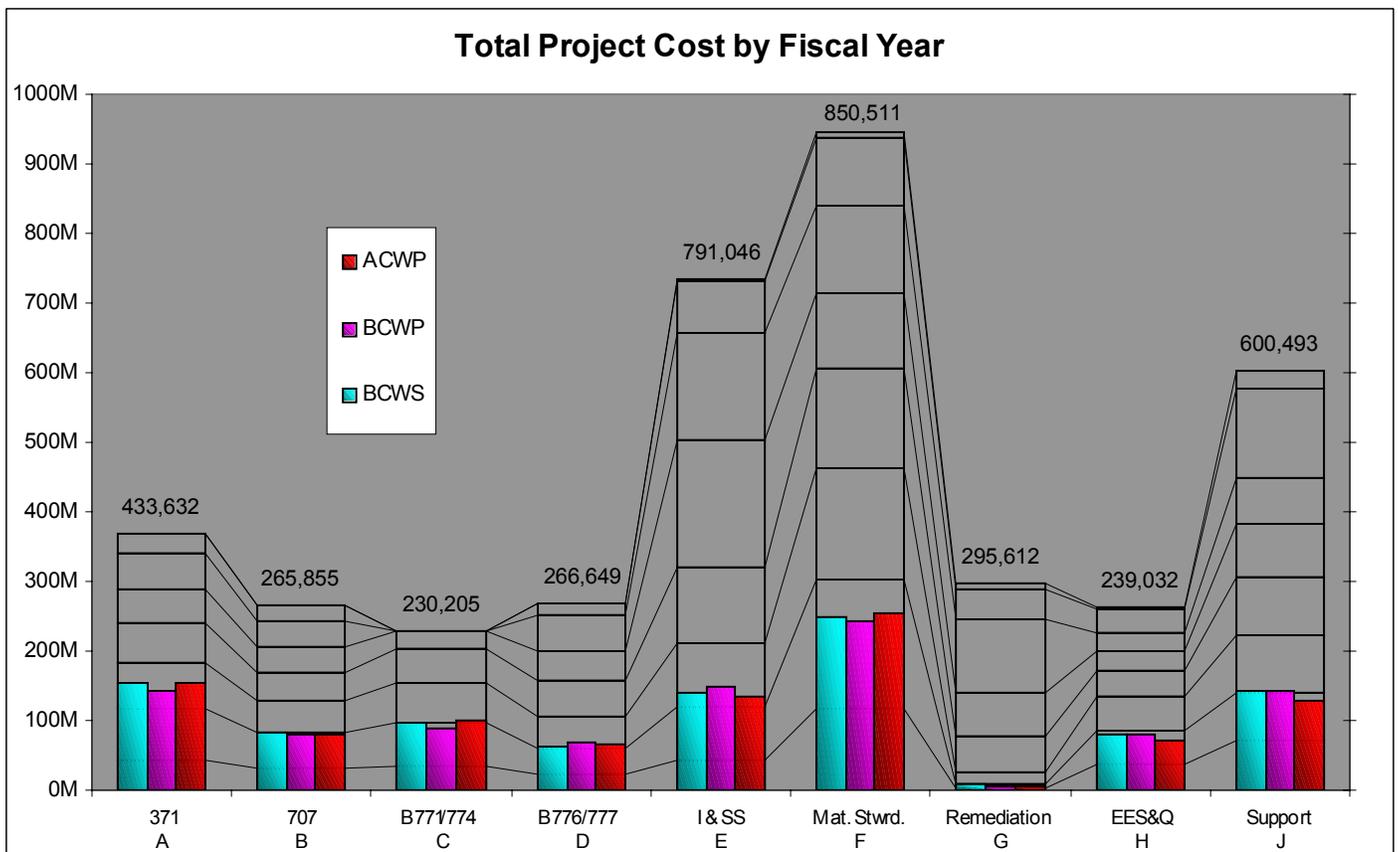


RFFO RFETS

Total Project Report

4th Quarter, FY01

July - September, 2001



Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Table of Contents

EXECUTIVE OVERVIEW	1
EXECUTIVE SUMMARY	1
DETAILED OVERVIEW	1
SAFETY	2
PBD A 371 COMPLEX	3
PBD B 707 COMPLEX	4
PBD C 771 COMPLEX	5
PBD D 776/7 COMPLEX	6
PBD E INDUSTRIAL / SITE SERVICES	7
PBD F MATERIAL STEWARDSHIP	8
PBD G REMEDIATION	9
PBD H ENGINEERING, ENVIRONMENTAL, SAFETY, HEALTH & QUALITY	10
PBD J SUPPORT PROJECT	11
ROCKY FLATS FIELD OFFICE	12
APPENDIX A	13
<i>Headspace Gas Sampling Permit Modification</i>	13
APPENDIX B	14
<i>Impacts of Heightened Security</i>	14

Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Executive Overview

This area is for is a high level summary of the comprehensive health and issues of the Project. It should be a short paragraph or two documenting the general health and expectations associated with the project, and significant issues suitable for headquarters. Further information on the metrics is provided in increasing levels of detail in the report. The contractor has reversed earlier observed negative trends in cost performance, and appears to be reversing the negative trend in schedule performance.

Focus for the following quarter or two (including GFSI or other integration needs) should be briefly declared, again, at a summary level suitable for headquarters audience.

<p>RECOMMENDED FEE ADJUSTMENT: \$0 The RFFO recommends payment of target fee for this quarter based on the achievement of positive schedule variance for PWA activities and a positive trend in cost variance.</p>	<p>PENALTY ASSESSMENT: \$0 No fee penalties were issued during the fourth quarter of Fiscal Year 2001 (4QFY01).</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------

METRIC	
Cost: <i>On Plan</i>	Cumulative Cost Variance = +0.7%, +\$6.9M out of ~\$1,016M BCWP _{CUM} Average Quarterly Cost Variance = +0.7% <i>The contractor has reversed earlier observed negative trends in cost performance.</i>
Schedule: <i>Bears Watching</i>	Predetermined Work Activities SV = +5% (\$2.8M) Traditional Schedule Variance = -1%, (-\$13.7M) <i>The contractor appears to be reversing the negative trend in schedule performance.</i>
Safety: <i>On Plan</i>	Overall, safety performance has been adequate. No penalties were issued for safety violations for the third quarter. Corrective actions that are being worked include the Site Safety Improvement Plan.
Integration	To date, essential commitments for delivery of GFS&I have been met.
Status: <i>On Plan</i>	Future focus: improving container certifications schedule (DT-22), providing SSTs and TRUPACTs at sufficient rate for accelerated shipping, treatment & receiver sites for orphan wastes, and disposal sites for specific LLMW.
Forecast: <i>Bears Watching</i>	
Key Milestones	DFNSB: B771 liquid activities - ahead of schedule. Residue repackaging - on schedule. PuSPS - behind schedule and expected to miss the milestone. All activities are expected to be completed by the end of FY02.
RFCA: <i>On Plan</i>	RFCA: Milestones for FY01 were, for the first time, established under a new earned value framework for three categories – D&D, LLW and TRU waste shipments. Milestones in D&D and LLW were exceeded; TRU waste milestone was met.
Risk: <i>Level Of Confidence</i>	Near term activities with project risk that could impact the project completion targets are dismantlement activities in B371 and B776, and solar pond remediation preparation activities.
Completion Date: <i>Bears Watching</i>	
Target Cost: <i>On Plan</i>	
Critical Path	Critical Path is still through B371, no issues. ECD: <u>March 07, 2006</u>
Current CP: <i>On Plan</i>	

Executive Summary

Fee Adjustment Recommendation

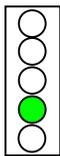
The RFFO recommends payment of target fee for this quarter. This recommendation is made based on the contractor's progress in achieving a positive schedule variance for PWA activities (+\$2.8M, +5%) and a positive trend in cost variance. The RFFO analysis also indicates that Modified Milestone Schedule Variance, and traditional schedule variance although still negative are improving. All metrics of cost and schedule variance have showed improvement since the third quarter report.

Penalty Assessment

No fee penalties were issued during the fourth quarter of Fiscal Year 2001 (4QFY01). DOE has paid minimum fee for the 2nd and 3rd quarters of FY 2001. No contractor requested deferrals have occurred under this contract.

