



U.S. Department of Energy  
**Office of River Protection**

P.O. Box 450  
Richland, Washington 99352

0055374

01-ORP-044

FEB 26 2001

Mr. Tom Fitzsimmons, Director  
State of Washington  
Department of Ecology  
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Mr. Charles E. Findley  
Acting Regional Administrator  
U.S. Environmental Protection Agency  
Region 10  
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**EDMC**

Addressees:

**CHANGE REQUEST PACKAGE**

As you know, the U.S. Department of Energy (DOE), Office of River Protection (ORP), recently awarded a new contract to the Bechtel National, Inc. (BNI) for the design, construction, and commissioning of a Waste Treatment and Immobilization Plant (WTP) for treatment and immobilization of high-level wastes.<sup>1</sup> This contract was awarded on December 11, 2000, to replace the privatization contract with BNFL Inc. (BNFL). Despite DOE's exercise of due diligence, that contract was terminated under federal procurement and acquisition regulations when, among other things, BNFL's cost estimate suddenly and inexplicably escalated to \$15.5 billion, far in excess of the government fair cost estimate of \$6.6 billion and available congressional funding approvals.

As a result of the termination of the BNFL contract and failure of privatization, DOE exercised an alternative contracting pathway as identified in the report required under Milestone M-62-02. Despite DOE's diligence in awarding the new WTP contract on an extremely tight schedule, it has become clear that certain milestone dates in the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) will not be met as currently scheduled. For example, termination of that contract caused delay in Milestone M-62-06, Start of Construction Phase I Treatment Complex by July 31, 2001.

This has triggered delays for other milestones. Several milestones in the M-62-00 series as well as in the M-90 series and the M-45-00C Milestone also should be revised to be consistent with

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<sup>1</sup> As you also know, ORP recently negotiated a 5-year contract extension with CH2M HILL Hanford Group (CHG), the current operator of the Single-Shell and Double-Shell Tank System at Hanford.

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the changes resulting from the BNFL termination, the new contract schedules, and the ORP baseline. Delays in achieving these milestones have been discussed in Project Managers' Meetings. Please note, however, that the milestones of primary concern – M-62-09, Start (Hot) Commissioning – Phase I Treatment Complex and M-62-00A, Complete Pretreatment Processing and Vitrification of Hanford High Level Waste and Low Activity Waste Phase I Tank Wastes – remain as provided for in the Director's Final Determination as 2007 and 2018, respectively.

Attached, please find a change package submitted in accordance with Tri-Party Agreement procedures to extend the milestones discussed above. We are seeking your approval of this change package in the hopes of reaching a tentative agreement. This agreement will allow the parties to enter into a public comment period and subsequently gain approval for the milestone changes as referenced. You will note that we have proposed due dates for Milestones M-62-06 and M-62-07 as "To Be Determined" but that Milestone M-62-13 provides that these dates will be re-negotiated (consistent with the 2007 and 2018 dates) by June 30, 2001. We have taken that approach as a reflection of provisions in the new WTP contract and the newly extended CHG contract. Under the new WTP contract, BNI is to provide DOE with its Project Baseline by April 15, 2001.<sup>2</sup> CHG shall revise the existing River Protection Project (RPP) baseline and work with the WTP contractor and ORP to resolve major schedule discrepancies and deliver the revised RPP Baseline to ORP by May 15, 2001.<sup>3</sup> CHG shall then submit a fully integrated project baseline by September 1, 2001.<sup>4</sup>

Although we would have preferred to submit this change request in closer proximity to these dates, in order to preserve our rights, we are constrained by the advance notice provisions of the Tri-Party Agreement to submit the request now. As you can see, such advance notice would have been due on April 31, 2001, for the July 2001 start of construction date. At that point, we will not have sufficient certainty to adjust that date or M-62-07. Consequently, as noted above, we have provided for re-negotiation of M-62-06 and M-62-07 by June 30, 2001.

This package is intended to reflect our commitment to the cleanup of Hanford tank waste and the increased openness and accountability needed for us to work effectively under the Tri-Party Agreement. Working together, we will set a course toward successful project completion, justifying the confidence that the general public, our stakeholders, and our government representatives have placed in us. We look forward to discussing this with you soon.

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<sup>2</sup> See, Contract No. DE-AC27-01RV14136, Section C.5, Description of Contract Requirements and Deliverables, para. (a)(5), p. C-9; Table C.5-1.1, Deliverables, Item No. 1.5, p. C-11; Standard 1, Management Products and Controls, para(d), pp. C-20-24.

