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Monthly Performance Report

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EXECUTIVE SUMMARY

CHPRC awarded a subcontract worth nearly \$11 million to Federal Engineers and Constructors (FE&C). FE&C will modify an existing facility on the Hanford Site in southeast Washington State which is critical to moving highly radioactive waste, known as sludge, out of the K West reactor storage basin.

CHPRC safety efforts and employee involvement were celebrated at the 2012 Health & Safety EXPO where the company booth received the award for best corporate presence and at the recent Region X VPPPA Conference where the team was awarded the 2012 Voluntary Protection Program Innovation Award for a video demonstrating proper use of respiratory equipment at the Plutonium Finishing Plant (PFP).

The demolition and loadout of the 2736-ZB Vault Complex at PFP is complete. Inside the other PFP facilities, workers continued to prepare gloveboxes and pencil tanks for removal.

CHPRC is preparing to ship the first Multi-Canister Overpack (MCO) of Knock-Out Pot (KOP) material from the K West Basin. Knockout-pot system training and readiness reviews continued throughout the month.



Previous location of the 2736-ZB Vault Complex at PFP



The new resin is expected to increase efficiency and reduce costs.

The Liquid Waste and Fuels Storage team celebrated a total of 365 days without a lost time incident. One of the team's most recent accomplishments includes the safe relocation of more than 700 cesium and strontium capsules at Waste Encapsulation and Storage Facility to dissipate heat. Spacing in pools 3, 4 and 5 is complete. Thanks to efficiencies in planning, the number of moves necessary is being reduced, which minimizes worker handling.

In the 100K Area, demolition crews continued work on the substructure of the 182K Emergency Water Pumphouse that once supported operations of the K East Reactor.

The Soil & Groundwater Remediation Project is nearly complete with the transition of the K Area Pump-and-Treat systems to the new SIR-700™ resin. The resin was first implemented at the 100-DX Groundwater Treatment Facility and has demonstrated cost savings and efficiencies.



Demolition continues on the substructure of the former 182K building.

Focus on Safety

The May 2012 President's Zero Accident Council (PZAC) meeting was hosted by the Safety, Health, Security & Quality organization. The primary themes for the meeting were:

- Electrical Safety at Work and at Home
- Motorcycle/Bicycle Safety Everywhere You Go
- Stretch and Flex

As always, the PZAC started with group Stretch and Flex led by an experienced instructor. In addition to leading the crowd in loosening muscles, the leader expanded their minds by explaining the benefits of preparing the body for the daily tasks. The benefits were discussed again during a presentation of an occupational injury that resulted in back pain. A seasoned motorcyclist honored Motorcycle Safety Awareness Month by providing riders with easy tips on safely sharing the road with automobiles. Electrical Safety for the Non-electrical Worker gave the audience a jolt by separating myths from facts on overhead electrical lines, extension cord safety, and the value of ground fault and arc fault circuit interrupters. Updates on injury and illness performance, Environmental Management System (EMS), and Good News Stories rounded out the meeting.

Vital safety, health, and environmental messages were published in May through four “*Thinking Target Zero*” bulletins:

- Recycling
- Signs and Postings
- Heat Stress
- Off Road Work

May *Weekly Safety Tailgate* briefing packages conveyed the following important topics and safety communications:

- Testing Electrical Components and Systems Before Touching
- North American Occupational Safety and Health Week
- Extension Cord Safety
- Stretch and Flex Participation
- National Bike to Work Month
- Limited Approach Boundary
- Employee Job Task Analysis
- Don't Text and Drive!
- Hazard Communication
- Respiratory Protection
- Hanford Safety Conscious Work Environment Employee Survey
- Motor Vehicle, Heavy Equipment and Bicycle Safety Procedure
- Responding to an Injury in a Radiological Environment
- Electrical Safety Month
- Focus on Safety After the Memorial Day Holiday Weekend
- Preparing for June as the National Safety Month
- Summaries of injuries, illnesses, and close calls

CHPRC participated in two safety symposiums during the month of May:

- CHPRC sent 18 representatives to the Region X Voluntary Protection Program Participants' Association conference in Boise, Idaho. CHPRC employees serve on the Region X Board of Directors, gave presentations, and attended classes and workshops on topics demonstrating safety and health excellence. At the conference, CHPRC was awarded the 2012 Voluntary Protection Program Innovation Award for introducing new approaches to minimize potential radiological and chemical exposures during work conducted at the Plutonium Finishing Plant. The new approaches, including modifications to prevent respirator cartridges from dislodging, increased peer checks, and identifying obstructions prior to work in congested work areas, were developed with input from the respiratory manufacturer and the Hanford site respiratory committee. This innovation was deemed the best among all the candidates in the region.

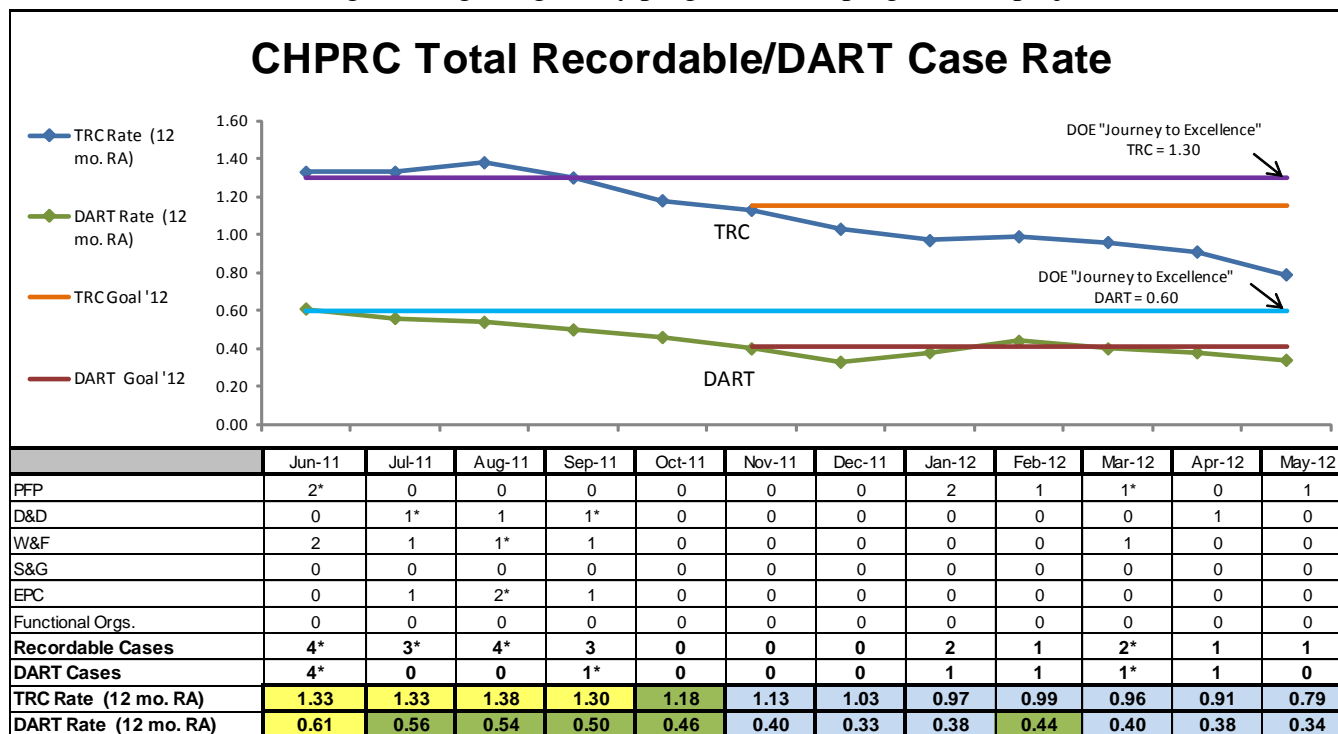


- CHPRC supported the annual Safety and Health Exposition. The EXPO, as it is known on the Hanford site, gives CHPRC the opportunity to share health and safety practices with the community and demonstrate how safety is taken seriously on the job and at home. CHPRC hosted a booth that engaged visitors in our safety culture and educates them on CHPRC's challenging work and the measures taken to protect workers and the environment. The EXPO also allows CHPRC to see what other projects and businesses are doing to make safety a top priority. Safety at Hanford is unmatched in most industries and the EXPO helps spread that message. This year, CHPRC was proud to be awarded with the Best Corporate Presence for 2012.



