

# Hanford Cost Savings Plan

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United States  
Department of Energy

P.O. Box 550  
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<http://www.hanford.gov/doe/costplan/toc.htm>

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# Hanford Cost Savings Plan

U.S. Department of Energy  
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# Hanford Cost Savings Plan

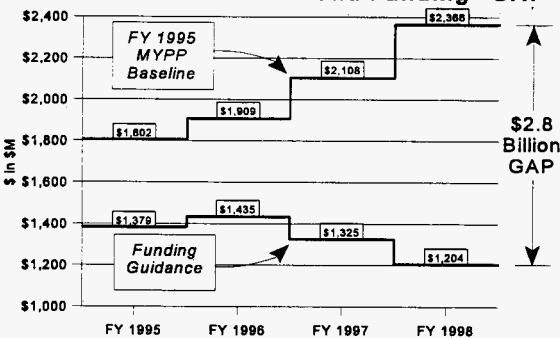
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## The Savings Challenge:

Close the FY 1995 MYPP and Funding "GAP"

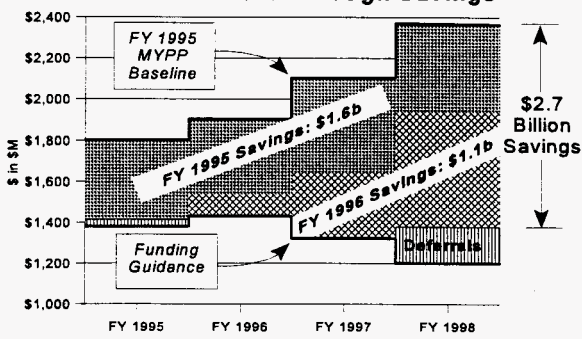


## The Savings Drivers:

- ▶ \$2.3 Billion savings commitment for FY 1995 - FY 1998 as part of the St. Louis Blueprint for Action and Cost Control at Hanford comprised of:
  - ◆ \$1.0 Billion Savings commitment (Cost and Management Efficiency Initiative) as an amendment to the Tri-Party Agreement.
  - ◆ \$1.0 Billion Savings in projectizing Hanford.
  - ◆ \$.15 Billion Savings for privatization of Hanford projects.
  - ◆ \$.15 Billion Savings in reduction of paperwork.

## The Savings Result:

"GAP" Closure Through Savings



*The Productivity Challenge (PC) is the difference between the budgeted cost of the work scheduled and the actual funding*

*Arthur Anderson verified our claimed savings for FY 1995*

*Better, Faster, Cheaper*

*We will maintain our commitment to safety and health*

## I.0 Message to the Stakeholders

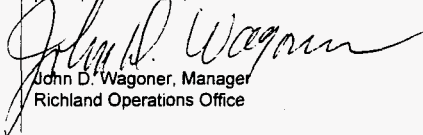
Fiscal Year (FY) 1995 challenged us to dramatically reduce costs at Hanford. We began the year with an 8 percent reduction in our Environmental Management budget but at the same time were tasked with accomplishing additional workscope. This resulted in a Productivity Challenge whereby we took on more work at the beginning of the year than we had the funding to complete. During the year, the Productivity Challenge actually grew to 23 percent because of rescissions, Congressional budget reductions, and DOE Headquarters actions.

We successfully met our FY 1995 Productivity Challenge through an aggressive cost reduction program that identified and eliminated unnecessary workscope and found ways to be more efficient. We reduced the size of the workforce, cut overhead expenses, eliminated paperwork, canceled construction of new facilities, and re-engineered our processes. We are proving we can get the job done better and for less money at Hanford.

DOE's drive to do it "better, faster, and cheaper" has led us to look for more and larger partnerships with the private sector. The biggest will be privatization of Hanford's Tank Waste Remediation System, which will turn liquid tank waste into glass logs for eventual disposal. We will also save millions of dollars and avoid the cost of replacing aging steam plants by contracting Hanford's energy needs to a private company. Other privatization successes include the Hanford Mail Service, a spinoff of advanced technical training, low level mixed waste thermal treatment, and transfer of the Hanford Museums of Science and History to a private non-profit organization.

Despite the rough roads and uncertainty we faced in FY 1995, less than 3 percent of our work fell behind schedule, while the work that was performed was completed with an 8.6 percent cost under-run. We not only met the FY 1995 productivity challenge, we also met our FY 1995-1998 savings commitments and accelerated some critical cleanup milestones.

The challenges continue. Budgets remain on the decline, even while the expectations increase. Yet, we are confident in our ability to keep our commitments and goals by identifying new efficiencies in the Hanford cleanup program. We will also pursue new contracting arrangements that will allow us to foster greater competition and use more commercial practices while maintaining our commitment to the safety and health of the public, our workers, and the environment.

  
John D. Wagoner, Manager  
Richland Operations Office

## 2.0 Savings Plan Background & Introduction

Since 1989, Hanford has been in a state of continuing transition often referred to as a "sea of change". These changes include:

- Mission Change: Hanford has evolved from a mission of producing special nuclear materials to being the world's largest environmental cleanup project.
- Regulatory Change: There have been calls for regulatory reform, risk-based decision making, and a Tri-Party Agreement (TPA) between U.S. Department of Energy (DOE), Washington State Department of Ecology (WSDOE) and the Environmental Protection Agency (EPA).
- Budget Change: The Hanford site's budget escalated greatly in the early 1990's due to its new cleanup mission and then was substantially reduced as a result of initiatives to re-invent government, congressional budget pressures, downsizing, and the Administration's proposed "Middle Class Bill of Rights."
- Culture Change: The cold war legacy of secrecy was replaced with a policy of openness and partnership with stakeholders.

In order to effectively deal with these issues and to establish a path forward, the St. Louis "Workout" was convened on May 3, 1995, to obtain all stakeholders participation in establishing a new partnership to accomplish the Hanford Mission with the available resources. As a result of the "Workout", the Blueprint for Action and Cost Control at Hanford was developed. One of the St. Louis action items was the development of a plan describing the strategies and actions to complete the FY 1995 multi-year mission requirements with the recently established funding targets. This was to be accomplished by eliminating or reducing low value workscope and becoming more efficient in order to meet Hanford programmatic outcomes.

*The Hanford Cost Savings Plan reports savings progress and provides a plan on how additional savings will occur.*

The Hanford Cost Savings Plan (Plan) reports the Environmental Management (EM) cost savings successes that were achieved during FY 1995 and describes the FY 1996 plans to manage future costs such that the workscope supporting regulatory and program milestones can be completed with available funding. The cost savings goal is to bridge a large funding "Gap" of approximately \$2.8 billion that existed between the FY 1995 Multi-Year Program Plan (MYPP) and the expected funding levels that were identified at the St. Louis Workout. The Plan identifies all of the Hanford cost savings goals and reports the goals' progress. The initiatives include:

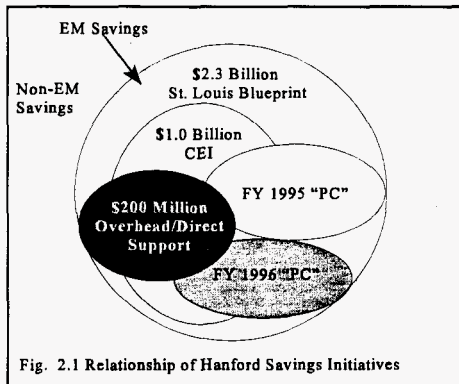
- \$1.0 billion savings commitment to be achieved from FY 1994 to FY 1998 entitled the Cost and Management Efficiency Initiative (CEI). The CEI was agreed to by regulators, and the Department of Energy as an amendment to the Tri-Party Agreement.
- \$2.3 billion savings commitment to be achieved from FY 1995 to FY 1998 as part of the St. Louis Blueprint. The \$2.3 billion includes the previously mentioned \$1.0 billion CEI, \$1.0 billion in projectization savings, \$150 million of savings due to privatization, and \$150 million of savings as a result of reducing paperwork.



- \$200 million of FY 1995 savings as part of the DOE Headquarters assessment. These savings represented the FY 1995 "Productivity Challenge" (PC) or the difference between workscope and available funds. The FY 1995 productivity challenge actually grew to \$423 million because of Congressional rescissions, reductions of uncosted balances, etc.
- \$200 million reduction in Hanford overhead/direct support costs. This initiative began as a major EM commitment in FY 1995. The baseline for the overhead savings is the FY 1994 actual cost of the overhead/direct support for the entire Hanford site (including non-EM programs). The savings goal is a \$200 million reduction of overhead/direct support costs by FY 1996 year-end.
- \$176.8 million of additional FY 1996 savings as another "Productivity Challenge" assigned by DOE Headquarters.

Figure 2.1 demonstrates the relationship of these different savings expectations.

*The cost savings goals are overlapping and inclusive.*



In section 3.0, the Plan provides a report on the savings made to date, which is a combination of FY 1995 savings and actions taken to develop the FY 1996 Multi-Year Program Plan (MYPP). Section 4.0 identifies the current initiatives and plans to generate savings from the FY 1996 MYPP. An update of this Plan will occur annually unless significant changes in funding or workscope warrant a semi-annual update. A description of this process is contained in section 5.0. Section 6.0 provides terms and definitions that are required for an understanding of the Cost Savings Plan and section 7.0 provides a breakdown by program of their savings philosophy, savings to date, and expectations for FY 1996.

### 3.0 Report of FY 1995/1996 Savings

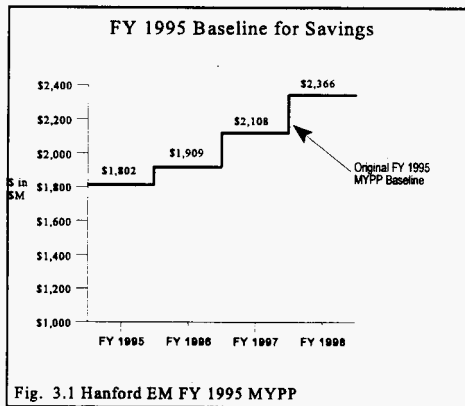
The savings achieved in FY 1995 greatly exceeded expectations and are documented in section 3.3. The claimed savings for FY 1996 (the result of savings actions required during the development of the FY 1996 MYPP to meet funding targets) are documented in section 3.6. The outyear impacts of FY 1995 and FY 1996 savings are identified in section 3.7 resulting in the achievement of the savings goals previously identified.

### 3.1 The Baseline for Savings

Achievement of cost savings as detailed in the Plan is measured against the baselines established by the FY 1995 MYPP which was signed on 9/23/94 by the Department of Energy - Richland Operations (DOE-RL) and the Hanford contractors. That MYPP represented an approved baseline that reflected compliance with milestones agreed to between DOE-RL, The Environmental Protection Agency (EPA) and Washington State Department of Ecology (WSDOE)

The MYPPs also reflect programmatic direct technical scope, schedule, cost and work activity baseline, including indirect/direct support effort and Project Plans (in the case of projects that are capital-funded). The MYPP becomes the basis for cost and schedule reporting through the Hanford Site Management System (SMS) and the Progress Tracking System (PTS). Figure 3.1 identifies the baseline costs of Environmental Management (EM) budgeted work for DOE-RL and its contractors.

*The original FY 1995 MYPP Baseline.*



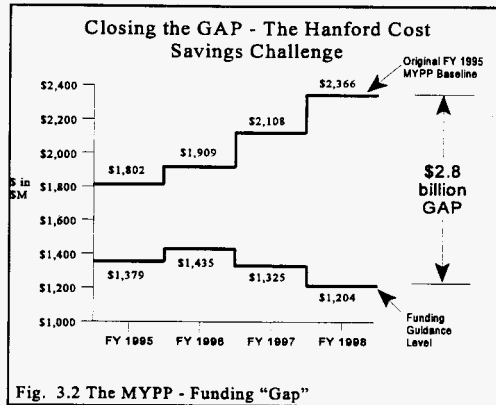
*The Challenge-170 (C-170) objectives were to:*  
*Accelerate Site cleanup*  
*Make substantial cost reductions*  
*Reduce cleanup costs*

As mentioned in section 2.0 there were several savings goals pursued in FY 1995. The most conspicuous is the FY 1995 "PC" savings of \$200 million. The Hanford contractors received incentive fees to support this PC goal. The Maintenance and Operations contractor, Westinghouse Hanford Company (WHC) was tasked with saving \$170 million of the PC and was incentivized under the title of Challenge-170<sup>1</sup> (C-170). The savings were to be achieved through a combination of workscope deletions and efficiencies (as evidenced by a positive cost variance). During FY 1995, the \$200 million PC grew to \$423 million due to budget cutbacks, recessions, etc. The FY 1995 cost savings objective was to close the current fiscal year Gap between the workscope identified in the MYPPs (which reflected regulatory compliance) and the funding level.

<sup>1</sup>See the FY 1995 Contract under Section H-34

The emphasis on cost savings was because the FY 1995-1998 funding forecast when compared to the FY 1995 MYPP represents a formidable budget "Gap" of \$2.8 billion (see Figure 3.2). The Cost Savings challenge at Hanford is to close the Gap between the projected workscope costs (top line<sup>2</sup>) and expected funding availability (lower line) by deleting unnecessary workscope and performing work more efficiently.

**The GAP:**  
\$2.8 billion difference between the FY 1995 MYPP and the funding guidance.



### 3.2 The Process Used to Verify FY 1995 Savings

In FY 1995, the following actions qualified for savings:

1. **Workscope Deletions:** Cost savings achieved through finding ways to eliminate work without affecting approved and/or negotiated program outcomes resulting in a baseline change.
2. **Efficiencies:** Cost savings achieved through finding ways to accomplish work for less than planned cost without affecting program outcomes, but not resulting in a baseline change. Examples of efficiencies are discretionary cost reductions, project underruns, or process improvements.

The DOE-RL Cost Savings Team established a structured process to verify the contractor's claimed savings. For Workscope Deletion savings, DOE-RL verified that:

1. The deletion was associated with a Baseline Change Request (BCR).
2. The effects of the BCR were entered into the site financial systems, i.e., Hanford Site Management System (SMS), Westinghouse Financial Data System (FDS), or the EM Progress Tracking System (PTS). This prevented "double counting" of savings in both Workscope Deletions and Efficiencies.
3. The claimed workscope deletions were not really workscope deferrals or transfers to other programs.

<sup>2</sup>For a reconciliation between FY 1995 reported MYPP values, see appendix 1

During FY 1995 over 200 Baseline Change Requests (BCRs) were processed that affected the cost baseline.

Examples of efficiencies include; discretionary cost reductions, project underruns, or process improvements.

4. Subsequent workscope additions were not reinstatements of previous deletions.

There is one exception to the Workscope Deletions verification process. If the workscope deletion was a Capital funded project that had a change request lowering Total Estimated Cost (TEC) or if the project was completed/canceled with a 4C's (Construction Completion and Cost Closing) document, it did not require steps 1 & 2 of the above process.

For Efficiency Savings, a "macro-formula" was developed that reconciled the beginning MYPP Budgeted Cost of Work Scheduled (BCWS) with year-end Actual Cost of Work Performed (ACWP). Reductions to the MYPP BCWS were made for Workscope Deletions and Workscope Deferrals. Additions to the MYPP BCWS were made for Workscope Carryover from the previous fiscal year and new Workscope Additions. After adjusting for the schedule variance through the Budgeted Cost of Work Performed (BCWP), the remaining gap between the revised MYPP and the ACWP is attributed to Cost Variance that reflects Efficiencies. The "macro-formula" is shown below in Figure 3.3:

*The "Macro-formula" eliminated the possibility of double counting savings as Workscope Deletions and Efficiency Savings.*

Beginning MYPP BCWS	\$1,000
Reductions:	
Workscope Deletions	\$ (50)
Workscope Deferrals	\$ (10)
Additions:	
Workscope Carryover	\$ 5
Workscope Additions	<u>\$ 15</u>
Revised BCWS	\$ 960
Adjustment for BCWP (schedule var.)	\$ (10)
ACWP	<u>\$(920)</u>
Cost Variance	\$ 30

Fig. 3.3 Example of the "Macro-formula"

The "macro-formula" was applied to expense funds only. The reason for this decision was based upon the difficulties in matching the fiscal year slice of a Capital multi-year project with the MYPP values. Anecdotal evidence (from accounting reports) suggests that the cost variance for Capital equipment/programs did not have a material difference.

More detailed information as to how the year end verification process was performed is available from DOE-RL upon request.

### 3.3 FY 1995 Savings Highlights

Figure 3.4 summarizes the baseline change requests that affected the FY 1995 MYPP for EM and the Efficiency savings (cost variance) derived from the "Macro-formula."

*Savings Summary is the total savings from Workscope Deletions and Efficiency Savings*

**Hanford saved \$389 million in Environmental Management budget from the FY 1995 MYPP Baseline.**

<u>Contractor</u>	<u>Workscope Deletions</u>	<u>Workscope Deferrals</u>	<u>Workscope Additions</u>	<u>Efficiency Savings</u>	<u>Savings Summary</u>
Westinghouse Hanford Company (WHC)	(\$239)	(\$111)	\$97	\$87	\$326
Bechtel Hanford Incorporated (BHI)	(\$9)	(\$11)	\$20	\$48	\$57
Pacific Northwest National Labs (PNNL)	(\$3)	(\$1)	\$3	\$3	\$6
<b>Total</b>	<b>(\$251)</b>	<b>(\$123)</b>	<b>\$120</b>	<b>\$138</b>	<b>\$389</b>

Figure 3.4 FY 1995 Changes (\$ in \$M)

The FY 1995 cost savings resulting from Workscope Deletions were developed jointly by DOE-RL and Hanford contractors. Listed below in pareto format are the top 20 Baseline Change Requests (BCRs) that qualified for savings.

*These 20 BCRs represent 59% of the \$251 million in Workscope Deletions*

<u>C/R Number</u>	<u>Savings Action</u>	<u>Deletion \$</u>
TWR-95-070	MWTF; Delete construction of 6 Double Shell Tanks	(\$38.0)
W236B-016/ TWR-95-043	Deletions as a result of TWRS Privatization (IPM, Applied Engineering, Research & Development, etc.)	(\$18.9)
TWR-95-035	SY-103; Delete dilution pump/tests for hot cell testing	(\$10.9)
SNF-95-003	Align Spent Nuclear Fuel to Path Forward	(\$9.4)
SWD-95-036	Termination of WRAP 2A (to be commercialized)	(\$8.1)
SWD-95-017	Update to the SWD FY95 MYPP funding/budget	(\$7.7)
AS-E95-010	Analytical Services process improvements	(\$7.2)
TWR-95-041/ 078	W-340; Deleted, replaced with heel removal project	(\$6.9)
TWR-95-044	Planned upgrades were determined to be low value	(\$6.3)
SNF-95-008	Aligned Spent Nuclear Fuel to Accelerated Path Forward	(\$5.8)
TWR-95-042	Minimized requirements for PNNL, GSSC	(\$5.6)
TP-95-029R1	Plutonium Finishing Plant workscope improvements	(\$5.0)
LPM-95-012	Delete requirement for multi-purpose facility	(\$4.0)
AS-E95-007	Change PNL 325 Lab from a high level lab to R&D	(\$3.1)
R5-95-001	Change to "just-in-time" inventory system	(\$3.0)
LPM-95-012	Cancel road upgrade projects	(\$2.5)
TP-95-031	B-Plant discretionary cost reductions/underruns	(\$2.3)
W-049-H	4C's on 200 Area Treated Effluent Disposal Facility	(\$2.2)
95-153	200-BP-5 termination of pump & treat treatability test	(\$2.2)

The four largest workscope deletions resulted in savings of \$77.2 million. The remainder of this section provides detailed information explaining the rationale for these savings:

TWRS construction of 6 Double Shell Tanks (DSTs):

Current waste volume projections for the Hanford DSTs led to the conclusion that additional DSTs would not be needed to manage TWRS activities. Some reasons for this change are as follows:

- Flammable gas tanks, e.g., 241-SY-101 can be safely mitigated with mixer pumps and do not require retrieval and dilution to maintain safe storage.
- Lower waste volumes are projected because waste minimization efforts have resulted in reduced waste volumes from waste generators.
- More conservative estimates are being made of Single Shell Tank liquid volume and evaporator waste volume reduction

TWRS Privatization:

The FY 1995 MYPP had assumed that the Management & Operating Contractor would be responsible for vitrification. The FY 1995 workscope included activities that evaluated several alternatives leading to an approved vitrification process. These alternatives were accomplished through Research & Development and Applied Engineering. The decision to privatize the vitrification of Low Level and High Level Wastes was based on the belief that savings could be achieved since the Privatized Contractor would have already evaluated several alternatives in deriving their vitrification process.

SY-103: Delete dilution /pump tests for hot cell testing:

Laboratory Dilution Studies vs. In-Tank dilution Test reduced low value activities and eliminated workscope, without affecting committed deliverables and/or outcomes. The same information on the effects of dilution on flammable gas retention, could be obtained faster, cheaper, and safer in the hot cell under controlled conditions. A special high radiation source and test fixture was designed that made the hot cell tests feasible.

Align Spent Nuclear Fuel to Path Forward:

This change request modified the original (MYPP) baseline to reflect the business strategy defined in the newly developed Program Management Plan. This new plan that describes the strategy for removing the Spent Fuel from the K Basins is called the Path Forward Strategy. The path forward strategy completely revamped the technical, schedule, and cost requirements, reducing the life cycle cost.

### 3.4 Independent Verification of FY 1995 Savings

The Department of Energy Richland Operation (DOE-RL) engaged Arthur Andersen to assist with the compilation and verification of FY 1995 Environmental Management (EM) Program cost savings at Hanford. They produced a report<sup>3</sup> with the objective of providing the Department of Energy, the regulators, and other Hanford stakeholders an unbiased view of the Hanford cost savings process and reported savings for FY 1995. In that report, Arthur Andersen verified that the "FY 1995 reported cost savings were reasonable."