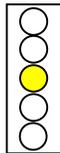
Contract Status: TC: 3.968M (original: 3.963) TF: \$340,090,000 (Original: \$340M) TCD: 15 December 2006

Requests for Equitable Adjustments (REAs): Five REAs have been settled so far for a total adjustment of \$4,741,872. One REA has been rejected. Three REAs are currently being reviewed by RFFO. The proposed amounts for the three remaining REAs do not exceed \$1 million.



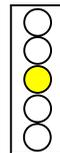
Safety

At the end of the quarter, there were 21 Site NTS reports. Concerns: Building 776 Chemical Venting, working within authorized scope or stop work. Issues continue to surface regarding implementation of the beryllium workers' compensation program



Management Priorities / Initiatives

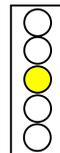
PuSPS productivity. SST support for SNM shipments. Disposition for Pu metals and oxides / TRU Orphans / MLLW. Moratorium of new directives and DFNSB recommendations applied to Closure Sites. Container certifications.



Integration

GFS&I: Essential commitments for delivery of GFS&I have been met, including; the 9975 container one time exemption for the Pu Composites significantly greater than 1000A2 and delivery of TRUPACTs sufficient to support accelerating shipments to WIPP; receiver sites for several shipments of Special Nuclear Material; Authorization Basis reviews/approvals and regulatory document reviews as required.

Looking ahead, DOE will need to focus on improving the schedule for container certifications for the remaining nuclear materials, primarily associated with the DT-22 container. Additionally, DOE will focus on making a best effort to provide Safe Secure Transports and TRUPACTs at a rate sufficient to meet accelerated shipping needs, working to find treatment and receiver sites for orphan waste materials, and working to find disposal sites for LLMW between 10 and 100nCi/g activity.

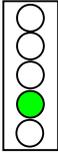


Risk / Level of Confidence

KH is analyzing only the project risk associated with the activities that are within their control. KH is not analyzing the project risks associated with DOE activities. Therefore, DOE must factor in their judgement of the project risk associated with their activities. The activities with the highest project risk in the next eighteen months are dismantlement activities in B371 and B776, and solar pond remediation preparation activities. KH has confidence that SNM activities under their control will not impact the project completion targets. Because KH is evaluating only their activities it should not be interpreted that SNM activities are low risk due to the DOE activities.

Total Project Report RFFO RFETS

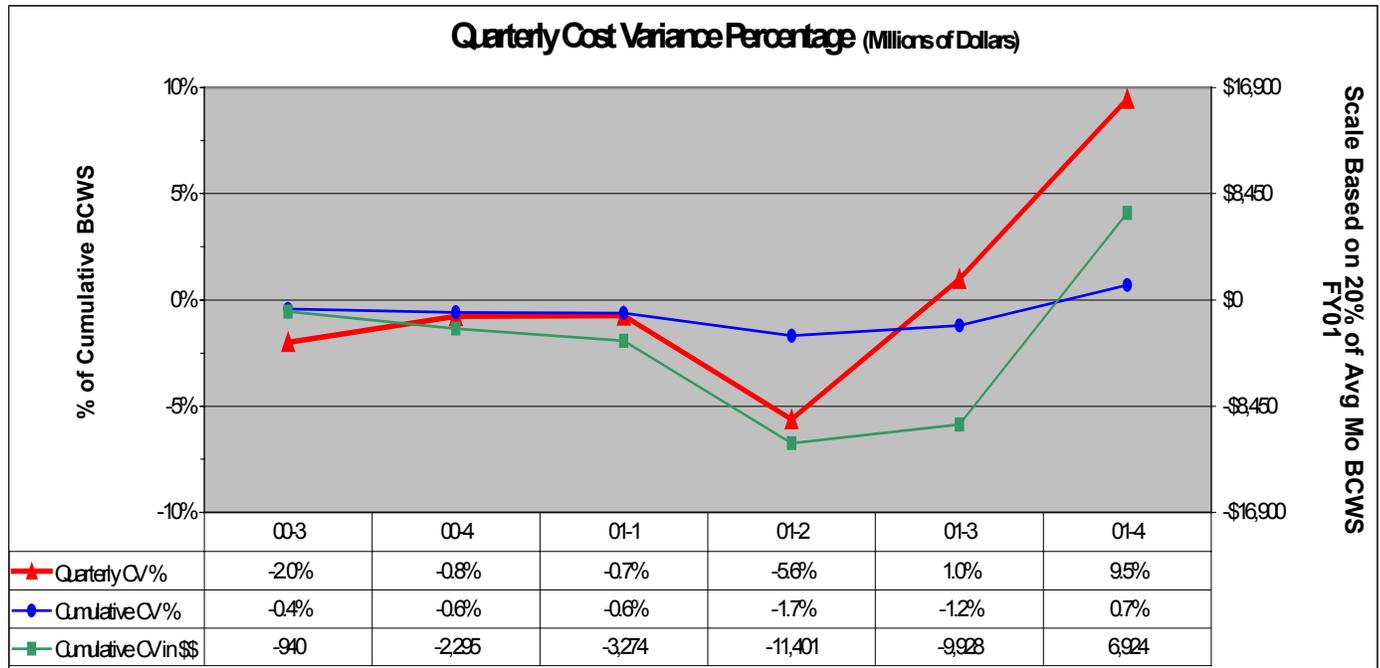
4QFY01 • Jul – Sep 2001



Cost

Cost performance metrics have improved in this quarter, with the total project cost now showing an underrun of \$7 million (M), or about 1% out of \$1,016M scheduled to date. Concerns remain regarding potential additional costs in the future due to negative schedule variances.

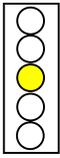
Project	Project Description	To Date BCWP	To Date ACWP	Cost Variance (\$)	\$ Change from last Quarter	Cost Variance (%)	% Change from last Quarter
1A	371 Complex Project	\$144,198	\$154,229	(\$10,032)	Worse	-7%	Better
1B	707 Complex Project	\$80,707	\$79,394	\$1,312	Better	2%	Better
1C	B771/774 Closure Project	\$89,914	\$98,760	(\$8,846)	Worse	-10%	Worse
1D	B776/777 Closure Project	\$67,210	\$66,831	\$378	Worse	1%	Worse
1E	Industrial and Site Services Project	\$149,696	\$135,025	\$14,671	Better	10%	Better
1F	Material Stewardship Project	\$242,405	\$253,987	(\$11,582)	Better	-5%	Better
1G	Remediation Project	\$6,523	\$6,980	(\$458)	Worse	-7%	Worse
1H	Engr, Environ, Safety & Quality Programs	\$78,666	\$71,536	\$7,130	Better	9%	Same
1J	Support Project	\$142,538	\$128,181	\$14,357	Better	10%	Better
Project Totals		\$1,001,856	\$994,925	\$6,931	Better	1%	Better



Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Executive Summary

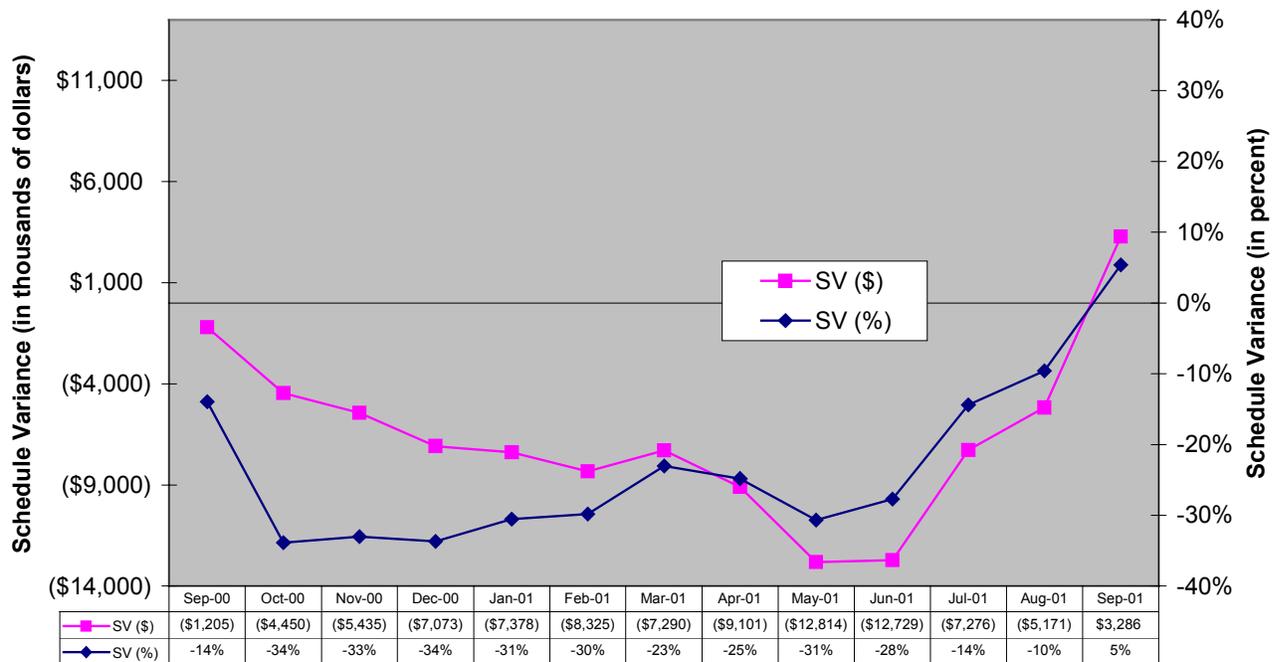


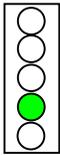
Schedule (Pre-Determined Work Activities)

