CH2MHILL
Plateau Remediation Company

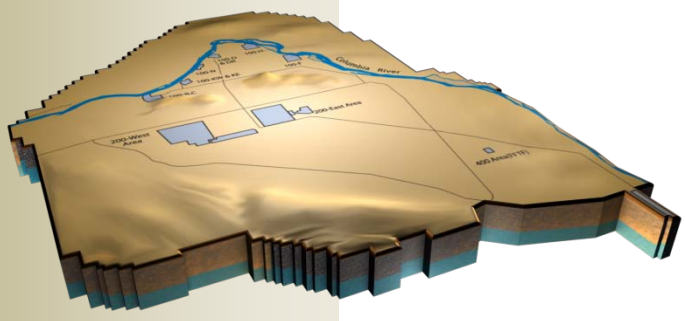
Appendix A-1

Contract Performance Reports ARRA

Format 1 - Work Breakdown Structure

Format 3 - Baseline

Format 5 - Explanation and Problem Analysis



May 2010
DOE/RL-2008-69, Rev. 19
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 Remedation Company	a. NAME Plateau Remediation Contract		a. NAME Plateau Remediation Contract	a. FROM (YYYYMMDD) 2010 / 04 / 26
b. LOCATION (Address and ZIP Code) Richland, WA	b. NUMBER RL14788		b. PHASE	b. TO (YYYYMMDD) 2010 / 05 / 23
	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)
	809,216	492,450	50,021	859,237	1,373,807	859,237	1,373,807	

6. ESTIMATED COST AT COMPLETION

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

	MANAGEMENT ESTIMATE AT COMPLETION (1)	CONTRACT BUDGET BASE (2)	VARIANCE (3)
a. BEST CASE	1,301,666		
b. WORST CASE	1,301,666		
c. MOST LIKELY	1,301,666	1,301,666	0

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	9,743	7,129	8,876	(2,615)	(1,747)	111,849	107,619	99,321	(4,230)	8,298	0	0	0	289,955	289,955	0
RL-0013C.R1.1 MLLW Treatment	1,470	1,282	3,248	(188)	(1,966)	28,407	29,489	27,398	1,081	2,091	0	0	0	50,458	50,458	0
RL-0013C.R1.2 TRU Waste	8,103	8,437	10,240	334	(1,803)	79,694	75,403	77,798	(4,291)	(2,396)	0	0	0	248,854	248,854	0
RL-0030.R1 Central Plateau Soil & Groundwtr	9,107	10,153	6,795	1,047	3,358	71,072	74,050	59,298	2,978	14,752	0	0	0	202,285	202,285	0
RL-0040.R1.1 U Plant/Other D&D	4,630	3,711	4,664	(920)	(954)	95,422	91,822	79,794	(3,600)	12,028	0	0	0	195,630	195,630	0
RL-0040.R1.2 Outer Zone D&D	3,988	3,882	4,122	(107)	(240)	30,754	29,017	25,481	(1,737)	3,536	0	0	0	89,335	89,335	0
RL-0041.R1.1 100 K Area Remediation	10,098	8,961	10,499	(1,137)	(1,538)	94,722	87,275	65,278	(7,447)	21,997	0	0	0	188,577	188,577	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	47,139	43,554	48,443	(3,585)	(4,889)	511,920	494,675	434,369	(17,246)	60,305	0	0	0	1,265,095	1,265,095	0
f. Management Resrv.														36,571		
g. Total	47,139	43,554	48,443	(3,585)	(4,889)	511,920	494,675	434,369	(17,246)	60,305	0	0	0	1,301,666		
9. Reconciliation to CBB																
a. Variance Adjustment									0	0						
b. Total Contract Variance									(17,246)	60,305				1,301,666	1,265,095	36,571

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: 2010/04/26 b. TO: 2010/05/23

