

MAY 21, 2002 ADDENDUM
Hanford Site Workforce Restructuring Plan
U.S. Department of Energy, Richland Operations Office
U.S. Department of Energy, Office of River Protection

This Addendum to the 1995 Hanford Site Workforce Restructuring Plan and November 22, 1996, Addendum is being issued to update the Plan. Provisions of the Plan mitigate the impacts of any future workforce restructuring and remain in effect until the Plan is canceled or until another addendum is issued. The Plan applies to employees of all major onsite contractors and their partnering subcontractors at Hanford, including contractors to the Richland Operations Office (RL) and the Office of River Protection (ORP).

Part I – Public Involvement

EMPLOYEE AND COMMUNITY NOTIFICATION

Keith A. Klein, Manager of RL, introduced a new draft plan in late summer of 2000 for Hanford cleanup called “Done in a Decade.” The plan focused on three outcomes: restore the River Corridor, transition the Central Plateau, and prepare for the Future. The draft plan was distributed to stakeholders and employees for comments. Stakeholder comments were addressed and incorporated into the final version of the plan called “Hanford 2012: Accelerating Cleanup and Shrinking the Site.” A copy of the plan is attached as an Appendix to this addendum.

Although River Protection Project activities are not directly included in the Hanford 2012 Plan, ORP also anticipates periods of buildup to accelerate cleanup projects, followed by transitions after completion of projects, or completion of one phase of work, to focus on the next phase or next project. There will be a substantial build up of the workforce as a result of the design and construction of the waste treatment plant. Overall, design and construction employment is expected to increase resulting in excess of 3,700 design and construction related jobs. The peak employment is expected during the construction phase of the waste treatment plant in fiscal year 2005. After completion of the construction project, a sharp decline in the size of the workforce is anticipated, with most of the decline being jobs in the design and construction trades.

As projects under both RL and ORP are completed, and resources are shifted from one type of work to another, workforce skill mix will be rebalanced as needed and may result in reductions of force. The size of the total workforce is expected to remain about the same or increase somewhat through completion of construction of the waste treatment plant and decline thereafter. Publication of this Addendum to the Hanford Site Workforce Restructuring Plan will serve as employee and public notice of anticipated periodic reductions of force as needed

to rebalance the skill mix of the Hanford workforce and reductions following completion of the waste treatment plant facility.

Part II – Background

INTRODUCTION

HANFORD 2012:

Accelerating Cleanup and Shrinking the Site

In the late summer of 2000, RL introduced the draft plan entitled, “Done in a Decade.” The cleanup plan focused on three outcomes: restore the River Corridor, transition the Central Plateau, and prepare for the Future. The draft plan was distributed for public comment, and was revised and reissued as “Hanford 2012: Accelerating Cleanup and Shrinking the Site.” See the Appendix to this addendum. A key priority in the plan is to reorganize work at Hanford and complete major pieces of the Hanford cleanup by 2012, enabling DOE to shrink the Hanford Site from 586 square miles to about 75 square miles.

Implementation of the Hanford 2012 plan to accelerate cleanup and shrink the Site will require periodic need to rebalance the skill mix of the workforce as projects are completed, or stages of projects are completed that eliminate specific types of work, and result in the need for reductions of force.

In December 2000, RL extended the Project Hanford Management Contract with Fluor Hanford, Inc. (FHI). In the modified contract, FHI committed to reduce operating costs and to dramatically accelerate the progress of cleanup. To meet these commitments, FHI recognized that it must continually realign its workforce to balance available skills and numbers of employees with the needs of projects and to realize required labor cost saving through prioritized work and implementing productivity improvement initiatives.

In February 2001, FHI announced plans to lay off up to 300 employees. When the layoff was effected in April 2001, 141 employees were laid off. However, to meet the commitments in its contract, FHI anticipates additional layoffs over the next few years. In January 2002, FHI announced plans for another layoff of up to 100 employees. This layoff will be effected in March, 2002. Although no specific timeframes have been identified, RL anticipates the potential for further layoffs toward the end of FY02, and thereafter, to support workforce rebalancing efforts.

To reorganize work at the site in accordance with the Hanford 2012 plan, three primary areas of workscope will be transitioned in coordination with the expiration