

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

PUBLIC MEETING MINUTES

**The Crystal Gateway Marriott
1700 Jefferson Davis Highway • Arlington, VA 22202**

March 31, 2010

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ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
SUMMARY OF MEETING

The Environmental Management Advisory Board was convened at 9:00 a.m. on Wednesday, March 31, 2010, at the Crystal Gateway Marriott in Arlington, Virginia. Board member G. Brian Estes introduced the Board members for this meeting.

In accordance with the provisions of Public Law 92-463, the meeting was open to the public.

Board members present:

- Mr. A. James Barnes, Indiana University
- Mr. Paul Dabbar, J.P. Morgan, Inc. (via teleconference)
- Mr. G. Brian Estes, Consultant
- Dr. Dennis Ferrigno, CAF & Associates, LLC (via teleconference)
- Mr. Keith Klein, Consultant
- Mr. John A. Owsley, Tennessee Department of Environment and Conservation
- Dr. Lawrence Papay, PQR, LLC
- Mr. Willie Preacher, NCSL State and Tribal Government Working Group
- Ms. Lessie Price, Aiken City Council
- Ms. Jennifer Salisbury, Attorney-at-Law
- Mr. David Swindle, EG&G Division/URS Corporation
- Mr. Robert Thompson, Energy Communities Alliance

EMAB Alternate Designated Federal Officer:

- Ms. Melissa Nielson

Others present for all or part of the meeting:

- Dr. Inés Triay, Assistant Secretary for Environmental Management
- Ms. Cynthia Anderson, Director, EM Recovery Act Program
- Mr. James Antizzo, Office of D&D and Facility Engineering
- Ms. Tina Bryan-Harvey, DOE Office of Environmental Management
- Ms. Allison Clark, DOE Office of Environmental Management
- Mr. Eric Cochran, Office of Project Management
- Mr. Desi Crouther, Director, Office of Human Capital
- Ms. Allison Doman, Energy Communities Alliance
- Ms. Kristen Ellis, DOE Office of Environmental Management
- Mr. Reggie James, Acting Director, Office of Contract Assistance
- Mr. Colin Jones, DOE Office of Environmental Management
- Dr. Steve Krahn, Deputy Assistant Secretary for Safety and Security Programs
- Mr. Robert Murray, Acting Director, Office of Standards and Quality Assurance
- Mr. Mike Nartker, Weapons Complex Monitor
- Mr. Bill Quinn, DOE Office of Environmental Management
- Mr. Benjamin Rivera, DOE Office of Environmental Management
- Ms. Leslie Rodriguez, e-Management
- Mr. Derek Sands, Platts Inside Energy
- Ms. Jennifer Schaefer, PRC
- Ms. Elizabeth Schmitt, e-Management
- Ms. Merle Sykes, EM Chief Business Officer

ADDITIONAL MATERIALS

Available on the EMAB Website: <http://www.em.doe.gov/Pages/emab.aspx>

PRESENTATIONS

- Energy Parks Initiative Presentation by James Antizzo, Office of D&D and Facility Engineering
- Office of Environmental Management Program Update Presentation by Inés Triay, Assistant Secretary for Environmental Management
- Acquisition Presentation by Jack Surash, Deputy Assistant Secretary for Acquisition and Contract Management
- Quality Assurance Presentation by Steven Krahn, Deputy Assistant Secretary for Safety and Security Programs
- Project Management Presentation by Eric Cochran, Director, Office of Project Management
- On Track for the Future with the EM American Recovery and Reinvestment Act Presentation by Cynthia Anderson, Director, EM Recovery Act Program
- Strategic Planning Presentation by Merle Sykes, Chief Business Officer
- Human Capital Update Presentation by Desi Crouther, Director, Office of Human Capital

