



June 2, 2000

The Honorable Bill Richardson  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585

Dick French, Manager  
Office of River Protection  
2440 Stevens Center  
Richland, WA 99352

Michael Barrett, Contracting Officer  
U.S. Department of Energy-ORP  
P.O. Box 450 (H6-60)  
Richland, WA 99352

Subject: Making Contractor Information Available to the Public on the Tank Waste Treatment Project

Dear Messrs. Richardson, French, and Barrett:

The Hanford Advisory Board (HAB) is pleased with the rapid action the Department of Energy-Office of River Protection (DOE-ORP) and Secretary Richardson have taken to aggressively respond to the dramatic increase in the cost of BNFL's proposal.

The HAB is concerned about the current status of the Tank Waste Treatment Project. HAB advice as far back as 1995 (Consensus Advice #18, April 7, 1995; Consensus Advice #24, June 2, 1995; Consensus Advice #32, October 6, 1995) warned of the problems the project has experienced. However, the HAB wishes to focus on the future by reaffirming its support for obtaining tank waste treatment capability at Hanford as soon as technically possible.

We recommend a contract structure that financially rewards contractors for exceeding, and penalizes contractors for failing to meet, the 2007 hot start milestone within Ecology's March 29, 2000, Directors' Final Determination. We also recommend a contract structure that provides incentives for increased waste treatment throughput capacity and for expediting tank waste treatment.

The HAB has not had the opportunity to review the details of DOE-ORP's proposed path forward. With the information available, the HAB has identified the following challenges that it urges DOE-ORP to address to ensure project success:

- Identifying and applying lessons learned from the current situation to ensure that the program

- doesn't experience additional unpleasant surprises;
- Achieving meaningful public involvement given the tight time-frames of DOE-ORP's proposed path forward;
  - Balancing the need for competition with the desire to avoid delays in achieving the year 2007 timeline;
  - Managing contractor transitions from design to construction to operation;
  - Ensuring that contractor's past performance is adequately considered in the evaluation of bid proposals;
  - Maintaining budgetary and programmatic momentum for the project; and
  - Adequately identifying and evaluating the costs and benefits of retaining the current design versus pursuing a new design.

We look forward to the continuing dialogue with the Tri-Parties as we build a consensus for achieving tank waste treatment and protection of the Columbia River.

We look forward to your response and to periodic progress updates on this matter.

Very truly yours,

/s/Merilyn B. Reeves, Chair  
Hanford Advisory Board

cc: Carolyn Huntoon, Department of Energy Headquarters  
Keith Klein, U.S. Department of Energy  
Chuck Clarke, U.S. Environmental Protection Agency, Region 10  
Tom Fitzsimmons, Washington Department of Ecology  
Wade Ballard, Deputy Designated Federal Official  
The Oregon and Washington Congressional Delegations  
Michael Gearheard, Environmental Protection Agency  
Dan Silver, Washington Department of Ecology

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*This advice represents HAB consensus for this specific topic. It should not be taken out of context to extrapolate Board agreement on other subject matters.*

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HAB Consensus Advice #109  
Subject: Continuing Progress for Tank Waste Treatment: Contracting