

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
to the
U.S. DEPARTMENT OF ENERGY**

PUBLIC MEETING MINUTES

James E. Forrestal Building – Washington, D.C.

November 21, 2003

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ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

November 21, 2003

Summary Meeting Minutes

COMMITTEE CHAIR

- Mr. James A. Ajello, Reliant Energy Solutions

COMMITTEE MEMBERS

- Ms. Lorraine Anderson, Arvada City Council
- Dr. Dennis Ferrigno, C.A.F. & Associates, LLP
- Mr. John Quarles, Morgan, Lewis, and Bockius LLP
- Ms. Jennifer A. Salisbury, Private Consultant
- Mr. David Swindle, Kellogg, Brown and Root Government Services Inc.
- Mr. Thomas A. Winston, Ohio Environmental Protection Agency

EMAB EXECUTIVE DIRECTOR

- Mr. James T. Melillo

PARTICIPANTS AND OBSERVERS

- Jim Bridgman, Alliance for Nuclear Accountability (ANA)
- Patty Bubar, DOE Associate Deputy Assistant Secretary for EM Office of Integration and Disposition
- Woody Cunningham, Consultant to Environmental Management
- David Geiser, DOE Office of Legacy Management
- Paul Golan, DOE EM Chief Operating Officer
- M.R. Griben, Consultant
- Colin Jones, BNFL Inc.
- Betty Nolan, DOE Office of Congressional and Intergovernmental Affairs
- Joe Nolter, Consultant to Environmental Management
- Jessie Hill Roberson, DOE Assistant Secretary for Environmental Management
- Vicky Soberinsky, DOE Office of the Assistant for Environmental Management, Senior Policy Advisor to the Assistant Secretary
- Shawn Terry, Inside Energy

EMAB STAFF

- Ms. Michelle Ashley, SYColeman
- Ms. Peggie Burke, SYColeman
- Ms. Debbie Durant, SYColeman
- Mr. Greg Evans, The RETEC Group Inc.
- Ms. Mary Kimbrough, DOE

ADDITIONAL MATERIALS

Available Upon Request

(202) 586-4400

ENVIRONMENTAL MANAGEMENT OVERVIEW

- EM Program Update (provided by Mr. Paul Golan)
- Overview of EM Acquisition Strategy (provided by Mr. Frank Sheppard)
- Briefing: Contracts Team (provided by Mr. James Ajello and Mr. David Swindle)
- Briefing: Metrics Team (provided by Dr. Dennis Ferrigno)
- Briefing: End States Team (provided by Mr. Tom Winston)

EMAB MEMBERS

- List of Members and Affiliations

LIST OF ACRONYMS

ANA	Alliance for Nuclear Accountability	NRC	Nuclear Regulatory Commission
ATIC	Alternative Technologies to Incineration Committee	NWP	Nuclear Waste Processor
CBC	Consolidated Business Center	ORP	Office of River Protection
CD	Critical Decision	PCB	Poly-chlorinated biphenyl
CMAC	Contract Management Advisory Council	PMP	Performance Management Plan
COO	Chief Operating Officer	R&D	Research and Development
CRESP	Consortium for Risk Evaluation with Stakeholder Participation	RBES	Risk Based End States
D&D	Decontamination & Decommissioning	RDD&D	Research, Development, Demonstration and Deployment
DAS	Deputy Assistant Secretary	RFP	Request for Proposal
DFO	Designated Federal Officer	ROD	Record of Decision
DOE	Department of Energy	RF	Rocky Flats
EH	Office of Environment, Safety and Health	RW	Office of Civilian Radioactive Waste Management
EM-1	Assistant Secretary for the Office of Environmental Management	SEAB	Secretary of Energy Advisory Board
EM	Office of Environmental Management	SEB	Source Evaluation Board
EMAB	Environmental Management Advisory Board	SNF	Spent Nuclear Fuel
EMCAP	EM Consolidated Analysis Program	SRS	Savannah River Site
EPA	Environmental Protection Agency	TRU	Transuranic Waste
FACA	Federal Advisory Committee Act	WIPP	Waste Isolation Pilot Plant
FY	Fiscal Year		
GPRA	Government Performance Results Act		
GSA	General Services Administration		
HLW	High-Level Waste		
HQ	Headquarters		
INEEL	Idaho National Engineering and Environmental Laboratory		
IRRAP	Immediate Risk Reduction Action Plan		
ISM	Integrated Safety Management		
ISMS	Integrated Safety Management System		
ITRC	Interstate Technology Regulatory Council		
LANL	Los Alamos National Laboratory		
LLMW	Low-Level Mixed Waste		
LLW	Low-Level Waste		
LTS	Long-Term Stewardship		
NAS	National Academy of Sciences		
NE	Office of Nuclear Energy		
NEPA	National Environmental Policy Act		
NNSA	National Nuclear Security Administration		

Opening Remarks

Mr. James Ajello, Chair of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB) called the meeting to order at 9:15 a.m. in Room 1E-245 of the DOE Forrestal Building in Washington, DC. Mr. Ajello welcomed three new members to the Board: Ms. Lorraine Anderson of the Arvada City Council; Dr. Dennis Ferrigno of C.A.F. and Associates LLP; and Mr. David Swindle of Kellogg, Brown and Root Government Services Inc. He also thanked two Board Members, who recently resigned from the Board for personal reasons, for their service and dedication: Mr. John Moran and Dr. Raymond Loehr. Finally, Mr. Ajello mentioned that Board Member Mr. John Quarles would not be attending the meeting due to prior business commitments. Member biographies are available on the EMAB website at <http://web.em.doe.gov>.

Before Mr. Ajello introduced Ms. Jessie Roberson, the Assistant Secretary for Environmental Management (EM-1), the Board unanimously approved the November 20-21, 2002 Board Meeting Minutes.

Remarks by Assistant Secretary Roberson (EM-1)

Assistant Secretary Roberson began her remarks by thanking the members for serving on her advisory board and lending their time and expertise to the EM program. Ms. Roberson reminded the Board that the EM Program is responsible for safely disposing of 88 million gallons of radioactive liquid waste, 2,500 metric tons of spent nuclear fuel, 135,000 cubic meters of transuranic waste, and over 1 million cubic meters of low-level waste. EM now anticipates that cleanup will be completed by 2035, at least 35 years sooner than originally anticipated, with savings of over \$50 billion.

Ms. Roberson added that EM is aggressively using and managing the acquisition process to drive contract performance. She described EM's acquisition strategy as being focused on five areas:

1. Unbundling work into smaller packages where it makes sense.
2. Driving innovation and improved cost performance through the use of small businesses as a complement to the unbundling strategy.
3. Promoting innovation in cleanup work through the competitive process where improved performance is required.
4. Extending or modifying contracts where excellent performance has been clearly demonstrated.
5. Modifying and changing the acquisition process to support successful implementation of these strategies.

Specifically, Ms. Roberson asked for the Board's advice on acquisition methodologies, developing requests for proposals (RFPs), identifying performance-based incentives, and providing oversight of contractor performance. She recommended that the Board review

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selected case studies at one or more sites as they relate to risk-based end states and safety performance.

Ms. Roberson explained that to complement these steps, EM has launched a Contract Management Advisory Council (CMAC) to review EM's contracts from a corporate perspective. This perspective will enable EM's leadership to ensure that, in an effort to accelerate risk reduction and the cleanup of EM sites, all lessons-learned from EM's endeavors will be institutionalized into the Program's contract and business practices.

In addition to asking for advice on acquisition strategies, Ms. Roberson asked the Board to provide her with counsel on organizational challenges and human capital strategies within EM. She reported that individual performance management is being fully integrated into EM organizational goals. Specifically, executives are being held accountable for achieving strategic program objectives, fostering innovation, and supporting continuous improvement. Overall, Ms. Roberson described the aim of the human capital reform initiative as building a high-performing culture that will attract and retain talented managers and staff to deliver sustained performance excellence.

According to Ms. Roberson, the Program's new human capital strategy is already underway. Recent undertakings include:

- A major reorganization of EM Headquarters to be implemented by December 1, 2003.
- The development of an executive mentoring program for senior executives at Richland and Savannah River in 2004. The program was implemented at Carlsbad last year.
- Establishment of a closure cadre, at the Rocky Flats Field Office and Ohio, to capture the skills required for closure. The Department's first use of mobility agreements to establish a Headquarters-level closure cadre has already been completed.
- A proposed Consolidated Business Center (CBC) to assure uninterrupted business services for the closure sites as they downsize and lose experienced staff.
- Succession planning to fill several new Senior Executive Staff (SES) positions throughout the complex, which will enhance the diversity of the EM workforce at senior levels. Headquarters will have 10 openings.

Ms. Roberson described the Program as becoming a flatter and more effective organization. She believes that EM will benefit from the Board's private sector expertise as the Program continues its transformation into a performance-based organization.

In conclusion, Ms. Roberson asked the Board to provide her with recommendations, as well as how to make those recommendations "actionable".

Questions:

Mr. David Swindle asked the Assistant Secretary to elaborate more on mobility agreements, especially candidacy and implementation.

Ms. Roberson: We started about two years ago with an assessment of our technical competencies. We focused on Rocky Flats, and now at Ohio. Lessons learned can be applicable at other closure sites. Technical changes that occur as work is being done must be captured for use at other sites. The best way to transfer lessons learned is actually through the human vehicle, the people who can explain it best.

Ms. Lorraine Anderson: You've done a good job Jessie of transferring your success from Rocky Flats to a whole environmental management organization.

Ms. Roberson: Oak Ridge has been in the background, but the project we now have in place offers great opportunities. Lessons learned apply elsewhere, require intense management attention. No one person can do it all and EMAB is an important instrument to help us in this process.

Dr. Dennis Ferrigno: Who are the players on the Configuration Control Board?

Ms. Roberson: The Configuration Change Control Board has been up and operating for a year. All changes to baseline project and lifecycle must go through the Board. The Board will allow the organization to always have an understanding of what changes were made and why. Members are appointed to 2-year terms. The positions are not structured jobs within the EM organization. One member is from the field. CCB is essential to the Program's operation.

