

WM2009 Conference Panel Report

Panel Session 23 Emerging Issues with U.S. DOE Prime Contractors

Panel Reporter: Judith D. Connell (Fluor Hanford)

As the name of the panel suggests, the purpose of this session was to highlight current and emerging issues for contractors. The state of the U.S. economy and the recent announcement of the \$6B stimulus package to DOE channelled much of the discussion as to what sites/projects would get the money, what would be done, and what oversight/processes would have to be put in place to monitor progress. Panellists represented large and small sites as well a two national laboratories (Savannah River National Laboratory is part of the Savannah River Nuclear Solutions' contract). While no panellists came from the ranks of DOE, Deputy Assistant Energy Secretary for Engineering and Technology Mark Gilbertson was in the audience and "sparred" with panellists.

The following individuals participated in the panel in the order presented below.

George Jackson, Senior VP, Fluor Government Group introduced the speakers and moderated the panel.

- John Lehew, President & CEO, CH2M HILL Plateau Remediation Company (Hanford)
- Charles Munns, President & CEO Savannah River Nuclear Solutions
- Terry Walton, Director, Environmental Programs, Pacific Northwest National Laboratory
- Greg Meyer, President & General Manager, B&W Pantex
- James Thiesing, VP & Deputy General Manager, Bechtel Jacobs LLC (Oak Ridge)
- Jeff Mousseau, President & General Manager, Bechtel BWXT Idaho
- Ryan Dodd, Deputy Project Manager, Washington Closure Hanford
- Al Konetzni, President, West Valley Environmental Services LLC

Some of the common issues that were discussed included the lack of level funding; jurisdictional issues across bargaining-unit personnel; maintaining a talented workforce; the difficulties of FAR-based *versus* M&O-based contracts; the costly "acquisition process" for incumbents and new bidders; and building consensus among stakeholders, contractors and DOE, especially at sites with multiple contractors, competing goals, and different contracting vehicles. The following summary has been excerpted from the March 9 edition of the *Weapons Complex Monitor* as reported by Mike Nartker.

PHOENIX—Contractors are becoming increasingly concerned about the increased reporting requirements attached to the \$6 billion in economic stimulus funds provided to the Department of Energy's cleanup program. During a panel discussion at this year's Waste Management Symposia, several contractor executives said they are moving to hire additional staff to be able to meet the new requirements. "It's going to be an issue. I got a little frustrated this morning and suggested to one of my colleagues who had not gotten any stimulus money that he might be the happier camper in two months. And I was pulled up short and told, 'Nah, you got to take the money and figure out how to do it,'" said James Thiesing, Vice President and General Manager of Oak Ridge cleanup contractor Bechtel Jacobs Co. Added CH2M Hill Plateau Remediation Company President John Lehew, "The primary thing to make sure of is we're continuing to get done the work we have and don't let these distractions of tracking this money preclude us from doing the work and continuing to do it safely." To improve accountability and transparency as to how the stimulus funds are spent, the Obama Administration has begun developing new reporting guidelines for federal agencies (WC Monitor, Vol. 20 No. 8). Under preliminary guidance issued by the White House Office of Management and Budget last month, agencies

will have to develop weekly reports that include funding breakdowns, major actions taken to date and major planned actions; and monthly financial reports. "I'm not sure we know how to do a cost [report] every week since it takes three days to do it," Thiesing said. In addition, both DOE and contractors are set to face additional scrutiny as to how stimulus funds are being spent from the Department's Inspector General's Office and the Government Accountability Office.

Political Pressures

George Jackson of Fluor Government Group asked why the stimulus funds were being treated differently when it comes to reporting requirements than DOE's annual appropriations. "It just doesn't make sense when you have all those added requirements on tracking the money. We track money separately by PBSs on the jobs every year. ... So why are they worried about waste spending for this six billion?" he said. "Are we not worried about wasteful spending on the six billion we get every year?" From the audience, though, Deputy Assistant Energy Secretary for Engineering and Technology Mark Gilbertson noted the "political pressures" that come with the stimulus funds. "I think that we have had several influxes of money to banks and other places and it's been suggested that we need to watch this a lot closer," he said. "You can't look at this just within the DOE and [Office of Environmental Management] perspective. I mean, I'm a little concerned as a taxpayer about what's happening with the banks and the funding and where that's going. So I think we have a little backlash." Gilbertson added, "We're serious about how we implement this program as we move forward, and we're going to show we can do it." Al Konetzni, head of West Valley Environmental Services, played down the additional reporting requirements, stressing that the actual work is more important. "I don't care about the reporting, and I don't think any of us should. The first word I got on this stimulus thing was, 'You've got to tell us by April 15th what you've done.' ... By April 15th, you're not going to have the contract changes out there. Not based on history," he said. "My view is just get it going. That's what I'm going to do. And it won't violate anything because they don't have the people in Washington, D.C. to audit me in a month. They haven't figured out where they're going to get them from."