

## **Expediting Closeout of a Major DOE Contract; The WCH/DOE-RL Closeout Office Avoidance Plan – 14181**

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### **ABSTRACT**

Washington Closure Hanford (WCH) (a joint company owned by URS, Bechtel, and CH2M Hill) was awarded the River Corridor Closure Contract (RCCC) by the U.S. Department of Energy (DOE) to manage the cleanup of Hanford's nuclear legacy along the River Corridor. This 10-year closure contract, awarded in 2005, is on track for a 2015 completion. As the contract enters its final phase, WCH is identifying and addressing closure activities. One unique aspect of the closure process is that equal attention is being paid to addressing completion of remediation work and closeout of business and contractual obligations. In a partnership between WCH and the U.S. Department of Energy, Richland Operations Office (DOE-RL), a closeout office avoidance plan has been initiated that focuses on 1) identifying contractual obligation to close out the contract, 2) reaching documented agreement on precisely what actions and deliverables are required to achieve closeout, and 3) taking whatever actions are practical to complete the closeout actions and deliverables in advance of completing field remediation work.

### **INTRODUCTION**

The River Corridor Closure Project (RCCP) is the Hanford Site's first closure project and when it is complete in 2015 it will have cleaned up 572 km<sup>2</sup> (220 mi<sup>2</sup>) of land adjacent to the Columbia River. The scope involves the demolition of more than 300 facilities and more than 500 waste sites.

WCH is now entering year 9 of its 10-year contract with DOE-RL. While efforts remain concentrated on the safe completion of the remaining work scope, WCH and DOE-RL have also been working on ensuring an effective and efficient contract closeout once fieldwork is complete.

As an initial step toward closing out the contract, a Closure Team was commissioned in December 2009. Among the team's key recommendations was a three-phase approach to transition land parcels to DOE-RL as cleanup is completed. This process supports DOE-RL objectives for progressive footprint reduction based on the division of the River Corridor into geographical land parcels. [1] To date, more than 354 km<sup>2</sup> (136 mi<sup>2</sup>) have been transferred to long-term stewardship; all facility demolition is expected by spring 2014 and completion of all waste site remediation in 2015.

The Closure team wrote the *Washington Closure Hanford Closure Roadmap* [2] in order to capture the joint efforts between DOE-RL, WCH, other Hanford prime contractors, and the stakeholders associated with the cleanup so as to provide a guide for future closure projects. A key component of this document was the work being done to close out contractual obligations.

### **DESCRIPTION**

Parallel efforts were initiated internal to WCH and in conjunction with DOE-RL. Internally, there were detailed reviews of staffing plans, closeout initiatives, and opportunities to accelerate closeout. These were complemented by process reviews that looked for means to reduce staffing and minimize competition for project resources.

One key step was a trigger analysis. Business functions had found it difficult to forecast reductions because of the close dependence with field activities and the fact that funding changes were regularly requiring project scheduling adjustments; a method was needed to allow business planning for closure to proceed. Accordingly, a plan was developed that focused on defining events (i.e., trigger) that would allow each business function to be wrapped up. For example, property management could not be completely finished until each field site was completed and property could be dispositioned.

Using these trigger points each business function examined what steps would be taken once the event occurred, and what actions might be completed or partially completed in advance of the trigger event to allow accelerated closeout. For example, a property accounting in advance of completing finishing work at a particular site might allow 90% of property to be accounted for and disposition plans established. These activities, in turn, allowed a plan to be written for closeout of all administrative, infrastructure, and business functions.

At the same time that WCH was developing plans, WCH and DOE-RL had entered into a partnering agreement to develop a closure methodology and process for contract closeout (Fig. 1). The partnership agreement team consisted of the DOE-RL Assistant Manager for River Corridor, the President of WCH, and their deputies. The mission, as established in the partnering charter stated “WCH and DOE have a mission to complete the closure of the Hanford River Corridor by 2015. Early and efficient completion of this work scope in accordance with the River Corridor Closure Contract.” This partnership, which had been employed successfully several times to negotiate critical scope issues, functioned by establishing task teams to develop recommendations.