Mr. Tom Winston: You mentioned possible case studies on end-states and safety. What are the specific things you hope to learn from a site case study? Each site is so unique, what kinds of crosscutting things do you hope to get out of it?

Ms. Roberson: No list of specific items. It's an effort to try to understand what we're doing and why we're doing it. I've seen through our corporate projects that we do not have adequate infrastructure to guide our employees in the area of groundwater management long-term. Case studies will propagate lessons-learned. A case study of a site like Hanford, has a little bit of everything. The Board can decide how many case studies it would like to complete.

Mr. Winston: The Board could focus on technical or process issues. The Assistant Secretary has done an excellent job of aligning EM and DOE for cleanup acceleration. Nothing negative about acceleration, but safety can be an issue. Stakeholder interaction can suffer as well. Easy to stumble when moving so quickly.

Ms. Roberson: With a tremendous amount of focus and energy, management is committed to an improvement in operational safety. It takes both sides of the work force, i.e., contractor and federal staff, and is a tribute to the combined capabilities of the work force. Safety indicators have improved. EM managers will stay in the positive mode, with ongoing diligence and hold off celebrating until the task is complete. Spend time with managers on philosophical alignment

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on how to move together. No intent to shut anyone out, including stakeholders. All have to move together efficiently.

Ms. Jennifer Salisbury: What organizational challenges can the Board specifically help with?

Ms. Roberson: Challenge is to ensure that the workforce understands and contributes to goals of the program. Demonstrate reward for doing good work. EM is now much more like a private-sector environmental program. Do the work and move on to next task. Requires some learning how to maintain professionals in that field. The best way the Board can help us with respect to organizational challenges is to bring your experiences into play for us. Help us see what's happening in private industry, but recognize that everything happening there may not fit within the Federal system.

Mr. Ajello: What is the mission of the Contract Management Advisory Council (CMAC) besides collecting lessons-learned and best practices?

Ms. Roberson: The mission of the CMAC is to integrate best work practices and how they integrate into the program. A little human resources too. Function is integration of best practices across complex. All a matter of having the right supportive leadership team. EM headquarters will be a mobile organization, and staff will spend time in the field, not on the phone. An accessible headquarters team is most important. One mission will be dispersed across states by one team.

Mr. Ajello: Creative tension is a conflict. Pride/reward objectives important.

Ms. Roberson: EM and Field sites will operate from the same set of value metrics. Headquarters will pull at problems to help the sites solve them.

Mr. Swindle: Any surveys completed for the human capital initiative?

Ms. Roberson: There was a Departmental survey initiative a few years ago, but no unique survey for EM yet. Key is to be more aware of contributions/achievements at small sites. Paul keeps a list of these contributions and achievements.

Mr. Ajello: Thanked the Assistant Secretary for the overview of the EM Program.

EM Program Update

Mr. Paul Golan, EM Chief Operating Officer was the next speaker and he supplied a handout to the Board members to go along with his EM Program update briefing. Before starting, Mr. Golan noted that he had just returned from the DOE Savannah River site and was very pleased with the progress being made there.

Mr. Golan: When I was thinking about the topic of today and a programmatic update, what I thought I would do is go back to two years ago when we put together our five-year key goals and priorities. When we published this, it got out and it caused a lot of people to say, that's impossible, or I have a real problem with this, or you know, these seem unrealistic.

We keep track of what we said I think we need to do is be accountable for the goals. So this is what we published two years ago in November, shortly after 9/11:

Improve Safety Performance. Our first goal was to improve safety performance because unless we improve safety there is no way we're going to be able to do work or accelerate work. In the last two years, we've seen about a 40 percent reduction in the number of total recordable cases, and a 38 percent reduction in the lost workday cases. Except for the hydrogen program, which is largely an administrative job today, these are the best safety statistics in Department of Energy today.

And if you look at the broader backdrop in terms of the risk that's no longer in the environment, risk that's been eliminated with it, whether it's spent fuel, special nuclear materials, the transuranic waste, it's no longer in the communities today or next to the workers. It's pretty phenomenal. So not only did we reduce absolute worker risk, but we reduced worker and community risk by eliminating the risk from the sites.

We did it by establishing four things we were going to look at this year. We called it the Four Safety Metrics because we thought if we really focused and managed four things, maybe we could actually get somewhere. Our goal was zero accidents and injuries. That was the first one. The second goal was zero internal or skin contaminations. The third metric was lock-out/tag-out. We measure every single lock-out/tag-out whether it was the wrong tag or lock hanging on a breaker or valve, or workers did work when a system wasn't locked or tagged out. We're measuring that on a daily basis. And the last was incidents involving transportation of hazardous nuclear waste.

There's literally 1000 metrics that we can measure across the complex. Our idea was to pick a handful that we can actually measure and monitor and start holding folks accountable.

Let me give you an instance of why it's so important for us to check back with what's going on in the field. We had a drumfire up in Idaho this summer. Punctured a drum that was bulging. It briefly lit on fire. And when I called the site the first time, they said, well, this is an expected occurrence. I said, there's only two places we're going to have expected occurrences for fires.

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One is when we do stabilization, when we put things into furnaces; the other is we still do controlled burns. Those are the only time we really expect fires to happen. They said, no, it's -- it's going to be an expected occurrence. There's nothing we really can do to prevent it.

Down at Savannah River this week, they actually have a chamber where if they have a bulged drum they can actually puncture it in -- much like how you would defuse a bomb. What they'll do with the environment inside the chamber is evacuate it and put in inert gas. When the drum puncture goes in there, there is no chance of that fire actually happening. It was the connection we made by going into the field and actually seeing what another site did. We're going to have the Idaho folks actually go down to Savannah River in the next couple weeks to see this apparatus that they have to prevent it from happening.

So the bottom line here is, although our safety statistics have been going in the right direction, we're not satisfied and we really think that we can actually eliminate some of these occurrences that we've grown so accustomed to expecting over the last 20 years.

Reduce the Cost and Time Required to Complete the EM Cleanup Mission.

The second objective that we committed to was to take \$100 billion and 30 years off the clock for this program. And this commitment came on the heels of a \$14.1 billion increase in program costs the year before Jessie got here. Most sites had slipped their schedule by a year. Well, as of the last fiscal year, fiscal year '03, we've actually taken \$50 billion off the total project cost, and this is something that has been audited by one of the big five financial firms. A credible \$50 billion has been reduced from the clean up, and our actual time to complete the clean up has been reduced by 38 years, from 2070 to 2035.

One of the other things that we also measure, which we think is important, is our program direction account. That's the money that we spend as the federal government instituting, operating, overseeing our clean up here. That was the third-highest project cost in EM just a couple years ago.

What we found out two years ago was we were spending \$100 million a year on support services out of headquarters. In fiscal year 2002 we cut that in half. We took another \$20 million out of that last year, and we're -- we're operating about 30 percent on the program direction account from headquarters than we were just two years ago. A 70 percent reduction there. That money is going out to the field to pay for clean up and it's paying for accelerated risk reduction.

Close Rocky Flats, Fernald, and Mound by 2006. Two years ago we said we wanted to close Rocky Flats on time and get Fernald and Mound back on track to close by 2006. And at this time, we still had all the special nuclear materials at Rocky Flats and there wasn't a single SST on the road. Mound had slipped into the 2010 time frame, and Fernald was also 2010 at that time.

We actually finished shipping the material out of Rocky Flats this summer. Rocky Flats is now on track to at least meet the December 15th, 2006, closure. It's running about a 10 percent positive cost variance right now.

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It's a project that we're continuing to learn a lot from, and one of the key lessons here is that to get early, up front, and significant community development in tough decisions was really one of the key things we did in making that project successful, whether it was the on-site disposal of the clean rubble or some of the creative things we're doing with the soil action levels there. The only reason that happened was because of the public involvement.

Mound is now on track to close early in 2006. In fact, our completion date right now is March 2006. We actually recompeted that contract and awarded it earlier this year because we weren't getting the performance out of the contractor we were expecting. We actually put a contract modification in place at Fernald earlier this spring which took that from offering a basic full fee for a 2010 closure to one where basically the contractor won't earn any fee if they close after 2006. And for any of those three contracts, if they're not going to close by 2006, we reserve the right to take future action as we did in Mound earlier this year.

We're also preparing about a half a dozen -- maybe up to 10 small sites through the CD-4 closure process in fiscal year '04. A number of small sites that we can just get off our books and complete the records of decisions and move on.

Consolidate Nuclear Material Out of EM Sites by 2004. Our fourth goal was to consolidate special nuclear materials out of EM sites by 2004. We successfully deinventoried Rocky Flats and Ohio with the plutonium 238 material leaving earlier this summer. All the weapons grid materials have been removed from Rocky Flats.

Both Hanford and Savannah River have their 3013 nuclear material stabilization and packaging lines in place right now. We watched Savannah River do its third weld on an oxide can this week up an FB line. Hanford is going to complete their stabilization of metals and oxides this year. Savannah River looks like March of '05 right now.

We've taken the spent fuel out of six pools, which is where we've placed such fuel for interim storage. Right now we have four open spent fuel pools across EM: L Basin down at Savannah River; we have the 666 Basin at Idaho; and K East and K West Basin. Despite the problems we've been having with our sludge water and the sludge removal at Hanford, over 70 percent of the fuel has been removed from the K East and K West Basins, and we're looking for that to finish this year. So at the end of this year we'll only have two spent fuel basins open in EM.

Spent fuel was taken out of West Valley this summer. We've completed most of our spent fuel shipments from Oak Ridge to Idaho this year. All the S & M source term has been removed from Apple Canyon at Savannah River. And if the President signs the appropriations bill, we'll actually have decommissioning authority at Savannah River.