The specific scope of work assigned to Arthur Andersen was to work with regulators, stakeholders, contractors and DOE to arrive at a common understanding and consensus on the definition of cost savings; review the procedures and various systems utilized by DOE-RL contractors to compile and report cost savings; test the savings reported by the Hanford contractors for 10 months of FY 1995; identify the issues which impacted the

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<sup>3</sup>See report dated February 19, 1996 "Verification of FY 1995 EM Program Cost Savings" by Arthur Andersen & Co. SC

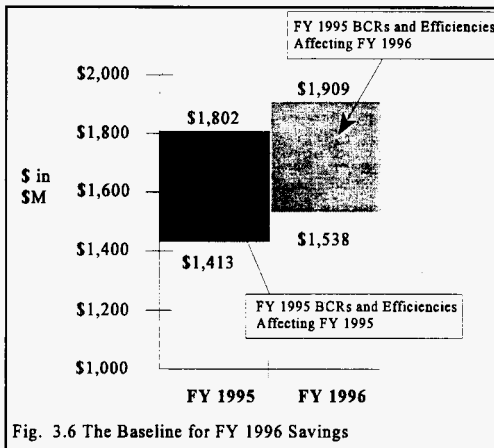
accuracy of the FY 1995 reported savings, and monitor the DOE-RL year-end verification process which was designed to verify the FY 1995 savings reported by the Hanford contractors. They did not perform an audit or conduct an examination of the source data.

Savings verification was separated by contractor because each has an individual process to determine savings. Due to the differences in the magnitude of savings reported by contractor, the level of detail also differed accordingly. WHC savings were verified through the testing of the DOE-RL year-end verification process. Bechtel Hanford, Inc. savings were verified through a review of their savings process. With Pacific Northwest National Laboratory, Arthur Andersen chose to base their analysis on PNNL's cost savings strategy and progress.

### 3.5 The Baseline for FY 1996 Savings

The starting point for developing the FY 1996 baseline for savings is the FY 1995 MYPP because it represents compliance with TPA milestones for FY 1995 through the end of the program. The FY 1996 budget value of the FY 1995 MYPP was adjusted last year as a result of the baseline changes. As an example, if workscope was accelerated from FY 1996 to FY 1995, the impact on the FY 1996 baseline was a reduction. The FY 1996 budget from the FY 1995 MYPP (as adjusted by the effects of the FY 1995 Baseline Change Requests and Efficiency savings) becomes the baseline for FY 1996 savings.

Figure 3.6 graphically illustrates how the baseline was developed.



With the baseline established, DOE Headquarters determined Hanford's share of the EM savings goal for FY 1996 to be \$176.8 million. This goal was identified before the impacts of FY 1995 BCRs became finalized. Continuing with the sea of change that began in the 1990's, the funding targets for FY 1996 and beyond were much lower than expected, leading to the St. Louis "workout". The FY 1996 funding target (see Fig. 3.2, \$1,435 million) was less than

the FY 1996 \$1,538 million savings baseline. Faced with that challenge (\$1,538 - \$1,435 = \$103) and the FY 1996 DOE Headquarters assigned PC savings (\$176.8), DOE-RL and the Hanford contractors reestimated the baselines by incorporating workscope reductions and efficiencies into the development of the FY 1996 MYPP baseline in order to remain in compliance with TPA milestones and programmatic outcomes.

**\$1,538 million is the Baseline for FY 1996 Savings.**

*The development of the FY 1996 MYPP incorporated new workscope reductions and efficiencies to meet FY 1996 funding targets.*

### 3.6 FY 1996 Savings Highlights

The savings achieved as part of the development of the FY 1996 MYPP are referred to as the "FY 1996 Actions." The savings came from Workscope Deletions by changing to risk-based approaches, cancellation of planned facility upgrades, reductions in the estimated volume of contaminated areas, and facility mortgages reduced by accelerating cleanup. Workscope deferrals (which do not count as savings) reflect delayed milestones such as Tank Waste Remediation System characterization efforts (the impacts of these deferrals to revise interim compliance milestones are being negotiated with regulators).

Planned efficiency savings represent reductions in overhead rates and process improvement through reengineering or continuous improvement.

Figure 3.7 summarizes the impact of the FY 1996 actions required to develop the FY 1996 MYPP.

<u>\$ in \$M</u> <u>Contractor/DOE</u>	<u>Workscope Deletions/ Planned Efficiencies</u>	<u>Workscope Deferrals</u>	<u>Workscope Additions</u>
Westinghouse Hanford Company (WHC)	<b>(\$136)</b>	(\$63)	\$74
Bechtel Hanford Incorporated (BHI)	<b>(\$35)</b>	(\$34)	\$36
Pacific Northwest National Labs (PNNL)	<b>(\$13)</b>	(\$3)	\$11
DOE-Richland Office	<b>(\$21)</b>	\$0	\$0
<b>Total</b>	<b>(\$205)</b>	(\$100)	\$121

Figure 3.7 FY 1996 Actions

*Hanford Saved \$205 million in Environmental Management budget from the FY 1996 Savings Baseline.*

Listed below in pareto format are the top 5 initiatives that resulted in savings from the FY 1996 savings baseline.

*These 5 savings actions represent nearly 45% of the total FY 1996 savings.*

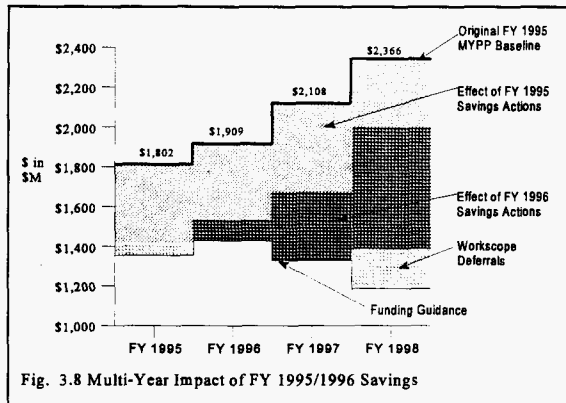
<u>Program</u>	<u>Savings Action</u>	<u>FY 1996 Savings \$M</u>
TWRS	Safety program hardware upgrades: reduction in scope	(\$24.6)
DOE-RL	Long term reductions in GSSC support, travel, etc.	(\$20.4)
TWRS	Reestimate, planned efficiencies of SST, DST retrieval	(\$17.3)
TWRS	Project W-314 Tank Farm infrastructure requirements reengineered to support safe operations	(\$16.3)
TWRS	Implementation of maintenance optimization program: increases equipment availability and reduces maintenance	(\$12.7)

The claimed FY 1996 savings actions were accepted by the DOE programs as part of the review for the FY 1996 MYPP. Individually, the savings actions are not auditable because the changes were not made through the formal BCR process. The multi-year impacts of the FY 1996 actions keep Hanford on track with programmatic outcomes.



### 3.7 Multi-Year Impact of FY 1995/1996 Savings

The multi-year impacts of the FY 1995/1996 savings are impressive. From the FY 1995 actions, the cumulative effect of the Workscope Deletions resulted in savings of \$1,195 million while the multi-year effect of the Efficiency Savings actions resulted in another \$456 million for a combined savings of \$1,651 million. The FY 1996 actions to develop the FY 1996 MYPP resulted in Workscope Deletions/Planned Efficiencies of \$1,136 million through FY 1998. Figure 3.8 graphically illustrates the multi-year impact of the FY 1995/1996 savings actions documented in section 3.3 and 3.6. Figure 3.8 includes the effects of workscope deferrals, additions or transfers.



**The \$2.8 billion "GAP" between the FY 1995 MYPP and the funding guidance is CLOSED!**

The combined savings for FY 1995 and FY 1996 amount to \$2.7 billion. As a result of these substantial savings, many of the cost savings goals identified at the St. Louis workout have been achieved. The \$2.3 billion savings goal has been reached. The \$1 billion Cost and Management Efficiency Initiative through FY 1996 has been achieved. The FY 1995 PC of \$200 million has been far exceeded. The FY 1996 savings of \$176.8 million has been met. The difference between the \$2.8 billion Gap and the \$2.7 billion in savings is closed via workscope deferrals.

Some of the savings have already been put to use in reducing mortgages and creation of investment opportunities. Additionally, some emergent workscope has been required, not foreseen when the FY 1995 MYPP was created. The development of the FY 1996 MYPP combined all of these factors in creating a baseline that closely matched the aforementioned funding guidance.

### 4.0 Plan for Additional FY 1996 Savings

Cost savings efforts continue even though the Gap is closed. Since the signing of the FY 1996 MYPP on 9/26/95, reductions in funding have created new challenges. FY 1995 savings and actions associated with the development of the FY 1996 MYPP captured most, if not all, of the "low hanging fruit." Meeting new savings challenges will be difficult and may result in deferrals of workscope or delays in achieving TPA milestones. This section describes how Hanford intends to aggressively pursue savings challenges by mirroring the approach that successful corporations developed to stay competitive.

## 4.1 The Baseline for Additional FY 1996 Savings

The FY 1996 MYPP is the baseline for additional savings that will be achieved during this fiscal year. The FY 1996 MYPP did not precisely match the previously mentioned funding guidance due to the rollup and integration of the program workplans. The following table identifies the differences between the funding guidance and the actual FY 1996 MYPP.

The Baseline for Additional FY 1996 Savings is \$1,428 million.

\$ in \$M	FY 1996	FY 1997	FY 1998
Funding Guidance	\$1,435	\$1,325	\$1,204
FY 1996 MYPP	\$1,428	\$1,348	\$1,184

Because of delays in the Federal appropriations process, funding was not allocated to the Hanford Programs until 1/23/96. Figure 4.1 depicts the relationship between the FY 1996 MYPP and the funding guidance (comprising the presidential funding for FY 1996 and May 1996 funding allocations).

The Actual Funding received for FY 1996 is \$1,328 million.

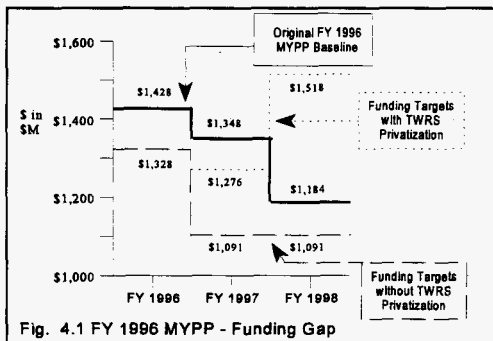


Fig. 4.1 FY 1996 MYPP - Funding Gap

Additional FY 1996 savings is initialized from the FY 1996 MYPP baseline. The Gap (\$100 million) for Environmental Management work was not finalized until January 1996 because of the continuing resolution and was closed by using the BCR process to delete or defer workscope from the FY 1996 MYPP baseline. The intent is to make the planned

workscope baseline for FY 1996 equal to the approved funding.

Figure 4.1 also depicts the impact of the decision to privatize the treatment and immobilization of Tank Waste Remediation System (TWRS) highly radioactive wastes. Funds are set aside in FY 1997 and FY 1998 to endow this effort. The original FY 1996 MYPP did not recognize the magnitude of privatization, having only \$185 million of the \$1,348 million set aside in FY 1997 and \$147 million of the \$1,184 million set aside in FY 1998. The savings challenge continues past FY 1996.

The FY 1996 MYPP baseline for DOE-RL and contractors are:

(\$ in \$M)	FY 1996	FY 1997	FY 1998
Westinghouse - Hanford Co.	\$1,113	\$1,087	\$965
Bechtel - Hanford Inc.	\$169	\$143	\$95
Pacific Northwest National Labs.	\$41	\$29	\$25
DOE - RL	\$105	\$89	\$99
<b>TOTAL</b>	<b>\$1,428</b>	<b>\$1,348</b>	<b>\$1,184</b>

## 4.2 The Process Used to Verify Savings

The FY 1996 additional savings will undergo a verification process similar to that used in FY 1995, amended for improvements identified by DOE-RL and the independent review team (see section 3.4) recommendations. Figure 4.2 maps the verification process for FY 1996:

*Workscope Deletion savings occur either when low value work is permanently eliminated or strategic changes are made in the way program outcomes are achieved.*

*Efficiency savings occur when cost underruns are achieved through discretionary cost reductions or by construction project underruns. Preferred Efficiency Savings result when unit costs are permanently reduced because of process improvements.*

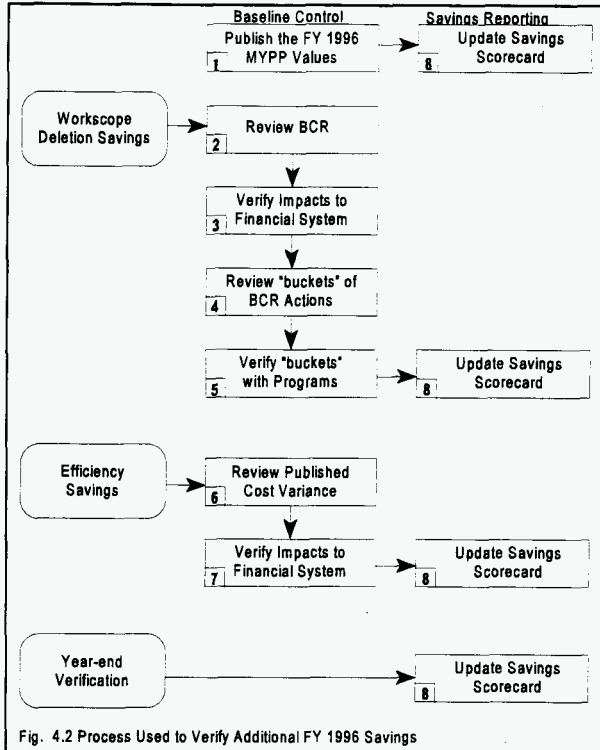


Fig. 4.2 Process Used to Verify Additional FY 1996 Savings

To maintain the high quality of DOE-RL cost savings review and to satisfy independent auditors, the discipline developed for the FY 1995 savings verification process needs to be continued with some improvements. As an example, the FY 1995 year-end verification process proved to be extremely labor intensive. By reviewing each BCR as it impacts the savings baseline during the year, much of the effort of reviewing the BCRs at year-end is mitigated.

The FY 1996 contracts with the Hanford contractors are not cost savings sharing incentivized to the extent they were in FY 1995. This places a greater burden on DOE-RL to take responsibility in identifying and verifying the FY 1996 savings. Activity #1 in Fig. 4.2 (to publish the FY 1996 MYPP baseline values) is the responsibility of the Planning & Integration Division (PID). This baseline should match the data in the site's financial systems; SMS, PTS, and FDS (see section 3.2).

The development of the Workscope Deletions savings comprises activities #2 - #5. It is triggered by the Cost Savings Team receiving the distribution of the approved BCR from PID. The impacts to the cost baseline from the workscope changes will be verified from the contractor's monthly reports, with a DOE-RL determination of the correct "bucket" for workscope changes. Workscope changes can be attributed to workscope deletions, deferrals, transfers, or additions. Workscope additions can be either new emergent workscope or accelerated workscope.

Those buckets are then reviewed with DOE-RL programs to verify that claimed deletions are not really deferrals or transfers. Workscope additions are watched very carefully since they usually are indicators that savings occurred. Once a determination of the total Workscope Deletions is made, it is entered into the DOE-RL scorecard which tracks total savings for Hanford EM programs.

Hanford Efficiency Savings are determined by activities #6 and #7. Cost variances are published monthly in the Hanford Site Management System. Although not reflective of the "true" cost variance for any given month because of accruals, overhead rates, etc., they do provide an indication of what the cost variance will be for the current fiscal year. Activity #7 intends to gather facts and data regarding the cost variance. A positive cost variance occurs because of discretionary savings or a process improvement (causing planned work to be performed more efficiently).

The year-end verification process provides an accurate reconciliation of the work scheduled versus work performed versus actuals for performed work and is the only means to develop an accurate cost variance. The reconciliation is accomplished by the use of the "macro-formula" identified in section 3.2. The scorecard is a relational database that provides a wide-ranging reporting capability and will be updated and reported monthly. DOE-RL will integrate the cost savings on a site-wide basis with the intent of reporting and tracking progress against the achievement of EM program cost reduction identifying amounts of accelerated, deleted, transferred, added and deferred workscope.

### 4.3 FY 1996 Savings Initiatives

In today's environment where requirements to successfully carry out programmatic missions exceed available resources, there is a tendency to take a meat-axe approach to achieve cost savings. This approach provides some immediate relief but it cannot be sustained nor can it attain the cost savings necessary to meet ongoing budgetary challenges facing Hanford. The Hanford contractors recognize there is an opportunity to significantly reduce the overall cost of doing business and are focused on a number of initiatives to capitalize on this opportunity. This section provides brief highlights of some of the major cost savings initiatives presently underway. Figure 4.3 identifies the linkage between these initiatives and the measurable/reporting categories of cost savings as defined in section 6.0.

<u>Initiative</u>	Savings Measurement Category:	Efficiency	Workscope
		<u>Savings</u>	<u>Deletion Savings</u>
Performance-based Incentives		×	
Outsourcing/Privatization			×
Limiting the cost of Architectural & Engineering Services		×	
Indirect/Direct Support Cost Reduction		×	×
Reengineering		×	×
Regulatory Streamlining		×	×

Fig 4.3 Relationship of Cost Savings Initiatives

*Hanford expects that most of their FY 1996 savings will come from Reengineering*

### 4.3.1 Performance-based Incentives

RL utilizes performance based fee criteria, award fee performance, and other special incentives as the management system to incentivize results. This includes the use of clear, reasonable, and objective performance criteria and measures as standards against which the contractors' overall programmatic, administrative, and managerial obligations are evaluated. DOE-RL has entered into multi-year contracts with its contractors and negotiates annually the performance measures and associated fees.

For FY 1996 the WHC contract incorporated by modification, 96 performance based fee (PBF) criteria targeted for definitive progress on cleanup, including continued emphasis on safety by putting more of its profits at risk. Seventy percent of the company's potential award fee depends on whether it exceeds specific performance milestones. For Environmental Restoration activities, a Federal Acquisition Regulation (FAR)-based award fee contract with a performance-based fee determination plan was negotiated with BHI. The contract with Battelle Memorial Institute (BMI) for management and operation of PNNL also incorporated by modification, performance-based incentives directed toward obtaining overhead efficiencies.

In July 1996 DOE-RL plans to award a performance-based Project Hanford Management Contract (PHMC) for nuclear materials and facilities stabilization, waste management activities, and related site requirements. The PHMC represents a fundamental departure from traditional DOE contracting practices. The contract is estimated to be worth \$4.6 billion over the initial five year period and contains options for an additional five years. From the bids that were submitted, DOE will select a management contractor with its major subcontractors based on "best in class" past performance and innovative management approaches in order to obtain project management capabilities that match those of the best private-sector companies.

The request for proposals for the PHMC, issued January 4, 1996, represents the first DOE solicitation for a major site contractor to include DOE specified performance objectives and measures. Prior to award of the contract, DOE-RL will select a limited number of performance measures to incentivize for those results positively impacting progress towards cleanup. Incentives are likely to focus on those performance measures that result in cost savings and/or reduce out-year maintenance costs, expedite completion of critical milestones, or reduce risk.

*The decision was made in FY 1995 to Privatize/Commercialize two major Projects: TWRS vitrification and Solid Waste Receiving and Processing Plant.*

It is expected that the PHMC contractor will have a limited staff and accomplish the majority of the work through major subcontractors (and other subcontractors), as well as through outsourcing and privatization. The PHMC contract will strongly motivate the successful subcontractors to avoid any activities that may result in injuries, fatalities, or unnecessary, avoidable expenses to the government.

### 4.3.2 Outsourcing/Privatization

In contract reform, DOE advocates utilization of "best-in-class" contract management to determine whether it is in the best interest of the government to provide services in-house or to acquire them from the private sector. It is the intent of DOE-RL to realize cost savings and increased efficiencies in the cleanup effort through increased use of competitively bid and managed services.

Outsourcing/privatization covers a wide spectrum of activities. The following are broad categories of outsourcing to be pursued at Hanford:

- Contracting for products or services previously provided through contractors.
- Contracting for capital facilities to be built by the private sector (that would previously have been built by the Federal Government).
- New contracting strategies to replace portions of the Management & Operations (M&O) contract.
- Employee-based spin-off companies to transition existing workscope and employees (and possibly facilities and equipment) to newly formed employee-based companies.

### 4.3.3 Limiting the Cost of Architectural and Engineering Services

For four years the architect-engineer (A&E) that prepares most conceptual design reports and estimates for the Site has calculated the cost of Category I engineering services as a percentage of construction. Category I costs include drawings and specifications while other engineering costs such as engineering studies, design reviews, and project controls are included in Category II. For simple infrastructure improvement projects, the A&E costs are usually within the limits (6%) required under federal acquisition statutes for non-DOE Federal projects. The costs are higher for process projects, especially those designated Safety Class 2 (Safety Class 2 includes structures, systems, and components whose failure and/or malfunction during normal, abnormal, or accident conditions could result in on-site worker exposure to radiological contaminants or airborne toxic chemicals in excess of established limits.) These projects have engineering services costs that amount to 12-14% of construction costs.

The actual costs for engineering services have not been tracked against Category I and II estimated costs. The work is usually authorized as Title I, II, and III engineering and tracked in accordance with the work authorization. The Construction Completion and Cost Closing statements processed at the end of a project show that design costs usually are within a few percentage points of the amounts estimated.

DOE-RL will establish a program for studying cost performance of Projects, including design and compare results with other DOE sites and with Best-in-Class in commercial practices. DOE-RL will identify factors contributing to superior performance and incorporate these lessons learned into subsequent design practices.

