

Desk Instruction 1.1 "Planning, Budgeting, and Reporting"

April 30, 2004

Revision 0

Approved by: _____

Date: _____

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1.0 Introduction

The ESQ utilizes proven and disciplined management and work control systems for planning, execution and reporting of progress and performance. All work performed by the ESQ is defined in scope, schedule and cost. Work does not begin until it has been approved by the appropriate manager.

ESQ believes that the enclosed management systems help DOE achieve higher quality products on time and within the approved cost estimate.

2.0 Expectations

All ESQ work will meet the quality requirements defined by ORP senior management. All work activities will be completed as scheduled and within the approved cost baseline. Unauthorized work will not be performed.

3.0 Application

All ESQ employees utilize the work planning and control systems defined in this instruction. Each employee is responsible for planning work scope, defining the planned outcomes (deliverables), scheduling work efficiently and completing activities within the cost baseline.

4.0 Procedure and Process

This desk instruction discusses work processes for:

- Multi-year project planning
- Budget Request actions
- Measurement of performance against the baseline plan
- Execution of work and finances within a controlled environment

5.0 Development of the Program Management Plan

5.1 PROGRAM MANAGEMENT PLAN

The Program Management Plan (PMP) presents the organization, work structure, systems and management approaches that are used by ESQ to develop the requirements and regulatory practices for authorizing the design, construction and operation of the Waste Treatment and Immobilization Plant (WTP) vitrification facilities. The PMP contains the cost and schedule baseline plan for the Office of Environmental Safety and Quality (ESQ) work activities through 2018. The PMP guides the management and administrative processes and systems to be used by the ESQ for work execution. The ESQ is committed to working with the various parties to ensure effective regulation and construction of the WTP. These various parties include other U.S. Department of Energy (DOE) organizations, the WTP Contractor, Office of River Protection offices, the Tank Farms contractor, external agencies, and stakeholders.

5.2 ELEMENTS OF THE PMP

The PMP provides a consistent approach for managing, executing and controlling work. The following are key components of the PMP baseline document:

1. Project Mission Statement addresses the life-cycle purpose of the project in concise terms. Emphasis is placed on the planned end states of the project (final WTP design, construction completion and start of hot operations).
2. Project Objectives define the overall ESQ objectives for radiological, nuclear, and process safety regulation oversight of the WTP Contractor. The objectives are grouped functionally by regulatory, schedule, cost, quality, and safety. Emerging objectives are incorporated into the PMP as required and approved.
3. Organization Breakdown Structure (OBS) defines the ESQ's organizational structure and responsibilities along with its key interfaces (i.e., DOE-HQ, stakeholders, etc.).
4. Work Breakdown Structure (WBS) provides the work structure for program planning, control, and reporting functions. This includes a WBS graphic chart showing the defined levels of the WBS, the dictionaries describing the work, and the WBS Responsibility Assignment Matrix listing management responsibility. Exhibits I-1 and I-2 illustrate the ESQ Responsibility Assignment Matrix and WBS.
5. The Program Master Schedule (PMS) and Cost Account Schedule provide the time-phased plan of the work. Work is logically and sequentially planned with appropriate predecessor and successor relationships. This section also identifies the key program deliverables.

Two different levels of schedules are incorporated into the PMP. The Program Master Schedule is the top-level schedule for the ESQ. It contains all major milestones (DOE-HQ and ORP) and portrays the work at the program level (Level 1). This schedule is approved by the ESQ Director. The Control Account Schedule contains all the detailed activities by control account, including all planned milestones. The schedule is approved by each respective ESQ Control Account Manager (CAM) and the ESQ DIRECTOR.

6. Milestone Control Log and Milestone Description Sheets (MDSs) identify the milestones that are tracked and statused. The Milestone Control Log lists all the controlled deliverables and products developed by the ESQ. The MDSs specifically describe the work to be accomplished, and the product/deliverable to be provided on a given due date. The MDSs contain the completion date, the milestone designation (DOE-HQ, ORP, and Compliance Agreement), and completion criteria. The MDSs are signed by the appropriate CAM and the ESQ Director. The Administration Team maintains the MDS files. Exhibit I-3 illustrates the Milestone Control Log, and Exhibit I-4 illustrates the Milestone Description Sheet.
7. Cost Estimate Plan provides the estimated cost of resources required to complete the

work scope. It summarizes the Budgeted Cost of Work Scheduled (BCWS) and is detailed at the Cost Account level or lower. A Control Account Plan is developed for the Execution Year. It contains a detailed fiscal year Basis of Estimate, and documents the assumptions used for developing the Cost Estimate Plan.

8. Description of Program Management Control Systems describes the integrated management systems and practices used to manage the program. The primary purpose is to provide the business management policies and procedures for planning, cost collection and cost/schedule control.
9. Reporting Requirements and Associated Documentation defines the process used for analyzing/reporting work performance against the baseline. It is described in Part V of this handbook.

5.3 RESPONSIBILITIES

1. The Administration Team has specific responsibility for the following:
 - Develop the plan of action and requirements for the annual update of the PMP.
 - Coordinate PMP revisions.
 - Develop and maintain the Program Master Schedule and Control Account Schedule.
 - Develop the Control Account Schedule, MDSs and Milestone Control Log.
 - Develop and maintain the activity-based cost estimate by Control Account.
 - Coordinate/administer the change control process and ensure configuration management of the PMP.
2. The CAMs have specific responsibility for the following:
 - Provide input into ESQ's mission, objectives, and WBS.
 - Develop the required activities and associated durations representing the work scope for each fiscal year.
 - With the Administration Team, develop the Control Account Schedules.
 - Develop the MDSs.
 - Approve the cost estimate predicated on the schedule and resource loading.

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- Select resources for work performance.
 - Manage the Control Account Plan work performance.
 - Explain cost/schedule performance variances, and prepare corrective action plan.
3. The ESQ Director has responsibility for the following:
- Define the ESQ mission objectives.
 - Decide the ESQ organization.
 - Identify work scope priorities.
 - Approve the PMP and subsequent revisions.
 - Assign Control Account Manager responsibility.
 - Oversee the monthly performance review meeting.

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Exhibit I. Responsibility Assignment Matrix

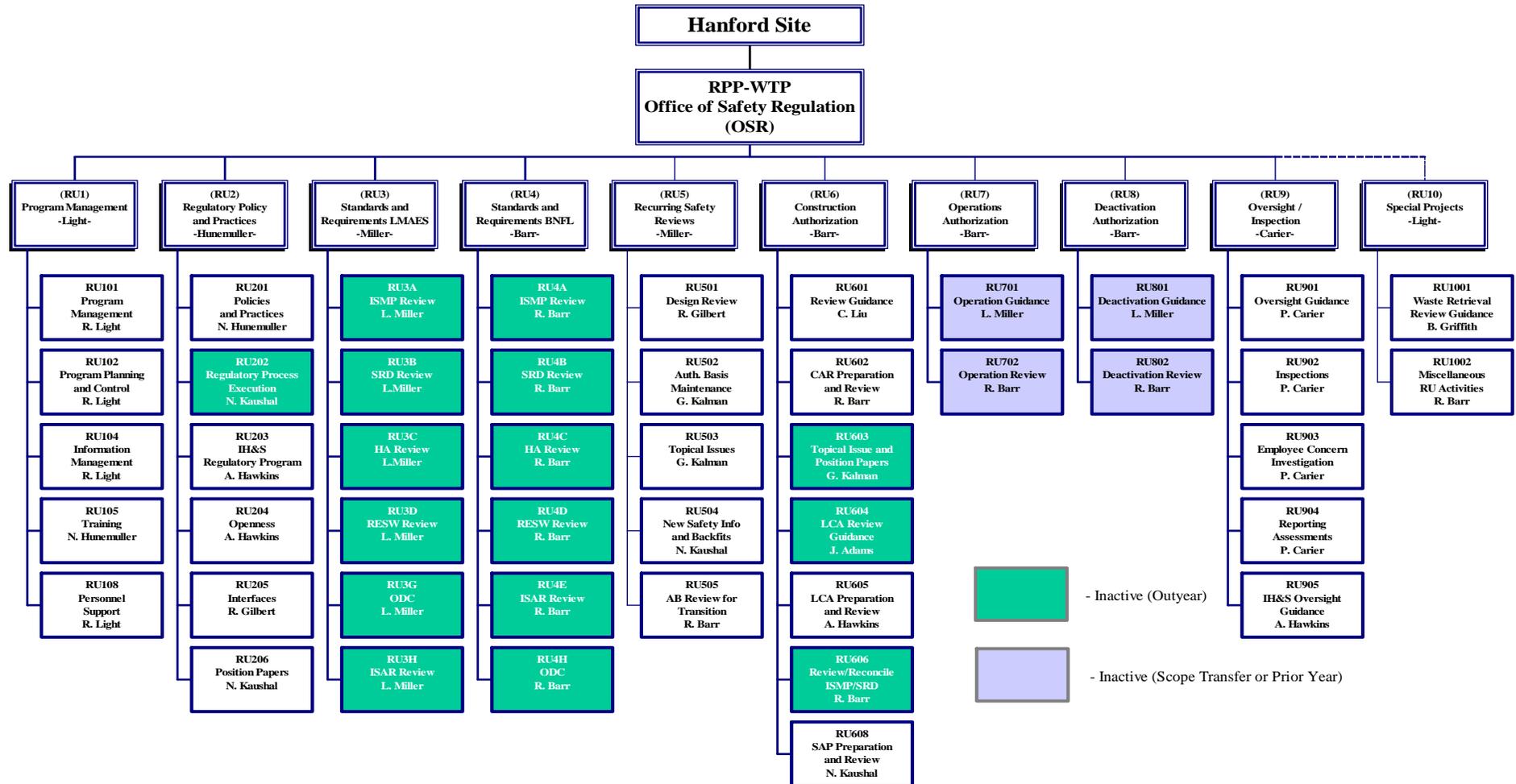
ORP WBS	ESQ Charge Code	WBS Title	Responsible Person
5.06		Manage Project	
5.06.03		Manage Treatment	
5.06.03.01		Manage Treatment System Requirements	
5.06.03.02		Initial Waste Quantity	
5.06.03.02.07		Manage WTP ESH&Q	
5.06.03.02.07.02		ESQ Manage WTP ESH&Q	
5.06.03.02.07.02.01		Industrial Health & Safety	
5.06.03.02.07.02.01.01	ESQ203	IH&S Regulatory Program	W. Pasciak
5.06.03.02.07.02.02	ESQ5	Safety Reviews	
5.06.03.02.07.02.02.01	ESQ501	Design Review	L. Miller
5.06.03.02.07.02.02.02	ESQ502	Authorization Basis Maintenance	W. Pasciak
5.06.03.02.07.02.02.03	ESQ503	Topical Issues/DNFSB Interface	K. Chen
5.06.03.02.07.02.02.04	ESQ504	Safety Updates & Back-fits	L. Miller
5.06.03.02.07.02.02.05	ESQ505	AB Review for Transition	Complete
5.06.03.02.07.02.03	ESQ6	Construction Authorization	
5.06.03.02.07.02.03.01	ESQ601	CAR Review Guidance	Complete
5.06.03.02.07.02.03.02	ESQ602	CAR Preparation and Review	L. Miller
5.06.03.02.07.02.03.03	ESQ605	LCA Preparation and Review	Complete
5.06.03.02.07.02.03.04	ESQ608	SAP Preparation and Review	L. Miller
5.06.03.02.07.02.04	ESQ7	Operations Authorization	
5.06.03.02.07.02.04.01	ESQ701	Operations Guidance	L. Miller
5.06.03.02.07.02.04.02	ESQ702	Operations Review	L. Miller
5.06.03.02.07.02.05	ESQ8	Deactivation Authorization	
5.06.03.02.07.02.05.01	ESQ801	Deactivation Guidance	L. Miller
5.06.03.02.07.02.05.02	ESQ802	Deactivation Review	L. Miller
5.06.03.02.07.02.06	ESQ9	RNPS	
5.06.03.02.07.02.06.01	ESQ901	Oversight Guidance RNPS & QA	P. Carier
5.06.03.02.07.02.06.02	ESQ902	Inspections RNPS & QA	P. Carier
5.06.03.02.07.02.06.03	ESQ903	Safety Employee Concerns Investigation	P. Carier
5.06.03.02.07.02.06.04	ESQ904	Operational Assessment Reporting	Complete
5.06.03.02.07.02.06.05	ESQ905	Oversight Guidance (IH&S)	P. Carier
5.06.03.02.07.02.06.06	ESQ906	Inspections (IH&S)	P. Carier
5.06.03.02.07.02.07	ESQ10	Special Projects	
5.06.03.02.07.02.07.01	ESQ1001	Waste Retrieval Review Guidance	Complete
5.06.03.02.07.02.07.02	ESQ1002	Misc. ESQ Activities	R. Barr
5.06.06		Project Integration and Control	
5.06.06.63		Manage ESH&Q	
5.06.06.63.02		ESQ	
5.06.06.63.02.01.01	ESQ101	Program Management	R. Barr
5.06.06.63.02.01.02	ESQ102	Program Planning & Control	R. Barr
5.06.06.63.02.01.03	ESQ104	Correspondence Control & Document Mgmt	R. Barr
5.06.06.63.02.01.04	ESQ105	Training	R. Barr
5.06.06.63.02.01.05	ESQ108	Personnel Support	R. Barr
5.06.06.63.02.02	ESQ2	Regulatory Policies & Practices	

