FINAL MEETING SUMMARY

HANFORD ADVISORY BOARD
JOINT TANK WASTE COMMITTEE AND BUDGETS AND CONTRACTS COMMITTEE MEETING
December 5, 2006
Richland, WA

Topics in this Meeting Summary

This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.

Welcome and Introductions

Rick Jansons, Tank Waste Committee (TWC) Chair, welcomed the committee and introductions were made.

Comments on the October meeting summary were incorporated. The committee requested to review the comments before adopting the summary.

Tank Leak Characterization

Steve Wiegman, Department of Energy – Office of River Protection (DOE-ORP), presented DOE-ORP's efforts to characterize tank leaks and vadose zone contamination. He emphasized the importance of characterization and noted that the causes and results of past tank leaks need to be better understood.

John Kristofzski, CH2M Hill (CHG), described DOE-ORP's vadose zone characterization program. The program is a Resource Conservation and Recover Act (RCRA) corrective action program under the Tri-Party Agreement (TPA), developed in response to leaking single shell tanks and related infrastructure. John explained that the

purpose of phase one of the Vadose Zone Program is to evaluate environmental impacts by characterizing the substantial leaks and spills in all single-shell tank farms and to protect human health by installing interim measures to reduce groundwater impacts. He discussed the program's planning and characterization activities, interim measures, and accomplishments. He explained that a decade ago, groundwater monitoring data inferred the presence of tank waste contaminants in the unconfirmed aquifer near tank farm boundaries. More recent data from field investigation reports indicate that past tank leaks have contaminated soils and groundwater.

John explained that DOE-ORP went through all seven waste management areas defined by the TPA, to develop Subsurface Condition Description Reports. Field investigations used conventional evaluation tools, including boreholes, soil samples, chemical analysis, and geological monitoring. Due to the expense of boreholes, DOE-ORP looked for alternative characterization technologies to apply. They developed a new direct push technology to drive a hole into the ground, surface geophysical exploration to identify the extent of past tanks leaks, and lateral logging to estimate tank leak volumes. The direct push technology enabled DOE-ORP to drive up to 128 feet deep, which allows for near-surface analysis, but does not reach groundwater (230 feet below the surface). Interim measures developed to address current issues, include addressing leaking water lines, installing drainage and flooding controls around waste management areas, cutting and leak testing water lines, and upgrading caps for single-shell tanks and monitoring drywells. John also reviewed the program's accomplishments, discussed lessons learned from the phase one work, and described future characterization plans to focus on individual waste management areas.

Regulator Perspectives

- Cheryl Whalen, Washington State Department of Ecology (Ecology), said Ecology is concerned about the report on the source terms. Ecology does not believe DOE-ORP has enough data to characterize the vadose zone.

Committee Discussion

- *How does DOE-ORP define substantial leaks and spills?* Mark Wood, Fluor Hanford (FH), said all available information is examined. The definition of substantial is based on a combination of the size of the leak and an estimate of the tank waste composition and any field information available at the time. Reviewing this information identifies the most substantial leaks, which enables DOE-ORP to develop target areas for examination. A series of reports were published, which list the contamination events in a particular area and discuss the relative impacts of these events. John added that no published comprehensive list indicating the relative risk ranking of tank leaks exists. Wade Riggsbee noted that a lot of documentation of tank leak characterization was done.
- *What is the design life of the interim barrier?* John said the barrier design life is 30 years, but the barriers are only meant to be an interim measure.