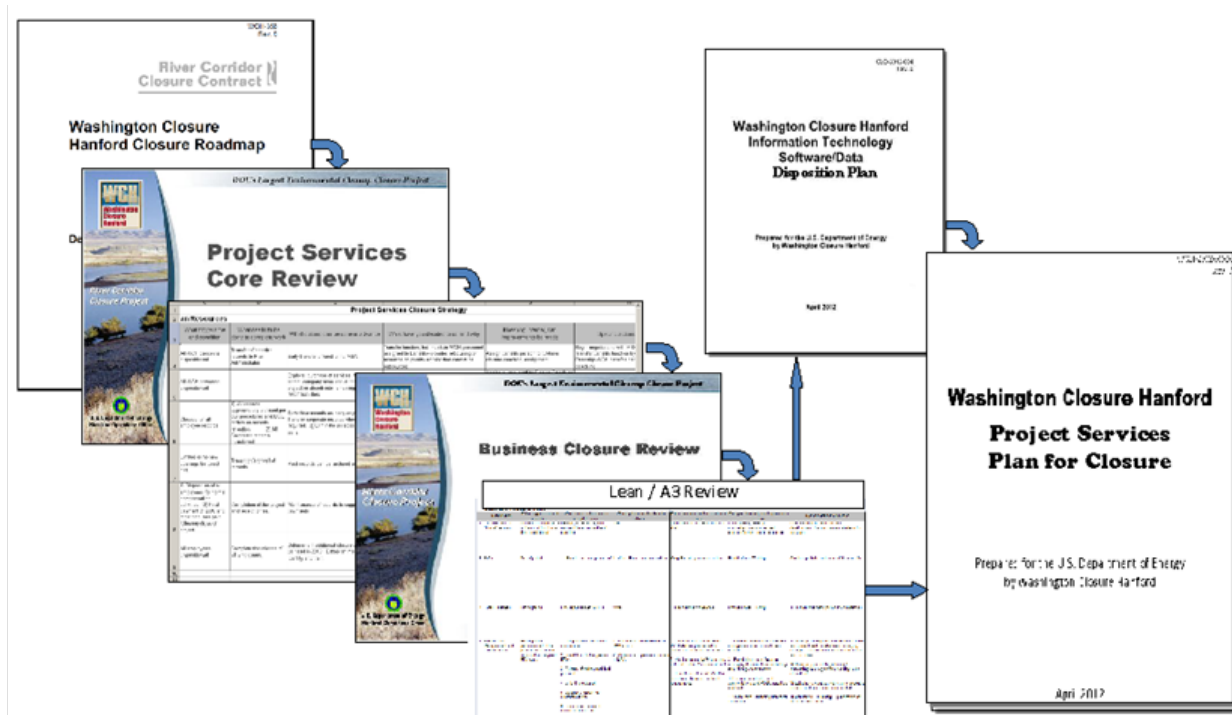


Fig. 1. Summary Flow for Development of Closeout Action Plan.

During partnership meetings, WCH and DOE-RL determined there was a need to have a mutually agreed to approach to closure; it was also determined that there were tangible and intangible benefits that could be capitalized on during the process. Both parties recognized the importance of establishing a jointly-owned approach that defined what deliverables were essential to establishing closure turnover and fulfill

the RCC contractual obligations. Recognizing that most contract closeout efforts continue for 3 years or longer before being declared closed, the WCH President, WCH Assistant Manager, and DOE-RL chartered the WCH Director of Project Services and the DOE-RL Deputy Director of Administration to develop a concept that was to become a closeout office avoidance plan.

## **THE CLOSEOUT OFFICE AVOIDANCE PLAN**

The closeout office avoidance plan involves two levels of joint WCH and DOE-RL teams: a team at the business function level (e.g., Finance) and a team for each sub-function (e.g., payroll). Each team is examining two primary considerations: 1) what deliverables are required from WCH as part of the closeout package to DOE-RL to document that all contractual and regulatory commitments have been satisfied and 2) what actions can be taken in advance of finishing the remaining fieldwork (i.e., building demolitions and remediation of waste sites) that can reduce the subsequent time needed to complete contract closeout.