### 4.3.4 Indirect and Direct Support Cost Reduction

In December 1994, Hanford targeted a \$200M cost reduction to its Environmental Management indirect and direct support areas to be accomplished by the end of FY 1996. These areas are being examined closely for ways to reduce costs without dramatically impacting direct programmatic activities. Cost savings are being accomplished through streamlining, elimination of unnecessary workscope, and reengineering efforts. The baseline for savings in the Indirect/Direct Support (I/DS) areas was developed in December 1994 by using FY 1994 actuals or the most accurate data available. Adjustments were made for accounting changes as noted below:

Contractor	FY 1994		Savings Baseline in \$M
	Actuals \$M	Adjustments	
WHC	\$451	Less \$19M for charging practice changes	\$432
DOE-RL	N/A	No baseline data available, use FY 1996 budget request	\$97
PNNL	\$72	None	\$72
BHI	N/A	No baseline data available, use FY 1995 budget	\$47

Progress towards the \$200 million target will be measured in terms of the fiscal year that the savings baseline was developed. For WHC and PNNL, savings will be restated in constant 1994 dollars since the baseline was developed using FY 1994 actuals. For BHI, with the savings baseline representing the FY 1995 budget, savings will be stated in 1995 dollars. For DOE-RL, with the savings baseline representing the FY 1996 budget request, savings will be stated in 1996 dollars. A breakdown of the \$200 million savings target (Directed Reduction) by DOE-RL and contractor is as follows:

\$ in \$M	Savings Baseline	12/94 Directed Reduction
WHC	\$432	\$161
DOE-RL	\$97	\$23
PNNL	\$72	\$8
BHI	\$47	\$8
TOTAL		\$200

Not only will the actual savings achieved be measured in terms of the fiscal year the baseline was developed, it will also be restated for accounting changes. As an example, in FY 1995, WHC moved \$6 million of work from programs into indirects. The FY 1995 year end actual savings was calculated with the \$6 million removed and restated in FY 1994 dollars.

Significant progress has been achieved through the first fiscal year of effort as shown in the following table. From the savings baseline, indirect and direct support costs were reduced \$123 million by the end of FY 1995.

*The spending rate for Indirect and Direct Support will have been reduced by \$200 million from the baseline established at year end, FY 1994, to the end of FY 1996.*

Through FY 1995, DOE-RL and their contractors have achieved 61% of their savings goal in Indirect and Direct Support.

<i>\$ in \$M</i>	Savings Baseline	FY 1995 Actuals	Restated Actuals	Savings Through FY 1995
WHC	\$432	\$372	\$355	\$77
DOE-RL	\$97	\$77	\$77	\$20
PNNL	\$72	\$61	\$59	\$13
BHI	\$47	\$32	\$32	\$15
TOTAL				\$123

In FY 1996 another \$61 million in savings is planned, largely through WHC reengineering efforts, bringing the total savings to \$184 million. This is short of the \$200 million savings target because Hanford's efforts to "rightsize" are taking longer than expected. However, the spending rate at the end of FY 1996 will meet the \$200 million target.

### 4.3.5 Reengineering

By the textbook definition, reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in performance measures such as cost, quality, service and speed. Reengineering at Hanford has used the "clean-sheet-of-paper" approach. At all times, the reengineering teams have to ask if the work being performed contributes to the outcome of the process. Sometimes the answer is no - it doesn't need to be done at all. Reengineering really only got started at Hanford one year ago, first at Pacific Northwest National Laboratories and then at Westinghouse Hanford Company. Savings achieved as a result of reengineering are not directly measurable, but the effect is seen through workscope deletions and efficiencies.

#### Pacific Northwest National Laboratories Reengineering Activities:

Beginning in October, 1994, PNNL began a program of comprehensive improvement initiatives called ACE (Achieving the Competitive Edge). The purpose of ACE was to focus on increasing the value and productivity of the Laboratory.

By October 1, 1995, (beginning of FY 96) PNNL:

- ▶ had 850 fewer staff
- ▶ had less non-value added work to do - had a clear mission focus
- ▶ began using its business processes as a competitive advantage

A combination of staff reductions, enhanced retirement, and improvement initiatives, has resulted in total Laboratory (EM and non-EM) cost savings of \$45 million for FY 1996. Overhead activities within the lab went from an FY95 baseline of \$220M to a planned cost of \$175M for FY 1996. Pending initiatives scheduled for continuation in FY 96 will help ensure that the Laboratory can sustain these cost reductions and continue to reduce costs to clients in "real" terms.

PNNL will save \$45 million in FY 1996 Lab-wide through reengineering efforts.



Key initiatives scheduled for completion in FY 96 are:

- Implementation of new "business model" and redesign of supporting management systems.
- Redesign facilities processes, including planning, engineering, and maintenance.
- Reduced cost of building leases, utilities, and other purchased services.
- Streamlined procurement processes to better incorporate commercial practices.
- Streamlined property management processes including replacing "wall to wall" inventories with statistical sampling.
- Increased alternatives to classroom training, including challenge exams and computer based training.
- Standards for computer workstations, computer software, and office configurations to reduce purchase/maintenance costs.
- Upgraded business information systems.
- Reduced cost of communications including increased video conferencing.

#### Westinghouse Hanford Co. Reengineering Activities:

The WHC reengineering effort is distributed among 6 different teams. Here is their report:

#### Plant Reengineering: West Tank Farms, PUREX, B Plant

The WTF reengineered process and organizational structure became operational in March 1996. The new WTF work process will better match job planning to the hazards and complexity of the job. If one applied the new process to the 900 packages planned in FY-1995, only 180 would now require the extensive planning.

A new process and team structure was implemented at PUREX in January 1996. Teams are challenging requirements and applying their skills more effectively. For example, the Utilities Team reviewed the preventive maintenance requirements and now have reduced the number of preventive maintenance tasks.

B Plant kicked off its team in February 1996 and is making use of lessons learned at PUREX and West Tank Farms to accelerate the lab deactivation date by more than 2 years.

#### Information Technology/Management (IM)

The initiatives included shutting down the third major computer system in the data center, increased use of electronic communication, further reducing file servers and providing remote printing capabilities. Key accomplishments to date include: Significant reduction of hardcopy output, activation of a software library, elimination of microfiche output, 25% elimination of convenience copiers, and 30% elimination of file servers.

#### Finance

The Finance Administration and Control teams are streamlining reporting processes and eliminating low value practices. New labor collection tools has stopped labor variance reporting resulting in more accurate labor costs and the elimination of four labor variance reports. Teams have implemented electronic 1099 tax reporting, cut back payment processing to three days, eliminated 30% of FDS reports, eliminated cross charging in a three month trial (resulting in a 44% drop in unmatched records) and reduced accounting cost elements by 10%.

*WTF projected savings are \$45 million and a 12 month schedule acceleration*

*Information Management initiatives are expected to save \$5.5 million in FY 1996 alone.*

**Supply Chain**

Procurement and Materials Management (PMM) has already reduced the general supplies inventory levels by 38.6% (with more reductions to continue) and has reduced the spares/convenience inventories by 7%, toward their goal of a 50% reduction. Fifty percent of the supply chain work now does not require paper. PMM has set a goal to cut the assessment charged to site customers to 5%. The current rate is 11.2%.

**Human Resources**

Human Resources saved \$4.2M from benefit changes. The function has downsized by 38%, eliminated a layer of management, and reduced or eliminated non-priority services resulting in an additional \$4.2M budget savings.

**Infrastructure**

The Fabrication Shops will save \$3.2M by consolidating work space, downsizing and reengineering work processes while the Facility Management and Maintenance Services is projected to save \$3.1M by simplifying the work flow, restructuring, vacating underutilized facilities and taking corrective actions based on performance trends.

**4.3.6 Regulatory Streamlining**

The Department of Energy has been widely criticized because it has used a complex system of Headquarters and RL issued Orders and Directives to communicate to its contractors the requirements that they had to meet. Many of the Orders and Directives simply imposed existing legal or regulatory requirements promulgated by other agencies. In an effort to change the manner in which requirements are communicated to contractors, DOE-RL is reviewing all DOE and RL Orders and Directives to eliminate unnecessary, parallel or duplicative Orders. This process, when completed, is expected to increase efficiency and effectiveness in day-to-day operations.

*Estimated savings from canceling DOE-RL Orders range from \$18 to \$30 million annually.*

RL used a systematic process for identification and elimination of unnecessary directives and orders. The process focused on identifying only those Orders absolutely necessary to accomplish its mission, rather than throwing out all the directives and starting from scratch. Directives and Orders were put to the test of passing the main criteria question, "Was there an existing DOE mandate requiring the field level supplemental Order and was there a cost benefit in its retention?"

DOE-RL has canceled over 85% of the RL Orders, RL Implementing Procedures, and RL Implementing Directives that were in place. In most cases the canceled documents supplemented DOE Orders. Currently, the Department is also reviewing and revising or canceling DOE Orders at the Headquarters level.

Even with the elimination of many DOE Orders, there are still a large number of rules and regulations promulgated by other local, state, and federal agencies that the Department and its contractors must comply with. Additionally, the approaches taken to ensure compliance with rules, regulations, and Orders, rather than the regulations themselves, can be a major impediment to the cleanup of the Hanford facilities. More effective implementation and integration of regulations can improve the cost and schedule of cleanup at Hanford. The Washington State Department of Ecology (WDOE), U.S. Environmental Protection Agency (EPA) and DOE-RL are working closely to find the most efficient, cost effective means to integrate and implement the body of regulatory requirements.

*All agencies are working together to affect savings.*

There is also evidence that the overly conservative interpretation of regulations leads to greater costs to attain compliance and causes delays in decision-making, resulting in the additional unnecessary expenditure of dollars and significant schedule delays. WDOE, EPA and DOE-RL are cooperating to ensure that the stringency of application of environmental regulations is commensurate with the risk to human health and the environment. Additionally, the agencies are working together to integrate Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requirements to eliminate duplicative paperwork and administrative actions. The agencies are also working together in pursuing innovative regulatory approaches and regulatory reforms aimed at expediting cleanup while still protecting the environment. In addition to the InterAgency Management Integration Team (IAMIT) approach presently being formalized through changes to the Tri-Party Agreement, a Regulatory Integration and Process Improvement (RIPI) Team was established over two years ago with the goal of streamlining the regulatory system. The RIPI Team has representatives from EPA, WDOE, RL, WHC, BHI and PNL. The RIPI Team is chartered to initiate, implement, and track regulatory streamlining success at Hanford. The RIPI Team has already identified many candidates for regulatory improvements that are underway.

## 5.0 Plan Maintenance

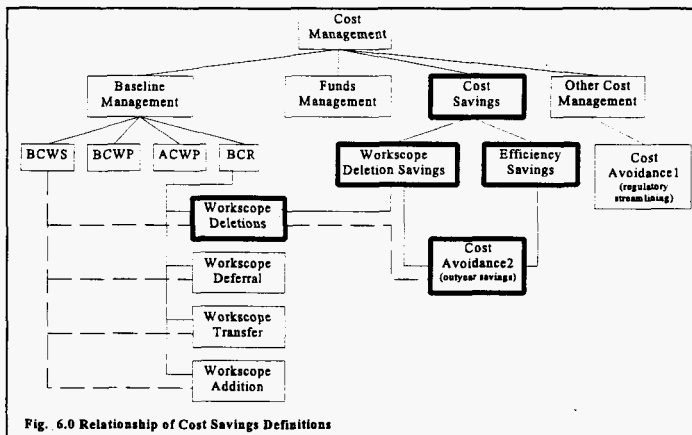
This Plan is considered a living document that will be updated annually to report new savings achieved or changes/progress on initiatives. A semi-annual update will be considered only if significant changes occur to funding or workscope. The basic structure of the Plan will remain unchanged.

Revision 1 of the Plan reports how the Gap between the multi-year baselines defined in the FY 1995 MYPP and the funding targets for FY 1995 through FY 1998 was closed. The Plan also identifies the initiatives in place to efficiently execute the FY 1996 workscope to achieve compliance or acceleration of workscope. The programmatic appendices will be revised as appropriate when significant changes to the funding profile or strategy changes are identified.

The Plan will be maintained by the DOE-RL Contract Finance & Review (CFR) Division which has the overall responsibility for this Plan. Questions on this Plan should be directed to CFR.

## 6.0 Terms and Definitions

Figure 6.0 demonstrates the relationship of the terms described within the Plan.



### Baseline Management

The baseline consists of estimates, contingency estimates, and budget documentation based on the technical baseline and the resource loaded program/project schedule as documented in the Multi-Year Program Plans. The cost baseline (BCWS) may extend beyond the budget authorization period (multi-year) and is tied to the schedule baseline duration. For example, if a program activity is two years in duration, that activity will have a cost baseline for two years. Changes to the baseline are formally documented so baseline integrity is maintained.

**Budgeted Cost of Work Scheduled:** The Budgeted Cost of Work Scheduled (BCWS) is the estimated value of work scheduled to be accomplished within a given time period, also referred to as the "budget."

**Budgeted Cost of Work Performed:** The Budgeted Cost of Work Performed (BCWP) is the value of work completed in terms of the budget assigned to such work.

**Actual Cost of Work Performed:** The Actual Cost of Work Performed (ACWP) is the cost incurred and recorded in the accounting system for accomplishing the work performed within a specific time period.

**Baseline Change Request (BCR):** Determines the magnitude of changes to cost, schedule, and technical elements of workscope. Cost baseline changes are identified as either reductions to the baseline via deletions, deferrals, or transfers, or increases to the baseline via additions or transfers.

**Cost Savings**

Cost savings is the summation of efficiency savings and workscope deletions and the resulting cost avoidance<sup>2</sup> effects.

**Efficiency Savings:** Result from positive cost variances (BCWP being greater than ACWP). Positive cost variances are caused by two different actions, true efficiencies and cost underruns. True efficiencies are the result of doing planned work for less than planned cost without affecting program outcomes and results in sustained savings (i.e., it is the result of reengineering or process changes such as elimination of steps or methodology revisions).

Example: The "old" travel accounting process was a 10-step process. The process was redesigned, eliminating the travel authorizations and improving and automating the expense reports. This resulted in a 6-step process reducing cost from \$400 per transaction to \$224 per transaction and a reduction in Travel Accounting organization from 11.5 FTEs to 5.0 FTEs.

Cost underruns are one-time reductions in costs that do not result in sustainable per-unit cost reductions. These reductions can be the result of indirect/direct support reductions or passbacks, reductions to discretionary costs (e.g., travel, training, supplies, computer purchases), one-time "happy circumstance" (e.g., unexpected vendor discounts) or project completion/ closeout for less than Total Estimated Cost.

**Workscope Deletion Savings:** The elimination of work without affecting approved and/or negotiated Program outcomes that result in a baseline change request. The cost savings are calculated by the difference between the initial cost baseline and the revised baseline (BCWS<sub>1</sub> - BCWS<sub>2</sub>). Workscope deletions can result from the elimination of: "low-value" workscope (i.e., activities, functions, reports), milestones following appropriate agreement, requirements/regulations, acceptable calculated risks, or strategic redirection.

Strategic redirections consider the assessment, evaluation, and redefinition of a technical or business option to achieve planned objectives or outcomes while effectively minimizing resources. Selected options consider risks, are both technically and fiscally feasible to achieve the required end state, and take life cycle costs or other future cost impacts into consideration.

**Cost Avoidance<sup>2</sup> (Outyear Cost Savings):** These are the outyear savings against the baseline that result from initiatives identified and/or implemented in the current fiscal year.

**Other Important Terms**

**Cost Management:** The strategic approach to managing all cost related elements such as budget (baseline) development and execution, baseline control, performance measurement, cost savings, cost analysis, cost improvement, funds management, benchmarking, etc.

**Cost Avoidance<sup>1</sup> (Regulatory Streamlining):** Avoiding costs not planned in the baseline through action taken as part of the regulatory integration and process improvement initiative. These costs were not in the baseline and the baseline cannot be reduced; but with initiative from the regulators, DOE, and contractors, additional cost can be avoided.

**Workscope Deferral:** Scope deferral is any work moved from the current fiscal year which DOE-RL determines still needs to be performed.

**Workscope Transfer:** Workscope that is moved within a program or between programs primarily as a result of accounting changes.

**Workscope Additions:** New workscope added to the baseline as a result of regulatory compliance, acceleration from future years, emergent requirements, or reestimates. As it relates to cost savings, workscope additions offset claimed savings if they are reestimates or workscope reinstatements (workscope added to the baseline as a result of earlier decisions to take risk).

**Funds Management:** The site planning and control of federally allocated funding for a Program. This includes assurances that the cost of work performed does not exceed funds available for a given fiscal year.

**Other Cost Management:** There are a number of cost management issues that are beyond the scope of this Plan including: life cycle costing, performance measurement, process management, and budgeting to name a few.

## 7.0 Program Cost Savings Details

Section 7.0 is intended to provide the programmatic details of the reported savings for FY 1995 and FY 1996 as well as a description of the plans and initiatives in place to generate additional savings for FY 1996. Each Program section will have a narrative describing the latest programmatic mission and the savings strategies, and assumptions for meeting the constrained budget.

There will be three schedules (expressed in millions of dollars) attached to each program. Schedule 1 provides an overview of how the program was able to close their individual "gap". It starts with the FY 1995 MYPP value and identifies the effect of the FY 1995 baseline change actions and efficiencies. The FY 1996 MYPP change actions are then chronicled to derive the FY 1996 MYPP value.

Schedule 2 provides the auditable detail on the FY 1995 savings and is an expansion of the FY 1995 change actions and fiscal year efficiencies from Schedule 1. All major change requests for FY 1995 that impact savings are listed with their current year and outyear savings quantified. The programmatic efficiencies are generally the result of reductions of force. Where process improvements had to be developed as a result of the reductions of force, they are listed with applicable outyear savings effects. A narrative of each major change request is also included to provide the reader with a background as to the reasons for approving the change request as a savings.

Schedule 3 provides the detail related to the achievement of savings for the FY 1996 savings actions. These actions close the gap from the revised FY 1995 MYPP baseline to the new FY 1996 MYPP but are not documented by formal change request actions. As much detail as possible is provided to demonstrate the programmatic actions taken to match Hanford's funding constraints. The claimed savings result from ongoing process improvements, mortgage reductions, indirect rate reductions, and deletions of low value workscope or activities related to canceled projects.

These same three schedules are summarized for all of Hanford's EM effort below:



## SCHEDULE 1

Program: All Hanford EM Programs

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	1,802	1,909	2,108	2,366	8,184
(2)	FY95 Reported Savings (Schedule 2)					
(2.1)	Deleted Workscope	(250)	(264)	(367)	(315)	(1,195)
(2.2)	Efficiencies	(138)	(107)	(94)	(117)	(456)
(2.3)	Deleted B/A					0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(137)	53	13	0	(72)
(3.2)	Workscope Transfers	(37)	(3)	8	(0)	(31)
(3.3)	Workscope Additions - Accelerated	40	(3)	6	(0)	42
(3.4)	Workscope Additions - New	117	12	19	3	150
(4)	Prior Year Carryover Workscope (memo only for FY 1995)	192	17	0	0	209
(5)	FY95 MYPP Net of FY95 Actions	1,396	1,613	1,693	1,938	6,640
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(205)	(374)	(556)	(1,136)
(6.2)	Workscope Deferrals	N/A	(100)	(140)	(275)	(514)
(6.3)	Workscope Additions - Accelerated	N/A	26	65	(34)	57
(6.4)	Workscope Additions - New	N/A	95	103	111	309
(6.5)	Net FY96 Planning Actions	N/A	(185)	(345)	(754)	(1,284)
(7)	Revised MYPP Baseline					5,356
(7.1)	Y/E FY 1995	1,396				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95		1,428	1,348	1,184	

## SCHEDULE 2

## FY95 Reported Savings

Program: All Hanford EM Programs

Program	C/R Number	Narrative of Major Savings Action	Savings Type	FY95				
				1995	1996	1997	1998	TOTAL
TWRS	TWR-95-070	MWTF; Delete construction of 6 DST	Deletion	(38.0)	(98.7)	(94.7)	(73.6)	(305.0)
TWRS	W236B-016/043	Privatization Effects; IPM, applied eng'ring, R&D	Deletion	(18.9)	(23.0)	(23.8)	(39.8)	(105.3)
S/Waste	SWD-95-036	WRAP 2A Productivity Savings	Deletion	(8.1)	(9.3)	(44.5)	(30.7)	(92.6)
Anal/Svcs	AS-E95-007	EM-30 Budget Recission	Deletion	(3.1)	(15.4)	(19.7)	(29.6)	(67.8)
TWRS	TWR-95-042	Minimized requirements for PNNL, GSSC	Deletion	(5.6)	(13.8)	(22.6)	(24.8)	(66.8)
TWRS	TWR-95-041/078	W-340; Deleted, replaced w/heel removal project	Deletion	(6.9)	(20.5)	(20.5)	(10.5)	(58.4)
All others			Deletion	(169.5)	(83.2)	(141.0)	(105.8)	(499.5)
Subtotal Deletions				(250.1)	(263.9)	(366.6)	(314.8)	(1,195.4)
<u>Savings Actions</u>								
		ROF Activity	Efficiency	(12.7)	(20.1)	(19.0)	(19.5)	(71.3)
		Discretionary Savings/Underruns	Efficiency	(125.5)	(86.7)	(75.1)	(97.6)	(384.9)
Subtotal Efficiency				(138.2)	(106.8)	(94.1)	(117.1)	(456.2)

C/R Number	Narrative of Major Savings by Change Request
TWR-95-070	An assessment of waste tank volume capacity and projected requirements proved the need for the Multi-Function Waste Tank Facility no longer existed as planned.
W236B-016	Modified the existing baseline approach for Conceptual Design on Project W236B by suspending Conceptual Design at 30% complete, restructuring the Applied Engineering activity, eliminating the associated Regulatory Compliance activities, and reducing the remaining Project Management activities.
TWR-95-043	Coordinating all phases of the LLW Vitrification Project with the technical experts resulted in eliminating or streamlining much of the planned work in applied engineering and R&D.
SWD-95-036	Reduction from the FY95 MYPP as directed by RL for commercialization. Deleted the FY95 funding and budget for WRAP 2A
AS-E95-007	The restructuring of the Analytical Chemistry Laboratory from a high-level analytical chemistry laboratory to a research and development laboratory supported the \$3.1 M DOE-HQ-directed budget recission.
TWR-95-042	Applied productivity challenges to Re-engineering activities. Eliminated efforts to redesign the IRM systems when it was deemed that the current systems met program needs. Eliminated requirements for annual update to TWRS Master Site Integration Plan for Disposal facilities. Eliminated Engineering Assessment. Down sized Technology Program Management (PNNL). Reduced Centralized Support for interfacing with external review/oversight groups. Eliminated secondary funding source for public involvement. Eliminated low-value work and consolidated several positions. Eliminated development of a Qualification and Training database.
TWR-95-041	(\$.844) Workscope consolidated includes: Program Management oversight of the EM-50/EM-30 interface, incorporation of the DST specific trade studies with the Retrieval System Engineering trade studies, Industry Challenge (alternate SST waste retrieval concepts) with the final demonstration of 106-C Retrieval Project.
TWR-95-078	(\$6.008) - The Waste Retrieval program management staff was reduced by 2 activity managers to comply with RL direction to implement the FY95 constrained budget and to streamline the program management function.

