

Mello Aff #2, Par 4f

Subject: FW: terms of reference for review on CMRR-NF?
From: "Matthews, Katie" <Katie.Matthews@mail.house.gov>
Date: Fri, 6 Aug 2010 13:16:11 -0400
To: "Trish Williams-Mello" <twm@lasg.org>, "gmello@lasg.org" <gmello@lasg.org>

Just got this. Let me know if you want me to ask followup questions. I'm out next week, so if you can get them to me by the end of the day, that would be great
- = otherwise it is the week of the 16th.

Thanks!
Katie

Kathryn Matthews, Ph.D.
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From: Ramos, Derrick [mailto:Derrick.Ramos@NNSA.Doe.Gov]
Sent: Friday, August 06, 2010 12:49 PM
To: Matthews, Katie
Cc: Levy, Jonathan; Hunter, Dana; Croft, Katherine; Pray, Charles; Bishop, Clarence
Subject: RE: terms of reference for review on CMRR-NF?

Hi Katie:

A review of CMRR-NF and another of UPF conducted by Scott Samuelson heading a small team was conducted earlier this year at the request of General Harencak. This was a DOE review that took a few days at each of the two sites. The task of this review was to evaluate the basis and maturity of each project's Total Project Cost (TPC) range under the funding scenarios below in order to establish a level of confidence that the Department's FY 2012-2016 budget request supports completion of both projects on schedule and within cost. The scope of the project was to review and evaluate the reasonableness of the processes, procedures, and assumptions used by the project teams to prepare schedule and the TPC range estimates based on the scenarios provided. Placing particular emphasis on the risk management process, including identification of potential risks and key planning assumptions, the magnitude of their impacts, and how they affect the cost uncertainty and required contingency. A verbal debriefing was provided to NA-10, but no formal report was written.

We are at the beginning stage of planning a review to be supported jointly by DOE (Don Cook, NA-10) and DoD (Andrew Weber, Asst. to Sec Def for NCB) that is intended to assist in reviewing the work of the CMRR-NF and UPF teams to gain improved understanding of the likely cost range for each of the two projects if no alterations to scope are made, noting that the projects are only at the 40-45% of engineering design point. Baselines for the projects will not be established prior to the 90% engineering design point so that uncertainties can be reduced prior to establishing formal baselines.

The terms of reference are also attached.

Please let us know if you have any further questions.

Thanks!

Derrick D. Ramos
National Nuclear Security Administration

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Department of Energy
National Nuclear Security Administration
Washington, DC 20585



February 26, 2010

MEMORANDUM FOR SCOTT L. SAMUELSON
ACTING DIRECTOR
NIF PROJECT DIVISION

FROM: GARRETT HARENCAK, BRIG GEN, USAF
PRINCIPAL ASSISTANT DEPUTY ADMINISTRATOR
FOR MILITARY APPLICATION
OFFICE OF DEFENSE PROGRAMS

SUBJECT: Reviews of the Chemistry and Metallurgy Research
Replacement (CMRR) Project and the Uranium Production
Facility (UPF) Project

NNSA has communicated its expectations for both projects to its stakeholders; those expectations are now the basis for all out-year fiscal planning. Both projects must plan for completing construction not later than 2020, with ramp-up to operations in 2022. It is critical that NNSA obtain an evaluation of the FY 2012 budget requests for these projects to develop confidence that the Department's FY 2012 -2016 request represents reasonable budget profiles for meeting our commitments to our stakeholders.

You are hereby charged with organizing and leading reviews of the subject projects per the attached review charter. Guidance to the project teams for this review has been provided by my memorandum of February 18, 2009 (attached). The timeline is challenging and requires extraordinary effort, but the delivery date cannot be extended. Your primary point of contact for coordinating with the sites, arranging for required resources, and reporting your results will be Mike Thompson, the Director, Office of Facility and Infrastructure Acquisition and Operation (NA-172). Please provide concise status reports via e-mail to NA-172 and to me on a bi-weekly basis.

Attachment

cc w/ attachment
C. Deeney, NA-123
S. Goodrum, NA-12
M. Hickman, NA-54
H. Le Doux, LASO
P. Niedzielski-Eichner, NA-14
H. Peters, YSO
R. Scott, NA-50
G. Talbot, NA-17
M. Thompson, NA-172



CMRR and UPF Review Charter

Task:

Evaluate the basis and maturity of each project's Total Project Cost (TPC) range under the funding scenarios below in order to establish a level of confidence that the Department's FY 2012-2016 budget request supports completion of both projects on schedule and within cost.

Scope:

Review and evaluate the reasonableness of the processes, procedures, and assumptions used by the project teams to prepare schedule and TPC range estimates based on the scenarios provided. This evaluation must be informed by an understanding of the design maturity for each facility, including the level of technological maturity and safety integration, the acquisition strategy selected, and the management and oversight model. Particular emphasis must be placed on the risk management process, including identification of potential risks and key planning assumptions, the magnitude of their impacts, and how they affect the cost uncertainty and required contingency.

Program Commitments:

CMRR-NF: Complete the design and construction of the CMRR nuclear facility at Los Alamos – a facility that conducts plutonium research and development and provides analytical capabilities in support of pit surveillance and production - by 2020; ramp up to full operations that enable a production rate of 50-80 pits/year in 2022.

UPF: Complete the design and begin construction of the Uranium Processing Facility (UPF) at Y-12 to support production and surveillance of highly-enriched uranium components by 2020; ramp up to full operations of 50-80 Canned Sub Assemblies (CSAs) per year in 2022.

Funding Scenarios:

Scenario #1: Assume the Fiscal Year 2011 to 2015 budget profiles as presented in the President's Fiscal Year 2011 request. Planning numbers beyond 2015 will be provided to the project teams following the publication and release of the President's budget request.

Scenario #2: Assume the Fiscal Year 2011 budget numbers for CMRR-NF and UPF as presented in the President's Fiscal Year 2011 request. For 2012 and beyond, develop an executable budget profile that most efficiently achieves the stated program commitments.

Timeline

The Review Team shall provide its conclusions and rationale in a briefing package to NA-10 by June 4, 2010, followed by a written report by June 30.

- On or before March 1, 2010, the independent review team will work with the project teams to identify the data to be provided, including format and level of detail.
- The project teams shall provide the results of their analysis of the two scenarios to the review team not less than two weeks prior to the on-site reviews.
- The review team will begin its review of the project teams' schedule and cost ranges as soon as possible after the data is available.