Although schedule performance has improved this quarter, some schedule performance metrics continue to indicate that the closure project is behind schedule. Continued schedule recovery is necessary to correct earlier negative schedule trends. In addition, a review of the discrete project work shows that 5 out of 7 Project Baseline Descriptions (PBDs) are behind schedule as measured by schedule variance.

Project	Project Description	To Date BCWS	To Date BCWP	Schedule Variance (\$)	Schedule Variance (%)	FY BCWS	LifeCycle BCWS
1A	371 Complex Project	\$21,451	\$15,100	-\$6,350	-30%	\$21,451	\$128,380
1B	707 Complex Project	\$12,371	\$13,095	\$724	6%	\$12,371	\$90,499
1C	B771/774 Closure Project	\$10,490	\$10,633	\$143	1%	\$10,490	\$77,100
1D	B776/777 Closure Project	\$9,316	\$13,736	\$4,419	47%	\$9,316	\$122,005
1E	Industrial and Site Services Project	\$3,291	\$0	-\$3,291	-100%	\$3,291	\$306,033
1F	Material Stewardship Project	\$4,328	\$11,787	\$7,459	172%	\$4,328	\$160,983
1G	Remediation Project	\$0	\$183	\$183	0%	\$0	\$239,785
Project Totals		\$61,247	\$64,533	\$3,286	5%	\$61,247	\$1,124,785

Schedule Variance on Pre-Determined Work Activities





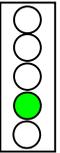
Key Milestones

- **PBD B, Building 707:** Deactivation activities have been complete ahead of schedule. D&D activities are on schedule and under cost with good potential for acceleration.

DFNSB Milestones– Removal of all liquids from B771 was completed 3 months ahead of schedule. The March 2002 milestone for processing all B771 liquids is ahead of schedule and the May 2002 milestone to complete all residue repackaging is on schedule. However, the May 2002 milestone to repackage all metal and oxide will not be met due to a late start and currently lower than anticipated production rates.

RFCA Milestones– Performance results are summarized as follows: D&D – 50% of schedule = \$24.62M; actual = \$27.05M (112%); LLW – 50% of schedule = \$3.18M; actual = \$11.17M (352%); TRU – 50% of schedule = \$578K; actual = \$618K (53%). FY02 D&D milestone ahead of schedule; LLW has already been exceeded; TRU waste is on track.

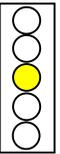
STP Milestones– All 2001 Milestones are expected to be met or exceeded. 1Q02 is on track.



Critical Path

ECD: 07 March 2007

Building 371 activities continue to dominate the critical path. K-H will be focusing management attention on D&D activities in Building 371. Please note that although operation of the Plutonium Stabilization and Packaging System is deemed to have high uncertainty, it is not on the critical path.



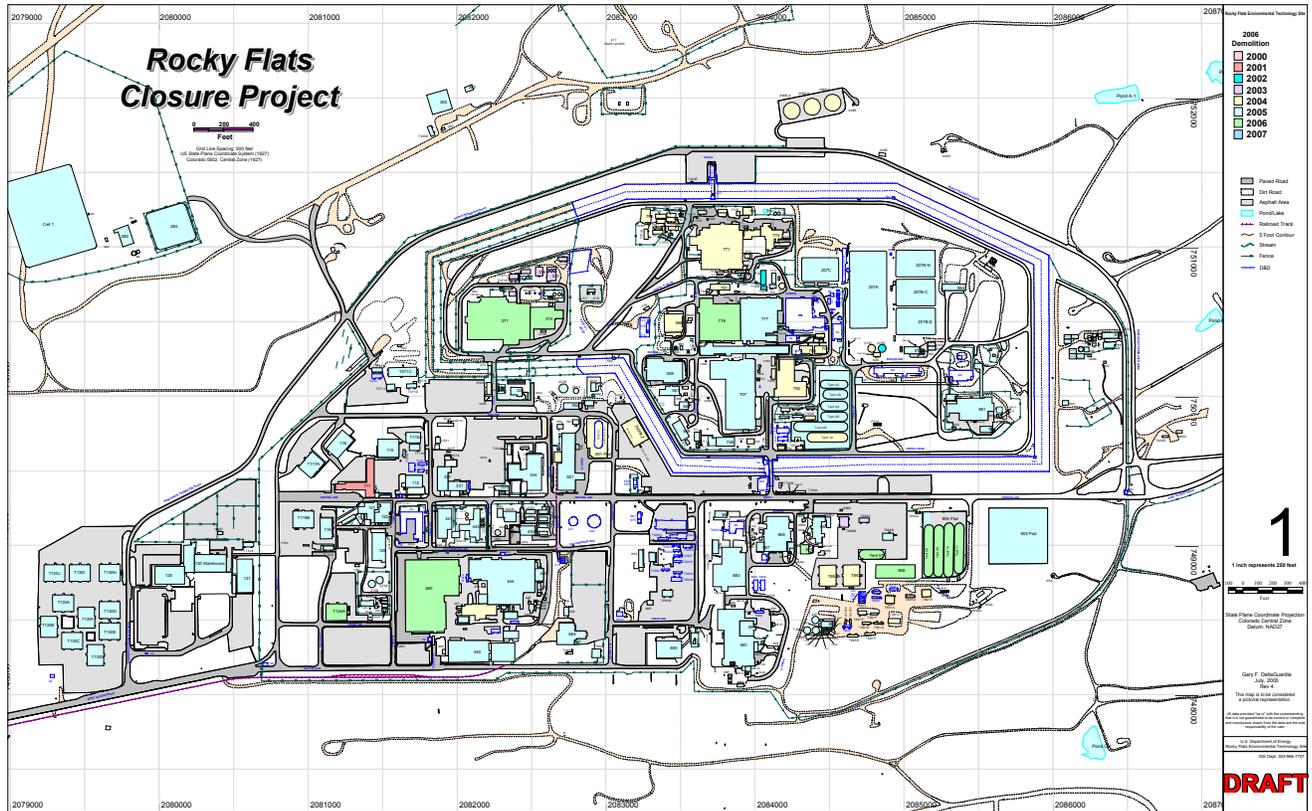
Transition / Staffing

Pending Issues: Funding for federal transition benefits; Retention/recruitment of critical federal skills; Extended authority for contractor separations (~300 planned in FY02)

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

Detailed Overview



Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Quarterly Oversight Report

Safety

James Jeffries x 7417

Major Vulnerabilities

- Industrial Hazards (e.g. electrical, falls, overhead work, etc.)
- Consistency of hazard identification and controls

Current Concerns

- Building 776 Chemical Venting
- Working within authorized scope or stop work
- At the end of the quarter, there were 21 Site NTS reports.
- Issues continue to surface regarding implementation of the beryllium workers' compensation program