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	$809,216	$809,216	492,450	$1,301,666	$1,301,666	$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 Jun-10	+2 Jul-10	+3 Aug-10	+4 Sep-10	+5 Oct-10	6+ Nov-10	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)	**514,825**	**50,044**	**45,377**	**54,327**	**48,259**	**81,791**	**32,320**	**40,108**	**161,538**	**583,042**	**513,867**	**0**	**0**	**0**	**1,258,447**
b. BASELINE CHANGES AUTH DURING REPORT PERIOD															
AWA-R40-10-006R0 North Slope Footprint Reduction									0	159	4,369	0	0		**4,528**
AWA-R41-10-004R0 Remediation of Waste Sites 100-K-102 and 120-KW-1 , Update									0	2,055	4	0	0		**2,059**
BCR-PRC-10-036R0 Align WSR Milestones per RL Direction, RL-40 & RL-41									0	0	0	0	0		**0**
BCR-PRC-10-039R0 183.xKW & 183.xKE Sedimentation Basin Waste Disposal Transfer									0	0	0	0	0		**0**
BCR-R40-10-010R0 Revise Capital Equipment Procurements, RL-40									0	(1,974)	0	0	0		**(1,974)**
BCR-R41-10-003R0 100-K-63 -- Revision to the Waste Site (NTE $5M) per RL Direction									0	2,035	0	0	0		**2,035**
BCRA-PRC-10-035R0 RL-41 Milestone Cleanup & Re-alignment									0	0	0	0	0		**0**
BCRA-PRC-10-037R0 Correct CHPRC Milestone EVM Types & Other Items, May 2010									0	0	0	0	0		**0**
c. PM BASELINE (END OF PERIOD)	**511,920**		**50,044**	**45,377**	**54,327**	**48,259**	**81,791**	**32,320**	**161,538**	**585,317**	**518,241**	**0**	**0**	**0**	**1,265,095**
7. MANAGEMENT RESERVE															**36,571**
8. TOTAL															**1,301,666**

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) 2010/04/26
b. LOCATION (Address and ZIP Code) Richland, WA 99354	b. NUMBER RL		b. PHASE ARRA	b. TO (YYYY/MM/DD) 2010/05/23
	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:	47,139	43,554	48,443	(3,585)	-8.2%	(4,889)	-11.2%	0.92	0.90
Cumulative:	511,920	494,675	434,369	(17,246)	-3.5%	60,305	12.2%	0.97	1.14
	BAC	EAC	VAC in $	VAC in %	CPI to BAC	CPI to EAC			
At Complete:	1,265,095	1,265,095	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 (-$2.6M), RL-40.R1.1 (-$1.2M) and RL-41.R1.1 (-$1.1M), which are partially offset by favorable schedule variances in RL-30.R1 (+$1.0M) and RL-13C.R1.2 (+$0.3M). For RL-11.R1 the primary unfavorable variance occurs in D&D activities associated with 234-5Z RMA/RMC lines, 234-5A laboratories, 242-Z, D&D facility modifications (air conditioning project and Alternate Exhaust system) as a result of a safety stand-down and two stop works associated with beryllium control areas and increased safety incidents. For RL-40.R1.1 the primary unfavorable variance occurs in D&D of the 200 East administrative facilities, D&D of U-Plant/U Ancillary facilities and D&D of ALE facilities, which are partially offset by favorable schedule performance in the procurement of capital equipment D&D stimulus equipment. For RL-41.R1.1, delays in the isolation of 100 K Reactor Power Isolation project and removal/disposal of KW Basin Debris equipment continue, which are partially offset by favorable schedule performance on D&D of the KW Sedimentation Basin Complex and remediation of 100K Group 1 RTD/CSNA waste sites. For RL-30.R1, the primary favorable variance occurs in capital equipment/GPP EPC Construction Complex activities and the GPP DX construction efforts. For RL-13C.R1.2 the favorable schedule variance occurs in Next Generation Retrieval TFPS(1) effort, additional WRAP & T-Plant repackaging efforts and the T-Plant HEPA filter replacement effort, which are partially offset by delays in TRU Retrieval.