## SCHEDULE 3

Program: All Hanford EM Programs

FY96 Baseline Planning Actions

		1996	1997	1998	TOTAL
<b>(6.1) Deleted Workscope</b>					
TWRS	(1) Project W314 Tank Farm infrastructure reengineered	(16.3)	(51.9)	(122.3)	(190.5)
DOE-RL	(2) Long term reductions to GSSC, travel, etc.	(20.4)	(39.9)	(33.7)	(94.0)
TWRS	(3) Planned efficiencies/scope deletions on retrieval activities	(17.3)	(23.6)	(45.6)	(86.5)
TWRS	(4) Safety program hardware upgrades	(24.6)	(31.1)	(23.5)	(79.2)
TWRS	(5) Implementation of maintenance optimization program	(12.7)	(16.9)	(20.0)	(49.6)
ER	(6) Program management & support to canceled projects	(7.5)	(16.9)	(24.1)	(48.5)
PNNL-1.7.1	(7) In accordance with DOE planning guidance and reduced budget levels, elimination of work above and beyond the minimum safe and compliant level	(5.9)	(15.3)	(26.9)	(48.1)
TWRS	(8) GPPs/Training improvement/safety documentation	(10.0)	(17.9)	(18.9)	(46.8)
ER	(9) N Reactor mortgage reduction	(6.2)	(14.9)	(24.4)	(45.5)
	(10) All Other	(84.3)	(145.9)	(216.6)	(446.8)
Total		(205.2)	(374.3)	(556.0)	(1,135.5)
<b>(6.2) Workscope Deferred</b>					
Landlord	(1) Expense Funded Projects (Demolition and Roof Replacements)	(1.0)	(10.5)	(41.1)	(52.6)
TWRS	(2) Delay M-44-00 Char. Milestone pending approval (Deferred FY99 and beyond)	(20.5)	(27.2)	(37.2)	(84.9)
ER	(3) 100 Area D&D	(10.7)	(10.2)	(14.6)	(35.5)
	(4) All Other	(68.1)	(91.6)	(181.7)	(341.4)
Total		(100.3)	(139.5)	(274.6)	(514.4)
<b>(6.3) Workscope Additions - Accelerated</b>					
TWRS	(1) Low-Level Waste/Storage and Disposal (FY98 and FY99 Acceleration)	5.6	52.0	(28.8)	28.8
ER	(2) 100-BC High Priority Site Remediation		9.2	(8.7)	0.5
TP-30	(3) B-Plant Deactivation Acceleration	3.3	3.9	1.5	8.7
	(4) All Other	16.8	0.2	2.2	19.2
Total		25.7	65.3	(33.8)	57.2
<b>(6.4) Workscope Additions - New</b>					
TWRS	(1) Characterization - Reestimate	8.8	31.4	46.4	86.6
TP-60	(2) PFP DNFSB 94-1 Material Stabilization Requirements	14.5	16.6	15.6	46.7
TWRS	(3) PBFC Fee and Overhead Functions from G&A	10.7	16.2	14.9	41.8
ER	(4) Performance Incentives	14.0	13.0	12.0	39.0
	(5) All Other	46.8	25.9	21.7	94.4
Total		94.8	103.1	110.6	308.5

## 7.1 Tank Waste Remediation System

### Program Statement

#### **Mission**

The Tank Waste Remediation System (TWRS) Program mission is to clean up the Hanford Site tank wastes, close the tank farms by the year 2018, and complete shipment of waste capsules to an offsite geologic repository by 2040. Clean up involves safe retrieval, treatment, and immobilization of the tank wastes, and disposal of the low-level waste (LLW), high-level waste (HLW), and the cesium and strontium capsules. The TWRS Program also has responsibility for the decontaminating, decommissioning, and disposal processes for the facilities.

#### **Strategy/Assumptions**

Privatization of the Disposal Program is on-going and has potential for significant baseline cost savings. DOE will pay fees for treated waste to a private contractor who constructs and operates the facilities. The contractor will also be responsible for the ultimate decontamination and decommissioning of the facilities. (Also see below under "Privatization").

### Progress on Initiatives

#### **Reengineering**

Tank Farms Operations is being reengineered through a fundamental analysis and radical redesign of critical work processes to achieve dramatic performance improvements in cost, quality, service, and cycle time. Performance improvements include streamlining work management processes, deploying cross-functional teams focused on end-point specifics, managing risk at the center of all work with teams owning all their work, and minimizing surveillance monitoring through automation and redefinition of requirements. Process improvements will generate savings through reducing non-weather work delays, reducing the number of jobs requiring detailed planning by 80%, reducing detailed work planning preparation cycle by 50%, and allowing Engineering change Notice's to be field changed. Significant savings in the initial Project focus area, "Transition of 200 West/East to Controlled, Clean, and Stable". The Major Systems Acquisition Project (W-314, Tank Farm Infrastructure Upgrade) to rebuild key areas of the tank farms has been completely rescoped and the total estimated cost reduced from \$760M to \$273M.

#### **Privatization**

The decision to privatize TWRS Disposal functions was driven by the high cost estimates for the baseline program and the expressed interests of private companies willing to finance portions of Tank Waste Remediation. The objective is to reduce life cycle costs and the time required for remediation, while improving the quality of interim and final products. The current approach (Phase I) is on a demonstration scale which would result in the processing of 6 to 13% of the total tank waste. The following phase (Phase II) would be a full scale production phase for the remainder of the waste. Two bids have been received from private vendors, with a contract award planned for August 30, 1996.

#### **Projectization**

Projectization of TWRS provided a clear focus and ownership of work scope, schedule, and budget within a set of self-contained business entities. Overall responsibility and accountability for executing the project mission and all facets of business management reside with the project manager. The project managers were provided with direct control of all resources necessary to effectively manage their project. Certain specific resources were matrixed to the projects. More efficient utilization of resources has contributed to the cost savings. Within the projects, a zone concept was developed to projectize the work planning and field work areas. Multi-functional teams of operations and maintenance personnel were assigned areas with clearly defined boundaries for performing maintenance and upgrade work. These teams are responsible and accountable for systems and equipment availability from problem identification to re-establishing online capability.

#### **Regulatory Streamlining**

Most streamlining initiatives are the result of looking at the regulation in a more creative way than in the past, rather than an actual change in the written requirement. Examples of specific activities are listed below:

- Drill string was accumulated in boxes as 90 day waste which resulted in partially full waste containers being shipped to long term storage when the 90 day clock ran out. Drill string is now accumulated in satellite areas which are subject to volume limitations, as opposed to time, resulting in better utilization of storage containers and a significant reduction in cost.
- A no-permit option was presented to the WDOH as the notice of construction for the Cross Site Transfer Line. WDOH approved the proposal and the project proceeded without air permitting.
- New NEPA documentation was not required for installation of cameras in 241-AN tank farm. NEPA coverage was provided by a previously approved environmental assessment.
- Tank Farms has received categorical approvals from the WDOH for specific types of work rather than seeking air permits for small individual activities. Tank Farms now has an 11 page list of categorical approvals.

#### **Indirect/Direct Support Cost-Reductions**

TWRS has re-engineered the Department Overhead pool to streamline and reduce the general support personnel, the TWRS office building (2704HV/2E) administration and maintenance expenses, and various lower valued support tasks. WHC company level pools have been reduced from prior levels where site support and infrastructure expenses (Occupancy, Dosimetry, Computer, and Telecommunications) are reduced. The Job Control System pool has been streamlined to a historical low expense by providing the required service with the minimum expense.

#### Expected FY 1996 Cost Savings

The TWRS strategy focuses on an aggressive management approach to the performance of required work scope. Managed costs (material, travel, overtime, training, etc.) are being closely monitored and significantly reduced from prior years. Low value work scope that is not essential to completion of key activities is being deleted. (See also Reengineering above)

## SCHEDULE 1

Program: Tank Waste Remediation Services (TWRS)

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	705.7	782.0	797.0	980.6	3,265.3
(2)	FY95 Reported Savings (Schedule 2)					
(2.1)	Deleted Workscope	(118.7)	(177.3)	(204.0)	(148.7)	(648.7)
(2.2)	Efficiencies	(26.1)	(43.8)	(45.7)	(54.5)	(170.1)
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(80.3)	26.7	11.9		(41.7)
(3.2)	Workscope Transfers	(15.7)	(2.4)	8.6		(9.5)
(3.3)	Workscope Additions - Accelerated	22.7	1.0	9.0		32.7
(3.4)	Workscope Additions - New	44.9	5.0	15.6		65.5
(4)	Prior Year Carryover Workscope		0.0			0.0
(5)	FY95 MYPP Net of FY95 Actions	532.4	591.2	592.4	777.4	2,493.4
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(87.8)	(161.1)	(277.6)	(526.5)
(6.2)	Workscope Deferrals	N/A	(40.7)	(21.1)	(39.6)	(101.4)
(6.3)	Workscope Additions - Accelerated	N/A	7.1	52.0	(28.8)	30.3
(6.4)	Workscope Additions - New	N/A	24.2	50.8	64.3	139.3
(6.5)	Net FY96 Planning Actions	N/A	(97.2)	(79.4)	(281.7)	(458.3)
(7)	Revised MYPP Baseline					2,035.1
(7.1)	Y/E FY 1995	532.4				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		494.0	513.0	495.7	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program:		Savings					
FY95		Type	1995	1996	1997	1998	TOTAL
<u>C/R Number</u>	<u>Narrative of Major Savings Action</u>						
TWR-95-070	* MWTF; Delete construction of 6 DST	Deletion	(38.0)	(98.7)	(94.7)	(73.6)	(305.0)
W236B-016/043	** IPM; Delete applied engineering (Privatization)	Deletion	(18.9)	(23.0)	(23.6)	(39.8)	(105.3)
TWR-95-042	** Minimized requirements for PNNL, GSSC	Deletion	(5.6)	(13.8)	(22.6)	(24.8)	(66.8)
TWR-95-035	SY-103; Delete dilution pump/tests for hot cell testing	Deletion	(10.9)		(3.3)		(14.2)
TWR-95-041/078	*** W-340; Deleted, replaced w/hel removal project	Deletion	(6.9)	(20.5)	(20.5)	(10.5)	(58.4)
TWR-95-044	Planned upgrades were determined to be low value	Deletion	(6.3)	(3.6)	(11.7)		(21.5)
	Other		(32.2)	(17.7)	(27.6)		(77.5)
Subtotal Deletions			(118.7)	(177.3)	(204.0)	(148.7)	(648.7)
	<u>Savings Actions</u>						
	ROF Activity	Efficiency	(8.5)	(10.4)	(10.7)	(11.0)	(40.6)
	Discretionary Savings/Underruns	Efficiency	(17.6)	(33.4)	(35.0)	(43.5)	(129.5)
Subtotal Efficiency			(26.1)	(43.8)	(45.7)	(54.5)	(170.1)

\* The FY 1998 savings was not documented on the original change request and has been included here for completeness.

\*\* The total savings associated with these change requests were not documented on the original change request for FY 1996, 1997, and 1998 and have been estimated and added here for completeness.

\*\*\* The total savings associated with the Project W-340 were not documented on the original change request for FY 1997 and 1998 and have been estimated and added here for completeness.

<u>C/R Number</u>	<u>Narrative of Major Savings by Change Request</u>
TWR-95-070	An assessment of waste tank volume capacity and projected requirements proved the need for the Multi-Function Waste Tank Facility no longer existed as planned.
W236B-016	Modified the existing baseline approach for Conceptual Design on Project W236B by suspending Conceptual Design at 30% complete, restructuring the Applied Engineering activity, eliminating the associated Regulatory Compliance activities, and reducing the remaining Project Management activities.
TWR-95-043	Coordinating all phases of the LLW Vitrification Project with the technical experts resulted in eliminating or streamlining much of the planned work in applied engineering and R&D.
TWR-95-042	Applied productivity challenges to Re-engineering activities. Eliminated efforts to redesign the IRM systems when it was deemed that the current systems met program needs. Eliminated requirements for annual update to TWRS Master Site Integration Plan for Disposal facilities. Eliminated Engineering Assessment. Downsized Technology Program Management (PNNL). Reduced Centralized Support for interfacing with external review/oversight groups. Eliminated secondary funding source for public involvement. Eliminated low-value work and consolidated several positions. Eliminated development of a Qualification and Training database.
TWR-95-035	Laboratory Dilution Studies vs. In-Tank dilution Test reduced low value activities and eliminated workscope, without affecting committed deliverables and/or outcomes. The same information on the effects of dilution on flammable gas retention, could be obtained faster, cheaper, and safer in the hot cell under controlled conditions. A special high radiation source and test fixture was designed that made the hot cell tests feasible.
TWR-95-041	(\$,844) Workscope consolidated includes: Program Management oversight of the EM-50/EM-30 interface, incorporation of the DST specific trade studies with the Retrieval System Engineering trade studies, Industry Challenge (alternate SST waste retrieval concepts) with the final demonstration of 106-C Retrieval Project.
TWR-95-078	(\$6,008) - The Waste Retrieval program management staff was reduced by 2 activity managers to comply with RL direction to implement the FY95 constrained budget and to streamline the program management function.

## SCHEDULE 3

## Program: Tank Waste Remediation Services (TWRS)

## FY96 Baseline Planning Actions

		1995	1996	1997	1998	TOTAL
(6.1)	<u>Deleted Workscope</u>					
(1)	Safety Program Hardware Upgrades		(24.6)	(31.1)	(23.5)	(79.2)
(2)	Implementation of Maintenance Optimization Program		(12.7)	(16.9)	(20.0)	(49.6)
(3)	Project W314 Tank Farm Infrastructure reengineered		(16.3)	(51.9)	(122.3)	(190.5)
(4)	Other Planned Efficiencies/Scope Deletions		(17.3)	(23.6)	(45.6)	(86.5)
(5)	Oversight Support (Operations)				(1.0)	(1.0)
(6)	GPPs/Training Improvements/Safety Documentation		(10.0)	(17.9)	(18.9)	(46.8)
(7)	Re-Estimation of Stabilization and Isolation of SSTs				(6.4)	(6.4)
(8)	Project W-188 Tank Farm Radiological Control Facility Canceled				(11.5)	(11.5)
(9)	Restructuring of Tank Farm Upgrades		(6.9)	(19.7)	(17.4)	(44.0)
(10)	Combination of W-211 DST Retrieval with Mitigation				(11.0)	(11.0)
	Total	0.0	(87.8)	(161.1)	(277.6)	(526.5)
(6.2)	<u>Workscope Deferred</u>					
(1)	Delay M-44-00 Char. Milestone pending approval (Deferred FY99 and beyond)		(20.5)	(27.2)	(37.2)	(84.9)
(2)	Waste Tank Safety Monitoring Improvements (Deferred FY99 and beyond)		(15.5)	(14.2)		(29.7)
(3)	Disposal Program (Deferred FY99 and beyond)		(0.5)	(0.3)	(0.6)	(1.4)
(4)	B/A Profile for Projects (Primarily W-058 funding carryover)		(4.2)	20.6	(1.8)	
	Total	0.0	(40.7)	(21.1)	(39.6)	(116.0)
(6.3)	<u>Workscope Additions - Accelerated</u>					
(1)	Low-Level Waste/Storage and Disposal (FY98 and FY99 Acceleration)		5.6	52.0	(28.8)	28.8
(2)	Retrieval (FY99 Acceleration)		1.5			1.5
(3)						0.0
(4)						0.0
	Total	0.0	7.1	52.0	(28.8)	30.3
(6.4)	<u>Workscope Additions - New</u>					
(1)	Characterization - Reestimate		8.8	31.4	46.4	86.6
(2)	PBFC Fee and Overhead Functions from G&A		10.7	16.2	14.9	41.8
(3)	VDDT Removal//Ammonia Safety Basis/ABU Equipment Turnover		4.3	1.2		5.5
(4)	Retrieval		0.4	2.0	3.0	5.4
(5)						
	Total	0.0	24.2	50.8	64.3	139.3



## 7.2 Solid Waste

### Program Statement

#### **Mission**

The Solid Waste Program mission is to treat, store and dispose of a wide variety of solid material types consisting of multiple radioactive and hazardous waste classes.

#### **Strategy/Assumptions**

Certain workscope formerly planned to be conducted in government owned, contractor operated facilities will now be performed by private businesses, with the intention of performing the same work at reduced cost.

### Progress on Initiatives

#### **Reengineering**

Candidate projects are currently under review.

#### **Regulatory Streamlining**

Implementation of the Standards and Requirements Identification Document (S/RID) resulted in the transition of the Solid Waste program from a government environment to a business environment. This allowed focus on only those regulations and DOE orders that are applicable to the program.

## SCHEDULE 1

Program: Solid Waste

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	116.9	124.0	183.0	220.0	643.9
(2) FY95 Reported Savings (Schedule 2)					
(2.1) Deleted Workscope	(26.4)	(18.5)	(64.0)	(51.0)	(159.9)
(2.2) Efficiencies	(14.2)	(12.7)	(10.1)	(11.7)	(48.7)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(4.2)	0.0	0.0	0.0	(4.2)
(3.2) Workscope Transfers	(0.1)	0.0	0.0	0.0	(0.1)
(3.3) Workscope Additions - Accelerated	0.0	0.0	0.0	0.0	0.0
(3.4) Workscope Additions - New	5.5	1.8	0.0	0.0	7.3
(4) Prior Year Carryover Workscope	0.0	6.3	0.0	0.0	6.3
(5) FY95 MYPP Net of FY95 Actions	77.6	100.9	108.9	157.3	444.7
(6) FY96 Baseline Planning Actions (Schedule 3)					
(6.1) Deleted Workscope	N/A	(0.2)	(18.6)	(53.0)	(71.8)
(6.2) Workscope Deferrals	N/A	(16.4)	(32.8)	(54.2)	(103.4)
(6.3) Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4) Workscope Additions - New	N/A	1.0	1.0	1.2	3.2
(6.5) Net FY96 Planning Actions	N/A	(15.6)	(50.4)	(106.0)	(172.0)
(7) Revised MYPP Baseline					272.7
(7.1) Y/E FY 1995	77.6				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		85.3	58.5	51.3	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Solid Waste (SWD)		Savings					
FY95		Type	1995	1996	1997	1998	TOTAL
<u>C/R Number</u>	<u>Change Request Title</u>						
SWD-95-017	Update to the SWD FY95 MYPP Funding/Budget	Deletion	(7.7)				(7.7)
SWD-95-036*	WRAP 2A Productivity Savings	Deletion	(8.1)	(9.3)	(44.5)	(30.7)	(92.6)
SWD-95-037	SWD Uncosted Balance Reductions	Deletion	(3.5)				(3.5)
SWD-95-102	W-112 Infrastructure Reduction	Deletion	(1.5)				(1.5)
W-112-013*	W-112 Rebaseline	Deletion	(1.3)	0.0	(19.5)	(20.3)	(41.1)
SWD-95-046	W-113 Title I Design Rebaseline	Deletion		(9.2)			(9.2)
	Other		(4.3)	0.0	0.0	0.0	(4.3)
SubTotal Deletions			(26.4)	(18.5)	(64.0)	(51.0)	(159.9)
<u>Savings Actions</u>							
	ROF Activity	Efficiency					0.0
	Discretionary Savings/Underruns **	Efficiency	(14.2)	(12.7)	(10.1)	(11.7)	(48.7)
SubTotal Efficiency			(14.2)	(12.7)	(10.1)	(11.7)	(48.7)

<u>C/R Number</u>	<u>Narrative of Major Savings by Change Request</u>
SWD-95-017	Reductions from the FY95 MYPP as directed by RL. Deleted TRU drum retrieval, purchase of: 1)special case waste cask transporter, 2)automated drum inspection system, 3)ice blaster decontamination system, and reduction of LL decon in T Plant.
SWD-95-036	Reduction from the FY95 MYPP as directed by RL for commercialization. Deleted the FY95 funding and budget for WRAP 2A.
SWD-95-037	Capital "Uncosted" funding & budget reduction. Mostly deleted unspent balances from prior years.
SWD-95-102	Congressional Rescission: (RL directed) Infrastructure reduction due to deletion of WRAP2A. Removed maintenance & operations support capabilities from W-112.
W-112-013	Rebaseline W-112 based on definitive design estimate. Reduced funding based on refined estimates for the project.
SWD-95-046	Rebaseline W-113 based on Title I design report. Reduced funding based on refined estimates for the project.

