



**EM Budget & Prioritization
Committee Meeting Minutes
Wednesday, January 19, 2011, 4 p.m.
DOE 2714 Complex, J1 Conference Room**

<p><u>Members Present</u> Norman Mulvenon Ron Murphree Bob Olson</p> <p><u>Others Present</u> Dave Adler, Department of Energy Jeff Crane, Environmental Protection Agency Spencer Gross, MCH Corp. Pat Halsey, DOE</p>	<p><u>Absent</u> Steve Dixon Jenny Freeman Ed Juarez Lance Mezga</p>
---	---

Description of Prioritization Model

Mr. Adler began the meeting by briefly explaining the program that can run different scenarios for funding and completing various cleanup projects in Oak Ridge

The program can take a work breakdown structure and split it incrementally from a high level overview of work to individual projects. It can take each program baseline summary and let the user know of three different funding situations:

1. Fixed expenses
2. Level of effort – funding must be enough to sustain operations, but cost can be eliminated by finishing the project
3. Dynamic – there is discretion in scheduling a project

The model can recognize and maintain a logical sequence of work. For instance, it will not try to analyze remediation of soil underneath a building before the building is removed. When a project is completed the associated carrying costs ends.

It can evaluate the relative merits of projects at different funding levels and it helps the user understand the importance and ramifications of delaying a project.

Each project in the system has a duration and dollar value. The information has been validated by independent review. The system can provide about 80 percent of the information needed to make an informed decision, but results still require some human analyzing.

Mr. Olson asked if the program can allow for surveillance and maintenance. Mr. Adler said it can recognize maintenance costs in the short term, but not over an extended period. That part of the program is being refined.

Mr. Murphree asked if it can account for increases in cost over time. Mr. Adler said it does allow for inflation. Mr. Murphree asked if it has variables for risk. Mr. Adler said it did not.

Mr. Murphree asked if Federal Facility Agreement milestones are built into the program. Mr. Adler said it doesn't, but the next step will be to include those milestones. He said it does allow for treatment of water and air.

Ms. Halsey asked if projects that are part of the Integrated Facility Disposition Program are part of the model. Mr. Adler said they are.

Setting Possible Scenarios

Mr. Adler said there could be hundreds of different scenarios that the program could run. He thought it would be useful to prepare about 10 different scenarios to evaluate. He, along with Mr. Crane and Roger Petrie with the Tennessee Department of Environment and Conservation came up with a list of possible scenarios to run (Attachment 1). He encouraged the committee to consider the list, make modifications to it or to come up with different scenarios to run.

He said the objective would be to test the different sequencing and funding level assumptions. The output would provide total duration of a project, and how it is affected by changes in funding, and what funding profiles would be over the next five years.

Mr. Adler asked the group to look over the suggested scenarios and provide feedback. The scenarios would be run and evaluated prior to the February 9 board meeting, where a report on the results would be made.

Action items

Open

1. Mr. Adler will develop a work plan for the committee.

Closed

1. Mr. Adler will develop the presentation for the next meeting and invite federal project directors to participate.

The meeting adjourned at 5:10 p.m. No next meeting time was established.

Attachments (1) are available through the ORSSAB support office.

rsg