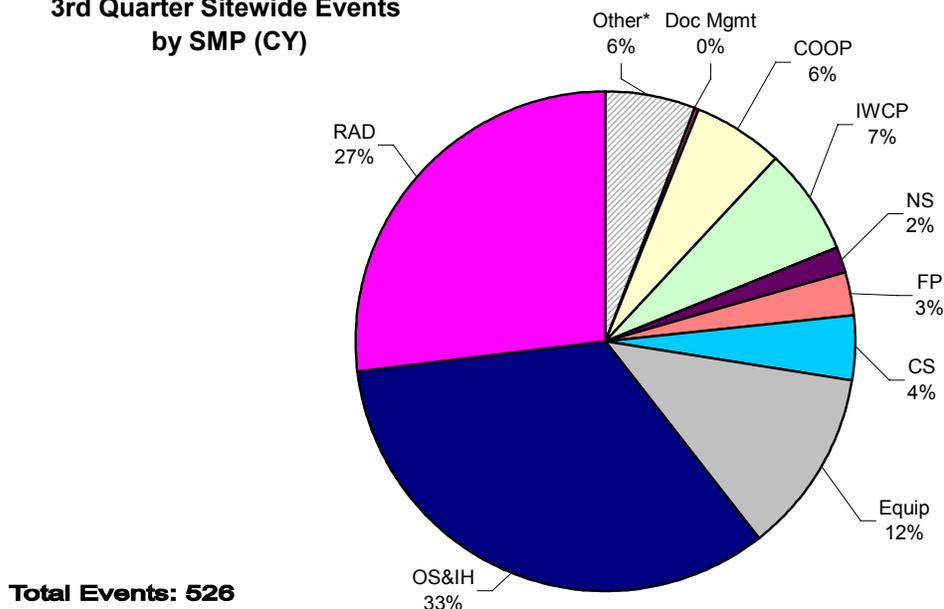
Issues

- There is the issue related to the number of beryllium workers (approximately 600) qualified by Kaiser-Hill.

Actions in Progress or Planned

- Drive completion of SSIP (82 of 104 actions have been completed)
- B776 Chemical Venting Independent Assessment

3rd Quarter Sitewide Events by SMP (CY)



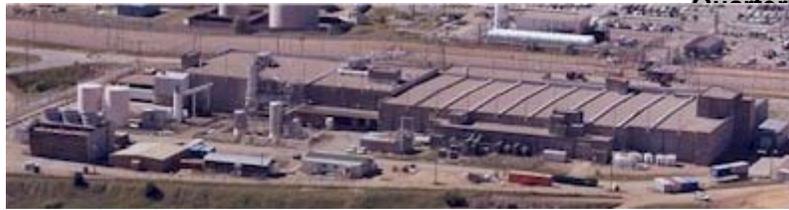
CAUSE CODES OF SAFETY EVENTS IN 3rd Quarter (CY)

People			July	August	Sept.	Total	% of Total
P1	Not trained/qualified		0	0	0	0	0.0%
P2	Not adequately supervised/poor pre-ev		6	15	12	33	6.3%
P3	Not following procedures/error/poor performance		56	80	58	194	36.9%
Work Control Document (IWCP/Procedure)							
W1	No procedure/package		0	0	0	0	0.0%
W2	Procedure/package inadequate		5	4	2	11	2.1%
Equipment							
E1	Equipment failure/problem		36	31	32	99	18.8%
Management Systems (Planning, Staffing, Processes)							
M1	Planning inadequate		12	17	9	38	7.2%
M2	Staffing inadequate		0	0	0	0	0.0%
M3	Process complicated/inadequate		5	6	5	16	3.0%
Other							
O1	Other		37	55	43	135	25.7%
Total:			157	208	161	526	100.0%

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

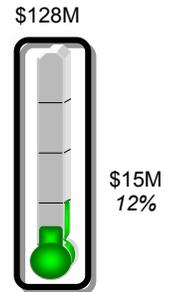
Quarterly Oversight Report



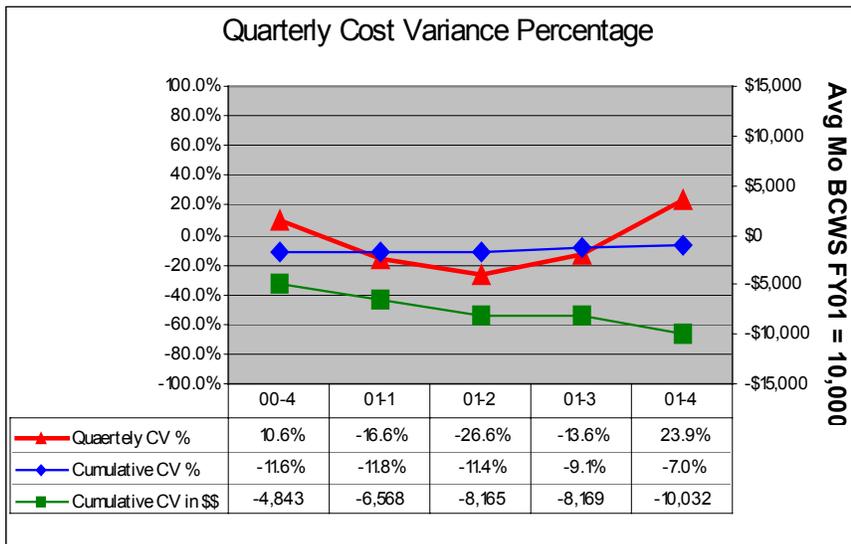
PBD A
371 Complex
 Fred Gerdeman
 x6203

BCWS _{LC}	433,632
BCWS _{CUM}	154,289
ACWP _{CUM}	154,229
BCWP _{CUM}	144,198
CV _{CUM}	-7%
EAC	462,256

With 33% of the work scheduled to have been completed, this PBD has a negative cost variance of \$-10.0M (-7%) and is behind schedule (-7%). A positive increase in both cost and schedule variance occurred as the result of a BCP that incorporated SNM Removal, POCs, and Measurement activities from Material Stewardship. Regulatory Milestones are being met. Predetermined work activities completions are improving overall. GFS/I Issues include shipping container availability and certifications, and availability of SSTs.



PWA_S

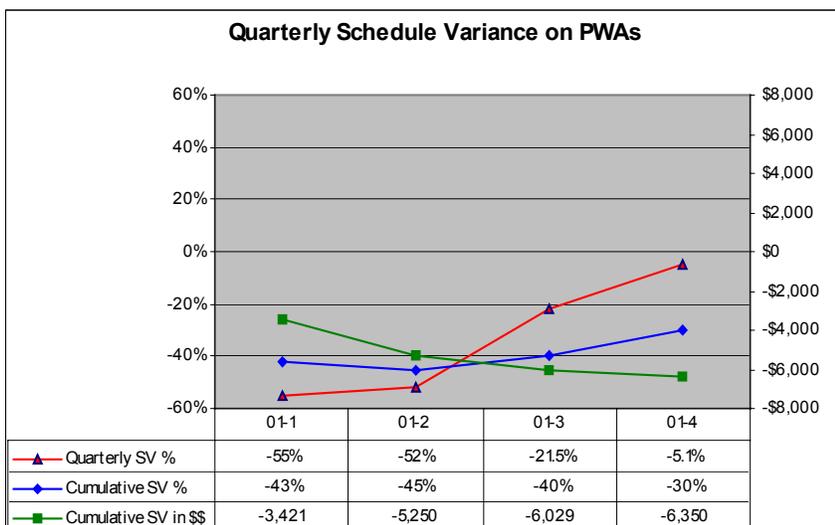


Accomplishments:

- Repackaged the following residues: 96kg of Wet/Combustibles, 378kg of Fluorides; 370kg of Ash; and 268kg of Dry.
- The goal of having sufficient containers to ship SNM to Savannah River Site was met

Potential Impacts to Cost & Schedule:

- WIPP/WAC visual verification for TRU waste will require new resources, training and equipment.
- PA/MAA closure
- KH request for amended ROD for residues (SNM oxide to WIPP, due Nov 15).
- GFS&I for SNM shipments: container and SST availability and container certifications.



UPCOMING:

Key Activities / Milestones / GFS/I

- Complete shipment of 4.5% low enriched uranium oxide material to Nevada Test Site.
- Complete the packaging of sufficient 3013 containers in 9975s to accomplish first shipment to SRS.
- Complete North Side decommissioning
- Complete first shipment of 3013s to SRS
- Receive approval from AL/WSD to ship 21 <1000 A2 items to LLNL in the DT-22 container.

Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Quarterly Oversight Report

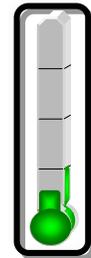


PBD B 707 Complex Gregg Nishimoto x7022

BCWS _{LC}	265,855
BCWS _{CUM}	82,921
ACWP _{CUM}	79,394
BCWP _{CUM}	80,707
CV _{CUM}	+1.6%
EAC	261,532

BCWS_{LC}: \$266M, EAC: \$262M. With 31% of the work scheduled to have been completed, this PBD is 2.7% behind schedule and 1.6% under budget. Regulatory Milestones have been exceeded. Predetermined work activities are 13% ahead of schedule due to early completion of several deactivation activities. A current GFS/I issue is RFFO approval of the DBIO. Both cost and schedule variance has shown continual improvement over the last quarter.

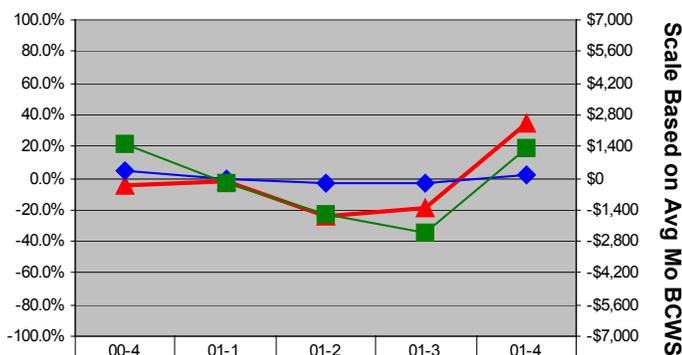
\$90M



\$13M
14%

PWAs

Quarterly Cost Variance Percentage



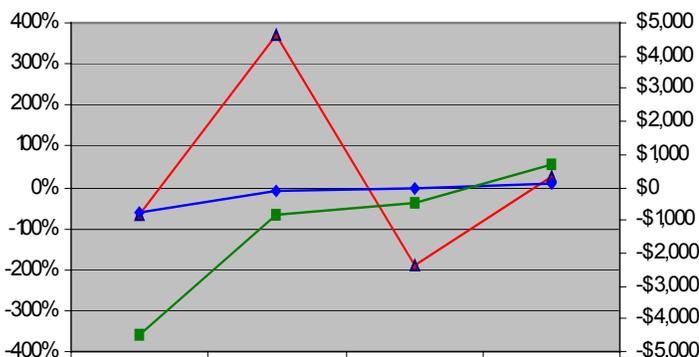
Accomplishments:

- Started D&D activities in all Modules
- Completed D&D of Modules F, G, H
- Completed deactivation of all 1st floor areas

Potential Impacts to Cost & Schedule:

- None

Quarterly Schedule Variance on PWAs



UPCOMING:

Key Activities / Milestones / GFS/I

- Approve and implement DBIO
- Complete demolition of B709 Cooling Tower
- Redefine D&D sets for better indication of progress

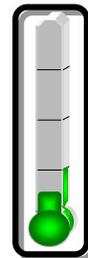
Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

Quarterly Oversight Report

PBD C 771 Complex J. Brothers x7756

\$77M



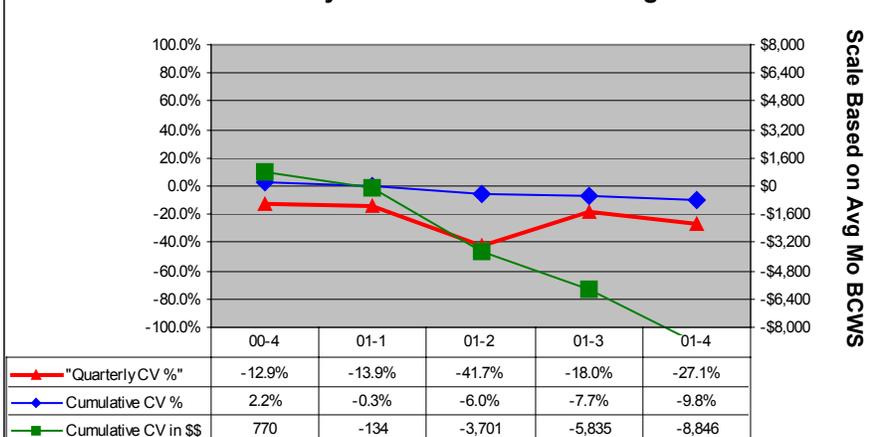
\$10.6M
14%

PWAs

BCWS _{LC}	230,205
BCWS _{CUM}	96,473
ACWP _{CUM}	98,760
BCWP _{CUM}	89,914
CV _{CUM}	-10%
EAC	252,854

BCWS_{LC}: \$230M, EAC: \$253M. With 39% of the work scheduled to have been completed, this PBD is 7% behind schedule and 10% over budget. Regulatory Milestones are being met. Predetermined work activities are +1% ahead schedule due to successful implementation of the decontamination effort of gloveboxes. There are no GFS/I issues. The cost and schedule variances continue to trend negative.

Quarterly Cost Variance Percentage



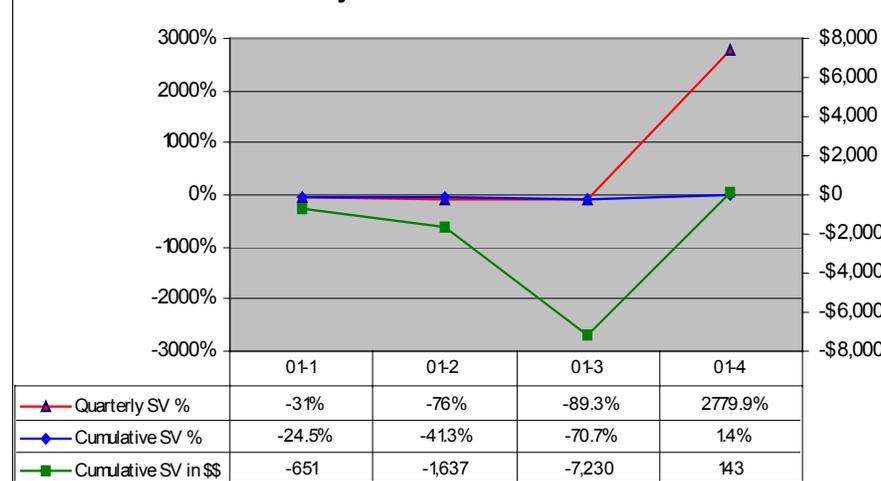
Accomplishments:

- Completed 5 D&D Sets
- Completed draining all Actinide & Reagent liquid systems
- Completed 1 Decommissioning Area
- Completed PPR of 3 systems
- Issued the request for proposal for demolition contract
- Commenced Decommissioning in B774
- Completed installation of Size Reduction 2-1 in room 149

Potential Impacts to Cost & Schedule:

- Plasma Arc size reduction in Room 149 is behind schedule; should be operational in January 2002.

Quarterly Schedule Variance on PWAs



UPCOMING:

Key Activities / Milestones / GFS/I

- DNFSB #303 - complete processing all liquids from B771 by March 2002.

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

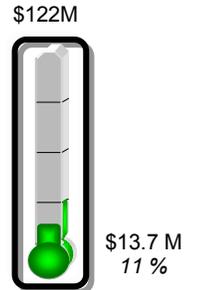
Quarterly Oversight Report



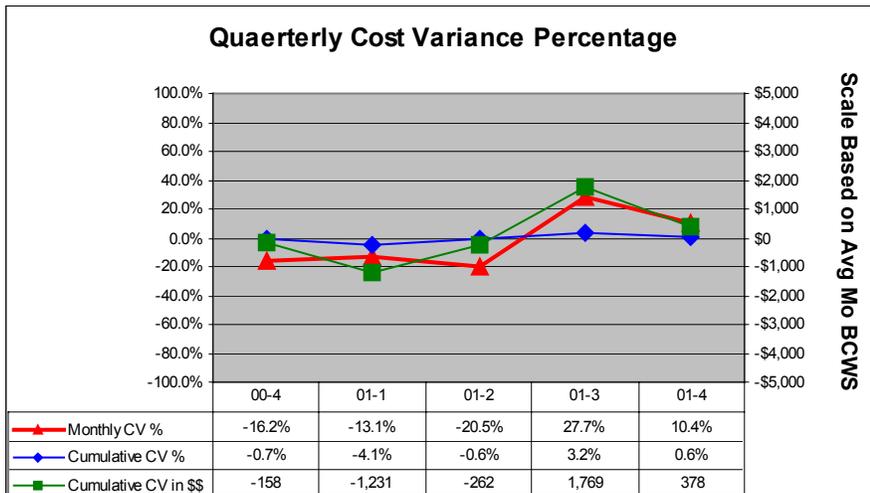
PBD D
776/7 Complex
 Gary Schuetz x3016

BCWS _{LC}	266,649
BCWS _{CUM}	61,486
ACWP _{CUM}	66,831
BCWP _{CUM}	67,210
CV _{CUM}	+1%
EAC	265,148

BCWS_{LC}: \$267M, EAC: \$265M. With 25% of the work scheduled to have been completed, this PBD is 9% ahead of schedule and 1% under budget. Regulatory Milestones are being met. Predetermined work activities are 47% ahead of schedule because several decommission worksets have been completed early. There are no GFS/I issues for this PBD. The positive schedule variance increased in FY-01, as the Project accumulates contingency for dealing with significant unknowns such as buried equipment.



