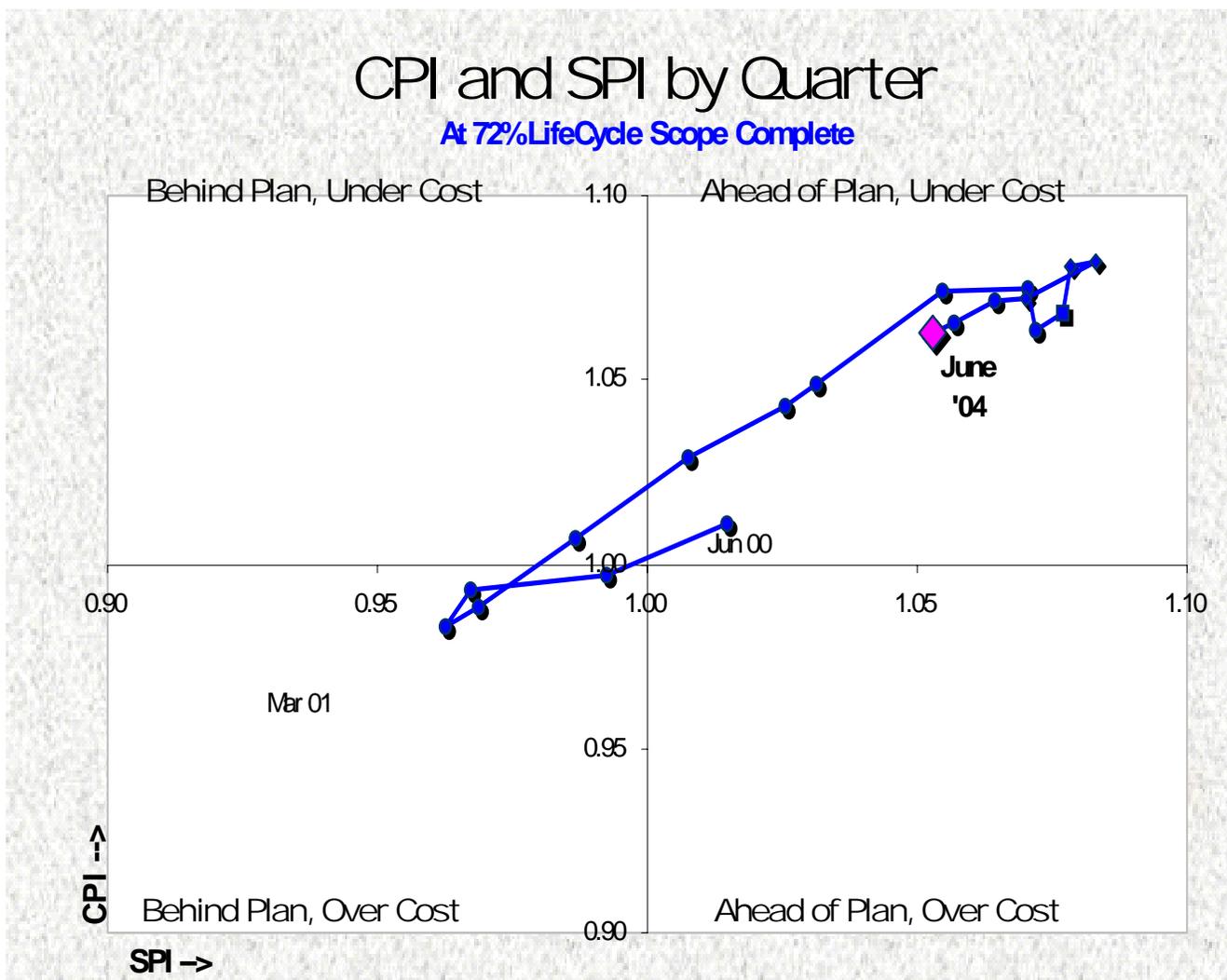


RFPO RFETS Total Project Report

3rd Quarter, FY04

April - June, 2004



Total Project Report RFPO RFETS

3QFY04 • April - June 2004

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Executive Overview

In General: At more than 72% complete, the Rocky Flats Closure Project is five percent ahead of schedule and six percent below planned cost. The Project as a whole has remained below cost and ahead of schedule for more than 2 and a half years. During this quarter, Kaiser-Hill continued to struggle with schedule delays and cost overruns in the D&D of several nuclear buildings. Unexpected penetration of contaminants into structural materials, difficulties in dismantlement, and an increased use of waste containers has impacted project performance as we move into the most difficult D&D work. The project's cost and schedule variances have declined slightly since the beginning of the fiscal year, but remain significantly positive.

Key Accomplishments: This quarter, Rocky Flats dispositioned 11 reportable and 32 other miscellaneous structures, and completed another 19 worksets in the Nuclear facilities. More than 97% of Glove Boxes have been removed from the Nuclear Buildings. The Waste Program continued to accelerate shipping of Low Level (~44,000 m³), Low Level Mixed (~1,100m³), and TRU Waste (~1,300m³), and is currently averaging more than ten shipments per hour. The Environmental Remediation project received approvals for no further action on 6 IHSS groups and two other remediation sites this quarter.

METRIC	
Safety:	NTS Reports: 0 Events of "Significant Concern" or above: 9
<i>Bears Watching</i>	Offsite Hospitalizations: 2 Rad/Haz Transport Incidents: 2 Lock-Out/Tag-Out: 1 Other Events: 14 Contaminations: 2
Cost:	Cumulative Cost Variance = +6%, +\$168M out of ~\$2,851M BCWP_{CUM}
<i>On Plan</i>	<i>LIFECYCLE: 72% of target scope completed; 67% of target cost expended - continues positive performance.</i>
Schedule:	Predetermined Work Activities SV = +53% ,+\$176M <i>LIFECYCLE: 29% of scope scheduled; 45% of scope completed</i>
<i>On Plan</i>	Traditional Schedule Variance = +5%, +\$144M <i>LIFECYCLE: 68% of scope scheduled; 72% of scope completed - continues positive performance.</i>
Critical Path	CP = <u>B371 D&D</u> Estimated Completion Date: <u>December 15, 2006</u>
Completion Date: <i>On Plan</i>	The critical path continues to involve B371 D&D and ER activities. RFPO is continuing to use the original Target Date, December 15, 2006, as the ECD. The lack of a LLMW receiver site for waste between 10 and 100 nanocuries/gram is causing concern about demolition of potential storage locations and if unresolved, will compete for the critical path.
Current CP: <i>On Plan</i>	<i>62% (53 months) of target contract duration elapsed.</i>
Key Milestones	Closure Activities: 11 Reportable demolitions included Building 130 (Admin., warehouse, kitchen and cafeteria), the steam plant, the 991 former SNM shipping facility and B774 - the most radioactively contaminated building removed to date. 31 other structures were also removed and disposed, and responsibility for the Rocky Flats Reading room was officially transferred to Legacy Management. 75% of the Site's steam lines have been removed to date. Field characterization sampling was completed for six IHSS Groups.
DNFSB: <i>On Plan</i>	
RFCA: <i>FY04 Complete</i>	RFCA FY03 Milestones: All milestones completed for 2004
GFS/I	GFS/I requirements are being met and/or are in process except as noted here:
Status: <i>On Plan</i>	
Forecast: <i>Bears Watching</i>	Need DOE receiver site for all Low Level Mixed Waste Orphans between 10 and 100 nanocuries/gram.

Executive Summary

Contract Status

Target Cost: 3.973B (Original: 3.963)

Max Fee: \$340.8M (Original: \$340M)

TCD: 15 December 2006

This quarter, the contract with Kaiser-Hill was renegotiated to extend the range of incentive effectiveness. Modification 116 sets additional incentives beyond those in the original contract in order to assure continued focus on safe and efficient closure. In summary, these changes extend the Maximum possible Fee up to \$560 million, should the contractor achieve safe closure for \$850 million less than Target Cost and decreases the Minimum possible Fee to \$75 million should the contractor overrun the target cost by \$886 million or more.

Fee Payments

As of June 30, 2004, RFPO has made fee payments to K-H of \$131,348,794 under the provisions of the Site Closure Contract. The contractor has requested no fee deferrals under this contract.

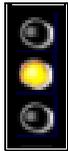
Penalty Assessment

No Fee Penalties were issued this Quarter. However, a letter was issued to Kaiser-Hill on July 19, 2004 assessing a penalty of \$100,000 for electrical safety incidents. Next quarter's report will indicate the additional penalty. Through the end of June, 2004, four fee penalties have been issued under the terms of this contract with total penalties equaling \$510,000.

Requests for Equitable Adjustments (REAs):

Since the beginning of the contract, ten REAs have been incorporated into the contract increasing the Target cost by \$10.2M. The National Emergency REA remains under HQ review. No new REAs were received in June, 2004.

Pending ~ \$16.4 million: National Emergency REA (2000 – 2002 Costs)

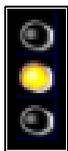


Safety

9 Events of "Significant Concern" or Above

During the last quarter, nine events were classified at the level of Significant Concern of 3 or above, down from thirteen last quarter. The events occurred in the following functional areas: Occupational Safety and Industrial Hygiene (7), Transportation (1), and Integrated Work Control Program (1).

In May, a high number of electrical safety incidents motivated the contractor to conduct a site wide audit of electrical safety practices and "all hands" electrical safety awareness training was given to all site employees on the findings of the audit.



GFS/I Performance

Most requirements for accelerated closure 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.

After the Hanford ROD was issued in June 2004, Rocky Flats shipped 109 drums of LLMW (>10 nCi/gm) from the treatment/storage facility to Hanford. Subsequently, the State of Washington sued the DOE in July 2004 to prevent waste shipments to the Hanford Site. The DOE has voluntarily curtailed waste shipments to Hanford until after the court hearing in the fall of 2004. The Site continues to evaluate options for these and other "orphan" waste streams to remove all radioactive waste from the Site in support of the closure plan. (See Appendix A)



Critical Path

ECD: 15 December 2006

The Critical Path continues to run through B371 D&D activities, followed by site grading. RFPO continues to monitor the critical path and near critical path activities resulting from the contractor's accelerated schedule. Identifying a receiver site for all MLLW greater than 10nCi/gm is a DOE GFS/I activity which is beginning to approach the Critical Path for accelerated closure. All the MLLW must be removed from the site to complete demolition of the buildings (esp. B460). RFPO and KH are working to refine the schedules and agree on the logic tie details and remaining durations. For the time being, RFPO will continue to utilize December 15, 2006 as the estimated completion date.

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Cost

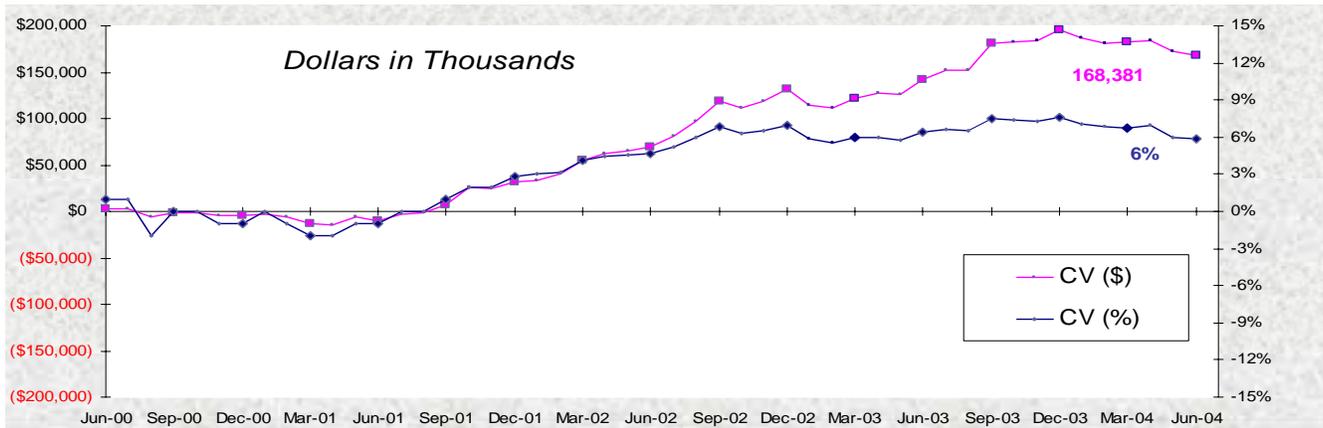
Cost Variance +6%, +\$168M

LIFECYCLE:72% of scope completed; 67% of target cost expended

Over all cost savings on the Project to-date remains significantly positive (\$168M). However, this quarter, the Closure Project completed \$35M less work than was planned, for \$15M over the budgeted cost; reducing the accumulated cost savings on the project by about \$13M since the beginning of the fiscal year.

Most of the cost overruns during the quarter are attributable to decontamination and dismantlement difficulties in the nuclear buildings and cost over runs in Material Stewardship Waste Operations. Lower than expected productivity in building B371's highly contaminated dismantlement sets (Canyons and Central Storage Vault) have contributed to a cost overrun of about \$13M in PBD A. Decontamination of certain walls and floors in B771, and difficulties in dismantling the size reduction vault in B776 are significant contributors to the erosion of the accumulated Cost Variance. Additionally, increases in disposal costs and the amount of radioactive waste for disposal has caused more than \$12M in cost overruns in PBD F during the quarter.

Cumulative Cost Variance Over Time



NOTE: Currently, the closure project has accumulated \$27.7M 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.

