

WM Symposia WM2010 Conference Panel Report

PANEL SESSION 02 - Hot Topics in US DOE Environmental Management

Co-Chairs: James Gallagher, *Gallagher Consulting*;
Edward Helminski, *Exchange Monitor Publications, Inc. (USA)*
Panel Reporter – Leslie Jardine, *Consultant*

This panel featured four senior US DOE EM managers speaking on the pressing issues facing the US DOE EM sites. Senior managers discussed what has transpired over the last year and provide detailed direction on the future US DOE Office of Environmental Management (EM) goals and objectives.

Panelists included:

1. Dae Chung, *Principal Deputy Assistant Secretary (DAS) DOE, EM-2*;
2. Meryl Sykes, *Chief Business Officer, DOE EM-4*;
3. Desi Crouther, *Director, Office of Human Capital; DOE EM*;
4. Michael Howard, *Director, Office of Procurement and Planning, DOE EM*.

Approximately 90-100 people were present at times to hear this session; ~10 remained for the questions and answers at the end, which pushed into lunch time so people left.

Dae Chung opened the proceedings following very brief remarks and introductions by the **Co-chair Helminski**. Chung covered four general areas with a lot of information on current DOE activities and interests and provided an overview of a current EM business model. The areas discussed were (1) EM's business model, (2) Quality Assurance journey and industry partnerships, (3) Safety culture and operational trends and (4) project management improvements. DOE's new business model seeks to redistribute the decisions to the lowest possible management level, flatten (shorten) the organizational structure from the field offices to headquarters, allow field offices to execute and manage projects and provide inputs to headquarters while headquarters is to focus on policy, strategic planning and oversight. Some efforts are underway to better integrate safety and QA and this was done with some of the new American Recovery and Investment Act (ARRA) work projects. Some ARRA projects received increased oversight from DOE as ~45 FTE's were added to provide more field oversight to help integrate safety and QA. Efforts were increased to build back a NQA-1 capability at vendors and sites as these had been de-prioritized in past years. DOE is partnering with industry to help QA with counterfeit items, QA expertise and implementing the flowdown of safety and QA requirements. Some issues of electric safety have appeared as projects have moved into the D&D and excavation modes. Lessons learned from some of these safety issues are now being passed among field offices to improve safety. A safety survey was done of the EM senior leadership to see if some improvements were obvious to them to implement. It was concluded that EM senior leadership needs to spend more time in the field. Improvements in project management were to be gained by performing project reviews at Hanford, SRS and Idaho before and during construction, including technical and peer reviews. A major lesson learned was that 70 to 90% of the design of a project should be complete prior to construction. Project management tools and earned value methods are being used to assist in keeping a project within cost and on schedule, or to identify issues earlier than in the past.

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Meryl Sykes described some EM strategic planning and budget overview activities. A graphic indicated that EM has yet to spend from \$193B to \$ 247B (life cycle costs) to complete their cleanup commitments by 2051. The major cost elements are for infrastructure (~\$1.5B/y), tank wastes (~\$2B/y), and facility D&D's (~\$1.5B/y). The EM funding request is ~\$6B for 2011 which is about the same budget as 2010 if the ARRA funds are included. A challenge will be how to maintain momentum on projects as the ARRA funds go away and there is some reduction in actual 2011 budgets and beyond. Hanford, SRS and Oak Ridge have the three biggest site EM budgets with Idaho and Portsmouth only slightly smaller. Of the \$6B in ARRA FY10 funds, \$5.8B have been allocated as of January 2010 with \$2.3 B awarded to small businesses. EM's goals are to reduce its current site footprints from ~900 square miles to ~540 square miles by 2011 and to close out EM work at three sites (BNL, SLAC and a Separations Process Unit) by 2011. The overall strategic goals are to reduce the EM foot prints by 90% by 2015 and by 40% by 2011. EM has 37 compliance agreements with various stakeholders they must meet at this time. EM is looking hard to increase the waste loadings as this reduces the costs by reducing the number of canisters (i.e. ~45,000 canisters at 10% loadings goes to ~10,000 at 40% loadings if achievable) requiring handling, transport and disposal and these associated costs.

Desi Crouther discussed EM's human capital plans and more specifically a 3-year succession plan to be assured that proper staffing exits at EM offices. They made a plan after reviewing other agencies efforts and 16 corporations with such plans and found one of the corporations had the best relationship to EM's needs. They found that biggest single concern is staff retirements, or the possibility that many staff were eligible to retire at any time and with little to no notice. The potential retirement people were studied in 2 groups, those who could leave in one year and those who could leave within three years. They found that 38 % (134) of EM positions were at risk of having a retirement by 12/31/2012. Eight DOE offices had 10 or more positions at risk, with six offices having 50% of their positions at risk due to sudden retirements. General engineer and physical scientists were the positions most at risk. In 2008 EM lost 68 positions to retirement and in 2009 they lost 28, perhaps less in 2009 due to the economy. With this data and a survey of EM offices, a three year succession plan has been drafted based on industry experience to accommodate and replace the possible staffing position losses. The plan is to be finalized March 31, 2010 and they are on schedule.

Michael Howard discussed some aspects of major EM contract completions and shortened his remarks to accommodate the approaching lunch break. Most contracts are now 5 or 10 years and a cost type with an award fee or incentive fees. They strive to align the contract work scope and contract within 60-90 days after an award because sometimes the scope changes from what was in the original procurement bid package. The contractor needs to establish new business systems and work carefully on the transition planning and transition implementation with the old contractor and EM. They need to establish within 6 months a certified earned value measurement system and a performance management baseline. Only the contract officer is allowed to direct changes to a contract but bilateral discussions between contract officer and contractor are preferred. Contract changes, when made, address only the revised scope and not the entire (original) contract. Certified cost and pricing for the contract must follow FAR-15.403-4(a) iii.

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James Gallagher Co-Chair managed the Q&A session. Questions from the audience, that numbered only 10 people for the last questions, included:

Q1. Congress has given contract implementation responsibilities to DOE and self regulation of radiological protection. What happened when a contractor fails to comply, and what is the history of any fines or other actions?

A1. There are CFR's and DOE Orders that can be used where penalties or fines can be issued. DOE has issued penalties on contracts.

Q2: There are technical costs of providing acquisition costs for RFP's and I am interested in reducing the amount of cost data that has to be provided in proposals. How can this be done?

A2: EM must work with the Office of Procurement and Management (OPAM) and we agree we need to work on this and find a way of asking for and that technical information may be better than asking for cost data, particularly where costs are not predictable. We need to ask ourselves this question and if there is really a need for all the cost data and if you really need to ask for cost data at a level 5 for example which seems far too deep.

Q3. As EM deals with the Economic Recovery and Reconstruction Act implementation and its goal to make public work jobs a major objective, have some re-prioritization of projects been made in order to make more jobs and in other words are there some conflicts to get more jobs with lower priority projects versus the high priority project with less jobs?

A3. There were lucky that EM had many projects with jobs ready to go due to the lower funding level before the ERRA funds arrived so there were no real conflicts. EM used risk reduction concerns to prioritize the projects funded with ERRA and other funds.