<sup>3</sup> See, Contract No. DE-AC27-99RL14047, Section C.2, Management Workscope, para. (a)(2)(ix), p. C-4.

<sup>4</sup> *Id.*

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If you have any questions, please contact us, or your staff may contact James E. Rasmussen, ORP Environmental Policy Advisor, (509) 376-2247, or Clifford E. Clark, Acting Program Manager for the Office of Regulatory Liaison, DOE Richland Operations Office, (509) 376-9333.



Harry L. Boston, Manager  
Office of River Protection



Keith A. Klein, Manager  
Richland Operations Office

ORP:JER

Attachment

cc w/attach:

J. H. Richards, CTUIR

P. Sobotta, NPT

R. Jim, YN

E. Savage, BNI

M. J. Riess, CHG

M. A. Wilson, Ecology

R. F. Stanley, Ecology

D. R. Sherwood, EPA

J. S. Hertzell, FHI

O. S. Kramer, FHI

T. Martin, HAB

M. L. Blazek, Oregon Energy

C. E. Clark, RL

Administrative Record

<b>Change Number</b> M-62-01-02 "Draft"	<b>Federal Facility Agreement and Consent Order Change Control Form</b> <small>Do not use blue ink. Type or print using black ink.</small>	<b>Date</b> 2/22/2001																
<b>Originator</b> DOE, Office of River Protection		<b>Phone</b> 376-2247																
<b>Class of Change</b> <input checked="" type="checkbox"/> I - Signatories <input type="checkbox"/> II - Executive Manager <input type="checkbox"/> III - Project Manager																		
<b>Change Title</b> Modifications to the M-62-06, M-62-07, M-62-10, M-62-11, M-45-00C, M-90-08, M-90-09-T01, M-90-10 and M-90-11 milestones, that are necessary to provide consistency between Tri-Party Agreement milestone language, completion schedules for contract No.'s DE-AC27-01RV14136, DE-AC27-99RL14047 and the ORP baseline schedule.																		
<b>Description/Justification of Change</b> Contract No. DE-AC27-01RV14136 was recently awarded on December 11, 2000 for the Design, Construction and Commission of a Facility for the Phase I Hanford Tank Waste Treatment Complex. Contract No. DE-AC27-99RL14047 was recently extended for an additional 5-year term. In the September 19, 2000 approved amendment to Consent Decree No. CT-99-5076-EFS, DOE was required to award a contract to replace the terminated privatization contract for the design, construction and commissioning of a Phase I Treatment Complex. This change request modifies the following milestones by adopting original language from the <b>(Continued on page 2)</b>																		
<b>Impact of Change</b> This change request modifies the language for the M-62-06, M-62-07 milestones in accordance with the original language from the M-62-05 milestone prior to deletion of M-62-05 per the terms of Consent Decree No. CT-99-5076-EFS, First Amendment. This change also recommends modifications to the M-62-10, M-62-11, M-45-00C, M-90-08, M-90-09-T01, M-90-10 and M-90-11 milestones that are necessary to provide consistency between Tri-Party Agreement milestones, completion schedules for contract No.'s DE-AC27-01RV14136, DE-AC27-99RL-14047 and the ORP baseline schedule. Contract No. DE-AC27-01RV14136 provides for the Design, Construction and Commission of a Facility for the Phase I Hanford Tank Waste Treatment Complex. The milestones established for renegotiation of the M-62 and M-90 series milestones are consistent with the recently established contracts for the Waste Treatment Contractor (WTC) and the Tank Farm Contractor (TFC). Those contracts require the evaluation of baseline schedules by the WTC on, or before April 15, 2001. The TFC is required to evaluate and integrate the WTC schedules and submit revisions to their baseline by September 1, 2001.																		
<b>Affected Documents</b> The Hanford Federal Facility Agreement and Consent Order, as amended, Hanford Site internal planning and budget documents (e.g., Agreement Action Plan, Appendix D, DOE and DOE contractor Baseline Change control documents, Multi-Year Work Plans, Site Wide System Engineering Control Documents and Project Management Plans, and the Hanford site Integrated Priority List.																		
<b>Approvals</b> <table border="0" style="width: 100%;"> <tr> <td style="width: 35%; border-bottom: 1px solid black;">DOE - ORP</td> <td style="width: 15%; border-bottom: 1px solid black;">Date</td> <td style="width: 15%; text-align: center;">_____ Approved _____</td> <td style="width: 35%; text-align: center;">_____ Disapproved _____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">DOE - RL</td> <td style="border-bottom: 1px solid black;">Date</td> <td style="text-align: center;">_____ Approved _____</td> <td style="text-align: center;">_____ Disapproved _____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">EPA</td> <td style="border-bottom: 1px solid black;">Date</td> <td style="text-align: center;">_____ Approved _____</td> <td style="text-align: center;">_____ Disapproved _____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Ecology</td> <td style="border-bottom: 1px solid black;">Date</td> <td style="text-align: center;">_____ Approved _____</td> <td style="text-align: center;">_____ Disapproved _____</td> </tr> </table>			DOE - ORP	Date	_____ Approved _____	_____ Disapproved _____	DOE - RL	Date	_____ Approved _____	_____ Disapproved _____	EPA	Date	_____ Approved _____	_____ Disapproved _____	Ecology	Date	_____ Approved _____	_____ Disapproved _____
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DOE - RL	Date	_____ Approved _____	_____ Disapproved _____															
EPA	Date	_____ Approved _____	_____ Disapproved _____															
Ecology	Date	_____ Approved _____	_____ Disapproved _____															

