

Monthly Status Briefing

May 2011



Blue Grass Chemical Agent-Destruction Pilot Plant



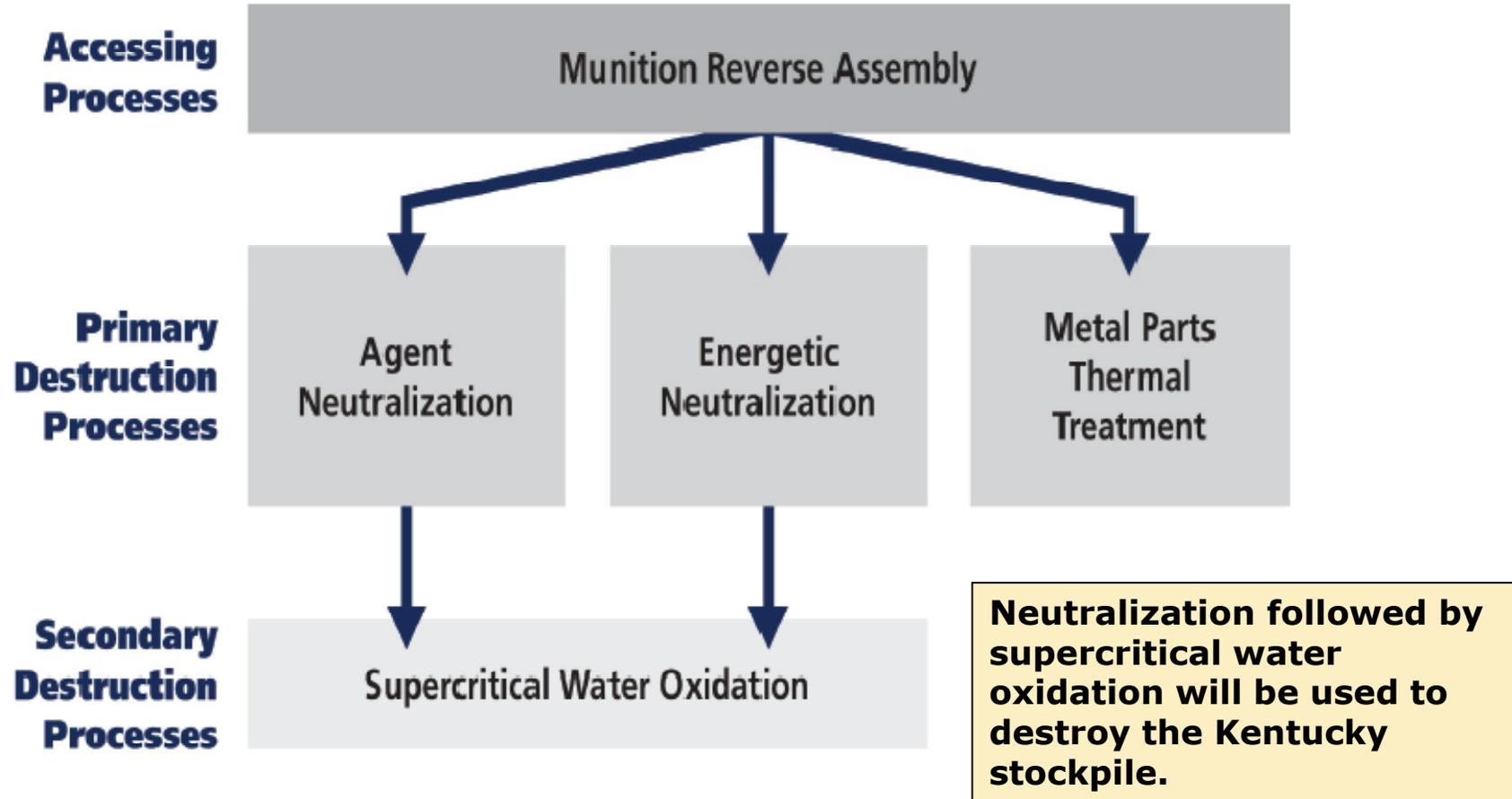
BGCAPP

Project Background

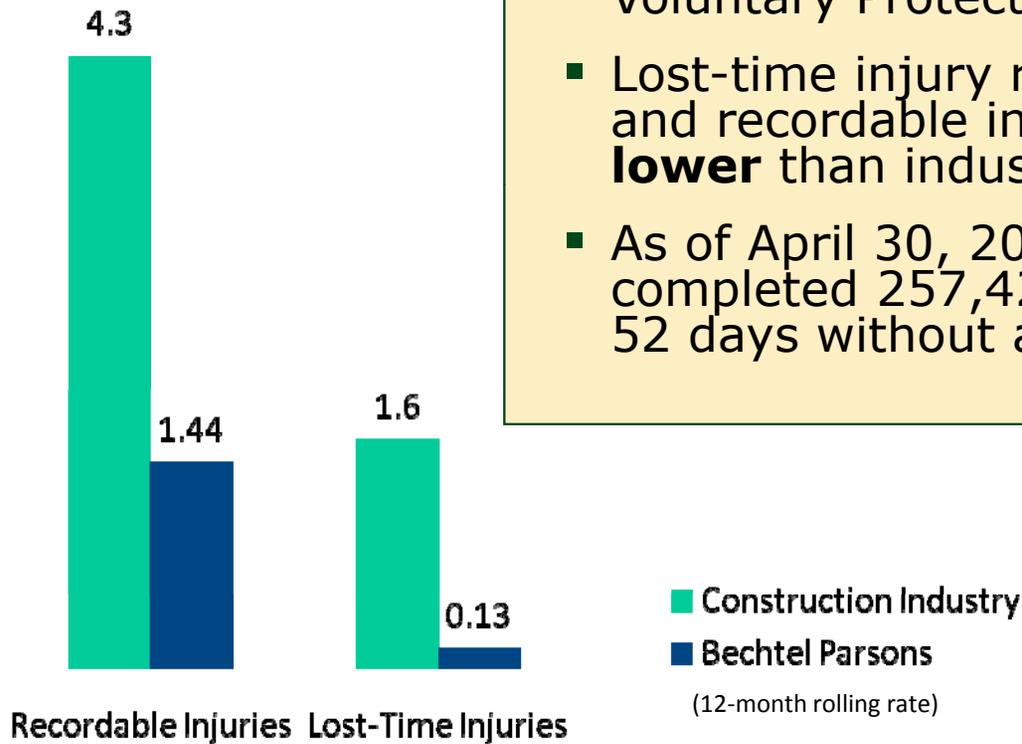
- The Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP) will safely destroy 523 tons of chemical agent in rockets and artillery projectiles stored at the Blue Grass Army Depot in Richmond, Kentucky.
- The technology selected by the Department of Defense to destroy the Blue Grass chemical weapons stockpile is neutralization followed by Supercritical Water Oxidation (SCWO).
- The Program Manager, Assembled Chemical Weapons Alternatives (ACWA), headquartered at Aberdeen Proving Ground, Maryland, is responsible for managing all aspects of the safe and environmentally sound destruction of the chemical weapons stockpiles in both Kentucky and Colorado.
- The Bechtel Parsons Blue Grass Team, a joint venture of Bechtel National, Inc. and Parsons Infrastructure and Technology Group, along with teaming partners URS Corporation, Battelle Memorial Institute, General Atomics and General Physics, is the systems contractor selected to design, build, systemize, pilot test, operate and close the BGCAPP.



Destruction Technology



Safety



- Continued progress toward OSHA Voluntary Protection Program Star Status
- Lost-time injury rate **92 percent lower** and recordable injury rate **66 percent lower** than industry average
- As of April 30, 2011, the project has completed 257,425 hours and 52 days without a lost-time accident.

Accidents per 200,000 job hours



Current Project Staffing

- **Total project employment—853**
- **Richmond, KY—699:**
 - Nonmanual—382
 - Craft—317
 - Local hires—56 percent
- **Other locations—154**
 - Pasco, WA
 - San Diego, CA
 - Columbus, OH
 - Frederick, MD



Nearly 700 workers are in Richmond and focused on safely completing the BGCAPP mission.

