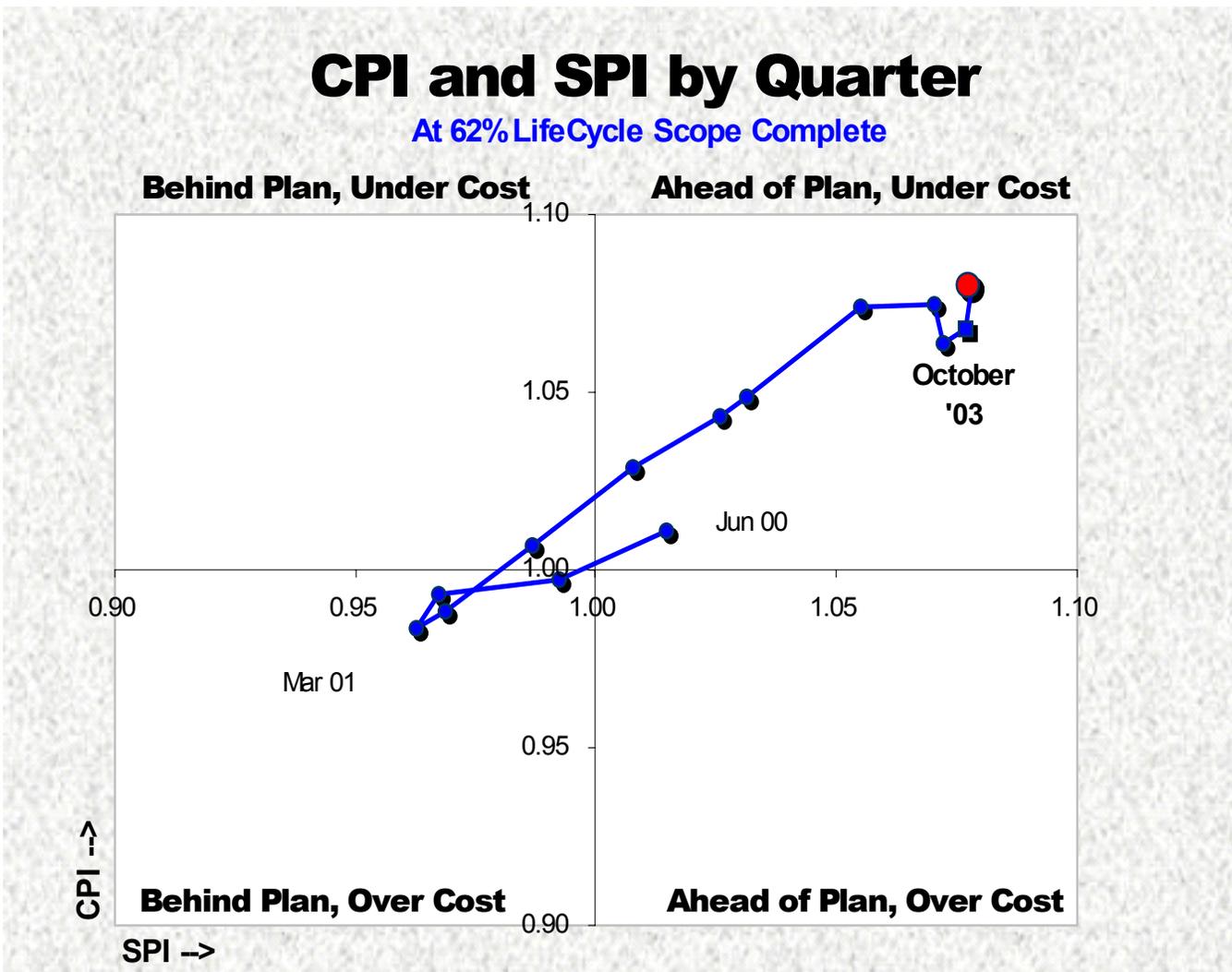


# ROCKY FLATS

# Monthly Project Report

**FY04**  
**October, 2003**





# Monthly Project Report **Rocky Flats**

October 2003

## Executive Summary

### Contract Status

**TC:** 3.973B (Original: 3.963)

**TF:** \$340.8M (Original: \$340M)

**TCD:** 15 December 2006

### Penalty Assessment

No Fee Penalties were issued this month. To date, four fee penalties have been issued under the terms of this contract with total penalties equaling \$510,000.