Cost Performance by PBD:

Project Description	BCWP	ACWP	CV (\$)	CV (%)
1A 371 Complex Project	338,905	408,146	(69,241)	-20%
1B 707 Complex Project	205,825	221,811	(15,986)	-8%
1C B771/774 Closure Project	225,777	236,163	(10,386)	-5%
1D B776/777 Closure Project	202,259	197,721	4,538	2%
1E Industrial and Site Services Project	586,157	444,393	141,764	24%
1F Material Stewardship Project	614,024	632,456	(18,432)	-3%
1G Remediation Project	148,967	73,303	75,664	51%
1H Engr., Environ, Safety & Quality	176,365	157,884	18,481	10%
1J Support Project	353,135	311,157	41,978	12%
Project Totals	2,851,413	2,683,032	168,381	6%

Includes all target fund sources: EY06, FS30, EW09, GG08, NN61 and YN01 (EW05 was recast to EY06 and FS40 recast to FS30 beginning in FY04)

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Schedule (Predetermined Work Activities)

SV_{PWA} (+\$176M, +53%)*

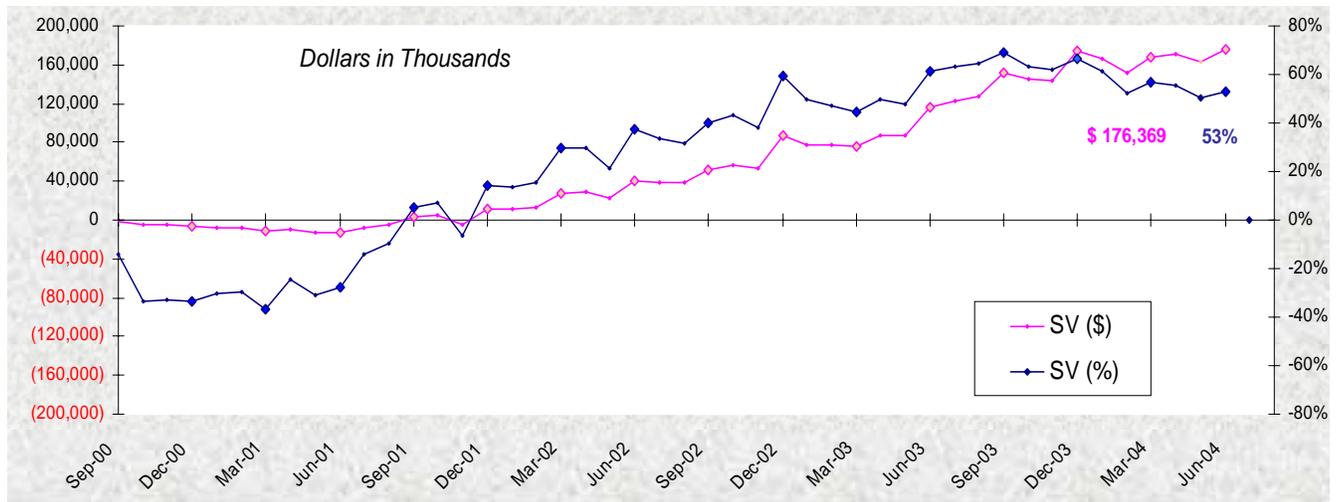
At the end of this third quarter, 29% (\$334M) of the PWA scope was scheduled for completion (lifecycle), and 45% (\$511M) was actually completed. The Rocky Flats Project Office validated that K-H completed \$49M in PWA work scope during the quarter; \$8M more than was planned.

Although the cumulative schedule variance on critical work activities remains significantly positive, PWA performance has slowed over the past two quarters. Some of the impact to the cumulative variance is a natural consequence as work that was accelerated in prior quarters now comes due. Further, as the Closure Project moves into the most difficult D&D work, productivity in the highly contaminated work sets was expected to decrease. Those difficulties have had a larger impact than was forecasted, but the Closure Project is still expected to achieve physical completion significantly ahead of the target completion date of December, 2006.

Other indicators of schedule performance include Traditional Schedule Variance, Modified Milestone Schedule Variance and P3 estimated completion dates. The Traditional Schedule Variance and Modified Milestone Schedule Variance are +\$144M (+5%) and +\$140M (+15%) respectively. Kaiser Hill's P3 estimated completion date is nearly thirteen months ahead of the target date of December 15, 2006 (RFPO continues to use December 15, 2006 as the estimated completion date while it monitors the contractor's ambitious schedule). These other indicators are further discussed in Appendix C.

** These are the validated RFPO figures*

Validated Schedule Variance on Predetermined Work Activities



PWA Schedule Performance by PBD

Project Description	BCWS	BCWP	SV (\$)	Change from last QTR	SV (%)	Change from last QTR	DELTA RFPO - KH BCWP**
1A 371 Complex	61,304	67,463	6,159	3,620	10%	14%	0
1B 707 Complex	63,955	74,480	10,525	(2,623)	16%	1%	0
1C B771/774 Closure	75,188	67,257	(7,931)	(7,463)	-11%	-2%	0
1D B776/777 Closure	41,618	57,704	16,086	4,318	39%	18%	0
1E Industrial and Site Services	7,969	44,532	36,563	6,811	459%	-437%	0
1F Material Stewardship	58,497	118,528	60,031	10,763	103%	25%	67
1G Remediation	25,849	80,844	54,995	(6,714)	213%	-202%	0
Project Totals	334,380	510,807	176,427	8,712	53%	4%	(67)

***All values are cumulative-to-date*

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Key Milestones

CLOSURE ACTIVITIES: 11 Reportable demolitions took place this quarter: Buildings 130 (Admin.), 130 (Warehouse & Cafeteria), 443 (Steam), 881H (Electrical), 991 (SNM shipping), 223 (Nitrogen Supply) and the most radioactively contaminated building removed to date - Building 774, a former Liquid Waste Treatment facility. Other reportable structures included the B881 Filter Plenum, Trailer 771C (Drum Counting), the Main Hazardous Storage Area (750 HAZ), and the B883 Cooling Tower. 31 other structures including the B881 stacks, valve vault, tunnel, and emergency generator facility, as well as several tanks, pads, and trailers were also removed and disposed. 75% of the Site's steam lines have been removed to date (15,000/ 20,000 ft). Field characterization sampling was completed for six IHSS Group; the B460 PAC, the Pad north of B553, the Central Avenue Ditch, B887, Middle Chem Site, and Rad area B551. Demolition of buildings 771 and 881 are scheduled for the fourth quarter. (B881 demolition was delayed for review of the work-package for explosives preparation.) Responsibility for the Rocky Flats Reading room was officially transferred to Legacy Management.

RFCA MILESTONES – Due to the dramatic and successful progress to-date, Earned Value targets are no longer tracked with the regulators. The five out-year Tier One milestones which name key remedial and decommissioning activities have been retained. There is no Tier One milestone for 2004. Progress against all out year milestones is on or ahead of schedule.

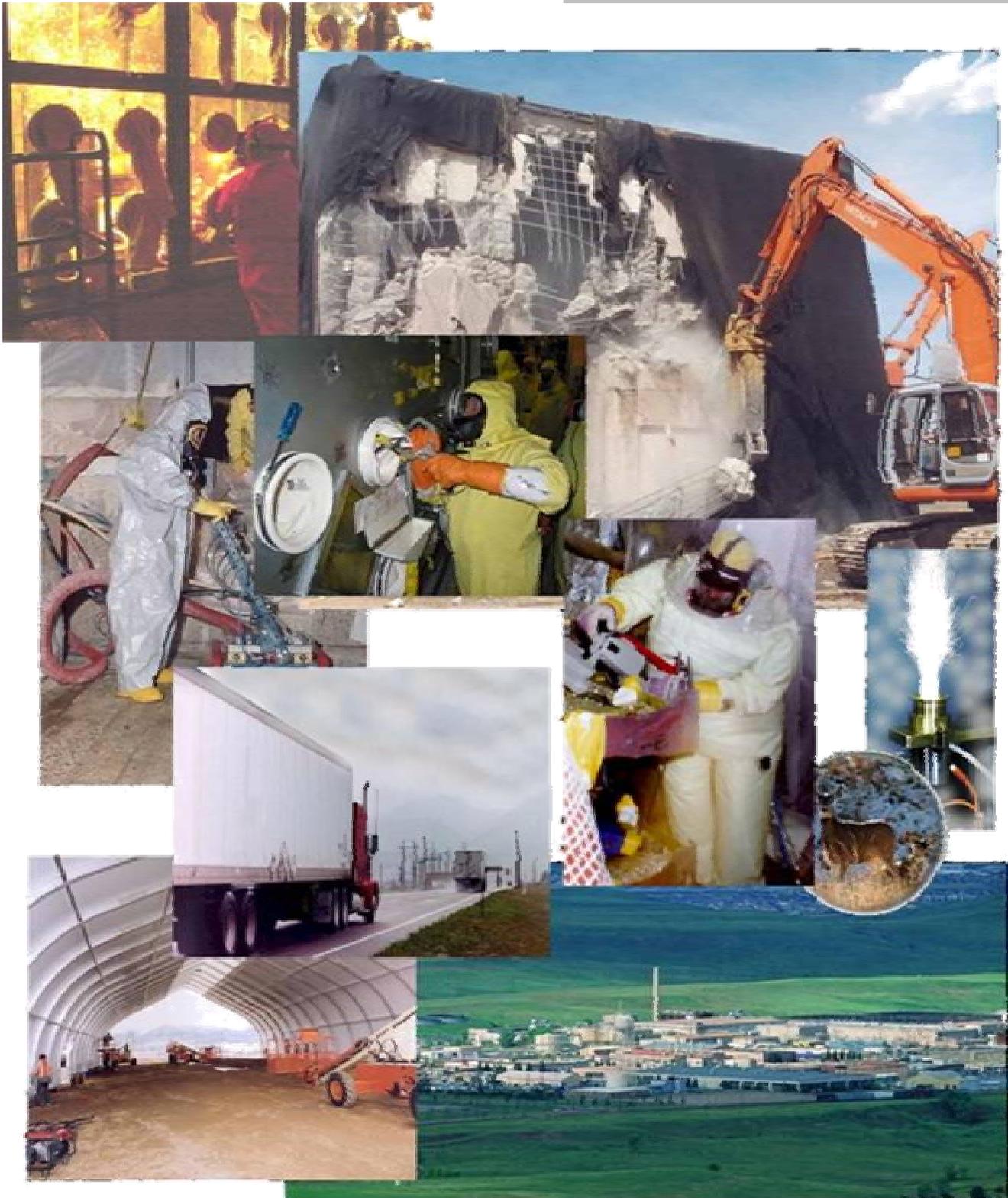
STP MILESTONES – RFETS has 7 Site Treatment Plan milestones for FY04. We are currently on track to meet all of the FY04 Milestones, except one on Rocky Flats PCB Solids (RF-081) population. An extension for this milestone has been requested extending the milestone completion from September 30, 2004 to September 30, 2005. Assuming that the extension request is received and all other FY04 milestones are successfully met, only three waste streams will require disposition in FY05.

Project Risk Report

DOE and K-H continue to work vigorously to eliminate/mitigate potential schedule or cost impacts. The ability to safely perform work remains the most critical project risk and receives constant attention. Lapses in safe work practices could easily result in unrecoverable schedule delays and associated cost growth.

Receiver sites and treatment requirements for some Low-Level Mixed Waste (LLMW) have not been confirmed and confirmation is needed in order to permanently remove these materials from the site. Removal of orphan LLMW is a near-critical path activity that could soon be driving the project completion date.

Detailed Overview



Safety

Ed Westbrook x 7074

B.6 Safety Analysis

There are no reported incidents where the B.6 safety criteria were exceeded (and contractual actions taken) during the third quarter of FY 2004. A Letter of Fee Penalty letter was issued on July 19, 2004, for a series of events, particularly electrical events that occurred during this quarter. Although no personal injuries occurred as a result of these incidents, a prominent threat to life and safety was evident. Actions taken by KH in response to these events were considered in the mitigation of the fee penalty from 150,000 to 100,000. A description of the events follows:

In building 771, while using the hydrolance to decontaminate a building support column, a worker passed the water stream over an energized 480 volt cable at least twice. The combination of the exposed 480 volt conductor and the water from the hydrolance created a potential life threatening situation.

Another event occurring in building 771 involved damage to a 480 volt cable. A concrete saw contacted the power cable to the saw, damaging the insulation and causing a fuse to blow. The saw is also used in combination with water, which increased the magnitude of any electrical hazard that may be present.

Another circular saw cut through its 120 volt power cord causing the GFCI breaker to trip.

In May, a concrete shaver crossed over its own 480 volt power cord stripping the insulation off the cord and causing fuses to blow.

Events of Significant Concern

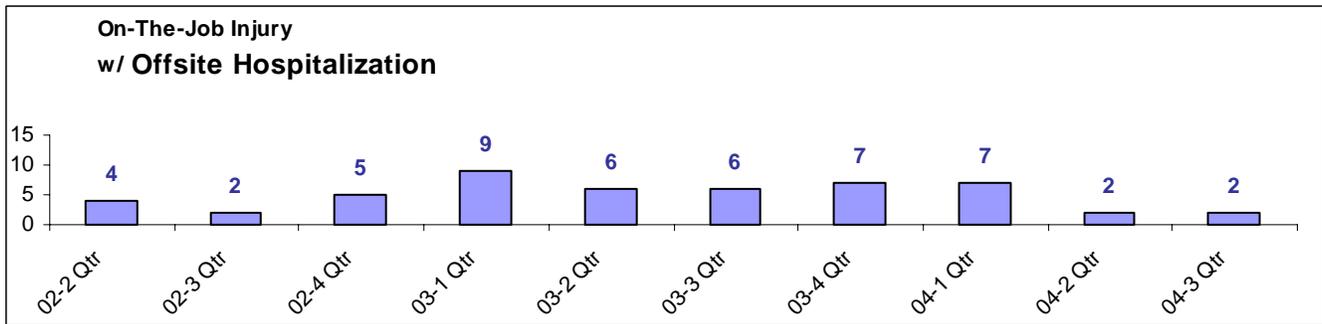
During the last quarter, nine events were classified at the level of Significant Concern level 3 or above, two were classified as serious. This is a decrease from the thirteen reported last quarter. The events occurred in the following functional areas: Occupational Safety and Industrial Hygiene (7), Transportation (1), and Integrated Work Control Program (1). The first of the two serious incidents occurred when the insulation of an energized 480-volt power cord was damaged by a worker performing hydrolancing activities in Building 771 (*see above*). The second was a collective concern of several events involving inadequate placement of extension cords and damaged/cut energized extension cords during D&D activities. Because of the high number of electrical safety incidents, in May the contractor conducted a site wide audit of electrical safety practices and “all hands” electrical safety awareness training was given to all site employees on the findings of the audit.