- *Are data quality objectives (DQO) developed for on each waste management area?* John said the DQOs are based on all the waste management areas, but sampling plans vary by the specific conditions of each waste management area.
- *Does the interim barrier cover the entire area impacted by leaks?* John said DOE-ORP is concerned about the same issue, and they are asking the design team to address this question. Pre-conceptual ideas were developed to determine the area of the known contamination plume the barrier should cover. DOE-ORP is concerned about runoff impacts, which are being evaluated.
- *How is DOE-ORP conducting characterization of contaminant plumes, such as uranium, moving through an area?* John said he was unsure how to interfere with contaminant movement, but several options exist to stop movement or treat contaminants in the subsurface. The difficulty in characterizing where mobile contaminants are headed is the reason the project is being integrated so information on each source term informs characterization.
- *How far from the barrier does DOE-ORP expect water to influence contaminant transport?* Mike said he is unsure, since qualitative observations of past contaminant mobility is all that is available to analyze that issue. John indicated that is the reason installing an interim barrier is in the test phase, and DOE-ORP intends to conduct the test in a meaningful and deliberate way.
- *What is involved in stakeholder and public involvement during Phase 2 of the Vadose Zone Program?* John said Phase 2 includes involving stakeholders and the public in the DQO determination process. He said he will update the committee as the program moves forward and information becomes available.
- Gerry Pollet commented that the contaminant source plumes need to be identified as the Vadose Zone Program moves into Phase 2 activities. He expressed concern that not identifying the contaminant sources may leave data points out of characterization plans. *What is being done in the near-term to identify the source for an interim measure?* John said there were some data believed to have been excluded from characterization reports that was adjacent to the waste management areas, which underscores the importance of integrating characterization efforts across management boundaries between DOE-ORP and its contractors, and the Department of Energy – Richland Operations Office (DOE-RL) and its contractors. DOE-ORP and DOE-RL have integrated project teams to examine and monitor groundwater issues and have discussions about adjacent sites. This integration effort resulted in work packages that address characterization work across management boundaries.
- Gerry wondered what Ecology's position is when an area of contamination may extend beyond DOE's waste management area definition. Cheryl said Ecology expects DOE to explain how it addresses integration, which Ecology believes has been adequate to this point. She noted that Ecology will not sign off on any integrated activity it does not feel is appropriate or adequately warranted.
- *What happens to condensate and runoff from the barrier? Is this water being treated?* John said the design is in the early pre-conceptual stage and how the water

will be handled is not decided yet. Gerry stated his concern that any design needs to include collecting and treating this water.

- Pam said she is encouraged by the efforts to integrate characterization. She expressed concerned about funding to ensure DOE is able to continue integration efforts. Steve said funding is always an issue, so DOE must prioritize its activities. He noted that the Vadose Zone Program has continued every year and will continue every year, but the question of whether the funding is adequate will always remain.
- *Does DOE-ORP anticipate any of the potential $20 million earmark for evaluating groundwater remediation technologies to be applied to the program?* Steve said he believes that the $20 million will help fund several programs and projects. Dennis stated that there is not enough funding to do the work that needs to be done, and anything the Board can do to emphasize the need to fund these efforts will help.
- Harold Heacock said he has heard about reports on tanks leaks. *What is the relationship between data from tank leak reports and program plans?* John said any new data, including data from the tank leak reports, will be considered emergent data, which would be dealt with in several phases: 1) Immediate action to address the situation, and 2) No immediate action, but needs to be characterized to determine where it ranks among other leak events.
- The committee identified questions and issues it would like to continue to track and receive updates on:
    - *What is DOE-ORP doing to address or account for missing information and data, in order to move forward with the Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS)?*
    - Tank leak characterization activities
    - Adequacy of current risk information
    - *What is the timeline for decisions? What characterization data exists to support decisions, and is that data adequate?*
    - Interim barrier issues
    - Integration efforts

Seismic Boreholes

Alan Rohay, Pacific Northwest National Laboratory (PNNL), discussed the status of the Waste Treatment Plant (WTP) Seismic Boreholes Project, which is responsible for collecting seismic borehole data. In response to Defense Nuclear Facilities Safety Board (DNFSB) questions about the seismic impacts to WTP design, PNNL completed a report on the interim design ground motion response spectra in 2005. Due to significant uncertainties in WTP seismic data, the report includes a conservative envelope that increased the design basis by 40%. This increase consumes the majority of planned design margin. PNNL is attempting to reduce seismic uncertainty to create more cushion in the design margin.