### Requests for Equitable Adjustments (REAs):

The National Emergency REA (Part I) remains under HQ review. WIPP/WAC Part III was revised and Kaiser-Hill is responding to additional issues raised by RFFO. The title of the REA for the Size Reduction/Shipment of items to SRS has been revised to "Disposition of Pu Components". The PuSPS Moisture measurement REA has been amended; the cost estimate has been increased by \$100k and is pending fact finding. No REAs have been incorporated into the contract since July of 2002.

### Pending (Submitted) REA's: ~ \$39M

- ~ \$16.4 million: National Emergency (2002 – 2003 Costs)
- ~ \$12.1 million: WIPP WAC Part III (projected 2002 - 2005 costs)
- ~ \$5.2 million: Disposition of Pu Components
- ~ \$2.7 million: PuSPS Moisture measurement
- ~ \$2.5+ million in these miscellaneous REAs: - System Engineers/B371 VSS - NTS Waste Acceptance Criteria - PuSPS outside SRS Requirement - Beryllium Monitoring



### Critical Path

The remaining Critical Path continues to run through B371 D&D activities, followed by site grading. RFFO is monitoring the critical path and near critical path activities resulting from the contractor's new accelerated schedule and for the time being will continue to utilize December 15, 2006 as the estimated completion date.



### GFS/I Performance

Most requirements have been and continue to be met. The key remaining issue is the identification of disposal sites for LLMW between 10 and 100 nCi/g activity.

Two possible sites have been identified: Hanford, and the Nevada Test Site (NTS):

- Disposal at Hanford depends upon a Record of Decision that has been delayed until January 2004.
- Disposal at NTS depends upon permit approval from the State of Nevada - with no specific timeframe.

Without disposal capability, these "orphans" may need to be stored offsite at increased cost. Some may be returned to the site after treatment, only to face diminishing storage capacity as facilities are deactivated and demolished.



### Safety

### 5 Events of "Significant Concern" or Above

1 Site Noncompliance Tracking Report

Offsite Hospitalizations: 2

Rad/Haz Transport Incidents: None.

Lock-Out-Tag-Out Violations: None.

Worker Contact With Energized Source: None.

Radiological Intakes >500: None.

Skin Contaminations >5000: 1

**Hospitalizations:** A four foot fall from truck trailer during debris loading resulted in fractured leg, hip, and wrist. • Worker cut cleaning out non-contaminated office area required 9 stitches. **Skin Cons:** 12,000dpm/100cm<sup>2</sup> discovered on skin of left arm of a B371 D&D worker; means unknown.

# Monthly Project Report **Rocky Flats**

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## Cost Performance



### Cost

*LIFECYCLE: 62% of scope completed; 57% of target cost expended*

Cost Variance +7%, +\$183M

Cost Variance for target activities improved slightly (\$1.3M this month), while remaining at a positive 7% variance against the baseline plan. The Cost Variance on the Project remains significantly positive, with about \$183 million in cost savings accumulated since the beginning of the contract.

Most of the negative variance in the project remains concentrated in PBD A (B371). Over the past year, PBD A has averaged an increase of nearly \$3M per month in negative cost variance – mostly from PuSPS and related activities which ended two months ago. This month's negative CV increased \$1.8M. Activities in this PBD dominate the critical path.