Safety Stand-downs

No Safety Stand-downs this quarter.

Key Indicators:

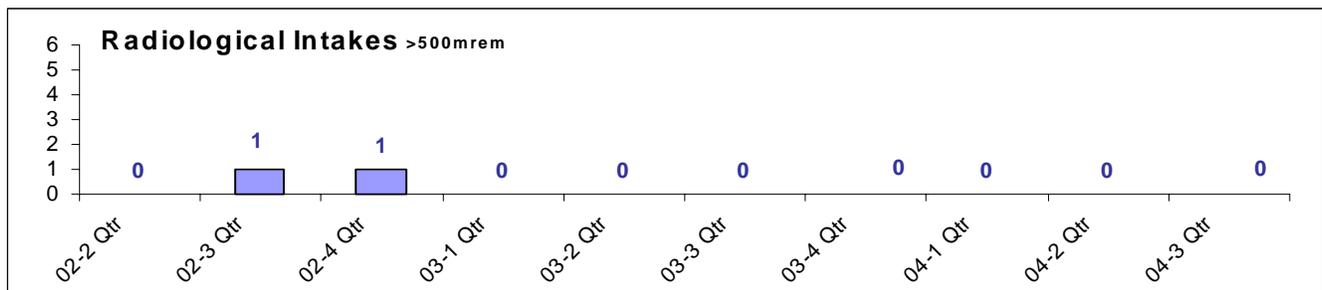
The working definitions and reporting levels for these indicators are included in each narrative.



Off-site Hospitalizations:

On-the-job injuries where an individual was taken to the hospital for something other than observation.

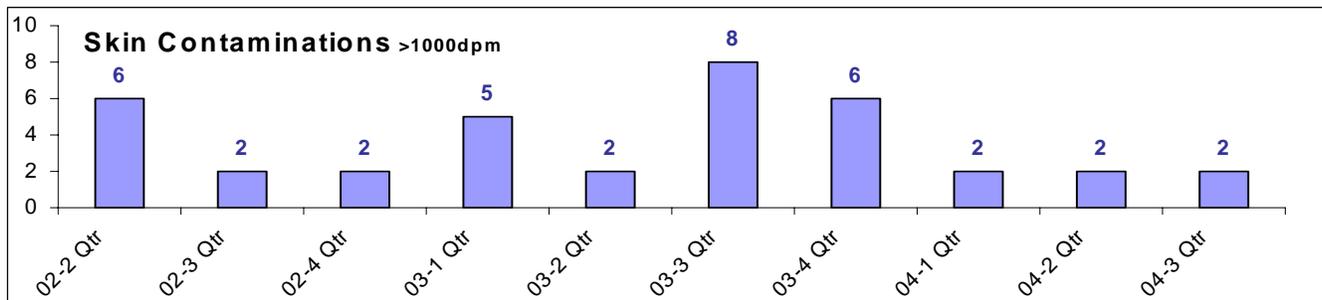
In the last quarter, two (2) on-the-job injuries required offsite medical care. In one event a B371 D&D worker tripped over a pipe stub & fractured a kneecap resulting in 6-8 weeks of lost work time. In the second event, a B444 D&D worker lacerated his wrist when a rod shifted.



Radiological Intakes:

Any internal deposition in an individual greater than 500mrem. Data currently includes unconfirmed, potential intakes.

There have been no incidents of potential internal dispositions at any level this quarter.



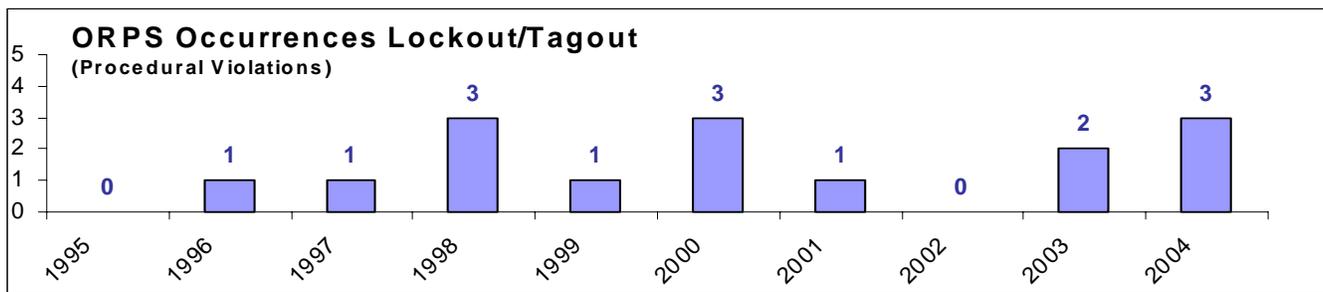
Reportable Skin Contaminations:

Any radiological contamination of an individual's skin greater than 1,000dpm per 100cm², or any external contamination found on an individual outside of an RBA (Radiological Buffer Area).

There were two contract reportable Contaminations during the quarter, that were also reported on ORPS.

In the first incident, a D&D worker performing decontamination activities put on a pair of used kneepads resulting in contamination of 11,000 dpm alpha on his right knee. He was successfully decontaminated in the facility.

In the second incident, A D&D worker received 6000 dpm skin contamination on his forehead. It was determined that the worker put contaminated work gloves in his hard hat the previous day. He was successfully decontaminated in the facility.

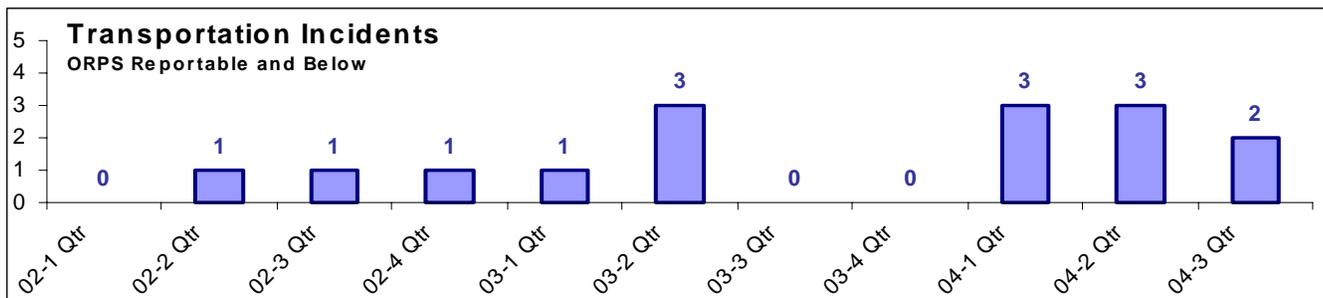


LockOut/TagOut cases:

Any ORPS reportable violation of the LO/TO program.

One (1) LockOut/TagOut incident occurred this quarter, the third this year. The EM 4.0 Safety Program definitions for this category have included incidents that are not ORPS reportable LO/TO violations. Those incidents are discussed under “Other Significant Incidents”, below for consistency and clarity.

A B444 worker removed LO/TO equipment without proper authorization. He assumed that formal LO/TO procedures no longer applied after B444 was placed in a “Cold & Dark” status.



Rad/Haz transport incidents:

Any ORPS reportable transportation incident /accident involving radioactive and/or hazardous materials.

Two transportation incidents involving radiological or hazardous substances took place this quarter.

The first event involved a flat bed trailer becoming disconnected from its tractor while turning onto Highway 93. The trailer came to rest on the highway. Waste containers remained intact and on the flat bed.

The second incident occurred when a truck transporting waste from Rocky Flats was stuck from behind by a privately owned vehicle while stopped in traffic behind an accident. Waste containers on the truck were not damaged.

Other Significant Incidents

(Any incident flagged as potentially significant or called in under the Event Notification program.)

There were fourteen (14) events reportable under this category this quarter. Four significant incidents involved with the Letter of Fee Penalty are listed in the B.6 Safety Analysis above, and the others are listed below.

- A worker raised a scissors lift into an overhead fire suppression line, cracking the fire suppression line & spilling approximately 55 gallons of water.
- RCT was struck on the shoulder & hardhat by a 6 ft. section of angle iron that had dropped to the floor on its end and then fell on the RCT.
- A private citizen than incurred a hives-like allergic reaction after purchase of RF computer equipment & tools at auction. Results of Rad. & VOC surveys were negative.
- Surface water quality monitoring results exceeded the reporting action levels of 0.15 picocurie per liter (pCi/l) for Pu-239/240 and Am-241 per the Rocky Flats Compliance Agreement. This event at SW093 is consistent with seasonal water quality observations made every Spring/Summer since 1997 at this location. Additionally, increased soil disturbances related to site closure activities occurred in areas upstream of this sampling location.
- An IT employee received an electrical shock from an energized bare wire in the overhead that was left after a vendor removed some components and failed to place the remaining wiring in a safe configuration.
- A worker was shocked by a damaged 120-volt extension cord.
- The elevated hydraulic lift (ram) for the bed of an end-dump truck came within approximately two feet of an overhead energized 13.8 kV power line.
- Contamination (~800 dpm removable and ~3000 dpm fixed) was discovered on a cart wheel on dock 18T. GB-1509 was on the cart. The most probable source of the contamination was from rolling over plastic in room 3701.
- Wires for pressure differential indicators mistakenly cut.
- Four RCRA units (consisting of eleven gloveboxes) in Building 559 were removed without formal notification to the Colorado Department of Public Health and Environment (CDPHE). The units were designated "active" status as required by the RCRA closure process.

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PBD A 371 Complex Warren Seyfert x5925

BCWS _{LC}	436,817
ACWP _{CUM}	408,146
BCWP _{CUM}	338,905
BCWS _{CUM}	332,376
CV _{CUM}	-20%
Scope Completed	78%
Cost Expended	93%

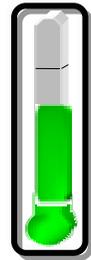
PBD A is over cost with a negative cost variance of -\$69M (-20%). Most of the Closure Project's negative cost variance is accumulated in this PBD. The majority of the negative cost variance in this PBD is attributable to completed scope: PuSPS and related activities. The negative CV is not expected to be recovered in the limited amount of schedule and scope left in this PBD.

Costs were negatively impacted this quarter by lower productivity in the highly contaminated 'canyons', and an underestimation of costs for landlord supplies and activities.

The negative schedule variance has been recovered, and the PBD stands at 2% SV.

The contractor completed \$8.0M in PWA scope this quarter; for a cumulative total of \$67M

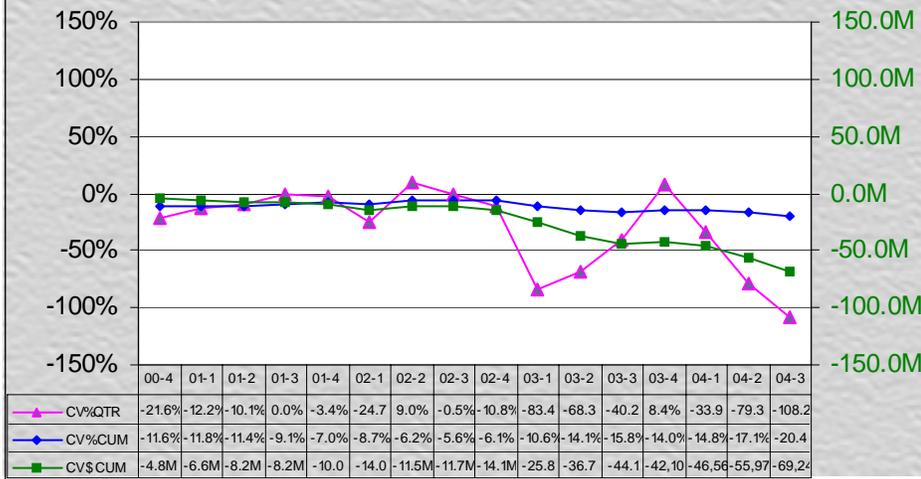
\$128M



\$67M
53%

**PWA
Completion**

**Quarterly Cost Variance Percentage
at 78% Complete**



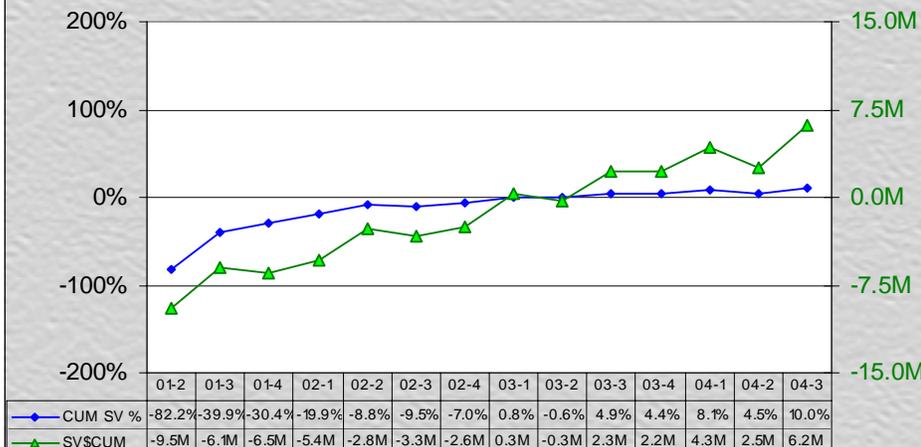
Accomplishments this quarter:

- Completed 5 D&D Dismantlement Sets
- Started stacker vehicle disassembly in the Central Storage Vault
- Demolished Room 4812
- Approved a major modification to the Decommissioning Operations Plan allowing 7 nCi/g below 6 feet of final grade

Potential Impacts to Cost & Schedule:

- Decontamination and removal of equipment from highly contaminated areas
- Stacker vehicle disassembly and removal of pallet racks from the Central Storage Vault could impact schedule if difficulties arise.
- Portable ventilation must be provided to the Central Storage Vault in order to maintain the current schedule.