PWAs

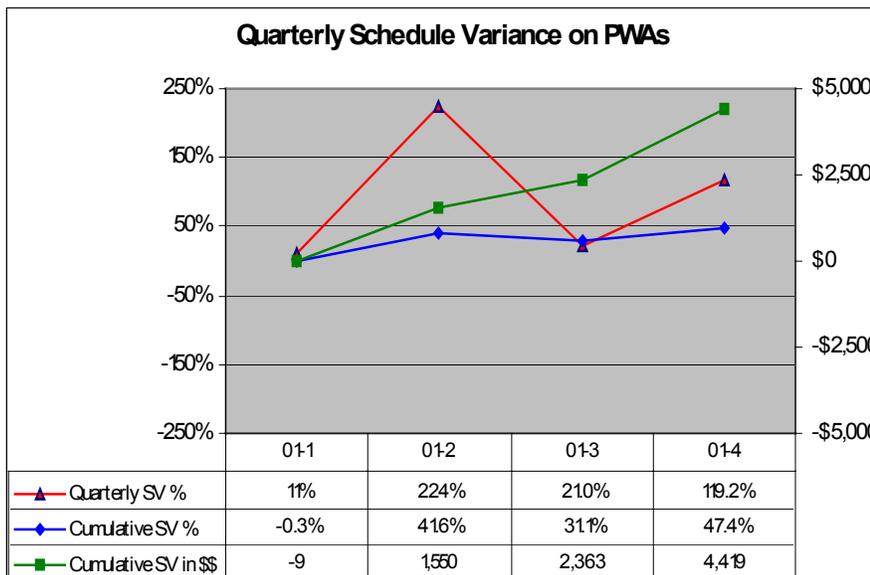


Accomplishments:

- three (3) worksets completed this quarter
- 40 of 84 worksets completed to date
- the Inner Tent Chamber (ITC) size reduction system installed

Potential Impacts to Cost & Schedule:

- none



Upcoming:
Key Activities / Milestones / GFS/I

- startup of the ITC size reduction system in first or second quarter of FY-02
- approval and implementation of the Decommissioning Basis for Interim Operation (DBIO) in second quarter of FY-02

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

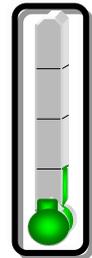
Quarterly Oversight Report

PBD E Industrial / Site Services Michael Holifield, x3638

BCWS _{LC}	791,046
BCWS _{CUM}	141,071
ACWP _{CUM}	135,025
BCWP _{CUM}	149,696
CV _{CUM}	9.8%
EAC	713,521

BCWS_{LC}: \$791M, EAC: \$713M. With 17% of the work scheduled to have been completed, this PBD is 6.1% ahead of schedule and 9.8 over budget. Regulatory Milestones are being met. Predetermined work activities are 100% behind schedule due to difficulty in locating/hiring asbestos abatement workers who have U.S. citizenship. There are no Immediate GFS/I Issues for this PBD. Positive variances are due to acceleration of 800 area Stabilization and Hazard Removal work.

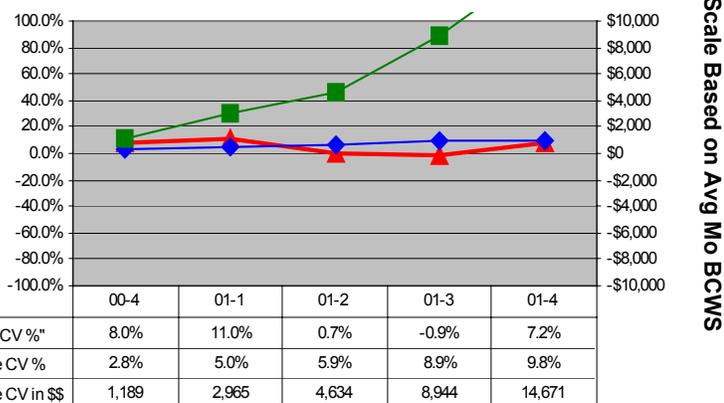
\$239M



\$0.2M
0.1%

PWAs

Quarterly Cost Variance Percentage



Accomplishments:

- Began Perimeter Security Zone (PSZ) demolition. *
- Completed removal of former Protected Area fence and razor wire.
- Completed removal of loose equipment from B444 Beryllium Shop. *
- Completed reconnaissance

Potential Impacts to Cost & Schedule:

- DOE's moratorium on the sale of radioactive scrap metal presents a potential impact on low level waste volumes.
- B111 decommissioning project is awaiting guidance from the Environmental Protection Agency on the PCB paint disposition path.

Quarterly Schedule Variance on PWAs



UPCOMING:

Key Activities / Milestones / GFS/I

- Complete demolition of B111 and B333.
- Complete demolition of PSZ.
- Award contract for AWTS.
- Award B886/865 Decommissioning Contract
- Finalize initial planning for offsite relocation of Kaiser-Hill support and DOE RFFO staff.
- Sale of trailers T900D and C.

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

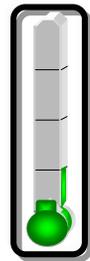
Quarterly Oversight Report

PBD F Material Stewardship Fran Guerink x4619

BCWS _{LC}	850,517
BCWS _{CUM}	248,982
ACWP _{CUM}	253,987
BCWP _{CUM}	242,399
CV _{CUM}	-5%
EAC	892,017

PBD F is -3% behind schedule and -5% over budget. One Site Treatment Plan Regulatory Milestone (GAC) was extended until June 02 for shipping to the TSCA Incinerator. The schedule gain is due to LLW shipping being ahead by 36%, and both LLM and TRU at -5%. GFS/I Issues for this PBD include number of TRUPACTS to be supplied for WIPP, availability of the Nevada Test Site of receive Low Level Mixed Waste, and regulatory approval to ship Low Level Mixed Waste to Oak Ridge Tennessee.

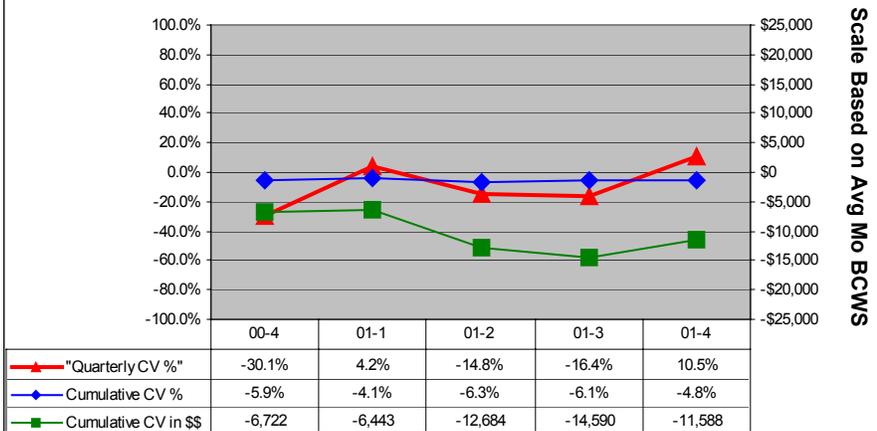
\$161M



11.8 M
7.3%

PWAs

Quarterly Cost Variance Percentage



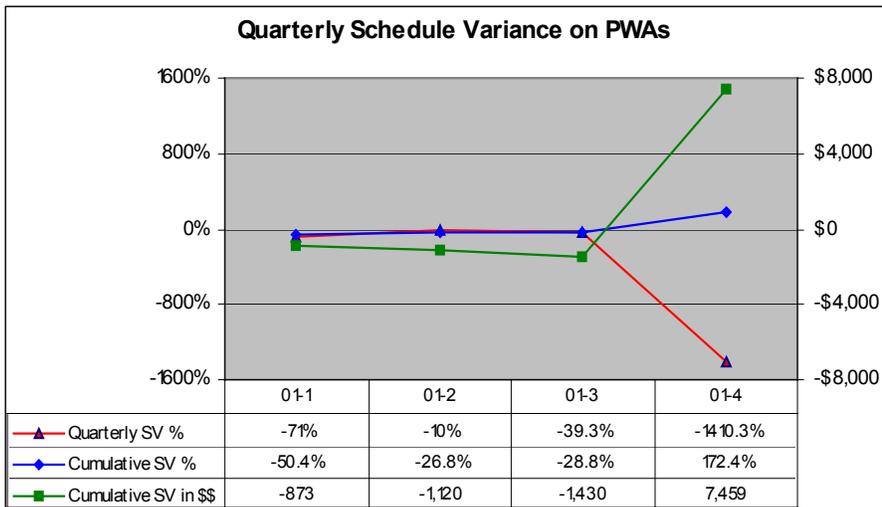
Accomplishments:

