.R1.1 and RL-30.R1.2, the unfavorable cost variances on the 100DX P&T and the 200W P&T will be monitored. For RL-30.R1.2 there is no current period cost impact, and RL-41.R1.1 there is no current period cost impact.

CTD Schedule: For RL-41.R1.1 100K River Water and Reactor Power Isolation delays ultimately delay structure demolition and waste site remediation. Additional soil contamination (realized risk) is beginning to impact the schedule. For RL-13C.R1.2 continued delays in the near term are anticipated in next generation CH TRU Retrieval and ERDF additional disposal capabilities. However, the ERDF additional disposal capabilities will correct within the next two months and recovery plans are in development for the CH TRU Retrieval issues associated with deteriorated containers and upset conditions. For RL-11.R1 a 3-month impact to the completion of demolition ready (9/30/12) is forecast due primarily to the recent safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. A recovery plan has been developed and completion of slab-on-grade by 9/30/13 is still anticipated. For RL-30.R1.2 the Construction Complex is four months behind schedule. For RL-40.R1.1 D&D of U-plant Cell 30 is impacted by holdup material being greater than anticipated (realized risk) causing project re-evaluation and no progress being made; insulator shortage for asbestos abatement is slowing down completion; more soil contamination than expected (realized risk) and extensive regulatory reviews (realized risk) are delaying waste site remediation completion. Also, for RL-40.R1.2 remediation of O-Zone waste is impacted and presents a challenge to on-time completion of work.

CTD Cost: For RL-40.R1.1 and RL-41.R1.1 there is overall positive cost impact due to project efficiencies. However, negative cost variances are increasing for waste site remediation (RL-40.R1.2) due to additional soil contamination removal (realized risk). There is no impact to cost for all other subprojects, except RL-13C.R1.2, which has increased costs due to CH TRU retrieval issues associated with deteriorated containers and upset conditions. For RL-30.R1.1 favorable variance will continue on the 100DX P&T and the 200W P&T variance will be monitored. For RL-30.R1.2 the Construction Complex costs are well below weighted performance taken to date. Efficiencies in well drilling activities (NR-2 & HR-3) as well as multi-incremental sampling, borehole drilling, and landfill characterization activities have resulted in additional favorable cost variances. For RL-11 a favorable variance at completion is still forecast.

Corrective Action:

Current Period Schedule: For RL-11.R1 overtime is being used to recover schedule on D&D activities along with specific recovery actions in many D&D and support areas, such as enhanced SCO process, new routes for direct loading of large equipment, Aspigel for chemical decontamination, transition to PAPR[(5)] vs supplied fresh air in 242-Z, in-situ size reduction in labs, et cetera. For RL-40.R1.1, RL-40.R1.2 and RL-41.R1.1 the current period schedule corrective actions are the same as CTD schedule corrective actions (see below). For RL-40.R1.2 O-Zone RTD work will use overtime on field excavations as ERDF opens longer hours and assess methods to streamline documentation. For RL-30.R1.1 no corrective actions required. For RL-30.R1.2 the under-performing contractor on the Construction Complex is being de-scoped where possible and the next phases of work are being aggressively planned. For RL-13C.R1.2 an understatement in Next Gen TRU Retrieval performance will be corrected in the next reporting period, TRU Characterization and Shipping corrective actions by Central Characterization Project (CCP) are in process, and a recovery plan for CH TRU Retrieval is in development.

Current Period Cost: For RL-13C.R1.2 the cost variance is primarily a result of lack of progress in TRU Retrieval due to the realization of risk associated with deteriorated containers. A draw down of Management Reserve will be implemented accounting for this increased cost and the projected recovery actions. For RL-11.R1. For RL-11, a reduction to the balance of waste volumes/waste disposal costs is anticipated. This reduction will more than offset the increased costs for overtime to recovery schedule. For RL-30.R1.1 the 200W P&T cost variance is being evaluated and monitored. For RL-30.R1.2 no corrective actions required. For RL-41.R1.1 current period cost corrective actions are the same as the CTD cost corrective actions (see below). For RL-40.R1.1 U-Plant current cost variances can be covered by efficiencies in other D&D areas. For RL-40.R1.2 O-Zone Waste Site remediation current cost variances will be monitored over the next few months to determine longer-term impacts and the need for change control and Request for Equitable Adjustments (REAs).

CTD Schedule: For RL-41.R1.1 change control, and REAs, will be used to address additional soil contamination required not originally priced in the contract. Schedule recovery actions, such as multiple shifts and vendor schedule acceleration incentives are being evaluated to recover the 100K River Water and Reactor Power Isolation schedule. D&D structure demolition and waste site remediation activities are being accelerated where they can to offset where other demolition and remediation activities are delayed. For RL13C.R1.2 ERDF additional disposal capabilities will correct later in FY 2010 and recovery plans are in development for the CH TRU Retrieval issues associated with deteriorated containers and upset conditions. For RL-11.R1 a 3-month impact to the completion of demolition ready (9/30/12) is forecast due primarily to the recent safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. A recovery plan has been developed and completion of slab-on-grade by 9/30/13 is still anticipated. For RL-40.R1.2 O-Zone RTD work will use overtime on field excavations as ERDF opens longer hours and assess methods to streamline documentation. Also, insulators from other projects are being re-assigned to help recover schedule. For RL-40.R.1.1 D&D structure demolition activities are being accelerated where they can to offset where other demolition activities are delayed. For RL-30.R1.1 no corrective action required. For RL30.R1.2 efforts continue to work the contractors on the Construction Complex to improve performance and schedule.

