

Change Number M-60-95-03	Federal Facility Agreement and Consent Order Change Control Form Do not use blue ink. Type or print using black ink.	Date 07/03/96
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Class of Change <input checked="" type="checkbox"/> I - Signatories <input type="checkbox"/> II - Executive Manager <input type="checkbox"/> III - Project Manager

Change Title Privatization of Low Activity Waste Pretreatment and Immobilization

Description/Justification of Change In December 1991, the U.S. Department of Energy (DOE) established the Tank Waste Remediation System (TWRS) Program to ensure that radioactive and hazardous tank wastes in the large underground storage tanks at Hanford are stored, treated, and immobilized in a safe, environmentally sound, and cost-effective manner in compliance with applicable federal and State Law. The TWRS mission is to conceptualize, develop, design, construct, and operate the physical systems and technologies necessary to retrieve waste from Hanford's 177 large underground waste tanks located at the Hanford Site's 200 East and 200 West areas, and convert that waste into a solid suitable for ultimate disposal.

DOE recently completed an analysis of Privatization options for cleanup of the wastes identified above (hereinafter referred to as "tank waste"). Under the Privatization approach, private companies under contract with DOE, will treat Hanford's tank wastes and return a treated product to DOE. Using this Privatization approach,

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Impact of Change

This change will not delay completion of the major milestones for the processing of tank waste (M-50-00, M-51-00, M-60-00, and M-61-00 if applicable). This change will not delay completion of Single Shell Tank Retrieval major milestone (M-45-00), however, changes in the sequencing and rate of Single-Shell Tank Waste Retrieval (M-45-00 interim milestones) may result.

Affected Documents

Hanford Federal Facility Agreement and Consent Order, Action Plan, Appendix D.

Approvals <i>John D. Wagoner</i> BGE	7/24/96 Date	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved
<i>Randall F. Smith</i> EPA	7/24/96 Date	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved
<i>Mary Givland</i> Ecology	7/24/96 Date	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved

Description/Justification of Change (continued)

multiple contracts will be awarded, and competition and innovation between contractors will be encouraged. The selected contractors will invest non-government funds to design, construct, and operate the necessary facilities to meet the needs of TWRS. DOE will define and monitor treated tank waste acceptance specifications, i.e., the requirements to be met by selected contractors in order for the treated tank waste to be returned to DOE control after treatment by the contractors. Incentives will be offered by DOE to the contractors to reduce immobilized waste volumes and to optimize waste loading, which in turn should reduce the costs of future processing, storage and disposal. The costs associated with retrieval and treatment of tank wastes under this initiative will ultimately be borne by DOE in the form of payments for waste treatment services performed by contractors after the privatized facility(s) become operational.

The Privatization of programs and facilities that will pretreat and immobilize low activity waste (LAW) will be accomplished via one of two pathways. The primary pathway, and that preferred by DOE, calls for two or more facilities owned, built and operated by two or more independent contractors. This pathway is known as the contractor owned, contractor operated (COCO) path. Milestones established for the primary path are enforceable under the terms of the Hanford Federal Facility Agreement and Consent Order (Agreement).

The alternative path forward, or "alternate path" will be undertaken in the event that the primary path is determined to be unfeasible by DOE. This path is controlled by milestones identified here which serve as a fall back technical and regulatory path for Privatization of the TWRS program. These milestones become enforceable only in the event that DOE is not maintaining adequate progress and elects to pursue the alternate path rather than the primary path. Should DOE elect to pursue the alternate path, these milestones will automatically become enforceable under the terms of the Agreement.

If a decision is made to change from the primary path to the alternate path, it will be made using several criteria. These criteria will be dependent upon the phase of procurement. The criteria used may include, but need not be limited to:

Request for proposal (draft and final):

- * Ability to establish product specifications
- * Delays in producing necessary documents
- * Ability to establish nuclear safety standards

Selection of design only contractors:

- * Insufficient potential contractor interest
- * Excessive costs for bids
- * Delays in selecting contractors
- * Schedule Delays which make meeting overall program schedule impossible

Down selection of contractors:

- * Unresponsive technical proposals
- * Excessive cost proposals
- * Unresponsive schedules for completing work
- * Inability to negotiate contracts in a timely manner

Description/Justification of Change (continued)

Any decision to change from the primary path to the alternate path will be made by DOE, which will give Ecology written notice of such a decision. DOE will update Ecology on a bi-monthly basis on the status of the primary path (this update will consist of delivery of a copy of the "TWRS Privatization Action Plan Bi-Monthly Report" to the Director of Ecology). Should Ecology determine that compliance with the primary path is unlikely, it will inform DOE of such an opinion. DOE will respond within 30 days as to whether a change from the primary to the alternate path is necessary. If DOE determines that a change is not necessary, it will provide Ecology with a written rationale for continuing with the primary path. However, as stated above, any decision made will be exclusively that of DOE, and it is understood that such a decision shall not be disputed. Ecology's acknowledgement of DOE's decision making authority with respect to changing paths, and its agreement not to dispute such a decision, shall not be interpreted as a waiver of its right to submit a change request or any other right to which Ecology is entitled under the Agreement.