To document and track progress on this initiative the closeout office avoidance plan was developed to document agreements and actions and is managed using a rigorous configuration control, with updates reported at the periodic Partnering Sessions held between the WCH and DOE-RL Senior Management teams.

The closeout office avoidance plan is a matrix that identifies activities, triggers, and causal responses to those internal and external triggers that will provide a path forward for the downsizing, discontinuation, and/or transfer of WCH organizational sub-functions. In addition to identifying triggers associated with closure activities, the process has allowed the team to identify process improvements, work scope efficiencies, and closure initiatives. These triggers were identified as the single precursor event that was co-dependent upon the primary action item, and project completion activities. This process allowed project personnel and functional management teams to ensure that actions were being addressed in a timely manner, and there were no time sensitive activities that were not previously and continually being address.

By utilizing triggers as the drivers to reduce staffing and baseline activities, the closeout office avoidance plan defines how WCH will provide the services necessary to maintain the existing RCC Project and help redefine its closure metrics to ensure that cost and schedule commitments are maintained.

This approach allowed the organization internal to WCH to evaluate the skill mix and support function activities that are being provided to WCH project and functional organizations. With the intent of closure in mind, each discipline created a highly functional organizational structure that would best suit closure activities. In addition, it allowed DOE-RL program owners, and single points of contact to monitor and have input into what deliverables are necessary to ensure a timely, segmented closure process.

The jointly-owned closeout office avoidance plan between DOE-RL and WCH is managed using a rigorous configuration control, with updates reported at the periodic partnering sessions held between the WCH and DOE-RL Senior Management Teams. WCH established an internal process to define what action items and triggers to those actions were necessary to the contract closure process. In addition to the development to actions necessary to identify closure there were support documents that reinforced the methodology that was established to ensure that WCH was on the right path to support the closeout office avoidance plan process. Each process document was quantified to ensure that WCH had the contextual perspective necessary to address each requirements document, procedural compliance, contractual obligation, and DOE-RL Order necessary to remain compliant and ensure a timely project closure. Throughout this process it was imperative that the program owners, subject matter experts (SME),

managers, and support staff were involved to ensure that there was a collective approach to define all internal and external factions. (Fig. 2)

(1) Contract Completion Component	(2) Function Ownership		(3) SPOC WCH Contact Information	(4) SPOC DOE-RL Contact Information	(5) Basic WCH strategy for minimizing duration of closeout office	(6) DOE-RL / WCH Collaboration Opportunity	(7) Closure Documentation (& any specific / additional requirements / drivers)
	WCH	DOE-RL					
PROGRAM OWNER			Carol Johnson <a href="mailto:Cajohnso@wch-rcc.com">Cajohnso@wch-rcc.com</a>	J. Dowell <a href="mailto:Jonathan.dowell@rl.doe.gov">Jonathan.dowell@rl.doe.gov</a>			
PROJECT WORK	S. Feaster	J. Short					
Contract scope (J-1 Table) complete			Scott Feaster <a href="mailto:sfeaste@wch-rcc.com">sfeaste@wch-rcc.com</a> 372-9213	Jeff Short <a href="mailto:Jeff.short@rl.doe.gov">Jeff.short@rl.doe.gov</a> 376-2882	Segmented closure	Facilitated sessions to work on streamlining document review and approval process	Letter from CO approving physical completion of segments
PROJECT CONTROL	J. Blackburn	M. French					
Final performance report issued			Jeb Blackburn <a href="mailto:jebblackb@wch-rcc.com">jebblackb@wch-rcc.com</a> 372-9958	Mark French <a href="mailto:Mark.french@rl.doe.gov">Mark.french@rl.doe.gov</a> 373-9863	Segmented Closure	Cost performance review to verify completeness	Letter from CO approving physical completion of segments.
FINANCIAL	D. Siron	T. Toon					
Incurring cost audit complete / actions closed			Doug Siron <a href="mailto:dsiron@wch-rcc.com">dsiron@wch-rcc.com</a> 375-4659	Tom Toon <a href="mailto:Thomas.toon@orp.doe.gov">Thomas.toon@orp.doe.gov</a> 376-8515	Use of KPMG to maintain incurred cost reports up to date	DOE-RL establish contract for initial 2008 -2011 report; annual reports thereafter	
Final invoice issued			Karen Peavey <a href="mailto:kepeavey@wch-rcc.com">kepeavey@wch-rcc.com</a> 372-9381	Myrna Partida <a href="mailto:Myrna.partida@rl.doe.gov">Myrna.partida@rl.doe.gov</a> 372-1451			
Financial reporting (e.g., STARS) complete			Janet Gunter <a href="mailto:jcgunter@wch-rcc.com">jcgunter@wch-rcc.com</a>	Trena Harmon <a href="mailto:trena.harmon@rl.doe.gov">trena.harmon@rl.doe.gov</a>			