TARGET ZERO PERFORMANCE May 2012

CHPRC continued focusing on integrating safety programs in all program and project areas.

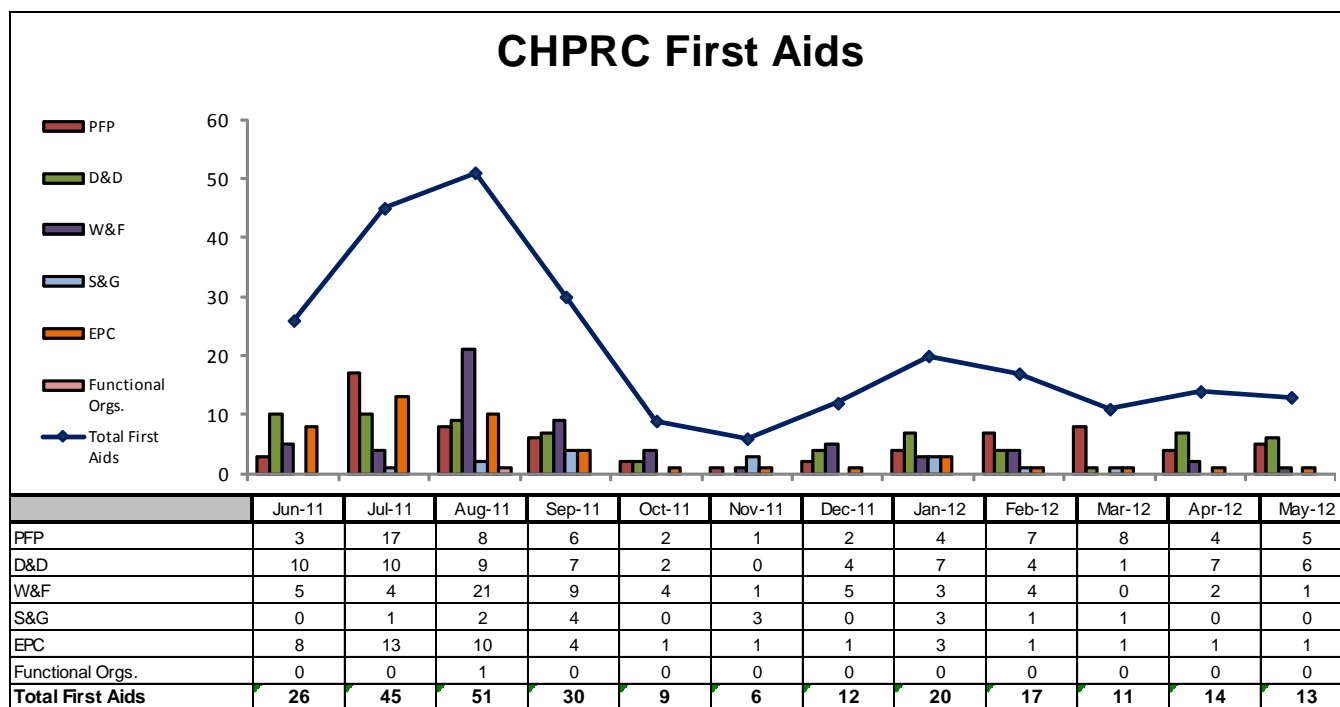


Total Recordable Injury Case (TRC) Rate – The rates were adjusted to reflect corrections in monthly person hours from November 2010 to present for MSA support.

The 12 month rolling average TRC rate of 0.79 is based upon a total of 21 recordable injuries. There was one Recordable case in May and one updated for March that was a TRC/DART Case.

Days Away, Restricted or Transferred (DART) Workdays Case Rate – The 12 month rolling average DART rate of 0.34 is based upon a total of 9 cases (three Restricted, six Day Away Cases). There are cases under review requiring additional information.

*The monthly numbers indicated in the chart are updated to reflect the month in which the injury occurred. The rates also capture any changes resulting from reclassified cases or those added as a result of completed investigations.



First Aid Case Summary – CHPRC reported 13 first-aid cases in May. The biggest contributors were five sprains, strains and/or pains from awkward positions, overexertion’s and slips / trips / falls at same level. There were five abrasions / contusions from contact/being struck by an object. The other injuries were varied.

KEY ACCOMPLISHMENTS

Projects

Refer to Sections A through G of this report for project specific accomplishments.