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ORP WBS	ESQ Charge Code	WBS Title	Responsible Person
5.06.06.63.02.02.01	ESQ201	Policies & Practices	R. Barr
5.06.06.63.02.02.02	ESQ204	Openness	R. Barr
5.06.06.63.02.02.03	ESQ205	Interfaces	R. Barr
5.06.06.63.02.02.04	ESQ206	Position Papers	R. Barr

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Exhibit II. Work Breakdown Structure



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Exhibit III. Milestone Control Log

<i>MILESTONE CONTROL LOG</i>							
<i>MILESTONE</i>		<i>WBS</i>	<i>MILESTONE DESCRIPTION</i>	<i>BASELINE COMPLETION DATE</i>	<i>SCHEDULE STATUS</i>	<i>FORECAST COMPLETION DATE</i>	<i>ACTUAL COMPLETION DATE</i>
<i>TYPE</i>	<i>NUMBER</i>						
FISCAL YEAR 2000							
RL	00-010	RU902	Standards Selection Inspection rpt issued	10/12/99	Complete	10/06/99	10/06/99
RL	00-011	RU902	Authorization Basis Inspection rpt issued	11/08/99	Behind	11/10/99	
RL	00-012	RU902	Safety Integration Inspection rpt issued	12/07/99	On Schedule	12/07/99	
FO	00-013	RU203	IH&S Plan issued	12/30/99	On Schedule	12/30/99	
RL	00-014	RU902	Standards Implementation Inspection rpt issued	1/19/00	On Schedule	1/19/00	
FO	00-015	RU205	Revised Interface Plan issued	1/31/00	On Schedule	1/31/00	
RL	00-016	RU902	Design Process Inspection rpt issued	2/14/00	On Schedule	2/14/00	
RL	00-017	RU902	Employee Concerns Program Inspection rpt issued	3/13/00	On Schedule	3/13/00	
RL	00-018	RU902	Training & Qualifications Inspection rpt issued	4/07/00	On Schedule	4/07/00	
RL	00-019	RU608	SAP Rvw Handbook issued	5/12/00	On Schedule	5/12/00	
RL	00-020	RU605	LCA Rvw Handbook issued	5/17/00	On Schedule	5/17/00	
FO	00-004	RU502	ER & Approval of QAPIP Rev. 6 issued	6/09/00	On Schedule	6/09/00	
FO	00-002	RU204	Openness Plan Rev. 3 issued	6/30/00	On Schedule	6/30/00	
RL	00-021	RU902	QA Inspection rpt issued	7/17/00	On Schedule	7/17/00	
RL	00-022	RU602	CAR Rvw Handbook issued	7/21/00	On Schedule	7/21/00	
FO	00-023	RU502	Approval of RPP Rev. #3 issued	7/28/00	On Schedule	7/28/00	
RL	00-024	RU902	Corrective Actions Inspection rpt issued	8/11/00	On Schedule	8/11/00	
RL	00-025	RU902	ALARA Inspection rpt issued	9/11/00	On Schedule	9/11/00	
FO	00-003	RU102	FY 2001 PMP issued	9/29/00	On Schedule	9/29/00	

Exhibit IV. Milestone Description Sheet

WTP
OFFICE OF ENVIRONMENTAL SAFETY AND QUALITY
MILESTONE DESCRIPTION SHEET

TITLE: _____ **DATE:** _____
ASSIGNED TO: _____ **CIN:** _____
PROGRAM WBS _____ **COMPLETION**
DESIGNATOR: _____ **DATE:** _____
REVISION: _____
NUMBER: _____

MILESTONE CLASS: <input type="checkbox"/> DOE-HQ <input type="checkbox"/> DOE-FO (MAJOR) <input type="checkbox"/> DOE-ORP (KEY) <input type="checkbox"/> INTERNAL	DELIVERABLE: REPORT LETTER DRAWINGS OTHER (Specify)	ADDRESS TO: DOE-HQ DOE-ORP OTHER (Specify)
--	--	--

DESCRIPTION AND WHAT CONSTITUTES COMPLETION OF THIS COMMITMENT:

COST ACCOUNT MANAGER:	DATE:	PROGRAM/PROJECT MGR:	DATE:

6.0 Development of the Annual ESQ Budget Request

6.1 THE ESQ ANNUAL BUDGET DEVELOPMENT PROCESS

The ESQ budget is submitted annually to the Assistant Secretary of Environmental Management (EM-1) as part of the Office of River Protection (ORP) budget request. The budget request is submitted as part of the ORP Project Baseline Summary (PBS) sheets, which defines the multi-year technical, cost, and schedule requirements. The ESQ budget request is predicated on the PMP baseline plan, with primary focus placed on the upcoming three planning periods. The three planning periods are referred to as follows:

- The Current Year of Execution, which reflects the actual Congressional Appropriation received.
- Budget Year (Execution Year plus one year), which reflects the Congressional Budget Request.
- Planning Year (Execution Year plus two years), which reflects the DOE-HQ Budget Request.

Exhibit II-1 reflects the ORP budget formulation process and the submittal of the Budget Request to DOE-HQ. Based on negotiated budget targets, the PBSs are submitted in April of each year and reflect milestones, budget, and work scope descriptions. The Federal Budget Process, as shown in Exhibit II-2, displays the timing and process flow for each annual budget request.

ORP has two PBSs: ORP0014 and ORP0060. The ESQ request is contained in PBS number ORP0014.

6.2 ELEMENTS OF THE ANNUAL BUDGET REQUEST

Integrated Priority List

The ORP annual budget request is developed to produce a prioritized project budget. All ORP work scope is summarized into a Project IPL. Input to the IPL is collected from each program and prioritized according to ORP approved work prioritization criteria.

Each entry to the IPL constitutes a discrete element of work scope that must be linked to a project WBS element and to an activity or summary of activities on the project schedule. The activities and schedule are based on the approved PMP. Each IPL Unit of Analysis should be discrete, such that not funding the item would not have an impact on other items on the list.

The format and required schedule for the IPL development will be directed each year by ORP in the Mission Planning Guidance. The Mission Planning Guidance describes the process for

prioritization, minimum requirements, and integration of each of the individual project priority lists.

Project Baseline Summary (PBS)

The Site Path to Closure is an annual submission to DOE-HQ of each Site's plan for supporting the cleanup mission over the life cycle of the Site. The Path to Closure drives budget decisions, sequencing of projects, and actions taken to meet Site and EM complex objectives.