Fig. 2. WCH/DOE-RL Closeout Office Avoidance Plan.

WCH staff developed a list of primary and secondary sub-functions performed by the organization and aligned these activities with organizational roles and responsibilities. (Fig. 3) This process allowed the group to clearly identify the services and activities that were being provided to their internal and external customers. During the evaluation process, each organization analyzed their drivers, which gave the team the ability to reconcile their scope of work with a tailored approach to closure. The process provided the team's approach to the identification and development of the deliverables.

To ensure that WCH internal personnel are keeping a pulse on activities, a series of volumetric metrics have been established to identify when a critical trigger should be engaged. These triggers could be tied to the cost effectiveness of outsourcing our workload, to the downsizing of personnel resources, and/or the recognized efficiencies within an organization or department. (Fig. 4)

For example, document organization determined that process and staffing changes needed to be aligned with the volume of activity (e.g., copying, scanning, archiving) as these activities reflect volumes of subcontracting activity, field activity, and fulfillment of regulatory requirements.

Project Services Closure Strategy						
SECTION : Information Technology						
Subfunction	What triggers the end condition	What needs to be done to complete work	What options can be done in advance	What have you decided to do and why	If keeping internal, can improvements be made	Specific actions and when
1 Application Support	Notification from System Project Lead to Disposition the Applications	Final Disposition of related Applications according to Procedure BSC-1-6.5 Section 6.3 Software Retirement.  Final Data Disposition of related Application according to WCH-468 WCH Information Technology Strategic Plan	Implement and Finalize Disposition Plan prior to Notification  Provide functionality by another method.  Transfer Users/Data to another system supported by another organization.  Transfer Application support to another organization.	Continue to support a staff of System Business Analysts and Developers to support functional and project specific computer applications to assist WCH in meeting its contractual and legal requirements. While working with the Program Sponsors to reduce the need for an in-house support staff by reducing the amount of support to zero by using one or more of the identified options.	Reduce the amount of Support needed by coordinating with the Program Sponsor to perform one or more of the identified options.	1) Develop a process for transfer / disposition of applications, including communications, a Licenses Transfer desk instruction and an application support closure guide  2) Meet with Program Sponsors to define specific closure strategy & timing for each application