In addition, as a result of the events of 9/11, DOE was required to develop a new design base threat to protect -- safeguard its nuclear materials and EM is in compliance with the design bases. We've been able to come in compliance with them for real minimal cost. Part of the reason is the fact that we've eliminated the need to actually provide the safeguards for material if it's not

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there. You can walk into the deepest vault in Rocky Flats without seeing a guard right now. There's going to be more industrial security practices where there's no special nuclear material.

Eliminate the Need to Process High Level Liquid Wastes. The fifth goal was to eliminate the need to process high-level liquid waste. It was our single largest cost driver in the EM Program, and nearly half of our program dollars were going to go to tackle the high-level waste problem. We have eliminated the need for a second vitrification plant at Idaho -- excuse me, at ORP, Office of River Protection, which was on the books two years ago to build a second plant. Idaho has completed emptying their pillar and panel tanks and has completed actually cleaning two of their former high-level waste tanks.

Up at the Office of River Protection, we're down to 40,000 gallons -- less than 40,000 gallons of pumpable liquid out of the single-shell tanks. And again, that was our significant risk term on the river there. Roy Schepens has actually started a waste removal from Tank C107. The first waste is being removed from out of the tanks out there. If you look at the Columbia Basin today, most of the spent fuels off that basin and most of that liquid is out of the high-level -- out of the single-shell tanks there. This is -- we've significantly reduced the risk for the contamination of the river and in the process, we've eliminated over 2 and a half million gallons of high-level liquid waste just through better management. We were actually increasing our volumes of high-level waste through the '90s even though all our reactors were shut down. But we've actually been able to eliminate about 2 and a half million gallons of that, and some of it is just due to a natural evaporation.

At the Defense Waste Processing Facility down at Savannah River they're actually taking the high-level waste and making it into glass waste canisters there and what used to need four canisters, now only needs three canisters to dispose of the same amount of waste. They're using a new glass frit. They're able to actually put about 33 percent more waste in every can that they're packing down there. That's less space that they're going to need for storage, less space that's going to need to go in a truck, and less space that's going to need at the repository there.

We should actually get Roy [Schepens] sometime to talk about some of the alternatives he has to vitrification where it [the waste] just doesn't all have to go to the high-level glass smelter. Some of the bulk vitrification technologies and some of the separation technologies that they're looking at are truly spectacular.

Make EM a Better Customer. Our sixth goal is to make EM a better customer. We basically always got what we expected. What we needed to do two years ago was change what we expected and hold our contractors accountable.

We developed a five-year acquisition strategy last year. We're in the process of implementing it. Frank is going to talk a little bit about that today. Anybody who reads the "Weapons Complex Monitor" probably sees that we have about 14 small business contractors that are in the process right now. But our five-year acquisition strategy has small businesses as a significant aspect because what we needed to do was to broaden our contractor pool to do our risk reduction. And

really, small business offers us the agility and the new ideas that we just weren't getting over the last decade here.

The other part of the strategy had to do with, what do we do with the contracts that we have in place today. Every one of our major contracts has been restructured over the last two years to take what we've agreed to in the performance management plan and make them into contract expectations.

This is one area that's probably the most amount of work in progress right now because just because you change the contract, unless you change how you behave managing that contract, you're not going to get the change in results. And so we're spending an awful lot of time forcing people to manage the contract, not the contractor. And I'll tell you, where I spend probably half my time here is making sure people use the contract as their instrument to manage the site rather than the contractor. So we're not nearly there. We've basically drawn the map on how to get there. Now we have to teach people how to use that map to get sustainable and predictable results.

If you haven't seen the "Weapons Complex Monitor," I'm just going to put a couple of things out on the table in terms of small business set-asides that we've had.

- Construction of the glass storage facility, the second part of that facility down at Savannah River. That's a \$60 million small business set-aside.
- Battelle Columbus Closure Project is a \$30 million set-aside, and that was recently awarded.
- The Fast Flux Test Reactor D & D at Hanford, \$400 million small business set-aside out there.

We actually bring contractors to our site and we take a series of tasks and say, we want you to do this because our current contractor is not performing. We're looking at potentially hundreds of millions of dollars to be awarded on a task-by-task basis. A substantial majority of those are going to be made to small businesses. We are going to make two large businesses awards. This will give DOE more flexibility, basically get the work done and also give us another hammer when -- when contractors know that it's not five years when their work becomes no longer safe, it's going to be five days or five minutes. We're trying to put some more real-time competition into our actual acquisition process.

Part of the thing that we're also trying to do with the CMAC, the Contract Management Advisory Council, is to make DOE a more predictable customer. One of the things that I do every 45 days is sit down with every one of the SEB, the Source Evaluation Board, chairs and the source selecting officials on all the contracts that we have in the system. They're there to report and be held accountable on their progress against their schedule because there's nothing that kills the system more and kills small business more than -- we're going to put a request for proposal out in December and it doesn't come out until July.

We haven't been completely successful in terms of living to our schedule. We're going to have to be a better customer. We're going to have to be a preferred customer, and if we're a preferred

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customer, we're going to become a preferred supplier here. This is a huge challenge. Fortunately, I have Frank Sheppard here, who's been working as my right hand on the contract strategy. Norm Sandlin -- we hired a 25-year contracting officer for the contractor -- is my left-hand person. I wanted to bring in the commercial experience and the commercial view into how we attack this acquisition process. I'm probably most excited about this aspect of our business because it's one that clearly can open up a lot of doors.

Shrink the EM Footprint. Our seventh goal that we committed to was shrinking the footprint. SRS is being torn down and at Rocky Flats we've demolished 156 facilities in the past 2 years. Over the next couple years, we're going to see a significant acceleration of that because before you actually demolish a building there's a lot of stuff you have to take down out of the inside: asbestos, processed piping, the electricity, and things like that.

This is also a point that we're specifically concerned about from a safety perspective. I think we have a good hand on the nuke safety, the nuclear criticality safety, the radiation safety. We're making some good in-roads on that. But the place that we're the most vulnerable is when you start talking about moving heavy iron around -- that's the place where somebody could get hurt or killed real quick if we're not really careful. The absolute standard is that an accident anywhere in our complex is unacceptable.

Get Wastes to Disposal Facilities Quickly. Our eighth goal was to get waste to disposal sites quickly and dispose of 10,000 drums of transuranic waste at WIPP and decrease the cost of actual disposal at both WIPP, Nevada, and Envirocare by 30 percent. As of yesterday, we have 17,000 meters of transuranic waste down at WIPP. Despite the fact that we had problems at Idaho last year with the Nuclear Waste Processor (NWP) not starting up on time, WIPP actually met 97 percent of its goal. That means other sites stepped up. We've actually completely deinventoried three small sites. Savannah River was able to ship at a rate of 24 a month. We're having some troubles with getting some of our transuranic waste out of LANL right now, and we'd like to see more waste come out of Hanford, too. We're working those issues separately.

All the legacy transuranic waste has been removed from Mound and we made record shipments again last year in both Envirocare and to NTS. This is the second area, which we're very concerned about because none of our clean-ups can happen if any one of these disposal sites shut down or if we're unable to ship. When 9/11 happened it took us nearly a month to get all our trucks back on the road. After the Gulf War started in March, we were able to get complete restarting up of all shipping within two days. That's because we have the systems in place so that if something bad happened we could find them and get them to safe shelter real quickly.

We also had a truck driver hit a truck down at WIPP this year. We originally thought the collision between the drunk driver and the truck actually caused the spread of contamination in the WIPP truck. What we found was that when the drum was put in the WIPP truck here, the lid was not bolted down to the proper torque specification.

Reshape EM Systems and Infrastructure to Drive Accelerated Cleanup and Closure. The last thing I'd like to talk about is how we have reshaped our systems and infrastructure to drive

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accelerated closure. We've established a Configuration Control Board to review all changes to a project that add cost, schedule, or scope and these have to be approved by the Assistant Secretary. Any time a site wants to take costs out, eliminate work scope that doesn't come up somewhere else, or decrease the time, needed they can make those changes themselves. I hold the managers accountable to deliver the performance that they specified in their Goal Chart, which is their performance metric, and for them to also improve safety at their sites. Those are the two things that I hold every manager accountable for.

We talked about the Contract Management Advisory Council. That's been very important in terms of weaving the process into the fabric -- the EM fabric so that no matter who's here this is an embedded process. It's going to be tough to take these systems out. We have a budget structure that aligns our budget, how we plan work, how we ask for money, with the actual risk reduction work that we do. It's probably the most significant budget restructuring EM has ever taken since it was created back in 1989. I think you're going to talk a little bit about our human capital strategy, which is a very key aspect of how we're managing.

Eighty-five percent of our SES personnel are in different positions than they were two years ago. Most of the people who have stayed on -- the large majority of the people who didn't opt to move on or to retire -- are working in their new positions and say it was one of the best moves they've ever had to go through. It forced them to think differently. We used to have a field and a headquarters organization so we integrated them by sending HQ people to the field and field people to headquarters. We're finding that challenging our executives and forcing them into positions where they grow and we stretch them is actually paying off quite surprisingly and quite pleasantly.

I thought this would be a good time to give you a status on where we were versus what we said we wanted to do when things were very different than where we are today. So with that, I'll take any questions.

Mr. Ajello: Paul, thanks a lot. A very comprehensive overview. I think each of us get in our offices the "Complex Monitor" news clips, strategic plans, budgets, testimonies. I can go on and on about the material we receive. And we thank you for -- and thank everyone in the program who provides that information to us. I don't know if you used the word, but I gather you felt it was a stretch goal, to achieve each and every one of these things.

Mr. Golan: They were back then.

Mr. Ajello: This kind of list of accomplishments is a good way to galvanize the program internally and externally. Was this progress reflected on internally to give your folks some reason to see the progress? It also is a great way, at least I've found, to make what are apparently in the context of stretch goals, new goals and make people believe that they can achieve a similar set in the future. Is that creeping into your management practice?

Mr. Golan: Yes, I have held "fireside" chats with managers to review what we've done over the last two years. We discuss where we have been and what has been learned. The goal is to learn

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from things that went wrong and things that went right. The question is, how did this happen, what are the things that made these kinds of things happen? Trying to provide face-to-face feedback for collective learning.