One of the elements of the Path to Closure is the PBS. The PBS represents a single, summary level document describing the major management characteristics of each project. When the PBSs are finalized at the Site, they are used to communicate the details of the budget request to the DOE-HQ Office of Chief Financial Officer, Office of Management and Budget, and ultimately to Congress.

The PBS functions as the main working document for budget formulation and includes the following:

- technical scope and narrative description
- cost baseline
- schedule baseline and milestones
- life-cycle metrics and annual performance targets
- financial history and budget
- budget request justifications
- other information, such as risk assessments and assumptions.

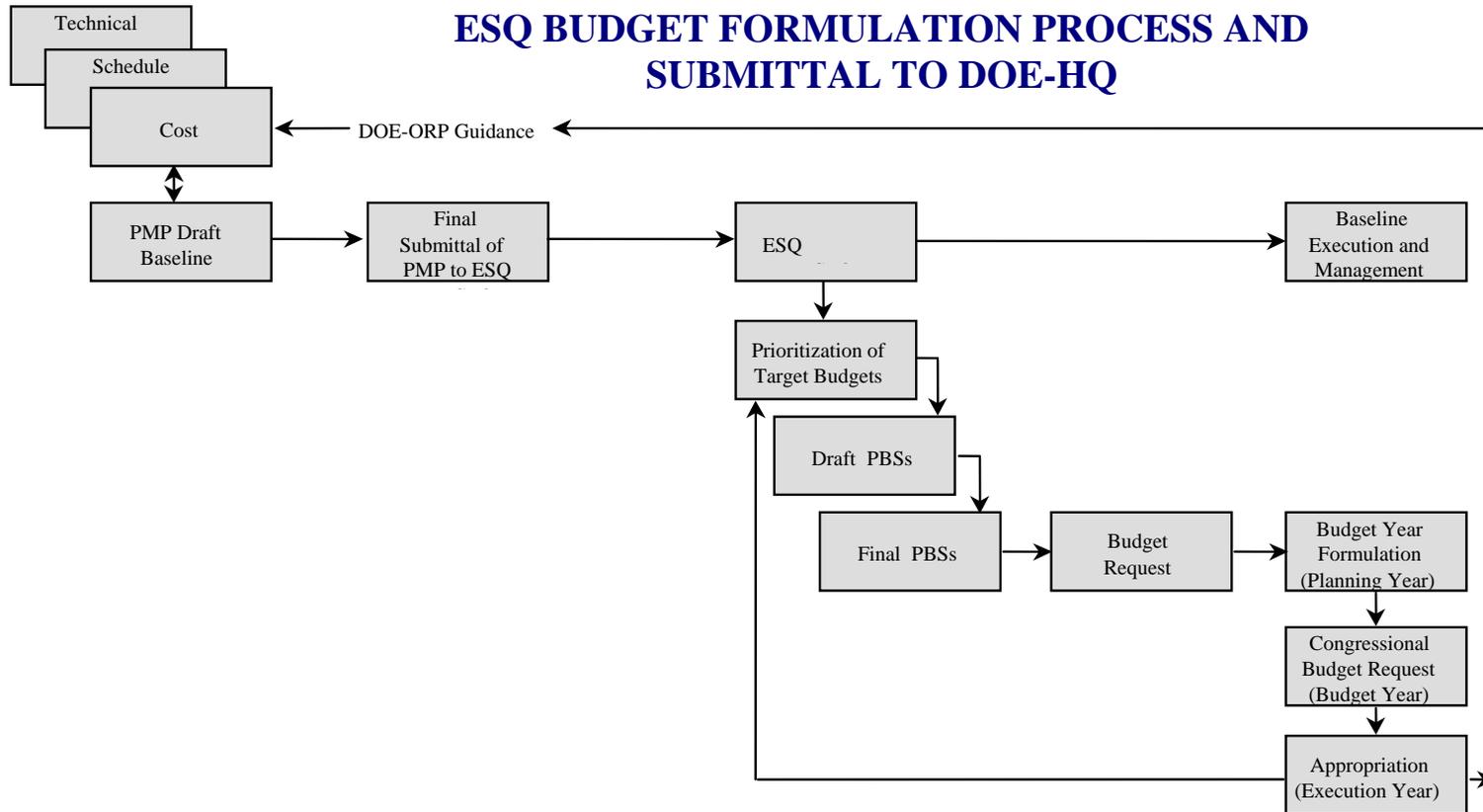
Each project's PBS(s) should reflect the negotiated budget targets arrived at as a result of budget allocations determined by the integrated prioritization process reflected in the IPL. In addition, the PBS should address any unfunded critical work scope items and resulting compliance issues.

The specific format and schedule required for annual submittal of the PBSs will be directed by DOE-HQ in the Path to Closure and with Site-specific direction coming from ORP in the Mission Planning Guidance. PBS development typically commences in late November and concludes between May and June of each year.

6.3 RESPONSIBILITIES

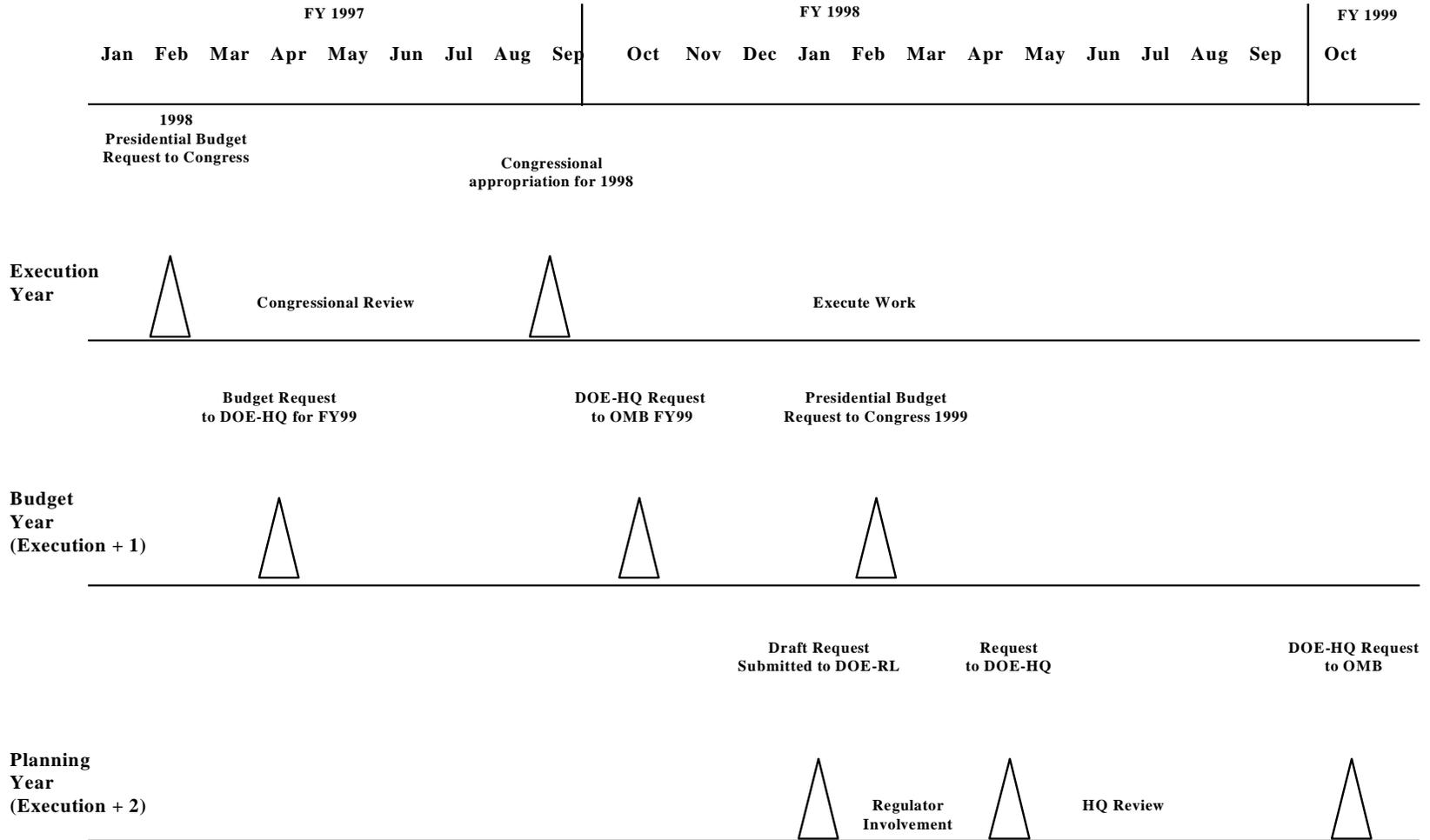
The ADMINISTRATION TEAM has the specific responsibility for developing the IPL and PBS for the ESQ. The Safety and Standards Review Official, the Project Management Official, and the Verification and Confirmation Official are responsible for reviewing the documents and recommending them for approval to the ESQ DIRECTOR. The ESQ DIRECTOR has specific responsibility for approving the ESQ IPL and PBS and transmitting the documents.

Exhibit V. ORP Budget Formulation Process and Submittal to DOE-HQ



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Exhibit VI. Timing and Process Flow for Each Annual Budget Request



7.0 Work Authorization

7.1 REQUIREMENT FOR FORMAL WORK AUTHORIZATION

All ESQ work scope is described and authorized through the work authorization process before execution begins. Work authorization includes formal definition and direction of work scope, schedule, and budget before activities are initiated. The significance of work authorization is that it ensures that no work is authorized unless it is properly planned and funded.