The final plan involves drilling three deep boreholes in the WTP complex in areas of highest radioactive risk. From the borehole analysis final site response design spectra were developed with updated site-specific data. Collection of seismic velocity and density data will be completed by January 2007. In March 2007, an expert panel will help select final input parameters for the WTP seismic response model final report. Complete analysis of the data will happen by April 2007, and final WTP site response design spectra will be complete in May 2007.

Regulator Perspectives

- Ed Fredenburg, Ecology, said the building design process that DOE and Bechtel follow includes seismic design and application of seismic analysis that is driven by nuclear safety requirements -- not RCRA. He said that Ecology is interested in the work, but does not have specific regulatory authority in this area. He noted that when completed, the seismic investigations and reanalysis will increase overall confidence that WTP will be able to withstand a major earthquake, but that Ecology was concerned with resulting delays to the WTP schedule. He said Ecology expected the current seismic investigation would demonstrate conservatism in the existing seismic analysis and allow quantification of design margin that may be required for other areas of uncertainty at the WTP, such as black cells. Ed asked whether comment responses on comments made on the Army Corps of Engineers (ACOE) report will be made available. Wahed Abdul, DOE-ORP, said DOE-ORP is in the process of responding to comments on the report. A final set of comment responses will be made available. Wahed also confirmed the ACOE report will be updated to reflect new information from the current seismic investigation and completion of seismic analysis by BNI.

Committee Discussion

- *Will the report from the WTP Seismic Boreholes Project substantiate WTP design?* Alan said some preliminary reports indicate the original best guess estimate was pretty accurate, and there does not appear to be a need to go to the 84th percentile for conservative design elements. The report will likely determine that the 40% design margin is conservative enough to accommodate the safety basis for engineering. Wahed said all design is currently based on the 40% design margin. Rick clarified that the WTP is being designed to meet the worst case seismic scenario, and the report is trying to determine whether the current design margin is too conservative. Susan Leckband expressed a need to develop a way of explaining to the public that the WTP will survive a major seismic event.
- *Will the report consider engineering properties of sediments underlying WTP facilities?* Alan said the report is based on seismic wave velocities. Some sediment data was used to address the settlement of layers below the WTP foundation. Wahed said several tests and studies were conducted to consider the settlement of soils and determine how to adequately set the WTP foundation.
- Maynard Plahuta suggested DOE-ORP determine whether additional funding is necessary to address WTP seismic issues.

- Pam Larsen expressed concern about Congress' perception that the WTP design process is adequate and on time. She emphasized that DOE-ORP cannot afford another slip in timing on WTP completion.
- *Does the design margin shorten the time it takes to get the WTP built on time?* Wahed said he does not think the design margin will save any time on construction, since everything is already in place to move forward.
- *Does the report estimate seismic damages based on the severity of different seismic events, or simply indicate that the WTP can withstand the largest estimated seismic event?* Alan said the seismic analysis estimates a seismic event at the level of an expected event for the base of Rattlesnake Mountain.

Tank Waste System Advice (#192)

Ken Gasper, committee issue manager, remarked that DOE-ORP wanted to meet with the committee to provide an update on their work and convey its interest in continuing the dialogue on the topic before developing a formal response.

Steve Wiegman, DOE-ORP, presented a draft River Protection Project Functional Logic Diagram that identifies the process and decisions that need to be made regarding the Tank Waste Program path forward. John Eschenberg, DOE-ORP, said the intention of the diagram is to identify the programmatic impacts of future decisions, which is related to how DOE-ORP defines risk. He said it is important that all parties agree on the risks and how those risks can be managed. Capturing this information in a single reference diagram will help ensure all parties agree on the path forward and work collaboratively to develop a process that is fundable, gets the job done, includes the appropriate risks, and is communicable.

