

# Environmental Management Advisory Board Meeting

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**Deputy Assistant Secretary**  
**Acquisition and Project Management**  
**March 6, 2007**



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safety ❖ performance ❖ cleanup ❖ closure

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# Overview

- EM-50 Responsibilities
- Acquisition Machine
- Pre-Award Activities
- Post-Award Activities
- EM Small Business Activities
- Project Management



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# Office of Acquisition & Project Management

## Responsibilities

- Ensure effective acquisition and project management in the execution of the EM program
- Develop and implement project specific acquisition and contract strategies
- Oversee the execution of contracts
- Project management oversight



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# Building Acquisition Machine

Goal: Best-in-class infrastructure to deliver quality, repeatability, timeliness and defensibility for our major acquisitions

- Built based on 4 GAO Cornerstones:
  - Organizational Alignment
  - Policies & Procedures
  - Human Capital
  - Knowledge Management
- Single EM Head of Contracting Activity
- Centralize responsibility for major acquisitions
- Establish Acquisition Planning Managers
- Additional Acquisition Strategy Specialists, Procurement Analysts, Procuring Contract Officers, Cost/Price Analysts
- Acquisitions split into “Planning Phase” and “Source Selection Phase”
- Utilize Government and Industry Best Practices



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# Support On-going Procurements

## Pre-Award Activities

Goal: Best Value in a timely fashion

- WIPP Transportation—Finalizing Award Documentation
- West Valley Interim End State—In Discussions
- SRS M&O—Finalizing RFP
- SRS Liquid Waste—Finalizing draft RFP
- Hanford—Mission, Tank, Plateau - Finalizing RFPs
- Moab Remedial Action—In evaluation



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# Planning Future Procurements

## Pre-Award Activities

Goal: Prudent plans and groundwork for Best Value in a timely fashion

- Idaho AMWTP-Acquisition Planning; Performing market research
- Oak Ridge TRU Facility-Acquisition Planning; Performing market research
- Portsmouth Gaseous Diffusion D&D-Awaiting Critical Decision (CD)-1
- Separation Process Research Unit (SPRU) Land Area Cleanup and D&D-Awaiting CD-1
- Stanford Linear Accelerator Center-Awaiting CD-1
- Energy Technology Engineering Center-Awaiting CD-1



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# Contract Management Post Award Activities

## Goal: Improve Contract Management

- Partnership for Public Service
- Streamline contract change review and approval processes
- Proactively prosecute change orders
- Contractor Accountability

## Contract Closeout Activities

- Rocky Flats Site (Colorado), **\$4.2 Billion**
- Ashtabula Environmental Management Project (Ohio), **\$19.3 Million**
- Columbus Environmental Management Project (Ohio), **\$49.3 Million**
- Fernald Environmental Management Project (Ohio), **\$2.2 Billion**
- Miamisburg Environmental Management Project (Ohio), **\$736.7 Million**



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# EM Small Business Program Activities

Goal: Build on the Success of EM Small Business Program

FY05 Small Business Goal: 2.49% => \$171.7 Million  
**FY05 Small Business Actual: 3.0% => \$202.6 Million**

FY06 Small Business Goal: 3.35% => \$207.9 Million  
**FY06 Small Business Actual: 5.47% => \$327.4 Million**

FY07 Small Business Goal: 3.35% => \$197.7 Million  
**FY07 Small Business Actual (Jan): => \$74.1 Million**

**(37.5% of Goal Achieved)**



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# EM Project Management Program

- EM has 87 projects with a total project cost of ~\$180 billion
- Improvements made by implementation of DOE Order 413.3A, “*Program and Project Management for the Acquisition of Capital Assets*”:
  - Five “Critical Decision” gates for senior management decisions on projects
  - Emphasis on earned value management
  - Safety in design
  - Certification of Federal Project Directors
  - Monthly Reporting to the Deputy Secretary on earned value for all DOE Projects
- EM has applied project management to the entire environmental cleanup effort, not just capital asset projects
- EM’s Projects undergo rigorous External Independent Reviews
- Review for certification of DOE contractors Earned Value Management System are conducted by Defense Contract Management Agency (DCMA) in accordance the industry guidelines and standards