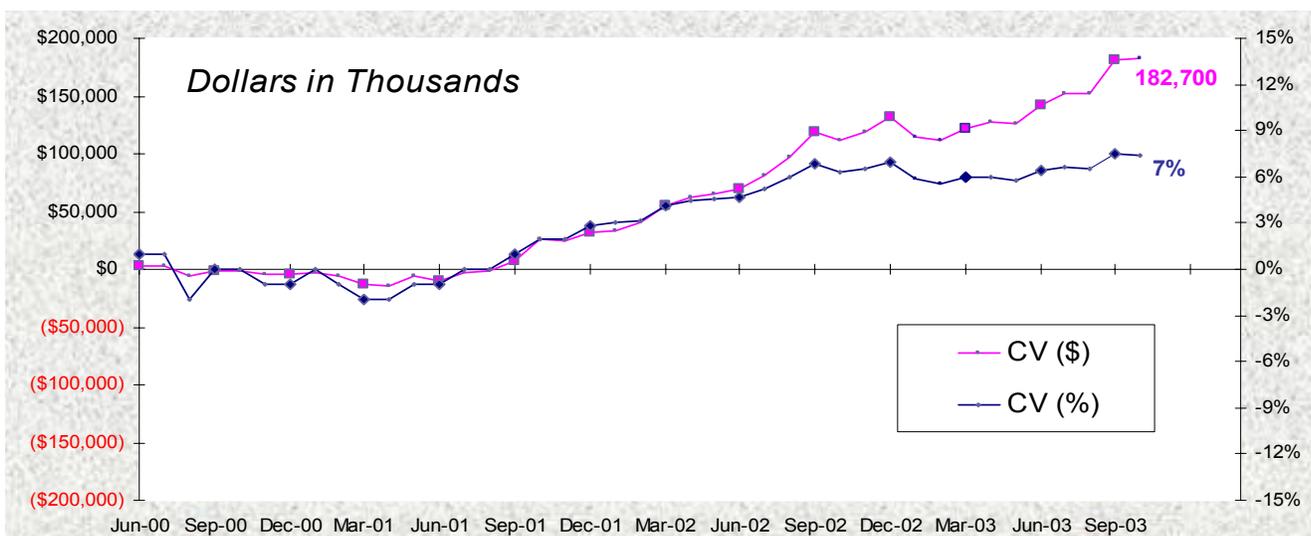
Positive cost variances continue to be concentrated in: PBD E, Industrial and Site Services Project; PBD G, the Environmental Remediation Project, and in the level-of-effort activities in PBD J, Support Project. Significant cost savings in PBD F's Waste Programs and Operations are offset by cost overruns in that same PBD in the areas of Safeguards and Security, Facility Management, and PA Closure.

### Cost Performance by PBD\*:

Project Description	BCWP	ACWP	CV (\$)	CV (%)
<b>1A 371 Complex Project</b>	305,003	348,904	(43,901)	-14%
<b>1B 707 Complex Project</b>	179,872	185,719	(5,847)	-3%
<b>1C B771/774 Closure Project</b>	214,135	215,375	(1,240)	-0.6%
<b>1D B776/777 Closure Project</b>	181,775	172,023	9,753	5%
<b>1E Industrial and Site Services Project</b>	463,924	360,701	103,223	22%
<b>1F Material Stewardship Project</b>	559,179	546,812	12,367	2.2%
<b>1G Remediation Project</b>	94,845	51,326	43,519	46%
<b>1H Engr., Environ, Safety &amp; Quality</b>	160,491	141,430	19,061	12%
<b>1J Support Project</b>	310,173	264,409	45,764	15%
<b>Project Totals</b>	<b>2,469,399</b>	<b>2,286,699</b>	<b>182,700</b>	<b>7%</b>

Includes *all target* fund sources: EY06, FS30, EW09, GG08, NN61 and YN01 (EW05 was recast to EY06 and FS 40 recast to FS30 beginning in FY04)

### Cumulative Cost Variance Over Time



**NOTE:** Currently, the closure project has accumulated \$27M in non-target Site Closure (EY06) and Safeguards and Security (FS30) costs. These non-target costs are generally the result of technical direction and may eventually be considered as part of potential Requests for Equitable Adjustment, and / or will impact cost variance.