Current Period Cost Variance: The unfavorable cost variance occurs in the following two (2) areas: (1) Unfavorable variances (-$4.5M) in the Direct projects, specifically RL-13C.R1.1 (-$2.0M), RL-11.R1 (-$1.3M), RL-41.R1.1 (-$1.2M), RL-40.R1.1 (-$1.0M) and RL-13C.R1.2 (-$0.3M), which are partially offset by a favorable cost variance in RL-30.R1 ($1.7M); and, (2) Unfavorable variances (-$0.6M) associated with the total Project Specific Distributables for the Capital Equipment Trailer Complex. For the Direct Projects, the primary unfavorable cost variances occur in: (a) RL-13C.R1.1 due to significant increased costs for M-91-42 mixed low level waste and Stimulus 435.1 Compliance efforts along with increased costs for capital equipment ERDF additional disposal procurements; (b) RL-11.R1 due to inability to perform work due to safety stand-downs and work stoppages while labor costs for field work teams remain relatively constant.; (c) RL-41.R1.1 due to continued unfavorable cost performance on 100K Reactor Power Isolation activities, design of the 105KE obstruction removal efforts and 100K General Site Cleanup, which are only partially offset by favorable cost performance on Engineering Design/Deliverables; and, (d) RL-40.R1.1 due to continued unfavorable cost performance on D&D of U-Plant and U Ancillary facilities. These unfavorable cost variances are partially offset by a favorable variance in RL-30.R1 ($1.7M) on the capital equipment EPC construction complex.

Cumulative Schedule Variance: The unfavorable cumulative schedule variance occurs in the Direct Projects, specifically RL-41.R1.1 (-$7.4M), RL-13CR1.2 (-$4.3M), RL-11.R1 (-$4,3M), RL-40R1.1 (-$3.5M), and RL-40R1.2 (-$1.9M). These unfavorable variances are partially offset by favorable cumulative schedule variances in RL-13CR1.1 (+$1.1M) and RL-30R1 (+$1.7M). For RL-41.R1.1, delays continue to occur in the isolation of 100K water and Reactor power efforts and in KW Sedimentation Basin Complex D&D, both of 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 Next Generation Retrieval TFRCS(2), Next Generation RH Retrieval Program Mgmt, TRU 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 D&D efforts on 234-5Z RMC/RMA lines and labs, 2736-Z/ZB, 242-Z and the Alternate Exhaust System, Part 1 and PFP Air Conditioning project. 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; these delays are partially offset by ahead of schedule performance on D&D of ALE facilities (+$0.1M). For RL-40.R1.2 delays in remediation of the O-Zone waste sites (RTD/CSNA) continue to occur along with delays in the 600 Area Central Landfill Barrier work. For RL-13C.R1.1 a noted ahead of schedule performance continues on the Stimulus 435.1 Compliance activities but is partially 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, the primary favorable schedule performance occurs in the GPP (capital) for the DX Distribution of electrical/piping and the 100-NR-2 Drill Well Barrier efforts, which are partially offset by the behind schedule performance on the GPP/Capital Equipment EPC Construction Complex and GPP S&GW.

Cumulative Cost Variance: The favorable cumulative cost variance occurs primarily in the following areas: (1) Favorable variances (+$45.5M) in all Direct Projects supporting ARRA work scope, except RL-40.R1.2 (-$0.6M); and, (2) Favorable variances (+$15.4M) 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.

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-11.R1 labor costs will increase due to overtime utilization to recover schedule on D&D of 234-5Z Active RMA/RMC lines, D&D of the labs and efforts on the air conditioner and alternate exhaust system projects. For RL-40.R1.2 the primary impact occurs in the start of field work on several O-Zone RTD sites, For RL-40.R1.1 the primary impact occurs in the D&D 200E Admin. Buildings and U-Plant. 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 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-30.R1 the unfavorable impact occurs in well drilling activities, which are being addressed to minimize work scope carryover into FY 2011.

Current Period Cost: For RL-11.R1 labor costs will increase due to overtime to recover schedule on D&D activities and air conditioner/alternate exhaust system projects. For RL-40.R1.2 remediating more soil than planned has increased costs, as do regulatory review delays.

For RL-40.R1.1, RL-13C.R1.2, RL-13C.R1.1, RL-30.R1, 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 labor costs will increase due to overtime utilization to recover schedule on D&D of 234-5Z Active RMA/RMC lines, D&D of the labs and efforts on the air conditioner and alternate exhaust system projects. 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 PBSs 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.