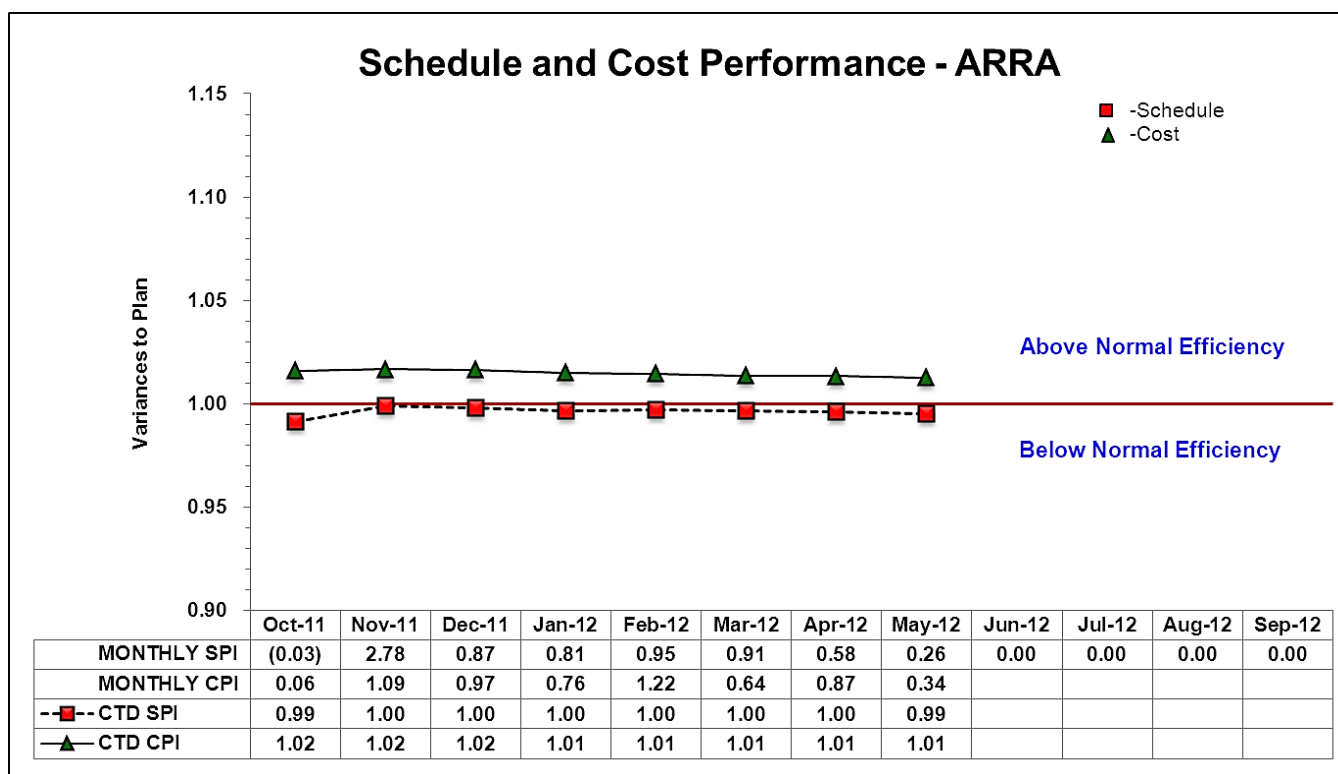
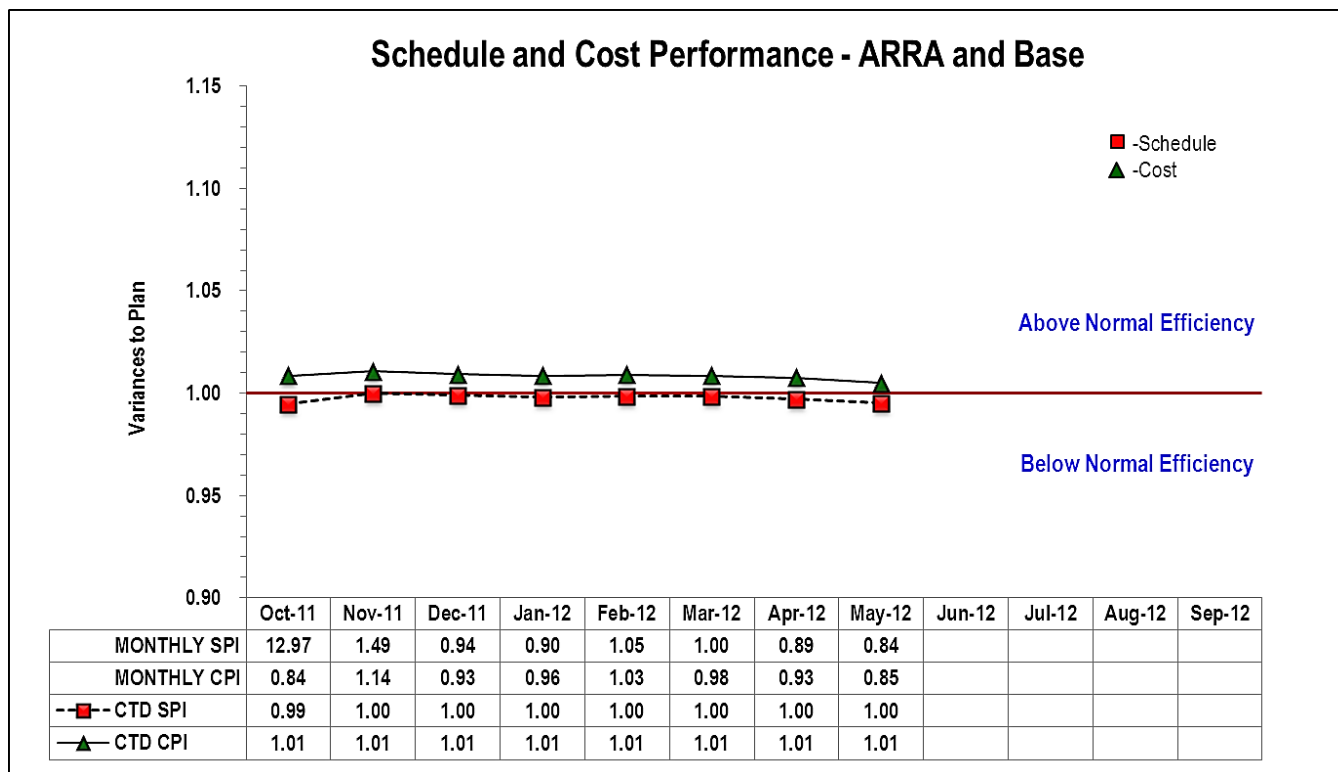
Project Services and Support

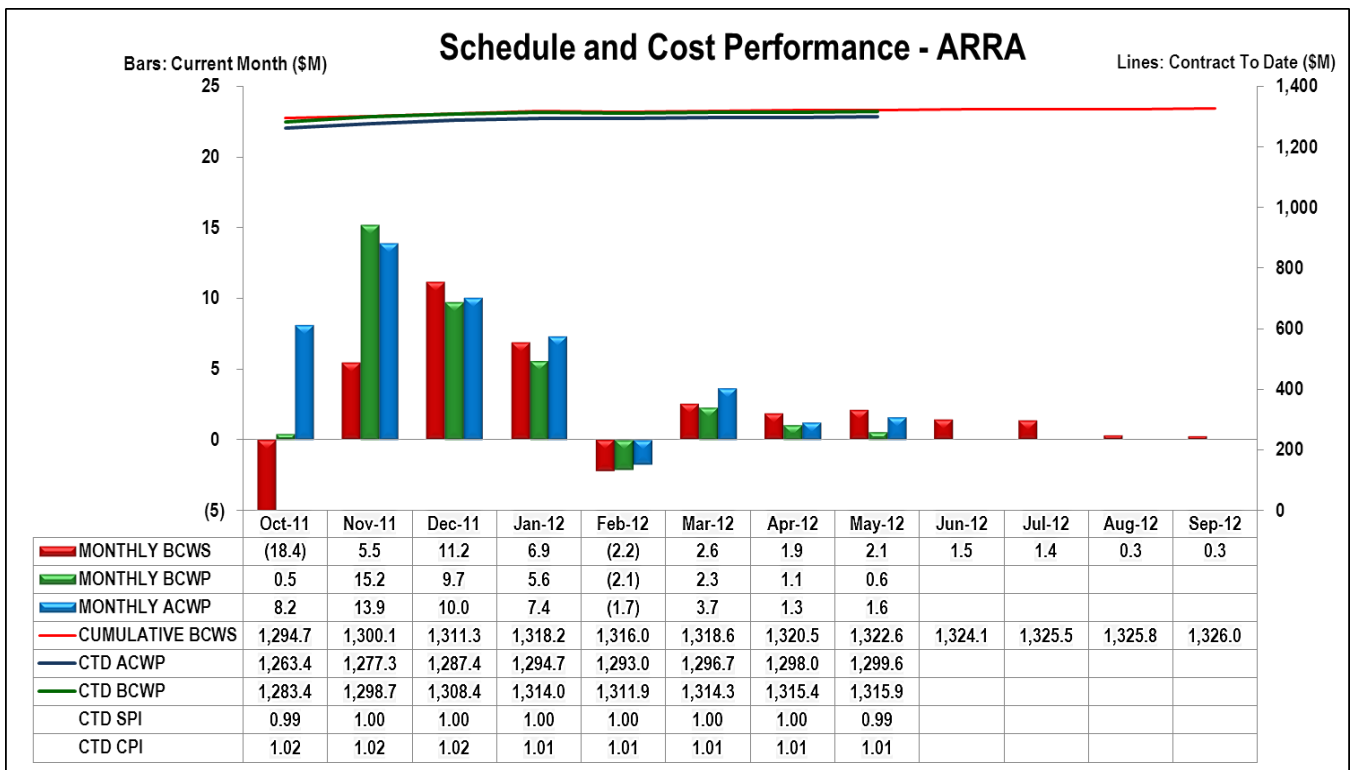
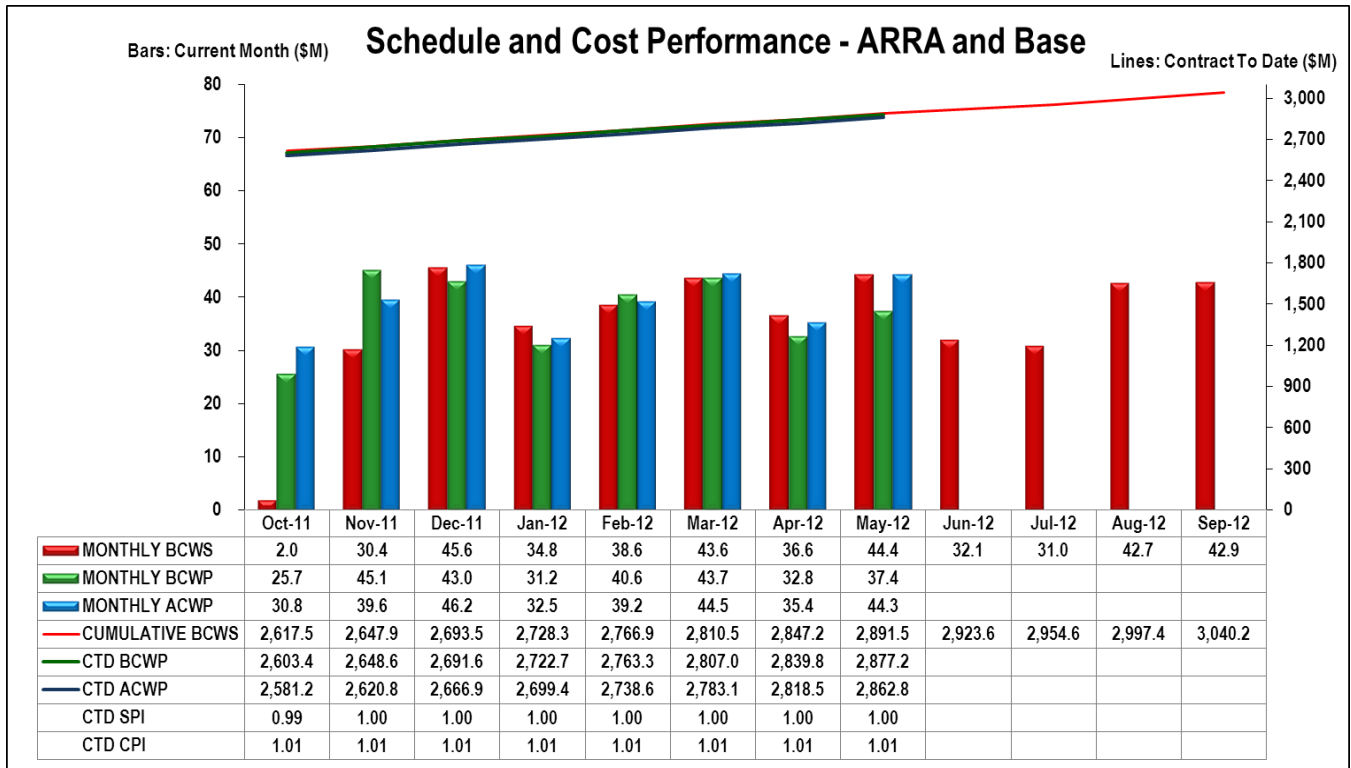
Refer to the Appendix C section of this report for specific Project Services & Support accomplishments.