**Quarterly PWA Schedule Variance
at 46% PWA Scope Complete**



UPCOMING:

Key Activities / Milestones / GFS/I

- Continue D&D
- Complete glovebox removal
- Continue repacking TRU waste drums
- Approve Criticality Incredibility

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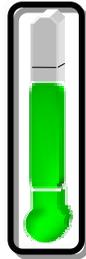
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PBD B 707 Complex

Gary Schuetz x3016

\$111M



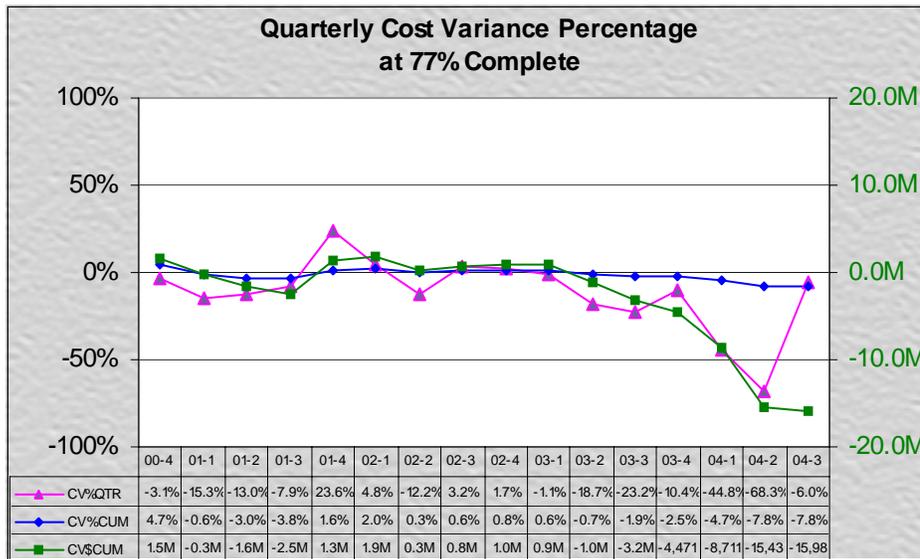
\$74M
67%

PWA
Completion

BCWS _{LC}	267,869
ACWP _{CUM}	221,811
BCWP _{CUM}	205,825
BCWS _{CUM}	197,049
CV _{CUM}	-8%
Scope Completed	77%
Cost Expended	83%

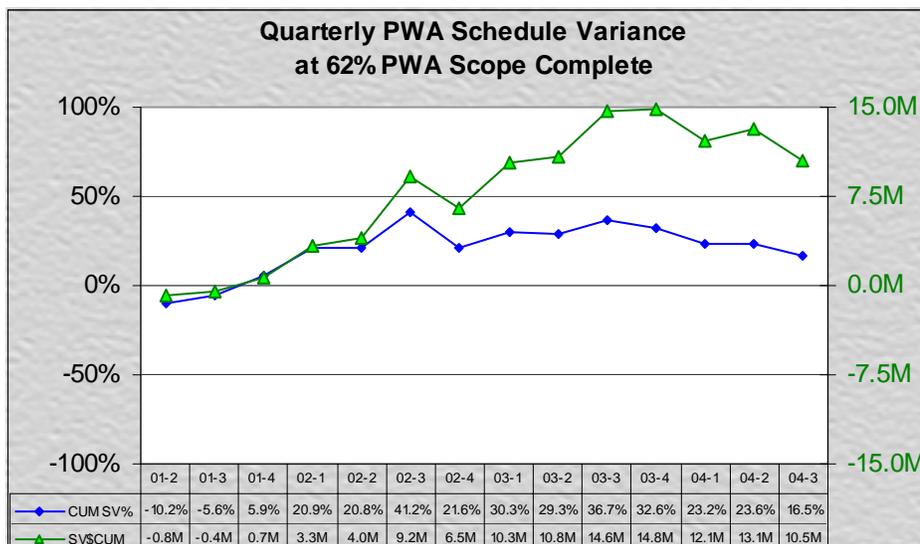
The 707 Closure Project is 73% complete. The project is slightly over cost (CV -7.8%) and ahead of schedule (SV 5.4%). The project expects to complete this PBD in March 2005, two months earlier than previously forecast. The negative Cost Variance is mostly attributed to higher costs associated with supplied air work to decontaminate and remove the highly contaminated X-Y Retriever Vault.

Eleven (11) decommissioning worksets were completed this quarter, for \$5.7 million in PWA Earned Value. The cumulative PWA schedule variance is 16% (\$10.5M), down approximately \$2.6M from last quarter.



Accomplishments this quarter:

- Seven decommissioning worksets which included three 2nd floor sets, two Type 2 building sets, one 1st floor set and one cluster safety systems set
- Decontaminated floors in seven of the ten building 1st floor modules, Modules A, C, D, E, F, G and H.
- Issued the ORISE Independent Verification (IV) Plan for validation of the Building 707 pre-demolition characterization



Potential Impacts to Cost & Schedule:

- None

UPCOMING:

Key Activities / Milestones / GFS/I

- Initiate ORISE IV activities in Building 707

Total Project Report RFPO RFETS

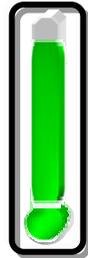
3QFY04 • April - June 2004



PBD C 771 Complex

Warren Seyfert x5925

\$77M



\$67M
87%

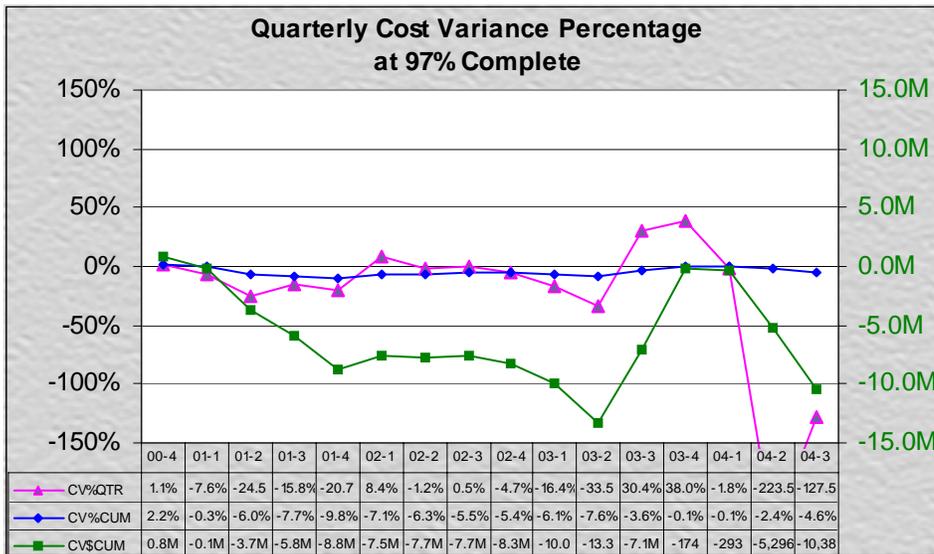
BCWS _{LC}	232,023
ACWP _{CUM}	236,163
BCWP _{CUM}	225,777
BCWS _{CUM}	225,584
CV _{CUM}	-5%
Scope Completed	97%
Cost Expended	102%

This PBD is slightly ahead of schedule and over budget. With 97% of the work scheduled to date, cumulative variances show an SV of +0.1% and a CV of -4.6%. Approximately -\$27M in negative cost variance in Facility Maintenance, Decommissioning, and Support Services is partially offset by \$16.8M in positive variances in Project Management, Deactivation, and the D&D program. The increase in negative cost variance this quarter can be attributed to difficulties decontaminating the building structure and the need to remove contaminated building shell as Low Level Waste.

KH completed \$2.8M of PWA earned value this quarter.

PWA
Completion

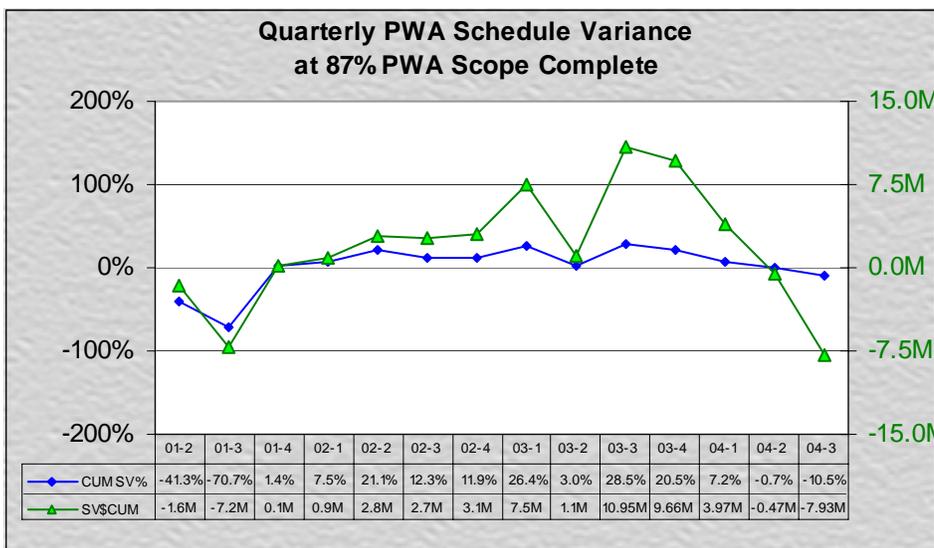
Quarterly Cost Variance Percentage at 97% Complete



Accomplishments this quarter:

- Completed demolition of Building 774
- Demolished the Building 771 exhaust stack with explosives
- Completed removal of the contaminated infinity room (Room 141) from Building 771
- Demolished the Building 771 Annex
- Shut down the last ventilation exhaust fan in Building 771, thus removing the building from negative pressure
- Completed work in 6 Decommissioning Areas
- completed hydrolazing activities

Quarterly PWA Schedule Variance at 87% PWA Scope Complete



Potential Impacts to Cost & Schedule:

- Some areas are difficult to decontaminate by hydrolazing. Removal of concrete and shipment as Low Level Waste has been required on a limited basis.

UPCOMING:

Key Activities / Milestones / GFS/I

- Continue Areas dismantlement, decontamination, and demolition.
- Independent Verification and Validation of radiation surveys in Bldg 771
- Complete Bldg 771 demolition

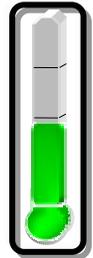
Total Project Report RFPO RFETS

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PBD D 776/7 Complex Gary Schuetz x3016

\$122M



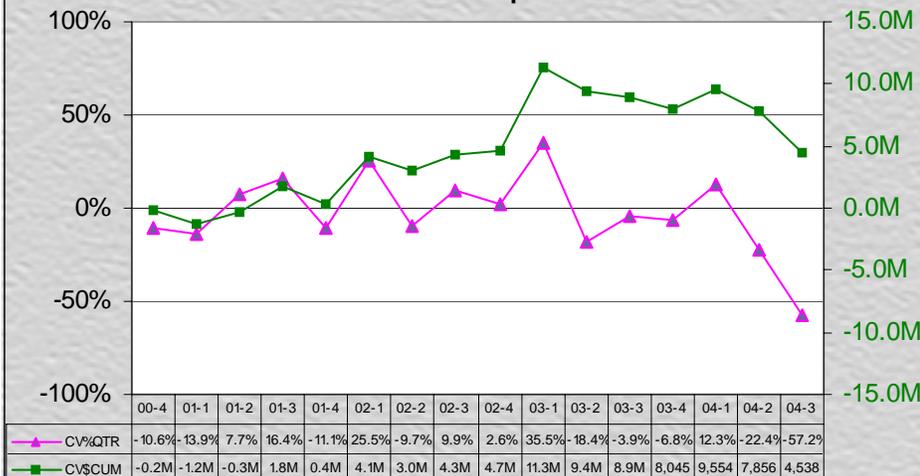
\$58M
47%

PWA
Completion

BCWS _{LC}	268,472
ACWP _{CUM}	197,721
BCWP _{CUM}	202,259
BCWS _{CUM}	187,853
CV _{CUM}	2%
Scope Completed	75%
Cost Expended	74%

The 776/777 Closure Project is 75% complete. The project continues to perform under cost (CV 4.0%) and ahead of schedule (SV 11%). The project expects to complete this PBD in April 2005. The project completed Workset 83, Zone 2 and Overhead Set. This Workset was a large activity which removed extraneous equipment from the overhead areas in the building and accounted for \$4.9M worth of Earned Value (EV). Remaining work supports preparations to demolish the structure, Set 82 which is a \$53M PWA. The cumulative PWA earned value remains at \$57.7M with a schedule variance of \$16M (39%).