- 13,232 C. meters of LL waste shipped to NTS
- 1044 C. meters of TRU waste shipped to WIPP
- Shipped 231 C. meters of LLM waste
- Approval by Carlsbad of old visual exam data from prior to WIPP RCRA Permit
- PA reduction & implementation completed July 20, 2001
- Shipped 2 tankers of non PCB liquids to Oak Ridge TSCA Incinerator

Potential Impacts to Cost & Schedule:

- Availability of receiver sites for some LLM and TRU Orphan wastes

Quarterly Schedule Variance on PWAs



UPCOMING:

*Key Activities / Milestones / GFS/I
(Next 2 Quarters – beyond if necessary)*

- Ship GAC to OR TSCA Incinerator
- TRU shipments to increase from 7 to 15 as new TRU Shipping Facility is opened and implemented
- Increase Low Level shipping to NTS to 17,000+ cubic meters

Total Project Report **RFFO RFETS**

4QFY01 • Jul – Sep 2001

Quarterly Oversight Report

PBD G

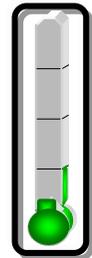
Remediation

Norma Casteñeda x4226

BCWS _{LC}	295,612
BCWS _{CUM}	9,085
ACWP _{CUM}	6,980
BCWP _{CUM}	6,523
CV _{CUM}	-7.0%
EAC	316,350

BCWS_{LC}: \$295M, EAC: \$295M. This PBD is -28.2% behind schedule and -7.0% is the cost variance. There are no GFS/I Issues for this PBD G. Negative schedule variances are caused by path forward changes from RIDD to RI/FS and UBC 771 behind schedule because of remaining building characterization has been delayed and will be accomplished with the UBC remediation. The schedule variance will continue until 2003.

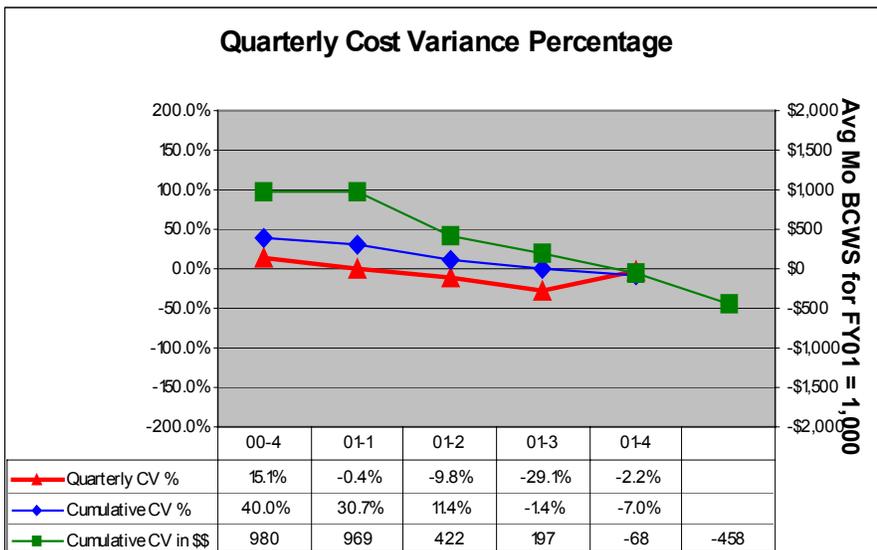
\$240M



\$0.2M
0.1%

PWAs

Quarterly Cost Variance Percentage



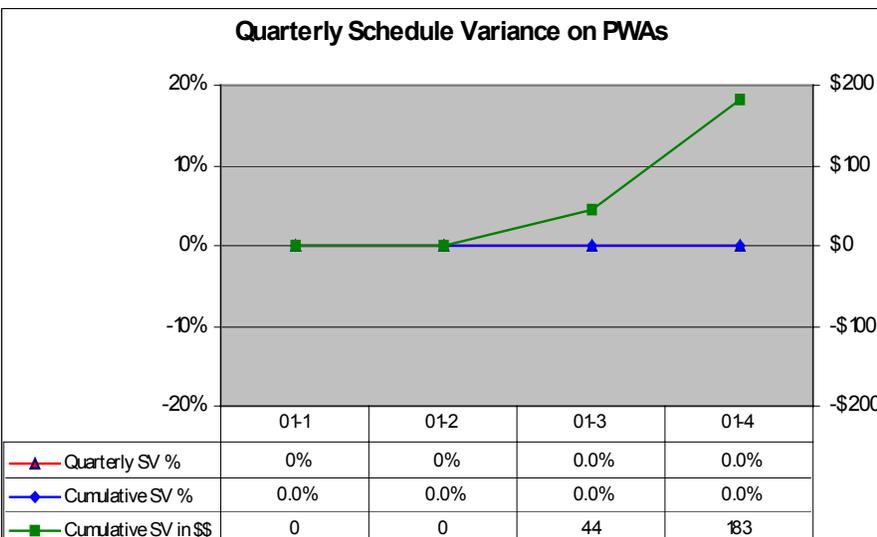
Accomplishments:

- Completed Annual Update to HRR
- Completed Annual ER Risk Ranking
- Completed IA Strategy Update
- Completed IA SAP Addendum
- Completed Final 771 UBC Phase I Characterization Sampling Report
- Regulatory agencies approved Soil/Asphalt Management RSOP

Potential Impacts to Cost & Schedule:

- Schedule variance will remain due to UBC 771 remaining building characterization delayed and will be accomplished with the UBC remediation.

Quarterly Schedule Variance on PWAs



UPCOMING:

Key Activities / Milestones / GFS/I (Next 2 Quarters – beyond if necessary)

- Gain approval on ER RSOP
- Gain approval on Buffer Zone SAP
- Begin UBC 123 slab removal
- Disposition of number of NFAs
- Begin work on UBC 886

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

Quarterly Oversight Report

PBD H

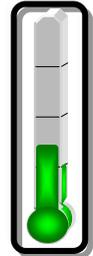
Engineering, Environmental, Safety, Health & Quality

J. Torma-Krajewski x7165

BCWS _{LC}	239,032
BCWS _{CUM}	78,666
ACWP _{CUM}	71,536
BCWP _{CUM}	78,666
CV _{CUM}	9%
EAC	217,419

BCWS_{LC}: \$239M, EAC: \$217M This PBD is on schedule and 9.0% under budget. The cost variances have been attributed to staff vacancies.