The ESQ work authorization process begins with the approved PMP. Deliverables and associated budget and scope by WBS are assigned to specific Cost Account Plans prior to initiation of the associated fiscal year. The Cost Account Plans are prepared according to the WBS and the defined scope within the WBS Dictionary. Schedules and cost estimates are developed at the work package or task level for each cost account. After the CAM and ESQ DIRECTOR approve the Cost Account Plans, formal work authorization for the initiation of work will be provided. The authorization of work will be identified in a letter to the CAMs and will include allocating available funding. A funding ceiling will be identified for each cost account.

8.0 Performance Measurement and Reporting

8.1 ESQ Monthly Performance Report

The ESQ Monthly Performance Report provides the ORP Manager with a monthly performance assessment of work progress. The report includes highlights of accomplishments, issues, schedule advancement and actual cost data. The Administration Team generates the report with assistance from the CAMs.

8.2 Elements Of The ESQ Monthly Performance Report

The ESQ Monthly Performance Report will contain the following reporting requirements:

1. Executive Summary

- Narrative Highlights – Includes significant activities accomplished or in progress. The activities will be in a “bulletized” format, followed by additional detail.
- Issues/Concerns – Includes key ESQ technical items that could impact or modify the regulatory process or privatization schedule or cause work scope modifications.
- Cost/Schedule Performance Summary (graph) – Includes ESQ Program support work performance against the established baseline. A narrative cost/schedule performance overview will be included.

2. Program Performance Overview

- Detailed Cost/Schedule Performance Status – Includes cost/schedule performance status for program direction and program support. Includes explanation of schedule variances (BCWS – BCWP [Budgeted Cost of Work Performed less Budget cost of work scheduled]) and cost variance (BCWP – ACWP [Actual Cost of Work Performed]) when variances exceed 15% of the BCWP. It also includes an estimate at completion and funds status.
- Major Milestone Status – Includes a baseline vs. forecast and actual completion status of all major reportable milestones (Field Office and Richland).
- Full Time Equivalent Profile – Includes a baseline vs. actual status for federal, national, Laboratory, and other subcontractor personnel.
- Change Control – Includes a chronology of baseline change requests. This log identifies the net changes to the cost and schedule baseline and outstanding changes still in review.

3. Three-Month Look Ahead

- Includes a three-month look ahead of forecast ESQ major and key events.

Exhibit VII. ESQ Monthly Performance Report

Attachment
04-ESQ-004

ORP/OSR-2003-21

**OFFICE OF ENVIRONMENTAL,
SAFETY AND QUALITY
MONTHLY PERFORMANCE REPORT
December 2003**



December 30, 2003

Office of Environmental Safety and Quality

U.S. Department of Energy
Office of River Protection
P.O. Box 450, H6-60
Richland, Washington 99352

Approved: _____
Director

Date: _____

EXECUTIVE SUMMARY

U.S. DEPARTMENT OF ENERGY (DOE), OFFICE OF RIVER PROTECTION (ORP), OFFICE OF ENVIRONMENTAL, SAFETY AND QUALITY (ESQ) ACTIVITIES

Preliminary Safety Analysis Report (PSAR) Review

The team review of the PSAR annual update was completed by ESQ on December 18, 2003, as scheduled. The Safety Evaluation Report, which documents the results of the review, was also prepared and is with ORP senior management for final review. The most significant open issues concern the following: the restoration of worker design basis events, which were inappropriately deleted by Bechtel National, Inc. (BNI); the discovery of a High-Level Waste (HLW) vessel overblow design basis event which had not been previously considered by BNI; an increase in the radioactive source term of approximately one order of magnitude, due to consideration of a variety of wash and leach scenarios (with no impact on control strategies due to significant safety margin in design); uncertainties in the operational risk estimate that will require further refinement of the estimate as the design evolves; and postponement of resolution of several significant hazard analyses, principally explosive gas scenarios.

Tank Closure Environmental Impact Statement (EIS)

The Tank Closure EIS team finished its internal review and modifications of the draft EIS. The State of Washington Department of Ecology (Ecology) completed and submitted their Introductory Statement to the EIS for final technical editing. The draft EIS was delivered to DOE Headquarters on January 9, 2004. A comment disposition meeting between ORP and DOE Environmental Management will be held in Washington D.C. in February 2004. The Record of Decision (ROD) is currently scheduled for completion on September 2, 2004.

The National Emission Standards for Hazardous Air Pollutants (NESHAPs) 40 Code of Federal Regulations 61 Subpart H Compliance Plan

ORP submitted the NESHAPs Compliance Plan to the Environmental Protection Agency (EPA) on December 2, 2003. On December 12, 2003, ORP discussed the Compliance Plan with EPA Region 10. EPA sent ORP and DOE, Richland Operations Office (RL), a letter on December 24, 2003, acknowledging receipt of the Compliance Plan, ORP's compliance efforts to date, and the acceleration of stack sampling inspections. The letter further directs ORP to pursue incorporation of the Plan commitments into the Title V structure via modification to the Air Operating Permit.

Hanford Facility Resource Conservation and Recovery Act (RCRA)/Dangerous Waste Permit

The public comment period for the proposed modification to the Waste Treatment and Immobilization Plant (WTP) specific chapter of the Hanford Facility RCRA Permit ended on December 15, 2003. The modification incorporated information submitted in 12 permit design packages for the WTP Pretreatment Facility, HLW Vitrification Facility, and Analytical

Laboratory. The State of Washington Department of Ecology (Ecology) received no comments to the permit modification. Ecology approved the modification on December 18, 2003.

Two WTP permit design packages were submitted to Ecology for approval in December 2003. The packages, when approved, will allow construction on the radioactive liquid disposal tank system at the +3 ft. elevation of Low Activity Waste Vitrification Facility, and on ancillary equipment for the melter off gas treatment system tanks in the HLW Vitrification Facility. In addition, the dangerous waste permit Traffic Analysis Report was also submitted on schedule.

High-Level Waste Class 2 Permit Modifications

The public comment period for the proposed Class 2 permit modifications for the HLW Facility ended December 27, 2003. The modifications propose an addition of the pour tunnels to the permit and deletion of the drum transfer tunnel from the permit. Ecology received no comments on the permit modification. Ecology approval of the modification is expected in January 2004.

Environmental Management System (EMS)

DOE O 450.1, Environmental Protection Program, requires DOE facilities to implement an integrated EMS as part of the Integrated Safety Management System (ISMS). The Order requires the integration be implemented by December 31, 2005. A preliminary project plan and integrated schedule have been developed for the implementation. Upcoming activities include: establishing the ISMS/EMS team; conducting the ISMS/EMS Gap Analysis; defining the Scope of the ISMS/EMS; and development of an ESQ Policy Statement. Key issues to be addressed include: 1) role of primary contractors in the EMS process; 2) establishment of the EMS team; 3) integration of work scope with RL; and 4) scope of the EMS.

BNI Design Process Inspection

The Design Process Inspection report was issued in December 2003. The inspection team identified no Findings. Four As Low As Reasonably Achievable related Assessment Follow-up Items are being tracked. The inspectors concluded the Contractor's design process was adequate, noting improvements in the area of design calculations. The inspectors identified a vulnerability dealing with the documented traceability of design inputs to the approved design.

ISSUES/CONCERNS

ORP continues to closely monitor the support contractor cost for preparation of the Tank Closure EIS. The current budget baseline of \$4.5M (does not include fee) is not adequate to fund EIS activities through the ROD, planned for September 2004. ORP is currently reviewing updated cost projections from the contractor. Final support contractor cost for the EIS could be in the \$7M range.

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**OFFICE OF ENVIRONMENTAL SAFETY AND QUALITY
(ESQ)**

MONTHLY PERFORMANCE REPORT

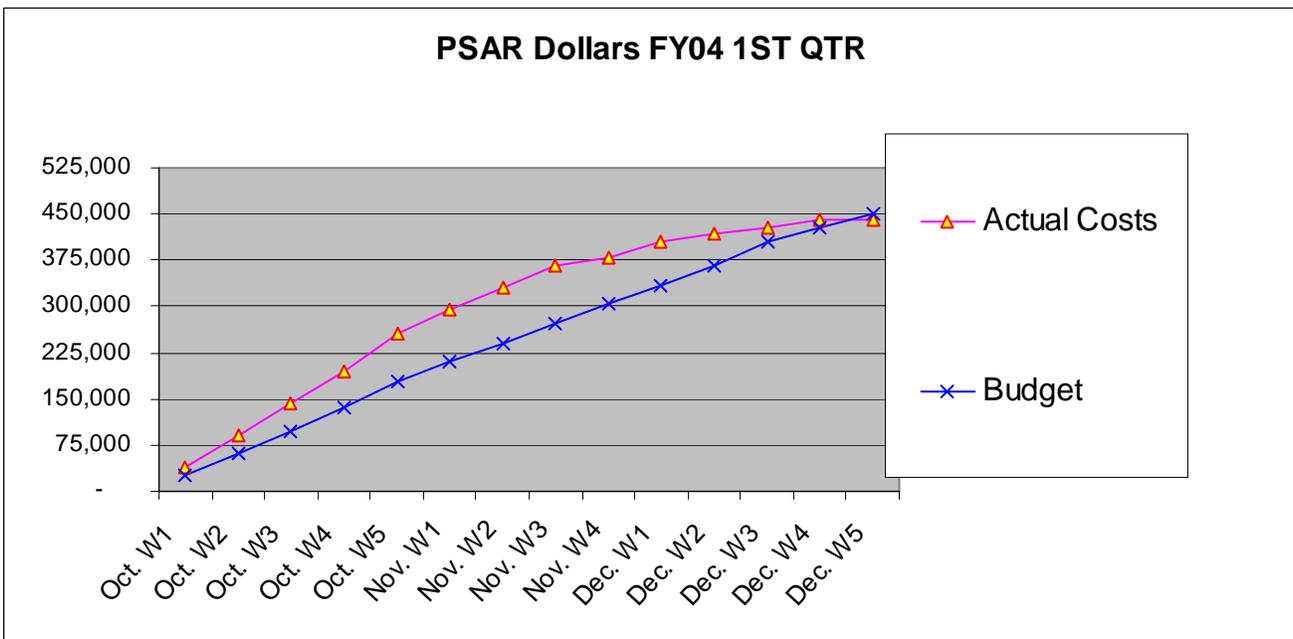
DECEMBER 2003

1.0 ESQ KEY PERFORMANCE INDICATORS

The ESQ key performance indicators for December 2003 are as follows:

Annual Preliminary Safety Analysis Report (PSAR) Update Review

The PSAR Safety Evaluation Report (SER) is drafted in support of the December 18, 2003, due date, with final review and concurrence to occur with the U.S. Department of Energy (DOE), Office of River Protection (ORP) senior management by January 30, 2004. Through November 2003, the PSAR activity had a \$35K negative cost variance due to accelerated work efforts. However, the PSAR was completed on schedule and within budget in December 2003 due to the utilization of additional Federal resources.

