Department of Energy
Idaho Operations Office
1955 Fremont Avenue
Idaho Falls, ID 83415
April 30, 2009

CCN 217189

Ms. Lisa A. Sehlke, Manager
Prime Contract and Performance Management
Battelle Energy Alliance, LLC
P. O. Box 1625
Idaho Falls, ID 83415-3206

SUBJECT: Contract No. DE-AC07-05ID14517 – Approval of Funds Change Notice CR-FCN- 09-011 (AS-CMD-INL-09-187)

REFERENCE: Letter (CCN 217060), Lisa A. Sehlke to Suzette M. Olson, Subject: Contract No. DE- AC07-05ID14517 – Request for Approval of Funds Change Notice CR-FCN- 09-011, *Materials and Fuels Complex Radiochemistry Laboratory Project Operating Funding – Additional Project Support,* dated April 16, 2009

Dear Ms. Sehlke:

Funds Change Notice CR-FCN- 09-011, Materials and Fuels Complex Radiochemistry Laboratory Project Operating Funding – Additional Project Support," is approved as submitted.

If you have any questions, please contact Dave Herrin at 533-4164.

Sincerely,

Suzette M. Olson

Suzette M. Olson
Contracting Officer
Contract Management Division

Enclosure

cc: Callin E. Branter, BEA

415.14
10/01/2007
Rev. 00

BASELINE CHANGE PROPOSAL

1. BCP No.: CR-FCN-09-011 Date: April 9, 2009	2. BCP Title: MFC Radiochemistry Laboratory Project Operating Funding---Additional project support	3. ☐ BCP ☒ FCN
4. ☒ Direct ☐ Indirect	5. WBS/Control Acct.: C.R.30.20.11.01	6. External ☒
7. Point of Contact: Robert J. Waters	Phone No.: 526-6013	Internal ☐

8. Is this a 413.3A project? - ☐ Yes ☒ No

9. Prime Contracts (PEMP Impacts) - ☐ Yes ☒ No

10. **Approval/Concurrence Signatures:**

	(Printed)	(Signature)	Approve	Disapprove	NA	
CAM:	Robert J. Waters	LEW for RJ Waters				Date: 4/15/09
Project Mgr:	Lisa E. Wolford	Lisa E Wolford	☒	☐		Date: 4/15/09
Funds Mgr:	Robert P. Miklos	Tom Moriarty for	☒	☐		Date: 4/15/09
ES&H	NA		☐	☐		Date:
Business Lead / Program Finance:	Callin E. Branter	Callin E. Branter for Callin	☒	☐		Date: 4/15/09
Other:	Rodney T. Phippen	Rod Phippen	☒	☐	☐	Date: 4/15/09
Other:			☐	☐	☐	Date:

11. **Change Control Board Signatures**

	(Printed)	(Signature)	Approve	Disapprove	NA	
CCB Deputy Chairman:	Robert P. Miklos	Tom Moriarty for	☒	☐	☐	Date: 4/15/09
CCB Chairman:	Art Clark	Art Clark	☒	☐	☐	Date: 4/15/09

12. **DOE ID** ☐ Notification ☒ Approval

	(Printed)	(Signature)	Approve	Disapprove	NA	
Contracting Officer:	Michael L. Adams	Bernette M. Olson	☒	☐	☐	Date: 4/30/09
Technical Rep:	David S. Herrin	email approval	☒	☐	☐	Date: 23apr09
COR:	William Hamel	email approval	☒			24apr09
Budget Rep:	Faye O. Alexander	email approval	☒	☐	☐	Date: 23apr09

13. **Amount of Change**

	Gross	Dist	Net
Current FY Baseline	292,619		
Baseline Change	0		
New Total Current FY Baseline	292,619		
Out-Year Impacts	0		

Comments:

14. **Reasons for Change:** ☐ Scope ☐ Add ☐ Delete ☐ Budget ☒ Increase ☐ Decrease ☐ Milestone ☒ Other