Committee Discussion

- Committee members were generally supportive of the purpose and usefulness of the diagram. Committee members indicated it demonstrates DOE-ORP's response to the Board's values. Harold Heacock said CH2M Hill (CHG) developed a series of flow sheets that outlined the tank waste system processes, which might be a good reference. Steve said those flow sheets were considered in developing this diagram.
- *Did the development of the diagram provide any insight?* Steve said the diagram is also an important internal communications piece. He noted that it is designed to be adaptable. Ken added that the diagram is also useful as a point of departure for identifying issues of concern to the Board.
- Wade suggested adding a timeline to the diagram. The committee agreed they would like to see an update of the flow sheets.
- *When was the diagram developed?* Steve said the basis for the diagram was done four to five years ago, but it has been updated continually. He said DOE-ORP is interested in discussing what is included or missing from the diagram.
- Ken, Harold, Wade, Dick Smith, and Dirk agreed to be issue managers for reviewing the draft diagram. Susan suggested issue managers consider the upcoming request for

proposals (RFPs) and awarded contracts as they review the diagram. She emphasized that the activities captured by the diagram need to be maintained through the contractor transition period.

Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS) Update

Mary Beth Burandt, DOE-ORP, provided an overview of DOE-ORP's process for working on the TC&WM EIS. EIS scoping was completed in the March timeframe. DOE-ORP performed some early quality assurance/quality control (QA/QC) work on the TC&WM EIS to avoid the same issues encountered during the Solid Waste Environmental Impact Statement (SW EIS).

Currently, DOE-ORP has been doing work on waste management, the Fast Flux Test Facility (FFTF), and groundwater issues. DOE-ORP has updated waste management volumes and projections and off-site waste estimates to coincide with the amounts discussed in the Solid Waste ROD. Research and analysis is being done on boring logs and well water data to inform the conversion of the groundwater model. This work took longer than expected, and resulted in some delays. She noted that DOE-ORP is also working on public involvement opportunities, and have arranged for one workshop on cumulative impacts and asked for other workshop ideas.

Committee Discussion

- Dirk expressed concern that the TC&WM EIS process reflects that DOE-ORP thinks the analysis and characterization of the vadose zone is complete, and are focusing on groundwater. He does not believe this reflects the Board's understanding of the issue. Mary Beth said that prior to validating the groundwater model, DOE-ORP focused most of its attention on analyzing the vadose zone and DOE-ORP is further along in understanding vadose zone conditions. She acknowledged there are additional vadose zone uncertainties requiring further analysis.
- *Does DOE-ORP know how the vadose zone will be modeled?* Mary Beth said DOE-ORP analyzed different types of contaminant releases in the vadose zone to determine the method used to calibrate the model. Some conceptual models are built into the decision for how to model. She indicated that DOE-ORP probably needs to have a workshop to explore what conceptual model means to ensure there is a common understanding of how the model is arranged.
- *Why does DOE-ORP not default to investigating the vadose zone in as many dimensions as possible?* Mary Beth said DOE-ORP considered investigating the vadose zone in one, two, and three dimensions, but taking the time to model the vadose zone in different dimensions will result in different answers. She believes the vadose zone can be most accurately modeled in one dimension. She emphasized that DOE-ORP is trying to identify areas where it would be useful to spend additional time and energy to model in more than one dimension.
- Rick commented that the gaps in characterization knowledge support the argument that DOE-ORP does not have enough information to conduct an EIS. *How does the*

TC&WM EIS address this argument? Mary Beth said determining the amount of necessary characterization to include in an EIS is always a challenge. She said there is a balance between getting characterization information early enough to make it useful to decision makers versus taking time to develop robust information. The discussion of uncertainty appears in the cumulative analysis section of the TC&WM EIS.