MAJOR ISSUES

Refer to Sections A through G of this report for the project specific Major Issues.

EARNED VALUE MANAGEMENT





Performance Analysis – May

ARRA Performance by PBS

	\$M					
	Current Period			Variance		
	Budgeted Cost		Actual Cost	Schedule	Cost	
	BCWS	BCWP	ACWP			
RL-0011 - PFP D&D	1.8	0.6	1.6	(1.3)	(1.0)	
RL-0013 - MLLW Treatment	0.0	0.0	0.0	0.0	0.0	
RL-0013 - TRU Waste	0.0	0.0	(0.3)	0.0	0.3	
RL-0013 - TRU Wst Facil Trans MinSafe	0.0	0.0	0.1	0.0	(0.1)	
RL-0030 - GW Capital Asset	0.0	0.0	0.0	0.0	(0.0)	
RL-0030 - GW Operations	0.0	0.0	(0.0)	0.0	0.0	
RL-0040 - U Plant/Other D&D	0.0	0.0	0.1	0.0	(0.1)	
RL-0040 - Outer Zone D&D	0.0	0.0	0.0	0.0	(0.0)	
RL-0040.R1.4 Asbestos Abatement	0.0	0.0	0.0	0.0	0.0	
RL-0041 - 100K Area Remediation	0.3	0.0	0.1	(0.3)	(0.1)	
(Numbers are rounded to the nearest \$0.1M)	Total	2.1	0.6	1.6	(1.6)	(1.1)

ARRA

The Current Month unfavorable Schedule Variance (-\$1.6M/-73.7%) reflects:

- The RL-0011 negative variance (-\$1.3M) is due to D&D field work teams dispatched to HAMMER training for two full weeks to complete most of the required annual training in a single block. The week following completion of block training, intrusive D&D work was suspended as additional repairs were completed on the EF-7 Fan.
- The RL-0013, 30, 40, 41 variances (-\$0.3M) are within reporting thresholds.

The Current Month unfavorable Cost Variance (-\$1.1M/-190.0%) reflects:

- The RL-0011 negative variance (-\$1.0M) is due to D&D field work teams dispatched to HAMMER training for two full weeks to complete most of the required annual training in a single block. The week following completion of block training, intrusive D&D work was suspended as additional repairs were completed on the EF-7 Fan. The suspension of field work activities in PRF also contributed to the variance.
- The RL-0013, 30, 40, 41 variances (-\$0.1M) are within reporting thresholds.

Base Performance by PBS

	\$M				
	Current Period				
	Budgeted Cost		Actual Cost	Variance	
	BCWS	BCWP	ACWP	Schedule	Cost
RL-0011 - Nuclear Materials Stab & Disp PFP	9.7	8.3	10.3	(1.4)	(2.0)
RL-0012 - SNF Stabilization & Disposition	7.4	5.9	7.5	(1.5)	(1.6)
RL-0013 - Solid Waste Stab & Disposition	8.1	8.5	8.1	0.4	0.5
RL-0030 - Soil & Water Rem-Grndwtr/Vadose	11.4	11.1	11.9	(0.3)	(0.8)
RL-0040 - Nuc Fac D&D - Remainder	0.9	0.8	1.2	(0.1)	(0.5)
RL-0041 - Nuc Fac D&D - RC Closure Project	4.5	2.1	3.6	(2.4)	(1.5)
RL-0042 - Nuc Fac D&D - FFTF Project	0.2	0.2	0.1	(0.0)	0.0
(Numbers are rounded to the nearest \$0.1M)	Total	42.2	36.9	42.7	(5.4)

Base

The Current Month unfavorable Schedule Variance (-\$5.4M/-12.7%) reflects:

- The RL-0011 negative variance (-\$1.4M) is due to D&D field work teams dispatched to HAMMER training for two full weeks to complete most of the required annual training in a single block. The week following completion of block training, intrusive D&D work was suspended as additional repairs were completed on the EF-7 Fan. The suspension of field work activities in PRF also contributed to the variance.
- The RL-0012 negative variance (-\$1.5M) is due to K West fuel processing delays impacting the KOP Project construction testing and readiness activities. KOP Operations will begin in June.
- The RL-0013 positive variance (+\$0.4M) is within reporting thresholds.
- The RL-0030 negative variance (-\$0.3M) is within reporting thresholds.
- The RL-0040 negative variance (-\$0.1M) is within reporting thresholds.
- The RL-0041 negative variance (-\$2.4M) is primarily due the following:
 - Waste Sites (-\$1.2M) negative schedule variance is due to Area AG being behind on sampling due to limited resources. The project is working with the Sampling Organization to find work around and/or utilize overtime.
 - 100K Area Project (Facilities and Others) (-\$1.2M) negative variance is due to K East Sedimentation Basin, 165KE Structure and 105KE Water Tunnel being behind schedule. Sampling resources have not been available for the K East Sedimentation Basin and fitter resources for the 105KE Water Tunnel have been assigned to higher priority workscope.
- The RL-0042 negative variance (-\$0.0M) is within reporting thresholds.