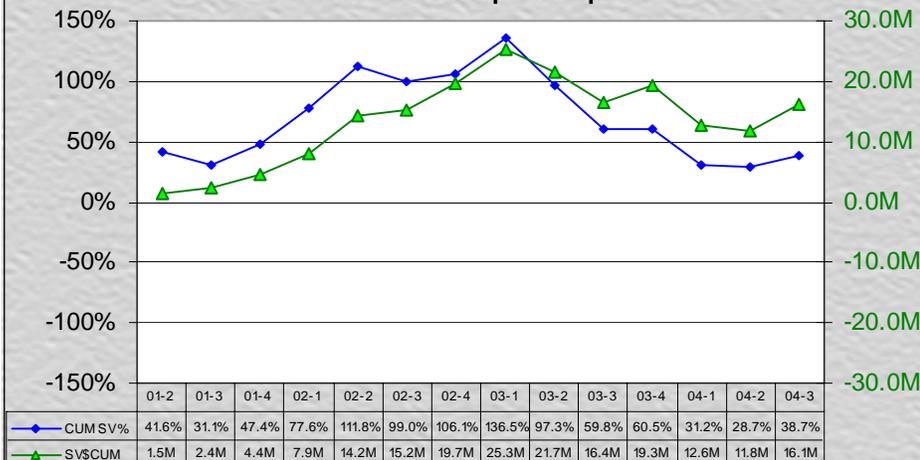
Quarterly Cost Variance Percentage at 75% Complete



Accomplishments this quarter:

- One decommission Workset, Set 83, Zone 2 and Overhead Set
- Completed decontamination of three of the seven first floor areas in 776/777, Area 1, 2 and 3.
- Completed removal of the exterior transite (asbestos) panels from 776/777.
- Issued the ORISE Independent Verification (IV) Plan for validation of the B 776/777 pre-demolition characterization.
- Initiated ORISE IV of Characterization Methodology and Areas 1 and 2

Quarterly PWA Schedule Variance at 43% PWA Scope Complete



Potential Impacts to Cost & Schedule:

- None

Upcoming:

- Key Activities / Milestones / GFS/I
- Complete IV of 776/777 Characterization Methodology
 - Continue monitoring decontamination and IV of completed areas

Total Project Report RFPO RFETS

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PBD E Industrial / Site Services

Gary Morgan, x6003

BCWS _{LC}	792,396
ACWP _{CUM}	444,393
BCWP _{CUM}	586,157
BCWS _{CUM}	513,157
CV _{CUM}	24%
Scope Completed	74%
Cost Expended	56%

Project continues under cost and ahead of schedule. Cost variance is \$142M (24%). Schedule Variance is \$73M (14%). Recovery of schedule impacts by safety stand-downs during the 3rd quarter was achieved. Additional schedule impacts were caused by greater than anticipated concentrations of contaminants in the concrete floors of B881. B-881 continues preparation for explosive demolition in July. Work in B883 Be removal has begun. High hazard review of B-705 was conducted and dismantlement started

This PBD is responsible for 84% of the Closure Project's positive cost variance and 51% of the Project's positive schedule variance.

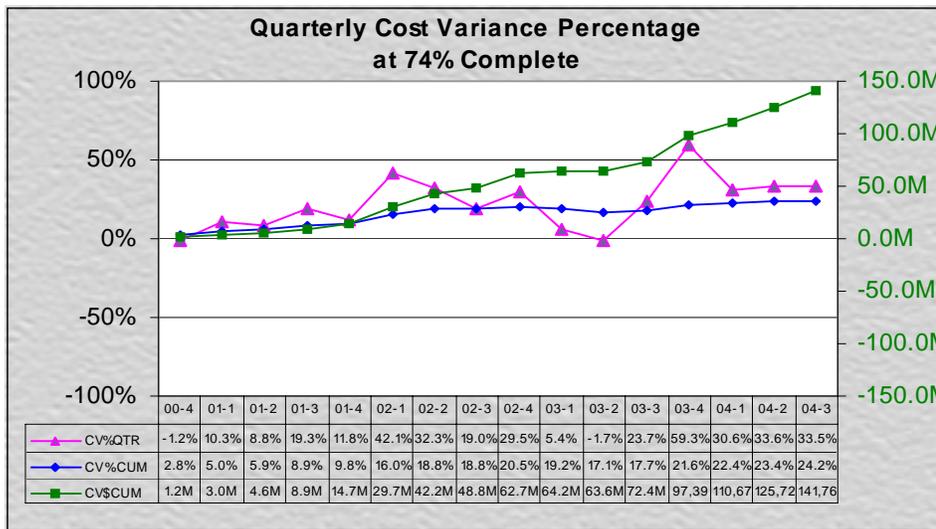
Two (2) PWAs were completed in the 3rd quarter for an earned value of \$11.5M; the cumulative PWA earned value is \$44.5M with a schedule variance of \$37M

\$306M



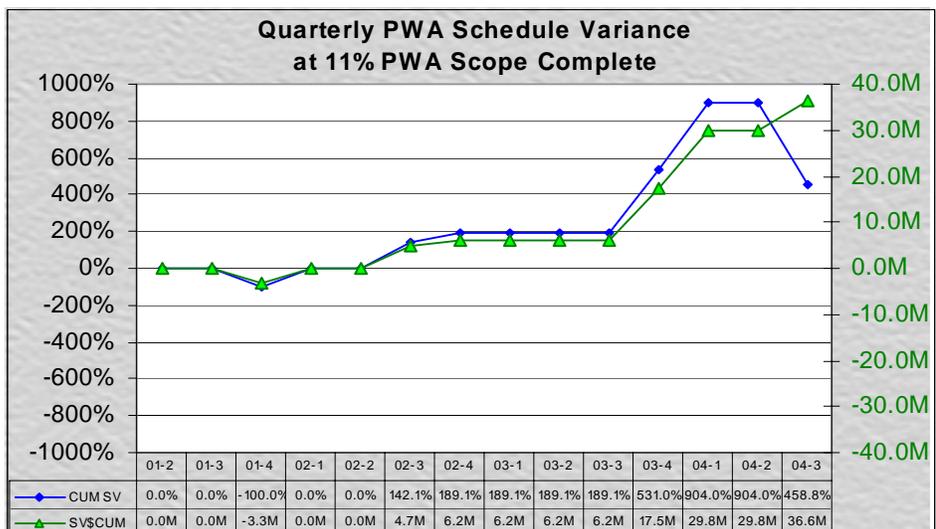
\$45M
15%

PWA
Completion



Accomplishments this quarter:

- Building 223, 991, 130 admin & warehouse, 566B, 131, t119b, 952, 128
- 15,000 ft of steam lines cumulatively demolished out of an estimated 20,000 ft
- >700 ft of old process waste lines cumulatively removed
- Pads 663
- Waste tanks/vault – 097, 128 & 129, 017, vv001, vv004, 302, 076, 232, 135



Potential Impacts to Cost & Schedule:

B-881 continues to impact this PBD negatively due to discovery of new work scope and concentrations of contamination in concrete floors that was greater than expected. A slippage beyond May has been modified by the ability to fill voids prior to demolition.

UPCOMING:

Key Activities / Milestones / GFS/I

- Buildings 881 and 444 will dominate work effort
- B881 explosive demolition in July
- B444 slightly behind schedule

Total Project Report RFPO RFETS

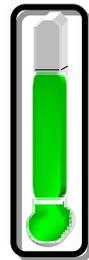
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PBD F Material Stewardship

Lam Xuan x3135

\$161M



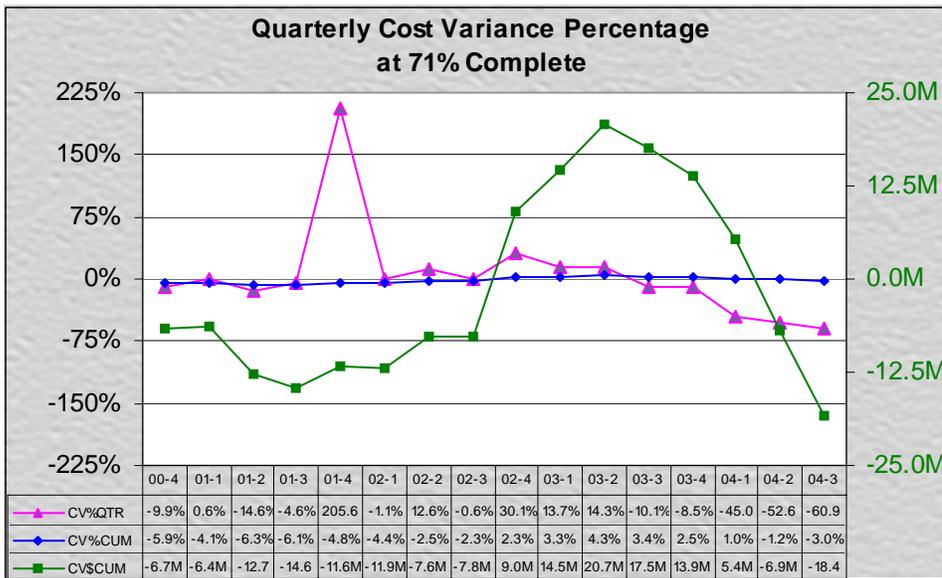
\$119M
74%

PWA
Completion

BCWS _{LC}	860,215
ACWP _{CUM}	632,456
BCWP _{CUM}	614,024
BCWS _{CUM}	603,009
CV _{CUM}	-3%
Scope Completed	71%
Cost Expended	74%

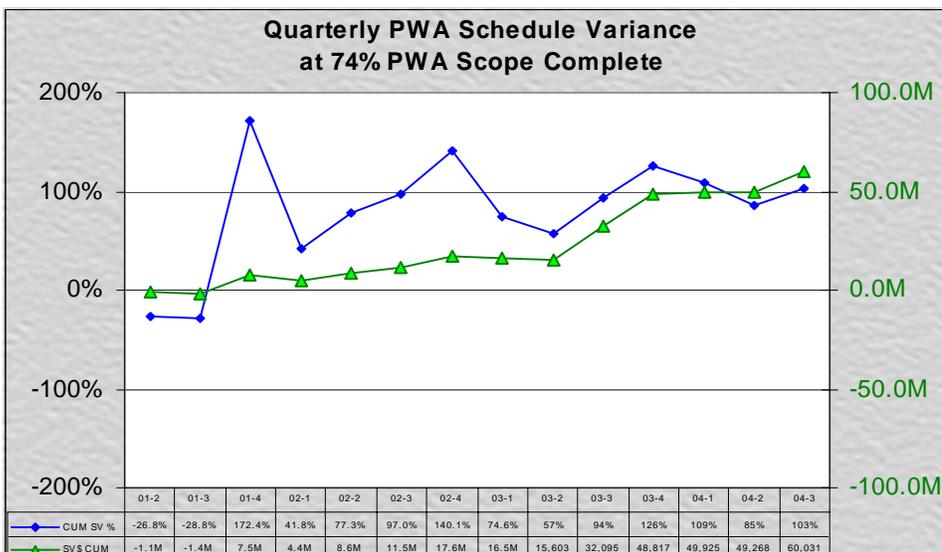
With 71% of the work completed, this PBD is over cost and ahead of schedule. The PBD has a cost variance of $-\$18\text{M}$ (-3%), and a schedule variance of $+\$11\text{M}$ (+2%). The negative cost variance is mainly due to the higher cost of NTS deposit than originally planned in the baseline, and additional volumes of unplanned waste.

RFPO validated PWA earned value of $\$12\text{M}$ of TRU, LLW, and LLMW of work completed this quarter.



Accomplishments this quarter:

- ~ 43,806 m3 of LL Waste
- ~ 1,078 m3 of LLM Waste
- ~ 1311 m3 of TRU Waste to WIPP in 178 shipments
- Shipped 71,990 tons sanitary waste
- Completed shipment of bypass sludge and treatment has begun



Potential Impacts to Cost & Schedule:

- Still need treatment option for 5m3 of PCB

UPCOMING:

Key Activities / Milestones / GFS/I

- Send more low level mixed waste to Hanford

Total Project Report RFPO RFETS

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PBD G Remediation Norma Castañeda x4226

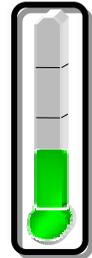
BCWS _{LC}	295,956
ACWP _{CUM}	73,303
BCWP _{CUM}	148,967
BCWS _{CUM}	119,378
CV _{CUM}	51%
Scope Completed	50%
Cost Expended	25%

This PBD is 21% ahead of schedule and 43% under cost. The positive Cost and Schedule variances are due to accelerated work on the Original Process Waste Lines (OPWL) project, 779 slab removal Project, and several other field characterization efforts, as well as cost savings on the 903 Lip Area project.

Delays on the approval of the Present Landfill IM/IRA, the Ground water IM/IRA project, and Original Landfill are offsetting the positive schedule variances, while cost variance is being offset by additional sampling in support of the CRA, and the remediation of the East Trenches.

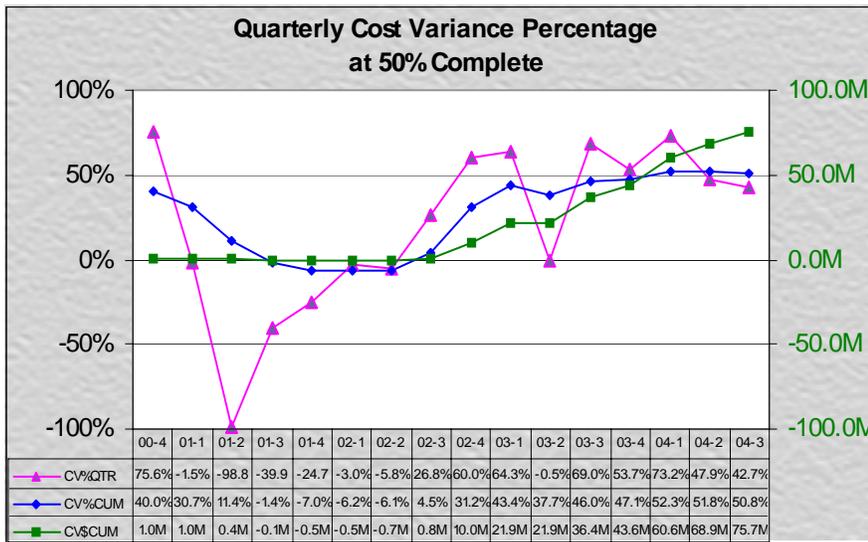
RFPO validated PWA earned value of \$4.5M this quarter; the cumulative PWA earned value is \$80.8M with a schedule variance of \$55M.