- \* Outyear savings not documented in original change request, however these are the outyear impacts of this deletion.
  - \* \* SW FY95 underruns were achieved by process improvements, eliminating low-value, low-impact work, and simply working more efficiently.
- Some examples of these are: A procurement team was formed which streamlined activities, causing underruns and completed their workscope early; Canceling a move to the Stevens Center; merged 3 separate RCRA closure activities into one document;
- by using existing data in the SWITS system taking of unneeded samples was eliminated; eliminated unneeded training, travel and supplies.

## SCHEDULE 3

## Program: Solid Waste

	1995	1996	1997	1998	TOTAL
Deleted Workscope					
(1) Reduced rail car maintenance/certification to one of two cars		(0.2)			(0.2)
(2) Delete rail car maintenance/certification			(0.6)	(1.4)	(2.0)
(3) Reduced contaminated equipment storage/SNF activities in T Plant			(3.3)	(25.0)	(28.3)
(4) Deleted HVAC upgrade in T Plant Project C-077			(3.4)	(10.6)	(14.0)
(5) Reduced TRU storage activities in TRUSAF			(1.6)		(1.6)
(6) Reduced approach to operations of RMW trench			(1.5)	(3.1)	(4.7)
(7) Delete CERCLA disposal activities in support of environmental restoration			(1.8)		(1.8)
(8) Delete TRUSAF life extension/expansion upgrades (Project W-319)			(2.9)	(2.8)	(5.7)
(9) Operation of 616 Building			(3.4)	(0.9)	(4.3)
(10) Delete systems engineering				(0.6)	(0.6)
(11) Reduce CWC operations/maintenance				(0.4)	(0.4)
(12) Reduce TRU operation/maintenance				(2.3)	(2.3)
(13) Delete hazardous waste pre-designations of products for eventual disposal				(0.8)	(0.8)
(14) Use of T Plant for special case waste storage				(0.5)	(0.5)
(15) T Plant liquid waste double containment (W-259)				(4.8)	(4.8)
Total	0.0	(0.2)	(18.6)	(53.0)	(71.8)

## Workscope Deferred

(1) Reduced levels of contaminated equipment cleanup in T Plant		(4.9)	(10.5)	(4.6)	(20.0)
(2) Reduced equipment decon activities in 2706-T		(2.2)	(3.4)	(9.6)	(15.3)
(3) W-113 Project Deferral		(5.7)	(7.0)	(15.9)	(28.5)
(4) WRAP 2B on hold pending engineering reevaluation (Project W-255)			(2.4)	(2.1)	(4.5)
(5) Sodium treatment contract		(1.3)	(2.0)		(3.3)
(6) Thermal treatment of PCBs		(2.2)	(2.7)		(4.9)
(7) RMW treatment privatization			(1.3)		(1.3)
(8) TRU characterization activities			(2.4)	(1.5)	(3.9)
(9) TRU line operations in WRAP 1			(1.3)	(9.0)	(10.3)
(10) Thermal treatment privatization				(3.8)	(3.8)
(11) Startup/operations of two MW trenches (W-025)				(0.4)	(0.4)
(12) RCRA closure studies, permitting, NEPA for LLBG/TRUSAF				(4.9)	(4.9)
(13) RMW characterization/lab support activities				(0.8)	(0.8)
(14) TRANSFER TO BHI - ERDF trench				(1.8)	(1.8)
Total	0.0	(16.4)	(32.8)	(54.2)	(103.4)

## Workscope Additions - Accelerated

(1)					0.0
Total	0.0	0.0	0.0	0.0	0.0

## Workscope Additions - New

(1) Transfer of modular facilities from the Landlord program to the SW Program		1.0	1.0	1.2	3.2
Total	0.0	1.0	1.0	1.2	3.2

## 7.3 Liquid Effluent

### Program Statement:

#### **Mission**

The Liquid Effluent Program mission is to eliminate the use of the soil column for liquid effluent treatment and to manage current and future liquid effluent streams in a safe, responsible, cost effective and legally compliant manner.

#### **Strategy/Assumptions**

A key assumption of the program is that upgrades for maintenance and/or operations in the newer facilities will not be necessary for three to four years. The program also assumes that facilities can be operated effectively and safely on four shifts instead of five.

### Progress on Initiatives:

**Reengineering:** Reengineering efforts that resulted in significant cost savings included using actual experience as opposed to estimates as the basis for new facilities start up budget planning, and adopting commercial standards and practices for operations at the 300 Area Treated Effluent Disposal Facility.

**Regulatory streamlining:** Interactions with regulators were utilized to identify and implement cost savings. Included in this area was the re-evaluation of Best Available Technology for Phase II Streams. Regulator agreement was obtained to descope Project W252 by over \$20M.

### Expected FY 1996 Cost Savings

The program expects to be able to delete workscope related to reclassification of solid waste, reducing disposal requirements and costs.

## SCHEDULE 1

Program: Liquid Effluent

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	50.2	64.5	55.2	63.2	233.1
(2)	FY95 Reported Savings (Schedule 2)					
(2.1)	Deleted Workscope	(8.4)	(24.4)	(12.5)	(8.7)	(54.0)
(2.2)	Efficiencies	(1.2)	(2.1)	(2.1)	(2.2)	(7.6)
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(3.3)	3.3			0.0
(3.2)	Workscope Transfers	0.0				0.0
(3.3)	Workscope Additions - Accelerated	0.0				0.0
(3.4)	Workscope Additions - New	2.9				2.9
(4)	Prior Year Carryover Workscope	33.0				33.0
(5)	FY95 MYPP Net of F95 Actions	73.2	41.3	40.5	52.3	207.3
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(3.0)	(11.7)	(10.1)	(24.9)
(6.2)	Workscope Deferrals (W-302)	N/A	0.9	(1.7)	(14.2)	(15.0)
(6.3)	Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4)	Workscope Additions - New	N/A	0.0	0.0	0.0	0.0
(6.5)	Net FY96 Planning Actions	N/A	(2.1)	(13.4)	(24.3)	(39.9)
(7)	Revised MYPP Baseline					167.5
(7.1)	Y/E FY 1995	73.2				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		39.2	27.1	28.0	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

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## Hanford Cost Savings Plan

## SCHEDULE 2

Program:	Liquid Effluent	Savings Type	FY95 Reported Savings				
			1995	1996	1997	1998	TOTAL
<u>FY95 C/R Number</u>							
89L-EWW-007H	Proj W-007H	Deletion	(1.1)			(1.1)	
W-049-H	Proj W-049	Deletion	(2.2)			(2.2)	
92L-EWL-045H	Proj L-045	Deletion	(1.9)			(1.9)	
LET-95-017	Liquid Effluent FY 1995 Baseline Rev 2	Deletion	(1.0)			(1.0)	
W252-001, 002, 003	Phase II Liquid Effluent Treatment & Disposal (includes expense support)			(20.7)	(4.1)	(0.1)	(24.9)
LET-95-025*	200A ETF Revised Startup			(3.7)	(8.5)	(8.6)	(20.8)
	Other		(2.3)				(2.3)
SubTotal Deletions			(8.4)	(24.4)	(12.5)	(8.7)	(54.0)
<u>Savings Actions</u>							
	ROF Activity	Efficiency	(0.6)	(2.1)	(2.14)	(2.20)	(7.0)
	Discretionary Savings/Underruns	Efficiency	(0.6)	0.0	0.0	0.0	(0.6)
SubTotal Efficiency			(1.2)	(2.1)	(2.1)	(2.2)	(7.6)

<u>C/R Number</u>	<u>Narrative of Major Savings by Change Request</u>
89L-EWW-007H	Project W-007H (B Plant Treatment Facility): Completed ahead of schedule and under budget as a result of close coordination and involvement by the Project team during design and construction stages. Deletion of \$1.1M is a result of Project Closeout (4Cs).
W-049H	Project W-049H (200 Area Treated Effluent Disposal Facility): Expenditures reduced through the application of lessons learned from other Projects, excellent Project management, and improved teamwork and communication. Deletion of \$2.2M is a result of Project Closeout (4Cs).
92L-EWL-045H	Project L-045H (300 Area Treated Effluent Disposal Facility): Cost savings achieved through close coordination by an integrated management team consisting of WHC, KEH and the A/E. Deletion of \$1.9M is a result of Project Closeout (4Cs).
LET-95-017	RL directed scope deletions in Miscellaneous Streams, 200 Area Pump and Treat Option Study, and 200 Area ETF/LERF Flexibility.
W252-001,2,3	These change requests reduce the scope of Project W-252 to B-Plant/WESF. Regulator concurrence that existing treatment met requirements for BAT of Phase II Streams enabled this significant scope reduction, including expense support.
LET-95-025	Reduced operations, maintenance and administrative requirements at 200 Area ETF; based cost projections on actuals experience as opposed to estimates; and reduced the number of shifts from five to four.

\* Savings are impacts of this change request in FY 1996, 1997 and 1998 which are not shown in the change request itself.

## SCHEDULE 3

Program: Liquid Effluent

## FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) 200A LEF GPP Projects Deleted		(1.5)	(4.0)	(4.0)	(9.5)
(2) 300A LEF GPP Projects Deleted			(3.5)	(1.5)	(5.0)
(3) Misc Streams Plan & Sched Revised Approach		(0.3)	(0.2)	(0.5)	(1.0)
(4) Planned efficiencies		(1.2)	(4.0)	(4.2)	(9.3)
(5)					
Total	0.0	(3.0)	(11.7)	(10.1)	(24.9)
(6.2) Workscope Deferred					
(1) W302 Revised approach/Alternatives Study		0.9	(1.7)	(14.2)	(15.0)
Total	0.0	0.9	(1.7)	(14.2)	(15.0)
(6.3) Workscope Additions - Accelerated					
(1) None					0.0
Total	0.0	0.0	0.0	0.0	0.0
(6.4) Workscope Additions - New					
(1) None					0.0
Total	0.0	0.0	0.0	0.0	0.0



## 7.4 Transition Projects (EM-30)

### Program Statement:

#### **Mission**

The Facility Operations mission is to deactivate the B Plant facility, in preparation for turnover to EM-40 for final disposition of the facilities. In addition, the program will provide for safe and secure storage of cesium/strontium capsules in the Waste Encapsulation & Storage Facility (WESF).

#### **Strategy/Assumptions**

Cost savings strategies are mainly based on acceleration of facility deactivation; re-engineering efforts directed at the facilities as well as individual projects within the facilities; Activity Based Cost (ABC) estimating (including annual updates); reduction of overhead costs; and the continued ingenuity of the work force to find better ways to accomplish the mission. B Plant "Break-through" planning has resulted in accelerating the completion of deactivation from FY 2002 to FY 1998. As part of the "Break-through" planning, an ABC estimate was completed, which will result in savings.

### Progress on Initiatives:

#### **Reengineering**

B Plant/WESF re-engineering is ongoing through July 1996. Any savings resulting from this action will be realized mainly in the FY 1997-1998 time frame and will be factored into the FY 1997 Multi-Year Program Plan process.

### Expected FY 1996 Cost Savings

Savings are anticipated based on reengineering and ABC estimating.

## SCHEDULE 1

Program: Transition Projects (EM-30)

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	38.7	39.1	51.0	51.8	180.6
(2)	FY95 Reported Savings (Schedule 2)					
(2.1)	Deleted Workscope	(3.4)	(1.8)	(0.9)	(0.9)	(7.0)
(2.2)	Efficiencies	(1.9)	(1.4)	(1.1)	(1.1)	(5.5)
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(1.0)	1.2			0.2
(3.2)	Workscope Transfers	0.2				0.2
(3.3)	Workscope Additions - Accelerated	2.1	(1.6)		(0.2)	0.3
(3.4)	Workscope Additions - New	0.7				0.7
(4)	Prior Year Carryover Workscope					0.0
(5)	FY95 MYPP Net of FY95 Actions	35.5	35.5	49.0	49.6	169.6
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(4.7)	(15.4)	(11.1)	(31.2)
(6.2)	Workscope Deferrals	N/A	0.0	0.0	0.0	0.0
(6.3)	Workscope Additions - Accelerated	N/A	3.3	3.9	1.5	8.7
(6.4)	Workscope Additions - New	N/A	1.0	0.9	0.0	1.9
(6.5)	Net FY96 Planning Actions	N/A	(0.4)	(10.6)	(9.6)	(20.6)
(7)	Revised MYPP Baseline					149.0
(7.1)	Y/E FY 1995	35.5				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		35.1	38.4	40.0	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Transition Projects (EM-30)  
FY95

<u>C/R Number</u>	<u>Change Request Title</u>	Savings <u>Type</u>	FY95 Reported Savings				
			1995	1996	1997	1998	TOTAL
TP-95-004	Acceleration of IOTTECH Capsule Recovery	Deletion	(1.1)				(1.1)
TP-95-031	B-Plant Reduction of Work Scope	Deletion	(2.3)	(1.8)	(0.9)	(0.9)	(5.9)
SubTotal Deletions			(3.4)	(1.8)	(0.9)	(0.9)	(7.0)
<u>Savings Actions</u>							
	Discretionary Savings/Underruns	Efficiency	(1.9)	(1.4)	(1.1)	(1.1)	(5.5)
SubTotal Efficiency			(1.9)	(1.4)	(1.1)	(1.1)	(5.5)

C/R Number Narrative of Major Savings by Change Request

- TP-95-004 Additional funding was required in FY 95 to accelerate the return of Cesium Capsules from IOTTECH (Colorado) to the Waste Encapsulation Storage Facility (WESF). Part of this funding strategy was to reduce workscope requirements of other B-Plant/WESF activities. These scope deletions were reduced training requirements; reduced number of Continuous Air Monitors (CAMs) and Area Rad Monitors (ARMs); and reduced requirements for the Component-Based Recall System (CBRS).
- TP-95-031 Elimination of low-value work scope and other management initiatives at the B-Plant/WESF complex. Includes the modification of existing agitator rather than building new ones; discretionary spending constraints; reduced personnel development training; efficiencies in air duct clean out; elimination of non-essential computer video drawings; decreased lab analysis requirements for waste samples; and the use of off-site contractor for the WESF diesel tank removal. Out year impacts are a result of ROF Activity.

## SCHEDULE 3

Program: Transition Projects (EM-30)

FY96 Baseline Planning Actions

1995	1996	1997	1998	TOTAL
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## (6.1) Deleted Workscope

(1) Cesium Capsule Proj-Cancel Oak Ridge & Re-Timephase PNNL Recovery		(0.6)	(3.1)	0.6	(3.1)
(2) Asbestos Abatement Completed in '95		(0.7)			(0.7)
(3) Redesign Proj w-059 to Eliminate Excav. by using Isolation Bar		(0.2)	(2.8)	(1.7)	(4.7)
(4) Interim Safety Basis Completed in '95		(0.2)			(0.2)
(5) Surv & Maint Reductions Resulting from AHR* Activities		(0.6)	(7.0)	(7.6)	(15.2)
(6) WESF Coverblock Removal Completed in '95		(0.3)			(0.3)
(7) Indirect/Direct Support Rate Reductions		(2.1)	(2.5)	(2.4)	(31.2)
Total					

0.0	(4.7)	(15.4)	(11.1)	(62.1)
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\*Accelerated Hazard Reduction

## (6.2) Workscope Deferred

(1) None

Total

0.0	0.0	0.0	0.0	0.0
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## (6.3) Workscope Additions - Accelerated

(1) B-Plant Deactivation Acceleration

Total

	3.3	3.9	1.5	8.7
				0.0
0.0	3.3	3.9	1.5	8.7

## (6.4) Workscope Additions - New

(1) WESF Upgrades Required for Decoupling

(2) S/RIDS Compliance

Total

	0.6	0.9	0.0	1.5
	0.4			0.4
0.0	1.0	0.9	0.0	1.9

## 7.5 Spent Nuclear Fuels

### Program Statement:

#### **Mission**

The Spent Nuclear Fuel Project was established to remove spent nuclear fuel from existing facilities (the majority of the spent fuel currently resides in the K Basins) and construct new facilities to condition and contain the fuel prior to final disposition. The fuel will be stored for an interim period of approximately 40 years while awaiting final disposition.

#### **Strategy/Assumptions**

The refined business strategy to move the fuel to a new interim facility is referred to as the Accelerated Path Forward strategy. Through efforts of the SNF team, the completion of fuel removal from the basins will be completed by December 1999, approximately 3 years ahead of the original schedule.

### Progress on Initiatives:

The original estimates to complete these efforts were approximately \$1.1 billion. The SNF team has been able to reduce the estimated cost of the project to about \$730 million. This has been done through regulatory streamlining, use of existing Vitro building foundation for the interim storage of the fuel, project acceleration, and reengineering activities.

### Expected FY 1996 Cost Savings

Minimal cost savings are anticipated, however a small amount may be achieved through reengineering efforts, for example: cross training fuel movement personnel to ease ramping up and down of operation personnel. This may result in some cost avoidances as well (avoiding future increases to the program baseline).

No schedule 3 is attached because no savings have been realized for FY 1996.

## SCHEDULE 1

Program: Spent Nuclear Fuel (SNF)

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94) *	98.5	125.0	204.0	140.2	567.7
(2) FY95 Reported Savings (Schedule 2)					
(2.1) Deleted Workscope	(15.6)	11.0	(29.0)	(17.0)	(50.6)
(2.2) Efficiencies	(0.1)	0.0	0.0	0.0	(0.1)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	0.0				0.0
(3.2) Workscope Transfers	(0.9)				(0.9)
(3.3) Workscope Additions - Accelerated	6.3				6.3
(3.4) Workscope Additions - New	0.4				0.4
(4) Prior Year Carryover Workscope					0.0
(5) FY95 MYPP Net of FY95 Actions	88.7	136.0	175.0	123.2	522.9
(6) FY96 Baseline Planning Actions					
(6.1) Deleted Workscope	N/A	0.0	0.0	0.0	0.0
(6.2) Workscope Deferrals	N/A	0.0	0.0	0.0	0.0
(6.3) Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4) Workscope Additions - New	N/A	0.0	0.0	0.0	0.0
(6.5) Net FY96 Planning Actions	N/A	0.0	0.0	0.0	0.0
(7) Revised MYPP Baseline					522.9
(7.1) YE FY 1995	88.7				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		136.0	175.0	123.2	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Spent Nuclear Fuel (SNF)

FY95

C/R Number  
 SNF-95-003 Align SNF Project to Path Forward  
 SNF-95-008 Align FY 1995 Funds to Accelerated Path Forward\*

Savings

Type	1995	1996	1997	1998	TOTAL
Deletion	(9.4)				(9.4)
Deletion	(5.8)	11.0	(29.0)	(17.0)	(40.8)
Deletion					0.0
Other	(0.4)	0.0	0.0	0.0	(0.4)
Subtotal Deletions	(15.6)	11.0	(29.0)	(17.0)	(50.6)
ROF Activity					0.0
Discretionary Savings/Underruns	(0.1)				(0.1)
Subtotal Efficiency	(0.1)	0.0	0.0	0.0	(0.1)

Savings Actions

ROF Activity

Discretionary Savings/Underruns

Subtotal Efficiency

C/R Number Narrative of Major Savings by Change Request

SNF-95-003 This CR changed the original (MYPP) baseline to reflect the business strategy defined in the newly developed Program Management Plan. This new plan that describes the strategy for removing the Spent Fuel from the K Basins is called the Path Forward Strategy.

SNF-95-008 SNF Project was directed to accelerate the removal of fuel from the K Basins from December of 2000 to December of 1999. To achieve this 12 month acceleration, technical requirements were reviewed and thereby certain savings were identified, allowing acceleration of critical workscope.

\* The changes to the outyear budgets in the Spent Nuclear Fuel Project are as a result of the new direction for moving the fuel, "Path Forward". The requirements for path forward were defined and cost and schedule baselines were prepared. The resulting requirements replaced the preliminary estimates that were used to develop the FY 1995 MYPP for the outyears.

## 7.6 Analytical Services

### Program Statement

#### **Mission**

The mission of the Analytical Services Program is to provide sample management for the Hanford site programs. This involves "cradle to grave" support including Data Quality Objectives, field sampling support, sample analysis and Data Quality Management.

#### **Strategy/Assumptions**

Analytical Services will serve its customers by providing the highest quality services to site customers in a timely and cost-effective manner. And to manage the laboratories to meet or exceed current requirements and regulations. To reduce costs by re-engineering Analytical Services will focus on work processes and demonstration of technical competence and credibility in supporting site clean up tasks.

Total Quality Initiatives have been established to provide a vehicle for developing re-engineering and cost efficiency measures. Reduced customer requirements and lower base funding have been managed by consolidation of facilities and resources, and by work force restructuring.

Site wide requirements for Analytical Services have been reviewed and assistance provided to develop Data Quality Objectives for individual customers. Comparisons with commercial laboratories have led to a reduction in the number of contracted laboratories and further review of internal costs. Opportunities for productivity improvements are continually being sought and developed.

### Expected FY 1996 Cost Savings

The program expects to reduce resource requirements/delete workscope due to process improvements, and changes in maintenance training program, environmental updates and the number of Analytical Services special studies.