Ms. Roberson: [In answer to Mr. Ajello's question] I would say yes but things were missed last year. We have to learn to celebrate our accomplishments but not to lose sight. That's the diligence and the commitment that got us that far. It has to take us to finishing the job.

Mr. Ajello: Is there a comparable list that is as broad and impactful for the next two or three years? What is your planning process around creating the next set of issues for you to tackle?

Mr. Golan: Determining how the Gold Chart can be improved comes next. We need to determine how much more aggressive can we get in terms of risk elimination?

Ms. Roberson: When I left Rocky Flats, we probably spent eight years arguing over -- among all the parties what to do and in less than three years, they'll have it done. Isn't it an amazing thing?

Mr. Golan: Safety requires an understanding of who the customer is. Communities are the customer. Smart workers determine next steps in terms of safety.

Mr. Swindle: You are to be applauded on what you have accomplished so far but reflect for a moment - There's really four sets of players here that contributed. Clearly, there's both the headquarters and the field on the federal side, there's regulatory players, there's the contractors who you depend upon, and then of course the public. As you look at lessons learned I'd assume you're planning this in your assessment of what went right and what went wrong. If you look at it in those four categories, I think at the end of the day you would be able to continue the success as you go forward. There is a "we vs. they" concern in the contracting community during the competitive phase. Upon an award, a partnership must be made. Partnerships are an integral part of success.

Mr. Winston: [Regarding Golan statement concerning reducing costs by \$50 billion] Where is the cost-reduction coming from? I could identify five different areas where cost savings or cost reductions are certainly moving things forward, given the maintenance, security, and management responsibilities. Any work you move forward is going to save you money. Improvements in the contracting arena, incentivizing the contracts so that, it's more aligned with getting the work done. Looking at the DOE work force and having more people focused on actual real work and -- and activity. A fourth one is getting things out of EM that really never should have been in EM. The fifth one I would say is changing clean-up requirements or clean-up plans. Out of that \$50 billion, do you have a feel for the relative benefit or cost savings in those areas to-date? Any low hanging fruit or tough nuts to crack?

Mr. Golan: If an activity is no longer in EM and it got transferred to EH or NNSA, we took that out both from the pre-2001 to today. This is an apples to apples comparison. Eliminate work, incentivize contractor to do the work, and reward contractor. What you said here, those five things that you said are -- are right on but they are interrelated. All three of those things or all

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four or all five of those things have to happen in order for you to get that savings. The other part that we were looking at is the work that we're eliminating that we don't need to do

Ms. Roberson: One that I would add is the alignment between regulatory parties on sequence and strategy to move forward. We were delaying work that would result in physical positive environmental benefit to step through what people interpreted as required regulatory processes rather than talking and aligning themselves around the action that would result in improvement sooner rather than later. Hard things like spent fuel languished. We've still got challenges in those areas, but we're also making tremendous improvement.

Ms. Anderson: EM should celebrate savings in safety and let the public know how much has been done. This would help entire complex in taking care of waste issues.

Ms. Roberson: I agree but that it is quite a challenge. I think maybe erroneously we believe that if we keep our head down and keep producing those results that result in risk reduction for the communities and for the country that eventually we won't have to tell people. I think it's a failure if you have to tell people you're doing good stuff for them. People have to realize that EM is taking an innovative approach to safety.

Mr. Golan: When Johnson & Johnson calls EM and asks for insights on safety, we will have made it.

Dr. Ferrigno: Don't lose the passion and pride in this work. A basic thing of leadership is when they see you sweating, not because you're going to be damned or anything like that but because you really care, that's when everybody lines up and does it. Have noticed a new commercialized/common-sense approach to program. Management is now shown in a sequential order of projects and that is good because it drives accountability, budget. Its no longer a caretaker approach to cleanup. Getting cooperation is extremely useful.

In the risk reduction arena, when risk is reduced to a process, is there a point where you stop focusing on that site and set different priorities for another site because the total EM Program risk reduction is what we're evaluating, not necessarily just the risk reduction at one site or the other? Does that come in to bear in your strategy?

Mr. Golan: We're an integrated complex and it's important that we focus on all of the sites here. The real objective is to try to get things done because no matter how small the operation is, they usually have a large carrying cost. To get done, to provide the sites and the communities predictability is the soonest way to low risk and lowest cost.

Ms. Roberson: The challenge is that recognizing all the people that work in the organization are watching our cues. If our actions demonstrate something is unimportant, then that's the way the organization will behave. So we're always balancing that. Look at risk-reduction from a material perspective. Our job is to complete the job, not stop at 70% completion.

Ms. Salisbury: What I've seen of EM is mostly from the transportation side. There are lots of things that are working really well, but I don't want you to be left with the impression that it's all working well. There's a ton of coordination issues out there that still seem like the left hand and the right hand aren't always together. And states collectively scratch their heads, and sometimes it's the state problems. Lots of little issues must be addressed.

Mr. Golan: You know how that manifests itself to me? I'm only using two-thirds of my WIPP capacity and about 75 percent of my low-level capacity. We must make more connections and prevent disconnects that create programmatic conflicts.

Ms. Roberson: You would probably find that I am more familiar with the interaction issues and Paul's more focused on the operation. I'm on a daily basis aware and engaged on the integration and the interaction, when notices go out, how people react, what's happening, what's not happening.

Ms. Salisbury: The proof is in the pudding in how much waste has been moved, and it's worked. But there are lingering issues. I think you also have to look at it from the perspective that states want it to work.

Ms. Roberson: Issues linger because of new ground and increased activity in program. Its like going to the gym and working out for the first time, you quickly find out about new muscles. Cleanup is a full-time job.

Ms. Anderson: How can local governments help? Communities are the first-responders for accidents. We would like to work with EM on local level to move shipments through area.

Ms. Roberson: Opportunity all over the place. I don't have a specific recommendation, but I will tell you it is -- it is our intent and our commitment. I think we have a good basis upon which to build. But as it expands, it challenges more. We must use the systems that we know how to use safely or it doesn't move.

Break until 11:10am.

Overview of EM Acquisition Strategy

Mr. Ajello: Next on the agenda is Mr. Frank Sheppard to bring us up to date on EM's acquisition strategy efforts. As Mr. Golan explained, everyone in EM is a Contract Manager. Frank, welcome.

Mr. Sheppard: I'm not a contracting officer per se. However, I participated in the negotiation of the Rocky Flats closure contract back in 1999, have chaired the Mound Source Evaluation Board, and renegotiated the Savannah River contract. Currently, I'm serving as the Source Evaluation Board chair for the Idaho cleanup contract.

Obviously, the overall mission for EM is to define clean-up scope, and to get things done quicker and cheaper while preserving safety.

The goal of the Acquisition strategy we developed in December of 2002 was to lay out a five-year plan that systematically reviewed all of the EM contracts. Our major goal was to improve contractor performance through the contract mechanism. There are four basic elements needed in a contract for a contract to be successful. They include:

- 1) Having the right contract vehicle.
- 2) Having the right contractor.
- 3) Determining the right level of DOE oversight, *i.e.* that is providing the contractor sufficient flexibility to execute the contract, and
- 4) Constructive communication within the regulatory framework and structure, and stakeholder involvement that exists at each of our sites.

Challenges we are still addressing include determining what are the right level of DOE oversight and the unbundling of EM work to give small businesses more opportunity to bid on work

At Rocky, when we went from the traditional management and operating contract to a cost plus incentive fee type contract, we found that giving the contractor more flexibility worked. We must manage the contract, not the contractor. EM is still not there yet because it will take time to change the Federal culture.

We need a very definitive Statement of Work, making sure Section C's are very clear and focused exclusively on EM work. Anything that does not directly tie to clean up or closure of the site should not be done, nor included in the contract.

EM has a team of people who will be focusing on existing contracts to make them consistent with the above objectives. EM wants to take things that are working well and make sure they are implemented in follow-on contracts. However, each site is completely different so a cookie cutter approach won't work.

Rocky will probably be in the \$3.4B to \$3.5B range rather than the original \$4B. A big part of our successes will be tied to the fee we're offering to pay as an incentive. Paying a small fee will get EM the "C" teams from the big companies we are attracting to work on our sites.

A lot of times EM doesn't care what the old baselines say. It's ok to use them as a reference point, but we prefer to say let's see what's new and fresh, along with better ideas to get things done quicker, cheaper, and safer. One of the rules laid down by Assistant Secretary Roberson was not to extend the contract period for any of our existing contracts. What we've done is modify the last 3-4 years of performance, and we're seeing results over the course of the past four to six months.

As we enter into contract renegotiations, we take the Project Management Plans (PMPs) into account as our starting point. All contracts and contract modifications are PMP- plus. We've

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significantly reworked section B of the contract, which provides the incentives. At Oak Ridge, there was a contract in place for a cost plus contract that allowed us to transition to a Cost-Plus Incentive Fee (CPIF), which we did. Performance beyond baseline results in award fees. The Contractor is driving EM, which is exactly what EM wants to happen.

Here are a few more examples of steps we've taken recently to push our acquisition strategies forward:

- We awarded five "Indefinite Delivery/Indefinite Quantity" (IDIQ) contracts to 8-A small businesses at targeted sites
- Last month we awarded the Columbus Closure Project to a small business. That contract was for roughly \$30 million. We also currently have 14 SEB actions underway.

We are trying to think outside of the box and get aggressive cleanup behavior at sites.

(Mr. Sheppard is SEB Chair for Idaho). There are two SEBs in place at Idaho that need to be recompleted. One is for EM, and the other is a Nuclear Energy (NE) SEB. 60 percent of funds there are not focused on physical work. Both contracts are a major issue for administration. Both RFPs are going through final comments process. We are trying to remove as many uncertainties as possible in the statement of work. The RFP is expected in early Dec 2003.

