

Fluor Fernald, Inc.
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FLUOR

May 4, 2006

Fernald Closure Project
Letter No. C:BSOP(CA/PC):2006-0034

Mr. Timothy L. Jones, Contracting Officer
U. S. Department of Energy
EM Consolidated Business Center
250 East Fifth Street, Suite 500
Cincinnati, Ohio 45202

Dear Mr. Jones:

CONTRACT DE-AC24-01OH20115, NOTIFICATION OF CHANGED CONDITIONS

Fluor Fernald, Inc. (Fluor Fernald) hereby provides notification of changed conditions that are expected to result in cost and schedule impacts. Fluor Fernald recently discovered a previously unknown localized area of contamination at the base of the West bank of Paddys Run in the oxbow section during pre-certification real time scanning of the area.

Subsequent geoprobe and soil sampling results confirmed that at least 290 cubic yards of impacted materials within a 100-foot by 35-foot localized area must be excavated and disposed. The ranges of detected uranium and radium levels in soil are as high as 1,340 mg/kg and 3,710 pCi/g, respectively. A portion of these materials will need to be disposed off site due to the higher than On Site Disposal Facility (OSDF) Waste Acceptance Criteria (WAC) conditions. There was no prior Remedial Investigation/Feasibility Study (RI/FS) data or process knowledge that indicated the existence of this localized area of contamination. Due to the remote location, steep terrain, dense vegetation, and the need to cross Paddys Run during the wet season, excavation and hauling of these impacted materials will be very difficult and time consuming.

Fluor Fernald has already taken preliminary steps for retrieval of the contaminated material and remediation of the localized area. A separate charge number (G711P) has been established to capture the associated costs. Fluor Fernald plans to submit a Request for Equitable Adjustment when the actual cost and schedule impacts become available.

Mr. Timothy L. Jones, Contracting Officer

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If you have any questions regarding this matter, please call me at (513) 648-3358.

Sincerely,



Dennis Sizemore, Manager
Prime Contract

DS:jmb:dap

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