



Department of Energy

9306288

Richland Field Office

P.O. Box 550

Richland, Washington 99352

OCT 29 1993



Mr. Roger F. Stanley
 Tri-Party Agreement Implementation
 State of Washington
 Department of Ecology
 P. O. Box 47600
 Olympia, Washington 98504-7600

Dear Mr. Stanley:

FISCAL YEAR (FY) 1994 FUNDING FOR WASTE MANAGEMENT ACTIVITIES

This letter is in response to your letter dated October 7, 1993, requesting information on the status of FY 1994 general funding levels and funding levels for specific projects. As discussed with you in last week's Project Managers Meeting, the FY 1994 budget has not yet been approved by Congress and the U.S. Department of Energy (DOE) is operating under a Continuing Resolution through October 28, 1993. In anticipation of the level of funding Hanford may receive, the Richland Operations Office (RL) sent a letter to the Westinghouse Hanford Company (WHC) and the Pacific Northwest Laboratory (PNL) on October 8, 1993, directing them to present their strategy for funding all currently required workscope, as well as the commitments from the recent Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) negotiations. In response to that request, WHC and PNL gave an initial briefing on October 22, 1993, showing their funding strategy which would resolve most of the funding concerns through the use of overhead reductions, the use of prior year carryover funds, a productivity challenge and a proposed Congressional reprogramming of funds. RL is currently reviewing their proposal and a follow-on meeting is scheduled for November 5, 1993.

In addition, DOE-Headquarters is in the process of reviewing the proposed allocation of funds between the Environmental Restoration and Waste Management (EM) programs to determine whether a different allocation would better meet Department requirements. Until such time as the FY 1994 appropriation is received and the allocations by EM program and DOE Operations Office are resolved, the potential impact to the Tri-Party Agreement (TPA) milestones and specific projects will be unknown. Following the events described above and consistent with the intent of the newly negotiated Paragraph 139.F., RL will schedule a briefing with your office as soon as possible to discuss actual FY 1994 budget levels and any TPA impacts.



Mr. Roger F. Stanley

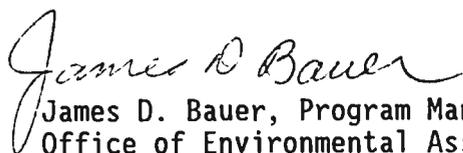
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OCT 29 1993

Per your request, attached is the RL portion of the budget amendment to the FY 1994 budget. RL's only item in the amendment proposed the transfer of \$17.9M of capital equipment and construction funds to operating funds for the Multi-Function Waste Remediation Facility due to a change in the contracting strategy in performing the conceptual design from an onsite Engineer/Constructor to an off-site Architect/Engineer.

If you have any questions, please contact me on (509) 376-5441, or Steve Wisness of my staff on (509) 376-6798.

Sincerely,



James D. Bauer, Program Manager
Office of Environmental Assurance,
Permits, and Policy

BUD:JLW

Attachment

cc w/attach:
B. A. Austin, WHC
D. Sherwood, EPA
J. Breckel, Ecology

NOV 1993
K...
Bucky A. Austin

DEPARTMENT OF ENERGY
FY 1994 BUDGET AMENDMENT
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

WASTE MANAGEMENT (DEFENSE)

III. Activity Descriptions: (New BA in thousands of dollars)

NEVADA

Vol 5, p312
para 1

New Facilities - \$0

- Funding will be used to construct the first of several evaporation lagoons under the Liquid Waste Treatment Facility for handling any contaminated effluents that may be encountered by the Groundwater Characterization Project (GCP) being conducted by the Office of Environmental Restoration at the Nevada Test Site. The first lagoon must be completed and operational in FY 1994 to meet the schedule for operation of the GCP.

RICHLAND

Vol 5, p318
para 4

New Facilities - \$0

- Major increase in funding will support completion of Title I design and initiation of definitive Title II design for MWTF, will complete conceptual design and will initiate preliminary Title I design for IPM. A change in contracting strategy pertaining to the conceptual design results in a nine-month delay of its completion. The FY 1993 funds associated with the delay were reallocated to higher priority tank safety activities, and results in a significant change to the mix of operating and capital funding requested in FY 1994.

SAVANNAH RIVER

Vol 5, p 245
para 4 (new)

Program Control/Support - \$(3,916)

- As a result of substantially declining Defense Program mission, a change in overhead allocation has occurred. The specific impacts have been identified and incorporated into this program plan.

