

WM2013 Conference Panel Report

PANEL SESSION 53: Energy Facility Contractors Group (EFCOG) Knowledge Portal

Co-Chair: **Susan Stiger**, *Bechtel Systems and Infrastructure, Inc./Los Alamos National Laboratory*

Panel Reporter: **Mark Frei**, *Longenecker and Associates, Inc.*

Panelists:

1. **John McDonald**, *Washington River Protection Solutions*
2. **Bill Shingler**, *Fluor Government Group*
3. **Paul Henry**, *Los Alamos National Laboratory*
4. **Sonny Goldston**, *EnergySolutions*

About 30 people attended this panel session which focused on the contributions that the Energy Facility Contractors Group (EFCOG) has made in support of the Department of Energy's missions. The session opened with **Susan Stiger** (Chair of EFCOG) providing an overview of EFCOG, whose mission is to promote excellence in all aspects of the operation, management, and integration of DOE and NNSA facilities in a safe, environmentally sound, efficient, and cost-effective manner. She explained that the organization and its more than 110 member companies and 12 Working Groups focus on the 'critical few' – integrated safety management, security, human capital, project management, infrastructure management, and contractor performance assurance. She then summarized the recent key achievements in EFCOG, and shared the current information on performance metrics for EFCOG, which show that EFCOG continues to provide added value to the member companies and to DOE. She concluded by identifying the EFCOG near-term focus areas based on regular discussions with DOE sponsors – DOE governance, project and contract management, cost of doing business, safety culture and continuous improvement.

Summary of Presentations

John McDonald represented the Integrated Safety Management and Quality Assurance Working Group, and discussed EFCOG's initiative on safety culture. After a brief overview of the DOE safety culture philosophy, he provided the work EFCOG has done in support of DOE since 2010 including helping formulate the response to the Defense Nuclear Facilities Safety Board Recommendation 2011-1 regarding safety culture at the Hanford Site Waste Treatment and Immobilization Plant, and developing training and assessment guides for safety conscious work environment. EFCOG continues to provide training and forums for information exchange on safety culture, and will assist DOE in addressing any deficiencies found in the extent of condition reviews being conducted by DOE at selected DOE and NNSA sites and projects.

Bill Shingler represented the new Business Management Working Group and discussed two recent major EFCOG tasks performed at the request of DOE Headquarters: contract incentives alignment and small business initiatives. He explained that the first task was chartered to identify best practices, evaluate lessons learned, and develop model approaches to improve performance incentive effectiveness, support alignment of government and contractor interests, ensure incentives are linked to project outcomes, and ensure earned incentives are consistent with contractor performance. Mr. Shingler then covered the lessons learned and models ("gain

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share/pain share”) identified by the EFCOG task group, as well as a recommended seven-step process to achieve incentive alignment. He then discussed the small business initiatives task, whose goal was to provide DOE a list of principles and best practices to assist DOE in meeting its goal of increasing small business prime contracts to 10% of DOE prime contract funding. He covered the task group’s observations and recommendations – both near term and long term. Finally, Mr. Shingler briefly presented the subject of strategic sourcing, and the proposed efforts by EFCOG to further determine the benefits (and risks) of this approach to help reduce costs.

Paul Henry represented the Project Management Working Group and discussed the initiatives completed and underway to address the key issues affecting implementation of DOE Order 413.3B, Program and Project Management for the Acquisition of Capital Assets. One area of focus of this working group recently has been on the Earned Value Management System (EVMS) – certification, reporting, and surveillance – and ways to improve it; surveys have been taken that will lead to meaningful actions and best practice promulgation to enhance the value of EVMS. He then described the case study(s) to be undertaken to examine how projects failed or are failing where EVMS data did not accurately predict the project status/condition. He concluded by presenting three ongoing initiatives: 1) attempt to develop best practices and recommendations to improve effective management of baseline change proposals and contingency management; 2) develop an acquisition decision process for application of fixed price contracting options with best practices; and 3) develop and publish best practice(s) for application of escalation rates within the DOE complex.

Sonny Goldston represented the Waste Management Working Group and discussed a number of topics that this working group has been involved in during FY 2012 and 2013. He first presented the most critical support that they have been providing to DOE – namely, the support of the Environmental Management (EM) program’s update of DOE Order 435.1, Radioactive Waste Management; this support has included performing assessments of where improvements are warranted based on over 10 years of the Order’s implementation in the field, as well as providing direct input on requirements and Guide updating. He indicated that over 600 comments were generated by EFCOG reviewing individuals to assist in the promulgation of the improved and updated Order. Other initiatives he presented included providing the NNSA alternatives to pump and treat technologies for groundwater cleanup, recommendations to EM on solutions to prevent future contamination incidents involving shipments of low-level waste, and helping EM sort out the differences in contamination limits in Department of Transportation regulations versus DOE regulations.