LIST OF ACRONYMS

ARRA – American Recovery and Reinvestment Act	EM-5 – Office of Communications and External Affairs
BRAC – Defense Base Closure and Realignment Commission	EM-10 – Office of Project Management
CBC – Consolidated Business Center	EM-20 – Office of Safety and Security Programs
CD – Critical Decision	EM-30 – Office of Technology Innovation and Development
CERCLA – Comprehensive Environmental Response, Compensation, and Liability Act	EM-40 – Office of Technical and Regulatory Support
CFO – Chief Financial Officer	EM-50 – Office of Program and Site Support
CGD – Commercial Grade Dedication	EM-60 – Office of Program Planning and Budget
CO – Contracting Officer	EM-70 – Office of Human Capital and Corporate Services
COO – Chief Operating Officer	EM-80 Office of Acquisition and Contract Management
CPR – Construction Project Review	EMAB – Environmental Management Advisory Board
D&D – Decontamination & Decommissioning	EM SSAB – Environmental Management Site-Specific Advisory Board
DAS – Deputy Assistant Secretary	EPA – Environmental Protection Agency
DFO – Designated Federal Officer	EPI – Energy Parks Initiative
DOE – Department of Energy	ETR – External Technical Review
DoD – Department of Defense	ETTP – East Tennessee Technology Park
DWPF – Defense Waste Processing Facility	FACA – Federal Advisory Committee Act
ECA – Energy Communities Alliance	FHCS – Federal Human Capital Survey
EIR – External Independent Review	FPD – Federal Project Director
EIS – Environmental Impact Statement	FTE – Full-Time Equivalent
EM – Office of Environmental Management	FY – Fiscal Year
EM-1 – Assistant Secretary for the Office of Environmental Management	GAO – Government Accountability Office
EM-2 – Principal Deputy Assistant Secretary for the Office of Environmental Management	GC – General Counsel
EM-3 – Chief Technical Officer for the Office of Environmental Management	HEU – Highly Enriched Uranium
EM-3.1 – EM Recovery Act Program	HCA – Head of Contract Activity
EM-4 – Chief Business Officer for the Office of Environmental Management	HLW – High-Level Waste
EM-4.1 – Office of Management and Systems Analysis	HR – Human Resources
	HQ – Headquarters

IDF – Integrated Disposal Facility
 IDIQ – Indefinite Delivery, Indefinite Quantity
 ICE – Independent Cost Estimate
 INL – Idaho National Laboratory
 IPABS – Integrated Planning, Accountability & Budget System
 IPT – Integrated Project Team
 ISMS – Integrated Safety Management System
 LEU – Low Enriched Uranium
 LLW – Low-Level Waste
 LM – Office of Legacy Management
 LTS – Long-Term Stewardship
 MA – Office of Management
 M&I – Management and Integration
 M&O – Management and Operating
 MAA – Material Access Area
 MDA – Material Disposal Area
 MLLW – Mixed Low-Level Waste
 NAPA – National Academy of Public Administration
 NAS – National Academy of Sciences
 NGA – National Governors Association
 NE – Office of Nuclear Energy
 NEPA – National Environmental Policy Act
 NNSA – National Nuclear Security Administration
 NOV – Notice of Violation
 NRC – Nuclear Regulatory Commission
 OECM – Office of Engineering and Construction Management
 OCEA – Office of Communications and External Affairs
 OMB – Office of Management and Budget
 OPM – Office of Personnel Management
 ORO – Oak Ridge Office
 ORP – Office of River Protection
 OSHA – Occupational Safety & Health Administration
 PARS – Project Assessment Reporting System
 PBM – Performance-Based Management
 PBS – Project Baseline Summary
 PDC – Professional Development Corps
 PMP – Performance Management Plan
 QA – Quality Assurance
 QPR – Quarterly Project Review
 RCRA – Resource Conservation and Recovery Act
 REA – Request for Equitable Adjustment
 RFP – Request for Proposal
 ROD – Record of Decision
 SC – Office of Science
 SEB – Source Evaluation Board
 SES – Senior Executive Service
 SPRU – Separations Process Research Unit
 SRS – Savannah River Site
 TA – Technical Area
 TSCA – Toxic Substance Control Act
 TPA – Tri-Party Agreement
 TRU – Transuranic Waste
 USACE – United States Army Corps of Engineers
 USEC – United States Enrichment Corporation
 WBS – Work Breakdown Structure
 WIPP – Waste Isolation Pilot Plant
 WTP – Waste Treatment Plant

MEETING MINUTES

Opening Remarks

Mr. G. Brian Estes, a member of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB or Board), called the meeting to order at 9:00 a.m. EDT. He welcomed members of the Board and the public to the proceedings and noted that Mr. James Ajello, the EMAB Chair, was unable to attend the meeting due to extenuating circumstances; additionally, members Paul Dabbar and Dennis Ferrigno were scheduled to participate via teleconference. He also noted that the Board's Designated Federal Officer, Ms. Terri Lamb, was unable to attend the meeting due to a family emergency; Ms. Melissa Nielson, Director for the Office of Public and Intergovernmental Accountability and EMAB Alternate Designated Federal Officer, served in her stead.

Mr. Estes referred individuals interested in EM and EMAB to their respective websites: www.em.doe.gov and www.em.doe.gov/emab.

He then introduced Mr. James Antizzo, from the Office of Decontamination and Decommissioning (D&D) and Facility Engineering.

Energy Park Initiative Presentation

Dr. Ferrigno and Mr. Keith Klein stated for the record that they had a potential conflict of interest with matters related to energy parks, and therefore recused themselves from the energy parks portion of the proceedings.