2 Network Operations Support	Notification from Project Mgmt. to transfer services to LTS/OHC/DOE-RL/Closure Office or when RCC Domain has Zero User base	Final Disposition of User Files, Shares, Backup Tapes, and related Hardware, Server/Infrastructure hardware/Software	1) Transfer Service Support to another organization 2) Eliminate Service or Need 3) Implement and Finalize Disposition Plan prior to Notification	Maintain internally and proceed with plan seeing that a transfer at this point would be difficult with little or no benefit and increase risk/cost.	Risk Reduction by offsite backup site. Disk to Tape. Reduce bandwidth usage. Relocate Server Room, Server Consolidation & Virtualization, Reduce number of Rental Fee, Reduce LAN/WAN footprint	1) Develop a disposition strategy for each of the services provided (e.g., Back-up recovery, File Share/Directory Setup, e-mail Maintenance, Internet Access, Network Account maintenance and Server Maintenance).  2) Develop Server relocation process
3 Help Desk	Departure of the last computer user.	Final Disposition of Workstation Software/Hardware	1) Transfer Service Support to another organization 2) Eliminate Service or Need	Maintain internally and proceed with plan seeing that a transfer at this point would be difficult with little or no benefit and increase risk/cost.	Staffing will be adjusted commiserative with overall project staffing.	Review utilization quarterly to assess level / focus of resource needed and timing for transfer of function to MSA
4 Workstation Support	Notification from Project Mgmt. to excess or transfer to LTS/OHC/DOE-RL/Closure Office	Final Disposition of Workstations	Excess workstations immediately when no longer needed	Retain workstation support	Switch to vendor patching when user base reaches to be determined threshold.	1) Continue efforts to reclaim unused equipment for immediate re-deployment or excessing  2) Integrate process, along with process for reclamation of network hardware, into phased closure of project areas.
5 Software Quality Assurance	Notification from System Project Lead to retire or transfer of application to LTS/OHC/DOE-RL/Closure Office	Completion of Application Software Life Cycle Documentation	Establish a final disposition plan in advance of notification	Maintain internally and administer consistent with DOE-RL approved plan	Cross Training	Coordinate with DOE-RL to assess opportunity / timing for reducing support to program and eliminating need for further DOE-RL audits
6 Cyber Security	Transfer of All Project related Data to LTS/OHC/DOE-RL/Closure Office/Records Holding	Final Disposition of Accreditation Boundary	None	Maintain internally and administer consistent with DOE-RL approved cyber security plan	Cross Training	1) Integrate function with other activities  2) Integrate into discussions with MSA regarding transfer of any other IT functions
7 Intranet Maintenance	Each Function/Project POC sign off. Functions/Project have issued final updates to Intranet site.	Final Disposition of Server/Content	Retire web-sites as organizations/functions are dispositioned.	Maintain internally consistent with current program	Freeze the intranet environment - modify only when necessary.	Develop Disposition process Prepare sign offs for content owners with clarification of no record content exists on server
8 Database Administration	Notification from Project Mgmt. to excess or transfer to LTS/OHC/DOE-RL/Closure Office/Records Holding	Final Disposition of Database Software/Data	Transfer Oracle Systems to OHC for Administration  Transfer SQL Server systems to OHC for Administration	Evaluate transfer to OHC  Maintain internally and administer consistent with WCH program	None  As the number of applications decline, support requirements will also.	1) Evaluation of Oracle systems move to MSA/lockheed  2) Include the disposition process into the PS Closure Plan.