The original scope of the construction project called for steam and condensate utility tie-ins in the yard area west of MFC-752 (Analytical Laboratory). During the development of the design by the design-build subcontractor, the subcontractor determined that tying the steam and condensate to existing lines inside MFC-752 was necessary. That course of action has resulted in additional work to the subcontractor because of unforeseen complexities in pipe routing and to the contractor because of additional effort required for project support. The risk due to the unforeseen complexities was not quantified at that time, nor was the management reserve

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adjusted to account for the additional risk. The construction subcontractor is experiencing delays in construction with respect to their scheduled finish date at the end of April. Delays are due to their underestimating the complexities, non-productive hours and durations of performing activities in the MFC-752 nuclear facility. Productivity is far less than planned as a result of work in the basement radiological areas.

Construction progress is monitored through daily logs with respect to the detailed level 4 schedule. Work is forecast for planning and coordination using a three-week-rolling short-range schedule. Based on progress to date and work remaining, it is anticipated the construction activities will extend until the end of May. While there remains some uncertainty due to potential inclement weather conditions or late material delivery or similar factors that could further extend the schedule, the potential additional impact to the completion date is relatively low. The estimated cost of potential further delay is listed below as management reserve.

Additional funds will be needed for ongoing non-dedicated project support in the following areas:

1. Facility support for construction workers in MFC-752. This support by facility personnel is for Analytical Lab operators to provide escorts and for Radcon support during work in the AL radiological areas---$74,799.
2. Additional construction safety oversight. During the workweek, BEA safety engineering is required to monitor the safety performance of the subcontractor, with particular emphasis on compliance during critical operations, such as work near energized systems---steam, condensate, and electrical power. ---$14,569.
3. Additional outage support. The facility project manager and crafts from MFC-752 are required to support utility tie-ins. Since the steam and condensate tie-ins are in a radiological area, the radcon techs are required to be present.---$16,168.
4. Additional environmental / regulatory compliance oversight and additional quality engineering oversight is required while construction is ongoing. Due to the extended project schedule these resources will have additional time in oversight.---$2,648.
5. Oversight of asbestos removal for abandoned lines. The abandoned lines are being removed and disposed under the construction subcontract; however, during the removal operation, facility support and materials are required of radcon, operators, the facility manager, and industrial hygiene to ensure safe removal without affecting the Analytical Laboratory operation. ---$21,260.
6. Management reserve to account for uncertainty due to potential inclement weather conditions or late material deliveries. If sustained high winds delay installation of the HEPA exhaust stack, the subsequent duct tie-ins, hood test and balance, and acceptance and turnover activities will be impacted. If material deliveries are late, additional impact to the finish date may be experienced. Management reserve is estimated at 20% for ongoing facility support and safety oversight for construction work for approximately one-to-two more weeks.---$25,889.

The total estimate for these items is $155,333.

These itemized activities are identified as operating funded activities based on the DOE Accounting Handbook Ch 10, Para 1f. Guidelines for Distinguishing Plant and Capital Equipment Expenditures from Operating Expenditures, Subparagraph (4)(h), which reads as follows:

> Project support covers activities performed by the integrated operating contractor for internal management and technical support of the project manager by non-dedicated personnel. Project support shall be charged to operating expense.

15. Impact if not Approved:

This project will fall short of completion due to lack of non-dedicated support for final construction work in MFC-752.

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16. **Budget Impact:** (explain the impact to the baseline budget and any out-year impacts)

No change to BCWS.

17. **Funding Impact:** (Yes ☒ No ☐)
If yes - Impact $ 155K B&R #: AF02

Source of funds: (Identify if funds are from DOE or other source)

Per discussion with Faye Alexander (DOE-ID) on 4-15-09, funds will be taken from the DOE-ID side taxes.

Funds to go to oracle project number 101268.