The Current Month unfavorable Cost Variance (-\$5.8M/-15.6%) reflects:

- The RL-0011 negative variance (-\$2.0M) is due to the inability of D&D field work teams to earn progress, due to the reasons listed in the schedule variance explanation. Also contributing to the variance are higher cost to decontaminate and down-post the ZB-Complex demolition area, costs to repair/maintain the 291-Z EF-7 Exhaust Fan, block training, and MSC rate increases (retroactive to October 1, 2012).
- The RL-0012 Combined 100K and STP negative variances (-\$1.6M) is due to Fuel packaging operations took longer than planned due to additional debris in the containers requiring more resource time to complete and the cost to install trailers to support ECRTS Construction have been greater than expected.
- The RL-0013 positive variance (+\$0.5M) is within reporting thresholds.
- The RL-0030 negative variance (-\$0.8M) reflects the following subproject performance:
 - RL-0030 (GW Remedy Implementation) negative variance (-\$0.2M) is within reporting thresholds.
 - RL-0030 (Operations) negative variance (-\$0.6M) is a result of the MSA retroactive rate year-to-date adjustment for WSCF laboratory analysis services for FY2012. WSCF rates were increased by approximately 25 percent retroactive to the beginning of the fiscal year. It is anticipated that the WSCF lab costs will exceed the annual budget in this WBS but will be within overall S&GW WSCF budget for the fiscal year.
- The RL-0040 negative variance (-\$0.5M) is within reporting thresholds.
- The RL-0041 negative variance (-\$1.5M) reflects the following subproject performance:
 - Waste Sites (-\$1.2M) negative variance is due in part to revised WSCF sampling costs from prior months and remediation efforts for 100-K-3 have exceeded the planned due to additional contamination.
 - 100K Area Project (-\$0.3M) negative variance is within reporting threshold.
- The RL-0042 positive variance (+\$0.0M) is within reporting thresholds.

Performance Analysis – Contract to Date

ARRA Performance by PBS

	\$M								
	Contract to Date					Contract Period			
	Budgeted Cost		Actual Cost	Variance		BAC	EAC	Variance	
	BCWS	BCWP	ACWP	Schedule	Cost				
RL-0011 - PFP D&D	288.5	282.9	292.8	(5.6)	(9.9)	290.9	294.1	(3.1)	
RL-0013 - MLLW Treatment	47.7	47.7	42.7	(0.0)	5.0	47.7	42.7	5.0	
RL-0013 - TRU Waste	255.3	255.3	253.4	(0.0)	1.9	255.3	253.3	2.0	
RL-0013 - TRU Wst Facil Trans MinSafe	1.5	1.5	1.4	0.0	0.1	1.5	1.5	0.0	
RL-0030 - GW Capital Asset	175.0	175.0	174.8	0.0	0.2	175.0	174.9	0.1	
RL-0030 - GW Operations	92.1	92.1	89.5	(0.0)	2.6	92.1	89.5	2.6	
RL-0040 - U Plant/Other D&D	199.4	199.4	193.6	(0.0)	5.8	199.4	193.6	5.8	
RL-0040 - Outer Zone D&D	84.3	84.3	71.6	0.0	12.6	84.3	71.6	12.6	
RL-0040 - Asbestos Abatement	0.0	0.0	0.0	0.0	0.0	0.0	1.8	(1.8)	
RL-0041 - 100K Area Remediation	178.8	177.7	179.7	(1.0)	(2.0)	179.7	181.3	(1.5)	
(Numbers are rounded to the nearest \$0.1M)	Total	1,322.6	1,315.9	1,299.6	(6.7)	16.3	1,326.0	1,304.3	21.8

ARRA

The CTD unfavorable Schedule Variance (-\$6.7M/-0.5%) is within reporting thresholds.

The CTD favorable Cost Variance (+\$17.4M/+1.3%) is within reporting thresholds and reflects:

- The RL-0011 negative variance (-\$5.6M) is within reporting thresholds.
- The RL-0013 positive variance (+\$7.0M) reflects the following subproject performance:
 - RL-0013 MLLW Treatment (+\$5.0M), TRU Waste (+\$1.9M) and TRU Waste Facility Tans MinSafe (+\$0.1M) positive cost variances are due to efficiencies in TRU Characterization and Shipping, TRU Repackaging, T Plant and WRAP, MLLW efficiencies created by treating waste at Energy Solutions (ES) - Clive rather than planned treatment at PermaFix Northwest (PFNW) due to a waiver received from RL, ERDF negotiated rate reduction with vendor for waste containers, partially offset by increased materials and labor costs in support of the Trench Face Retrieval and Characterization System (TFRCS), and increased resources for TRU Retrieval deteriorated waste containers, increased allocations for additional office space and other assessments as a result of allocations to Recovery Act expenditures.
- The RL-0030 positive variance (+\$2.8M) reflects the following subproject performance:
 - RL-0030.R1.1 GW Capital Asset (+\$0.2M) positive variance is within reporting thresholds.
 - RL-0030.R1.2 GW Operations (+\$2.4M) The positive variance is due to the following:
 - Drilling (+\$2.4M) The positive cost variance is due to efficiencies and savings obtained in drilling for 100-NR-2 and 200-BP-5 wells. Cost efficiencies have been obtained through an aggressive drilling schedule with savings in support personnel and faster drilling methods. Well decommissionings have also been completed for less than planned.
 - Regulatory Decision and Closure Integration (+\$1.7M) The positive variance is primarily due to completing work scope more efficiently than planned, primarily in the areas of multi-

incremental sampling (using existing documentation and direct haul rather than staging), and borehole drilling and landfill characterization (competitive subcontracting of drilling support and efficient field support).

- Ramp-up and Transition (-\$2.0M) The negative variance was driven by increased Project Services Distribution to RL-0030.
- The RL-0040 positive variance (+\$18.4M) reflects the following subproject performance:
 - ARRA RL-0040.R1.1 U Plant/Other D&D (+\$5.8M) The positive variance is due to several factors including the favorable performance of the Cold and Dark and Sampling and Characterization/Waste Identification Form teams (D4); overhead allocations, less than anticipated resources for Program Management and C-3 Sampling; lower than planned costs for capital equipment (D4), and less asbestos abatement required for 200W buildings. This is offset by increased material and equipment costs, increased use of masks and respirators due to the unexpected asbestos levels in the ancillary buildings in U Ancillary (D4), coupled with increased insulator staff and the use of overtime to recover schedule, 200E Administration and 209E Project delays, less resources required at U Canyon (D4), and Usage Based Services higher than planned.
 - ARRA RL-0040.R1.2 Outer Zone D&D (+\$12.6M) The positive variance is due to efficiencies in Arid Lands Ecology (ALE), North Slope Facilities, disposition of railcars D&D, and Outer Area waste sites. The waste site favorable cost-to-date variance is primarily due to an O-Zone Remove, Treat, and Dispose (RTD) Waste Sites adjustments (pass back) to ERDF waste disposal costs reflecting the operational efficiencies of the super dump trucks. Within the waste sites area, this favorable cost variance is partially offset by higher than planned costs associated with remediation of pipelines. A negative cost variance is associated with increased costs for the 212N/P/R Project due to the walls of the basins being much thicker than estimated.
- The RL-0041 negative variance (-\$2.0M) is due to the following:
 - Waste Sites (+\$8.5) The positive variance is due to Confirmatory Sampling No Action (CSNA) sites that were completed at less than anticipated cost. This is partially offset by greater than anticipated extent and severity of contamination on many waste sites resulting in more tons disposed and more controls required, thus higher than anticipated cost.
 - 100K Area Project (-10.5M) The negative variance is due to numerous design changes and additional punch list items in the Utilities Reroute project; this also resulted in the project utilizing more vehicles and equipment than was originally planned as well as the Project Management costs to rise due to the corresponding increases for both labor and materials.

