

## WM2013 Conference Panel Report

### PANEL SESSION 34: Emerging Issues that Challenge Traditional Contractor Roles at US & International Sites

**Co-Chairs:** **John Longenecker**, *Longenecker & Associates, Inc.*  
**Bill Shingler**, *Fluor Corporation*

**Panel Reporter:** **Judith Connell**, *Fluor Government Group*

#### Panelists:

1. **Dwayne Wilson**, *President & CEO, Savannah River Nuclear Solutions (SRNS)*
2. **John Fulton**, *President & CEO, CH2M HILL Plateau Remediation Company (CHPRC)*
3. **Dennis Carr**, *General Manager, Fluor-B&W Portsmouth*
4. **Jim French**, *Executive Director, Decommissioning, Sellafield, Ltd (United Kingdom)*
5. **Martin Schneider**, *Exchange Monitor Publications*
6. **George Dials**, *President & Project Manager, B&W Conversion Services*
7. **Beth Sellers**, *Associate Director, Los Alamos National Laboratory*
8. **Michael Graham**, *Manager, US Environmental, Bechtel National*

About 85 people attended this panel session that addressed how sites in the US and the UK are dealing with cost-effectiveness and efficiency in meeting client priorities, contractual commitments, regulatory obligations, governance/partnering, project& contract management, and human capital. Given existing and future budget constraints, the current way of doing business is not sustainable. Each speaker gave about a 10-minute informal presentation that addresses these issues. The floor was then opened to questions.

#### **Summary of Presentations**

**Dwayne Wilson** opened the session by sharing some of SRNS' success at the Savannah River Site: shipped 98 percent of the transuranic (TRU) waste to the Waste Isolation Pilot Plant, reduced the site's footprint by 98 percent, and workers are approaching 14 million hours without any safety incidents. In addition, Savannah River National Laboratory has gone 56 years without missing a commitment (shipping tritium) to the government. Two areas that Wilson will be concentrating for the future are building a culture of trust and prioritizing the long-term maintenance of the site's infrastructure.

**John Fulton** said that the CHPRC had four priorities:

- Complete getting the Plutonium Finishing Plant to slab-on-grade
- Sending the last bit of sludge from the K West Basin to storage
- Operating the 200-West Groundwater Pump-and-Treat system (the largest of its kind in the world)
- Finalizing the documents for land reuse and closure for the 300 Area of the Hanford site.

Fulton also posed an interesting question: how do you prioritize what gets funded? In his view there are two approaches. One is risk-based approach, similar to what businesses look at in making decisions. The second is a political based. Fulton likened it to a "wandering strategy"

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that is influenced more by politics than sound bound practices. An example of the latter is the third generation of the Vitrification Plant at Hanford.

**Dennis Carr** first gave some background on the \$6-7 billion Portsmouth D&D Project (Portsmouth Gaseous Diffusion Plant, near Piketon, Ohio): the site is 3,700 acres and the scope is evolving. There are no real technical challenges and 80 percent of the work is funded by the barter of uranium (which will end in 2018) and 20 percent is by appropriation. He went on to say that “rightsizing” is a major challenge. Right now 20 percent of his budget is devoted to maintaining utilities and electricity. “We need to get that down to 10 percent,” he said. At the same time they are developing the execution infrastructure, Fluor-B&W Portsmouth is working toward having the 326 facility to ground in 2016. That’s a significant undertaking because the former uranium-enrichment facility holds the equivalent of 100 football fields. The end-state vision is the reindustrialization of the site’s 3,700 acres and the construction and operation of an engineered on-site disposal facility.

**Jim French** shared that his UK customer, the Nuclear Decommissioning Authority (NDA), is really in its infancy compared to the US DOE. French views himself as an “agent for change” for the NDA. For example, the expectation for employee safety is changing. In providing a little background, French said the culture at Sellafield in the 1970s and ’80s was to “keep the lights on.” The workers were focused on production (Sellafield had two graphite production reactors). Now, D&D is being added to their culture and now *balanced risk* is being weighed against *take no risk*. Sellafield has the largest source term in Europe and the D&D effort is significant. Momentum and funding for the project is picking up. The D&D budget in 2010 was \$350 million; in 2011, it was \$425 million; and in 2012, it had risen to \$518 million.

**Martin Schneider** greeted the audience with “Happy Sequestration Week” saying that “we need to hunker down and get past it.” Sequestration is ushering in a new budget reality. He commented that the approach that some prime contractors are taking to self-perform work is a “short-term approach with long-term ramifications.” He suggested that DOE temporarily cut back on the Waste Treatment Project at Hanford to invest in projects that will yield “wins” and build credibility. He encouraged contractors to be willing to come to the table to talk with DOE – because there will not be a next time if we don’t do something now.

**George Dials**’ primary challenge is getting the two depleted uranium hexafluoride (DUF<sub>6</sub>) chemical-processing plants running to full capacity, continuously and safely. One plant is at the Paducah site; the other, at Portsmouth. “Neither was ready to operate when we took over the plants,” said Dials. In fact, some of the process lines had been cannibalized to make others run. Dials oversees 450 people who are solving problems every day to get the plants operating dependably. He shared that progress has been made with more than 5,000 metric tons of DUF<sub>6</sub> being converted into uranium oxide and hydrofluoric acid in 2012. The goal for FY 2013 is to process 19,000 metric tons, which is a stretch. The optimum for the plants is 30,000 metric tons annually. With having to replace or upgrade different parts of the process systems in the plants (this is a first-of-a-kind effort), Dials is hard put to find US manufacturers for the components he needs.

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**Beth Sellers** shared that changes at Los Alamos National Laboratory (LANL) happened after the Las Conchas fire, the largest in New Mexico's history. After that blaze, the lab re-ordered their priorities and now has a strong partnership with the state of New Mexico. Of the lab's \$2-plus-billion budget, about 10% is funded by DOE-EM.

LANL's acquisition approach involves six Master Task Order Agreements (MTOAs) that incorporate established global requirements for safety and security. The MTOAs require fixed pricing and awards will be made to organizations technically qualified to do the work. The new contractual model pays for work completed, reduces contract administration, and shortens the schedule from proposal to award.

**Michael Graham** ended the presentation part of the session by saying that issues can be addressed and problems solved through Partnership, Alignment, and Prioritization — all underpinned by strong leadership. It would be in everybody's best interest, he said, if "we stop doing the stuff that doesn't need to be done."

### Questions and Answers

1. What advice would you give a new Secretary of Energy

Answer: Look at some of the Department of Defense's best practices. Some of them might help DOE in prioritizing work and getting lists vetted.