

REPLY TO  
ATTENTION OF**DEPARTMENT OF THE ARMY**BUFFALO DISTRICT, CORPS OF ENGINEERS  
1776 NIAGARA STREET  
BUFFALO, NEW YORK 14207-3199

December 20, 2000

New York - Pennsylvania Area Office

SUBJECT: Contract No. DACW49-00-D-0002, Delivery Order 0002,  
Interim Removal Action - TNT Pipeline and Chemical Sewer Lines at  
the Former Lake Ontario Ordinance Works

Mr. Jerry Castiglione, Site Project Manager  
Sevenson Environmental Services, Inc.  
2749 Lockport Road  
Niagara Falls, New York 14305

Dear Mr. Castiglione:

I am in receipt of your December 18, 2000 report of "Cost To Date" and your "Estimated Cost To Complete" (copy attached). In this report, you identify \$594,433.00 in required additional funds. This was the first time that the need for additional funds was reported to the Government. It would appear that expenditure forecasts were not adequately maintained (reference Contract Management Procedure 2). This has placed us in an extremely difficult position.

At this time, only \$1,610,892.00 is available for all contract costs which have been and will be incurred. Additional funds have been requested, but as of yet, we have not received additional funding.

You should take immediate action to insure that you do not incur costs beyond current available funding. If you need to demobilize, we need to leave the site in a safe and secure position.

This letter supercedes any other letters or direction you receive this date.

Sincerely,

A handwritten signature in cursive script that reads "Mary E. Price".

Mary E. Price  
Contracting Officer

## COST SUMMARY REPORT

Name of Project                      LOOW - TNT and CWM Pipeline  
 Contract No.                         DACW49-00-D-0002  
 Task Order No.                        2  
 Date Prepared

TASK	ORIGINAL BUDGET	CURRENT BUDGET	COST TO DATE	% BUDGET EXPENDED	% PHYSICAL COMPLETE	ESTIMATED COST TO COMPLETE	COST VARIANCE
Division 1 Mob and Prep	\$ 126,201.00	\$ 126,201 .00	\$115,923.00	91.9%		\$32,000.00	\$21,722.00
Division 2 Demob	\$ 51,458.00	\$ 51,458.00	\$67'807.00	131.8%		\$165,000.00	\$181,349.00
Division 3 - General Requirements	\$ 213,251.00	\$ 213,251 .00	\$148,456.00	69.6%		\$1 00,000.00	\$35,205.00
Division 4 - TNT Line	\$ 704,992.00	\$ 704,992.00	\$706,540.00	100.2%		\$299,000.00	\$300,548.00
Division - 5 CWS Line	\$ 409,721 .00	\$ 409,721 .00	\$386,344.00	94.3%		\$40,000.00	\$16,623.00
Fee	\$ 105,269.00	\$ 105,269.00	\$99,755.00	94.8%		\$44,500.00	\$38,986.00
<b>TOTALS</b>	<b>\$1,610,892.00</b>	<b>\$1,610,892.00</b>	<b>\$1,524,825.00</b>	<b>94.7%</b>		<b>\$680,500.00</b>	<b>\$594,433.00</b>

Cost Variance = "Current Budget" - ("Cost To Date" - "Estimated Cost to Complete")