The ability to meet Agreement milestones is a criterion for acceptability in privatizing the pretreatment and immobilization of LAW. It is recognized that in order to be able to take advantage of the commercial technical capabilities available, the potential methods for processing of the tank waste should not be restricted solely to vitrification. Accordingly, the term LAW immobilization is utilized here rather than Low Level Waste (LLW) vitrification, and contractor(s) may submit alternatives to vitrification for DOE's consideration. However, prior to employing any technology other than vitrification for tank waste treatment, the performing contractor(s) will demonstrate to Ecology that the alternate technology meets or exceeds the waste treatment performance standards applicable to vitrification. Such demonstration will be subject to the Agreement Public Involvement Process, and represent an opportunity to reduce costs and accelerate schedules.

The M-60 series milestones and target date(s) deleted by this action are listed below:

<u>Number</u>	<u>Milestone:</u>	<u>Due Date:</u>
M-60-03	Submit conceptual design and initiate definitive design of the LLW vitrification facility.	November 1996
M-60-04	Initiate construction of the LLW vitrification facility	December 1997
M-60-05	Initiate hot operations of the LLW vitrification facility.	June 2005
M-60-05-T01	Complete construction of the LLW vitrification facility.	December 2003

¹ DOE shall be free to edit the identified report prior to providing Ecology a copy but only to preclude disclosure of information which DOE is prohibited from disclosing by law.

Description/Justification of Change (continued)

PRIMARY PATH

Primary path major and interim milestones for TWRS Privatization of pretreatment and immobilization of LAW (M-60) established by this change request are as follows:

<u>Number</u>	<u>Milestone</u>	<u>Due Date</u>
M-60-00	Complete pretreatment and immobilization of Hanford Low Activity tank waste (LAW).	December 2024
M-60-06	Issue Draft Request for Proposals (RFP) for Phase I Privatization of LAW pretreatment and immobilization.	January 1996
M-60-07	Issue Final Request for Proposals (RFP) for Phase I Privatization of LAW pretreatment and immobilization.	June 1996
M-60-08	Award two (2) or more design only Privatization contract(s) for Phase I LAW pretreatment and immobilization.	January 1997
M-60-09	DOE will take delivery of and transmit to the Department of Ecology, a report prepared by an independent contractor, that identifies reasonable and practical contracting mechanisms (if any) that would facilitate acceleration of the start of hot operations of a LAW pretreatment and immobilization facility under the alternate path to Privatization. ²	30 Days after completion of M-60-08
M-60-10	Select two (2) COCO contractors and issue DOE signed authorizations to proceed with part B (as defined in the Request for Proposal [RFP]) or subsequently negotiated contracts) work for LAW pretreatment and immobilization.	July 1998
M-60-11	Start of construction for two (2) Phase I LAW pretreatment and immobilization facilities. Start of construction occurs when the Department of Energy issues a notice to proceed and its contractor commences placement of first structural concrete on the projects primary facility.	TBD ³
M-60-12	Start hot operations of two (2) COCO Phase I LAW pretreatment and immobilization facilities.	December 2002

² The Washington Department of Ecology (Ecology) will prepare the scope of work for this undertaking for DOE's concurrence. Ecology and DOE will jointly identify suitable potential contractors. DOE will provide funding for contract performance, and make the final contractor selection from the suitable contractors list.

³ Within thirty (30) days of completion of Milestone M-60-10, DOE will notify Ecology in writing of the start of facility construction date specified in the contract(s).

Description/Justification of Change (continued)

M-60-13 Initiate negotiations on Phase II LAW December 2003
 pretreatment and immobilization milestone.
 The parties anticipate completion of these
 negotiations within six (6) months.

ALTERNATE PATH

The following milestones are incorporated into the Agreement Action Plan. However, they will only become enforceable if DOE elects to abandon the primary path set forth above, and shall be automatically deleted from the Action Plan upon DOE's completion of primary path milestone M-60-10. This milestone shall be deemed completed when DOE issues authorizations to proceed with part B work for LAW pretreatment and immobilization. Upon DOE's election to abandon the primary path and thereby become subject to the requirements of the alternate path milestones set forth below (or as may be amended under the provisions of the Agreement), the primary path milestones set forth above (or as may be amended or added under the provisions of the Agreement), shall automatically be deleted from the Agreement Action Plan and become unenforceable under the provisions of the Agreement or any other legal mechanism.

<u>Number</u>	<u>Description</u>	<u>Due Date</u>
M-61-00	Complete pretreatment and immobilization of Hanford low activity waste (LAW).	December 2028
M-61-01	Start construction of Phase I LAW pretreatment and immobilization facility. Start of construction occurs when the Department of Energy issues a notice to proceed and its contractor commences placement of first structural concrete on the projects primary facility.	TBD ⁴
M-61-02	Initiate Hot Operations of Phase I LAW Pretreatment and Immobilization Facility.	December 2003
M-61-03	Initiate negotiations on Phase II LAW pretreatment and immobilization milestone. The parties anticipate completion of these negotiations within six (6) months.	December 2004

LIMITED WAIVER

For the purposes of the change request package consisting of this change request form M-60-95-03, and change request forms M-50-95-01 and M-51-95-02 only, and not as a precedent for any further change requests, the Department of Energy hereby waives the provisions of Paragraph 145 F (procurement Force Majeure) of the Hanford Federal Facility Agreement and Consent Order as applicable to milestones M-60-06, M-60-07, M-60-08, M-60-09 and M-60-10 until the completion of M-60-10.

⁴ Within thirty (30) days of award of an alternate path contract, DOE will notify Ecology in writing of the start of facility construction date specified in the contract.