\$239M



\$79M
33%

Quarterly Cost Variance Percentage



Avg Mo BCWS FY01 = 7,000

	00-4	01-1	01-2	01-3	01-4
Quarterly CV %	3.8%	-2.6%	0.0%	2.5%	1.0%
Cumulative CV %	7.8%	8.2%	9.1%	9.2%	9.1%
Cumulative CV in \$\$	2,843	3,914	5,423	6,596	7,130

Accomplishments:

- Fire Department Baseline Needs Assessment completed & approved by RFFO & K-H
- Electrical Safety Assessment completed
- Maintenance of medical records for lower-tier contractors resolved
- Two actinide migration reports issued by K-H

Potential Impacts to Cost & Schedule:

- None

UPCOMING:

Key Activities / Milestones / GFS/I
(Next 2 Quarters – beyond if necessary)

- None

Total Project Report RFFO RFETS

4QFY01 • Jul – Sep 2001

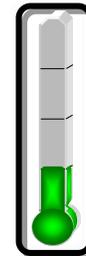
Quarterly Oversight Report

PBD J Support Project Bob Birk x5921

BCWS _{LC}	600,493
BCWS _{CUM}	142,538
ACWP _{CUM}	128,181
BCWP _{CUM}	142,538
CV _{CUM}	10%
EAC	560,082

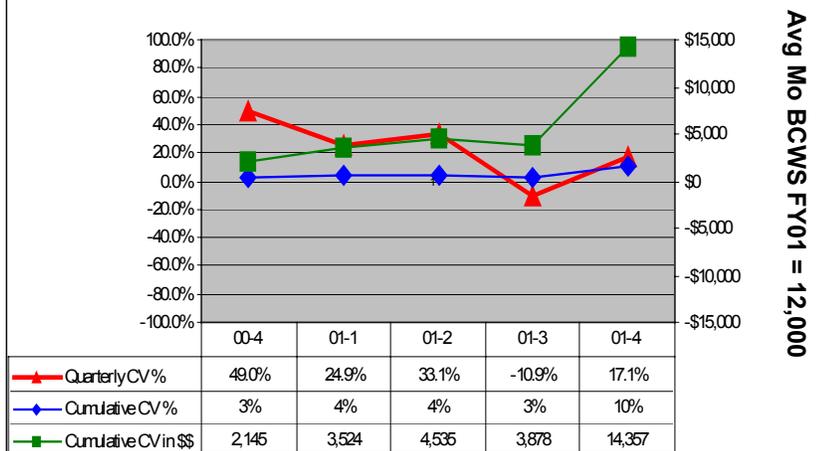
PBD J contract performance varied with the CV at 9.6% versus 3.2% last quarter and the SV at 0.0% versus 0.0% last quarter. **Traditional CV / SV:** The cost variance for JAA – KH Executive Office – was +68%, or \$4,216K. The variance is due to the COO position and executive support being open from February 2000 – March 2001. The cost variance for JAC – Planning and Integration cost account was 14% or \$1,774K. Cost variance due to reduced consulting subcontract costs and Request for Equitable Adjustment development costs charged directly to the individual projects. The cost variance for JAE – Steelworker Overhead cost account was 25% or \$2,832K. Cost variance due to the difference between the budgeted amount of lump sum bonuses planned for distribution and the amount actually paid as well as idle/non-productive time charges to steelworker overhead account. The cost variance for JAG – Fringe Benefits- was +101% or \$4525K. Cost variance is due to the recovery of fringe costs which varies from actual costs because of the cyclical fluctuations in fringe pool costs versus the annual fringe rate used for recovery. A rate revision also contributed to the variance.

\$601M



\$143M
23%

Quarterly Cost Variance Percentage



Avg Mo BCWS FY01 = 12,000

Accomplishments:

- NA

Potential Impacts to Cost & Schedule:

- None

UPCOMING:

- NA

Rocky Flats Field Office

Budget: Lance Schlag x3171

Strategic Goals: George Liscic x6534

Current Management Priorities / Concerns

The RFFO has developed a draft strategic plan. The plan contains a Vision and Mission statement, Core Values, Eight Corporate Goals, a template for developing corporate performance measures and business unit Annual Operating Plans. Each RFFO Business Unit (BU, a.k.a. Direct Report Organizations) has developed Annual Operating Plans which are based on adding value to the eight Corporate Goals and RFFO Mission through goal setting at the business and functional levels. Individual BU employees annual work are described as outputs and are appropriately categorized within the goals developed at the BU or Functional level.

There are a number of items pending to complete the planning and implementation of the strategic planning process. For the planning purposes, these include but may not be limited to developing RFFO Corporate Strategies, Corporate Performance Measures, conducting a Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment and various elements of the BU Annual Operating Plans, including awards plans, management improvement planning and communications improvement planning. In terms of implementation, the tracking and reporting of performance measures at the RFFO corporate level against improvement goals, developing change control and routine strategic planning review cycles.

There are a number of other implementation activities that may be undertaken to add value to maintaining a strategic focus on RFFO work, including employee transition activities, strategic HR development, work efficiency activities, etc. These activities should be identified as soon as possible and undertaken in parallel with the completion of the pending items described above.

Performance against Strategic Goals.

No data to report. Anticipated completion of corporate measures, 2nd quarter 02, reporting to begin, 3rd quarter 02.

RFFO Budget Performance

RFFO Budget Issues/Concerns

RFFO Upcoming Focus

Appendix A

POC: Lam Xuan x1234

Headspace Gas Sampling Permit Modification**Issue:**

The New Mexico Environment Department (NMED) rejected the class 1 permit modification for headspace-gas sampling of the pipe overpack component (POC) on September 24, 2001. DOE resubmitted the permit modification under class 2. The public review comments are due November 27, 2001. If NMED rejects this class 2 because the WIPP Waste Analysis Plan (WAP) does not include a drum age criteria (DAC) for drawing a headspace gas sample from a vented drum containing a POC inside, shipments of TRU wastes in POCs from Rocky Flats will be discontinued.

Background:

Currently the WIPP Hazardous Waste Facility Waste Analysis Plan allows two methods of collecting headspace gas samples from drums: (1) sampling through the carbon composite filter or (2) sampling through the drum lid. Direct headspace gas sampling of the pipe overpack component (POC) is not currently authorized in the WAP. POCs are equipped with a scintered metal filter. Direct headspace gas sampling of the POC through this filter would be extremely difficult, if not impossible, due to the design of the filter and the POC filter port on the POC lid. The bottom of the POC filter port consists of a metal plate in which 4 small holes are fabricated. These 4 holes provide the only vent path from the POC through the POC filter. It would be extremely difficult to physically manipulate a sampling needle through the filter itself and then through one of holes in the POC vent port. For this reason, the permit modification requested removal of the filter and installation of a gas-tight fitting to draw a headspace gas sample from the POC.

If the permit modification for sampling through the air tight seal is not approved, approximately 90 randomly selected POC drums would have to undergo headspace gas sampling through the drum lid filter under the existing WIPP WAP to allow the remaining inventory of drums to be shipped. However, the WIPP WAP does not include drum age criteria (DAC) for drawing a headspace gas sample for a vented drum containing a POC inside. And even if a DAC did exist, it would be up to 1,800 days (or about 5 years) before the sample can be taken.

Impacts:

Without the ability to ship POC drums, Rocky Flats will have little TRU waste inventory available for shipping. An alternative sampling approach still requires another permit modification, and NMED's approval is obviously uncertain at this time. Consequently, with limited amount of remaining TRU waste storage capacity to be filled within about six months, D&D activities may need to be slowed down, and the 2006 closure schedule will be significantly impacted.

Recommendation:

This issue should be elevated as high as possible at HQs.

Appendix B

POC: Richard Bartlett x3214

Impacts of Heightened Security

On September 11, 2001, the Site suspended operations and implemented enhanced security measures (security condition 2) in response to terrorist attacks in New York City and the Washington D.C. area. Although nuclear operations resumed by September 14th and shipping by October 16th, the security measures implemented on September 11 have been somewhat modified but essentially remain in effect and are expected to remain in effect for the foreseeable future. The FY2001 cost impacts resulting from suspension of operations are 1853K and the FY2001 cost impacts from enhanced security are 312K. The enhanced security includes:

- positive badge verification of all personnel entering RFETS
- increased frequency of detailed vehicle searches entering RFETS
- increased frequency of routine patrols within RFETS
- deployment of physical barriers

The KH “National Emergency Impacts November 2, 2001” document states that schedule impacts to nuclear operations and shipping can be mitigated. However, the costs of enhanced security will be substantial. Bases on current security assumptions, KH has projected cost impacts from enhanced security of \$10,737K in FY02 and \$10,194K in FY03. Almost all of these costs reflect maintenance of the current, heightened security posture for the next two years including protective force overtime, training, new hires, and constructing vehicle search buildings. If additional funds are not forthcoming, a reprogramming in FY02 of 9600K of EW05 funds to FS40 funds is required with a concomitant reduction in funds available for other activities and thereby placing the accelerated Site closure schedule at risk.

Although the enhanced security causes some delays during morning arrival time and inconvenience to visitors, the impact to operations is minimal. The greatest impact of enhanced security is the projected cost and the possible adverse effect on the accelerated Site closure schedule if no additional funds are received.