## SCHEDULE 1

Program: Analytical Services

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	72.9	68.1	74.7	94.4	310.1
(2) FY95 Reported Savings (see Schedule 2)					
(2.1) Deleted Workscope	(13.5)	(22.7)	(27.5)	(42.2)	(105.9)
(2.2) Efficiencies	(5.7)	(1.5)	(1.6)	(1.6)	(10.4)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(7.1)	7.4			0.3
(3.2) Workscope Transfers	0.0				0.0
(3.3) Workscope Additions - Accelerated	0.0				0.0
(3.4) Workscope Additions - New	4.1				4.1
(4) Prior Year Carryover Workscope					0.0
(5) FY95 MYPP Net of FY95 Actions	50.7	51.3	45.6	50.6	198.2
(6) FY96 Baseline Planning Actions (see Schedule 3)					
(6.1) Deleted Workscope	N/A	(9.9)	(6.6)	(11.2)	(27.7)
(6.2) Workscope Deferrals	N/A	0.7	(3.2)	(4.8)	(7.3)
(6.3) Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4) Workscope Additions - New	N/A	7.9	1.7	1.1	10.7
(6.5) Net FY96 Planning Actions	N/A	(1.3)	(8.1)	(14.9)	(24.3)
(7) Revised MYPP Baseline					173.9
(7.1) Y/E FY 1995	50.7				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		50.0	37.5	35.7	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Analytical Services		Savings					
FY95							
<u>C/R Number</u>	<u>Change Request Title</u>	<u>Type</u>	1995	1996	1997	1998	TOTAL
AS-E95-003	Baseline Reduction to Fund WM Budget Shortfalls	Deletion	(1.8)				(1.8)
AS-E95-007	EM-30 Budget Recission	Deletion	(3.1)	(15.4)	(19.7)	(29.6)	(67.8)
AS-E95-010 (a)	Analytical Services Workscope Improvements	Deletion	(7.2)	(7.3)	(7.8)	(12.6)	(34.9)
YL-C95-001	Analytical Services CENRTC Uncosted Reduction	Deletion	(2.1)				(2.1)
	Other		0.7				0.7
	Subtotal Deletions		(13.5)	(22.7)	(27.5)	(42.2)	(105.9)
<u>Savings Actions</u>							
(a)	ROF Activity	Efficiency	(1.1)	(1.5)	(1.6)	(1.6)	(5.8)
(a)	Discretionary Savings/Underruns	Efficiency	(4.6)				(4.6)
	Subtotal Efficiency		(5.7)	(1.5)	(1.6)	(1.6)	(10.4)

C/R Number      Narrative of Major Savings by Change Request

AS-E95-003	The 325 Laboratory hot cell renovations were canceled and support to the 325 room renovations was reduced and later eliminated due to a restructuring of the 325 Laboratory from a high-level analytical chemistry laboratory to a research and development laboratory. This activity supported DOE waste management funding shortfalls.
AS-E95-007	The restructuring of the Analytical Chemistry Laboratory from a high-level analytical chemistry laboratory to a research and development laboratory supported the \$3.1 M DOE-HQ-directed budget recission.
AS-E95-010	Documents Analytical Services cost savings achieved through workscope reductions, process improvements, and methods development.
YL-C95-001	Supports the DOE-HQ sitewide-directed uncosted CENRTC and capital budget reductions.

(a) Analytical Services FY 1995 yearend cost variance is \$12.9M. However, \$8.3M (including \$1.1M for ROF Activity) is documented on approved CIN AS-E95-010. This change request was approved at yearend but not implemented in the Financial Data System.

## SCHEDULE 3

Program: Analytical Services

## FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) W-087 Project descoped		(5.6)	0.0	0.0	(5.6)
(2) LIMS Enhancements and Upgrades descoped		(0.5)	(1.0)	(0.5)	(2.0)
(3) Facility Life Extensions descoped			(1.0)	(0.8)	(1.8)
(4) Reduction in projects requirement (GPP/line items)		(2.0)	(2.0)	(7.2)	(11.2)
(5) Expense support to projects reduced (lack of projects)		(1.1)	(1.5)	(1.6)	(4.2)
(6) Downscale 222-S Process Improvements Program		(0.7)	(1.1)	(1.1)	(2.9)
Total		(9.9)	(6.6)	(11.2)	(27.7)
(6.2) Workscope Deferred					
(1) Transfers to other programs		(3.2)	(6.2)	(7.8)	(17.2)
(2) Transfer from TWRS to Analytical Services		5.0	5.0	5.0	15.0
(3) CENRTC Reduction		(1.1)	(2.0)	(2.0)	(5.1)
Total	0.0	0.7	(3.2)	(4.8)	(7.3)
(6.3) Workscope Additions - Accelerated					
(1) None					0.0
Total	0.0	0.0	0.0	0.0	0.0
(6.4) Workscope Additions - New					
(1) W178, 219-S Secondary Containment expense support		0.4			0.4
(2) W-087, 222-S Radioactive Waste Transfer expense support		0.6			0.6
(3) Special Initiatives		1.6	0.7	1.1	3.4
(4) 1706-KE Transition Activities		1.0			1.0
(5) Sample Backlog Waste Return		1.0			1.0
(6) 222-S Laboratory Steam Replacement		1.0			1.0
(7) 222-S Facility Life Extension (room renovations)		1.8			1.8
(8) 222-S Interim Safety Basis/Facility Safety Analysis Report		0.5	1.0		1.5
Total	0.0	7.9	1.7	1.1	10.7

## 7.7 Waste Management & Operations Compliance

### Program Statement

#### **Mission**

The mission of the EM-30 Waste Management and Operations Compliance Program is to ensure compliant operations at Pacific Northwest National Laboratory (PNNL) in support of science and technology development for the Hanford Site cleanup activity.

#### **Strategy/Assumptions**

In addition to the continued benefits afforded by the ACE program, the strategies for achieving additional cost savings during FY 1996 and beyond include continued discussions with regulatory agencies to achieve cost effective compliance. PNNL will continue to re-evaluate the cost drivers and regulatory compliance requirements associated with the mission of this program, and with the support of DOE planning guidance, will reduce project levels to meet minimum safe and compliant operations within the reduced budget levels. While there is increased risk with this strategy, our operations will continue to present no threat to on-site workers or the off-site public.

### Progress on Initiatives

#### **Regulatory Streamlining**

Efforts have been initiated between the Department of Energy and the Hanford Stakeholders to implement innovative and cost saving solutions for the Hanford cleanup mission. To achieve success, some of these activities required significant reengineering; however, the major thrust was in the regulatory compliance area. Items of particular note are:

- Relocation of containerized remote handled mixed waste from the 324 Building to the PUREX tunnels. Approval to utilize this disposal pathway will yield an estimated cost savings of ~\$2M in FY96.
- Regulatory support to allow evaporation and precipitation of high level Liquid Mixed Waste from the 324 Building will avoid increased waste generation resulting in an estimated cost savings of ~\$1.2M in FY96.
- Regulatory support has been granted for alternative tank inspection methods in the 325 Building which will generate an annual savings of \$500K beginning in FY96 and continuing through the outyears.

#### **Indirect/Direct Support Cost Reductions**

The Pacific Northwest National Laboratory (PNNL) has committed to a program of comprehensive improvement initiatives called ACE (Achieving the Competitive Edge). ACE is focused on increasing the value and productivity of the Laboratory. In order to institutionalize the Laboratory's cost reduction and productivity improvement methodology/goals, the ACE program has focused on two cost reduction priorities: 1) reduce the cost of PNNL operations through aggressive goals to decrease charge-out rates and increase the research/support staff ratio; 2) remove low-value work from the organization so that cost reductions are sustainable. For PNNL in whole, the ACE program has yielded an overhead cost reduction of 20% (\$45M) from FY95 to FY96, with an additional reduction of \$15M projected for FY97. These indirect savings have provided a direct benefit to PNNL's Waste Management and Operations Compliance Program. In addition, ACE breakthrough teams have been successful in identifying and implementing the elimination of low value work from the Laboratory. Successes in the areas of procurement, property management, engineering and modifications, and facility maintenance have resulted in direct cost reductions to the Waste Management and Operations Compliance Program.

#### **Reengineering**

The program has been able to reduce liquid effluent sampling and analysis by instituting facility management

plans based on ongoing processes within the facilities. These plans allow for the elimination of monitoring and analysis in low risk facilities.

**Privatization**

Where cost effective, subcontracts are utilized in the areas of waste management services, hot-cell glass maintenance and recycling of sanitary waste.

**Projectization**

All subactivities in this program were defined to activity based levels and the drivers for the work were identified. Where regulatory requirements permitted, this effort served as the basis for reengineering and future cost savings in the Waste Management, Effluent Management, Surveillance and Maintenance, and other areas of operational compliance.

**Expected FY 1996 Cost Savings**

No additional savings for FY 1996 have been identified at this time.

## SCHEDULE 1

Program: Waste Management &amp; Operations Compliance (WBS 1.7.1)

(EM Related)

Baseline Analysis

	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	\$44.6	\$31.2	\$34.0	\$47.9	\$157.7
(2) FY95 Reported Savings (see Schedule 2)					
(2.1) Deleted Workscope	(\$1.3)	\$0.0	\$0.0	\$0.0	(\$1.3)
(2.2) Efficiencies	(\$1.8)	\$0.0	\$0.0	\$0.0	(\$1.8)
(2.2) Deleted B/A					\$0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(\$0.7)				(\$0.7)
(3.2) Workscope Transfers	(\$14.3)				(\$14.3)
(3.3) Workscope Additions - Accelerated	\$0.1	(\$0.1)			\$0.0
(3.4) Workscope Additions - New	\$2.6				\$2.6
(4) Prior Year Carryover Workscope	\$1.4				\$1.4
(5) FY95 MYPP Net of FY95 Actions	\$30.6	\$31.1	\$34.0	\$47.9	\$143.6
(6) FY96 Baseline Planning Actions (see Schedule 3)					
(6.1) Deleted Workscope	\$0.0	(\$8.1)	(\$17.7)	(\$30.3)	(\$56.1)
(6.2) Workscope Deferrals	\$0.0	(\$1.5)	\$0.0	\$0.0	(\$1.5)
(6.3) Workscope Additions - Accelerated	\$0.0	\$3.8	\$1.0	\$0.0	\$4.8
(6.4) Workscope Additions - New	\$0.0	\$7.6	\$5.3	\$1.9	\$14.8
(6.5) Net FY96 Planning Actions	\$0.0	\$1.8	(\$11.4)	(\$28.4)	(\$38.0)
(7) Revised MYPP Baseline					\$105.6
(7.1) Y/E FY 1995	\$30.6				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		\$32.9	\$22.6	\$19.5	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Waste Management &amp; Operations Compliance (WBS 1.7.1)

FY95 (EM Related)

C/R Number Narrative of Major Savings Action

\*PWM95-036 Refrigerant Replacements not performed  
 \*PWM95-038 Alternate approaches to SRID's, Industrial Safety & Hygiene  
 SubTotal Deletions

Savings

Type	1995	1996	1997	1998	TOTAL
Deletion	(\$0.2)				(\$0.2)
Deletion	(\$1.1)				(\$1.1)
	(\$1.3)	\$0	\$0	\$0	(\$1.3)

Savings Actions

Discretionary savings/underruns  
 B-Cell shipments to PUREX  
 SubTotal Efficiency

Efficiency	(\$1.6)		\$0	\$0	(\$1.6)
Efficiency	(\$0.2)				(\$0.2)
	(\$1.8)	\$0	\$0	\$0	(\$1.8)

\* C/R not approved; work not performed

## SCHEDULE 3

Program: Waste Management &amp; Operations Compliance (WBS 1.7.1)

(EM Related)

FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) In accordance with DOE planning guidance and reduced budget levels, elimination of work above and beyond the minimum safe and compliant level		(\$5.9)	(\$15.3)	(\$26.9)	(\$48.1)
(2) Overhead Reductions as a result of ACE and other PNNL initiatives		(\$2.2)	(\$2.4)	(\$3.4)	(\$8.0)
Total	\$0.0	(\$8.1)	(\$17.7)	(\$30.3)	(\$56.1)
(6.2) Workscope Deferred					
(1) Removal of CsCl from 300 area		(\$1.5)			(\$1.5)
Total	\$0.0	(\$1.5)	\$0.0	\$0.0	(\$1.5)
(6.3) Workscope Additions - Accelerated					
(1) B-Cell Clean out to accommodate PUREX disposal pathway		\$3.8	\$1.0		\$4.8
Total	\$0.0	\$3.8	\$1.0	\$0.0	\$4.8
(6.4) Workscope Additions - New					
(1) 325 Surveillance & Maintenance		\$3.4	\$2.9	\$1.9	\$8.2
(2) High-Level Vault clean-out/Environmental Compliance		\$2.8			\$2.8
(3) FY95 MYPP adjustment		\$0.7			\$0.7
(4) Program Management		\$0.7			
(5) CsCl Safety Program			\$2.4		\$2.4
Total	\$0.0	\$7.6	\$5.3	\$1.9	\$14.1



## 7.8 Public Safety and Resource Protection

### Program Statement

#### **Mission**

The mission of the EM-30 Public Safety and Resource Protection Program is to monitor the Hanford environment to protect public safety and Hanford land and facility resources. This program provides integrated assessments of the impact of Hanford's operations on the environment to assure the safety of the public and Hanford workers.

#### **Strategy/Assumptions**

The strategies for achieving additional cost savings include continued discussions with regulatory agencies to move towards cost effective compliance. However, at the current funding levels, regulators believe the budgets are inadequate to meet minimum requirements. It is assumed that regulatory support and cooperation will be available to reduce cost and implement innovative solutions for the program mission.

### Progress on Initiatives

#### **Indirect/Direct Support Cost Reductions**

The Pacific Northwest National Laboratory (PNNL) has committed to a program of comprehensive improvement initiatives called ACE (Achieving the Competitive Edge). ACE is focused on increasing the value and productivity of the Laboratory. In order to institutionalize the Laboratory's cost reduction and productivity improvement methodology/goals, the ACE program has focused on two cost reduction priorities: 1) reduce the cost of PNNL operations through aggressive goals to decrease charge-out rates and increase the research/support staff ratio; 2) remove low-value work from the organization so that cost reductions are sustainable. For PNNL in whole, the ACE program has yielded an overhead cost reduction of 20% (\$45M) from FY95 to FY96, with an additional reduction of \$15M projected for FY97. These indirect savings have provided a direct benefit to PNNL's Public Safety and Resource Protection Program. In addition, ACE breakthrough teams have been successful in identifying and implementing the elimination of low value work from the Laboratory. Successes in the areas of procurement and property management have resulted in direct cost reductions to the Public Safety and Resource Protection Program.

#### **Projectization**

All subactivities in this program were defined to activity based levels and the drivers for the work were identified. This effort allowed for prioritization activities and identification of lower value work that did not contribute to the ultimate outcomes that was deleted from the program.

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Hanford Cost Savings Plan

## SCHEDULE 1

Program: Public Safety Resource Protection (WBS 1.7.2)  
(EM Related)

## Baseline Analysis

	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	\$0.0	\$14.7	\$16.0	\$16.3	\$47.0
(2) FY95 Reported Savings (see Schedule 2)					
(2.1) Deleted Workscope	(\$1.5)	\$0.0	\$0.0	\$0.0	(\$1.5)
(2.2) Efficiencies	(\$1.4)	\$0.0	\$0.0	\$0.0	(\$1.4)
(2.2) Deleted B/A					\$0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals					\$0.0
(3.2) Workscope Transfers	\$14.3				\$14.3
(3.3) Workscope Additions - Accelerated					\$0.0
(3.4) Workscope Additions - New	\$0.6				\$0.6
(4) Prior Year Carryover Workscope	\$0.3				\$0.3
(5) FY95 MYPP Net of FY95 Actions	\$12.3	\$14.7	\$16.0	\$16.3	\$59.3
(6) FY96 Baseline Planning Actions (see Schedule 3)					
(6.1) Deleted Workscope	\$0.0	(\$5.4)	(\$7.8)	(\$9.0)	(\$22.2)
(6.2) Workscope Deferrals	\$0.0	(\$1.1)	(\$1.4)	(\$1.4)	(\$3.9)
(6.3) Workscope Additions - Accelerated	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
(6.4) Workscope Additions - New	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
(6.5) Net FY96 Planning Actions	\$0.0	(\$6.5)	(\$9.2)	(\$10.4)	(\$26.1)
(7) Revised MYPP Baseline					\$33.2
(7.1) Y/E FY 1995	\$12.3				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		\$8.2	\$6.8	\$5.9	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

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Hanford Cost Savings Plan

## SCHEDULE 2

## FY95 Reported Savings

Program: Public Safety and Resource Protection (WBS 1.7.2)

FY95 (EM Related)

C/R Number Narrative of Major Savings Action

PWM95-032 Reduce weather forecast support, data collection and analysis, Cultural Resource protection, Hanford Dose Overview Panel, cosampling with Department of Health, eliminate peer reviews of projects, public outreach activities, Nature Conservancy grant.

Savings

Type

1995	1996	1997	1998	TOTAL

Deletion

(\$1.5)

(\$2.0)

SubTotal Deletions

(\$1.5)	\$0.0	\$0.0	\$0.0	(\$2.0)
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Savings Actions

Discretionary savings and use of subcontracts

Efficiency

(\$1.4)

\$0.0

\$0.0

(\$1.0)

\$0.0

SubTotal Efficiency

(\$1.4)	\$0.0	\$0.0	\$0.0	(\$1.0)
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## SCHEDULE 3

Program: Public Safety and Resource Protection (WBS 1.7.2)

(EM Related)

FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) Meteorology reduced to one shift on week-ends		(\$0.4)	(\$0.4)	(\$0.4)	(\$1.2)
(2) Reduce environmental surveillance activities		(\$1.4)	(\$1.4)	(\$1.4)	(\$4.2)
(3) Eliminate groundwater characterization		(\$1.0)	(\$1.0)	(\$1.0)	(\$3.0)
(4) Reduction in groundwater monitoring		(\$0.4)	(\$0.4)	(\$0.4)	(\$1.2)
(4) Reduction in public outreach & grant programs		(\$0.8)	(\$0.8)	(\$0.8)	(\$2.4)
(5) Other Hanford Environmental Monitoring activities		(\$0.4)	(\$2.8)	(\$3.9)	(\$7.1)
(6) Overhead Reductions as a result of ACE and other PNNL initiatives		(\$1.0)	(\$1.0)	(\$1.1)	(\$3.1)
Total	\$0.0	(\$5.4)	(\$7.8)	(\$9.0)	(\$22.2)
(6.2) Workscope Deferred					
(1) Transfer surveys of cultural sites		(\$1.1)	(\$1.1)	(\$1.1)	(\$3.3)
(2) Transfer cost of ecological compliance baseline surveys outside of fenced industrial areas			(\$0.3)	(\$0.3)	(\$0.6)
Total	\$0.0	(\$1.1)	(\$1.4)	(\$1.4)	(\$3.9)
(6.3) Workscope Additions - Accelerated					
(1) None					\$0.0
Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
(6.4) Workscope Additions - New					
(1) None					\$0.0
Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

## 7.9 Miscellaneous Programs

### Program Statement

#### **Mission**

The mission of the EM-30 Miscellaneous Programs is to support the Hanford environment, to protect public safety, Hanford land, and facility resources. The Programs include: RCRA (Resource Conservation and Recovery Act), Operational Monitoring, Hanford Environmental Management Program (HEMP)/TPA Management, Waste Minimization, Inventories, and Planning & Integration. EM-20 activities (transportation and Hazardous Materials Management and Emergency Response: a.k.a. HAMMER) are also included as part of the miscellaneous programs.

More specifically, the ROM Program was focused on five specific goals in FY 1995, and again in FY 1996, as follows: (1) Establish, operate, maintain and close groundwater monitoring systems to satisfy Resource Conservation and Recovery Act (RCRA) regulations and DOE orders, (2) Establish, operate, maintain and close operational effluent monitoring systems to satisfy Clean Air Act (CAA), Clean Water Act (CWA), and DOE orders, (3) Compile, validate, interpret, and report data from RCRA and Operational Groundwater Monitoring and Operational "Near Field" (air and surface) Effluent Monitoring Systems, (4) Maintain and operate Hanford and Eastern Washington seismic network and advanced geophysical logging capability, and (5) Provide surface monitoring for worker access safety in accordance with DOE orders.

#### **Strategy/Assumptions**

The strategies for achieving additional cost savings include continued discussions with regulatory agencies to move towards cost effective compliance. It is assumed that regulatory support and cooperation will be available to reduce cost and implement innovative solutions for the program mission.

### Progress on Initiatives

Details documenting the savings in FY 1995 and FY 1996 for the EM-30 programs are identified in the schedules that follow.

No savings have been identified for the EM-20 programs, in fact workscope has been added to their baseline for each year due to emerging requirements. Some programs have been able to claim cost savings because of the investment that is being made in the HAMMER program/facility.

### Expected FY 1996 Cost Savings

#### **ROM REENGINEERING:**

Finding new and better ways of getting ROM funded work scope done in FY 1996, was the primary way envisioned to enable the ROM program to accomplish its mission with reduced levels of funding. Specific actions planned and implemented are:

1. Reduced Program Management oversight and day-to-day program management. This has occurred.
2. Reduced frequency of publication and distribution of legally, and procedurally required annually, quarterly, and monthly reports. This has been agreed to in several instances by Federal and state of Washington regulators in FY 1996.
3. Elimination of National Emissions Standards for Hazardous Air Pollutants (NESHAP) Compliance "Other -Toxics" work scope. This was a "good business practice" and long term investment effort not required by legal drivers. This work scope has been eliminated in FY 1996.
4. Groundwater sampling and analysis funding for laboratory costs will be reduced by approximately 20%. This is being achieved in FY 1996.
5. Approximately 25% to 30% of surface, road, and rail Effluent and Environmental Monitoring for possible spread

of radionuclides will be eliminated. This is being achieved in FY 1996.

6. A large portion of scheduled groundwater well decommissioning will be eliminated. This may happen in FY 1996. This cost account is currently over running its present budget. This Hanford site-wide service may be terminated one to two months before the end of this fiscal year if the current rate of spending is not significantly cut back or additional funds provided for elsewhere within the ROM Program.
7. Vadose Zone (the area between the earth's surface and the ground water) Monitoring outside of the Tank Farms areas will have to be "moth balled" in FY 1996 due to no legal drivers and, therefore, no funding beyond FY 1996. A written plan for "moth balling" is to be completed by June 1, 1996.

All other programs in this section report no identifiable cost savings for the balance of FY 1996.