Portsmouth and Paducah have two SEBs being formed - four separate contracts, two at each site. One is for the glass waste storage building #2 at SRS, an ID/IQ response is expected by December 1. We have a pre-qualified list of subcontractors.

- EM is aggressively changing contracts to improve performance at a lower cost.
- Reorganization focuses on improving Acquisition Management.
- We're treating bidders like customers.
- We've created improved Web pages for procurements.
- EM-2 conducts a monthly review of all SEB actions/schedules.
- Within the past year, EM has been targeting about \$800M in work scope to small business.

Our objective has been improving the EM competitive procurement process - A better process results in a better quality of product.

Mr. Ajello: Asked for an explanation of the small business criteria.

Mr. Sheppard: There are different size standards for different activities up to \$12-14M, or up to 500 employees. When you team, you could have a company of 450, and another team of 450, and it's not a cumulative effect. They are counted individually, and each can be given a small business award. Flow down of sub-contacts existed before, but there was not many direct Federal to small-business contracts.

Mr. Swindle: Almost all procurements go through a number of phases from response to the Request for Proposal (RFP), reviews by the government, and ultimately a decision. Time spent by the government for the process could range from as little as a month for the decision process to two years. My concern is the length of time spent by the government in arriving at a decision, and doing so in a timely manner.

Mr. Sheppard: We are seeing improvement in some areas. We are trying to put a quality product out there, in English. Some existing contracts are unreadable, and we are trying to produce 14 page requirements for statements of work (down from 50 pages). After Mound, EM put together a procurement schedule controlled by Mr. Golan. We've instituted shorter proposal response periods (now 45 days down from 90) with similar EM turnaround review and response. We have learned from the River Corridor Award process that dragged on and on, and we're making sure we don't repeat our mistakes in subsequent procurements.

Dr. Ferrigno: Two questions- On the ID/IQ contract, how does EM envision that being utilized at sites like Hanford or SRS with regards to budget and existing 5 year contracts?

Mr. Sheppard: EM looked at candidates for ID/IQ, and can use new contracts as vehicles for small business. Where the work to be accomplished is definitive, you can save funds on the procurement process. We don't know how contractors will take advantage of these instruments, and we have no projections over the next 3-4 years. .

Dr. Ferrigno: When EM went for its budget of \$7B, part of the justification was disposal of waste volumes. Do procurements prescribe waste volumes or do contractors decide?

Mr. Sheppard: Procurements meet or exceed gold metrics chart. Baselines and procurements match site PMPs. High visibility and high-risk activities are specifically called out. There's some flexibility by focusing on end-point goals, i.e., we're not going year by year by the existing goal metric chart. We're trying to look at the end point and see how much we can get done totally in aggregate at the end of the contract period.

Mr. Ajello: There have been protests relative to some of EM's activities. What lessons have been learned?

Mr. Sheppard: I only know of protests to the River Corridor contract. It didn't affect the process. It simply went on way too long. A GAO finding upheld the protest on the cost-side. We went back and called together the SEBs and analyzed GAO's findings. We went through the findings and examined our mistakes. It was a unique and diverse challenge for the evaluation side of the process. It's not a black and white process. Securing the best value for the government is an open term and up for interpretation.

Mr. Ajello: You mentioned that the FAR rules were rigid. Are they not flexible enough?

Mr. Sheppard: More flexibility is desired. Small changes are not always worth the fight. We look for opportunities to increase flexibility, and are still struggling with fee range. M&O

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started out at 2-3%. Now, target fees are around 6-8%, and are getting up to 8-14%. We have to make sure independent cost analysis is accurate. Contractors expect to earn maximum fee.

Mr. Ajello: Its interesting that most enterprises want to save money by closing sooner and not funding extra years. Government funds itself through treasury bonds. Have you considered how that impacts EMs savings? It's an interesting thing to think about.

Ms. Anderson: There is skepticism from local governments that when the cost of cleanup is cut, shortcuts are being taken. States want to ensure that the relationship with regulators and stakeholders is improved and maintained. Have to make sure they know what EM's objectives are and what kind of flexibility is desired. It does not jeopardize the final cleanup level or final risk- based end state. Administrative and overhead support can be greatly reduced with EM's pro-activeness. Try to keep some actions open to communities and regulators.

Dr. Ferrigno: As a contractor, labor productivity would be known. Is there a database of such work activities? This would attract more competent contractors.

Mr. Sheppard: Not yet, but its a good idea. It could be added to the lessons-learned web page.

Mr. Ajello: Thanks, the meeting is about one-hour behind. Let's do the Contracts briefing now, as it is a related topic.

EMAB Contracts Project Team Briefing

Mr. Ajello: Mr. Swindle & I will talk about EM contracting practices, and we will share the presentation between us. A number of the issues identified by our Team were touched upon during Paul Golan's and Frank Sheppard's presentations.

The team examined whether the EM program provides sufficient incentives to its contractors and what should the incentives be. We also examined whether the contractors have adequate freedom under the contracts to meet or exceed goals; and does EM attract the best available talent given its contracting approaches?

All the members of the Team have had major contracting experience, and hope we're giving some value from a very practical standpoint from our findings.

Mr. Swindle: The Team looked at what was needed to draw the private sector to work on EM projects.

- In the private sector, 20-30% fees are common with measured risk.
- In some government fixed-fee jobs, the FAR establishes a maximum 15%, but in other cases 30% is common.

Implementing benchmarks. Large firms typically take benchmarking as a way to incentivize their leadership and management. Most firms put in some standards and requirements. In EM there is no consistency from the top. Lot of claims from dispute resolution. If you further examine the reasons for these disputes, you often find the reasons to be because of misstated objectives, or unclear contracting terms.

DOE has an un-proportionately large number of protests (not all in EM). If bidders perceive there's some inequities, then they will perceive it's an unfair and unlevel playing field. There needs to be a level playing field. There is a need to have more focus by the government on what's to be done, not how it's to be done. That's very important from a risk standpoint.

Since 9/11, bonding costs have gone up 10-15% of bill. Anyone who bids jobs must pass cost onto government. The government and contractors can save \$\$.

Mr. Ajello: Called for questions.

Mr. Winston: Seems to be a conclusion that EM is not attracting best and the brightest. How was this determined?

Mr. Swindle: It comes down to how businesses make decisions. Over the years, M&O contractors pull the bait and switch model, where best people are bid and pulled out during contract implementation.

Mr. Sheppard: Agrees with Mr. Swindle. EM is being very upfront in whom they want and how much it is worth and penalties for bait and switch.

Mr. Ajello: The answer is generally that according to contractors themselves, EM does not attract the best and brightest. One of the take-aways is to take feedback and turn it into substantive assistance on the topic.

Mr. Winston: Noted that he was pleased with the Mound contract changes and was pleased with the new contract incentives.

Dr. Ferrigno: Said there was no straight answer to this. He observed that core competency with experience is important and that other firms in synergistic business may help enhance the EM gene pool.

Mr. Sheppard: Noted that it takes not just the right contract, but the right attitude. Cost-Plus Incentive Fee means contractors get paid regardless.

Mr. Ajello: Questioned whether the approach of pursuing incremental changes in DOE/EM contracting practices was significant enough. Are these procurements bold enough with respect to fees and bonding requirements? Why not push the edge of the envelope and see what happens? Moving from 8-10% may not make a difference, but moving fees from 8-16% may make a huge difference. Changing from 8-10% may be a big difference to a lot of people in EM

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but he noted that he would like to make bigger changes. This would require good cost-estimates. Current balancing of fee percentage depends on “how well does EM know their cost estimates?”

Ms. Anderson: She was familiar with small business. Noted EM faced a “Pay me now or pay me later” situation, e.g. Big jump in fees now and what they really should be. Goal should be to aim to attract contractor “A” team with changes, get done more quickly and save money.

Mr. Sheppard: Need to make sure everyone in EM is comfortable with estimates and complexities of task.

Mr. Ajello: Don’t forget time. To get the 8%, a contractor must finish sooner. Means risk-reduction, cost savings, and re-deployment of good resources sooner. Time is a huge dimension.

Dr. Ferrigno: Suggested doing a phantom analysis. If EM were in the private sector, what would the cost estimate be? Interested to see what the difference would be.

Mr. Ajello: EM accounting does not show the true cost of capital because budgets do not reflect the cost to the taxpayer. This is a behavior and attitude every program ought to adopt. Create value in a program. No more comments before lunch. We will reconvene at 2pm.

Lunch

EMAB Metrics Project Team Briefing

Dr. Ferrigno began by thanking the two Team members that have since left the Board, Dr. Ray Loehr and John Moran, for their efforts, followed by background on the Team’s review.

The documents included in this review were the EM strategy for the new performance measures from the EM Top to Bottom Review, the EM gold chart measures, and other EM policy documents. The Team also reviewed comments by the DOE Office of Inspector General (IG) and the Office of Management and Budget (OMB) on prior EM measures. The recommended actionable items were:

- *Develop and refine cost and schedule measures for the program* - This action is linked to the last bullet and will be discussed at the end since they have similar themes.
- *Provide a platform to measure and drive accelerated cleanup* – The process and priority selection for accelerated cleanup choices may require at least a little clear selection criteria.
- *Provide a systematic approach for driving the risk reduction* – What is the risk scenario identification, the quantifications, and how do you monetize these choices? This may be a question the Team came up with for which there is no straight answer.
- *Review the measures and their respective connectivity to the cost and schedule incentives of EM contracts.*

The first Team observation was that there has been a lot of progress in this area over the last year. The Team understood the metrics to be an indicator to have confidence over long periods of time, like some of the closure contracts, to get a sense of whether progress is being made against the baseline strategy set for project completion. The Board applauds EM for using these 16 performance measures to understand progress and get a sense of delivery.

The second finding is related to efficiency considerations. When you look at the gold chart and your performance measures seem to comply when progress is not necessarily being achieved due to factors such as poor site characterization, we have a little bit of concern. We think volume efficiency is a metric that should be measured. In addition, audit and quality control processes will be necessary to make sure those efficiencies, especially in volume reduction, are being achieved.