FORMAT 5, DD FORM 2734/5, EXPLANATION AND PROBLEM ANALYSIS

CTD Cost: For RL-40.R1.2 change requests and REAs are being prepared to address additional soil contamination efforts not priced in the original contract. No corrective actions are required for D&D activities in RL-40.R1.2. For RL-13C.R1.1 the favorable cost variance is expected to continue. For RL-30.R1.1 the 200W P&T cost variance is being evaluated and monitored. For RL-30.R1.2 performance is overstated on the Construction Complex and this will be corrected over the next 3 to 4 periods resulting in a correction of the cost variance. Efficiencies in well drilling activities (NR-2 & HR-3) as well as multi-incremental sampling, borehole drilling, and landfill characterization activities will remain requiring no corrective action at this time. For RL-11.R1 a reduction to the balance of waste volumes/waste disposal costs is anticipated in July 2010. This reduction will more than offset the increased costs for overtime to recovery schedule. For RL-13C.R1.2, RL-40.R1.1 and RL-41.R1.1 no corrective actions are required at this time.

Monthly Summary: (to include technical causes of VARs, Impacts, and Corrective Action(s):

Overall, the current period schedule and cost variances are due essentially to unfavorable schedule and cost performance in most ARRA work scope coupled with some cost efficiencies as discussed above. For RL-41.R1.1 change control, and REAs, will be used to address additional soil contamination required not originally priced in the contract. Schedule recovery actions, such as multiple shifts and vendor schedule acceleration incentives are being evaluated to recover the 100K River Water and Reactor Power Isolation schedule. D&D structure demolition and waste site remediation activities are being accelerated where they can to offset where other demolition and remediation activities are delayed. For RL-40.R1.2 O-Zone RTD work will use overtime on field excavations as ERDF opens longer hours and assess methods to streamline documentation. Also, insulators from other projects are being re-assigned to help recover schedule. For RL13C.R1.1 ERDF additional disposal capabilities are correcting and for RL13C.R1.2 recovery plans are in development for the CH TRU Retrieval issues associated with deteriorated containers and upset conditions. For RL-30.R1.1, the primary favorable schedule performance occurs in the GPP DX and capital ZP-1 Pump & Treat systems. For RL-30.R1.2 delays continue on the GPP S&GW and the Capital EPC construction Complex, which are partially offset by favorable performance on the 100-NR-2 Drill Well Barrier efforts. The favorable cumulative to date cost variances, except in RL-13C.R1.2 for the capital Trailer Complex, are expected to continue. For RL-11.R1 a 3-month impact to the completion of demolition ready (9/30/12) is forecast due primarily to the recent safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. A recovery plan has been developed and completion of slab-on-grade by 9/30/13 is still anticipated.

Contractually Required Cost, Schedule, EAC variance, Management Reserve Use

Major Difference in EAC: As anticipated last month, there is a slight reduction in the ARRA EAC this month over last month, specifically $0.6M, due essentially to a correction ($0.6M ARRA life cycle reduction) to schedule resource pricing as documented in change request BCR-PRC-10-049R0, “Adjust Schedule Activities with Budget and No Resource Units”. This change did affect both American Recovery & Reinvestment (ARRA) and Base work scope. No management reserve is used in July 2010. A ***reduction*** to the ARRA EAC, ranging from $5M to $13M, is anticipated next month, depending on approval of identified changes.

Variance in Estimated Contract Budget Base at Completion: There is a change in the estimated contract budget base at completion over last month, specifically $0.6M. As noted above, this change is due primarily to a correction ($0.6M ARRA life cycle reduction) to schedule resource pricing and did affect both American Recovery & Reinvestment (ARRA) and Base work scope. Contract modification 108, issued in July 2010, definitized all identified ARRA work scope through June 2010 into the contract and increased the contract budget base $392M above the $310M added in contract modification 087 (i.e., $702M above the original June 2008 contract budget base). However, the current PRC Baseline now includes $143.1M more ARRA work scope, including management reserve, than documented in contract modifications 087 and 108 (e.g., current contract value is $1,195.8M vs $1.338.9M in PRC Baseline). Since all of the work scope documented in the PRC Baseline has not yet been approved by RL for definitization into the contract, there is variance at completion over the current contract budget base. A ***reduction*** to the estimated contract budget base, ranging from $5M to $13M, is anticipated next month depending on the approval of identified changes.

Use of Management Reserve: No management reserve is used in July 2010.

Best/Worst/Most Likely Estimate: Like last month, there is no difference in the Best, Worst and Most Likely estimates at completion – all are equal. However, there is a change in the estimate values for July 2010 over June 2010 due to the implementation of change requests as discussed above in Major Difference in EAC.

Prepared by:	**Date:**	**Approved by:**	**Date:**
Schilling, Bert	8/28/10		

(1) = Trench Face Process System; (2) = Trench Face Retrieval & Characterization System; (3) = Remove, Treat and Dispose; (4) = Confirmatory Sampling/No Action; (5) Project Specific Distributables Rewards & Recognition Program; (6) Defense Contract Audit Agency