Economic Impact

- **Acquisitions to date**
 - \$71.4 million spent with Kentucky companies
 - \$43.3 million spent in Madison and surrounding counties
- **Payroll to date**
 - \$190 million of local payroll paid
 - \$437 million more to be paid remainder of project



BGCAPP held a Supplier Information Session last month where nearly 75 local business members learned about opportunities to participate in the project procurement process.

Construction Work in Progress

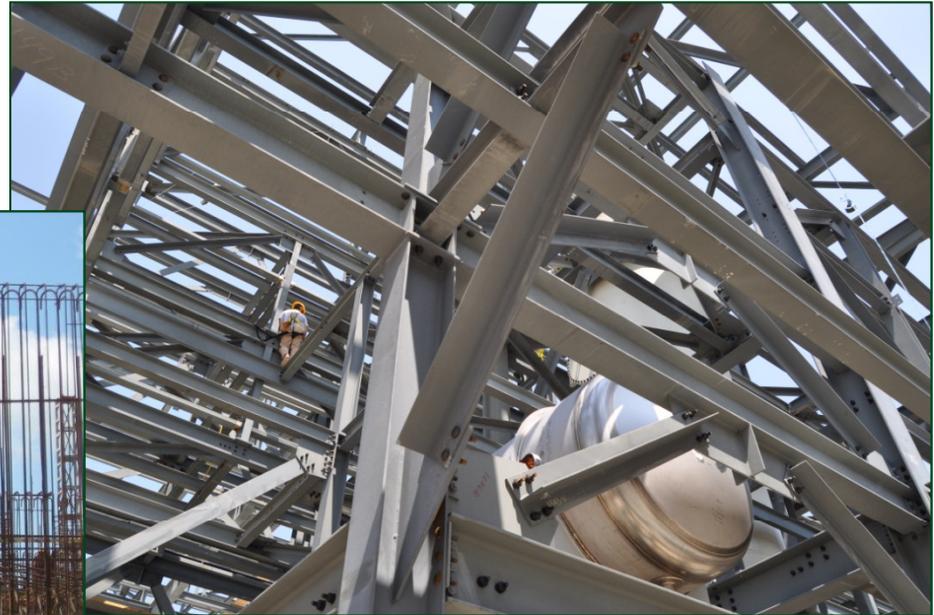
- **Munitions Demilitarization Building (MDB)**
 - Concrete walls and second-lift horizontal concrete
 - Structural steel
 - Electrical and piping systems
- **Control and Support Building**
 - Electrical and piping systems
 - Heating, ventilation and air conditioning (HVAC)
 - Metal wall studs and sheet rock
- **Supercritical Water Oxidation (SCWO) Building**
 - Concrete foundation
- **Bulk Chemical Storage (BCS)**
 - Concrete foundation
 - Concrete containment wall



A recent BGCAPP aerial photograph displays more visible progress as construction at the CSB (above left) and MDB continue to take shape.

Munitions Demilitarization Building (MDB)

BGCAPP construction craft workers (below) assemble reinforcing steel to support elevated vertical concrete wall placements. Preparations for elevated concrete floor placements also continued.



The BGCAPP team (above) installed an air pollution control system surge tank and scrubber tower this month among the MDB structural steel. The MDB is where the chemical weapons will be disassembled, explosives removed and the agent neutralized.

Control and Support Building (CSB)



HVAC units are installed atop the CSB roof and inside the facility construction craft workers continue installing electrical cable tray and support infrastructure. Once complete, the CSB will house the control room and integrated control system used to operate BGCAPP.

Supercritical Water Oxidation (SCWO) Building



BGCAPP construction craft workers place concrete for the SCWO foundation which is nearing completion. The SCWO Building will house the reactors where agent and energetic hydrolysates, a byproduct of the neutralization process, will be subjected to very high temperatures and pressures to destroy the hydrolysates' organic content.