Fig. 3. Sample page from Closeout Office Avoidance Plan

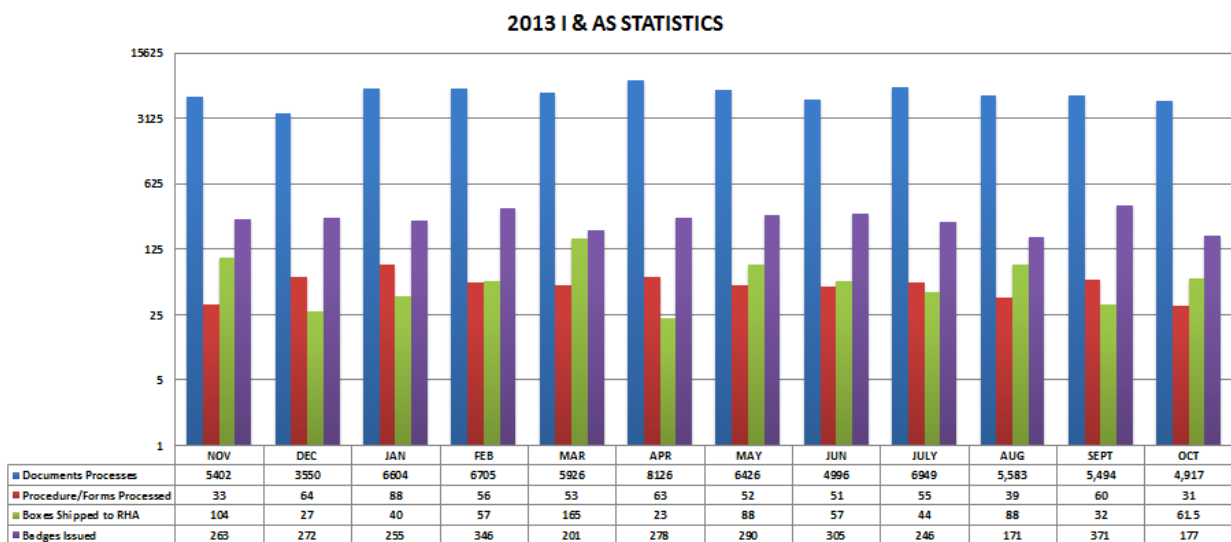


Fig. 4. Sample Metric Used In Monitoring Transition to Closure.

Eventually, as these activities experience a moderate to high reduction of volume, the trigger level will be reached, which then sets in motion the other dimensions of the closeout office avoidance plan.

As a byproduct of the closure process it became evident that there were tasks that could be completed on or ahead of schedule based on a management decision to perform work from an alternative approach.

These precursor tasks were categorized to reflect whether they were significant enough to continue, and/or analyzed to reflect whether there was a cost effective alternative approach to performing this work activity. Three areas where there have been significant opportunities identified have been in the time/cost savings for timely initiative implementation, capturing the human resource expertise prior to it being unavailable to the contract closeout, and the improved working relationship and ownership by both WCH and DOE-RL personnel.

## **BENEFITS AND LESSONS LEARNED**

By addressing these areas of early completion it became evident that there were time and cost savings initiatives that would be mutually beneficial to the project and stakeholders. Many of the teams involved in the closeout office avoidance plan defined areas where improvements can be made in arriving to closeout. Two areas implanted are likely to shorten the closeout timeline: bundling of incurred cost reports for multiple years and more timely completion and archiving of procedure contract documentation. A byproduct of this process has been the opportunity to capitalize on the projects existing resource expertise prior to their release or departure from the RCCC.

### **Capturing Expertise**

WCH is already engaged in releasing personnel as their respective scopes of work are completed. Most personnel who have lengthy experience with the project will have been released by the time actual contract closeout efforts begin. Capturing perspectives and knowledge at this point in advance of closeout ensures appropriate knowledge and expertise are available. This initiative's success is contingent on having the teams think through the process, work together, and develop the answers.

### **Improved Working Relationships**

The identification of mutual departmental points of contact between DOE-RL and WCH has created an improved working relationship between the two entities. Although saving time and cost of a protracted closeout office is the overt goal of this initiative, the forging of closer working relationships between DOE-RL and WCH has been a significant benefit. Whereas the functional leads often had long-term working relationships, the same level of interaction was not common for the teams at the sub-function level.

### **Ownerships**

A corollary to the increased level of engagement of personnel is an enhanced sense of ownership pride. Counterparts at both the function and the sub-function now have ownership, accountability, and visibility for an important facet of the contract as well as senior management visibility.

## CONCLUSIONS

By monitoring the closure metrics, WCH will have the ability to manage the activities currently identified for closure and anticipate any trends that develop through the data being collected. The process allows each support organization the ability to evaluate whether they are on track for the closure of the RCCC.

As WCH partners with DOE-RL to determine what deliverables are necessary to provide due diligence for contract completion, it is essential that both parties are involved in the process. This establishes a baseline for those individuals who will follow the original contributors to this process and document the key and essential items necessary to have a successful contract closure without a lengthy deliberation of what defines complete.

## REFERENCES

1. WCH, 2012, *Project Services Transition for Closure Plan*, WCH-535, Rev. 0, Washington Closure Hanford, Richland, Washington.
2. WCH, 2010, *Washington Closure Hanford Closure Roadmap*, WCH-356, Rev. 0, Washington Closure Hanford, Richland, Washington.