# Monthly Project Report **Rocky Flats**

October 2003

## Schedule Performance

DEFINITIONS OF ROCKY FLATS' SCHEDULE PERFORMANCE INDICATORS CAN BE FOUND IN THE GLOSSARY AT THE BACK OF THIS REPORT.



### Comparative Schedule Performance

The project-level positive schedule variances reflect the contractor's continued success at accelerating workscope. The majority of accelerated activities have been in PBDs E, G, and D, however, for the second consecutive month all the projects have positive schedule variance. The current critical path remains dominated by activities in Building 371(PBD A) followed by site grading. K-H continues to apply cost savings realized in other PBDs to fund further schedule acceleration in PBD A. It is anticipated that PBD A's schedule variance will continue to improve in the future.

Project		SV <sub>TRAD</sub>	SV <sub>PWA</sub> *	SV <sub>MM</sub>	SV <sub>P3</sub> +/- Days**
1A	371 Complex Project	2%	5%	3%	221
1B	707 Complex Project	6%	23%	16%	188
1C	B771/774 Closure Project	5%	8%	8%	32
1D	B776/777 Closure Project	13%	59%	30%	344
1E	Industrial and Site Services Project	23%	531%	82%	244
1F	Material Stewardship Project	5%	131%	19%	253
1G	Environmental Remediation	21%	2386%	24%	225
<b>Total Project:</b>		<b>8%</b>	<b>64%</b>	<b>25%</b>	<b>225</b>

\*These are K-H reported values. RFFO validates and reports on PWA performance quarterly, in the Total Project Report  
\*\*Under RFFO Review



### P3 Completion

The *K-H generated* Estimated Completion Dates (using P<sup>3</sup> project scheduling software), are represented below.

K-H implemented a new accelerated schedule for their internal use and as a result of these changes a new critical path was identified. The critical path includes a different set of B371 D&D and site grading activities. RFFO is monitoring the new schedule but will continue using the original Target Date, December 15, 2006 as the estimated completion date.

PBD	Activity Description	Baseline Early Finish	Stated Early Finish
A	B371	11-Oct-06	20-Oct-05
B	B707	13-Mar-06	14-Jun-05
C	B771/774	18-Aug-04	02-Jul-04
D	B776/777	31-Oct-06	21-Jun-05
E	Industrial Sites	11-Oct-06	15-Sep-05
F	Material Stew.	13-Dec-06	02-Nov-05
G	ER	14-Dec-06	20-Dec-05
<b>Total Project</b>		<b>14-Dec-06</b>	<b>20-Dec-05*</b>