The third finding had to do with risk reduction measurement. Risk reduction means a lot of things to different people. There are financial risks, health and safety risks for exposure to workers and stakeholders, and project execution risks. Because there are many risk issues, the Team recommended the need for a process that defines consistency in risk identification and risk scenarios. In addition, the cost and the impact of the program may need additional documentation.

The fourth finding addresses the need for cost and schedule performance measures. The IG and OMB both commented that the lack of cost and schedule measures makes it difficult for the program to demonstrate success. This may have changed some, especially in light of the report by Paul Golan earlier in the day on the program's accomplishments in the past two years. But the Team feels that some drilling down is required on the issue of earned value with the 16 performance metrics to ensure that cost, schedule, and other project aspects are analyzed.

Finally, on the actionable item to develop and refine cost and schedule measures for the program, the Team felt the contracts for closure need more connectivity to the 16 performance measures. EM may want to revisit this and possibly provide even more direct award fee incentives on interim progress and measures prior to contract closure at the end. With regard to the comment on the need for a platform to measure and drive accelerated cleanup, the Team believes that accelerated cleanup can mean a lot of things. The baseline and follow-on acceleration against that baseline, therefore, need to be clearly understood.

Mr. Ajello: On this notion of connectivity, what is disconnected now? Maybe it would be easier for us to understand what you think is disconnected because it says, "Review the measures and their respective connectivity to the cost and schedule incentives in the contract."

Dr. Ferrigno: It's not broken; it is doing well. But it comes down to if I am going to be measured in a certain way; I want to essentially prepare myself for the report card. If I look at Rocky Flats as a model, I see that the contract says I have one measurable goal: closure in 2006, at this cost, and this is it. If I go sooner, I have some incentives, both schedule and cost. Now all of a sudden I introduce this quarter that I would like you to put "X" cubic meters of waste, this quarter I would like "X" sites closed, this quarter I would like this. Now I realize, and the Team

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realized, that is important to show progress. Maybe cash flow of percentage fee in the future might be enough to incentivize, to stick to what the baseline of that volume is, although we heard from Frank this morning that DOE is not going to be prescriptive and say you must stick to this baseline that we give you. What we're interested in is the final cost and schedule, yet we have the Assistant Secretary and her team going to Congress saying this year I'm going to deliver you these many cubic meters of waste, and I'm going to do this. And that, of course, will show progress but it is not connected to the end contract. Is that a huge problem? I don't know, but I am not incentivizing my contractor to the same thing I am reporting to my boss. If it is a problem, we need to fix it. If it's not a problem, we need to understand it.

Mr. Winston: My question is on risk. DOE probably needs to do as good as they can in terms of measurement of risk, or risk reduction, recognizing that they are never going to be able to come up with a number that captures risk reduction or a factor that does that to everyone's satisfaction. DOE needs to capture their progress on risk reduction so that they can convince Congress and the American public that they are making progress. But if they try to sell it as the be all and end all of risk reduction and begin to use risk reduction factors to set budget priorities between sites and things like that, I think DOE will have a big problem. DOE will probably need to recognize going in the difficulty and the fact that you can only take that so far and it can only be used for certain kinds of things such as convincing Congress in the broadest sense. That is why you get into things like that, intuitively, such as volume reduction, footprint reductions, etc. Those are sometimes indicators that talk about risk reduction rather than being something they could take to the bank. You know, minimize cancer risk and things like that. DOE could be trying to solve that chestnut for decades before that would be credible. Do you know a credible answer that they could provide?

Dr. Ferrigno: I don't know if there is an answer. I think you were pretty good at just answering the question.

Mr. Winston: The Board had in the past a group that tried to assist the Department in the preparation of the Risk Report to Congress and we went through some of these same kinds of questions. As it ended up, the report began to thin things in terms of high, medium and low, and never really got down to a much greater level than that. And that was comparison of risk. And so my point here is just a degree of caution that is needed. Even though everyone asks, and Assistant Secretary Roberson says, we want to have this driven by risk reduction, then how do you measure that and how do you articulate that you have actually achieved it?

Dr. Ferrigno: What we discovered wasn't we didn't take exception to the choices that were made. Intuitively, they looked like what we would do. But what we didn't understand was the process to make those choices.

Ms. Roberson: I agree with everything I've heard you say. It interesting, as I listen to you go back and forth, and I will tell you, we were talking about risk based end states. This is actually one of those voids. Our problem is less with the analysis than the logic of how the pieces fit together. It may not appear to be such for a small site. Rocky wasn't a small site but it was fairly well integrated. Mound was pretty far along, fairly well integrated. But for the larger

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sites, it is important in how you sequence and prioritize your work. It does not mean something is less important overall. But you have to approach it in a way that you are having a positive impact as you move through.

EMAB End States Project Team Briefing

Mr. Winston stated that the Risk Based End States (RBES) policy attracted both State and local government interest. This policy was developed to address a need for scientifically and technically sound cleanup. The goal is to change the cleanup approach from one that is based on compliance with hundreds of thousands of individual independent requirements and actions to one that is risk-based. A lot of the initial pushback, especially from the regulators, was that some of the language discredited all of the good work and the good decision-making that may have occurred.

All three EMAB team members represent governmental partners with DOE. One of the things we did was talk to some of our other colleagues on these issues. The Team also looked at a number of documents, including the RBES policy, the guidance, and the implementation plan, which had been called the Corporate Strategy. That was the process.

The areas of concern mostly dealt with the fact that, from the Team's perspective, there is a somewhat skeptical set of customers that are hearing this. Our thought was, what can DOE do to enhance receptivity and willingness, whether it's the regulator, community or local government, to give these proposals and ideas a fair shake.

Our first finding was that the Department (Dave Geiser) did an outstanding job of reaching out to a skeptical public. As a result, this project is well understood by parties, at least better understood than if that amount of outreach had not been done. Dave also allowed the team the opportunity to provide suggestions on factors to be included in the implementation strategy, and the input ended up in the strategy. So the Team members had a real opportunity, not as a Board action but as individuals, to offer input for consideration.

The next finding was that regulators, especially, need to be involved in determining what variances are needed. It is a complex regulatory framework, and regulators have expertise in knowing whether a Record of Decision (ROD) needs to be changed, a change in law is required, a compliance agreement needs to be renegotiated, or any number of things. Regulators need to be actively involved in determining what type of variance might be needed and the process that DOE would need to go through.

Another finding was that there is a special role that local government plays. Local government is the steward of record and probably the most important steward because they are the first line and, as such, should clearly have a say in future use and the risks associated.

Many of the Team's recommendations are actually in the implementation strategy. From some initial feedback, it is hard to say that the things in the guidance and implementation strategy are being followed fully across the complex. DOE must work to improve the receptiveness of regulators and the community.

The Team spent some time talking about the ultimate decision DOE would need to make about whether to move forward on a proposed risk-based end state vision. The output from the risk-based end state vision includes a number of maps, a conceptual model for the future site, variances with the existing cleanup plan, and other documents. We thought of the kinds of factors DOE would want to look at before making a decision on whether or not to proceed. This gets into the complexity of the risk-based end state vision. You get into issues on data quality, overall assessment of risk, whether there is a cost saving and how is it calculated, and is it a real cost saving. Another factor is how much time will it take to implement on a site that is closing in 2006? You begin to run out of time to do a major shift. The regulatory vehicle may need to be changed, which could take up to a year in the case of a ROD with all the public involvement and participation that is needed, even if everyone agreed.

We talked about some of the things DOE could do to improve the receptivity and the ideas were, in general, the more involvement the better in the parameters of the evaluation in the process and in discussion of the pros and cons. The second one is the way in which it is presented. Jim Bridgman included in our background information a number of articles, and one of them was on the release of, or discussion of, a tentative proposal for evaluation. Assistant Secretary Roberson and I have talked about that and she indicated that DOE could have done a much better job in the way it was presented to enhance the chance that it would get a fair hearing and a fair shake by the decision makers and those that would weigh in on it.

The last area we talked about were the types of incentives that could be built in to improve the receptivity. We do not have anything specific at this point. One of the ideas discussed was whether there is an opportunity for building into the breadth of the discussion some other issues that might be important to the public, and that might be important to the regulators that are outside of the narrow realm of risk-based entity. We didn't get far in part because we see a real tough uphill battle for DOE. We are looking at ways in which the receptivity and the willingness of the audience to work with DOE on this issue can be enhanced.

Mr. Ajello: One of your comments was that the local government should have the opportunity to be at the table. What does that mean specifically? How do you envision that occurring? Is there a model for that or an example?

Mr. Winston: There has to be a recognition that local government is in the driver's seat on a number of local decisions that impact the site, whether land use or a variety of the tools they are using. So at any point where there is actually a decision to be made, if local government is not in the room during the discussions, it has a variable chance of sort of getting resolved.

Ms. Anderson: Local government was there before DOE and will still be there when DOE packs up. We have a duty and a responsibility and have taken oaths of office that say we will protect

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the health, safety and welfare of our citizens. So we want to be there at the start of the discussion on what the end state will be. Local governments are the keepers of the land use plans for the cities and counties, so we want to be there.

Mr. Winston: One of the reasons there is no model is that there is very little local government activity at some sites while at other sites, such as Mound, local government is providing the lion's share of the local input. At Fernald it is much less in terms of actual elected officials.

Mr. Ajello: So there's no one approach, in other words.

Mr. Winston: There really can't be one approach and that is why we talk about an opportunity to be at the table. Most local governments will want to be there, get there early, and stay late.

Mr. Ajello: I guess that goes along with another quote from the report, "achieving meaningful input."

Mr. Winston: I think one of the concerns I have been hearing is DOE is moving quickly. There is a real concern that DOE might go back to an earlier day of the site announcement. I know that is not Assistant Secretary Roberson's intention. If you look at the guidance, there is an expectation that the discussions be very early and interactive. This is not necessarily happening, and part of that is a pretty aggressive schedule on developing the RBES vision statements. I think the thought is that meaningful means interactive, collaboratively, and not only talking, but listening.

