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Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

05-AMRC-0371

AUG 19 2005

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Addressees:

HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) WORKSCOPE ASSOCIATED WITH THE RIVER CORRIDOR PROJECT

As you know, the U.S. Department of Energy, Richland Operations Office (RL) issued a Request for Proposal (RFP) in March 2002 to pursue procurement of a new, first-of-a-kind closure contract. The contracting approach was designed to accelerate Hanford cleanup, risk reduction and closure of 210-square-miles beginning at the shores of the Columbia River and extending inland to the middle of the Hanford Site. In the December 2003/January 2004 timeframe, DOE solicited input from prospective vendors, industry and other interested parties to ensure that this contracting approach was viable and an effective/efficient way to complete Hanford cleanup activities. As a result, major changes were made to the RFP and it was reissued in July 2004. On March 23, 2005, RL awarded the contract and initiated transition activities. A protest was filed April 6, 2005 and transition activities were placed on hold. The protest was withdrawn and transition activities resumed June 6, 2005, and will complete on August 26, 2005.

The successful bidder, Washington Closure Hanford (WCH) is developing a detailed cost and schedule baseline which will be submitted to RL by November 24, 2005. RL will then have 60 days to approve the baseline (January 23, 2006).

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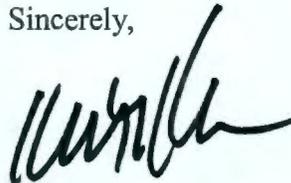
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There are two Tri-Party Agreement interim milestones due December 31, 2005: Tri-Party Agreement Interim Milestone M-016-63, *Submit A schedule and TPA Milestones to Complete Interim Remedial Actions for the 300-F-2 Waste Sites and Confirmatory Sampling of the 300-FF-2 Candidate Sites Inside the Fence....* and M-094-01, *Submit a Schedule and Tri-Party Agreement Milestones To Complete Disposition of the Surplus Facilities in the 300 Area...* which were predicated on a contract award date of January 31, 2005. DOE desires to establish milestones that we have a high confidence in achieving and that measure real progress on the life-of-project baseline that are based on a defensible baseline. As a result, we think it would be in the mutual interest of all the parties to establish new M-016-63 and M-094-01 milestones based on this baseline and want to work with you to that end. Accordingly, RL plans to notify the U.S. Environmental Protection Agency (EPA) and the State of Washington, Department of Ecology (Ecology) of our desire to renegotiate these milestones and will submit Tri-Party Agreement change packages to EPA and Ecology on or before September 13, 2005, in accordance with the Tri-Party Agreement.

In the meantime, I think you agree that excellent progress continues to be made in the River Corridor cleanup. Our proposal to renegotiate the above milestones will not affect that progress. It will allow the new contractor to optimize the sequencing of activities to achieve our end objectives in the most efficient manner they know.

If you have any questions, please contact me, or your staff may contact Leif Erickson, Assistant Manager for the River Corridor, at (509)376-7272.

Sincerely,



Keith A. Klein
Manager

AMRC:KRW

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