\*Under RFFO Review

# Monthly Project Report **Rocky Flats**

October 2003

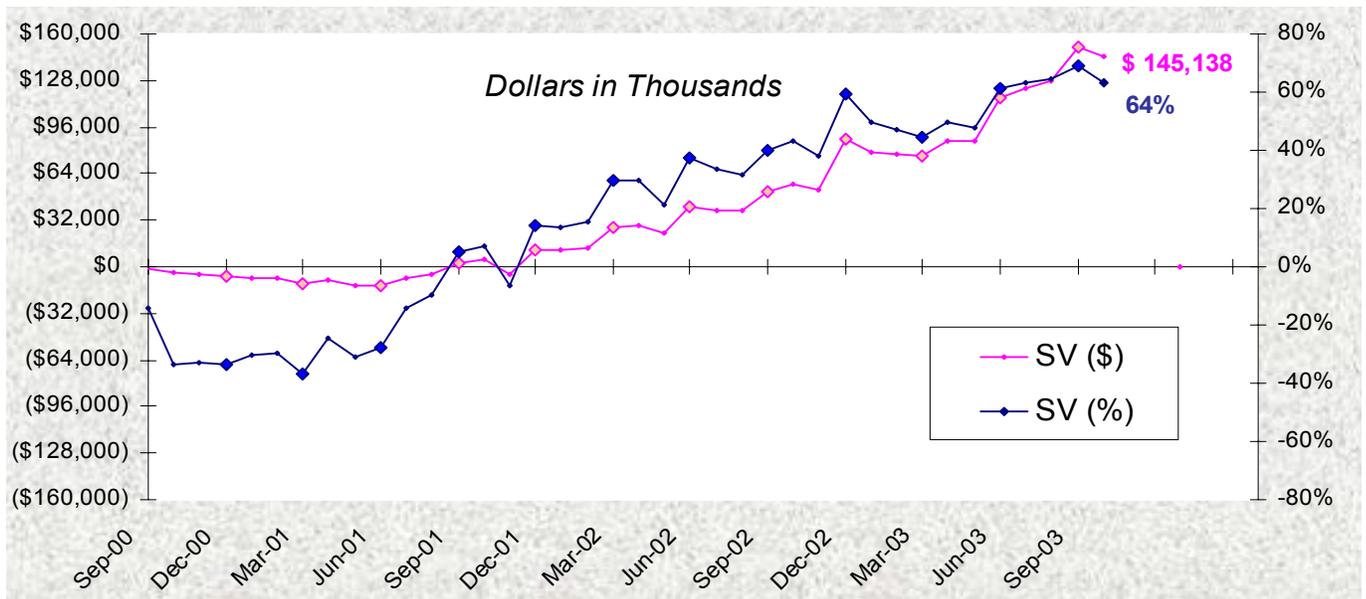


## Predetermined Work Activities

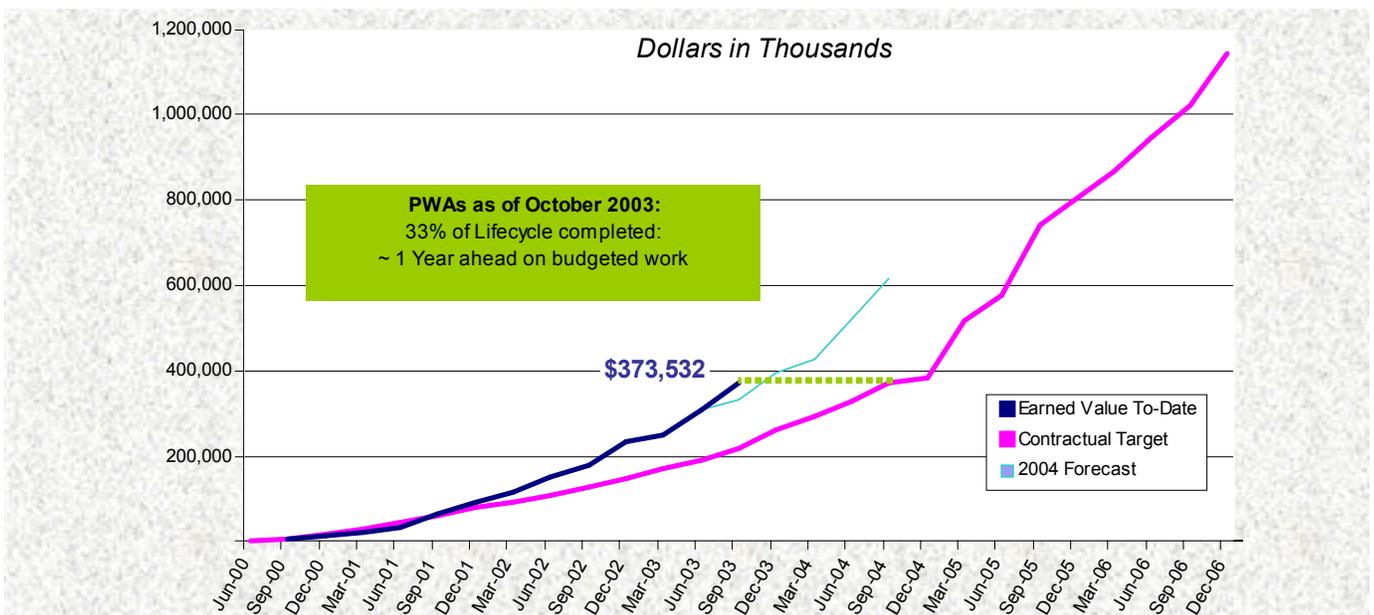
SV<sub>PWA</sub> (+\$145M, +64%)\*

\$4M in critical closure scope was completed during the month of October, while about \$10M was scheduled. While this is a lower rate than usual, it is typical for the first month of a new fiscal year, and still shows positive progress against the Closure Project's key activities. The current PWA schedule variance remains highly positive, and shows that the contractor has completed more than half again as much critical closure work than their baseline estimate. The current BCWS for these activities is \$224M with a lifecycle BCWS of \$1.145B. At the end of October 2003, 55% of the contract schedule had elapsed (45 out of 82.5 months), 20% of the PWA scope was scheduled for completion (\$228M), and 33% (\$374M) of the PWA scope is complete.

\*These are K-H reported values. RFFO validates and reports on PWA performance quarterly, in the Total Project Report



## PWA Schedule: Actual against Baseline Projection



# Monthly Project Report **Rocky Flats**

October 2003

## Project Metrics

Project Metric	Life Cycle Planned <sup>1</sup>	Actuals to Date	LC Completion	CPB Planned for end of FY	FY Completion	Actuals for Month	FY Actuals	FY Plan (AWA)
Low Level Waste Disposed (m <sup>3</sup> )	184,475	109,028	59%	116,662	93%	6,319	6,319	55,000
Low Level Mixed Waste Disposed (m <sup>3</sup> )	44,614	27,787	62%	10,911	255%	979	979	1,000
TRU Waste Disposed (m <sup>3</sup> )	12,355	8,448	68%	9,688	87%	331	331	3,147
MAAs Eliminated	7	7	100%	7	100%	0	0	