Ms. Roberson: I would say we clearly have an opportunity to act upon recommendations from the EAMB on this topic. You will probably walk away shaking your head, but when we proposed this project, we spent quite a bit of time discussing whether we organized a team to swoop in and get this information for us – because the first thing we want is to understand – or do we force it out through the organization and the partnerships so that it is meaningful for everybody. Less important to me than getting a piece of paper is the thought process and the collaboration that went into it. Based on my most recent knowledge of what we're seeing, we are probably going to reject most of the documents we received, not because of any pullback or constraint by the regulators or community leaders because our own folk are very protective too. The intent is for it to be meaningful, so this process is far from over.

Ms. Salisbury: My thinking is to be reality-based because the work you do up front, the time you take up front will pay off big at the end. It sounds like you are doing that and I applaud you.

Approval of the EMAB Report

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Mr. Ajello: We have reached point in our meeting to approve report and recommendations. Members can adopt as-is or make modifications. Our next step after taking action on the report will be to have a discussion on how to make any recommendations we approve “actionable”.

Mr. Swindle: Draft report is sufficient to go forward. Key is connectivity to go to next step of actionability.

Public Comment

Mr. Jim Bridgman of the Alliance for Nuclear Accountability (ANA): Expressed concerns on the Risk-based End States Project. He felt things are moving rapidly and it is difficult to respond quickly to meet the January 30th deadline. EM should make documents available on the headquarters website. EM is trying to walk away from previous commitments in the name of accelerating cleanup. EM and the Office of Legacy Management plus new reorganization make it difficult to assign and track accountability.

Mr. Mic Griben, consultant: Offered new insights on acquisition process. Look at small business issues in more detail. Small business has problems with ID/IQ contracts. A typical firm must pay \$150-200K to respond to a RFP. There is too much confusion to get new players in and too much risk for small businesses to submit a proposal, only to be turned down because of non-compliance.

Response to RFP could use all of a small business’s bid and proposal funds for a year.

Dr. Ferrigno: ID/IQ is a new tool for DOE/EM. .

Ms. Salisbury: Board should consider points raised by public during Board discussion.

Mr. Swindle: Look at minimum set of requirements for an ID/IQ contract.

Mr. Ajello: Called for and received unanimous approval of the EMAB draft Report for forwarding on to the Assistant Secretary.

Board Discussion: Making the Recommendations Actionable

Mr. Swindle: RE: Recommendation # 5, EM should consider gathering information on contracting and fee incentive models from firms who design and operate global environmental remediation projects and evaluate the different approaches they use in terms of their potential applicability to EM program mission requirements.

Suggestions:

- 1) Do not limit review to only environmental models or to just the DOE environmental side of business.

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- 2) When looking at other fee incentive models:
 - a) Value comes in quantifying information. Therefore:
 - i) Look at the type of evaluation criteria, then
 - ii) Assess different types of approaches so advantages and disadvantages can be evaluated and compared.

Mr. Swindle: RE: Recommendation # 6, EM should first determine whether it is the actual DOE contract bidding process or DOE contract liability requirements that limit new, large contracting firms from entering the EM cleanup market.

Suggestions:

- 1) Focus first on the following:
 - a) How is DOE using its actual DOE bidding process?
 - b) Pay particular attention to DOE liability requirements.

Determine how they impact those entities DOE is trying to encourage to join a contract bidding process.

Mr. Swindle: RE: Recommendation #9, one very expensive component that bears heavily on a potential contractor's bid/no bid decision is project-bonding costs. EM usually requires that the entire job be bonded. It is recommended that EM review its bonding requirements with the objective of breaking out those job elements where there is enough risk to warrant bonding and only require bonding for those portions. This could result in substantial savings to a potential contractor.

Suggestions:

- 1) In terms of the types of skill expertise EM is soliciting through its contracting processes, as the program has evolved and matured, requirements are increasingly dictating a move away from assessments and evaluations and toward actual cleanup, construction and remediation. This has caused bonding to become an even more important requirement. EM should:
 - a) Focus on its small business objectives and evaluate how shifting of contract focus affects small business traditional strengths and weaknesses; and
- 2) Initial focus of job element breakdown analysis required as first step toward reducing bonding requirements should be conducted within the context of addressing small business capability deficiencies.

Mr. Swindle: RE: Recommendation #8, Offering an expanded range of contract vehicles to vendors that more closely matches individual risk to reward for specific task segments and different project tasks could provide more flexibility to potential vendors in making bid/no bid decisions. In addition, the potential exists to reduce an overall project's cost by reducing allowances for uncertainty. Under a procurement process in the private sector, contractors are often allowed to define project scope and ask for permission to submit segmented (phase) proposals, which can lead to lower overall project costs. EM's role in this approach would be to set outcome, schedule, and performance goals. In this regard, EM should consider using performance-based contracting more extensively throughout its program. In this way, EM will

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encourage the contracting community to propose more innovative, effective, and efficient approaches to waste reduction and accelerated cleanup.

Suggestions:

- 1) Focus should be on creating more incentives.
 - a) These issues were addressed as part of EMAB contracting practices recommendation # 12 and should be referred to.
 - b) Goal should be to assure that performance would flow down not only from the prime contractor, but also to those supporting, second, and lower-tier subs as appropriate.

Mr. Swindle: RE: Recommendation #14, Many large contracting firms are reluctant to subcontract tasks to small businesses because of risks stemming from higher overhead costs and performance uncertainty. EM may be able to encourage larger firms to compete for its projects by continuing a small business mentor/protégé program to address the uncertainties by providing incentives for large firms to contract out to small firms. The Department's small business outreach strategy proposes this type of approach.

Suggestion:

In addition to above recommendations, consider providing incentives to large firms so they will want to bring small businesses into the fold.

Mr. Ajello: The contracting function, if it incorporates value-added incentives may help broadcast lessons-learned. Specific recommendations would be to:

- 1) Create a professional career track inside of DOE focusing on proposal/procurement negotiation and development.
 - a) Goal: promote the cross-learning and lessons learned that have occurred in various procurements.
 - b) Use organizational structure begun with Frank Sheppard as template and expand it, e.g. the Source Evaluation Board (SEB).
 - c) Career track represents important skills that need to be focused on and included in EM Human Capital Strategy now being formulated.
- 2) Improve predictability in the contracting process.
 - a) The sponsoring program office for a contract should do what it says it's going to do and have very few surprises with respect to the RFPs it puts out. EM is not considered predictable with respect to when it issues RFPs, what it's going to cover, and the like.

Adhering to the announced schedule for releasing an RFP is important because companies plan and invest business development capital (dollars and human resources) based on that schedule and incur substantial costs as the result of delays in the timing of an RFP release.

Mr. Swindle: When evaluating options for improving the procurement process, it may be useful to consider it as a four-phase cycle:

- b) the RFP development phase;
- c) the solicitation or competitive phase;

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- d) the decision or source selection phase; and
- e) the implementation phase.

Recognize that a company, when evaluating whether to bid or not uses a risk versus reward parameter. This impacts a company's decision to offer a B team vs. an A team.

Ms. Anderson: Concerned that DOE is not competitive in its fee structure.

Mr. Swindle: Fee structures are addressed in the RFP development phase.

Dr. Ferrigno: In terms of metrics- it would be useful to document risk reduction in a more definitive manner. Possible metrics could include reduction in risks due to improved health and safety procedures, reduction of a site's footprint, and reduction in financial and performance risks due to greater project definition.

Suggestions:

- 1) Contracts for closure contracts need more connectivity to performance measures of the 16 criteria.
 - a) Process and priority selection for accelerated clean-up choices may require more clear and definitive process/selection criteria.
 - i) Accelerated clean-up can mean a lot of things.
 - (1) Baseline and follow-on acceleration against baselines need to be clearly understood;
 - (2) Need to understand what is being accelerated.
 - (3) What are the process and selection criteria for the choices of acceleration?
 - (a) If a contractor agrees to a baseline; and by accelerating activities he completes tasks earlier that were originally forecast to be completed in later years, should his fees include an increasing portion of the Government's cost savings resulting from his activity?
 - ii) Are the fees reflective of clean-up cost or life cycle cost savings?
 - iii) Is non-performance equally presented as a punitive area of performance shortfall?
- 2) Consider volume reduction efficiency of waste containerization and also safety compliance as possible additional performance measures.
 - a) Metrics would involve volume efficiency of the containerization, transport, packaging and safety compliance to ISM.
 - b) Volume efficiency metrics might be different for TRU, LLW, LLMW, and Classified Containers.
- 3) Performance measures instituted at site level should have some monetary connection, to what Jessie Roberson is being evaluated against when she reports to Congress to request program funding.
 - a) Concept is to somehow monetized performance measures.
 - b) It's a programmatic decision, but it would be something that could be measured.

Mr. Ajello: Consider the time value of money as part of the evaluation assessment when assessing which firm to choose and the schedule they would use from which to give them credit or not for accelerating the closure of the project.

- a) Theory: the cost is the cost as far as what the clean up of a site is going to be. It is what it is.
- b) However, if the speed of clean-up is evaluated, then in the evaluation it might be possible to compare one site's approach -- contractor's approach at a site versus another and look at the phantom capital employed or cost of money in that evaluation process and in so doing, give the site a full life cycle analysis.
- c) Object: allow DOE when it's evaluating contractors, not only to incentivize them with fees, but actually use in the selection process of contractor A versus B and the speed in which the work is predicted to be completed.
- d) Once defined as a contractual element, it could become a measurable metric in advance of work performed.
- e) A contractor would then know that the longer he stays on the job, the more it's going to cost him money.

Dr. Ferrigno: Time-value of money comes into the lifecycle cost.

Mr. Winston: Actionable items are not quite the same for End states issues.