Base Performance by PBS

	\$M								
	Contract to Date					Contract Period			
	Budgeted Cost		Actual Cost	Variance					
	BCWS	BCWP	ACWP	Schedule	Cost	BAC	EAC	Variance	
RL-0011 - Nuclear Materials Stab & Disp PFP	207.8	207.9	211.6	0.1	(3.7)	600.7	604.2	(3.4)	
RL-0012 - SNF Stabilization & Disposition	302.0	299.4	303.5	(2.6)	(4.1)	532.2	536.3	(4.1)	
RL-0013 - Solid Waste Stab & Disposition	368.3	368.2	373.0	(0.2)	(4.9)	1,106.7	1,112.0	(5.3)	
RL-0030 - Soil & Water Rem-Grndwtr/Vadose	502.5	502.8	512.0	0.3	(9.2)	1,225.8	1,234.0	(8.2)	
RL-0040 - Nuc Fac D&D - Remainder	76.0	75.7	68.9	(0.3)	6.7	363.2	356.0	7.1	
RL-0041 - Nuc Fac D&D - RC Closure Project	99.2	94.2	82.5	(4.9)	11.7	337.8	325.2	12.7	
RL-0042 - Nuc Fac D&D - FFTF Project	13.2	13.2	11.7	0.0	1.5	26.2	25.0	1.2	
(Numbers are rounded to the nearest \$0.1M)	Total	1,568.9	1,561.3	1,563.2	(7.6)	(1.9)	4,192.6	4,192.6	(0.0)

Base

The CTD unfavorable Schedule Variance (-\$7.6M/-0.5%) is within reporting thresholds and reflects:

- The RL-0011 positive variance (+\$0.1M) is within reporting thresholds.
- The RL-0012 negative variance (-\$2.6M) is due to KOP Project with delays to the start of packaging driven by the delays in found fuel packaging and safety documentation to support startup activities. KOP Operations will begin in June.
- The RL-0013 negative variance (-\$0.2M) is within reporting thresholds.
- The RL-0030 positive variance (+\$0.3M) is within reporting thresholds.
- The RL-0040 negative variance (-\$0.3M) is within reporting thresholds.
- The RL-0041 negative variance (-\$4.9M) is due to the following:
 - Waste Sites (-\$0.5M) The negative cost variance is due to CSNA sites that were completed at less than anticipated cost. This is offset by Area AM not being worked as schedule due to the MOA not being approved.
 - 100K Area Project (Facilities and Others) (-\$4.4M) The negative schedule variance is due to being behind on K East Sedimentation, 105KE Water Tunnel, 1908K Structure and 165KE Structure due to limited resources. A Baseline Change Request will process in June to defer 1908K and 165KE to out years.
- The RL-0042 positive variance (+\$0.0M) is within reporting thresholds.

The CTD unfavorable Cost Variance (-\$1.9M/-0.1%) is within reporting thresholds and reflects:

- The RL-0011 negative variance (-\$3.7M) is within reporting thresholds.
- The RL-0012 negative variance (-\$4.1M) is the result of work completed for KE Basin Deactivation costing more than budgeted and Fuel Free work exceeding budget due to additional costs to sort out all the debris in the final fuel containers and additional schedule being used for readiness activities.

- The RL-0013 negative variance (-\$4.9M) is due to:
 - Mission Support Alliance (MSA) assessments above plan, TRU Retrieval additional resources to deal with deteriorated containers and drum wedge issue, FY2009 WRAP facility increased levels of corrective and preventive maintenance activities as a result of repack operations, increased labor and subcontractors support for Transportation and Packaging; partially offset by efficiencies in Liquid Effluent Facility (LEF), MLLW, TRU Disposition, TRU Repackaging, Interim Storage Area upgrades, Capsule Storage and Disposition, Mixed Waste Disposal Trenches (MWDT) and lower G&A allocations.
- The RL-0030 negative variance (-\$9.2M) primary contributors that exceed the reporting thresholds are as follows:
 - RL-0030.01 RL 30 Operations negative variance (-\$2.1M) can be attributed to:
 - Integration & Assessments (+\$4.5M) Less subcontractor support required for Central Plateau strategy development and integration, Sample Management and Reporting has performed work scope more efficiently than planned, less cleanup document reviews were required than originally planned, requiring less contract support. Also, efficiencies/savings were realized in establishing document templates, reviewing procedures, and software procurements.
 - Drilling (-\$2.4M) Radiological contamination encountered on five NR-2 wells has caused additional supporting resource requirements (Health Physics Technicians). In order to recover schedule additional well drilling rigs were used, resulting in overruns to the project. Also, cost for remaining casing at the completion of the project was accrued as it cannot be released to the contractor.
 - 100-NR-2 OU (+\$2.7M) Barrier expansion and sampling scope, chemical treatment and maintenance scope, jet grouting pilot test work, RI/FS Work Plan and Interim Proposed Plan Reporting were performed more efficiently than planned leading to the positive variance.
 - 100 HR-3 Operable Unit (-\$3.4M) Primary contributors to the negative cost variance are due to 100 DX extensive effort required to design the pH adjustment system, cost overruns in completing the OU Remedial Process Optimization studies, 100 DX The acceptance test plan (ATP) and the operational test plan (OTP) was more involved than planned with resource requirements exceeding the budget for the scope, additionally the work was performed in freezing weather requiring 24/7 attention to prevent freezing of pipes to continue water flow to and from wells, cost of realigning wells from DR-5 to 100 DX, 100 HX copper material costs increased significantly between estimate and procurement of materials resulting in cost over-runs. Additionally the ATP was more involved than planned with resource requirements exceeding the budget for the scope and additional time and resources being spent on internal CERCLA (RI/FS) document development as a result of extensive RL comments.
 - 200-ZP-1 Operable Unit (+\$1.2M) Labor and subcontract cost for general operations and minor modifications support for 200-ZP-1 interim pump & treat facility is significantly less than planned. The system is running very smoothly with less adjustment than had been anticipated. Efficiencies are expected to continue with the interim facility operations until startup of the new 200 West Pump & Treat facility.
 - 200 PW-1 OU (+\$1.3M) Labor and subcontract cost for general operations and minor modifications support is less than planned. In addition, efficiencies and savings experienced

with the Soil Vapor Extraction (SVE) system testing prior to March 2010 as well as the removal of two old SVE units.

- Usage Based Services (-\$1.0M) Increased cost associated with training due to the additional ARRA work in FY2010 and fleet services costs that occurred in FY2009 and FY2010. Overruns will continue to be funds-managed within the S&GRP project.
- Ramp-up and Transition (-\$2.8M) The negative variance was driven by increased Project Services Distribution to RL-0030.
- RL-0030.C1 GW Remedy Implementation negative variance (-\$7.2M) can be attributed to:
 - 200-ZP-1 Operable Unit (-\$7.2M) The negative variance is due to 200W P&T construction associated with the CHPRC accrued costs for Construction Contractors completed work scope defined in Change Notifications which are in the process of definitization. The costs are associated with the resources expended to complete the P&T facility by the end of FY2011 including added shifts, overtime, and logistics of working parallel activities. Sludge Stabilization System installation is costing more than budgeted. There have been significant delays in long lead equipment, field installation issues, design changes and schedule extensions that have resulted in cost overruns. Interim Operations reflects significant progress and cost underruns achieved to date for System Calibration, design of the permanent hookup of well EW-1 was lower than planned as only minor changes were needed to an existing design, cost for performing general operating and maintenance and minor modification activities have been lower than planned as the system has been running smoothly, cost for collecting depth discrete groundwater and soil samples during the installation of new wells was less than planned, 200W Pump-and-Treat Remedial Design/Remedial Action work plan and preliminary design activities were completed with fewer resources than planned.
- The RL-0040 positive variance (+\$6.7M) is primarily due to recognized efficiencies for demolition of the Industrial 7 Project (D4) as a result of utilization of existing site equipment and materials, surveillance and maintenance costs (D4) less than expected, completion of the sampling of Cell 30 with less resources than planned, Program Management utilizing less resources, capital equipment, Usage Base Services, and underrun in overhead allocations.
- The RL-0041 positive variance (+\$11.7M) cost variance is within established reporting thresholds. The project is currently experiencing impacts associated with:
 - Waste Sites (+\$9.0M) The positive cost variance is due to CSNA sites that were completed at less than anticipated cost. This is partially offset by greater than anticipated extent and severity of contamination on many waste sites resulting in more tons disposed and more controls required, thus higher than anticipated cost, as well as level-of-effort activities bearing additional costs for increased functional group support.
 - 100K Area Project (Facilities and Others) (+\$2.7M) The positive cost variance is due to 105KE Reactor Disposition – ISS underrun as well as G&A and Direct Distributables.
- The RL-0042 positive variance (+\$1.5M) reflects reduction in surveillance and maintenance requirements as the facility deactivation reached completion. Efficient use of resources to support deactivation activities with available time further aided in creating this positive variance.

