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DOE Awards \$1.05 Billion Hanford River Corridor Contract to Washington Closure Company

RICHLAND, WASH - Deputy Secretary of Energy Kyle McSlarrow announced today that the contract designed to accelerate risk reduction and closure of the 210-square-mile Columbia River Corridor of the Department of Energy's Hanford Site in Washington State has been awarded to Washington Closure Company, headquartered in Boise, Idaho. Deputy Secretary McSlarrow made the announcement of the \$1.05 billion contract today in Richland, Wash.

Deputy Secretary McSlarrow lauded the new contracting approach, which was designed to increase competition, pay only for results, and provide incentives for the contractor to finish cleanup work ahead of schedule and under budget.

"This action supports President Bush's call for accelerated cleanup of legacy waste," McSlarrow said. "Under Secretary Abraham's leadership, this is another significant step DOE is taking to demonstrate its commitment to accelerating environmental cleanup at Hanford."

The contract is structured in two phases. Phase one, awarded today, includes placing three defunct plutonium production reactors into Interim Safe Storage ("cocooning"), demolishing reactor-area structures, remediating 269 waste sites and 46 burial grounds, and taking down surplus buildings. The contract includes an unpriced option for performance of phase two which includes cocooning three additional reactors, remediating four burial grounds and 240 waste sites, and demolishing 218 surplus facilities. Except for two burial grounds requiring special handling capabilities, and continuing groundwater remediation and monitoring, the two phases of the contract will complete Hanford's cleanup of the river corridor and shrink active Hanford cleanup operations to just 75 square miles in the center of the site.

Washington Closure Company, which is made up of three companies, Washington Group International, Fluor Federal and Earth Tech, has committed to completing the phase one workscope for \$1.05 billion. For every dollar the work comes in under that "target cost," the company will receive \$.30 in additional fee. For every dollar in increased expense, the company will lose \$.20 in fee.

Washington Closure Company submitted a sound proposal that uses innovative techniques to clean up and restore the site, while aggressively cutting the costs to the government. This proposal was chosen for both its technical advantages and its low costs, which results in the government receiving the greatest value for each dollar spent.

“This contract makes real our commitment to accelerate risk reduction and cleanup of the Columbia River Corridor,” said Jessie Roberson, DOE Assistant Secretary for Environmental Management. “Its award follows the schedule and scope outlined in the Department’s Performance Management Plan for Hanford, and furthers DOE’s significant contract reform goals. It’s the right contract to meet the expectations of the citizens, regulators, and stakeholders of Washington State, and a great deal for the taxpayers of this nation.”

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