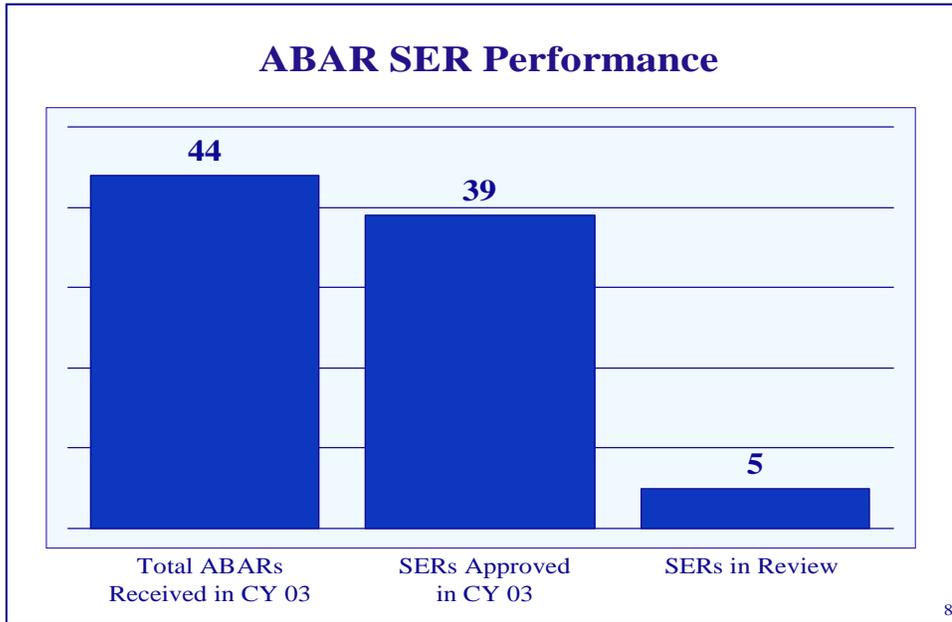


Tank Closure Environmental Impact Statement (EIS)

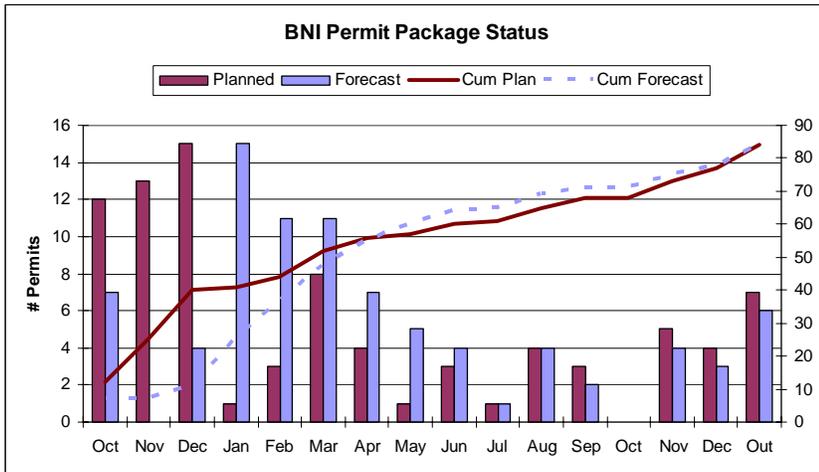
The Tank Closure EIS Record of Decision (ROD) is currently forecast to complete on September 2, 2004. This is a delay from the previous forecast of May 28, 2004. The support contractor cost for completion of the EIS is currently trending to \$7M. Authorized funding for the EIS is \$4.8M. The contractor has submitted an updated estimate and ORP is evaluating options for additional funding.

Authorization Basis Amendment Request (ABAR) Review Status

The Office of Safety Regulation ABAR review status, as of the end of December 2003, is shown in the following table:



In calendar year 2003, 44 ABARs were received, 39 SERs were approved, and five remain open.



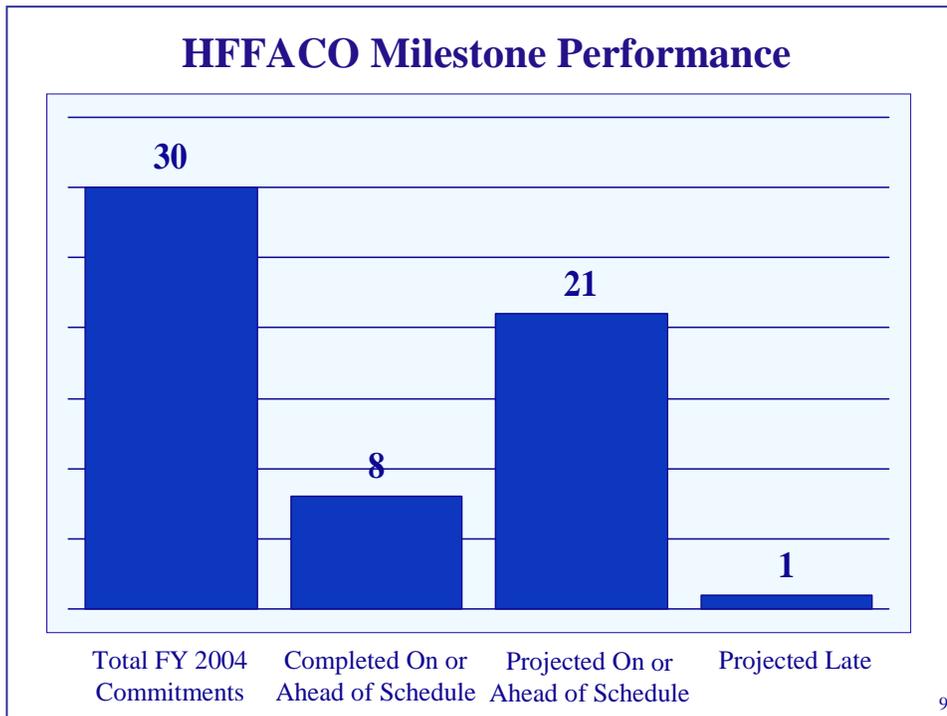
Bechtel National, Inc. (BNI) permit package status

The actual number of BNI design packages submitted to ORP through December 2003 is less than the original baseline plan. The submittal of design packages has shifted two to three months out in Fiscal Year (FY) 2004. Recent forecasts from BNI indicate design package submittals will accelerate in the January to March 2004 time frame. Permit

package approval is required by the State of Washington Department of Ecology (Ecology) for construction starts. Additional analysis was performed to determine if the delays in permit package submittals will impact the Waste Treatment and Immobilization Plant (WTP) construction schedule. Our analysis concluded that current permit activities will have no near-term (next 12 months) impact on the construction schedule because of adequate float between Ecology approval and forecasted construction starts.

Hanford Federal Facility Agreement and Consent Order (HFFACO) Commitments

Completion of HFFACO milestones on or before schedule continues to be excellent in FY 2004. Of the thirty HFFACO commitments in FY 2004, eight have been completed ahead of schedule, one is forecasted late, and the remaining 21 are either on or ahead of schedule (see table below).



2.0 NEAR-TERM LOOK AHEAD

Planned activities for the next 90 days include the following:

January - March 2004 – ESQ

- Conduct the following inspections of WTP activities:
 - Document Control and Records Management Inspection;
 - Price-Anderson Amendment Act Program Review Inspection;
 - Design/Analysis Computer Software Inspection;
 - Quality Control Program Inspection;
 - Procurement Program Inspection;
 - Identification and Control of Items and Process Program Inspection; and
 - Personnel Training and Qualifications Assessment.
- Finish review of BNI's important-to-safety reclassification submittal;
- Continue review and approval of ABARs;
- Complete senior management review of the BNI Annual Updated PSAR;

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- Start review of high priority structures, systems, and components reclassification proposals;
- Review and submittal of additional WTP Resource Conservation and Recovery Act permit design packages;
- Issue Draft Tank Closure EIS;
- Assist in completion of Final Hanford Solid Waste (HSW) EIS;
- Assist in issuance of the ROD for HSW EIS; and
- Environmental Management System kick-off and implementation.

3.0 FY 2004 Hanford Federal Facility Agreement and Consent Order (HFFACO) Commitments

One HFFACO commitment (Milestone M-045-05L-T01) was scheduled for completion in November 2003, and is late with a forecast completion of January 31, 2004, completion. One milestone (D-001-14-T01) was scheduled for completion in December 2003 but this milestone was completed early (August 2003). Of the 30 HFFACO commitments in FY 2004, eight have been completed ahead of schedule, one is forecasted late, and the remaining 21 are either on or ahead of schedule (see table below).

