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| <p style="text-align: center;">WASHINGTON TRU SOLUTIONS MANAGEMENT POLICY</p> <p>TITLE: WTS PROJECT EXECUTION MANAGEMENT PROGRAM</p> | <p>Number/Rev. MP 1.42, Rev. 1 Page 1 of 4</p> |
| <p>COGNIZANT SENIOR MANAGER:</p> <p>Approval on File <u>3/26/07</u> D. G. Haug Date Chief Financial Officer Business Management</p> | <p>APPROVED BY:</p> <p>Approval on File <u>3/30/07</u> R. D. Raaz Date WTS General Manager</p> |
| <p>1.0 PURPOSE</p> <p>To establish Washington TRU Solutions LLC (WTS) program and project management policy for the planning, organizing, and controlling the work of a project consistent with the following:</p> <ul style="list-style-type: none"> • DOE Order 413.3, <i>Program and Project Management for the Acquisition of Capital Assets</i> • DOE Manual 413.3-1, <i>Project Management for the Acquisition of Capital Assets</i> • Washington Group International Project Execution Management Program (PXMP) <p>2.0 POLICY</p> <p>WTS, under contract with the U.S. Department of Energy (DOE) for management of the Waste Isolation Pilot Plant (WIPP) in conjunction with corporate leadership in Washington Group International, Inc. is committed to industry-leading quality and project performance in the characterization, transportation, and disposal of transuranic waste. Industry-leading quality and project performance is achieved through:</p> <ul style="list-style-type: none"> • Maintaining an effective operational organization. • Implementing policies and procedures that establish consistent, proven methods to perform tasks and provide outstanding services. • Providing functional guidelines as supplemental information or instructions. • Defining responsibilities for task performance. • Training employees on the requirements of the sound project management. • Establishing performance-monitoring processes to verify compliance with project management principles and project execution results. | |

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| <ul style="list-style-type: none"> • Periodically evaluating the WTS project management processes and amending procedures to improve effectiveness. • Conducting regular management reviews of the WTS operations as directed by the WTS General Manager. <p>3.0 ORGANIZATION AND RESPONSIBILITIES</p> <p>3.1 WTS General Manager</p> <p>The WTS General Manager is responsible for:</p> <ul style="list-style-type: none"> • Executing the overall project, including, but not limited to, project profit and loss. • Fulfilling these contract and performance commitments between WTS and the DOE. • Assuring each department/organization and each Project Manager under his direction understands and implements the requirements of the PXMP. • Directing the annual reviews of the PXMP and annual management assessments of the individual projects. • Conducting management assessments and related corrective actions in accordance with WP 13-1, Washington TRU Solutions LLC Quality Assurance Program Description (WTS QAPD), and the related WIPP-specific implementing procedures. <p>3.2 WTS Department Managers</p> <ul style="list-style-type: none"> • Selecting, overseeing, and directing Project Managers. • Monitoring work progress. • Ensuring that personnel are trained and qualified to perform assigned project tasks. • Review all WTS work scope during the annual budget cycle to identify potential projects requiring Project Execution Plans (PXPs) (WP 15-GM.01, Project Execution Plans). | |

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| <p>3.3 Project Managers</p> <p>Individual Project Managers are responsible for:</p> <ul style="list-style-type: none">• Executing the overall project as assigned and fulfilling relevant contract and performance commitments between WTS and the DOE.• Establishing and maintaining communication with the DOE Carlsbad Field Office (CBFO) counterpart and for meeting performance objectives and maintaining positive CBFO relations.• Providing leadership of the Project Team by directing a project-focused team.• Providing tools and knowledge resources (including procedures) to support effective project performance.• Maintaining communications and coordination with senior management in the WTS organization, and assuring that WTS management is apprised of performance and other issues affecting as-planned project execution.• Assuring that focus is maintained on the project objectives.• Monitoring work progress.• Preparing and maintaining a PXP in accordance with the WP 15-GM.01, WTS Project Execution Plans.• Formally notifying WTS QA Assessment Services of planned projects to initiate evaluation for independent assessments. <p>3.4 Project Analysis and Control</p> <p>The WTS Project Analysis and Control (PAC) Department will:</p> <ul style="list-style-type: none">• Facilitate the development, analysis, and control of efficient, meaningful, and timely integrated project management information in support of program goals and objectives.• Provide detailed working schedules and reports for special projects identified during project execution.• Develop, maintain, and promote the use of an Earned Value Management System (EVMS) for controlling program schedules and associated resources for WTS, WIPP, and National TRU Program. | |

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| <ul style="list-style-type: none"> • Through the EVMS and PAC-facilitated project status meetings, provide oversight and analysis of project costs and schedule performance to the DOE, WTS, and WIPP contractor management. <p>4.0 GRADED APPROACH</p> <p>A graded approach should be used to determine the degree of formality and rigor to be applied to the project planning and project control processes. A graded approach to planning and controlling the project recognizes such factors as the task's relative importance to safety, worker and public health, environmental/regulatory compliance, current level of knowledge, safeguards and security, programmatic importance, magnitude of the hazards involved, financial impact, schedule constraints, and other facility or specific requirements. This grading process provides flexibility in order to select the best controls to suit the project or activity. All projects, however, must have a PXP, although it may be highly abbreviated after application of a graded approach to planning.</p> <p>5.0 RELATED DOCUMENTS</p> <p>The following documents were reviewed and considered in developing this policy and should be reviewed and incorporated in project execution, when applicable:</p> <ul style="list-style-type: none"> • WP 13-1, Washington TRU Solutions LLC Quality Assurance Program Description • WP 13-QA.26, Quality Assurance Project Plan for External Programs • WP 15-2, Management Control System Program • WP 15-GM.01, WTS Project Execution Plans | |