- Rick said the intention of the EIS is to protect the public. *Regarding unknowns, does the EIS direct decision makers to protective and conservative actions?* Mary Beth said that in some cases unknowns are addressed by sensitivity analysis, and sometimes the information on unknowns is incomplete.
- Gerry emphasized the need to look at a potential proposal to change the ROD. Mary Beth said the ROD that gets amended will result from the TC&WM EIS.

Committee Business

Shelley Cimon discussed the disposition map strategy. Shelley proposed the committee discuss waste disposition strategies and their impacts on Hanford waste streams, to determine where Hanford waste ranks for national disposition. Harold noted there is a record of decision (ROD) issued by the Idaho National Laboratory to close several tanks by grouting them, which may have implications for Hanford tank disposition. Kathy Louie, DOE-ORP, is leading the waste disposition map for DOE-ORP. Shelley said this is a potential educational opportunity for Board members. Rick suggested the discussion of disposition strategies as an appropriate topic for the Committee of the Whole. Shelley suggested requesting a committee presentation from DOE to get a complete picture of national disposition and groundwater issues, which could serve as a benchmark for next year's work. Committee members agreed on the need for a COW meeting on national disposition and groundwater issues. Shelley will discuss this topic on the Executive Issues Committee (EIC) call.

Next steps and future committee agenda topics:

- Continue tank leak discussion and request a DOE presentation on vadose zone characterization
- Receive an update on the DOE-ORP Tank Systems Advice response
- Discuss Idaho National Engineering and Environmental Laboratory ROD on tank grouting
- M-91 Remote Handled – Transuranic Waste (RH-TRU) facility location (T-Plant or elsewhere)
- Update on TC&WM EIS and proposed workshops
    - Alternatives and cumulative impacts analysis
    - Environmental Restoration Disposal Facility (ERDF)
    - Conceptual models

The committee decided a December committee call and meeting are unnecessary.

Bulk Vitrification Report

Jim Thompson, DOE-ORP, provided an overview and update on the Bulk Vitrification Report. A technical review of bulk Vitrification technology identified 19 issues and 26 areas of concern. The review determined there were no fatal flaws with the Demonstration Bulk Vitrification Project. DOE-ORP is working on a corrective action plan to respond to the issues and areas of concern, and plan to have a draft by the end of December 2006 and a final plan issued in March 2007.

Jim provided an update on bulk vitrification testing. DOE-ORP completed a full-scale test, the results of which were published in September. In addition, DOE-ORP completed 103 liter dryer tests, which helped develop dryer operation parameters. DOE-ORP is currently working on a full-scale integrated test of the dryer and melter equipment.

Jim described the Demonstration Bulk Vitrification Project activities over next six months:

- Work on responses to expert review panel recommendations and fold into design
- Complete dryer and melter test
- Complete design

Regulator Perspectives

- Laura Cusack, Ecology, said Ecology does not think DOE-ORP has demonstrated that the bulk vitrification waste product is as good as glass. The issues identified in the report are significant and not easy to overcome. Ecology has been supportive of this technology, but has concerns when the project is not adequately funded and is delayed. She indicated that Ecology would like to review DOE-ORP's corrective action report in December 2006, rather than in March 2007. Ecology is interested in the Board's input on issue.

Committee Discussion

- Is the bulk vitrification product as good as glass? Jim said there was an issue with multi-ionic salt during the test at 38C, and DOE-ORP is updating Ecology on the path forward.
- *What is DOE-ORP's confidence level that waste product issues can be overcome?* Jim said he was not sure, but there are technical issues that need to be addressed. He said DOE-ORP has to make sure the waste product works in the crucible, dryer, and the integrated test.
- *Paige asked whether the pH in the tanks from which waste will be taken for treatment by bulk vitrification would have an impact on whether the technology will produce an acceptable waste product?* Jim said he was unsure, but would get an answer to the question.
- *What is the current estimated cost of the demonstration bulk vitrification project?* Jim said $190 million plus contingency, which amounts to about $212 million for design, construction and treatment of 50 boxes.