Corrective Action:

Current Period Schedule: For RL-11.R1 overtime is being used to recover schedule on D&D activities and the air conditioner and alternate exhaust system projects. Also, efficiency improvements for chemical decontamination work are also being pursued, along with facility modifications for air conditioning to reduce worker inefficiencies caused from elevated building temperatures. 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 the primary corrective action is a new strategy for the procurement of long lead equipment through a central contractor. 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 labor costs will increase due to overtime to recover schedule on D&D activities and air conditioner/alternate exhaust system projects. 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 overtime is being used to recover schedule on D&D activities and the air conditioner and alternate exhaust system projects. Also, efficiency improvements for chemical decontamination work are also being pursued, along with facility modifications for air conditioning to reduce worker inefficiencies caused from elevated building temperatures. 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-30.R1 the primary corrective action is a new strategy for the procurement of long lead equipment through a central contractor. Also efforts continue to work the contractors on the Construction Complex to improve performance and schedule.

CTD Cost: For RL-30.R1 and 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-11.R1 overtime is being used to recover schedule on D&D activities and the air conditioner and alternate exhaust system projects. Also, efficiency improvements for chemical decontamination work are also being pursued, along with facility modifications for air conditioning to reduce worker inefficiencies caused from elevated building temperatures. For RL-13C.R1.2, RL-40.R1.1 and RL-41.R1.1 no corrective actions are required at this time.

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

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 cost efficiencies as discussed above, except ARRA subproject RL-30.R1 which has noted **favorable** current period schedule and cost variances. 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.R1.2 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-30.R1, the primary favorable schedule performance occurs in the GPP (capital) for the DX Distribution of electrical/piping and the 100-NR-2 Drill Well Barrier efforts, which are partially offset by the behind schedule performance on the GPP/Capital Equipment EPC Construction Complex and GPP S&GW. Also, the primary cost corrective action for RL-30.R1 is a new strategy for the procurement of long lead equipment through a central contractor. 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 overtime is being used to recover schedule on D&D activities and the air conditioner and alternate exhaust system projects. Also, efficiency improvements for chemical decontamination work are also being pursued, along with facility modifications for air conditioning to reduce worker inefficiencies caused from elevated building temperatures.

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

Major Difference in EAC: There is a noted change in the EAC this month over last month. The overall change in EAC, specifically an increase of $6.6M, is due primarily to two (2) noted changes as follows: (1) change in contract scope as directed by RL in Contract Modification 087 to complete remediation activities on the North Slope ($4.5M); and, (2) increased forecast costs to complete remediation of identified waste sites as documented change requests AWA-R41-10-004R0 and BCR-R41-10-003R0 ($4.1M). These increased costs are partially offset by the reduction in the ARRA capital equipment needs supporting RL-40.R1.1 (-$1.9M). No management reserve is used this month in May 2010.

Variance in Estimated Contract Budget Base at Completion: There is a noted change in the estimated contract budget base at completion over last month, specifically $6.6M. This change is due primarily to two (2) noted changes as follows: (1) change in contract scope as directed by RL in Contract Modification 087 to complete remediation activities on the North Slope ($4.5M); and, (2) increased forecast costs to complete remediation of identified waste sites as documented change requests AWA-R41-10-004R0 and BCR-R41-10-003R0 ($4.1M). These increased costs are partially offset by the reduction in the ARRA capital equipment needs supporting RL-40.R1.1 (-$1.9M). Based on contract modification 087 issued in December 2009, which revised the contract budget base upward by $310M, the PRC Baseline, as adjusted by the ARRA-related change requests processed through May 2010, does include more work scope than documented in contract modification 087. Since all of the work scope documented in the PRC Baseline has not been approved by RL for definitization into the contract, there is variance at completion over the current contract budget base.

Use of Management Reserve: There is no use of management reserve this month for May 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 noted change in the estimate values for May 2010 over April 2010 due to the implementation of change requests as discussed above in Major Difference in EAC.

Prepared by:	**Date:**	**Approved by:**	**Date:**
Schilling, Bert	6/28/10		

(1) = Trench Face Process System; (2) = Trench Face Retrieval & Characterization System