FUNDING ANALYSIS

FY2012 Funds vs. Fiscal Year Spend Forecast (\$M)

PBS	Project	FY 2012		Variance
		Projected Funding	Spending Forecast	
RL-0011	Nuclear Materials Stabilization and Disposition	33.4	33.4	0.0
RL-0013	Waste and Fuels Management Project	4.6	4.6	0.0
RL-0030	Soil, Groundwater and Vadose Zone Remediation	0.6	0.6	0.0
RL-0040	Nuclear Facility D&D, Remainder of Hanford	9.2	9.2	0.0
RL-0041	Nuclear Facility D&D, River Corridor	6.5	6.5	0.0
Total ARRA:		54.2	54.2	0.0
RL-0011	Nuclear Materials Stabilization and Disposition	92.9	91.7	1.1
RL-0012	Spent Nuclear Fuel Stabilization and Disposition	87.7	87.7	0.0
RL-0013	Waste and Fuels Management Project	85.2	84.8	0.4
RL-0030	Soil, Groundwater and Vadose Zone Remediation	125.6	125.5	0.0
RL-0040	Nuclear Facility D&D, Remainder of Hanford	11.6	11.3	0.3
RL-0041	Nuclear Facility D&D, River Corridor	34.8	33.1	1.7
RL-0042	Fast Flux Test Facility Closure	2.0	1.9	0.1
Total Base:		439.7	435.9	3.7

Funds/Variance Analysis:

The ARRA spending forecast assumes that all ARRA funding is spent in FY2012. Base funding reflects FY2011 carryover funds of \$42.2M and FY2012 new budget authority of \$397.5M. Base projected funding was reduced in May by \$6M as directed by RL.

BASELINE CHANGE REQUESTS

In May 2012, CHPRC approved and implemented four (4) BCRs, of which two (2) were administrative in nature and did not change scope, schedule or budget. The five change requests are identified in the table below:

Change Request #	Title	Summary of Change
Implemented into the Earned Value Management System for May 2012		
BCRA-030-12-020R0	<i>RL-30 May General Administrative Changes</i>	This Administrative BCR: BCR modifies global activity coding assignments as well as minor editorial & logic changes within P6. The logic changes do not cause any movement of BCWS within COBRA. This BCR also modified the title on WBS 030.03.06.01.08 – (new Title) 200-UP-1 Drill Monitoring Wells FY13/14.
BCRA-040-12-004R0	<i>RL-40 CEIS & Activity Name Wording Correction</i>	This Administrative BCR: Correct the wording of the CEIS for WBS's: 40.01.21.01.01, 40.01.21.01.02, 40.01.21.01.03, 40.01.21.01.06, 40.01.21.01.07, 40.02.14.04.01, 40.02.18.02.04, 40.02.18.04.02, And, Activity Names under WBS 40.02.18.02.04 in response to RL's RCR of PMB Rev 3.
BCR-013-12-003R0	<i>Cesium & Strontium Capsules Mission Needs Statement</i>	This BCR: DOE-RL has directed CHPRC to support the development of the Mission Needs Statement for the management of the cesium and strontium capsules, letter 12-AMCP-0069 Attachment 1. As a result, a change to our Performance Measurement Baseline is necessary. This BCR will update the Performance Measurement Baseline by segmenting the Critical Decision (CD) process and create a separate discrete activity for the CD-0. This modification will not change previously planned scope or budget. Note: this BCR was initiated as a "Routine" but developed as an "Admin" and is processed as an admin BCR. Board signatures are not required.
BCR-040-12-003R0	<i>RL-40 Surveillance & Maintenance Corrections for PMB Rev3</i>	This BCR: The purpose of this BCR is to correct PMB quantities to accurately reflect the basis of estimate (BOE). DOE's review of the PMB Rev3 submittal noted discrepancies between the stated quantities and the backup documentation. In response to DOE's review and the associated PMB Rev 3 RCR comments, CHPRC performed a follow-on action to identify the specific deltas between the BOE backup and the PMB quantities. This resulted in a reduction of labor hours in the 040.03.01.01 control account. Only labor hour quantities were affected. No changes were made to any other resource type. No new estimating, activity duration changes, assumptions, or modifications have been made to this control account. This BCR represents a decrease in hours and dollars for FY2012 thru FY2018. The decrease will be transferred to MR to maintain contract alignment.

Overall the contract period performance measurement baseline (PMB) budget is decreased by \$7.1M in May 2012.

Management Reserve Activity

BCR Number	Title	Fiscal Year	MR (ARRA) & PBS	MR (Base) & PBS
BCR-040-12-003R0	<i>RL-40 Surveillance & Maintenance Corrections for PMB Rev3</i>	2012-2018	N/A	\$7.1M
Overall MR Change in May 2012 increased \$7.1M				

No Fee impact in May 2012.

See the Format 3 Report in Appendix A and A-1 for a complete listing of the specific change requests and the impact on the PMB budget by fiscal year. The change to the Estimated Contract Price, if all authorized, un-priced work scope were definitized at the PMB values as a result of change requests processed in May 2012, would be a net zero and is summarized by fiscal year in the tables below (dollars in thousands, negative number represents reduction):

May 2012 Summary of Changes

	FY2009	FY2010	FY2011	FY2012	FY2013	FYs 2009-2013	FYs 2014-2018	Contract Period Total	Post Contract Total	Total PMB
April 2012 Estimate										
PMB	653,426	960,017	1,002,105	426,027	477,313	3,518,888	2,006,800	5,525,689	0	5,525,689
MR	0	0	0	23,425	12,345	35,770	81,199	116,969	0	116,969
Fee	39,712	48,772	32,322	17,052	24,695	162,553	76,347	238,900	0	238,900
Total	693,138	1,008,789	1,034,427	466,504	514,353	3,717,211	2,164,346	5,881,558	0	5,881,558
Change by Funding Source in May 2012										
PMB										
ARRA										
All ARRA WBSs	0	0	0	0	0	0	0	0	0	0
Base										
All Base WBSs	0	0	0	-1,365	-762	-2,127	-4,945	-7,072	0	-7,072
Change to PMB	0	0	0	-1,365	-762	-2,127	-4,945	-7,072	0	-7,072
MR										
ARRA										
All ARRA WBSs	0	0	0	0	0	0	0	0	0	0
Base										
All Base WBSs	0	0	0	1,365	762	2,127	4,945	7,072	0	7,072
Change to MR	0	0	0	1,365	762	2,127	4,945	7,072	0	7,072
Fee										
ARRA										
All ARRA WBSs	0	0	0	0	0	0	0	0	0	0
Base										
All Base WBSs	0	0	0	0	0	0	0	0	0	0
Change to Fee	0	0	0	0	0	0	0	0	0	0
Total Change	0	0	0	0	0	0	0	0	0	0
May 2012 Estimate										
PMB	653,426	960,017	1,002,105	424,662	476,551	3,516,761	2,001,855	5,518,617	0	5,518,617
MR	0	0	0	24,790	13,107	37,897	86,144	124,041	0	124,041
Fee	39,712	48,772	32,322	17,052	24,695	162,553	76,347	238,900	0	238,900
Total	693,138	1,008,789	1,034,427	466,504	514,353	3,717,211	2,164,346	5,881,558	0	5,881,558