\$240M



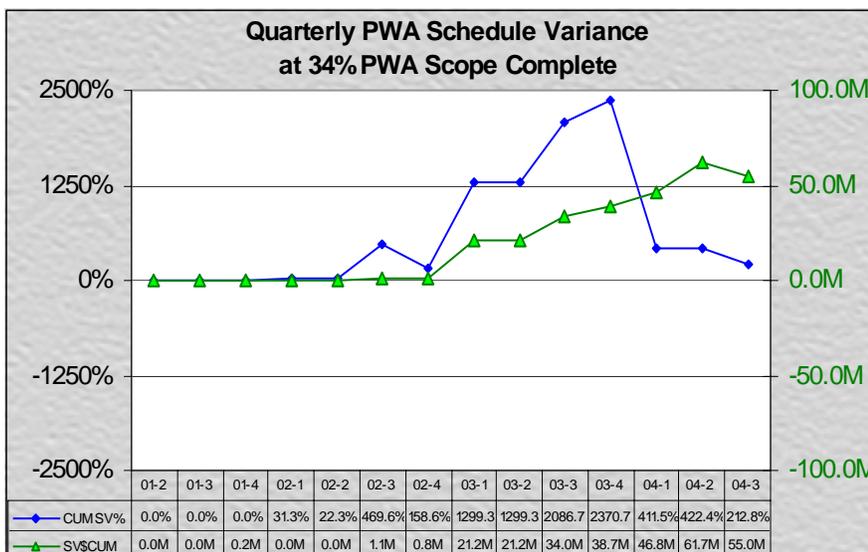
\$81M
34%

PWA
Completion



Accomplishments this quarter:

- Received NFAA approvals on following Closeout Reports and Data Summary Reports for PWA Earned Value: IHSS Groups 500-2 (Rad Site B551); 500-4 (Middle Site Chemical Storage); 500-5 (223 transformer); 600-3 (B668); 600-5 (Central Ave Ditch), and 800-5 (B887).
- Received NFAA approval for PAC SE-142.10(Retention Pond C-1) and PCB PAC 18.
- Received No Action recommendation of Potential Incidents of Concern 4,6,9,11,14,15,17,18,41,42,44,47,&57
- Received IASAP approvals on IHSS Group 700-3 (B776); 700-1 (B708); and 400-4 (B460).
- Received ER RSOP Notification approval on IHSS Group 900-12 (East Trenches)



Potential Impacts to Cost & Schedule:

- None

UPCOMING:

Key Activities / Milestones / GFS/I

- Complete 903 Outer Lip remediation
- Resolve public comments on 903 Lip Area, windblown area, and surface soil in OU1 IM/IRA
- Begin DOE/regulatory agency review on Ground Water IM/IRA
- Begin remediation of IHSS 140 (Reactive Metal Destruction Site), 118.1 (Carbon Tetrachloride Spill), NE-1 and 700-11 (Ponds B1, B2 & B3)

Total Project Report RFPO RFETS

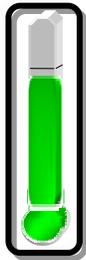
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PBD H

Engineering, Environmental, Safety, Health & Quality

Ed Westbrook x 7074

\$239M

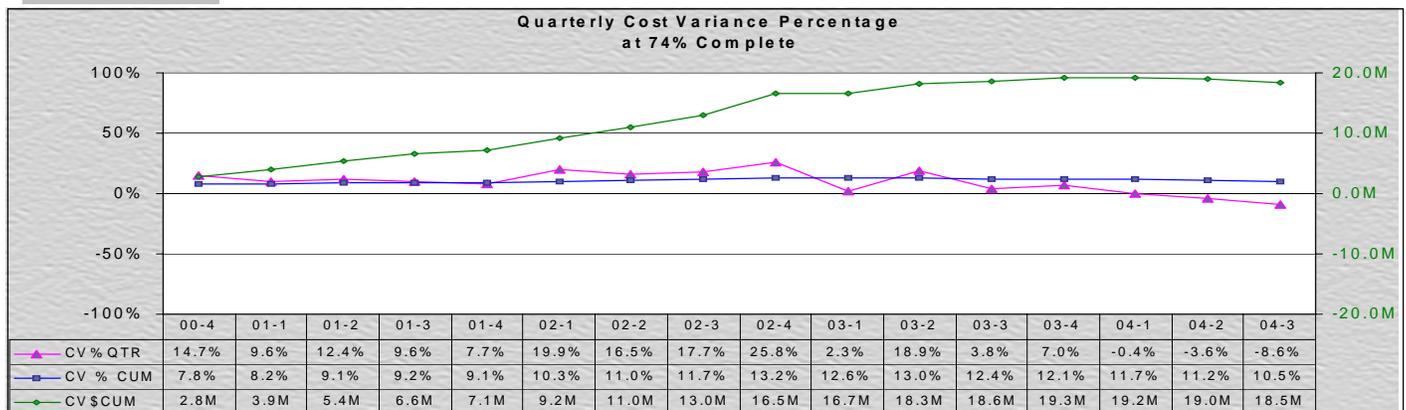


\$170M
71%

BCWS _{LC}	239,308
ACWP _{CUM}	157,884
BCWP _{CUM}	176,365
BCWS _{CUM}	176,370
CV _{CUM}	10%

This level of effort (LOE) PBD is +10% (+19M) under budget – down one percent from last quarter. The contractor attributes the positive CV in this PBD in large part due to staff vacancies. This positive CV decrease over this quarter was due to additional expenditures on outside consultants to perform ISM and COOP assessments. These assessments are being driven by concerns identified in the December 2, 2003 letter from the DNFSB to the Secretary of Energy.

Scope
Completion



Accomplishments this quarter:

- The Fire Protection Program continued the investigation at B991 of the remaining polyurethane foam in room 402 and the East B corridor. The results of the investigation were that there was no evidence of combustion in these two areas.
- The Fire Protection Program identified a number of areas that had blocked fire department access, blocked fire hydrants or blocked sprinkler access. The identified areas were transmitted to the Projects.
- Buffer zone fire breaks were evaluated and found to be adequate. The environmental group is requesting a slight relaxing of the criteria to permit the fire breaks to grow back to their natural state.
- Criticality Safety:
 - * Completed JCG-027, for repackaging of overmass waste packages in B-440
 - * Completed the Annual assessment of 707/776 Project facilities
- Nuclear Safety:
 - * Processed a Page Change for the 771 DBIO for receipt & treatment of low-level process waste water in the 771 system
 - * Received approval of the Annual Update for the 707 DBIO
- Radiological Engineering developed a new method to count paint samples in uranium-contaminated buildings using site instrumentation to alleviate costly lab analysis and provide a faster turnaround on results.
- Radiological Health received DOELAP certificate for the Lung Count Trailer and is in use

UPCOMING:

Key Activities / Milestones / GFS/I

- None.

Potential Impacts to Cost & Schedule:

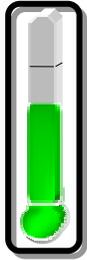
- None.

Total Project Report RFPO RFETS

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PBD J Support Project Betsy Jordan x 8057

\$591M



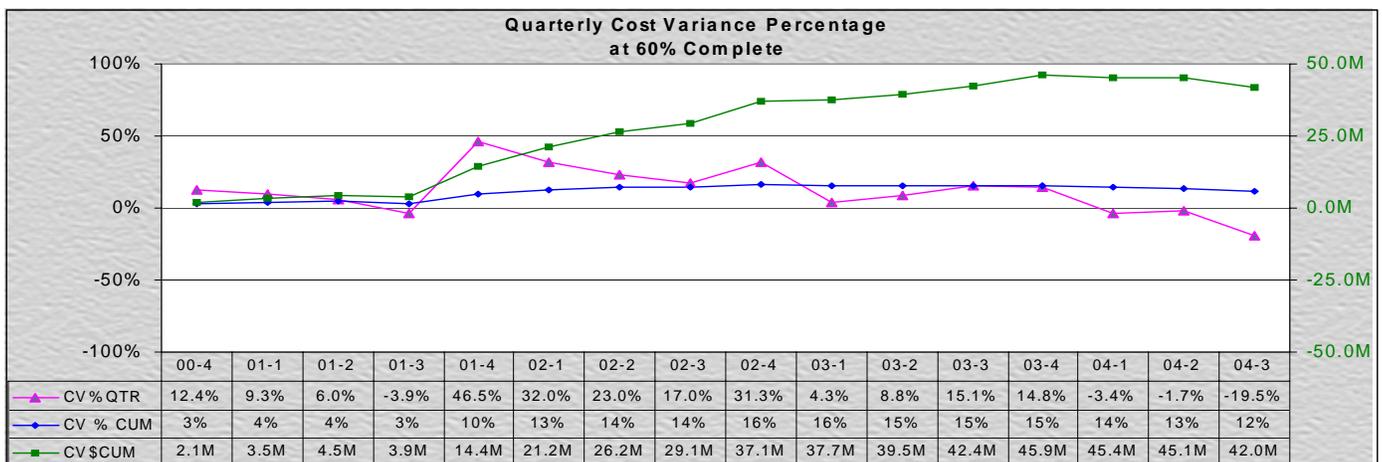
\$337M
57%

**Scope
Completion**

BCWS _{LC}	590,251
ACWP _{CUM}	311,157
BCWP _{CUM}	353,135
BCWS _{CUM}	353,135
CV _{CUM}	12%

This level-of-effort PBD has completed 60% of its workscope and expended 53% of its costs. PBD J is currently 12% under cost with a cumulative CV of \$42M.

This PBD is also a major contributor to the Closure Project's successful performance with 25% of the project's positive cost variance.



JAA –The cost variance for the KH Executive Office was +83%, or \$19.1M. The positive CV is primarily due to cost risk funds held in management reserve (contingency) in this cost account, along with previous understaffing.

JAB – General Counsel & Audit was +15%, or \$1.3M. The positive CV is due to historical under staffing.

JAC – Planning and Integration (including Communications) cost variance was 21% or \$5.9M. The positive CV is due to P&I staff members charged against project activities supported, and reduced consulting subcontract costs.

JAE – Steelworker Overhead cost account was 23% or \$3.4M. The positive CV is due to historical difference between the budgeted amount of lump sum bonuses planned for distribution and the amount actually paid.

JAG – Fringe Benefits- was +93% or \$2.1M. The positive CV is due to higher than planned labor costs due to a lower labor base and a higher than average medical claims costs.

Accomplishments this quarter:

- About 55% of Steelworkers have now completed the 2-day career transition workshop at the Career Transition Center. 31 people participated in the New Business Workshop in the last quarter. Three Entrepreneurial Resource Program (ERP) grantees (grants are up to \$5K) actually opened new businesses. The Reverse Employment Ad ran in April.

UPCOMING:

Key Activities / Milestones / GFS/I

- None

Potential Impacts to Cost & Schedule:

- None.

Rocky Flats Budget

Lance Schlag x 3171

Performance

EY06 Budget Authority Planned \$8.1 M, Obligated through June (\$4.7M)

FS30 Budget Authority Planned \$0.3 M, Obligated through June – (\$0.3M).

Issues/Concerns

New Asbestos litigation case subpoena received – assessment of effort required not yet complete but will further increase litigation support costs this FY.

Upcoming Focus

Finalize FY04 RFPO support funding requirements by July 15th and transfer at least \$1.5 M surplus support funds to Kaiser-Hill in support of accelerated Low Level/Low Level Mixed waste shipping and disposal.

Transition to Legacy Management

Bob Birk x 5921

Background

RFPO's Sunset Project and KH's Program Termination efforts identified functions and physical equipment that are expected to continue past Physical Completion. The Rocky Flats Post Closure Responsibility Scoping Checklist captures these functions and items. Physical Completion is defined as the point in the closure project where KH has performed the work necessary to satisfy the seven (7) completion criteria identified in the contract statement of work. It is expected that responsibility for these functions and physical property will transition to Environmental Management (EM), Legacy Management (LM) or the U.S. Fish and Wildlife Service (FWS). The goal of this transition is to achieve zero service disruption of critical activities without negative impact to the closure mission.

Teams were formed consisting of representatives from RFPO, Kaiser-Hill (K-H), and LM to address the following areas: Program Management; Environmental; Community Relations; Procurement, Finance and Legal; Business and Administration; Property; and Personnel.

Accomplishments:

- Responsibility for administration of the Public Reading room was officially transferred from RFPO to LM on April 21, 2004. This transfer included the facility lease, personal property, funding, and the full-time equivalent staff position. The transition team conducted a Lessons Learned on the transfer.
- A stakeholder workshop was held on April 21, 2004 concurrent with the announcement of Reading Room responsibility transfer. The workshop focused on the planning and process for transition of functions that will continue after closure.
- On June 26, 2004, RFCAB hosted a Community Workshop on future public involvement in which representatives from LM participated. The RF Community Relations team supported LM's participation.
- Steve Schneider was named the new EM contact for transition, met with the Rocky Flats Manager and participated in the June conference call.
- K-H has commenced migrating copies of electronic applications (databases) to LM's contractor, Stoller.
- RFCA Negotiations are ongoing for a revision to address post-closure site conditions. This revision will assist in solidifying the post-closure monitoring strategy which will then allow planning to progress regarding the specific elements that will transition to LM.

