



Memo

Date: April 24, 1995
To: Steve Keith
From: Andy Ledford *JAL*
Subject: RFFO Correspondence
 Concerning OU4 IM/IRA
 Variances

I have reviewed the correspondence from John Rampe (DOE/RFFO AMPME-ER) dated April 20, 1995 which implies that current variances associated with the OU4 IM/IRA "demonstrate an overall lack of a project management culture." I wish to capture in this memo a number of facts, all of which you are already aware, to rebut that contention.

I assume that the primary reason for concern with this project stems from a perception that the project is behind schedule and that ineffective action or no action is being taken to correct that condition. Even a brief evaluation of project realities will show that such an assessment is not valid. All of the field work currently in progress is grouped into a category we call "non-closure construction" to differentiate it from that which is directly part of the closure action. Closure construction is defined in the IM/IRA DD and cannot be performed until that document and the Title II design are approved; however, non-closure construction is not subject to regulation and can be performed prior to document and design approval. The OU4 Remediation Project developed an aggressive schedule to start the non-closure work as early as possible—in keeping with EG&G's and DOE's policy of "do it now unless there is a reason not to." Because this work did not *have* to be accomplished until sometime *after* approval of the Decision Document and design and because approval of those documents follows a much longer path, there has always been significant float in the schedule for the non-closure work. Floats of 100 days or more have been present in the schedule from the time of initial planning.

Non-closure construction float has been increased due to delays in the IM/IRA DD project (resulting from the 1994 dispute resolution) and due to the length of the Pond Waste Processing project. Float for some non-closure tasks now exceeds 200 days.

With such large amounts of float, it has been difficult for the project to compete with other, more critical needs for limited plant resources such as RCTs. The result of this situation has been, in some cases, delays in scheduled execution of work; however, in no instance have any actual "need dates" been missed nor has the progress of the overall Remediation Project been impacted. This fact is a consequence of the existence of the large float and its effective management. We felt it was inappropriate and destructive both to EG&G and the DOE for the project to misrepresent the urgency of its need for resource. However, we have always realized that extended periods of project life without progress will eventually result in cost overruns due to continuing overhead costs if for no other reason.

ADMIN RECCRD

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Therefore, the project proposed to establish multiple completion milestones to the DOE to reduce the float and, therefore, to provide reasonable justification for competition for resource. A contingency analysis has been performed on all tasks for which milestones were to be proposed to determine of appropriate amounts of schedule reserve. The reserve was to be added to the schedule to ensure that the milestones could be met, even considering normal upsets in the course of the work.

DOE upper management, Jessie Roberson, opposed establishment of these milestones. Her opinion was that imposition of additional milestones could result in additional costs to the DOE in the event that Herculean efforts were expended to ensure that milestones were met for tasks that otherwise would be late. Several months passed as we attempted to resolve this concern and secure from the DOE appropriate guidance as to how to proceed.

I wrote to you on April 11, 1995 seeking your concurrence on our proposal to establish these milestones (JAL-023-95, copy attached). You replied in the affirmative on April 17, 1995 (SRK-053-95, copy attached) and correctly stated that a Baseline Change Proposal would be required to formally establish the milestones. We are currently in the process of preparing and executing the change proposal and expect it to be implemented at the completion of the next cycle of the various Change Control Boards.

I believe that the project has, from the beginning, performed very well. It has appropriately managed the float, neither giving up too much nor misrepresenting the urgency of the project tasks. It is a fact that cannot be changed that these task need not be completed until sometime late next year, unless some acceleration of the closure action approval process and the pond waste treatment project can be accomplished. While managing the float, the project has made significant progress: removal of two cement silos, removal of several tons of unused equipment and other "junk" littering the site, preparation of the relocation site for numerous cargo containers, clean-out of Building 788, and other accomplishments. In addition, the project has identified problems associated with significant float and has developed and is implementing solutions that are expected to improve the project's ability to maintain its original, aggressive schedule. I believe the awareness of issues, the analysis of cause and effect, the development of solutions, and the professionalism evident in their implementation demonstrate a very high degree of "project management culture." I urge you most strongly to rebut the implication made in Mr. Rampe's correspondence.

Please contact me if you require any further information.

Audy

cc:

Sue Stiger
Tim Kramer
Michelle McKee
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Scott Surovchak
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