



# *Update on the Implementation of the American Recovery and Reinvestment Act*

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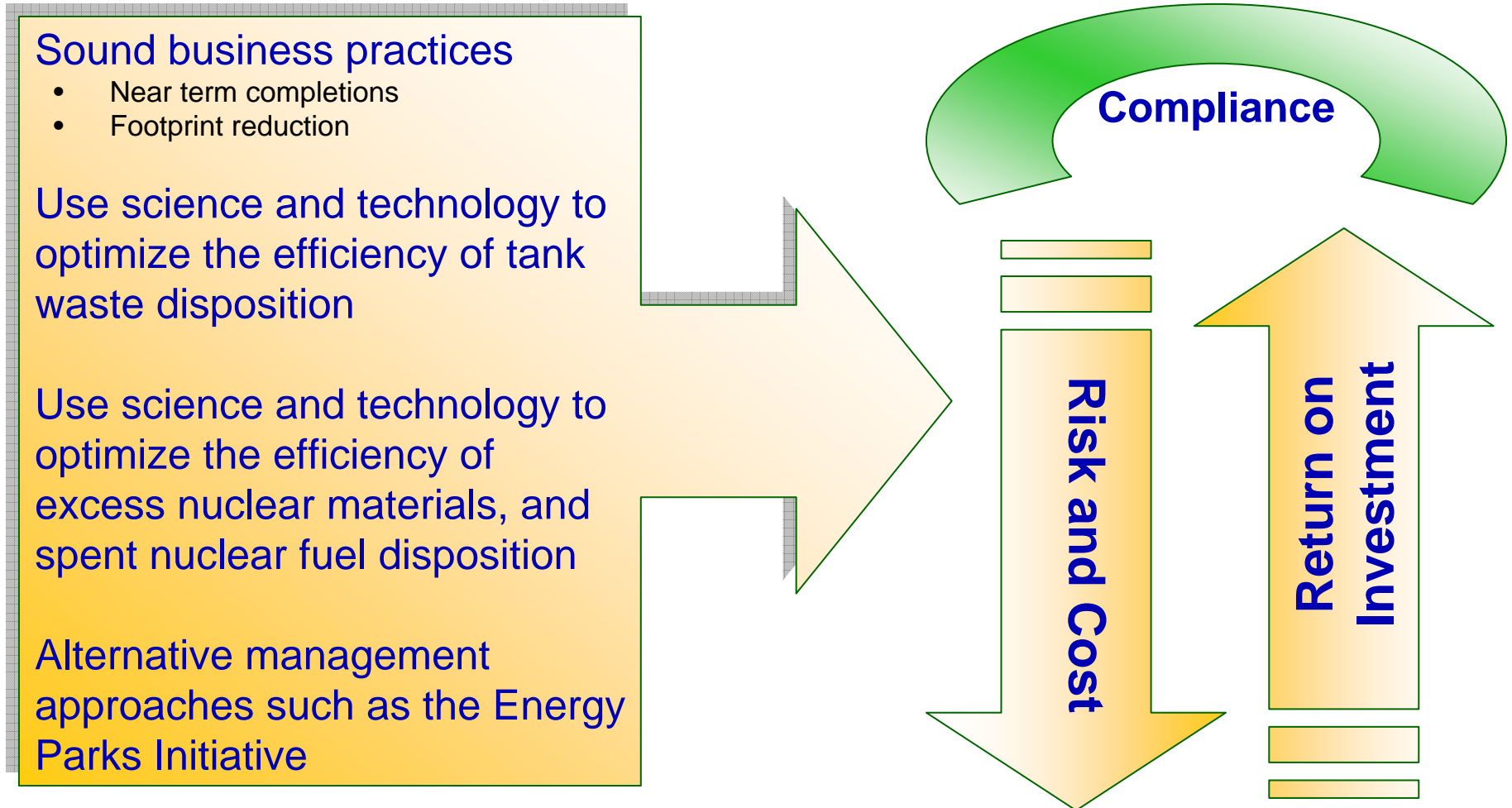


**EM** Environmental Management

safety ❖ performance ❖ cleanup ❖ closure

# Planning and Analysis – goals and objectives

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## ***Planning and Analysis – program performance***

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- *Higher risk activities of radioactive tank waste, special nuclear materials and spent nuclear fuel face uncertainties:*
  - *Technical*
  - *Regulatory*
  - *Policy*
- *Cleanup activities such as TRU and solid waste disposal, soil and ground water remediation and D&D have proven performance*
  - *Projects completed within cost and on schedule*
  - *Demonstrated performance*
  - *Economies of scale can result in lower costs*

## ***Planning and Analysis – cleanup approach***

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- *Reduce Risk*
- *Maintain Compliance*
- *Use Science and Technology to optimize high risk activities of radioactive tank waste, special nuclear materials and spent nuclear fuel*
  - *Primary cost driver; greatest opportunity for cost savings*
- *Leverage efficiencies to maximize cleanup progress*
  - *Lower risk activities such as disposal, soil and ground water remediation and D&D*
  - *Sound business practice—ultimately reduces out-year costs*