- *Does the revised cost incorporate the recommendations from the expert review?* Jim said the cost estimate factors in unknown and known unknown issues, which combine to make up the project's contingency.
- Gerry commented that the expert review panel identified several issues, such as containment and operating beyond permitted time (400 days), which could become fatal flaws if they are not addressed. Regarding containment, Jim said DOE-ORP has a preliminary rendering of enclosing the melt structure. It has a separate off-gas system as designed. DOE-ORP is reviewing the design and working with CHG to walk through the ventilation system.
- Gerry commented that the length of time DOE-ORP wants to operate the facility is important to know for the contract period. If DOE-ORP is assuming it will operate beyond the permitted 400 days, it makes sense to design the facility now and apply for a permit for that operating period.
- *What is being done to evaluate AMEC Earth and Environmental's performance?* Jim said AMEC is a subcontractor to CHG, and DOE-ORP evaluates CHG's performance as a whole.
- Gerry expressed concern about non-disclosed escalating costs for the Demonstration Bulk Vitrification Project. *Since the project is years behind schedule was there a major fee penalty for non-performance and cost escalation?* Jim said he was unsure and will get back to Gerry with an answer.
- Pam mentioned that there is so much salt in Hanford waste that it cannot be vitrified in the same manner as elsewhere, and must be dried before it is treated using bulk vitrification. Jim said he was unsure that was the case, and will get an answer for the committee.
- Pam commented that a critical decision made in March as opposed to June bears significantly on future funding for bulk vitrification. Jim said March is when the corrective action plan will be finalized. Pam said that if the contractor issues the plan in March, DOE-ORP should make the information public. She said she believes that the Board should support DOE-ORP in completing the Demonstration Bulk Vitrification Project since so many people have lobbied hard for it. Gerry disagreed because with the cost overruns and schedule delays, funding would have been better put towards building a second low-activity waste (LAW) facility. Dick added that the cost of bulk vitrification has never been explained and compared to building a second LAW plan. Jim said the reason DOE-ORP is doing a demonstration plant is to make sure the technology works. Based on the data set from the Demonstration Bulk Vitrification Project, DOE-ORP can make the comparison to a LAW facility.
- Ken suggested DOE-ORP identify the implications bulk vitrification decisions have on the tank waste system plan to understand what and how it makes sense to move forward with the project.
- Rick summarized the bulk vitrification discussion, including concerns expressed about expert review panel issues, cost, and schedule delays. In addition, several committee members identified the political realities that may impact the project.
- The committee discussed working with DOE-ORP on bulk vitrification issues:

- Susan said the Board has already issued advice on the need to make go versus no-go decision on bulk vitrification. The Board needs to have its questions answered.
- Pam suggested issue managers work with DOE-ORP to get questions answered. Ken, Dick, and Rob agreed to be issue managers for bulk vitrification. They will update the committee on their discussions.

Bechtel Contract Renegotiation

John Eschenberg, DOE-ORP, introduced Mike Barrett, DOE-ORP, who provided an overview of the Bechtel Contract Renegotiation.

The committee is interested in several questions regarding renegotiation of the Bechtel contract:

- How management concerns are being addressed?
- Are ACOE and Government Accountability Office (GAO) recommendations included in contract renegotiations?
- What is DOE-ORP doing to improve contract oversight?

