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States Government Department of Energy
morandum Rocky Flats Office

DUE DATE 9-27-93

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BENEDETTI, R.L.		
BENJAMIN, A.		
BERMAN, H.S.		
CARNIVAL, G.J.		
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DAVIS, J.G.		
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SCHUBERT, A.L.		
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EP 22 1993

EG&G
ROCKY FLATS PLANT
CORRESPONDENCE CONTROL

ERD:FRL:10926

Solar Ponds Projects Cost Review

Ned Hutchins, Acting Associate General Manager
Environmental Restoration Management
EG&G Rocky Flats, Inc.

Over the last few months EG&G and the DOE have completed a significant action through the dispute process for OU4, Solar Ponds. A streamlined approach has been jointly developed with our regulators which took us from 11 months behind schedule to 15 months ahead of the current IAG schedule, an aggregate improvement of 26 months. This was a landmark effort, however achieving this acceleration within our overall environmental restoration budget profile causes impacts to other Operable Units. With the firm budget ceilings, the only way to mitigate the budget impacts of the OU4 acceleration is to take a very hard look at costs. The recent recommendations of the Quality Action Team (QAT) also add emphasis to this point and identify several areas for potential cost control.

Hutchins
Adams
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I am requesting EG&G organize and complete an intensive cost review of the solar ponds project as currently defined based on recent OU4 dispute resolution. The review should be structured to refine our current estimates and assumptions based on information from other DOE sites and the commercial sector. It should also seek to aggressively identify and challenge cost drivers which may be unique to Rocky Flats and its historical mission. The QAT recommendations are only a starting point. The DOE is convinced that significant opportunities for cost reduction exist and expects EG&G to demonstrate creativity and commitment toward this effort.

A plan for the cost review effort is requested by September 29, 1993. The plan should describe the approach, resources, and schedule for conduct of the review. Strong consideration should also be given to active participation by our regulators and other stakeholder groups. We anticipate considerable dialogue to ensure this plan will produce a product which meets our expectations. Results of the cost review will be used to revise the baseline for Solar Ponds and adjust the environmental restoration budget plans. Starting this effort now will allow the results to be available for use in the next budget cycle updates in January 1994.

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Reviewed for Addressee
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9-23-93
DATE BY

Ref Ltr. #

DOE ORDER #5400

SEP 22 1993

Please contact Frazer Lockhart at extension 7846 if you have questions on this effort. I anticipate we will be working closely with you to ensure the success of this important effort.



Richard J. Schassburger
Acting Director
Environmental Restoration Division

cc:

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