Vol 5, p296
para 1

Facility Operations and Maintenance - \$17,945

- Will store and process HLW. Will continue to operate, survey and maintain all equipment. Will complete implementation of Conduct of Operations PIP; will implement additional elements of PIP for Conduct of Maintenance and Technical. As a result of a substantially declining Defense Program mission, a change in overhead allocation has occurred. The specific impacts have been identified and incorporated into the program plans.

DEPARTMENT OF ENERGY
FY 1994 BUDGET AMENDMENT

(Changes from FY 1993 Congressional Budget Request are denoted with a vertical line in left margin.)

OFFICE OF ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT
(tabular dollars in thousands. Narrative material in whole dollars.)

1. Title and Location of Project: Multi-function Waste Remediation Facility,
Richland, Washington

2a. Project No.: 93-D-183 a/
2b. Construction Funded

3a. Date A-E Work Initiated, (Title I Design Start Scheduled): 2nd Qtr. FY 1993

5. Previous Cost Estimate:
Total Estimated Cost (TEC) -- \$ 220,000
Total Project Cost (TPC) -- \$ 240,000

3b. A-E Work (Titles I & II) Duration: 51 months

4a. Date Physical Construction Starts: 4th Qtr. FY 1995

6. Current Cost Estimate:
TEC -- \$1,341,355 b/ c/
TPC -- \$1,490,000 b/ c/

4b. Date Construction Ends: 3rd Qtr. FY 1999

7. Financial schedule (Federal Funds): d/

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Adjustments</u>	<u>Obligations</u>	<u>Costs</u>
1993	\$ 10,300		\$ 10,300	\$ 6,000
1994	52,615	-16,955 <u>e/</u>	35,660	33,160
1995	280,470		280,470	174,820
1996	272,695		272,695	263,520
1997	285,950		285,950	329,775
1998	306,150		306,150	315,650
1999	133,175	+16,955 <u>e/</u>	150,130	214,990
2000	0		0	3,440

a/ Project scope, cost, and schedule reflect inclusion of a second project component, the Initial Pretreatment Module (IPM). The first project component, the Multi-Function Waste Tank Facility (MWTF), was the original (FY 1993) scope presented as 93-D-183.

b/ Based on the conceptual design report and an independent cost estimate review, the MWTF subproject TEC has increased from \$220,000,000 to \$418,100,000 and the TPC has increased from \$240,000,000 to \$435,000,000. The IPM subproject TEC is \$923,255,000 and the TPC is \$1,055,000,000. These numbers are very rough order of magnitude since the IPM is presently in the engineering study phase of design. It is anticipated that the FY 1995 CPDS submitted for IPM will also be rough order of magnitude TEC and TPC due to a deferred conceptual design start in FY 1993.

c/ The MWTF received Key Decision I, and IPM received Key Decision D on January 19, 1993.

d/ This financial schedule includes appropriations, obligations, and costs for both the MWTF and IPM subprojects. See Section 8 for detailed funding information for each subproject.

e/ FY 1994 Budget Amendment reduction of \$16,955,000 transferred to operating expense.

8. Brief Physical Description of Project:

This Major System Acquisition (MSA) project consists of all activities necessary to safely treat and store wastes retrieved from existing underground storage tanks with identified safety issues (e.g., hydrogen gas generation, ferrocyanide constituents, etc.). There are two specific subprojects within this MSA, as follows:

PROJECT DATA SHEET

1. Title and Location of Project: Multi-Function Waste Remediation Facility
Richland, Washington

2a. Project No. 93-D-181
2b. Construction Funded

8. Brief Physical Description of Project: (continued)

a. Subproject 01 - Multi-Function Waste Tank Facility (MWTF)

IEC	Prev.	FY 1992	FY 1993	FY 1994/[FY 1995]	Dutyear	Construction Start - Completion Dates
418,100	0	0	10,300	25,660/[60,550]	321,590	4th Qtr FY 1995 - 4th Qtr FY 1999

~~This project~~ The MWTF will provide four double-shell waste storage tanks, a support facility containing all essential support systems, intertie inter-tie piping and sampling systems, and a weather protection enclosure over the entire tank farm.