Committee Discussion

- What principles and criteria are being used to determine fee? Mike noted that the Bechtel contract was originally a cost plus incentive contract. John said fee is based on cost, plant performance, and schedule. DOE-ORP is considering widening the incentive range, which reduces the fee DOE would pay, but increases the contractor's ability to earn fee.
- *Will DOE-ORP increase the total fee pool?* John said that based on good business principles, if DOE grows the scope of the job, the contractor is entitled to an equitable adjustment of contract and fee.
- *Will DOE-ORP allow a contractor to spread out a job to continue to make money, or will fee be tied in with schedule objectives?* John said if a contractor is meeting schedule objectives, this enables DOE to know contractor is achieving cost and plant performance.
- *How is environment, health, and safety (ES&H) built into contracting incentives?* John said ES&H is written into the contract, and DOE-ORP can hold fee if there are quality and safety issues. Loss of fee based on ES&H issues cannot be reclaimed. All fee awards will be based on ensuring appropriate ES&H standards.
- *Is DOE-ORP considering breaking fee out as recommended by ACOE, to get independent validated cost-estimates on specific facilities?* John said the ACOE recommendations have been evaluated, and DOE-ORP has adopted nearly all of them at some level. Congress has mandated that the contract be managed by five discrete projects, which enables individual performances to be more easily compared. John said DOE-ORP may need to communicate the actions it has implemented in response to other ACOE recommendations, such as DOE not providing enough contract oversight. Gerry said it is important for DOE-ORP to provide information about its response to ACOE recommendations to the public and continue to discuss the issue

with the Board over the next several months. John noted that DOE-ORP issues a WTP status report to Congress each quarter, which lists current activities and all previous actions taken in response to ACOE recommendations. The next WTP Quarterly Report will be published in the next few weeks and Erik will e-mail a link to the report to the committee.

- *Are there any response requirements when one federal agency performs a review of another federal agency (specifically related to the Inspector General and GAO reports)?* John said Inspector General works for DOE, and functions sort of like an internal auditor, so no response is required. The GAO is an external agency, so DOE is required to respond to GAO's reviews within a certain period of time. He said DOE-ORP hires agencies like ACOE as contractors, so they do not have to respond formally to ACOE reviews. DOE-ORP's decision to respond to ACOE's recommendations is voluntary.

Action Items / Commitments

- Ken, Harold, Wade, Dick Smith, and Dirk agreed to be issue managers for reviewing the draft River Protection Project Functional Logic Diagram.
- Ken and Dick agreed to be issue managers for bulk vitrification issues.

End of joint TWC/ Budgets and Contracts Committee (BCC) meeting and beginning of BCC meeting

Committee Discussion on Request for Proposals (RFPs)

Gerry Pollet, Heart of America Northwest (HoANW) provided an issue manager presentation on the draft Hanford Cleanup Contract RFPs, running from 2008 through 2013.

The three RFPs are:

1) Tank Operations Contract (TOC) – Includes operation of Hanford's high-level nuclear waste tank farms.
2) Hanford Central Plateau Remediation Contract (PRC) – Includes maintenance of facilities in the 200 East and West areas, and the 400 Area.
3) Management Services Contract (MSC) – Includes managing infrastructure, administration of benefits and human resources, planning functions, environmental reports and groundwater monitoring.

Gerry reviewed the scopes of work for all three RFPs. In general, he noted that he believes the draft RFPs do not to take into account the recommendations from various GAO reports and Board advice on contracting. He also expressed concern that the contracts appear not to comply with TPA milestones and regulatory processes, and instead seem to incentivize contractors to seek risk based end states and changes to rules, laws, and regulatory compliance requirements.

Gerry presented a list of potential recommendations for the committee to consider:

- Contracts should have a reasonable and fair rate of return (lower than 10%) for the bulk of work that poses no risk to the contractor, and a separate rate of return for successfully developing and implementing a new technology or other cost savings with improved environmental results.
- Any treatment facility construction should be subject to competitive bidding after independent validation of design, processes, schedule and costs.
- No fee should be earnable on indirect, overhead, or site services, with the exception of specific incentives for managing a site service.
- Uniform functional accounts should be imposed on each contractor with monthly reporting of cost versus budget and allocations by project.
- A maximum of 12-15% of funds appropriated for Hanford Cleanup should be allocable as allowable costs for indirect and overhead costs, and a maximum of 10-13% for site services.
- Specific indirect and overhead accounts should have strict limitations, such as public relations and communications, legal, President's Office and senior management, and travel.
- Contracts need to include objective penalties for not complying with worker health and safety plans.
- Quantifiable fee losses and penalties should be applied in the event any workers are exposed to toxic chemicals or beryllium leading to qualified medical diagnosis of sensitization, chronic beryllium disease, and impairment of health due to occupational exposure to chemicals.
- Contract workscope should be built on contractor compliance.