Bulk Chemical Storage (BCS) and Utility Building (UB)

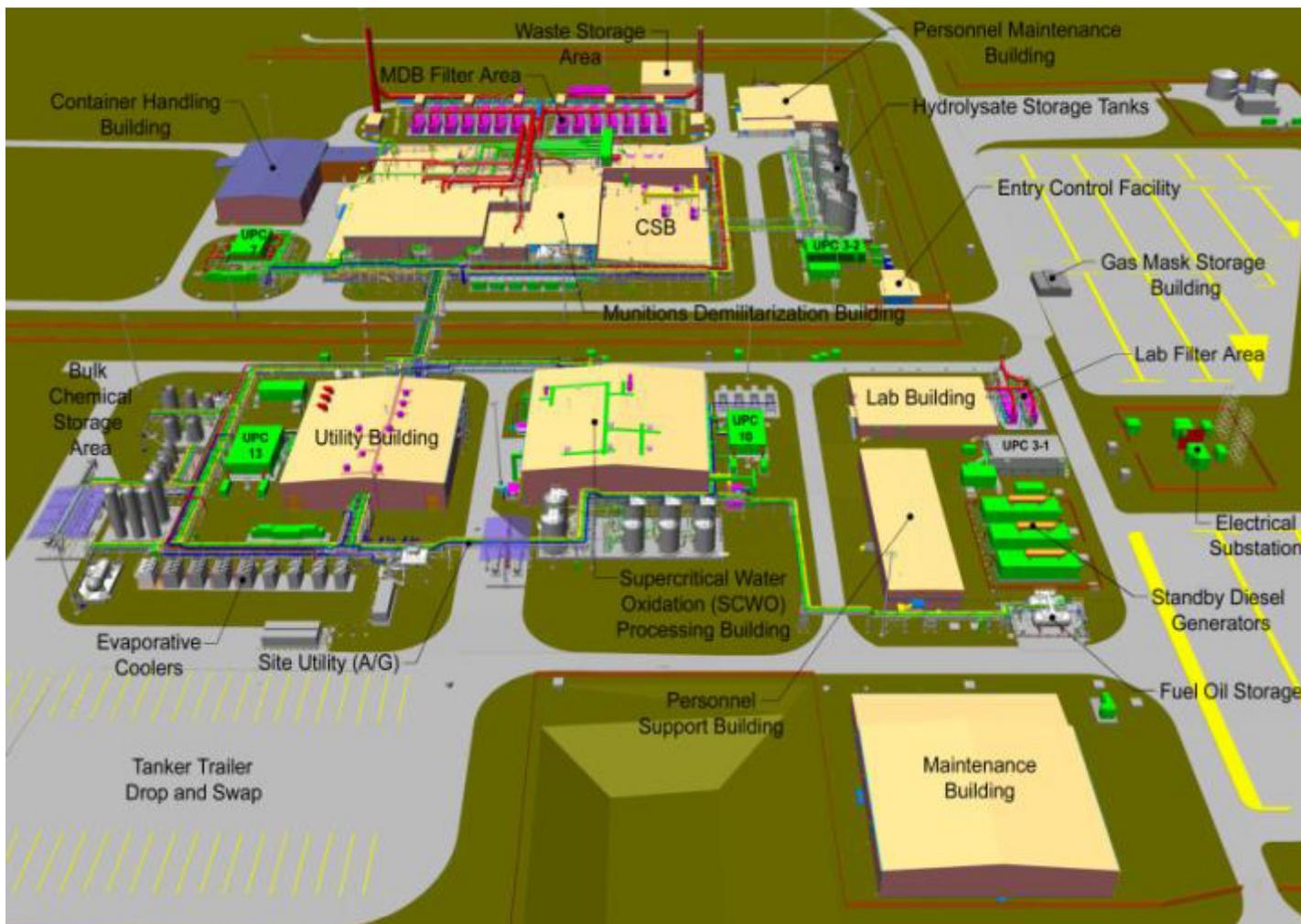


The concrete foundation for the BCS area is nearing completion and craft workers (at left) begin installing formwork for the containment wall. Once complete, the BCS area will house four distinct chemicals required to support the neutralization followed by SCWO process.

BGCAPP team members (at right) inspect chilled water process pumps inside the UB. Once complete, the UB will house equipment to produce steam, compressed air, chilled water and hot water for operations.



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