



## Department of Energy

Oak Ridge Office of Environmental Management  
P.O. Box 2001  
Oak Ridge, Tennessee 37831

May 10, 2019

### CERTIFIED MAIL

Mr. Randy C. Young  
State of Tennessee  
Department of Environment and Conservation  
Division of Remediation – Oak Ridge  
761 Emory Valley Road  
Oak Ridge, Tennessee 37830-7072

Dear Mr. Young:

**RESPONSE TO HIGH-LEVEL COST EVALUATION QUESTIONS: FOLLOW-UP TO TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION REQUEST (NOVEMBER 29, 2018) FOR BACKUP INFORMATION USED IN THE DEVELOPMENT OF THE COST ESTIMATES FOR THE COMPARISON OF DISPOSAL ALTERNATIVES ASSOCIATED WITH OAK RIDGE RESERVATION CERCLA WASTE DISPOSAL**

In response to comments in your letter dated February 26, 2019, regarding the above subject, the U.S. Department of Energy (DOE) offers the following clarifications.

1. The RI/FS assumes a 15% Contractor G&A and Fee for onsite disposal. The 2016 *Focused Feasibility Study for Water Management for the Disposal of CERCLA Waste on the Oak Ridge Reservation, Oak Ridge, Tennessee* (DOE/OR/01-2664&D2) includes a 36% DOE Prime Contractor G&A and Fee. What is the current Prime Contractor G&A and Fee?

RESPONSE: The actual current Prime Contractor G&E and Fee is proprietary information. Cost estimates make assumptions about Contractor G&A and Fee. Actual Contractor G&A and Fee amounts vary from year to year and the amount allocated to activities each year vary depending on the type of activity.

2. The RI/FS includes Contractor G&A and Fee for onsite disposal cost and does not include Contractor G&A and Fee for offsite disposal fees and rail transportation. What is the current Contractor G&A and Fee for offsite disposal fees and rail transportation? Where are Contractor G&A and Fee included in the RI/FS offsite disposal analysis?

**CERTIFIED – RETURN RECEIPT REQUESTED**  
**(YOUNG 7009 2820 0001 9922 6090)**

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RESPONSE: Contractor G&A and Fee for offsite disposal are part of the Indefinite Delivery/Indefinite Quantity (IDIQ) contract quotes for offsite disposal; therefore, they are not explicitly identified in the RI/FS cost analysis for offsite.

3. The RI/FS states that annual operations cost are taken from actual costs at the Environmental Management Waste Management Facility (EMWMF), estimated at \$10.5 M per year. Adding 15% Contractor G&A and Fee to \$10,500,000 equates to \$12,075,000 annual operations cost and multiplying by 22 years of operation gives the cost in RI/FS Table I-3, Element Number 2 for Base Operations. DOE's 2016 budget planning case included \$2,779,000 for ORR Landfill Operations and \$15,679,000 for EMWMF Operations. DOE's FY2016 appropriations breakdown includes \$19.4 M for EMWMF/Landfills. Please provide a breakdown of the FY2016 appropriations with sufficient detail to verify EMWMF operations cost, Contractor G&A and Fee, and other pertinent cost for EMWMF and Landfills included in the \$19.4 M total.

RESPONSE: Budgets are developed two years in advance of work being performed and are focused on the estimate of the cost to perform that work. The actual cost to operate EMWMF in FY 2016 was \$10.9 M (including G&A and Fee). The actual cost to operate ORR landfills in FY 2016 was \$4.5 M (including G&A and Fee). DOE also paid \$1 M to Tennessee in FY 2016 for the EMWMF perpetual care fee.

4. The RI/FS includes a 22-year operating period for EMDF with final capping and facility closure from 2045 through 2048. The FY2019 planning case includes an operating period of about 45 years with final cap construction from 2070 through 2074. The FY2019 planning case is a little outdated. (a) What FY is the current planning case? (b) When does the current DOE planning case show EMDF operations beginning and ending? (c) What years are specified for EMDF final capping/closure in the current DOE planning case?

