



**U.S. Department of Energy
Hanford Site**

2006I-138

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06-ORP-003

Mr. Todd Martin, Chair
Hanford Advisory Board
1933 Jadwin Avenue, Suite 135
Richland, Washington 99352

Dear Mr. Martin:

**HANFORD ADVISORY BOARD (HAB) CONSENSUS ADVICE #182 – CONTRACT
MANAGEMENT AND UPCOMING MAJOR CONTRACTS**

Reference: HAB letter from T. Martin to J. Rispoli, HQ, "Contract Management and
Upcoming Major Contracts," dated November 4, 2005.

The Assistant Secretary for Environmental Management (EM), James A. Rispoli, has requested we respond to your November 4, 2005, advice letter regarding contract and project management at the Hanford Site. You raise several important points that we would like to address on behalf of the Assistant Secretary.

As you know, the Tank Farm Operations Contract and the Project Hanford Management Contract will expire on September 30, 2006. The U.S. Department of Energy (DOE) has developed preliminary information for industry and other interested parties for the Hanford Central Plateau Acquisition as it completes its detailed procurement planning. This information, which includes the successor contracts to the Project Hanford Management Contract and the Tank Farm Operations Contract, is posted on the DOE E-Center at <https://doe-iips.pr.doe.gov>.

Although the details of these procurements are still being finalized, the new contracts will reflect the lessons learned from recent EM contracts and we will address the recommendations of the Government Accountability Office report you mentioned. With regard to the EM's project management activities, the project portfolio currently includes more than projects. EM applies the requirements and principles of DOE Order 413.3, Program and Project Management for the Acquisition of Capital Assets, dated October 13, 2000, and DOE Manual 413.3, Project Management for the Acquisition of Capital Assets, dated March 28, 2003, to all its projects without exception.

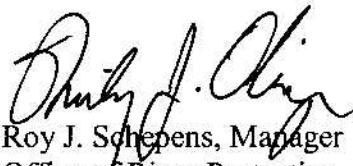
To ensure DOE has qualified project managers, a certification program has been implemented for Federal Project Directors to ensure that they are qualified in the areas of design, systems engineering, safety systems design, and integrated safety management. EM is in the process of nominating 59 individuals for certification by DOE's Certification Review Board. At this time, the Certification Review Board has completed certification of 12 EM candidates, and all of the


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DOE Richland Operations Office and DOE Office of River Protection Federal Project Directors are expected to complete the certification process by May 2006.

As noted in the reference letter, independent reviews are an important project management tool used by EM and serve to verify the project's mission, organization, development, processes, baselines, and progress. Several types of reviews are currently being conducted. First, Independent Project Reviews are conducted and include reviewers from within DOE but outside of the specific program or project being reviewed. Second, External Independent Reviews are using review teams and contractors from outside DOE. Last, Independent Cost Reviews are used primarily to verify project cost and schedule estimates and support the establishment of project performance baselines.

DOE remains committed to meeting Tri-Party Agreement milestones using the most effective contracts and project management practices available. If you have any further questions, please contact Shirley Olinger, Deputy Manager, DOE Office of River Protection, (509) 372-3062 or Mike Weis, Deputy Manager, DOE Richland Operations Office, (509) 376-6880.


for Roy J. Schepens, Manager
Office of River Protection


for Keith A. Klein, Manager
Richland Operations Office

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