FY Quarter	Milestone No.	Milestone Due Date	Forecast Completion Date	Responsible Person	Description
1st Qtr October - December	D-001-00-R18	10/31/03	10/29/03*	J. Long	DOE Shall, on a Quarterly Basis, Submit to Ecology a Written Report Documenting Tank Stabilization Activities that Occurred During the Period Covered by the Report
	M-062-07A	10/31/03	7/24/03*	M.L. Ramsay	Initial Erection of Low-Activity Waste (LAW) Vitrification Facility Elevation - 21' Structural Steel Columns, Beams, and Q Deck at Elevation +3
	M-045-05L-T01	11/1/03	1/1/04	J. Davis	Complete Full Scale C-106 Waste Retrieval. Not completed on time, estimate of completion by 1/31/2004.
	D-001-14-T01	12/30/03	8/21/03*	J. Long	Complete pumping of C-103
2nd Qtr January - March	D-001-00-R19	1/31/04	1/31/04	J. Long	DOE Shall, on a Quarterly Basis, Submit to Ecology a Written Report Documenting Tank Stabilization Activities that Occurred During the Period Covered by the Report
	M-062-01H	1/31/04	1/31/04	J. Eschenberg	Submit Semi-Annual Project Compliance Report
	M-045-05M-T01	2/27/04	2/27/04	R.A. Quintero	Submit C-106 Waste Retrieval Results Analysis of Residual Waste(s) and (if, Appropriate) Request for Exception to the Criteria Pursuant to Agreement Appendix H
	M-045-00C	2/28/04	2/28/04	R.A. Quintero	Complete Renegotiation of Second Phase (I.E., 9/30/2006 through 9/30/20015) Single-Shell Tank (SST) Waste Retrieval Activities
	M-023-25F	3/31/04	3/31/04	D.J. Williams	M-023-25F Complete the Installation of Liquid Observation Wells (LOWs) and Begin Weekly Liquid Observation Monitoring for Four Additional SSTs
	M-045-05B	3/31/04	5/30/03*	R.A. Quintero	Complete S-102 Initial Retrieval Project Design
	M-045-05C	3/31/04	3/26/04	R.A. Quintero	Complete S-102 Retrieval Construction
	M-046-01J	3/31/04	3/31/04	J.J. Lyon	Concurrence of Additional Tank Acquisition. Awaiting Ecology action.
3rd Qtr April-June	D-001-00-R20	4/30/04	4/30/04	J. Long	DOE Shall, on a Quarterly Basis, Submit to Ecology a Written Report Documenting Tank Stabilization Activities that Occurred During the Period

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FY Quarter	Milestone No.	Milestone Due Date	Forecast Completion Date	Responsible Person	Description
					Covered by the Report
	M-045-05H	4/30/04	4/30/04	R.A. Quintero	Interim Completion of Tank C-106 SST Waste Retrieval and Closure Demonstration Project
	M-047-05	5/31/04	10/7/03*	C.S. Louie	Start Construction of Waste Retrieval and Mobilization Systems for selected Initial LAW Feed Tank
	M-045-03G	6/30/04	8/13/03*	R.A. Quintero	Complete C-104 Sludge/Hard Heel, Confined Sluicing and Robotic Technologies, Waste Retrieval Cold Demonstration
	M-045-06-T20A	6/30/04	6/29/04	R.A. Quintero	Submit SST System Implementation Plan in Support of Retrieval and Closure Activities
4th Qtr July - September	M-047-03	7/30/04	12/31/03*	C.S. Louie	Start Construction of Waste Retrieval and Mobilization
	D-001-00-R21	7/31/04	7/31/04	J. Long	DOE Shall, on a Quarterly Basis, Submit to Ecology a Written Report Documenting Tank Stabilization Activities that Occurred During the Period Covered by the Report
	M-062-01I	7/31/04	7/31/04	J. Eschenberg	Submit Semi-Annual Project Compliance Report
	D-001-00	9/30/04	9/30/04	J. Long	DOE Shall Complete Interim Stabilization of all 29 SSTs
	M-023-25	9/30/04	9/30/04	J. Long	Complete the Installation of LOWs for SSTs AX-103, B-101, T-109, TX-103, TX-104, B-107, B-108, B-109, BY-108, BX-110, TX-116, C-102, C-105, BX-109, TY-105, U-110, A-106, C-112, SX-111, SX-112, S-107, C-103, and TX-105
	M-023-25G	9/30/04	9/30/04	J. Long	Complete the Installation of LOWs and Begin Weekly Liquid Observation Monitoring for Four Additional SSTs
	M-045-02M	9/30/04	9/30/04	R.A. Quintero	Submit Annual Update of SST Retrieval Sequence Document
	M-045-03E	9/30/04	6/30/03*	R.A. Quintero	Complete S-112 Saltcake Waste Retrieval Technology Demonstration Construction
	M-045-03H	9/30/04	6/2/04	R.A. Quintero	Complete C-104 Sludge/Hard Heel, Confined Sluicing and Robotic Technologies, Waste Retrieval Demonstration Design
	M-045-06B	9/30/04	9/30/04	R.A. Quintero	Submit a Certified SST System Closure Plan Modification and S-112 Waste Retrieval and Closure Demonstration Plan
	M-045-06C	9/30/04	9/30/04	R.A. Quintero	Submit a Certified SST System Closure Plan Modification and S-102 Waste Retrieval and Closure Demonstration Plan
	M-046-00K	9/30/04	9/30/04	C.S. Louie	Double-Shell Tank (DST) Space Evaluation
M-048-12	9/30/04	9/30/04	A.J. Stevens	Submit Results of (4) DST's Not Previously Examined	

* denotes actual completion date

4.0 COST AND SCHEDULE PERFORMANCE OVERVIEW

The following Cost and Schedule performance charts reflect status as of December 31, 2003. The overall ESQ cost performance has a positive cost variance of \$104K. The Year-to-Date Schedule Variance is a negative \$5k. No cost or schedule issues exist at this time, or are projected for fiscal year-end. 32% of the FY 2004 budget has been spent through December 2003 as planned, which is a reflection of the front loading associated with the updated PSAR review.

Although the current Straight-Line Cost Trend exceeds the Budget at Completion (BAC), the year-end spend forecast remains equal to the authorized BAC of \$2,847k. The Cost Trend reflects the first Quarter PSAR activity. The Cost Trend will correct itself back to the BAC by February 2004. No year-end cost overruns will occur.

The cost/schedule performance ratios are excellent. The Cost Performance Index is 1.11 and the Schedule Performance Index is 0.995.

Figure 1. ESQ Performance Overview

ESQ December 2003 Performance Overview

Figure 2. ESQ Monthly Performance Profile

(Mission Support Only)

ESQ December 2003 Performance Overview

(\$000)

(Mission Support Only)

	WBS	WBS Title	FYTD BCWS	FYTD BCWP	FYTD ACWP	SV	CV	BAC
	ESQ101	Program Oversight	21	21	23	0	(2)	31
	ESQ102	Prog. Planning & Control	52	52	53	0	(1)	211
	ESQ104	Information Mgmt	46	46	10	0	36	185
500	ESQ108	Personnel Support	8	8	7	0	1	34
450	ESQ204	Openness	9	9	5	0	4	37
	ESQ502	Authorization Basis Maintenance	114	114	95	0	19	464
400	ESQ503	Topical Issues/DNFSB	100	100	63	0	37	445
350	ESQ602	CAR Prep & Review	465	465	458	0	7	807
300	ESQ902	Inspections	40	40	37	0	3	40
250	ESQ1000	ORP Support	0	0	9	0	(9)	0
	Sub Total OSR		855	855	760	0	95	2,253
200	ESQ10	NEPA & EIS	45	45	45	0	0	120
150	ESQ11	Environmental Permitting	100	95	93	(5)	2	444
100	SubTotal ED		145	140	138	(5)	2	564
50	ESQ12	Quality and Industrial Safety	20	20	13	0	7	30
0	Grand Total ESQ		1,020	1,015	911	(5)	104	2,847

ESQ104, 502 and 503 under cost due to increased utilization of federal staff and lower cost consultant mix. ESQ11 Minimal schedule delay due to lagging permit package submittals. No impact to the construction schedule is anticipated.

Cumulative cost under run due to increased Fed utilization on the updated Preliminary Safety Analysis Report (PSAR) review and continued ABAR/ABCN effort