recently deleted M-62-05 milestone and integrating the programmatic schedules as outlined in contract No.'s DE-AC27-01RV14136 and DE-AC27-99RL14047 (Note: Other milestones (i.e. those not listed) within the M-62 series remain unchanged). Additional modifications are necessary to provide consistency between milestone completion dates and the ORP baseline schedule. Our authority for submitting this change is found in Article XL, Good Cause for Extensions, paragraphs 119, 120.A, 120.D, and 120.E and Article XLVII Force Majeure, paragraphs 145, 145.F and 145.G of the HFFACO and Section 12.0 of the Action Plan. The following changes will be adopted as part of this change request:

MS Number	Milestone Description	Due Date
M-62-06	<p><b>START OF CONSTRUCTION PHASE I TREATMENT COMPLEX</b></p> <p>FIRST PLACEMENT OF STRUCTURAL CONCRETE AT ONE OF THE TREATMENT COMPLEX PRINCIPAL FACILITIES (I.E. PRETREATMENT, LOW- ACTIVITY WASTE VITRIFICATION, OR HIGH-LEVEL WASTE VITRIFICATION FACILITIES).</p> <p><u>THE PARTIES WILL REVISE OR CONFIRM CONSTRUCTION PROGRESS MILESTONE DUE DATES AUTHORIZING THE DESIGN, CONSTRUCTION AND COMMISSIONING OF A FACILITY FOR THE TREATMENT OF SINGLE SHELL AND DOUBLE SHELL TANK WASTES. REVISION, IF NECESSARY SHALL BE CONSISTENT WITH HOT COMMISSIONING BY DECEMBER 2007 AND COMPLETION OF PHASE I TREATMENT BY FEBRUARY 2018.</u></p> <p><u>11 – COMPLETE THE RENEGOTIATION OF M-62-06 AND M-62-07 MILESTONES PER M-62-13</u></p>	<p><u>7/31/2004</u></p> <p><u>TBD*1</u></p>
M-62-07	<p><b>CONSTRUCTION PROGRESS MILESTONES (2) – PHASE I TREATMENT COMPLEX</b></p> <p>DOE SHALL COMPLETE TWO CONSTRUCTION PROGRESS MILESTONES DURING THE PERIOD BETWEEN START OF CONSTRUCTION AND START OF <u>HOT COMMISSIONING COMMERCIAL OPERATIONS</u>. THESE MILESTONES WILL BE ESTABLISHED WITHIN 60 DAYS OF ISSUANCE OF THE DOE AUTHORIZATION TO PROCEED WITH PHASE I TREATMENT.</p> <p><u>THE PARTIES WILL REVISE OR CONFIRM THE CONSTRUCTION PROGRESS MILESTONE DUE DATES AUTHORIZING THE DESIGN, CONSTRUCTION AND COMMISSIONING OF A FACILITY FOR THE TREATMENT OF SINGLE-SHELL AND DOUBLE-SHELL TANK WASTES. REVISION, IF NECESSARY SHALL BE CONSISTENT WITH HOT COMMISSIONING BY DECEMBER 2007 AND COMPLETION OF PHASE I TREATMENT BY FEBRUARY 2018.</u></p> <p><u>11 – COMPLETE THE RENEGOTIATION OF M-62-06 AND M-62-07 MILESTONES PER M-62-13</u></p>	TBD*1
M-62-09	<p><b>START (HOT) COMMISSIONING – PHASE I TREATMENT COMPLEX</b></p> <p>DOE WILL START HOT COMMISSIONING OF ITS TANK WASTE TREATMENT COMPLEX (DEFINED AS FIRST PRINCIPAL FACILITY RECEIPT OF RADIOACTIVE TANK WASTE FOR TREATMENT).</p>	12/31/2007
M-62-10	<p><b>COMPLETION OF HOT COMMISSIONING START COMMERCIAL OPERATIONS – PHASE I TREATMENT COMPLEX</b></p> <p>DOE WILL ACHIEVE SUSTAINED THROUGHPUT OF PRETREATMENT, LOW-ACTIVITY WASTE VITRIFICATION AND HIGH-LEVEL WASTE VITRIFICATION PROCESSES, AND DEMONSTRATED TREATMENT COMPLEX AVAILABILITY TO COMPLETE TREATMENT OF NO LESS THAN 10% OF THE TANK WASTE BY MASS AND 25% OF THE TANK WASTE BY ACTIVITY BY DECEMBER 2018.</p> <p><u>12 – COMPLETE THE RENEGOTIATION OF M-62-10 MILESTONE PER M-62-14</u></p>	<p><u>4/30/2011*2</u></p> <p><u>12/31/2009</u></p>