RESPONSE: The Oak Ridge Office of Environmental Management is planning to provide the FY 2021 planning case to the Tennessee Department of Environment and Conservation (TDEC) this month, which will provide answers to the (a) through (c) questions above.

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5. The off-site disposal rate for debris, \$533.96/cubic yard (c.y.), was based on a 2012 IDIQ contract quote that was based on a very small quantity (10,800 c.y.). DOE-Paducah negotiated an off-site disposal rate of \$424.00/c.y. Do you agree that if this rate were applied at Oak Ridge on 1.3 M c.y., it could result in reduction of offsite cost on the order of \$143M? If not, explain.

RESPONSE: The difference between \$533.96 and \$424 multiplied by 1.3M c.y. is approximately \$143M. To be clear, the IDIQ contract identified a volume discount of 15 percent to be applied to disposal volumes exceeding 50,000 c.y. per year, which results in a disposal cost of \$434/c.y. That discount was applied in the RI/FS estimate for each year where estimates exceeded 50,000 c.y. waste disposal, and amounted to a savings of \$75M as indicated in the briefing provided in a Project Team Meeting on January 10, 2019, thereby reducing the delta in this comment from \$143M to \$68M. Additionally, the Record of Decision, which has not been submitted yet, reviews and revisits the offsite estimate based on new information such as the recent negotiated Paducah disposal rate.

6. Please see the EMDF estimated radiological inventory - summary for project team discussions, November 11, 2016 (Attachment B). Please provide the radiological profiles, 95% UCLs, 90% volume upper concentrations, and other items referenced in the summary. If updated statistics are available, please also provide the updated statistics.

RESPONSE: The information requested has been incorporated into a formally submitted report. Formally submitted forecast radiological inventories and associated backup information for EMDF are provided in *Appendix B. Radiological Inventory Estimate for the Environmental Management Disposal Facility to the Performance Assessment for the Environmental Management Disposal Facility at the Y-12 National Security Complex, Oak Ridge, Tennessee (UCOR-5094/R1)*, which TDEC has been granted full access to on the MAX.gov site. Please see Brad Stephenson of your office for this information, as he has access to the MAX.gov site. Access to the site is available to other TDEC personnel upon request.

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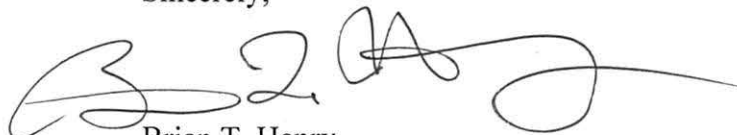
7. The D5 RI/FS (page 2-9) states that the “UCL-95 uncertainty allowance is applied to future volumes. For purposes of this RI/FS analysis, it was conservatively assumed that volume uncertainty would result in increased rather than decreased need for landfill space. A straight 25% uncertainty on waste volumes is assumed in this document.” Please provide the current UCL-95 uncertainty evaluation and results for future waste volumes.

RESPONSE: Please see the *Fiscal Year 2019 Phased Construction Completion Report for the Oak Ridge Reservation Environmental Management Waste Management Facility* (DOE/OR/01-2818&D1), Section 3.3, pages 10-11 for this information. This report was submitted to TDEC on March 26, 2019.

Regarding the request for additional information, DOE believes the RI/FS provided sufficient backup information to support the estimates given. In response to the previous request for additional information, a detailed breakdown of offsite costs was given in the Project Team Meeting on January 10, 2019. In order for DOE to address additional requests for more information, more specifics are needed on exactly what information TDEC is requesting.

If you have any questions or if we can be of further assistance, please contact John Michael Japp at 241-6344 or Brian Henry at 241-8340.

Sincerely,



Brian T. Henry  
Portfolio Federal Project Director



John Michael Japp  
Federal Facility Agreement Project Manager

See Page 2 for cc list.

Mr. Randy C. Young

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CERCLA WASTE DISPOSAL**

cc:

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