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DOE

DEPARTMENT OF ENERGY RECEIVES THREE PROPOSALS FOR THE PROJECT HANFORD MANAGEMENT CONTRACT

The Department of Energy's (DOE's) Richland Operations Office today received proposals from a total of three companies for the Project Hanford Management Contract (PHMC). DOE's Richland Operations Office operates the Hanford Site in Southeastern Washington State.

The three companies and their major subcontractors that submitted bids include:

- Bechtel Northwest Corporation with team members Safestates LLC (A company formed by Westinghouse and BNFL Inc.), Johnson Controls Richland, Inc., CSC-Hanford, Jacobs Hanford Company, and MK Hanford Company;*
- Fluor Daniel Hanford, Inc. with team members B&W Hanford Company, DE&S Hanford, Inc., Lockheed Martin Hanford Company, Numatec Hanford Corporation, and Rust Federal Services of Hanford, Inc.;*
- Raytheon Hanford Incorporated with team members Boeing Information Services, Inc., CH2M HILL Federal Group, Ltd., Newport News Shipbuilding, ICF Kaiser Hanford Company, Siemens Power Corporation, and Wackenhut Services, Inc.*

Hanford was established in secrecy during the Second World War to produce plutonium for America's nuclear weapons. Peak production years were reached in the 1960s when eight production reactors were in operation at the Site. All weapons material production was halted in the late 1980s and the Site is now engaged in the world's largest environmental cleanup project.

The PHMC is the new management contract for the Hanford Site and represents a fundamental departure from traditional DOE contracting practices. The contract is estimated to be worth \$4.6 billion over the initial five year period and contains options for an additional five years.

From the bids that were submitted, DOE will select a management contractor with its major subcontractors based on 'best in class' past performance and innovative management approaches in order to obtain project management capabilities that match those of the best private-sector companies."

Proposals for the PHMC were due to the DOE at 12:00 noon today.

The request for proposals for the PHMC, issued January 4, 1996, represents the first DOE solicitation for a major site contractor to include DOE- specified performance objectives and measures. Prior to award of the contract, DOE will select a limited number of performance measures to incentivize for those results positively impacting progress towards cleanup. Incentives will focus on those performance measures that result in cost savings and/or reduce out-year maintenance costs, expedite completion of critical milestones, or reduce risk.

"We are extremely pleased that these three teams of contractors have chosen to compete for this contract," said Susan R. Brechbill, Chairperson of the PHMC Source Evaluation Board. "We are looking forward to reviewing the proposals and awarding a contract that will result in the absolute best

management, integration and results-oriented operations for the cleanup of Hanford."

It is planned that selection of a contractor will be made in June and, following a transition period, the contractor will assume responsibilities under the new contract on October 1, 1996.

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