~~Each underground storage tank system shall consist of three concentric structures. The outer tank structure shall be a reinforced concrete tank. The reinforced concrete tank shall be lined with a secondary steel liner which extends along the concrete haunch and dome to the inner haunch. The liner, freestanding, completely enclosed stainless steel tank, referred to as the primary tank shall be located within the secondary liner and separated by an annular space. A layer of insulating refractory shall be placed between the bottom of the primary tank and the secondary liner to protect the reinforced concrete floor from thermal stresses shall provide approximately 1 million gallons storage/treatment capacity. The tank structure will consist of an inner and outer liner, constructed from appropriate materials for designed functions, and seismically qualified.~~

All process piping, valve pit drain lines, diversion box drain lines, and primary ventilation system condensate drains shall be encased in secondary pipe to collect and detect any leakage from the primary piping.

Each waste storage tank system shall be provided with an independent ventilation system. The ventilation for each tank system is divided into two subsystems: the primary tank ventilation system and the annulus ventilation system.

The fiscal year (FY) ~~1993~~ 1994 appropriation will be used to ~~initiate~~ continue definitive design. Procurement and construction will be accomplished in the subsequent years.

b. Subproject 02 - Initial Pretreatment Module (IPM)

IEC	Prev.	FY 1992	FY 1993	FY 1994/[FY 1995]	Dutyear	Construction Start - Completion Dates
923,255	0	0	0	10,000/[219,920]	693,335	3rd Qtr FY 1996 - 2nd Qtr FY 1999 a/

The IPM will provide pretreatment capabilities to modify the tank wastes to eliminate safety issues and to prepare wastes for disposal. The processing capabilities to be provided include an oxidation process to destroy organic (including hydrogen-generating compounds) and ferrocyanide compounds resolving safety concerns, a cesium removal process to prepare wastes for disposal, and all process and facility support systems required for operations in accordance with appropriate state and federal safety and environmental requirements.

The FY 1994 appropriation will be used to initiate title I design.

a/ The IPM conceptual design report (forecast completion -3rd Qtr. FY 1994) will provide a more firm baseline for construction; until then, the IEC, IPC and construction start and completion dates are subject to change.

PROJECT DATA SHEET

1. Title and Location of Project: Multi-Function Waste Remediation Facility
Richland, Washington

2a. Project No. 93-D-183
2b. Construction Funded

9. Purpose, Justification of Need and Scope of Project:

The Multi-Function Waste Tank Remediation Facility (MWTF), will provide waste storage and processing in a safe, compliant manner to resolve/remediate waste tank safety issues, staging/storage and processing in support of the Hanford Waste Vitrification Plant (HWVP) and/or pretreatment. The tanks will also be utilized as contingency spare space for use in case of unforeseen waste generation, or loss of existing storage capacity (i.e., existing tank failure).

The completion of this storage facility will allow continued long-term resolution of waste tank safety issues, continued interim waste storage in a safe, environmentally sound manner which will be compliant with all appropriate U.S. Department of Energy Field Office, Richland (RL), state, and federal regulations, and ensure future feed material for HWVP and grout programs.

10. Details of Cost Estimate: a/b/

	Item Cost	Total Cost
a. (1) Engineering, design and inspection at approximately 28% of construction costs, Item b		\$ 188,900
(2) Construction management costs		90,600
b. Construction costs		668,000
(1) Improvements to land	\$ 10,300	
(2) Buildings	116,300	
(3) Electrical and instrumentation	92,000	
(4) Special facilities	444,400	
(5) Utilities	5,000	
(6) Major computer items	0	
c. Removals and maintaining production costs		0
d. Standard equipment		0
e. Design and project liaison, testing, checkout and acceptance		0
Subtotal		\$ 947,500
f. Contingency at approximately 42% of above costs		393,855
Total line item cost (Section 12.a.1.(a))		\$1,341,355
g. Non-federal contribution		\$ 0

11. Method of Performance:

Design and inspection will be accomplished by the onsite architect/engineer (A/E) for the MWTF, and by an offsite A-E for the JPM. The majority of the construction effort will be performed by a fixed-price contractor. Work in contaminated areas will be performed by the onsite E/C contractor.

a/ This estimate is based on the Conceptual Design Estimate for the MWTF and engineering study parametric estimate for the JPM.
b/ All costs include escalation based on the "Material and Labor Escalation Study," prepared by Kaiser Engineers Hanford.