Changes to/Utilization of Management Reserve in May 2012

		FY2009	FY2010	FY2011	FY2012	FY2013	FY2009-2013	FY2014-2018	Total
April 2012 MR Totals									
ARRA	RL-0011.R1	0	0	0	0	0	0	0	0
	RL-0013.R1.1	0	0	0	0	0	0	0	0
	RL-0013.R1.2	0	0	0	0	0	0	0	0
	RL-0030.R1.1	0	0	0	0	0	0	0	0
	RL-0030.R1.2	0	0	0	0	0	0	0	0
	RL-0040.R1.1	0	0	0	0	0	0	0	0
	RL-0040.R1.2	0	0	0	0	0	0	0	0
	RL-0041.R1	0	0	0	0	0	0	0	0
ARRA Total	0	0	0	0	0	0	0	0	0
Base	RL-0011	0	0	0	8,860	3,183	12,043	11,071	23,114
	RL-0012	0	0	0	1,500	2,500	4,000	10,500	14,500
	RL-0013	0	0	0	673	276	949	18,525	19,474
	RL-0030	0	0	0	10,092	4,760	14,851	10,390	25,241
	RL-0040	0	0	0	656	200	856	11,698	12,554
	RL-0041	0	0	0	1,444	1,227	2,671	18,015	20,686
	RL-0042	0	0	0	200	200	400	1,000	1,400
	Base Total	0	0	0	23,425	12,345	35,770	81,199	116,968
MR Total	0	0	0	23,425	12,345	35,770	81,199	116,968	
May 2012 MR Changes/Utilization									
ARRA	RL-0011.R1	0	0	0	0	0	0	0	0
	RL-0013.R1.1	0	0	0	0	0	0	0	0
	RL-0013.R1.2	0	0	0	0	0	0	0	0
	RL-0030.R1.1	0	0	0	0	0	0	0	0
	RL-0030.R1.2	0	0	0	0	0	0	0	0
	RL-0040.R1.1	0	0	0	0	0	0	0	0
	RL-0040.R1.2	0	0	0	0	0	0	0	0
	RL-0041.R1	0	0	0	0	0	0	0	0
ARRA Total	0	0	0	0	0	0	0	0	
Base	RL-0011	0	0	0	0	0	0	0	0
	RL-0012	0	0	0	0	0	0	0	0
	RL-0013	0	0	0	0	0	0	0	0
	RL-0030	0	0	0	0	0	0	0	0
	RL-0040	0	0	0	1,365	762	2,127	4,946	7,072
	RL-0041	0	0	0	0	0	0	0	0
	RL-0042	0	0	0	0	0	0	0	0
	Base Total	0	0	0	1,365	762	2,127	4,946	7,072
MR Total	0	0	0	1,365	762	2,127	4,946	7,072	
May 2012 MR Totals									
ARRA	RL-0011.R1	0	0	0	0	0	0	0	0
	RL-0013.R1.1	0	0	0	0	0	0	0	0
	RL-0013.R1.2	0	0	0	0	0	0	0	0
	RL-0030.R1.1	0	0	0	0	0	0	0	0
	RL-0030.R1.2	0	0	0	0	0	0	0	0
	RL-0040.R1.1	0	0	0	0	0	0	0	0
	RL-0040.R1.2	0	0	0	0	0	0	0	0
	RL-0041.R1	0	0	0	0	0	0	0	0
ARRA Total	0	0	0	0	0	0	0	0	
Base	RL-0011	0	0	0	8,860	3,183	12,043	11,071	23,114
	RL-0012	0	0	0	1,500	2,500	4,000	10,500	14,500
	RL-0013	0	0	0	673	276	949	18,525	19,474
	RL-0030	0	0	0	10,092	4,760	14,851	10,390	25,241
	RL-0040	0	0	0	2,021	962	2,982	16,644	19,626
	RL-0041	0	0	0	1,444	1,227	2,671	18,015	20,686
	RL-0042	0	0	0	200	200	400	1,000	1,400
	Base Total	0	0	0	24,790	13,106	37,896	86,145	124,040
MR Total	0	0	0	24,790	13,106	37,896	86,145	124,040	

SELF-PERFORMED WORK

Business structure information documents ongoing compliance with the requirements of the Contract Section H.20 clause entitled *Self-Performed Work*.

Contracts-to-Date Actual Awards & Mods							Projection to FY18		
Contracts + Purchase Orders + Pcard 10/1/08 -5/31/2012							Planned Subcontracting*	\$2,524,483,195	
							Contract-to-date awards	\$1,918,574,344	
							Bal remaining to award =	\$605,908,851	
	ARRA		BASE		Total \$	Total %	Goal	Goal award \$	Bal to goal \$
	\$	%	\$	%			%		
SB	\$376,146,390	53.64%	\$579,801,623	47.63%	\$955,948,013	49.83%	49.30%	\$1,244,570,215	\$288,622,202
SDB	\$78,230,052	11.16%	\$95,637,800	7.86%	\$173,867,852	9.06%	8.20%	\$207,007,622	\$33,139,770
SWOB	\$87,248,234	12.44%	\$102,851,142	8.45%	\$190,099,376	9.91%	7.50%	\$189,336,240	(\$763,136)
HUB	\$22,627,164	3.23%	\$23,120,040	1.90%	\$45,747,204	2.38%	2.20%	\$55,538,630	\$9,791,426
VOSB	\$52,713,793	7.52%	\$59,400,731	4.88%	\$112,114,523	5.84%	3.50%	\$88,356,912	(\$23,757,611)
SDVO	\$13,201,977	1.88%	\$39,955,831	3.28%	\$53,157,808	2.77%	1.30%	\$32,818,282	(\$20,339,526)
NAB	\$17,454,037	2.49%	\$10,735,206	0.88%	\$28,189,243	1.47%	0.00%	* 10-year subcontracting projection	
Large	\$241,775,589	34.48%	\$301,677,541	24.78%	\$543,453,131	28.33%	0.00%		
GOVT	\$123,704	0.02%	\$1,618,515	0.13%	\$1,742,219	0.09%	0.00%	PRC clause H.20 small business (SB) requirement:	
GOVT CONT	\$83,067,059	11.85%	\$331,117,276	27.20%	\$414,184,335	21.59%	0.00%	≥17% of Total Contract Price performed by SB	
EDUC	\$9,526	0.00%	\$109,811	0.01%	\$119,337	0.01%	0.00%	Total Contract Price:	\$5,861,389,946
NONPROFIT	\$39,338	0.01%	\$2,877,246	0.24%	\$2,916,584	0.15%	0.00%	17% requirement:	\$996,436,291
FOREIGN	\$21,173	0.00%	\$186,175	0.02%	\$207,348	0.01%	0.00%	SB Awarded:	\$955,948,013
Total	\$701,182,779		\$1,217,391,565		\$1,918,574,344			Balance to Requirement:	\$40,488,278

Notes:

1. Subcontracting goals have been met as a result of a concerted effort to award new small business actions and an update of the subcontracting goals to match the small business plan submitted to DOE in December 2010 that was verbally accepted by DOE in August 2011. Fifty-one percent of total awards have been made to small businesses with approximately 54% of ARRA awards to small businesses.
2. ARRA-funded awards have accounted for approximately 44% of all actions placed since contract inception.
3. Approximately 93% of the total dollars arise from service and staffing Contracts and Contract amendments with five percent of the dollars arising from P-Card purchases and the balance from purchase orders for materials and equipment.
4. This report excludes blanket contract values which are only estimates and not used for payment obligations.
5. Data is summarized by business categories (Women Owned Minority Business Enterprise codes) in accordance with socioeconomic reporting requirements. Small business categories overlap and should not be added together.

GOVERNMENT FURNISHED SERVICES AND INFORMATION (GFS/I)

Contract Section	Project	GFS/I	Status
CONTRACT			
J.12/C.2.3.6	PBS-13, Transuranic Waste Certification	WIPP provides shipping resources and manages the schedule for transportation of these containers to WIPP. The schedule is variable and the number of shipments is controlled by DOE-HQ on a complex-wide priority. Cost for shipment of TRU waste offsite is borne by the Carlsbad Field Office.	Ongoing