M-62-11

SUBMITTAL OF HANFORD TANK WASTE TREATMENT PHASE II PLAN

DOE WILL SUBMIT TO ECOLOGY A DETAILED PLAN AND PROPOSAL FOR THE PROCESSING OF THE REMAINDER OF DOE'S LAW AND HLW WASTES (PHASE II WASTES). THIS PLAN AND PROPOSAL WILL BE ACCOMPANIED BY A DRAFT NEGOTIATIONS AGREEMENT IN PRINCIPLE (AIP), AND DRAFT AGREEMENT CHANGE REQUEST CONTAINING SUFFICIENT ENFORCEABLE MILESTONES AND ASSOCIATED AGREEMENT REQUIREMENTS TO EFFECTIVELY DRIVE PHASE II WORK TO COMPLETION IN ACCORDANCE WITH AGREEMENT REQUIREMENTS. PHASE II AGREEMENT NEGOTIATIONS WILL BE COMPLETED WITHIN SIX (6) MONTHS OF AIP FINALIZATION.

3 years after  
completion and  
of Commercial  
Operations Hot  
Commissioning  
see (M-62-10)

M-62-13

COMPLETE THE RENEGOTIATION OF M-62-06 AND M-62-07 MILESTONES

9/30/2001

THE PARTIES WILL REVISE OR CONFIRM MILESTONE COMPLETION DATES. REVISION IF NECESSARY SHALL BE CONSISTENT WITH HOT COMMISSIONING BY DECEMBER 2007 AND COMPLETION OF PHASE 1 TREATMENT BY FEBRUARY 2013.

M-62-14

COMPLETE THE RENEGOTIATION OF M-62-10

12-15-2001

THE PARTIES WILL REVISE OR CONFIRM MILESTONE COMPLETION DATES. REVISION IF NECESSARY SHALL BE CONSISTENT WITH HOT COMMISSIONING BY DECEMBER 2007 AND COMPLETION OF PHASE 1 TREATMENT BY FEBRUARY 2018.

THESE NEGOTIATIONS SHALL TAKE INTO ACCOUNT VARIABLES SUCH AS WORK IN PROGRESS, E.G. DOE'S TANK WASTE TREATMENT COMPLEX ACQUISITION INITIATIVE AND ENVIRONMENTAL AND HUMAN HEALTH RISKS ASSOCIATED WITH RELEASES FROM DOE'S SSTs. NEGOTIATIONS SHALL BE DESIGNED TO ESTABLISH A SUFFICIENT NUMBER OF AGREEMENT MILESTONES AND TARGET DATES TO EFFECTIVELY DRIVE EACH PHASE OF WORK INCLUDING BUT NOT LIMITED TO: 1) WASTE RETRIEVAL TECHNOLOGY DEVELOPMENT, 2) RETRIEVAL PERFORMANCE EVALUATIONS, 3) LEAK DETECTION MONITORING, AND MITIGATION, 4) SELECTION OF SST RETRIEVAL SEQUENCE, 5) DESIGN, CONSTRUCTION AND OPERATION OF SST WASTE RETRIEVAL SYSTEMS, AND 6) CLOSURE PLANNING AND CLOSURE PLAN DEVELOPMENT.