Figure 3. ESQ Monthly FTEs

Cumulative FTEs by WBS

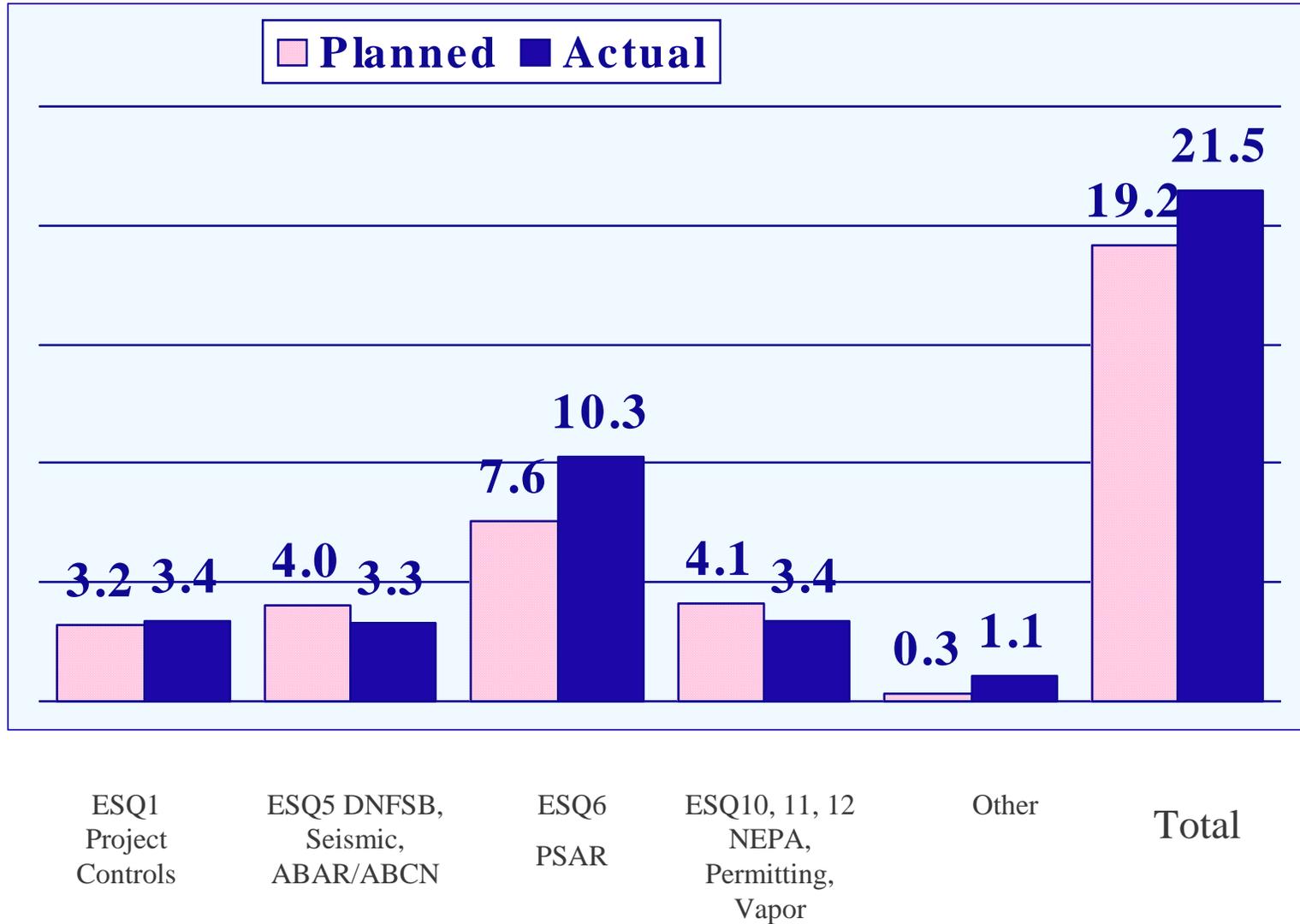
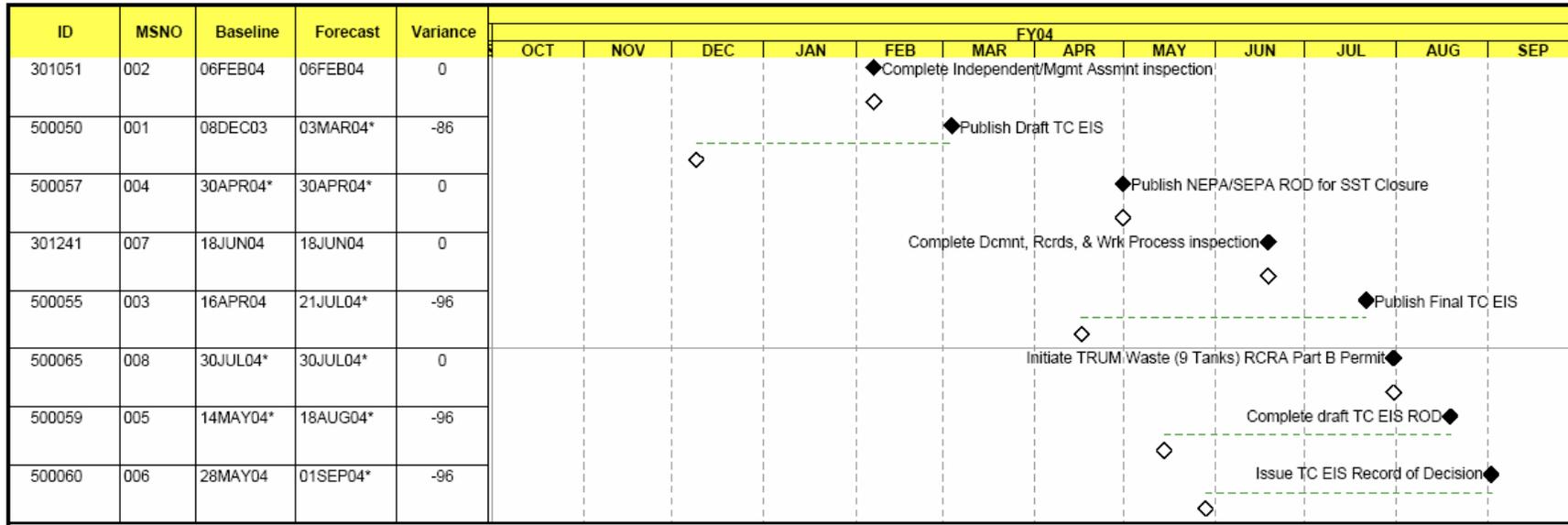


Figure 5. ED/QIS Milestone Performance

Milestone Baseline Performance Report

ED & QIS Milestones



Deliverables on schedule	4
Deliverables completed on schedule	0
Deliverables completed early	0
Deliverables completed late	0
Deliverables forecasted late	4
Total Deliverables	8

9.0 Baseline Change Control

9.1 Principle of Baseline Change Control

The objective of the Baseline Change Control System is to maintain an accurate, controlled baseline plan throughout the many phases and modifications of a project. The Change Control System also is critical to ensure that only planned, approved, and funded work is initiated and executed. The ESQ Change Control System requires a proposed change to be formally identified, documented, reviewed, dispositioned, and implemented.

Change management through the ESQ Change Control System provides several benefits to the project. This process ensures routine evaluation of the baseline and early recognition of problems that require corrective action. Also, through the close evaluation of the project baseline, cost underruns can be identified early and reallocated to unfunded or under-funded critical work scope. Finally, the Change Control System allows for a record of key modifications to the original baseline, thereby maintaining traceability back to the original approved plan.

9.2 Principles and Requirements of the ESQ Change Control System

To maintain and operate a viable Change Control System, some execution guidelines and principles must be defined, documented, and used:

1. **Definition of the ESQ Baseline** – The ESQ total baseline to be controlled consists of the following:
 - a. **Technical Baseline** – The defined work needed to meet the program’s technical and administrative requirements. The approved technical baseline is maintained in the ESQ WBS Dictionaries.
 - b. **Cost Baseline** – The total estimated cost for the planned work scope in a given period. The cost baseline includes the cost of resources for all personnel, materials, travel, subcontract support, support services, and indirects. The approved cost baseline for the project work is identified in the ESQ PMP. The cost baseline will be identifiable both on a life-cycle and fiscal year basis.
 - c. **Schedule Baseline** – The planned activities, linked or networked together, for the duration of the program segmented by DOE fiscal year. The schedule baseline time phases the work described in the WBS Dictionary and shows all constraining and required work, and their interdependency. The baseline schedule includes the approved DOE-HQ, ORP, and key milestones. For the year of execution, the schedule will be planned down to the work package or task level of the WBS. This schedule is the execution, performance measurement, and reporting plan at the working level for the designated fiscal year.

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- d. Funds Baseline – The total dollars obligated (Budget Authority) to the program as documented in the ORP Obligations Notice. The Obligations Notice also identifies how much of the total Budget Authority can be spent in a given fiscal year. This spending ceiling is called the Budget Outlay. Both total Budget Authority and Budget Outlay are controlled for the ESQ during a given fiscal year. All ESQ funding will be controlled on a Funds Log (described in Part VI of this handbook) and will reconcile to the ORP Obligations Notice.
 - e. Cost Baseline and Funding Relationship – The cost and schedule baselines identify the resources and time-phasing to accomplish the necessary work scope for the program. The funding baseline identifies the funds available to complete the work. Work scope may not be authorized and performed unless sufficient budget outlay (funding) has been provided to the program via the Obligations Notice.
 - f. At no time shall actual costs plus commitments exceed the total budget outlay authorized in the Obligations Notice. If necessary funding levels are not authorized, change control may be necessary to revise the cost and schedule baselines to reflect deferral of work scope or de-scoping of planned work.
2. **Classification of Changes** – The ESQ uses the change classification definitions and guidelines currently in place at ORP. Any baseline change that falls within the following category criteria will be designated a Class I, II, or III change:
- a. A Class I change involves revisions to any of the following baseline elements:
 - A change to the project level WBS element (Level 3).
 - Revision to the fiscal year or total program BCWS.
 - Any modifications to the Tri-Party Agreement, DOE-HQ, or ORP milestones.
 - A key technical or regulatory revision that impacts baseline planning.
 - A total project funding revision.
 - b. Class II changes involve the following:
 - A change to the program level WBS element (Level 4).
 - Revisions within or between the program element BCWS that does not impact the total ESQ BCWS.
 - Key milestones other than DOE-HQ and ORP milestones.
 - c. Class III changes include the following:

- Changes to the WBS Cost Account level (Level 5).
- Revisions to the Cost Account level BCWS that do not impact the program or program element WBS levels.
- Other program changes that do not meet the Class I or II criteria.

9.3 ESQ Change Evaluation Board

The ESQ will maintain a change evaluation board (CEB) that dispositions all Class I and Class II Change Requests. The CEB is chaired by the ESQ DIRECTOR, and the Secretary is the ADMINISTRATION TEAM Manager or lead. Other supporting members include the following:

- Business Integrator
- Planner/Scheduler
- Program Analyst

9.4 Responsibilities

1. The CAMs will have the following specific responsibilities:
 - Identifying necessary changes to the baseline and complete the Change Request form (Exhibit VI-1) and backup documentation for submittal to the CEB.
 - Ensuring all approved change requests are accurately implemented into the baseline plan.
 - Disposing of and implementing all Class III Change Requests.
2. The ADMINISTRATION TEAM will have the following specific responsibilities:
 - Assisting the Planner Scheduler in maintaining the project Change Log (Exhibit VI-2), which will document the status of all changes submitted to the CEB over the life of the project. This log will be formally issued monthly.
 - Maintaining all Change Control files, which includes a) original dispositioned Change Requests and b) historical records of the Change Control Log.
 - Assisting the CAMs in preparing the Change Request and supporting documentation.
 - Dispositioning and implementing all Class II Change Requests.
3. The CEB will have the following specific responsibilities:

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- Holding meetings when necessary to disposition all Class I and Class II Change Requests submitted.
 - Recommending any actions regarding the Change Request (Approve, Approve as Amended, Disapprove) to the CEB Chairperson.
4. The Planner Scheduler will have the following specific responsibilities:
- Maintaining the meeting agenda and meeting notes/actions for all CEB meetings.
 - Assigning a Change Request number to all submitted changes.
 - Recording all CEB Change Request dispositions and distributing them to the originating CAM for final implementation into the baseline.
 - Approving the Change Log for issuance to CEB and CAMs monthly.
5. The CEB Chairperson (ESQ DIRECTOR) will be have the following responsibilities:
- Disposition and implementing all Class I Change Requests.
 - Making final decisions regarding all submitted Change Requests.