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# EM Project Management Accomplishments

- EM has made significant improvement in project performance
  - January 2006 - 15 “red/yellow” projects
  - December 2006 - 4 “red/yellow” projects
- 63 DOE Certified employees (53 Federal Project Directors)
- Use of industry-standard project management and business management processes
  - 36% of Projects have Certified EVMS
- Establishment of the highest level of safety performance, beginning early in the planning and engineering design process
- Integration of procurement planning, contract execution & project management functions
- EMAAB Charter Approved December 2006



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# Quarterly Project Reviews

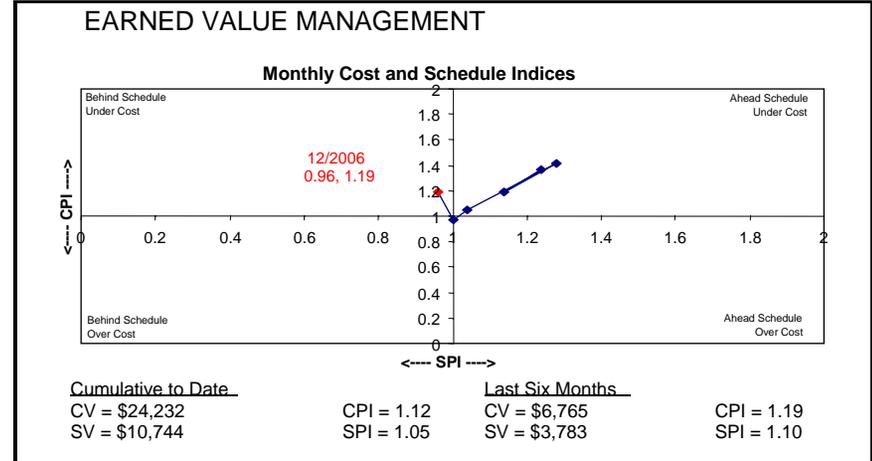
**Site:** Savannah River Site **Assessment**  


**PBS #:** SR-0011C  
**Title:** NM Stabilization and Disposition-2035

**TPC Near-Term Baseline = \$253.3M (Deputy Secretary Report through 2006)**  
**LCC = \$1,759M (2005 Gen-2 Report + BCPs)**  
**EAC = \$2,166M (2006 Project Execution Plan [PEP])**

Validated TPC (LCC): Yes  No   
 FPD: Patrick McGuire, 803-208-3927  
 Contractor: Washington Savannah River Company LLC (WSRC)  
 Status:  
 CD-0  CD-1  CD-2  CD-3  CD-4

**Project Narrative Description:**  
 Safe receipt, surveillance, storage, and disposition of special nuclear materials in K Area and FAMS. Includes construction of the Plutonium Disposition Project.



### PROJECT RISK and RISK MITIGATION

**Risk:**  
 K-Area Fire Protection upgrades delay life safety improvements (Event ID# 041)

**Planned Action:**  
 Remaining KAMS upgrades anticipated to begin in FY 2009 (cable removal accomplished in September 2006)

**Risk:**  
 Storage space challenges for interim storage of NNSA materials (Event ID#045)

**Planned Action:**  
 New storage location (Fan Room) provides additional lag storage space, coordinate material receipts between H-Canyon and NNSA

### SAFETY PERFORMANCE

Occurrence Category	Performance Assessment
TRC Rate	
DARTS Rate	
Recurring Events	
Electrical Safety Events	
Criticality Events	
Industrial Events	
Radiological Events	
Near Miss Events	
Authorization Basis Events	
LOTO Events	
Injury Events	
QA Profile	

**Legend:**  
 Green = Good  
 Yellow = Requires some action  
 Red = Action Required



# QUESTIONS



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