B371 Project Work Sets	60	22	37%	33	67%	0	0	26
B707 Project Work Sets	98	62	63%	72	86%	0	0	16
B771 Project Work Sets	106	71	67%	106	67%	0	0	35
B776 Project Work Sets	82	75	91%	72	104%	0	0	8
Facilities Demolished	290	134	46%	141	95%	7	7	61
Nuclear Facilities Decommissioned	6	1	17%	2	50%	0	0	
Radioactive Facilities Decommissioned	54	17	31%	14	121%	3	3	
Industrial Facilities Decommissioned	317	203	64%	197	103%	4	4	
Environmental PWAs Completed	65	23	35%	19	121%	1	1	8
Environmental Remediation Sites Completed	359	188	52%	182	103%	10	10	24
Gloveboxes removed	1,324	1,061	80%			14	14	277

<sup>1</sup> "Life Cycle" based on Closure Project Baseline metrics and New Corporate Performance Measures

# Key Definitions / Terms

## Rocky Flats' schedule performance indicators:

All indicators (except P3) use the standard formula  $SV=BCWP-BCWS$  and are measured in dollars, not time. Performance is measured against the Life-Cycle Baseline as presented in June 2000 with minimal adjustments approved through our rigorous Change Control Process. The indicators defined below differ mainly in which budgeted costs are included in the analysis.

**Traditional Schedule Variance (SV<sub>TRAD</sub>):** This indicator addresses schedule performance compared to plan for the entire project contracted with Kaiser-Hill. It includes all "Target" costs as defined by the contract (EW05, EW09 (formerly EW02), FS40, GG08, YN01, and NN61). It does NOT include budgeted costs for things like performance fee, technology deployment, and program (RFFO) funds. A positive variance means that, compared to the original plan, more work was accomplished than planned. A negative variance means that less work has been accomplished than planned.