DOE AND DOE'S CONTRACTOR(S) WILL RETRIEVE AND TRANSFER SST WASTES INTO THE DST SYSTEM AS SOON AS SPACE IS MADE AVAILABLE, ALLOWING DST SPACE FOR TREATMENT PLANT FEED STAGING AND SAFETY ISSUE RESOLUTION. TRANSFER OF SST WASTE WILL BE MADE ONCE SUFFICIENT DST SYSTEM SPACE IS AVAILABLE TO ALLOW A TRANSFER OF AN OPERATIONALLY PRACTICABLE VOLUME OF WASTE. SST WASTE WILL BE RETRIEVED ON A PRIORITY BASIS WITH THE GOALS OF REDUCING ENVIRONMENTAL RISK AND TREATMENT PROCESS OPTIMIZATION. DOE AND ECOLOGY WILL AGREE ON THE CRITERIA TO DETERMINE ENVIRONMENTAL RISK REDUCTION.

\* These negotiations will also consider the need for additional compliant storage space. Should DOE fail to initiate construction of the Phase 1 Hanford Tank Waste Treatment and Immobilization Plant by the required completion date as listed in M-45-00C, the due date for this M-45-00C milestone shall be automatically adjusted to [redacted] (where that extends [redacted] from the completion date as listed in M-45-00C).

The Parties will revise or confirm construction progress milestone due dates following the guidance found in M-45-00C and the contract authorizing the design, construction and commissioning of a facility for the treatment of single-shell and double-shell tank wastes. Requirements necessary shall be consistent with that construction schedule per EPC and completion of Phase I Treatment by February 2018.

M-90-08	INITIATE ILAW DISPOSAL FACILITY CONSTRUCTION	<u>7/31/2004</u> <u>6/30/2006</u> *3
	INITIATION OF CONSTRUCTION OCCURS WHEN THE CONTRACTOR COMMENCES EXCAVATION OF THE RCRA DISPOSAL FACILITY.	
	<u>*3 - COMPLETE THE RENEGOTIATION OF M-90 SERIES MILESTONES PER M-90-13</u>	
M-90-09-T01	COMPLETE ILAW DISPOSAL FACILITY DETAILED DESIGN	<u>2/30/2004</u> <u>6/30/2005</u> *3
	<u>*3 - COMPLETE THE RENEGOTIATION OF M-90 SERIES MILESTONES PER M-90-13</u>	
M-90-10	INITIATE PLACEMENT OF ILAW WASTE CANISTERS IN ILAW DISPOSAL FACILITY	<u>1/31/2007</u> <u>12/31/2008</u> *3
	(LOW ACTIVITY WASTE PACKAGES PLACED WITHIN THESE FACILITIES WILL BE RETRIEVABLE).	
	<u>*3 - COMPLETE THE RENEGOTIATION OF M-90 SERIES MILESTONES PER M-90-13</u>	
M-90-11	COMPLETE CANISTER STORAGE FACILITY CONSTRUCTION	<u>2/01/2007</u> <u>12/31/2009</u> *3
	COMPLETION OF THIS MILESTONE REQUIRES THE COMPLETION OF ALL CONSTRUCTION, INTERNAL/EXTERNAL FACILITY(S) MODIFICATION AND STARTUP ACTIVITIES NECESSARY FOR CANNISTER STORAGE FACILITY RECEIPT OF ALL PHASE I HANFORD SITE HIGH LEVEL WASTE CANISTERS FROM TANK WASTE REMEDIATION SYSTEM (TWRS) PROCESSING. FOR PURPOSES OF THIS INTERIM MILESTONE PHASE I IHLW CANISTER STORAGE OF AT LEAST 600 IHLW CANISTERS. INTERIM MILESTONES AND ASSOCIATED TARGET DATES ESTABLISHING WORK SCHEDULES FOR PHASE II IHLW CANISTER STORAGE WILL BE ESTABLISHED PURSUANT TO THE PHASE II REQUEST FOR PROPOSAL FOR TWRS PRIVATIZATION.	
	<u>*3 - COMPLETE THE RENEGOTIATION OF M-90 SERIES MILESTONES PER M-90-13</u>	
M-90-13	<u>COMPLETE THE RENEGOTIATION OF M-90-08, M-90-09-T01, M-90-10 &amp; M-90-11 MILESTONES</u>	<u>12/15/2001</u>
	<u>THE PARTIES WILL REVISE OR CONFIRM MILESTONE COMPLETION DATES REVISION IF NECESSARY SHALL BE CONSISTENT WITH HOT COMMISSIONING BY DECEMBER 2007 AND COMPLETION OF PHASE I TREATMENT BY FEBRUARY 2019.</u>	