Gerry noted that the deadline for comments on draft RFPs is December 22, 2006. He suggested the Board should weigh in on RFPs despite the fact that the contracting timeline does not fit with the Board's schedule. He mentioned that the committee invited DOE to provide a presentation on the RFPs, but DOE declined because of procurement rules.

Committee Discussion

- Keith Smith expressed concern that the contracts appear not to provide the facility representative enough authority, and that local contractors will not get adequate access to contracts since the majority of small businesses are owned by the prime contractors.
- *Given that contract language appears to be in direct violation of the TPA, is there legal action to pursue against a federal agency that will violate environmental regulations?* Gerry said under the TPA a potential action is only viable when there is a prospective breach of TPA rules. Pam said she believed members of Congress would likely be offended by the contract language. Gerry said he believed Ecology would be concerned as well.
- Dirk noted that the TOC contract requires the contractor to develop a training manual for operation of WTP, which is outside the 10-year contract window.

- *If a contractor does not work at Hanford, is there a way to understand the specific work described in the RFPs?* Gerry said the description of the work is vague.
- Since the Board does not meet prior to end of the comment period, Susan suggested the topic should be discussed by the Executive Issues Committee (EIC) to request a letter be sent to DOE indicating the Board has significant concerns, but due to its operating process the Board is unable to submit comments before the end of the comment period. Pam suggested drafting advice for review and approval at the January COW meeting. Susan agreed to write the letter from the Board for EIC consideration. Keith and Maynard will draft advice with editorial review by Paige Knight.

Regulator Perspective

- Melinda Brown, Ecology, said Ecology is looking at the RFPs, but does not have anything specific to say at this time.

Committee Business

The Public Involvement Committee (PIC) is working on a budget review meeting proposal for next spring. The proposal is to have the regional public meetings focus on cleanup priorities and the Fiscal Year 2008 (FY08) and Fiscal Year 2009 (FY09) budgets. The meetings would inform the public about the budget process and how they can influence the budget. Cathy will email the proposal to the committee. All comments should be sent to Helen Wheatley, PIC Chair, and Gerry.

The committee decided a meeting would be useful if there is draft advice on the RFPs. Gerry indicated it would be best to tie onto the COW meeting in January.

Additional January committee meeting topics:

- Commitment for response from AMEC and CHG on bulk vitrification

Action Items / Commitments

- Susan agreed to write the letter describing the Board's concern about the draft RFPs for EIC consideration. Keith and Maynard will draft advice on the RFPs with editorial assistance from Paige.

Handouts

NOTE: Copies of meeting handouts can be obtained through the Hanford Advisory Board Administrator at (509) 942-1906, or tholm@enviraoissues.com

- Tank Farm Vadose Zone Characterization 1998 to 2006, DOE-ORP and CHG, October 2006.
- WTP Seismic Boreholes Project: Introduction and Status, PNNL, 12/5/2006.
- Hanford Advisory Board Consensus Advice: Contracting Strategy, 4/7/2006.

- Response to Hanford Advisory Board Consensus Advice #188: Contract Strategy, DOE-ORP and DOE-RL, 9/6/2006.
- DRAFT - Tank Waste Program Path Forward and River Protection Project Functional Logic Diagram, DOE-ORP, 12/4/2006.
- Hanford Clean-Up Contract RFP Review and Issues, Gerry Pollet, Heart of America Northwest, 12/5/2006.

Attendees

HAB Members and Alternates

Al Boldt	Pam Larsen	Wade Riggsbee
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Others

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