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Exhibit VIII. Change Request Form

CHANGE REQUEST		2. CIN :	
1. <input type="checkbox"/> MYWP <input type="checkbox"/> Line Item <input type="checkbox"/> Other Construction Activities <input type="checkbox"/> Funds		3. Date : 4. Rev. :	
5. <input type="checkbox"/> DOE Directed <input type="checkbox"/> FH Directed <input type="checkbox"/> Project Requested			
6. WBS/Title		7. Originator :	
		Phone :	
8. Change Title :		9. Cost Center :	
10. FH Director : NA		11. RL AM COR :	
12. Approval Level : <i>Highest Level Require</i> <input type="checkbox"/> Project <input type="checkbox"/> FH <input type="checkbox"/> RL <input type="checkbox"/> DOE-HQ		13. Priority : <input type="checkbox"/> Routine <input type="checkbox"/> Urgent	
14. Description :			
15. Impacts : <i>Indicate all impacts</i> <input type="checkbox"/> Technical Scope <input type="checkbox"/> Funds <input type="checkbox"/> Schedule <input type="checkbox"/> Inter-Projects <input type="checkbox"/> Cost <input type="checkbox"/> DOE-RL Mgmt. Commitments to HQ		FH Director Only <input type="checkbox"/> Pls <input type="checkbox"/> PADS <input type="checkbox"/> PHMC SOW	FH CCB Use Only Contract Mod <input type="checkbox"/> Yes <input type="checkbox"/> No
16. Justification :			
17. Signature/Approval :			
FH Management	FH Change Control Board	RL	
Project Contractor or Designee	Contract Management	Contracting Officer's Representative	
_____	_____	_____	
Signature/Date	Signature/Date	Signature/Date	
FH Director	Board Chair	RL SMB Chair	
_____	_____	_____	
Signature/Date	Signature/Date	Signature/Date	

Exhibit IX. Change Control Log

<i>Office of Environmental Safety and Quality</i>							
<i>Change Control Log</i>							
CIN#	Change Classified	Author	WBS#	Date Change Originated	Change Request Explanation	Date Reviewed By CEB	CEB Disposition
97-01	I	D. Borders	ESQ	12/96	* ESQ Cost and Schedule Baseline Update. Update reflects revised approaches to guidance development and the SRD interactive process.	1/24/97	Approved

No formal changes identified for <<Month>> performance.

10.0 Funds Management

10.1 Funds Management Approach and Objectives

The ESQ will manage program funding Budget Authority and Budget Outlay to the levels authorized by the RL Chief Financial Officer throughout the project's life-cycle. The funds baseline, expenditures, and commitments will be reviewed and reported each month to forecast possible overruns or underruns.

10.2 Funds Management Process and Tools

The year of execution funding for the ESQ will be stated on the ESQ Funds Control Log (Exhibit VI-1.) Funding will be authorized to the ESQ by the RL Chief Financial Officer's transmittal of the Obligations Notice. The Obligations Notice issues funding by PBS and Budget and Reporting code. For the ESQ, funding will be issued through two separate PBSs, one for the Program Support activities (nonfederal personnel). The Program Direction funding will be captured as a part of the DOE-ORP federal personnel PBS developed at HQ. This portion of ESQ funding is not controlled by the project but will be stated within the ESQ Monthly Performance Report. In regards to the Program Support funding, the ESQ DIRECTOR may elect to take the funding authorization at the PBS level and further allocate down to the Cost Account level. This funding will be controlled at a level of detail defined by the ESQ DIRECTOR.

The following data will be updated and maintained on the Funds Control Log:

- Original fiscal year funding authorization as of October 1
- Funding revisions throughout the year of execution
- Current approved funding level (the source for this is the ORP Obligations Notice)
- Expected year-end funding (anticipated total fiscal year funding).

10.3 Responsibilities

The control of funds received by the ESQ from the RL Chief Financial Officer will be the responsibility of the ADMINISTRATION TEAM, the CAMs, and the ESQ DIRECTOR.

1. The ADMINISTRATION TEAM will be specifically responsible for the following:
 - Reconciling costs to the ORP financial system (currently DISCAS) and funding to the RL Obligations Notice monthly.
 - Monitoring all costs and schedules to ensure that costs plus outstanding encumbrances do not exceed control point funding.

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- Recommending to the ESQ DIRECTOR the issuance of a “Stop Work” letter to the contractor(s) supporting the ESQ if projected costs are anticipated to be greater than funding authorization and other corrective action is not immediately possible.
 - Coordinating the development of spend forecasts, when necessary, for each of the cost accounts, including planned commitments.
 - Developing monthly reporting showing baseline status, spending forecasts, and funding comparison by Contractor to be provided to the CAMs and ESQ DIRECTOR.
2. The CAMs shall be responsible for the following:
- Ensuring that all expenditures are authorized and within formally committed funding levels.
 - Identifying necessary corrective actions, including impacts to ongoing activities and resource reallocation, to ensure funding levels authorized are not exceeded.
 - Developing necessary change documentation to reflect impacts to technical, cost, and schedule baseline.
3. The ESQ DIRECTOR has specific responsibility for the following:
- Ensuring that costs recorded to both Program Direction and Program Support at the project level do not exceed authorized funding.
 - Issuing a formal Stop Work letter, when necessary, and approving change documentation associated with other corrective action.

11.0 Estimate at Completion

11.1 Purpose of Estimate-At-Completion Development

The ESQ will monitor potential differences between the budget and the actual end cost as a method of alerting management to potential overruns or underruns. The forecast of the total end cost for a scope of work is called the estimate at completion (EAC). The focus of the EAC is to evaluate the remaining work and the cost of the required resources to complete it as originally planned.

11.2 Estimate-At-Completion Process Overview

Development of the EAC includes considering both performance to date and factors that may affect future progress. Mathematically, the EAC is expressed as follows:

$$\text{EAC} = \text{Actual Cost of Work Performed} + \text{Estimate to Complete (ETC)}$$

The Estimate to Complete is developed by evaluating the remaining work and estimating the cost of resources to complete it. The CAM needs to answer the question, “What is it going to cost to complete the work ‘as planned’ in the cost account?” The CAM should factor in the following when preparing an Estimate to Complete:

1. Variance to-date (cost and schedule)
2. Authorized work remaining and required resources to complete
3. Projected schedule status
4. Possible cost improvements
5. Projected cost deviations/rate changes.

Preparing a monthly EAC is required by the ESQ and is beneficial to the CAM for forward planning and funds control. However, an approved or accepted EAC does not authorize any additional budget or funding. That authorization can only come via a formal, approved change request or by funds allocation authorized by the ADMINISTRATION TEAM.

11.3 Responsibilities

Responsibility for coordinating, completing, and approving the monthly EAC will be the responsibility of the ADMINISTRATION TEAM, the CAMs, and the ESQ DIRECTOR.

1. The ADMINISTRATION TEAM will be specifically responsible for the following:
 - Providing each CAM with monthly reporting of BCWP, BCWS, ACWP, and variance calculations.

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- Generating and providing an analysis of current cost trends to the CAM each month.
 - Obtaining external pricing data, as required by the CAM, for determining cost account EACs.
 - Summarizing and providing the project EAC to the ESQ DIRECTOR for review and approval.
2. The CAM will be specifically responsible for the following:
- Developing an EAC each month for the cost account based on the estimated resources required to complete the work remaining in the cost account.
 - Submitting a complete EAC to ADMINISTRATION TEAM, which includes justifying the estimate and results from considering the factors shown in Exhibit VII-1.
 - Recommending corrective actions if the EAC exceeds the current authorized funding for the cost account.
3. The ESQ DIRECTOR has specific responsibility for the following:
- Reviewing and concurring EACs and any proposed corrective action.
 - Approving necessary funds redistribution between cost accounts.

Exhibit XI. Estimate-At-Completion Checklist

- Does documentation of work scope assumptions exist and does it substantiate the improved or worsened future forecast?
- Do work scope and schedule status indicate a need for previously unplanned additional resources (manhours, overtime, etc.)?
- Will any staffing changes need to be considered over the remaining months that may indicate a change to labor rates or per diem and lodging assumptions?
- Are any major procurements planned that may be executed at higher rates than budgeted (i.e., subcontracts with higher administrative burden than planned)?
- Are any change requests pending that alter schedule or scope?
- Will any major year-end accruals need to be included in the forecast?
- Has the current cost trend been considered?

12.0 List of Terms

ACWP	Actual Cost of Work Performed
EH-1	Assistant Secretary for Environment, Safety and Health
EM-1	Assistant Secretary for Environmental Management
BCWP	Budgeted Cost of Work Performed
BCWS	Budgeted Cost of Work Scheduled
CAM	Cost Account Manager
CAP	Cost Account Plan
CEB	Change Evaluation Board
DOE	U.S. Department of Energy
EAC	Estimate At Completion
EM	Environmental Management
IPL	Integrated Priority List
MDSs	Milestone Description Sheets
MOA	Memorandum of Agreement
ORP	Office of River Protection
ESQ	Office of Environmental Safety and Quality
PBS	Project Baseline Summary
PMP	Program Management Plan
RL	Richland Operations Office
WTP	Waste Treatment and Immobilization Plant
WBS	Work Breakdown Structure