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John D. Wagoner, Manager Department of Energy, Richland Operations P.O. Box 550 Richland, WA 99352

October 5, 1995

Re: The Management and Integration (M&I) Contract

Dear Mr. Wagoner:

At its October 5-6 meeting, the Hanford Advisory Board adopted the following advice relating to the Management and Integration contract. The City of Richland and Tri-Dec abstained from the decision.

The HAB disagrees with the fundamental approach of the Management and Integration (M&I) contract as reflected in the current draft M&I RFP because it does not adequately reflect stakeholders' values. The problems with the current Management and Operations contract must be clearly articulated to show the necessity of developing an M&I contract. A process that assures stakeholder values are addressed must be immediately employed. The purpose of this process must be to reach agreement on the fundamental approach, and on the values that need to be reflected in a new contract. The following are examples of values which are not adequately addressed in the RFP:

- The contract should emphasize employment stability. Continuity of service through all the various contractors and sub contractors must be recognized and site wide benefit plan should be part of the offering.
- At the outset of the term of the contract, the public should be able to see what measurable project performance is expected of the contractor during the term of the contract.
- Must support long term Hanford clean up strategic planning.
- Contributes to local economic diversification.
- The Health Services Contractor needs to be under direct contract with DOE, remaining independent of the contractors.
- Safety and Health performance expectations must be at highest standards and contractor held accountable, given responsibility and authority for those standards.
- DOE must retain responsibility and accountability for mission direction and strategic planning decisions, budget prioritization, and for setting the project performance standards to which the contractor will be held.
- This contract should be totally projectized. Payment should be based on successful project completion.
- Contract should emphasize cost effectiveness of the contractor and be performance based.
- Employment stability, continuity of service and pension benefits.
- Get on with it Transition to the new contract must not inhibit clean up progress.
- Maintain the TPA Milestones diligently.
- Avoid continuous negotiations.

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The Board commits to engaging with you in such a process and to further articulating the values, contracting strategies and solutions to identifiable problems for the new contract, as well as an appropriate interactive public involvement process.

Attached are summaries of various Board members' comments and concerns raised while discussing this topic.

The Board looks forward to your written response, as called for in our charter.

Very truly yours,

Merilyn B. Reeves, Chair Hanford Advisory Board

attachments

cc: Chuck Clarke, EPA
Mary Riveland, Ecology
Thomas Grumbly, Department of Energy
Cindy Kelly, Designated Federal Official
Linda Lingle, Site Representative
The Oregon and Washington Congressional Delegations

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For questions or comments, please send email to Hanford_Advisory_Board@rl.gov HAB Consensus Advice #33 Subject: The Management and Integration (M&I) Contract Adopted: October 5-6, 1995