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March 27, 1996

Mr. Mike McClelland
BRAC Environmental Coordinator
Engineering Field Activity West
Naval Facilities Engineering Command
900 Commodore Drive, Building 105
San Bruno, CA 94066-2402

**Subject: NET Laboratory History and Issues
Hunters Point Annex, San Francisco, California
CLEAN Contract No. N62464-94-d-7609 (CLEAN II), CTO NO. 310**

Dear Mr. McClelland:

In 1990 during the initial data collection at Hunters Point Annex (HPA) there was a problem with two of the contract laboratories supporting the Navy's remedial investigation (RI) program at operable units I (IR-sites 1, 2, and 3); III (IR-sites 4, and 5) and IV (IR Site 7). PRC, the Navy's prime contractor identified delays and data quality problems with the phase 2A samples collected between October and December of 1990. The two laboratories were NET Pacific and Eagle-Picher. Approximately 1100 samples were sent in for laboratory analysis at the two laboratories. Due to delays in laboratory reporting first noted in November 1990, the field investigation was slowed down. By January 1991, PRC and the Navy had halted sampling and based on a review of the preliminary information it was noted that some of the holding times had been missed. By February of 1991 PRC corrected the problem with the contracting of a group of laboratories to provide adequate sample handling capacity.

By early 1991 the Navy's RI/FS schedule had started to slip due to 1) delays in receiving the laboratory reports and 2) data quality problems identified in the cursory data validation stage. Schedule extensions were granted by the regulatory agencies based on the following assumptions: 1) the full data packages would be available within months and 2) the cursory review of the initial data packages already being performed indicated that most data could be used as estimated. In other words, the phase 2A data seemed to have some quality problems but seemed to be useable with some limitations.

In July 1991 no one knew that the laboratory full data packages would not be completely available until November 1991 - a full year later than originally promised by the laboratories. Consequently, the full validation was not completed for the 1100 samples from phase 2A until March 1992.

When the full validation process was completed it became clear that the data originally "estimated" was no longer defensible at all and had to be rejected. Efforts to salvage the data were abandoned as soon as the

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validators realized that some basic laboratory procedures had not been followed for the majority of the 1100 samples.

To meet the FFA schedule resampling was conducted to replace the bad data in May through August of 1992. The bad data was removed from the database and replaced by the newly collected data. Not all of the 1100 samples need to be retaken. The batch of bad sample analyses were based upon samples taken within a wide spaced sampling grid. Analysis of approximately 1300 samples collected subsequently, within a closely spaced grid in the same area, confirmed much of the original assumptions drawn from that first batch of samples. Due to additional data available about the site, those subsequent 1300 samples were collected in a much more efficient and sophisticated manner providing greater certainty about assessments drawn from their analyses. The 1300 sample analyses have been validated as sound. So due to the conservative nature of the sampling process, combined with significant new information and better understanding about the site, the number of samples required to replace the 1100 samples was 357.

The total cost of resampling and contingency sampling (conducted at the same time) approximated \$1.43 million. Only 66% of that sum (\$945,906) was attributable to laboratory problems. Of the portion attributable to laboratory problem, NET could only be held liable for 70% of the cost based upon its initial share of the work with Eagle Picher liable for the other 30%. Eagle Picher declared bankruptcy some time ago. The maximum possible claim against NET was \$664,972. PRC pursued litigation against NET for that amount and settled out of court. The portion of the cost recovered and returned to the Navy is covered under a disclosure agreement as part of the settlement, and probably can be attained from the Navy contracts. Please note that no other Navy CLEAN projects have used NET other than HPA. If you have any further questions, please give me a call.

Sincerely,



Jim Sickles
Installation Coordinator, Hunters Point Annex

cc: File

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