Upcoming Focus

- Disposition of classified and unclassified hard copy and electronic records
- Disposition of environmental and administrative databases, software applications and computer hardware

Legacy Management CONT...

- Disposition of property, leases and easements
- Management continuity of employee/retiree benefits and insurance programs.
- EM/LM signature of a high level Transition Plan by September 30, 2004.

Needed Decisions or Support

- Workers Compensation claims are currently processed by KH. It has not been determined whether LM or EM will be responsible for providing this support after Physical Completion.
 - Requested Action: EM-1 & LM-1: determine the lead office and provide a Point of Contact.
- In the event that Orphan Waste remains at Physical Completion, programmatic responsibility needs to be assigned.
 - Requested Action: EM-1 & LM-1 should determine the lead and provide a Point of Contact
- Legacy Management is working to develop a new post-closure benefits delivery program. The timing of development and implementation of this program affects the transition of this responsibility from Kaiser-Hill to the LM identified contractor. It appears that the planned completion time for development of this program will delay the turnover of this responsibility until after Physical Completion is declared.
 - Requested Action: LM-1 develop and communicate the new post-closure benefits delivery program

Appendix A Orphan Wastes

POC: Dave Hicks, x3122
Rich Schassburger, x4888
Lam Xuan, x3135

Update as of June 2004

Issues:

- *Lack of Disposal Capability for Mixed Low-Level Waste greater than 10 nanocuries per gram*

The Department of Energy (DOE) approved the Record of Decision for the Hanford Solid Waste Environmental Impact Statement (EIS) on June 23, 2004. This allowed the Site to immediately move 109 drums of MLLW that were stored at Pacific Ecological Solutions (PEcoS) in Richland, Washington to the Hanford Reservation for disposal. These drums were disposed of on June 24-25, 2004. However, the DOE voluntarily suspended out-of-state shipments of MLLW to the Hanford Reservation in July after the state of Washington sued the DOE on the basis of inadequate National Environmental Policy Act (NEPA) documentation. The Hanford Reservation will not accept any MLLW from RFETS until after November 15, 2004. The Site will continue to treat all MLLW to meet Land Disposal Restriction (LDR) requirements in preparation for offsite disposal.

In light of these developments, the following paragraphs are still true:

The site currently lacks a disposal site for mixed low-level waste (MLLW) with activity levels greater than 10 nanocuries per gram (nCi/g). Two sites have been identified by the Waste Management Programmatic Environmental Impact Statement (PEIS): Hanford and the Nevada Test Site (NTS). RFETS staff continues to work with both Hanford and NTS personnel by providing waste forecast and waste profile data. RFETS also continues to explore alternative disposition pathways for this waste.

Hanford is not available due to open issues with the Hanford Solid Waste Program Environmental Impact Statement. NTS has submitted a permit to the State of Nevada to allow disposal of offsite MLLW. This permit is currently under review by Nevada. It is not known when this permit will be approved and disposal of Rocky Flats' MLLW could commence.

The lack of a designated disposal path complicates the Site's plans for treatment of MLLW with activity greater than 10 nCi/g. There are STP milestones to complete offsite treatment of approximately 1000 cubic meters of MLLW, most of it greater than 10 nCi/g. Currently, there is no designated method for treating these wastes, and without a designated disposal path and its associated acceptance criteria, finding one becomes more difficult. Until a disposal option is available, this waste will either need to be; stored offsite at a commercial treatment facility at increased cost to the closure project; returned to the site after treatment, again with increased costs and potential impacts to D&D work; or stored at another DOE facility. Commercial facilities are also restricted by their license limits for storage of radioactive material.

Additionally, onsite storage capacity is diminishing as facilities are being decommissioned and demolished. Some of these wastes may be segregated with a subset falling below 10nCi/g or above 100nCi/g, which may then have current disposal options. The Site is evaluating placing MLLW >10

Appendix A CONT...

nCi/gm into interim storage at an offsite commercial facility until a permanent disposal facility is available. Interim offsite storage will allow existing onsite waste facilities to be decontaminated and decommissioned in accordance with the “2 to Go” schedule. The RFPO is working with Kaiser-Hill to resolve issues relating to offsite storage, including regulatory and contractual requirements.

▪ *TSCA Incinerator*

The Toxic Substances Control Act Incinerator (TSCAI) in Oak Ridge, Tennessee, is currently the only available facility for some RFETS wastes requiring incineration. Due to higher than expected radioactivity and/or beryllium levels in two of our waste streams (*PCB Solids* and *Organic Solids, Non-PCB*), these wastes no longer met the TSCAI acceptance criteria and RFETS was unable to meet two of its FY03 STP milestones. The Site has received a one year extension (through a September 30, 2005) to the shipping milestone in the Site Treatment Plan for offsite shipment of PCB solids due to the fact that TSCAI cannot accept them at this time. The Site continues to segregate these waste streams to treat and dispose of as much as possible at existing treatment facilities. The Site is working with treatment vendors to develop treatability studies for the remaining waste. Additionally the Site is planning to send soil from the remediation of IHSS 118.1 to the TSCAI. However, the TSCAI cannot accept the volume of soil estimated and remain on TSCAI closure schedule. The RFETS is evaluating alternatives to sending this soil to TSCAI, including other treatment vendors, segregation of the radioactive soil from the non-radioactive soil, and refining the volume estimate. The TSCAI may be able to treat some of the soils if the volume can be substantially reduced.

▪ *Availability of Commercial Treatment Facilities*

Some existing wastes are without an available treatment facility. For MLLW, there are several waste streams that do not have a clearly identified treatment option:

- Trench T-1 remediation waste (~245 cubic meters)
- PCB Solids and Organic Solids, non-PCB (12 cubic meters)
- PCB Liquids (~3 cubic meters)
- Waste Chemicals (~25 containers)

RFETS is working with EM-23 on the Trench T-1 waste stream and is currently performing treatability studies at a commercial vendor. The PCB/Organic Solids waste streams are relatively small and procurement packages to solicit proposals from treatment vendors are being prepared by Kaiser-Hill, although an extension request has been made by the bidders, requiring RFETS to request a one year extension to this milestone from September 30, 2004 to September 30, 2005. Review of the Waste Chemical population revealed 18 containers that have high beryllium content and 7 containers that have EPA code F027. No commercial facilities have been identified that can treat these wastes and Kaiser-Hill is evaluating treatment options. The Site is evaluating placing these MLLW into interim storage at an offsite commercial facility until a treatment technology is developed. Once a treatment plan is identified the waste will be treated to meet Land Disposal Restrictions and then remain in interim storage until a permanent disposal facility is available. Interim offsite storage will allow existing onsite waste facilities to be decontaminated and decommissioned in accordance with the

Appendix A CONT...

“2 to Go” schedule. The RFPO is working with Kaiser-Hill to resolve issues relating to offsite storage, including regulatory and contractual requirements.

Pacific EcoSolutions, LLC (formerly known as ATG), located in Richland, WA, maintains compaction/macroencapsulation treatment capabilities producing a waste product acceptable for Hanford disposal. PEcoS also maintains sludge stabilization capabilities and is able to receive and process unique waste matrices. PEcoS is presently the only facility available to RFETS to macroencapsulate LLMW debris with an activity greater than 10 nCi/g. PEcoS remains of interest to RFETS as an efficient treatment conduit of waste that may be destined for Hanford disposal.

PermaFix Environmental Services includes the PermaFix facility in Gainesville, Florida; Diversified Scientific Services (DSSI) in Kingston, Tennessee; and Material and Energy Corporation (M&EC) in Oak Ridge, Tennessee. RFETS has utilized the DSSI boiler and industrial furnace (BIF) for destruction of waste chemicals. RFETS personnel will evaluate additional services and technologies offered by PermaFix including: repackaging, debris washing, stabilization, and chemical oxidation. In addition to treatment of LLW and LLMW chemicals, PermaFix is under consideration for the treatment of various unique RFETS LLM waste streams.

Envirocare presently provides treatment and disposal services for nearly all LLMW debris with an activity less than 10 nCi/g generated at RFETS. RFETS ships waste to Envirocare to macroencapsulate debris, macroencapsulate oversize debris (including gloveboxes), direct dispose environmental restoration soil and soil-like material, and direct dispose oversize LDR-compliant debris. Envirocare also offers treatment/stabilization services that RFETS utilizes, or has utilized, for solar pond sludge, incinerator ash, mercury contaminated crushed light bulbs, and lead acid batteries. A thermal desorption unit is also available for organics treatment. Envirocare also receives RFETS Alternate Water Treatment System (AWTS) liquids for solidification and disposal.

Waste Control Specialists (WCS), located in Andrews, Texas, currently maintains waste stabilization, shredding and repacking capabilities. Stabilization includes use of cement grout materials to reduce the leachability of regulated metals and form a solid matrix. WCS possesses a Class A and B/C radioactive license enabling the receipt and treatment of mixed waste with activities greater than 10 nCi/g for storage and treatment. In October 2003, WCS was awarded the contract to treat. Shipments of over 400 m³ of solidified bypass sludge to WCS began in November 2003 and are expected to continue at a rate of three per week until March 2004. Treated waste will be stored at WCS until a disposal path is identified. WCS is also utilizing a GeoMelt[®] in-container vitrification system at their Andrews facility. This batch process will be used to treat non-STP regulated depleted uranium chip waste in a treatability study. Texas proposed legislation to establish a low level radioactive disposal site in west Texas is under State House consideration and a bill may be finalized within a year. The proposed plan would allow for the burial of up to six million cubic yards of waste and WCS may be the preferred site.

Appendix A CONT...

TRU disposition at WIPP

Pathways for all transuranic (TRU) wastes have been identified. All TRU waste is to be disposed at WIPP. Special characterization and transportation needs are being resolved for the following:

1. Legacy Solidified Organic TRU (OASIS) ~744 drums
 - Solid Core Sampling at Argonne West Lab (statistical sampling of about 36 drums of the OASIS and aqueous TRU waste populations) was completed. All coring and analysis have been completed and the wastes were returned to RFETS on June 31, 2004.
 - Extended gas generation testing at Argonne West for wastes with Hydrogen Gas Generation Problem is no longer needed. RFETS is conducting the gas generation testing of all organic containers on Site. For those containers failing the total gas generation testing, the Site will need NRC's approval for the use of dunnage and reduced shipping time in TRUPACT-II. WIPP expects NRC's approval of TRAMPAC Rev. 20 by August 2004.
2. Solidified Aqueous TRU (~1040 drums)
 - Solid Core Sampling at Argonne West Lab (statistical sampling of about 36 drums of the OASIS and aqueous TRU waste populations). *See discussion in item 1, above.*
3. Organic TRU liquids (~50drums)
 - RFETS conducts manual coring method on site. WIPP performed the audit the week of July 22, 2003. Shipping is planned for FY04.
4. Disposal of Classified TRU waste at WIPP (224 drums)
 - All classified waste shipments to the WIPP were completed December 1, 2003.
5. TRU waste contaminated with PCB > 50 ppm (~13 drums)
 - EPA issued the approval decision for public review and the comment period was completed on 2/28/03.
 - WIPP submitted the Class 2 permit modification to NMED for approval on May 21, 2003. Approval from NMED was received on September 11th.
 - DOE HQs approved the Record of Decision on June 23, 2004.
 - RFETS is planning to ship PCB waste to WIPP during the first quarter of FY05.

Background:

Orphan wastes are mixed or PCB wastes that do not have a treatment plan and/or do not have a disposal site available. As required by the Federal Facility Compliance Act of 1992, a Compliance Order on Consent was signed in 1995 to implement a treatment plan for those wastes in violation of the one year RCRA storage prohibition. This Site Treatment Plan (STP) describes the treatment options for each waste stream and establishes milestones on a rolling basis through negotiations with the State

Appendix A CONT...

Milestones are proposed and updated in the Annual Progress Report and Quarterly Progress Update reports. Compliance with the STP is necessary to allow the site to continue storage of mixed wastes in excess of one year without being subject to fines or penalties. To date all milestones have either been met or have been extended by the State. RFETS has several mixed waste streams with milestones due in FY 2004. RFETS continues to make progress in finding treatment options for wastes. EM-23 is providing technical support and funding to find solutions for treatment challenges.

Impacts:

1. If treatment and/or disposal facilities are not found for these wastes, they would have to be stored at RFETS or another DOE site or at a commercial facility, after closure.
2. Lack of disposal capability may result in increased storage and/or transportation costs.
3. Request extension of STP Milestone(s) from the CDPHE if necessary.