# Planning and Budget – FY 2009 and Recovery Act

	FY 2009 Omnibus	American Recovery and Reinvestment Act
Argonne National Laboratory	29,479	
Brookhaven	8,433	
Energy Technology Engineering Center	15,000	
Fernald	2,100	
Hanford	1,057,496	
Idaho	489,239	
Los Alamos National Laboratory	224,639	
Miamisburg	30,574	
Moab	45,699	
Nevada	75,674	
Oak Ridge	498,738	
Office of River Protection	1,009,943	
Paducah	169,922	
Portsmouth	240,690	
Savannah River	1,361,479	
SPRU	18,000	
Stanford Linear Accelerator Center	4,883	
Waste Isolation Pilot Plant	236,785	
West Valley Demonstration Project	66,900	
Other Sites	4,630	
Completed Sites Administration and Support	14,309	
Program Direction	309,807	
Program Support	33,930	
Uranium Thorium Reimbursement	10,000	
Technology Development & Deployment	32,320	
D&D Fund Deposit	463,000	
Congessionally Directed Activities	22,665	
	<u>6,476,334</u>	
Use of prior year balances (Defense)	-1,109	
Use of prior year balances (Non-Defense)	-653	
D&D Fund Offset	-463,000	
Transfer from Science	-10,000	
Transfer from NNSA	-10,000	
	<u>5,991,572</u>	<u>6,000,000</u>

## ***Recovery Act –EM scope determination***

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- *EM work scope consistent with criteria:*
  - *TRU and solid waste disposal*
  - *Soil and ground water remediation*
  - *D&D*
- *Activities consistent with footprint reduction strategy*
  - *Additional investment opportunities*

## **Recovery Act** — *EM scope criteria*

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- *Maximum return on money invested*
- *“Shovel Ready” Projects*
  - *Fully defined cost, scope and schedule*
  - *Established regulatory framework*
  - *Proven technology*
  - *Proven performance*
- *Contractual mechanisms in place*
  - *Ability to deploy resources quickly and accountability for results*
- *Ability to place “Boots on the Ground”*
  - *Create and / or preserve jobs*

## ***Recovery Act — implementation***

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- *Recovery Act funding is time sensitive*
  - *All funding must be obligated by the end of Fiscal Year 2010 (statutory)*
  - *All funding must be costed by the end of Fiscal Year 2015 (statutory)—five year costing period*
  
- *EM implementation objectives*
  - *80% of funds obligated by the end of Fiscal Year 2009; additional funding distributed based on performance*
  - *All funds costed by the end of Fiscal Year 2011*



## **Recovery Act** — *implementation*

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- *Accountability, Auditability, and Reporting*
  - *Funds obligated*
  - *Funds costed*
  - *Jobs created*
  - *Performance and Progress made*
  
- *Internal Controls*
  - *Site obligational authority of 80%*
  - *Funding Authorization between Headquarters and the Field*
    - *Initial authority to cost 30% of obligated funds*
    - *Headquarters approval required to cost additional funds*

## **Recovery Act — Scope Management**

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- *Creation of Recovery Project Baseline Summary (PBS)*
- *Two types of Scope*
  - *Scope accelerated from out-years*
  - *New Work Scope—approved transfers*
- *Recovery Act work scope will be transferred from the existing baseline PBS into the new Recovery PBS*
  - *Scope transfers must track back to the Near Term Baseline (NTB) and/or the Out-Year Planning Estimate Range (OPER)*
    - *Tracked at the Analytical Building Block level*
  - *Recovery scope must be auditable*
  - *Recovery scope must be distinguishable from base case*

## ***Recovery Act — Project Management***

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- *Graded Approach to DOE Order 413.3A*
- *Near Term Baseline (NTB)*
  - *Good to go, validated costs*
- *Out-Year Planning Estimate Range (OPER)*
  - *Need to examine the basis of estimate*
  - *Work packages need definition to same extent for NTB*
- *New Scope*
  - *Need same rigor as applied to NTB*

## ***Recovery Act – Contract Management***

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- *Contract options reviewed in conjunction with work scope criteria*
  - *Twenty-eight (28) contract mechanisms examined*
- *Contract Approach*
  - *Combination of existing contracts and utilization of IDIQ contracts*
- *Scope Determination and / or Statements of Work being developed for approval*
  - *“Shovel ready”*
  - *Work scope contained in NTB or OPER*

## *Recovery Act – Summary*

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- *EM has been given the opportunity to make additional investments in lower risk activities and complete building the capability for dispositioning tank waste, nuclear materials, and spent nuclear fuel*
- *With the additional funding EM will be expected to achieve results*
  - *Create and preserve thousands of jobs*
  - *Provide significant environmental cleanup*
  - *Make large tracts of land available for re-utilization*