

ENVIRONMENTAL

Kaiser-Hill Lands New, Aggressive \$4 Billion Rocky Flats Contract

Kaiser-Hill, a joint venture between CH2M HILL and Kaiser Engineers, has signed a \$4 billion, first-of-its-kind contract with the U.S. Department of Energy for an ambitious, accelerated closure of the Rocky Flats Environmental Technology Site near Denver.

The new "closure contract," which took effect Feb. 1, measures performance against safety, budget, and schedule to close the plant by 2006. Kaiser-Hill has managed cleanup of the former nuclear weapons trigger manufacturing plant since 1995. Under the prior contract, the company had to meet specific goals each year and close the plant by 2008.

"This contract represents a tremendous vote of confidence in Kaiser-Hill by the DOE, and will enable uninterrupted delivery of this important closure project,"

said Ralph Peterson, CH2M HILL's chief executive. "This closure contract is a direct result of Kaiser-Hill's quality work, safety record and accelerated closure schedule performance. Prior to Kaiser-Hill's involvement at Rocky Flats, the site closure was estimated to cost

more responsibility than any site management contractor in the history of DOE."

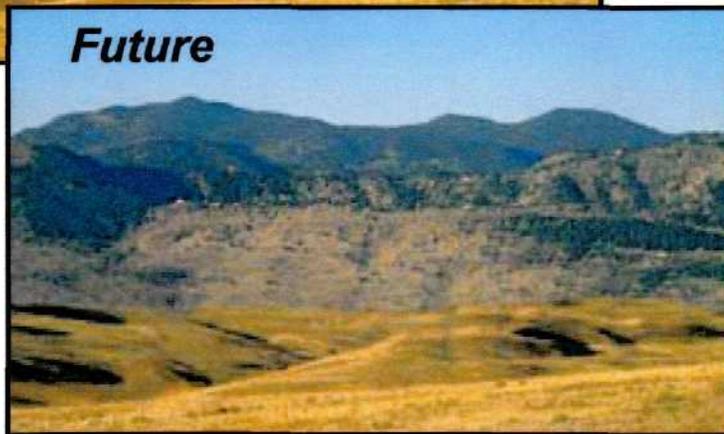
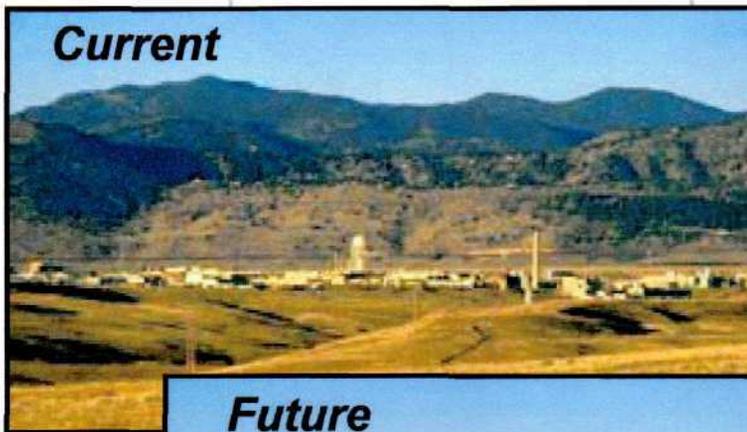
"Safety is the key variable for completion of this cleanup," Card said. "The contract contains unprecedented penalties for even minor infractions."

Safety violations could cost up to \$2 million per incident. But violations will have a much bigger impact than just money, Card said. "Violations mean work must stop, and then the

cleanup could fall behind schedule."

The total cost of the cleanup, combining the current and new contracts, will be about \$7 billion.

That compares to a 1994 DOE estimate which projected that the closure couldn't be completed before 2065—and at a cost of \$37 billion. Even as late as last year, estimates called for \$8 billion and a cleanup by 2010. ♦



\$37 billion and take 65 years to complete."

In an interview with *The Denver Post*, Kaiser-Hill Chief Executive Robert Card said, "In signing this contract, Kaiser-Hill is assuming