**Modified Milestone Schedule Variance (SV<sub>MM</sub>):** This schedule performance indicator is designed to focus on all the 'real' work at the site. It removes level-of-effort activities from the analysis, but adds the Technology Deployment budget. Again, the variance indicates that more work or less work was accomplished than planned.

**Predetermined Work Activities Schedule Variance (SV<sub>PWA</sub>):** In order to best assure that the government is awarding performance fee for the accomplishment and acceleration of the most important work at Rocky Flats, our contract with Kaiser-Hill includes a list and schedule of ~900 "Predetermined Work Activities" against which performance is measured and provisional fee is paid. Generally, SV<sub>PWA</sub> calculations allow for earning value only when an activity is 100% complete (all or none), unless the activity is a quantity-based measure. These activities represent critical work necessary to the timely closure of the Site, and performance is measured against the baseline schedule set out at the beginning of the contract. Although the contractor is free to realign specific work activities as they see fit, the dollar amount of work accomplished against these critical activities is expected to remain on plan to facilitate timely closure of the site.

**Primavera Project Planner Schedule Variance (SV<sub>P3</sub>):** In contrast with the previous indicators, the P3 schedule variance is measured in units of time (days). The Primavera project scheduling software computes the longest (critical) path through the contractual work on the Project and arrives at the Stated Early Finish, (a.k.a. Estimated Completion Date). Variance is measured against the Baseline Early Finish as established in June 2000.

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**Orphans – Low Level Mixed Waste Orphans.** Wastes which must be removed from the Site but for which no disposal / treatment path has been identified and/or approved.

**D&D – Deactivation and Decommissioning.** Deactivation: the process of placing a "building" in a safe and stable condition. Decommissioning: All activities that occur after deactivation. Includes decontamination and dismantlement /demolition.

**M5 - RFCA Earned Value Aggregate (over 50%) Milestone.** Fiscal Milestones M1 – M4 require that 50% of the FYBCWS in each individual category be completed in that fiscal year. The FY M5 Milestone tracks the dollar value of the remaining BCWS in those categories for the fiscal year and requires that it be completed before the end of the *following* fiscal year. The M5 Earned Value Milestone can be satisfied with any combination of BCWP from LLW, D&D, ER, and TRU. However, the M5 milestone must be completed for each fiscal year before BCWP can be applied to Milestones M1 – M4 in the following year.

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**PBD A – 371 Complex Project.** Liquid waste ops, Plutonium Stabilization & Packaging System (PuSPS), repackaging of residues, SNM removal (including shipping), and D&D. Building demolition by October 11, 2006.

**PBD B – 707 Complex Project.** SNM holdup removal, consolidation of SNM into B371, classified matter removal, and D&D. Building demolition by 3/1/06.

**PBD C – 771 Complex Project.** Complex D&D and D&D Programs (site decommissioning program and EM-50 funded projects). Building demolition by 8/04/04.

**PBD D – 776 Complex Project.** D&D. Building demolition by 10/27/05. Removal of the slab/foundation by 4/26/06 and project completion by 10/31/06.

**PBD E – Industrial / Site Services Project.** The industrial and site services portion of the RISS Project, and other bldg D&D.

**PBD F – Material Stewardship Project.** Technical program direction and operational support for commodities, engineered services, procurement, traffic & transportation, and disposition of waste.

**PBD G – Remediation Project.** The Environmental Restoration (ER) Program portion of the RISS project. The overall scope includes Industrial Area and Buffer Zone Closure and environmental restoration including any remaining characterization.

**PBD H – Engineering, Environmental, Safety, Quality, and Health.** Infrastructure. Includes; project management, assessment, oversight, regulatory compliance and monitoring, waste certification, technical training, Nuclear Safety and Licensing, Criticality Safety, Fire Protection, Engineering, Safety/Work Control, and Radiological Protection.

**PBD J – Support Project.** General Counsel & Audit (GC&A), Strategic Planning & Integration, Administration, and the K-H Executive Office.