Recommendations:

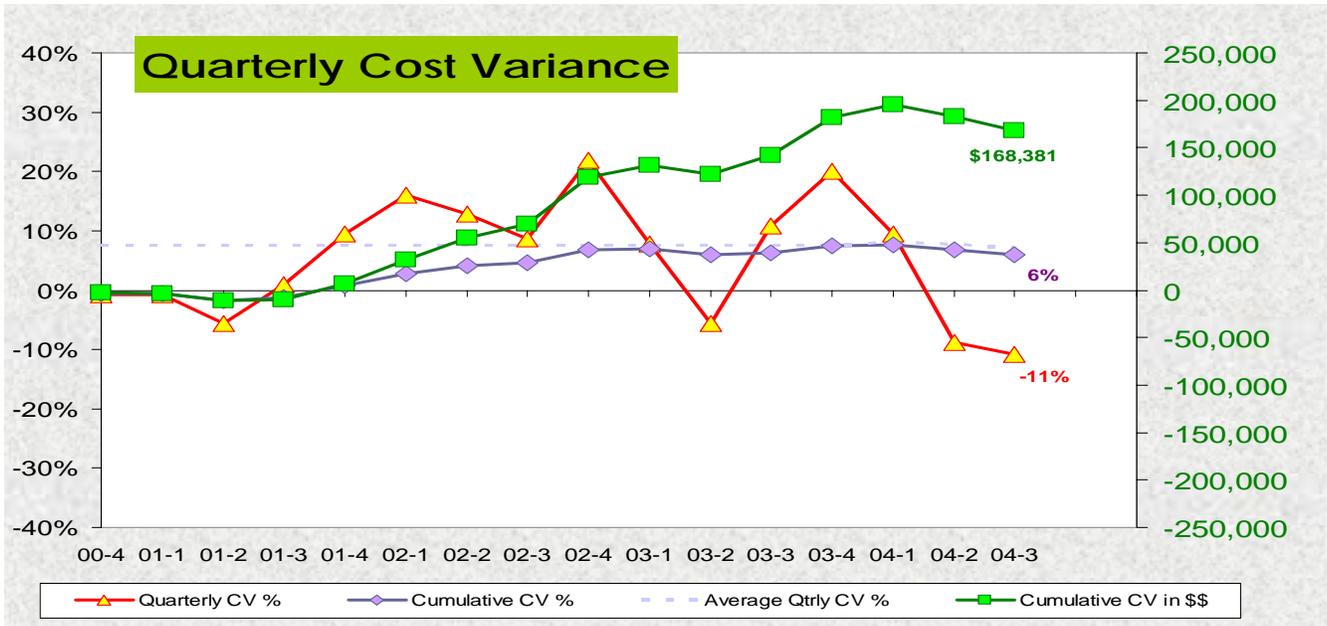
Continue partnering with K-H, and work with EM-23 to identify treatment technologies for:

- T-1 Trench Material Disposition Plan
- PCB Solid and Organic Solids, non-PCB Treatment
- Brief manager monthly on status of Orphan Wastes.

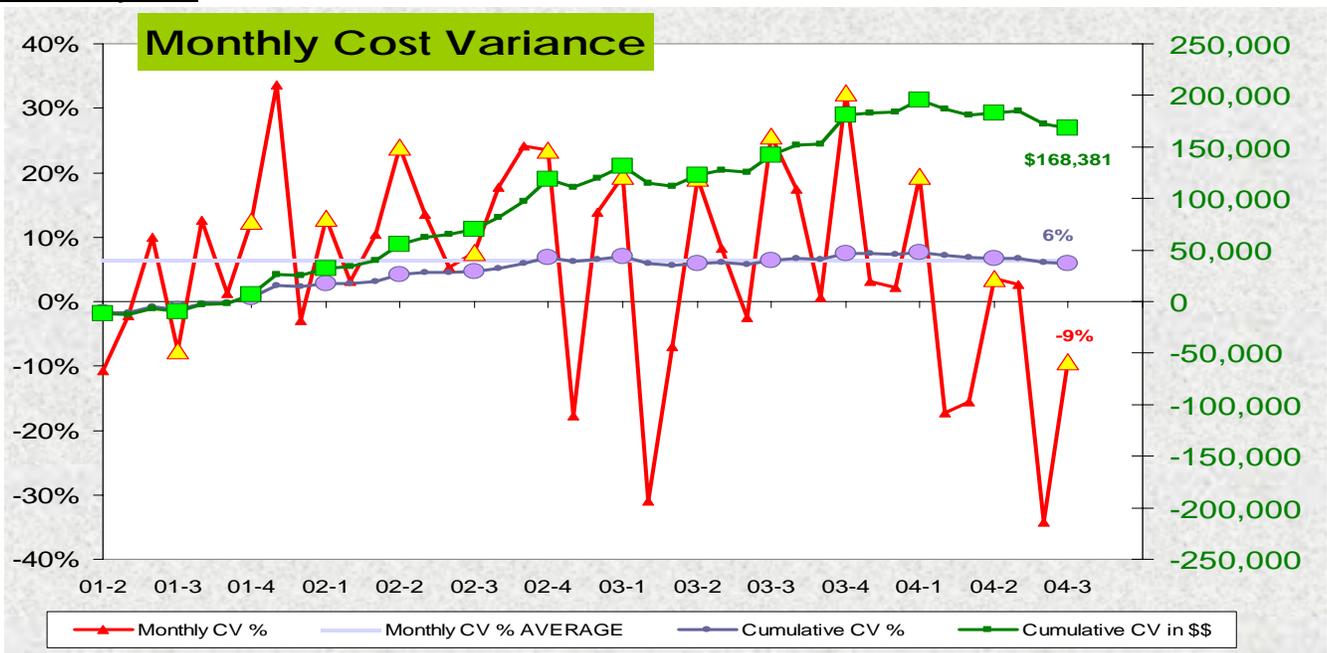
Appendix B Cost Variance Trending

The following charts depict Project cost variance trends by quarter and monthly as referenced in the Cost section of the Executive Summary.

Quarterly CV



Monthly CV

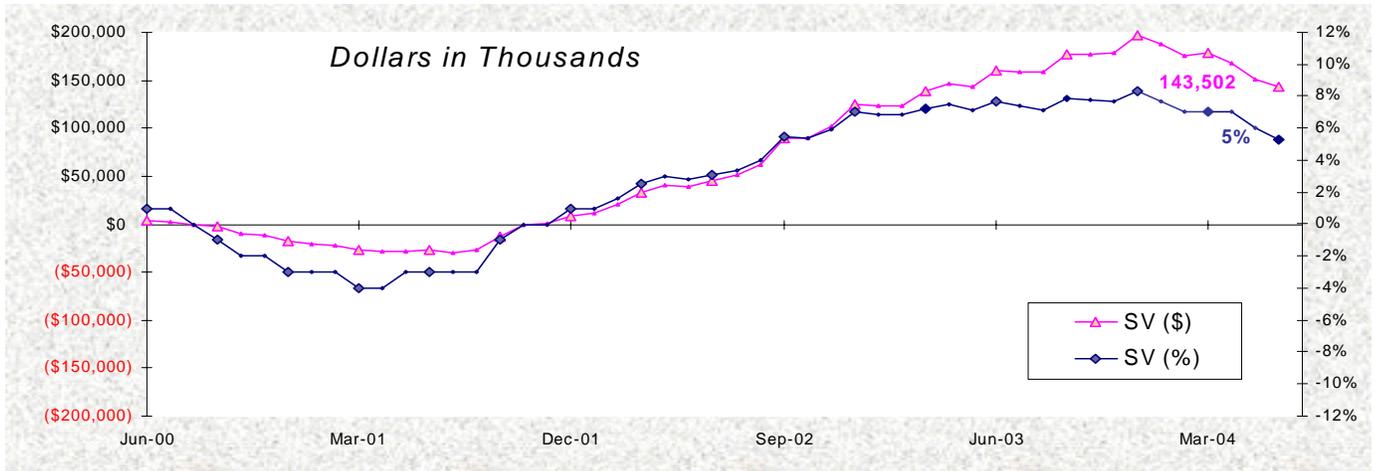


Appendix C Other Schedule Performance Indicators

The following charts depict Project schedule variance metrics used to evaluate K-H schedule performance as referenced in the Schedule section of the Executive Summary.

Traditional Schedule Variance

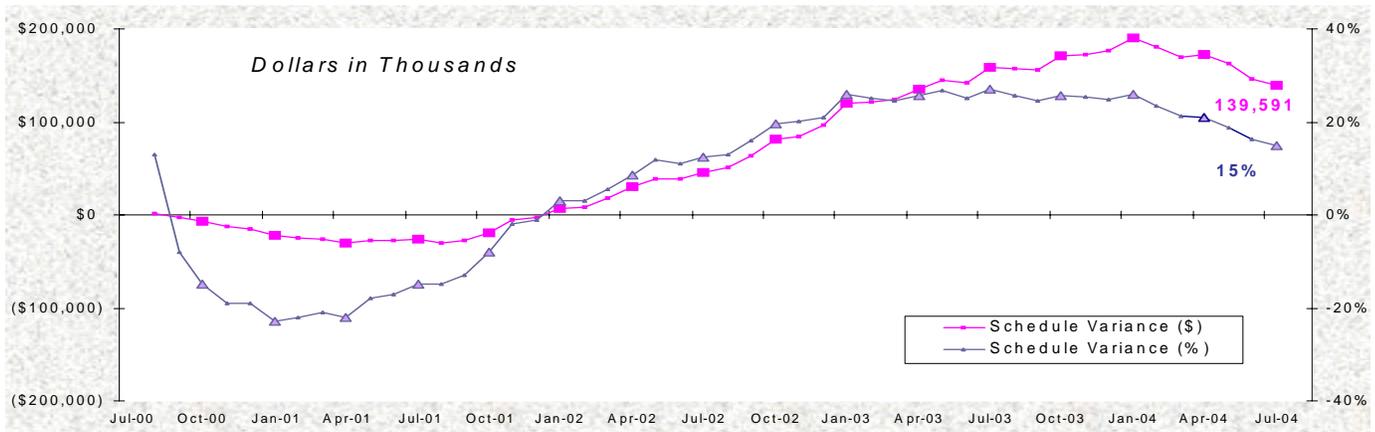
SV\$: +\$144M SV%: +5%



Traditional Schedule Variance (SV) for target activities was \$178M and 8% at the end of last quarter.

Modified Milestone Schedule Variance

SV\$: +\$140M SV%: +15%



About 59% of Modified Milestone activities were scheduled to be complete at the end of this quarter and 68% were completed. The current Budgeted Cost of Work Performed (BCWP) for these modified milestone activities is \$1070M; with a life cycle BCWS for these activities of \$1.6 billion (B). The Modified Milestone SV decreased \$33M since last quarter.

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Appendix C CONTINUED

P3 Completion

Estimated Completion Date: 14 December 2006

The *K-H generated* Estimated Completion Dates (ECDs) from the P3 schedule are represented below.

K-H and RFPO continues to examine critical path activities to identify schedule acceleration opportunities. RFPO is monitoring this critical path and continues to utilize December 15, 2006 as the Estimated Completion Date.

PBD	Activity Description	Baseline Early Finish	Stated Early Finish
A	B371	11-Oct-06	14-Oct-05
B	B707	13-Mar-06	04-Apr-05
C	B771/774	18-Aug-04	20-Sep-04
D	B776/777	27-Oct-06	05-May-05
E	Industrial Sites	11-Oct-06	30-Sep-05
F	Material Stew.	14-Dec-06	27-Oct-05
G	ER	14-Dec-06	08-Nov-05
ALL		14-Dec-06	08-Nov-05

* Under RFPO Review

Comparative Schedule Metrics

The project-level positive schedule variances reflect the contractor's continued success at accelerating workscope. However, the majority of accelerated activities have been in Environmental Remediation and the decommissioning of structures and facilities in the industrial zone (PBDs G and E) – not on the Critical Path. This is the third quarter since the project began that the percent schedule variance on all of the real work (non level-of-effort) PBDs is positive.

Project		SV _{TRAD}	SV _{PWA}	SV _{MM}	SV _{P3 +/- Days}
1A	371 Complex Project	2%	10%	5%	251
1B	707 Complex Project	4%	16%	10%	238
1C	B771/774 Closure Project	0%	-11%	-2%	-22
1D	B776/777 Closure Project	8%	39%	16%	376
1E	Industrial and Site Services Project	14%	459%	34%	234
1F	Material Stewardship Project	2%	103%	7%	257
1G	Environmental Remediation	25%	213%	27%	250
Total Project:		5%	53%	15%	250

* RFPO Validated Percentages differ from the KH reports

** Under RFPO Review

Total Project Report RFPO RFETS

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Project Metrics

Project Metric	Contract Lifecycle Planned	CPB Planned to end of FY	FY Plan (AWA)	Actuals to Date	FY Actuals	Actuals for Quarter	LC Completion (CPB)	FY Completion on (CPB)
Low Level Waste Disposed (m ³)	184,475	116,662	54,000	198,268	98,667	43,727	107%	Exceeded Plan to-date
Low Level Mixed Waste Disposed (m ³)	44,614	10,911	3,500	34,582	8,207	1,077	78%	Exceeded Plan to-date
TRU Waste Disposed (m ³)	12,355	9,688	4,600	11,244	3,030	1,311	91%	Exceeded Plan to-date
B371 Project Work Sets	60	33	26	32	10	5	53%	97%
B707 Project Work Sets	99	72	16	76	13	7	86%	Exceeded Plan to-date
B771 Project Work Sets	106	106	35	84	13	6	79%	79%
B776 Project Work Sets	82	72	8	78	3	1	93%	Exceeded Plan to-date
Facilities Demolished	290	141	61	163	32	11	56%	Exceeded Plan to-date
Nuclear Facilities Decommissioned	6	2		1	0	0	17%	50%
Radioactive Facilities Decommissioned	54	14		23	8	4	43%	Exceeded Plan to-date
Industrial Facilities Decommissioned	317	197		226	24	7	71%	Exceeded Plan to-date
Environmental PWAs Completed	65	19	8	34	11	6	52%	Exceeded Plan to-date
Environmental Remediation Sites Completed	360	182	24	265	74	23	74%	Exceeded Plan to-date
Gloveboxes removed	1,324	1,324	277	1,290	199	58	97%	97%

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_{TRAD}): 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, EW02, FS40, GG08, YN01, and NN61). It does NOT include budgeted costs for things like performance fee, technology deployment, and program (RFPO) 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_{MM}): 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_{PWA}): 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_{PWA} 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_{P3}): 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.

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.

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 K-H Executive Office.