

**PANEL SESSION 2 - Hot Topics in US DOE Environmental Management**

**Co-Chairs:** James Gallagher, *Gallagher Consulting*;  
Edward Helminski, *Exchange Monitor Publications, Inc. (USA)*

**Reporter:** Leslie Jardine, *Consultant*

Panelists Included:

- Dae Chung, *Principal Deputy Assistant Secretary, US DOE, EM-2*
- Meryl Sykes, *Chief Business Officer, US DOE EM-4*
- Jack (John) Surash, *Deputy Assistant Secretary Acquisition and Contract Support, US DOE EM*
- Christine Gelles *Director for Disposal Operations*, (for Frank Marcinowski, *Deputy Assistant Secretary Technical and Regulatory Support*) *US DOE EM*
- Yvette Collazo, *Office of Technology, Innovation & Development, US DOE EM*

Approximately 120-140 people were present initially to hear this session; ~half remained for the questions and answers at the end, which pushed against lunch time so some people left and the last speaker did not really discuss procurement topics as did the first four.

**Dae Chung** opened the proceedings following very brief remarks and introductions by the Co-Chair **Ed Helminski**.

Chung claimed he would cover in his talk the 3D's: desire, discipline and delight. His talk was organized into a roadmap format with some historical milestones and aimed at the seven EM goals and the footprint reduction scheme of 40% by 2011 and 90% by 2015. He said EM needs to be much disciplined in what they do. EM is stressing on improving safety, security and QA. Worker accident rates have improved from 1.25 per 200,000 work hours per year in 2006 to 0.83 in 2010. EM has ~60M work hours per year.

EM's current focus is on (1) work planning and execution, (2) maintaining safety performance metrics, (3) having an effective QA program, and (4) using risk informed decision making. Improving safety means improving QA by continually rebuilding QA programs and proving QA training for vendors. Regarding EM Goal 6 on improving contract management, EM is developing alternative staffing arrangements to supplement EM staff technical expertise. He cited examples of bringing in a deputy for the Corps of Engineers and from Labs as ITA's to work directly with HQ and field EM staff. They are also looking hard at ways of monitoring and validating contractor performance. EM will continue to partner with US Corp of Engineers for management and oversight additions and engage with labor leaderships with the goal of increasing performance and partnerships.

**Meryl Sykes** described some EM strategic planning and budget overview activities. She stated she is leaving her EM position for a new post in DOE Renewables and will have 3 deputy assistant secretaries working for her there. The FY12 DOE EM budget request was 6.1B\$; 38% of the budget request is for tank waste remediation which is the largest single budget category. It appeared in her VG's (fast) that Hanford and SRS are both 1.36B\$ each. There appears to be left over FY 11 budget \$ that will be applied to leverage the FY12 budget in strategic areas. WIPP

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will increase shipments of contact handled wastes from the smaller sites in FY12. EM baselines are being reviewed for resequencing (“rack and stack”) in order to try to reduce life cycle costs by 20B\$. One example is the SRS tank waste strategy where 3B\$ and 6 years in the schedule can be saved by using the ‘Rack and Stack’. The total EM life cycle costs can be perhaps reduced from 185B\$ to 165B\$. She cited the footprint reduction goals of 40% by 2011 and 90% by 2015. She said only 2 traditional M&O contracts exist in DOE complex now as EM is changing its contracting methods and using performance based contracts. On work force planning and human capital, a significant unplanned increase in the number of people accepting DOE ‘buy out plans’ was received and this is thought to be due to the freezing of salaries by the administration.

**Jack Surash** discussed EM’s goals for improving contracts and project management and delivering results on time and within costs. EM will continue to increase its partnering with the US Corps that was started in February 2007. EM created a Chief Scientist post in February 2011 and this will be filled by a LANL person who will reside at HQ. There will be released soon (~2 weeks) a DOE EM report of how they plan to improve contracting and project management. EM plans to develop an internal ability to perform independent cost estimates and provide training on contract management and project management. EM plans to make use of small and minority owned businesses and expand and improve independent reviews of projects and contracts. In FY10, 1.7B\$ of the 6B\$ went to small businesses for example and they hope to make it 1.8B\$ in FY11. Some of their internal performance metrics include: (1) obtaining 90% of capital assets within 10% of original costs estimates, (2) approving (new) contract baselines within 180 days of contractor’s submissions, (3) finalizing 80% of change orders within 180 days, (4) negotiating contract change (orders) in advance of submissions, (5) manage life cycle costs to within 5% of current EM program estimates, (7) improve partnering agreements for at least 5 contracts, and (8) achieve EM goals of 5% of their budget for small business contracts.

**Christine Gelles** discussed some radioactive waste management priorities. Tank wastes are 38% of EM mortgage! Plan is to complete 90% of TRU legacy wastes by 2015. ~78,000 m<sup>3</sup> of TRU have gone to WIPP to date, so 40,000 m<sup>3</sup> must go to WIPP in the next 5 years which is a large effort. They will have to ship 30 CH and 5 RH shipments a week to do this. There were 1128 shipments to WIPP in FY10 and the plan is for 1475 for FY11. A total of 9261 shipments have been made to WIPP to date, 455 were RH with a total of 11 M loaded miles completed. DOE Order 435.1 was done 10 years ago and is in need of an update. The Thursday and Friday workshops in conjunction with NRC will discuss the types of updates being considered. DOE has 40 environmental regulatory agreements with others for cleanups, all with milestones. In FY 10, 95% of 141 milestones were met and in FY 11 there are 160 milestones to be met. DOE signed an agreement with the new Texas LLW site for some wastes to be sent there so that DOE can meet Nevada Test Site (NTS) milestones in closing a current disposal area there. In general, DOE plans to dispose of 90% of LLW wastes at sites where they were generated and also use the Texas LLW and Clive UT sites. The unlined MLLW site at the NTS was closed in November 2010 and a new site for MLLW, lined with a collection system has been opened there.

**Yvette Collazo** discussed briefly some Technology and Innovation activities. They are now working with the new EM Chief Scientist to help find additional cost savings from new technologies and want to find \$24B to \$50B in savings. A new EM R&D plan is available on the DOE EM web site. They also published a report on how to reduce life cycle costs on web site.

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They have a Strategic International Plan for cooperation and have had meetings with the UK and Russia in past year. Their goal is to find \$50B in life cycle cost savings and compress the schedule by 10 years.

**James Gallagher and Edward Helminski** Co-Chairs managed the Q&A session.

Questions from the audience included:

Q1: It was said past performance on contracts will now be used to award future new contracts so will other award criteria be reduced?

A1: Yes, is the short answer.

Q2: Is it real to think that future DOE procurements will not be protested as was said?

A2: DOE will have to see what happens with the ongoing ETPP and West Valley procurements to be sure but we hope we can award them without protracted discussions. We hope to award these procurements in March to April for example, but some discussions can delay them until May-June.

Edward Helminski ended the session with the comment that it is very good that past contractor performance will be included as criteria into new DOE EM procurements.

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