PROJECT DATA SHEET

1. Title and Location of Project: Multi-Function Waste Remediation Facility
 Richland, Washington

2a. Project No. 93 D-183
 2b. Construction Funded

12. Schedule of Project Funding and Other Related Funding Requirements:

	Previous Years	FY 1993	FY 1994	FY 1995	Ouyears	TOTAL
a. Total project funding						
(1) Total facility costs						
(a) Line Item (Section 10)	\$ 0	\$ 6,000	\$33,160	\$174,820	\$1,127,375	\$1,341,355
(b) PE&D	0	0	0	0	0	0
(c) Expense-funded equipment	0	0	0	0	0	0
(d) Inventories	0	0	0	0	0	0
Total facility costs	\$ 0	\$ 6,000	\$33,160	\$174,820	\$1,127,375	\$1,341,355
Total direct cost (Federal and Non-Federal)	\$ 0	\$ 6,000	\$33,160	\$174,820	\$1,127,375	\$1,341,355
(2) Other project costs a/						
(a) R&D necessary to complete project	\$ 0	\$13,850	\$14,100	\$ 10,125	\$ 30,500	\$1, 68,655
(b) Conceptual design costs	6,195	2,000	11,000	0	0	19,195
(c) Decontamination & decommissioning (D&D)	0	0	0	0	0	0
(d) Site characterization	0	0	0	0	0	0
(e) NEPA documentation costs	0	700	1,300	1,400	6,000	9,400
(f) Other project-related costs	0	50	5,055	4,250	42,040	51,395
(g) Non-Federal contribution	0	0	0	0	0	0
Total other project costs	\$ 6,195	\$16,600	\$31,455	\$ 15,775	\$ 78,620	\$ 148,645
Total project cost (TPC)	\$ 6,195	\$22,600	\$64,615	\$190,595	\$1,205,995	\$1,490,000
b. Related annual funding						
(1) Facility operating costs						\$15,000
(2) Facility maintenance and repair costs						5,000
(3) Programmatic operating expenses directly related to the facility						0
(4) Capital equipment not related to construction but related to the programmatic effort in the facility						0
(5) GPP or other construction related to the programmatic effort in the facility						0
(6) Utility costs						0
(7) Other costs						0
Total related annual funding						\$20,000

a/ Dollars escalated to year of expenditure using KEN Escalation Study.

PROJECT DATA SHEET

1. Title and Location of Project: Multi-Function Waste Remediation Facility
Richland, Washington

2a. Project No. 93-0-103
2b. Construction Funded

13. Narrative Explanation of Total Project Funding and Other Related Funding Requirements:

a. Total project funding

(1) Total facility costs

- (a) Line Item--Engineering/design, field engineering, and inspection during construction, procurement, construction, and project management-- (\$1,341,355).
- (b) PE&D--None.
- (c) Expense-funded equipment--None.
- (d) Inventories--To be determined during definitive design.
- (e) Non-federal contribution--None.

(2) Other project costs

- (a) R&D necessary to complete construction--\$68,655,000.
- (b) Conceptual design--Costs of approximately \$19,195,000 is expected to be incurred to develop the scope of the project and to improve the project cost and schedule estimates.
- (c) Decontamination & decommissioning (D&D)--None.
- (d) Site characterization--None.
- (e) NEPA documentation costs--Environmental and Safety design Analysis includes all environmental and safety support for design and startup of the facility--\$9,400,000.
- (f) Other project-related costs--Technical support, training and startup includes: project criteria, engineering studies, plant operational and maintenance support, systems integration testing, training and certification, pre-operational testing, readiness reviews, quality assurance and program management--\$51,395,000.
- (g) Non-federal contribution--None.

b. Related annual funding

- (1) Facility operating costs--Approximately 300 persons will be required to operate both facilities--\$15,000,000.
- (2) Facility maintenance and repair costs--None.
- (3) Programmatic operating expenses directly to the facility--To be determined.
- (4) Capital equipment not related to construction but related to programmatic efforts in the facility--None.
- (5) Maintenance repair, general plant project, or other construction related to programmatic effort in the facility--The annual maintenance cost is expected to be \$5,000,000.
- (6) Utility costs--None.
- (7) Other costs--None.

CORRESPONDENCE DISTRIBUTION COVERSHEET

***REISSUE**

Author: J. D. Bauer, RL Addressee: R. F. Stanley, Ecology Correspondence No.: Incoming: 9306288

Subject: FISCAL YEAR (FY) 1994 FUNDING FOR WASTE MANAGEMENT ACTIVITIES

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*Reissue on 11/24/93 to show KR Jordan as the correct Assignee. (Letter only)