## SCHEDULE 1

Program: Miscellaneous Programs

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	50.7	68.0	68.1	81.6	268.4
(2) FY95 Reported Savings (Schedule 2)					
(2.1) Deleted Workscope	(9.0)	(5.0)	(5.2)	(5.9)	(25.1)
(2.2) Efficiencies	(5.7)	(3.7)	(3.8)	(3.9)	(17.1)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(3.5)				(3.5)
(3.2) Workscope Transfers	0.5	(0.2)	(0.2)	(0.2)	(0.1)
(3.3) Workscope Additions - Accelerated	0.5				0.5
(3.4) Workscope Additions - New	9.9				9.9
(4) Prior Year Carryover Workscope		4.5			4.5
(5) FY95 MYPP Net of FY95 Actions	43.4	63.6	58.9	71.6	237.5
(6) FY96 Baseline Planning Actions (Schedule 3)					
(6.1) Deleted Workscope	N/A	0.0	(7.7)	(14.8)	(22.5)
(6.2) Workscope Deferrals	N/A	(0.9)	(2.6)	(21.2)	(24.6)
(6.3) Workscope Additions - Accelerated from FY 98	N/A	0.5	0.0	0.0	0.5
(6.4) Workscope Additions - New	N/A	3.0	3.3	1.8	8.1
(6.5) Net FY96 Planning Actions	N/A	2.6	(6.9)	(34.2)	(38.5)
(7) Revised MYPP Baseline					199.0
(7.1) Y/E FY 1995	43.4				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		66.2	52.0	37.4	

\*WMin is removed from site baseling in FY 1998

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Miscellaneous Programs  
FY95

C/R Number	Activity	Savings Type	Savings				
			1995	1996	1997	1998	TOTAL
R4-E95-010	Activity Data Sheets 7340-0 and 7340-1 Exp. Reprogrammed	Deletion	(1.1)				(1.1)
R4-C95-013	Reprogram \$.6M Uncosted FY 1995 CENRTC Funds	Deletion	(0.6)	(2.0)	(1.5)	(2.0)	(6.1)
R4-E95-014	Activity Data Sheet 7340-0 Exp. Recission	Deletion	(0.7)				(0.7)
Y2-95-003	Directed Baseline Change	Deletion	(1.6)				(1.6)
Y2-95-004	1.8.2.4 Systems Engineering Directed Change	Deletion	(1.2)				(1.2)
R5-95-001	FY 1995 Baseline Adjustments	Deletion	(3.0)	(2.9)	(3.6)	(3.8)	(13.3)
RI-95-008	CENRTC-UNIX Computer Procurement	Deletion	(0.1)				(0.1)
RI-95-009*	Impl. Tri-Party Agreement Change Pkg M-35-95-01	Deletion	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
	Other		(0.6)				(0.6)
SubTotal Deletions			(9.0)	(5.0)	(5.2)	(5.9)	(25.1)

Savings Actions

ROF Activity	Efficiency	(1.1)	(2.9)	(3.0)	(3.1)	(10.1)
Discretionary Savings/Underruns	Efficiency	(4.6)	(0.8)	(0.8)	(0.8)	(7.0)
SubTotal Efficiency		(5.7)	(3.7)	(3.8)	(3.9)	(17.1)

C/R Number Narrative of Major Savings by Change Request

- R4-E95-010 A \$1.1 million reduction in expense funds; \$800K from ADS 7340-0 and \$300K from ADS 7340-1. Funds were reprogrammed, per DOE-RL direction, to other critical, higher priority work scope at Hanford. Actual savings were achieved by reducing the types of radionuclides sampled to the minimum required by directives and regulations; and reducing the frequency of samples taken and sent to laboratories for those remaining radionuclides of concern. Elimination of expense support for groundwater well installation also occurred.
- R4-C95-013 Four Capital Equipment Not Related To Construction (CENRTC) items on order in FY 95 were canceled; savings of \$361K achieved. Planned, subsequent FY 95 CENRTC purchases were not ordered. All future CENRTC planning was stopped; an additional \$239K in savings was realized.
- R4-E95-014 Over \$295K savings in Health Physics Technician sampling reductions and efficiencies; \$145K in groundwater management sampling and reporting cost reductions; \$31K in elimination of 2727-S storage facility restoration costs; \$174K reduction due to Hanford-wide November 1994 overhead rate changes.
- R5-95-001 FY 1995 Baseline Adjustments: 1.) Reduce FY 95 inventory growth funding from \$3,001K to zero, 2.) Remove the Material Control Administration and Warehouse Administration/Storekeeper workscope from the inventory ADS, and 3.) Request carryover to cover prior year commitments and to fund the program support and inventory warehouse occupancy workscope (This change request did not document or reflect the outyear impacts, but these are, in fact, the out year impacts of the baseline change).
- RI-95-008 CENRTC-UNIX Computer Procurement Cancellation (updated rather than replaced data management computer system)
- RI-95-009\* Implement Tri-Party Agreement Change Pkg. M-35-95-01. Tri-Party Agreement (TPA) Regulator Access to Hanford Databases (Discontinuation of access to regulators not utilizing Hanford Computer Resources). \*These outyear impacts are not documented on the change request, these are in fact the outyear impacts of this baseline change.



## SCHEDULE 3

## Program: Miscellaneous Programs

## FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) CENRTC Items & Future Procurements Cancel. (RCRA)			(1.5)		(1.5)
(2) Line Item Project W-152 funding deleted in FY98 (RCRA)				(10.0)	(10.0)
(3) Air, Groundwater, and Surface Samples & Analyses (RCRA)				(1.2)	(1.2)
(4) Various work scope deletions to get to "Target" (RCRA)			(4.6)	(1.8)	(6.4)
(5) Reduced costs required to support Mapping and Marking (HEMP)			(1.1)	(1.3)	(2.4)
(6) Record Keeping Computer System (CENRTC) (HEMP)			(0.3)		(0.3)
(7) Reduced support required for RCRA Permit/Air Activities (HEMP)			(0.2)	(0.5)	(0.7)
Total	0.0	0.0	(7.7)	(14.8)	(22.5)

## (6.2) Workscope Deferred

(1) Line Item Project W-420; until FY99 (RCRA)				(5.0)	(5.0)
(2) Groundwater Well Maint. & Decomm.; until exp. funds avail. (RCRA)				(4.0)	(4.0)
(3) Other workscope; until expense/CENRTC funds avail. (RCRA)				(2.7)	(2.7)
(4) Rebaselined Program (P&I)			(0.2)	(6.0)	(6.2)
(5) Pro-rated program management (HEMP)			(0.1)	(0.1)	(0.3)
(6) Partial support to Hanford Facility RCRA Permit compliance activities (HEMP)			(0.4)	(0.7)	(1.1)
(7) All support to regulator access to databases (HEMP)			(0.2)	(0.2)	(0.4)
(8) Partial support to reg. inspections/crosscut noncompliance (HEMP)			(0.2)	(0.2)	(0.4)
(9) Overall NEPA compliance strategies (HEMP)			(0.2)	(0.2)	(0.4)
(10) Partial support for TPA, crosscutting, or renegotiation (HEMP)		(0.2)	(0.3)	(0.9)	(1.3)
(11) Support for producing resource loaded schedules (PX) (HEMP)		(0.1)	(0.1)	(0.1)	(0.3)
(12) Sitewide (NEPA) EIS support (HEMP)		(0.2)	(0.2)	(0.3)	(0.7)
(13) Support to evaluation of low value environ. requirements (HEMP)		(0.2)	(0.2)	(0.2)	(0.6)
(14) Transfer; change responsibility of programs (HEMP)		(0.2)	(0.4)	(0.6)	(1.2)
Total	0.0	(0.9)	(2.6)	(21.2)	(24.6)

## (6.3) Workscope Additions - Accelerated

(1) Well decommissioning; from FY 98 (RCRA)		0.5			0.5
Total	0.0	0.5	0.0	0.0	0.5

## (6.4) Workscope Additions - New

(1) Agreement in Principle for M-33 Milestone (RCRA)		0.3			0.3
(2) Additional P2OAs and site-wide awareness activities (WMin)			0.6	0.1	0.7
(3) Transition (P&I)		1.0			1.0
(4) System Enhancement (PTS, ADS) (P&I)		0.6			0.6
(5) Project Managers Notebook (P&I)		0.5			0.5
(6) Other (P&I)		0.6			0.6
(7) Hammer Training (EM-20)			2.7	1.7	4.4
Total	0.0	3.0	3.3	1.8	8.1

## 7.10 Environmental Restoration

### Program Statement

#### **Mission**

The Environmental Restoration (ER) Project is responsible for the remediation of over 1,400 sites, which include 72 Operable Units (62 source and 10 groundwater). The mission of the ER Project is to perform clean-up activities to preserve, protect, or restore the Hanford Site to allow other beneficial uses.

#### **Strategy/Assumptions**

The ER project will strive to protect the safety & health of workers and the public, minimize harmful effects to the environment, and control hazardous and radioactive materials in a safe condition. The ER Program will balance the use of natural environmental processes, focus research and development on the needs of the project, use cost-effective, state-of-the-art, innovative science, engineering, and technology for aggressive restoration, while considering stakeholder values, current and future land use, and lifecycle cost effectiveness.

### Progress on Initiatives

The estimated costs for remedial action have been reduced significantly. Contributors to these reductions include lower volumes of soil to be excavated in the 100 and 300 areas; deletion of the requirement of a vertical barrier planned for the 100-N Area; less costly designs for caps and barriers; and earlier than expected operation of the Environmental Restoration Disposal Facility. These savings were the result of improvements in planning and conduct of remedial actions. Another important savings innovation is the bias-for-action approach which utilizes an observational approach to site remediation. The net result is the ability to complete field remediation in an expedient and cost effective manner.

The goal of the ER Project Cost Savings Plan is to improve the way we do business through fostering implementation of cost effective commercial practices that reduce costs and increase efficiencies in support of the Hanford Cleanup mission. That can be done by utilizing successful commercial corporations practices and methods to continuously look for ways to do more for less. All ER personnel and contractors are continually encouraged to submit ideas and suggestions on how we can perform our activities faster, easier, and better.

The Plan reinforces the continual improvement of work processes, to challenge the status quo, to be innovative, and to prudently and efficiently spend time and money. Reduced funding challenges ahead, reinforce the need for a continually improving work force which has skills and tools to implement innovative, "best in class" business practices.

All areas of the ER Program will be monitored for possible cost savings. Every employee and contractor have been tasked with making cost savings an integral part of their job. Evaluation and approval of cost savings is done by existing management personnel and is part of the normal work process.

The ER Team participates in related cost savings quality improvement teams, strategic planning groups, and other groups that can provide viable alternative methods, guidance and direction to continually improve the ER Project.

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Hanford Cost Savings Plan

## SCHEDULE 1

Program: Environmental Restoration

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94) (FY95 Work Plan + FY94 Project Plan)	227.0	211.3	215.4	219.6	873.3
(2) FY95 Reported Savings (Schedule 2)					
(2.1) Deleted Workscope	(8.5)	0.0	0.0	0.0	(8.5)
(2.2) Efficiencies	(48.4)	(28.1)	(18.4)	(30.7)	(125.6)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(11.1)	10.6	0.7	0.0	0.2
(3.2) Workscope Transfers (deletion to USACE)	(9.4)	0.0	0.0	0.0	(9.4)
(3.3) Workscope Additions - Accelerated	3.5	(1.8)	(1.5)	0.0	0.2
(3.4) Workscope Additions - New	26.0	4.7	3.3	3.3	37.3
(4) Prior Year Carryover Workscope	19.3	6.2	0.0	0.0	25.5
(5) FY95 MYPP Net of FY95 Actions	198.4	202.9	199.5	192.2	793.0
(6) FY96 Baseline Planning Actions (Schedule 3)					
(6.1) Deleted Workscope	N/A	(35.5)	(62.0)	(76.7)	(174.2)
(6.2) Workscope Deferrals	N/A	(34.0)	(26.6)	(25.4)	(86.0)
(6.3) Workscope Additions - Accelerated	N/A	7.4	12.9	(10.8)	9.5
(6.4) Workscope Additions - New	N/A	28.1	18.8	15.3	62.2
(6.5) Net FY96 Planning Actions	N/A	(34.0)	(56.9)	(97.6)	(188.5)
(7) Revised MYPP Baseline					604.5
(7.1) Y/E FY 1995	198.4				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		168.9	142.6	94.6	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Environmental Restoration  
FY95

C/R Number	Narrative of Major Savings Action	Savings Type	FY95 Reported Savings				
			1995	1996	1997	1998	Total
95-153	200-BP-5 termination of pump & treat treatability test.	Deletion	(2.1)				(2.1)
95-169	Reduction in Technology Demonstrations that had low priority value to ER Program	Deletion	(1.7)				(1.7)
95-006	D Island reduction in survey and cleanup costs	Deletion	(1.3)				(1.3)
n/a	Other	Deletion	(3.4)				(3.4)
SubTotal Deletions			(8.5)	0.0	0.0	0.0	(8.5)

Savings Actions

ERDF Size Re-evaluation from 10 cells to 2 cells	Efficiency	(6.6)	(19.0)	(13.2)	(25.5)	(64.3)	
Indirect/Direct Support Rate Reductions	Efficiency	(11.6)	(4.5)			(16.1)	
Quality Assurance Labor Savings in QSR, BAM, & Self-Assessment	Efficiency	(2.2)	(2.0)	(2.0)	(2.0)	(8.2)	
Reduced Labor Cost in Automation Technology & Human Resources	Efficiency	(1.6)	(1.6)	(1.6)	(1.6)	(6.4)	
Staffing & simplification of Job Control System	Efficiency	(2.5)				(2.5)	
Treatability Test Savings on Excavation and Pump & Treat Facilities	Efficiency	(1.7)				(1.7)	
Furniture Procurement & Facilities Support Savings	Efficiency	(2.2)				(2.2)	
183-H Solar Basin Savings due to reclassification of waste	Efficiency	(1.2)				(1.2)	
N Springs Characterization Savings	Efficiency	(1.4)				(1.4)	
Other Efficiency Savings	Efficiency	(13.0)	(1.0)	(1.6)	(1.6)	(17.2)	
August 95 ER Rebaseline Savings in Program Mgmt & Support	Efficiency	(4.4)				(4.4)	
SubTotal Efficiency			(48.4)	(28.1)	(18.4)	(30.7)	(125.6)

## SCHEDULE 3

## Program: Environmental Restoration

## FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
<b>(6.1) Deleted Workscope</b>					
(1) Asbestos Abatement Scope Duplication		(3.2)	(3.8)	(3.5)	(10.5)
(2) 100 Area Common Treatability Tests		(2.4)	(1.4)	(1.4)	(5.2)
(3) 300 FF Eliminate Soil Washing		(3.7)	(11.9)	(13.3)	(28.9)
(4) 200 BP Eliminate P&T System		(5.8)	(3.3)	(2.9)	(12.0)
<b>Planned Efficiencies</b>					
(5) Program Mgmt & Support		(7.5)	(16.9)	(24.1)	(48.5)
(6) N Reactor Mortgage Reduction		(6.2)	(14.9)	(24.4)	(45.5)
(7) 100 HR Pump & Treat Savings			(2.3)	(2.0)	(4.3)
(8) 200 ZP P&T, Vapor Extract Savings		(2.5)	(3.2)	(2.9)	(8.6)
(9) RARA Early Completion Decon/Stabilization		(3.0)	(2.2)		(5.2)
(10) RARA Staffing Reductions		(1.2)	(2.1)	(2.2)	(5.5)
<b>Total</b>	<b>0.0</b>	<b>(35.5)</b>	<b>(62.0)</b>	<b>(76.7)</b>	<b>(174.2)</b>
<b>(6.2) Workscope Deferred</b>					
(1) 100 DR Remediation		(2.5)	(9.4)	(9.3)	(21.2)
(2) 100 BC Remediation		(2.7)	0.5	0.5	(1.7)
(3) 100 HR Remediation		(3.4)	(5.9)		(9.3)
(4) 200 BP Remediation		(8.6)			(8.6)
(5) 100 D&D		(10.7)	(10.2)	(14.6)	(35.5)
(6) 200 D&D		(0.9)	(1.6)	(2.0)	(4.5)
(7) N Springs Barrier Wall		(5.2)			(5.2)
<b>Total</b>	<b>0.0</b>	<b>(34.0)</b>	<b>(26.6)</b>	<b>(25.4)</b>	<b>(86.0)</b>
<b>(6.3) Workscope Additions - Accelerated</b>					
(1) 100-BC High Priority Site Remediation			9.2	(8.7)	0.5
(2) 100-HR Remediation/Release 65sq Miles		3.9		(3.9)	0.0
(3) 300 FF Remedial Design		1.3	3.7	4.0	9.0
(4) 183-C Filter Plant		2.2		(2.2)	0.0
<b>Total</b>	<b>0.0</b>	<b>7.4</b>	<b>12.9</b>	<b>(10.8)</b>	<b>9.5</b>
<b>(6.4) Workscope Additions - New</b>					
(1) Pump & Treat Systems 100 KR,HR		6.9	5.0	2.5	14.4
(2) Performance Incentives		14.0	13.0	12.0	39.0
(3) 100 NR Pump & Treat, Characterization		7.2	0.8	0.8	8.8
<b>Total</b>	<b>0.0</b>	<b>28.1</b>	<b>18.8</b>	<b>15.3</b>	<b>62.2</b>

## 7.II Transition Projects (TP-60)

### Program Statement:

#### **Mission**

The Transition Projects (TP) mission is to deactivate former operating facilities on the Hanford site, in preparation for turnover to EM-40 for final disposition of the facilities. In addition, TP will provide for safe and secure storage of special nuclear materials (SNM).

#### **Strategy/Assumptions**

Cost savings strategies are mainly based on acceleration of facility deactivation; reengineering efforts directed at the facilities as well as individual projects within the facilities; Activity Based Cost (ABC) estimating (including annual-updates); and reduction of indirect/direct support costs. The Plutonium Finishing Plant (PFP) is currently stabilizing hazardous materials within the PFP complex and will be the last TP facility to initiate deactivation. Lessons learned from UO<sub>3</sub> deactivation, as well as lessons learned from upcoming deactivation activities at the other TP facilities, will be incorporated into PFP planning.

### Progress on Initiatives

#### **Reengineering**

Efforts are directed at individual facilities as well as activities within the facilities.

### Expected FY 1996 Cost Savings

Savings are anticipated based on PUREX reengineering and ABC estimating, and 300 Area Fuel Supply ABC estimating.

## SCHEDULE 1

Program: Transition Projects (TP-60)

Baseline Analysis	1995	1996	1997	1998	TOTAL
(1) Beginning Baseline - FY95 MYPP (9/23/94)	131.2	137.3	145.4	136.7	550.6
(2) FY95 Reported Savings (Schedule 2)					
(2.1) Deleted Workscope (based on Scorecard dated 1/95)	(12.7)	(16.4)	(17.9)	(36.2)	(83.2)
(2.2) Efficiencies	(15.8)	(8.3)	(7.7)	(8.1)	(39.9)
(2.3) Deleted B/A					0.0
(3) FY95 Other C/R Activity					
(3.1) Workscope Deferrals	(4.0)	2.8	0.2	0.0	(1.0)
(3.2) Workscope Transfers	0.0	0.0	0.0	0.0	0.0
(3.3) Workscope Additions - Accelerated	2.8	(0.6)	(2.0)	0.0	0.2
(3.4) Workscope Additions - New	11.8	0.0	0.0	0.0	11.8
(4) Prior Year Carryover Workscope		0.0			0.0
(5) FY95 MYPP Net of F95 Actions	113.3	114.8	118.0	92.4	438.4
(6) FY96 Baseline Planning Actions (Schedule 3)					
(6.1) Deleted Workscope	N/A	(8.5)	(10.1)	(14.4)	(33.0)
(6.2) Workscope Deferrals	N/A	(0.4)	(8.6)	(4.0)	(13.0)
(6.3) Workscope Additions - Accelerated	N/A	0.9	(0.9)	(0.3)	(0.3)
(6.4) Workscope Additions - New	N/A	19.4	18.7	20.6	58.6
(6.5) Net FY96 Planning Actions	N/A	11.4	(1.0)	1.9	12.3
(7) Revised MYPP Baseline					450.8
(7.1) Y/E FY 1995	113.3				
(7.2) FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		126.2	117.0	94.2	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Transition Projects (TP-60)  
FY95

C/R Number	Type	Savings				
		1995	1996	1997	1998	TOTAL
FO-94-019	PUREX Nitric Acid Acceleration		(7.0)	(9.3)	(23.0)	(39.3)
TP-95-029 R1	PFM Workscope Improvements	(5.0)	(7.5)	(8.0)	(8.2)	(28.6)
TP-95-023	PUREX Workscope and Budget Reductions	(2.0)	(1.7)	(0.9)		(4.6)
TP-95-019	PUREX Organic Disposal	(1.4)				(1.4)
TP-95-003	PFM Safeguards & Security Upgrades Redesign	(1.0)	0.5	1.0	(4.9)	(4.4)
TP-95-027	C-170 Capital Savings - PUREX TP	(0.7)				(0.7)
	Other	(2.7)	(0.7)	(0.7)	(0.1)	(4.2)
Subtotal Deletions		(12.7)	(16.4)	(17.9)	(36.2)	(83.2)

Savings Actions

	Discretionary Savings/Underruns	Efficiency	(15.8)	(2.9)	(2.1)	(2.4)	(23.2)
TP-95-028R1	PFM Work Scope Improvements	Efficiency		(5.4)	(5.6)	(5.7)	(16.7)
Subtotal Efficiency			(15.8)	(8.3)	(7.7)	(8.1)	(39.9)

C/R Number Narrative of Major Savings by Change Request

FO-94-019	The Baseline disposition of the PUREX nitric acid was changed from sugar denitration to the beneficial sale to a private company. Also, the baseline disposition of Pu solutions was hanged from coprecipitation to direct transfer to Tank Farms. These changes allowed the PUREX deactivation critical path to be moved forward from July 1998 to September 1997; thus realizing savings to the over all project. The savings shown are "net" savings; having been reduced for the costs involved with the sale to BNFL.
TP-95-003	A cost effective approach was developed to reengineer the PFM Safeguards and Security line item. The original design for replacement of four major computer systems was changed to a personal computer (PC) based system. This allowed design savings as well as a significantly lower project cost.
TP-95-019	The PUREX Organic Contract Disposal contract was reduced by \$1.4 million. The original planning budget was \$2.0 million, based on an outside estimate and bid. Additional bids were sought, and a year-long negotiation was carried on with the vendors. This eventually resulted in a new bid of \$625,000.
TP-95-023 R1	Workscope reductions as a result of process improvements from regulatory/directive requirement revisions, innovation, and directed force reductions. Includes items such as revised training requirements; deactivation of Personal Area Radiation Monitors; elimination of Dose Consequence Study; consolidation of Davis/Bacon work reviews; and D5/E6 revised plutonium transfer limits. These savings include some ROF actions.
TP-95-029 R1	Workscope reductions as a result of process improvements from regulatory/directive requirement revisions, innovation, and directed force reductions. Includes items such as reduced stack sampling; procedure requirement reductions, glove box stabilization implementation; and improved aerosol testing process. These savings include some ROF actions.