- 1) Question is how does EMAB help DOE assure that it's being as successful as it can based on the recommendations or the observations that EMAB is giving.
- 2) Recommend adequate and meaningful public involvement. Include:
 - a) Local government involvement.
 - b) Regulator involvement, especially in the discussion of variances and the like.
- 3) In making decisions, part of the judgment should be based on the process that was used.
 - a) Process should be:
 - i) Interactive.
 - ii) Collaborative.
 - iii) Documents should be available in the way in which they are supposed to be.
 - b) Regulators are questioning who in EM is going to be making the process calls.

Mr. Geiser: Most sites did not have the opportunity to share or draft end state visions before they sent them into headquarters.

- i) Guidance released on September 22nd.
- ii) Documents were due October 31st.
- iii) EM goal is to provide comments back to a site 30 days after it receives the sites end state vision.

EMAB members representing regulators and local government noted that their comments should not be mistaken as speaking to the validity of the goal or a misunderstanding of the goal of the risk-based end state.

- c) Their objective has been to enhance receptivity.
- d) Feel such dialogue is low at this point.

- e) Conclusion: Timing for completing end states plans and cutting out public debate is a risky proposition for EM.

EMAB Question: Who will be making the call regarding site end states visions, other than Regulators?

Mr. Geiser: Comments will be fairly specific, aimed back at the sites, ranging from being purely administrative to what was submitted was a regulatory-based end state, which is not necessarily the same as a risk-based end state.

- If latter, many will be rejected and instructions given to provide direction as to how to correct what was submitted.

EMAB Questions:

- a) How will issues be reconciled?
- b) How will guidance be followed?
- c) How will Headquarters learn of state and local government input?
- d) What components make up end states visions?

Mr. Geiser: Answers:

- 1) A risk-based end state, as stated in DOE EM policy, is an end state that is protective of human health and the environment or the land use that's project. Eco components are also included.
- 2) A risk-based end state may not agree with the record of decisions or commitments from federal facility agreements.
 - Because record of decision or federal facility agreement was something determined 10 or 15 years ago with almost no characterization data.
 - Also does not reflect the clean up that has been done, or changes in the land use.
- 3) DOE intends to comply with law but it doesn't mean end states vision has to reflect that.

Mr. Winston: One concern may be that guidance was not interactive with stakeholders and regulators. Headquarters may not be aware of public outgrowth and concerns. EMAB could look at how to add some sanity to the process.

Ms. Anderson: Sounds like EM is putting the cart before the horse. There may be a misunderstanding over what the end state is and the components that make it up.

Mr. Geiser: Our goal is to be protective of the health of humans and the environment for the projected future land use. That does not mean the end state matches current RODs or federal facility agreements and EM does not believe it should necessarily, because old agreements were

based on insufficient data. Commitments were made fifteen years ago with little characterization data or vision of end state use.

Ms. Salisbury: Sound like DOE is risking a lot. End state development should have been properly done fifteen years ago and giving it three months now may not be enough. What is going on sounds as if end states are not initially accepted by DOE and require additional analysis and review?

Mr. Geiser: Most sites submitted a regulatory-driven end state. Many did not address risk. Sites did not want to upset stakeholders. A good job was done by sites on mapping. It's the first time DOE has had good, up-to-date maps of the sites current state and end state. Many good conceptual end state models have been developed. We need a few key tables that will capture information on the key contaminants that drive risk, contamination scenarios, and what these assumptions are based on. This will provide an easier site-to-site comparison.

Ms. Salisbury: It is important for DOE to have a meaningful dialogue with stakeholders.

Mr. Winston: What we are hearing here is new information since your last report.

Mr. Ajello: It sounds like a new topic for future EMAB consideration.

Mr. Winston: Keep in mind possible case studies, such as what the Assistant Secretary asked for.

Ms. Salisbury: Is there more information from public speakers?

Mr. Ajello: EM should put endstates information on EM website.

Public Comment Period

Mr. Bridgman: Can DOE meet the Congressional 60-day (from enactment of legislation) schedule?

Mr. Winston: What statutory changes do you envision?

Mr. Geiser: Expect reports to feed into any proposed changes or laws DOE would need to accelerate cleanup. Need to take a comprehensive look at possible changes.

Next Meeting Date

Mr. Ajello: Anticipates late winter or spring meeting. Includes possibility of case study.

Dr. Ferrigno: Recommended after tax day in April.

Mr. Swindle: EMAB staff should push actionable items through quickly enough to make an impact. Staff should come back with recommended dates.

- Mr. Jim Melillo: Return calendars as normal, no need to rush.

Risk Questionnaire

Mr. Ajello: Reminded the Board about the Risk Questionnaire from Mr. Charlie Dan. He believes EMAB is not the best group to provide input and suggested asking the Energy Facilities Contractor Group (EFCOG) to respond. It was agreed that EMAB would respond to Mr. Dan with the recommendation that he solicit EFCOG input.

Mr. Swindle: Goal of survey is to make EM's contracts effective. Mr. Dan will receive a higher response rate and objectivity from EFCOG. Seems like more of a procedural matter than an actionable matter for our Board.

Mr. Melillo: Risk has vastly different meanings depending on whom you ask.

Mr. Swindle: Risk can fall into in four categories that can be explored by an EMAB project team. Those categories are:

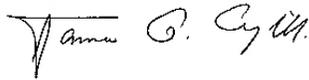
- How does the public view risk?
- How does a contractor view risk?
- How do the regulators view risk?
- How do small and large businesses view risk?

Dr. Ferrigno: Important to note that this is not an official response from EMAB or a completion of the survey.

Mr. Ajello: Called meeting to an end and once again recognized the good work of Ray Loehr and John Moran.

Mr. Ajello: Adjourned the meeting at 4:25pm.

APPROVAL: NOVEMBER 21, 2003 EMAB MEETING MINUTES

Handwritten signature of James A. Ajello in black ink.

Mr. James A. Ajello
Chair
Environmental Management Advisory Board

Mr. James T. Melillo
Executive Director and Designated Federal Official
Environmental Management Advisory Board

APPENDIX A

ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

U.S. DEPARTMENT OF ENERGY

Meeting Agenda

November 21, 2003

Forrestal Building, Room 1E-245

Friday, November 21st

9:00 a.m. Public Meeting Opens

- Welcome Remarks
- Meeting Objectives
- Approval of November 2002 Meeting Minutes

James Ajello,
EMAB Chair

Remarks/Discussion

Jessie Hill Roberson,
Assistant Secretary for Environmental Management

9:45 a.m. EM Program Update

Paul Golan,
EM Chief Operating Officer

10:30 a.m. Break

10:45 a.m. Overview of EM Acquisition Strategy

Frank Sheppard,
*EM Special Assistant for
Acquisition Management*

11:15 a.m. Discussion of EMAB project team report findings

Discussion leaders:

- Contracts Team ~ James Ajello and David Swindle
- Metrics Team ~ Dennis Ferrigno
- End States Team ~ Tom Winston

Board Business

- Approval of Recommendations
to the Assistant Secretary
- Public Comment Period

James Ajello,
EMAB Chair

12:30 p.m. Working Lunch/Board Discussion

- Making the Board Report Recommendations

James Ajello,
EMAB Chair “Actionable”

- Additional Recommendations/Next Steps

- Public Comment Period

4:00 p.m. Next Meeting

- Availability Calendars for Spring 2004:
March/April/May

James Ajello,
EMAB Chair

4:30 p.m. Public Comment Period

5:00 p.m. Adjournment

Environmental Management Advisory Board November 21, 2003 Meeting Minutes

APPENDIX B

Department of Energy Charter for the Environmental Management Advisory Board

1. Official Designation:

Environmental Management Advisory Board.

2. Objective, Scope of Activity, and Duties:

The Environmental Management Advisory Board will provide the Assistant Secretary for Environmental Management with information and advice on corporate issues. The Board will be informed of the progress on the Environmental Management projects at regular intervals to be determined by the Assistant Secretary.

The Board will perform the following duties:

- a. Advise the Department of Energy on Environmental Management strategies;
- b. Issue reports and recommendations;
- c. Recommend options to resolve difficult issues faced in the Environmental Management program including; public and worker health and safety, integration and disposition of waste, regulatory agreements, roles and authorities, risk assessment and cost-benefit analyses, program performance and functionality, and science requirements and applications

3. Time Period Necessary for the Board to Carry Out Its Purpose:

Since the task of the Board is to advise agency officials on a series of Environmental Management strategies and strategic advice on corporate issues, the time period required to carry out its purpose is continuing in nature.

4. Official to Whom this Board Reports:

This Board will report to the Assistant Secretary for Environmental Management.

5. Agency Responsible for Providing Necessary Support for the Board:

United States Department of Energy.

6. Description of Duties for Which the Board is Responsible:

The duties of the Board are solely advisory and are stated in paragraph 2, above.

7. Estimated Annual Operating in Dollars and Person-Years:

The Department of Energy will provide resources sufficient to conduct its business as well as travel and subsistence (per diem) expenses for eligible members. The estimated costs are \$650,000 and approximately 6 permanent staff members.

8. Estimated Number and Frequency of Board Meetings:

The Board will meet semi-annually or as deemed appropriate by the Assistant Secretary for Environmental Management. Specialized committees of the Board will meet as deemed appropriate by the Assistant Secretary for Environmental Management.

9. Termination Date (if less than 2 years from the date of establishment or renewal):

Not applicable.

10. Members:

Members of the Board shall be appointed by the Secretary of Energy for 2 years to achieve continuity in membership and to make use of the acquired knowledge and experience with Environmental Management projects. Members may be reappointed for additional terms of 1 or 2 years.

11. Organization and Subcommittees:

The Board shall report to the Assistant Secretary for Environmental Management or other officers of the Department designated by the Secretary of Energy.

The Board is authorized to constitute such specialized committees to carry out its responsibilities as the Assistant Secretary for Environmental Management finds necessary. Each committee will be chaired by an individual appointed by the Assistant Secretary or the Boards Executive Director. Committees will report through the Board.

Individuals with specialized skills who are not members of the Board may be consulted