## SCHEDULE 3

## Program: Transition Projects (TP-60)

FY96 Baseline Planning Actions		1995	1996	1997	1998	TOTAL
(6.1)	Deleted Workscope					
(1)	333 Bldg. Steam System Shutdown		(0.2)			(0.2)
(2)	Prog Mgmt Systems Engineering Studies		(0.8)	(1.3)	(1.5)	(3.6)
(3)	PFP Tank Integrity Testing - Reinterpretation of Regulatory Requirements		(0.2)	(0.3)	0.1	(0.4)
(4)	PFP Infrastructure Upgrades (Plant Systems)		0.2	(2.0)	(2.1)	(3.9)
(5)	Planned Efficiencies		(7.5)	(6.5)	(10.9)	(24.9)
	Total	0.0	(8.5)	(10.1)	(14.4)	(33.0)
(6.2)	Workscope Deferred					
(1)	313 Bldg. Demolition (Net Savings of Isolation vs. Demolition)		(0.4)	(8.6)	(4.0)	(13.0)
	Total	0.0	(0.4)	(8.6)	(4.0)	(13.0)
(6.3)	Workscope Additions - Accelerated					
(1)	300 Area Deactivation Accel from FY 02 to FY98		0.9	(0.9)	(0.3)	(0.3)
	Total	0.0	0.9	(0.9)	(0.3)	(0.3)
(6.4)	Workscope Additions - New					
(1)	Pu Strategic Plan required by DOE-HQ		0.6	0.3		1.0
(2)	Scheduling Support for ABC estimating		0.2			0.2
(3)	300 Area Shutdown, S&M activities		0.6			0.6
(4)	PUREX Nitric Acid EA Delay				3.9	3.9
(5)	PFP DNFSB 94-1 Material Stabilization Requirements		14.5	16.6	15.6	46.7
(6)	PFP Support to IAEA Pu Monitoring		0.6	0.7	0.7	2.1
(7)	PFP S/RIDs Compliance Requirements		0.2	0.3	0.3	0.9
(8)	PFP Steam Transition Project		1.8			1.8
(9)	PFP New Packaging System Development		0.7	0.6		1.3
(10)	PFP Vault Upgrades		0.1	0.1	0.1	0.3
	Total	0.0	19.4	18.7	20.6	58.6

## 7.12 Advanced Reactors

### Program Statement:

#### **Mission**

Advanced Reactors Transition (ART) is continuing with the transition of the FFTF to a radiological and industrially safe shutdown condition. The ART program is also responsible for the surveillance and maintenance (S&M) of the 308 Building, the Plutonium Recycle Test Reactor (PRTR)/309 Building S&M and deactivation/compliance to a safe shutdown state, the safeguarding and disposition of the Test Reactor and Isotope Production, General Atomics (TRIGA) fuel, and the disposition of Nuclear Energy Legacy facilities at Hanford.

#### **Strategy/Assumptions**

During the deactivation process, plant conditions will change, affecting the applicability of a number of the DOE Orders. Compliance in a cost effective manner will be maintained using an application of program equivalencies, waivers, and exemptions. The draining of sodium from FFTF is currently on a DOE directed hold pending a decision on potential use of the facility to produce tritium.

The current strategy includes workscope acceleration and efficiencies, comprehensive management of all costs, and process improvements. Significant savings will be achieved as program facilities are deactivated and site "mortgage" costs are reduced.

### Progress on Initiatives

#### **Reengineering**

Activities are scheduled to occur at FFTF during the last half of 1996.

### Expected FY 1996 Cost Savings

Negotiated closure plans for the 4843 Building and 3718-F Building are expected to be approved in the summer of 1996 as Modification B to the Hanford Site RCRA Permit to not require additional sampling and analysis or further cleaning of the facilities.

## SCHEDULE 1

Program: Advanced Reactor

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	63.6	65.7	65.9	57.3	252.5
(2)	FY95 Reported Savings (Schedule 2)					
(2.1)	Deleted Workscope	0.0	0.0	0.0	0.0	0.0
(2.2)	Efficiencies	(14.6)	(3.6)	(3.6)	(3.3)	(25.1)
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(0.9)	0.5	0.4		0.0
(3.2)	Workscope Transfers	0.0				0.0
(3.3)	Workscope Additions - Accelerated	0.0				0.0
(3.4)	Workscope Additions - New	0.7				0.7
(4)	Prior Year Carryover Workscope					0.0
(5)	FY95 MYPP Net of FY95 Actions	48.8	62.6	62.7	54.0	228.1
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(14.4)	(10.9)	(5.8)	(31.1)
(6.2)	Workscope Deferrals	N/A	0.0	0.0	(10.6)	(10.6)
(6.3)	Workscope Additions - Accelerated	N/A	2.7	(3.6)	4.6	3.7
(6.4)	Workscope Additions - New	N/A	1.7	2.6	4.4	8.7
(6.5)	Net FY96 Planning Actions	N/A	(10.0)	(11.9)	(7.4)	(29.3)
(7)	Revised MYPP Baseline					198.8
(7.1)	Y/E FY 1995	48.8				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		52.6	50.8	46.6	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

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Hanford Cost Savings Plan

## SCHEDULE 2

## FY95 Reported Savings

Program: Advanced Reactor  
FY95

C/R Number                      Change Request Title

Savings

Type	1995	1996	1997	1998	TOTAL
					0.0

None

0.0

SubTotal Deletions

0.0	0.0	0.0	0.0	0.0	0.0
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Savings Actions

ROF Activity

Efficiency	(1.0)	(1.6)	(1.6)	(1.6)	(5.8)
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Discretionary Savings/Underruns

Efficiency	(13.6)	(2.0)	(2.0)	(1.7)	(19.3)
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SubTotal Efficiency

(14.6)	(3.6)	(3.6)	(3.3)	(25.1)
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C/R Number    Narrative of Major Savings by Change Request  
None.

## SCHEDULE 3

## Program: Advanced Reactor

## FY96 Baseline Planning Actions

	1995	1996	1997	1998	TOTAL
(6.1) Deleted Workscope					
(1) Store Unirradiated Fuel in Interim St. Casks		(0.5)	(2.3)	(1.7)	(4.5)
(2) Security Savings Unirradiated Fuel Removal		(0.4)	(0.7)	(0.7)	(1.8)
(3) Electricity/S&M, Early Secondary Sodium Drain		(0.8)	(1.6)	(0.5)	(2.9)
(4) Planned Efficiencies:					
(a) Sodium Storage Facility Design/Construction		(6.7)	1.6		(5.1)
(b) Optimize Irradiated Fuel Storage		(1.3)	(1.3)		(2.6)
© Surveillance & Maintenance ABC Estimating		(3.1)	(5.0)	(1.4)	(9.5)
(d) Indirect/Direct Support Rate Reductions		(1.1)	(1.1)	(1.1)	(3.3)
(e) Anticipated Reengineering Savings		(0.5)	(0.5)	(0.4)	(1.4)
Total	0.0	(14.4)	(10.9)	(5.8)	(31.1)
(6.2) Workscope Deferred					
(1) Sodium Reaction Facility (beyond FY98)				(10.6)	(10.6)
Total	0.0	0.0	0.0	(10.6)	(10.6)
(6.3) Workscope Additions - Accelerated					
(1) Replan ISC/CCC Delivery Schedule		2.8	(4.9)	2.6	0.5
(2) N.E. Legacies CRADA Rebaseline		(0.1)	1.3	2.0	3.2
Total	0.0	2.7	(3.6)	4.6	3.7
(6.4) Workscope Additions - New					
(1) Plutonium Recycle Test Reactor /309 BLDG (PRTR)		1.7	2.6	4.4	8.7
Total	0.0	1.7	2.6	4.4	8.7

## 7.13 Landlord

### Program Statement

#### **Mission**

The Landlord Program mission is to preserve, upgrade, maintain, operate, and forecast cost effective general infrastructure support programs to facilitate the Hanford Site cleanup mission. The objectives for support are reflected in three specific areas: 1) Core Infrastructure Maintenance, 2) Infrastructure Mortgage Reduction and 3) General Purposes Facilities Maintenance and Repairs.

#### **Strategy/Assumptions**

The Landlord program will strive to maintain, preserve or upgrade strategic assets while consolidating facilities to lower operating and maintenance costs. The program will utilize mortgage reduction (ie. elimination, excessing and demolition) to transition facilities and equipment to their most cost effective status. The program will provide upgrades to the Site only when cost effective. Planning is based on as-needed maintenance, repairs and replacements. Only normal anticipated operation, maintenance and administrative activities will occur.

### Progress on Initiatives:

**Reengineering:** Through reengineering efforts the Landlord Program expects to reduce costs on Project L-070, "300 Area Process Sewer Piping System," by slip lining the existing piping rather than replacing it with new piping. The relining process substantially reduced the amount of hazardous waste generated and minimal excavation in the congested 300 Area. This effort will result in a decrease in the total estimated cost from \$9.9M to \$5.5M.

### Expected FY 1996 Cost Savings

The strategy for FY 1996 is to continue to use reengineering to streamline processes. Savings may be achieved on individual projects due to reduced construction bids and effective project management. Other specifics include:

- Elimination of the preparation of unnecessary reports
- Using cross-trained personnel to perform multiple tasks
- Reducing the number of cost accounts, activity, and project managers by combining duties when cost effective
- Using a risk-based graded approach to evaluating new project requirements
- Eliminating of low-value workscope which is not necessary to achieve the ultimate outcome.

## SCHEDULE 1

Program: Landlord

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94)	54.5	51.7	69.7	125.0	300.9
(2)	FY95 Reported Savings ( Schedule 2)					
(2.1)	Deleted Workscope	(30.4)	(8.9)	(5.5)	(4.2)	(48.9)
(2.2)	Efficiencies	0.0	(1.6)	0.0	0.0	(1.6)
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(5.8)				(5.8)
(3.2)	Workscope Transfers	(4.1)				(4.1)
(3.3)	Workscope Additions - Accelerated	2.1				2.1
(3.4)	Workscope Additions - New	6.6				6.6
(4)	Prior Year Carryover Workscope	136.8				136.8
(5)	FY95 MYPP Net of FY95 Actions	159.6	41.3	64.2	120.8	385.9
(6)	FY96 Baseline Planning Actions (Schedule 3)					
(6.1)	Deleted Workscope	N/A	(7.2)	(4.9)	(8.3)	(20.4)
(6.2)	Workscope Deferrals	N/A	(7.1)	(41.4)	(99.3)	(147.7)
(6.3)	Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4)	Workscope Additions - New	N/A	0.9	0.0	0.0	0.9
(6.5)	Net FY96 Planning Actions	N/A	(13.3)	(46.3)	(107.6)	(167.2)
(7)	Revised MYPP Baseline					218.6
(7.1)	Y/E FY 1995	159.6				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>1</sup>		27.9	17.9	13.2	

<sup>1</sup> The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## SCHEDULE 2

## FY95 Reported Savings

Program: Landlord  
FY95

C/R Number	Change Request Title	Savings Type	FY95 Reported Savings				
			1995	1996	1997	1998	TOTAL
LPM-95-012R*	FY 1995 Baseline Revisions	Deletion	(15.1)	(8.9)	(5.5)	(4.2)	(33.6)
LPM-95-025	FY 1995 Baseline Revisions	Deletion	(10.6)				(10.6)
LPM-95-041	Baseline Revisions	Deletion	(0.7)				(0.7)
LPM-95-042	Uncosted Reductions	Deletion	(2.7)				(2.7)
LPM-95-045	Utilize Underruns to Reinstate Workscope	Deletion	(1.0)				(1.0)
	Other - Small Projects/GPP Closures	Deletion	(0.3)	0.0	0.0	0.0	(0.3)
SubTotal Deletions			(30.4)	(8.9)	(5.5)	(4.2)	(48.9)

Savings Actions

ROF Activity	Efficiency	0.0	(1.6)	0.0	0.0	(1.6)
Discretionary Savings/Underruns	Efficiency	0.0	0.0	0.0	0.0	0.0
SubTotal Efficiency		0.0	(1.6)	0.0	0.0	(1.6)

C/R Number      Narrative of Major Savings by Change Request

LPM-95-012R*	Documented Landlord portion of Site's reduced funding level (reflects deletion of line item projects L-102, "Primary Highway Route-North of the Wye Barricade," and K-003, "KEH Multi-Purpose Facility.") Outyear impacts are not documented on the change request, these are the outyear impacts associated with this baseline change.
LPM-95-025	Documented FY 1995 Congressional Budget Recission, primarily in capital funding. It reduced General Plant Project funding, Capital Equipment funding, and the following line item projects: B-690, L-097, L-047, B-483, B-604 (deferred--included on Schedule 3), B-468, and L-047).
LPM-95-041	Documented deletion of expense workscope (3000 Area Demolition, Capital Asset Management Process) and addition of two high priority roof replacements (337B and 3750E).
LPM-95-042	Documented Landlord portion of another uncosted reduction (Congressional Recission, Part II). The following projects were affected: D-433, L-017, L-019, L-097, D-424, as well as Capital Equipment and General Plant Projects.
LPM-95-045	Utilized underruns to reinstate workscope deleted at beginning of project because Total Estimated Cost exceeded authorized limit for Project L-047.



## SCHEDULE 3

Program: Landlord

## FY96 Baseline Planning Actions

## (6.1) Deleted Workscope

(1) Deletions as a result of Hanford downsizing and lower Federal budget passbacks

(a) Capital Equipment		(3.9)		(3.9)
(b) General Plant Projects		(3.3)		(3.3)
(c) Program Integration (deletion of SIMR from Site Planning)			(4.1) (8.3)	(12.4)
(d) Project D-424 HVAC portion deleted			(0.8)	(0.8)

Total

0.0	(7.2)	(4.9)	(8.3)	(19.6)
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## (6.2) Workscope Deferred

(1) Expense Funded Projects (Demolition and Roof Replacements)	(1.0)	(10.5)	(41.1)	(52.6)
(2) Project L-094, will utilize GPP Funding	(2.0)	(11.7)	(10.3)	(24.0)
(3) Project D-420, will utilize GPP Funding	(1.2)	(2.8)	(0.1)	(4.1)
(4) Project B-604 and L-234 (deferred from FY 1995)	4.2			4.2
(5) Project B-604 & L-234 Funding Not Rec'd	(4.2)			(4.2)
(6) Misc. Capital Equipment	0.0	(0.4)	(12.3)	(12.7)
(7) General Plant Projects/Small Projects	(1.1)	(4.4)	(7.9)	(13.5)
(8) Outyear Line Item Projects will be descoped and replaced by GPPs	0.0	(7.5)	(13.2)	(20.7)
(9) Project L-116, FY 1997 through FY 1998 Replaced with GPPs	(1.8)	(4.1)	(14.3)	(20.1)
(10) Project D-424 expense funding deferred * (rounds down to zero, but is included in total)	0.0	0.0	(0.0)	(0.0)

Total

0.0	(7.1)	(41.4)	(99.3)	(147.7)
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## (6.3) Workscope Additions - Accelerated

(1) None		0.0	0.0	0.0	0.0
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Total

0.0	0.0	0.0	0.0	0.0
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## (6.4) Workscope Additions - New

(1) FY95 Carryover Funding-Expense-Projected		0.9		0.9
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Total

0.0	0.9	0.0	0.0	0.9
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## 7.14 DOE-Richland Office

The Department of Energy - Richland Office (DOE-RL) supported the initiative to save \$200 million in indirect and direct support costs for Environmental Management activities (see section 4.3.4). DOE-RL's savings is planned to be accomplished primarily through reductions to the General Support Services Contract (GSSC) and DOE-RL staff travel. The savings shown in schedule 1 for FY 1996 to FY 1998 under item 6.1 is primarily attributed to the GSSC reductions (approximately 60%) with the balance split between the travel reductions and the consolidation of downwinder litigation costs.

### SCHEDULE 1

Program: DOE - Richland Operations

Baseline Analysis		1995	1996	1997	1998	TOTAL
(1)	Beginning Baseline - FY95 MYPP (9/23/94) <sup>1</sup>	128.1	125.6	128.6	132.2	514.5
(2)	FY95 Reported Savings					
(2.1)	Deleted Workscope	0.0	0.0	0.0	0.0	0.0
(2.2)	Efficiencies	0.0	0.0	0.0	0.0	0.0
(2.3)	Deleted B/A					0.0
(3)	FY95 Other C/R Activity					
(3.1)	Workscope Deferrals	(15.4)	0.0	0.0	0.0	(15.4)
(3.2)	Workscope Transfers	0.0	0.0	0.0	0.0	0.0
(3.3)	Workscope Additions - Accelerated	0.0	0.0	0.0	0.0	0.0
(3.4)	Workscope Additions - New	0.0	0.0	0.0	0.0	0.0
(4)	Prior Year Carryover Workscope					0.0
(5)	FY95 MYPP Net of FY95 Actions	112.7	125.6	128.6	132.2	499.1
(6)	FY96 Baseline Planning Actions					
(6.1)	Deleted Workscope	N/A	(20.4)	(39.9)	(33.7)	(94.0)
(6.2)	Workscope Deferrals	N/A	0.0	0.0	0.0	0.0
(6.3)	Workscope Additions - Accelerated	N/A	0.0	0.0	0.0	0.0
(6.4)	Workscope Additions - New	N/A	0.0	0.0	0.0	0.0
(6.5)	Net FY96 Planning Actions	N/A	(20.4)	(39.9)	(33.7)	(94.0)
(7)	Revised MYPP Baseline					405.1
(7.1)	Y/E FY 1995	112.7				
(7.2)	FY 1996 MYPP Baseline Signed 9/26/95 <sup>2</sup>		105.2	88.7	98.5	

<sup>1</sup>DOE-RL does not develop a MYPP but does forecast requirements using Activity Data Sheets. For the purposes of this Plan, the Activity Data Sheet submission is synonymous with the term MYPP for fiscal year planning purposes.

<sup>2</sup>The FY 1996 MYPP multi-year baseline was based upon anticipated funding levels from 5/95, including the FY 1997 Internal Review Budget (IRB) guidance. This baseline does not reflect current planning levels such as FY 1997 President's Budget or FY 1998 IRB guidance. These planning levels will be used in preparing the FY 1997 Multi-Year Work Plan.

## Appendix I

## FY 1995 MYPP Baseline Reconciliation

	FY 1995	FY 1996	FY 1997	FY 1998	Total
06/19/95 "Glozer" Data	\$1,699				
Adjustments: "DOE-RL directed" workscope omitted	\$128				
Spent Nuclear Fuel at Activity Data Sheet value	(\$33)				
Environmental Restoration productivity commitment	(\$21)				
Defense Projects portion of TP-60	(\$19)				
Advanced Reactors carryover omitted	(\$7)				
Miscellaneous	(\$1)				
"St. Louis Workout"	\$1,747	\$1,840	\$2,142	\$2,714	\$8,442
Adjustments: Spent Nuclear Fuel restated at MYPP value	\$33	\$57	\$123	\$0	\$214
TWRS restated at MYPP value			(\$106)	(\$480)	(\$586)
Advanced Reactors restated at MYPP value		\$1	(\$19)	(\$0)	(\$18)
Environmental Restoration Fiscal Year vs. Project value	\$18	(\$30)	(\$49)	\$7	(\$54)
TP-60 restated at MYPP value	(\$1)	\$16	\$16	\$22	\$53
RCRA restated at MYPP value			(\$9)	\$0	(\$9)
Advanced Reactors carryover re-added	\$7				\$7
Economic Transition omitted		(\$4)			(\$4)
"DOE-RL directed" workscope restated			(\$56)	\$0	(\$56)
Miscellaneous	\$1	\$1	\$7		\$9
"Salt Lake City"	\$1,804	\$1,881	\$2,049	\$2,263	\$7,997
Adjustments: Added EM-20 workscope	\$15	\$24	\$18	\$8	\$65
Environmental Restoration Adjustment	\$3				\$3
TP-60 adjustment			\$4		\$4
TWRS MYPP value correction				\$210	\$210
Landlord MYPP value correction				(\$10)	(\$10)
Environmental Restoration MYPP value correction				(\$69)	(\$69)
Miscellaneous Programs MYPP value correction				(\$11)	(\$11)
"DOE-RL directed" workscope restated				(\$63)	(\$63)
"Hanford Cost Savings Plan" Rev. 0	\$1,822	\$1,905	\$2,071	\$2,328	\$8,125
Adjustments: Deletion of TWRS B/A	(\$17)				(\$17)
Environmental Restoration Adjustment	(\$3)				(\$3)
Economic Transition re-added		\$4	\$7	\$10	\$21
"DOE-RL directed" workscope restated			\$31	\$28	\$59
"Hanford Cost Savings Plan" Rev. 1	\$1,802	\$1,909	\$2,108	\$2,366	\$8,184

Note: \$ in \$M