Mr. Antizzo stated that at one time, the Office of Environmental Management's (EM) cleanup mission encompassed over 200 million acres of land across 108 sites in 35 states; it is currently the largest environmental cleanup program in the world. As EM's work continues to progress and the footprint of its complex shrinks, more and more land, infrastructure, and other assets will become available for reuse opportunities. EM would like to optimize that potential for asset reutilization by implementing an Energy Parks Initiative (EPI) that would encourage the local communities and the private sector to partner and establish energy parks and energy-related projects throughout the complex. The potential benefits yielded by the EPI would help the nation address many critical issues such as energy independence and efficiency, job creation, economic development and competitiveness, and the environment. EM wants to be a major player in securing the nation's energy future.

The EPI could accommodate a wide range of energy technologies, including those geared toward generation (e.g., solar, wind, biomass, geothermal, nuclear, clean fossil), distribution (e.g., smart grid), storage, efficient utilization, and manufacturing (e.g., solar panels, wind turbines, and other energy components). It would also cut across multiple development phases such as commercial and advanced technology research and demonstrations.

There is tremendous interest in the EPI concept across the complex. EM has received numerous letters of support and resolutions from congressman, county commissioners, and state representatives. Furthermore, in addition to the EPI workshops held at Oak Ridge, Mound and the Savannah River Site (SRS), the Energy Communities Alliance (ECA) has sponsored EPI peer exchanges that have helped generate interest from local communities and economic development organizations. A wide range of pre-proposal discussions have commenced at Hanford, Pantex, Southern Ohio, Nevada, and Los Alamos.

The Environmental Protection Agency (EPA) has started a similar initiative with the DOE National Renewable Energy Laboratory, involving a multi-pronged approach to site cleanup and the development

of renewable energy facilities on potentially contaminated land. EPA estimates that there are approximately 490,000 sites and 15 million acres of potentially contaminated property across the U.S. that could be made available for renewable energy projects. However, although there are a lot of brownfields available for development, it has been difficult to attract investors. The advantage of EM's proposal is that in addition to cleaned-up land, the EPI can offer packages of assets (i.e. land, infrastructure, and possibly financial incentives). There are a number of things to consider that could make the EM assets more enticing to the private sector.

While the benefits and opportunities of the EPI are significant, there are also challenges ranging from policy issues to legal and financial questions that DOE must address in order to make the initiative a success. The scope of the EPI is very broad and will involve multiple key actors from different DOE programs, sites, and external parties. Local and regional communities, the technology and financial industries, labor unions, and other federal agencies and stakeholders, among others, will need to be involved. Orchestrating this complex initiative successfully will be difficult.

DOE management has not yet made a formal decision on the EPI, but the Undersecretary is very supportive of the concept and has asked EM to help facilitate a number of preliminary activities. In particular, the Undersecretary has asked EM to prepare a memorandum establishing a DOE EPI task force as well as a task force charter and business plan. The memo has been drafted and is currently in the concurrence process.

As soon as the task force is established, there are a number of activities that EM and the Department will need to undertake. For example, DOE will need to focus on outreach to external parties, namely the communities and private sector, in order to develop effective working relationships. Additionally, a national EPI policy and vision should be drafted bringing the initiative to a more sophisticated, strategic level, where EPI projects can be tied to greater national energy needs. However, while working toward this long-term, national approach, it is important that the Department begin to proceed as soon as possible and take advantage of near term successes.

Discussion

Mr. Dabbar noted that ECA recently submitted draft EPI legislation to Congress. Should that legislation pass, it could certainly foster support from DOE and could lead to a budget for a more formal EPI effort. Speaking on behalf of EMAB's EPI Subcommittee, he suggested that EM consider supporting the ECA legislation. Mr. Dabbar also commented that, in the meantime, EM has done a good job of moving the EPI concept forward while staying within the confines of its legacy cleanup mission.

Dr. Lawrence Papay noted that in addition to building parks and producing energy onsite, the possibility of building manufacturing facilities for clean energy technology could prove to be a great opportunity. Although the U.S. leads the world in the implementation of clean energy technologies, it does not lead in manufacturing those technologies. There is a lot to be gained by manufacturing those technologies because the jobs associated with operating manufacturing facilities and fulfilling those functions would be more permanent than the construction force needed to create an energy park. Therefore, from a job creation and sustainability aspect, the opportunity to reuse the sites for manufacturing should be given consideration.

Mr. John Owsley asked if EM's plans for footprint reduction involved simply clearing the property of excess facilities, or if they were plans to come to agreement on an end state and address any residual soil or groundwater contamination as well.

Mr. Antizzo clarified that the footprint reduction concept would involve completing all of the required clean-up activities, including soil and groundwater issues.

Mr. Owsley commented that past difficulties for brownfield reuse initiatives may be attributable to a lack of understanding regarding the residual risks, institutional controls, and responsibility for the remediated property once it changed hands. EMAB previously recommended that EM identify those risks and institutional controls in order to ensure that developers can make more informed decisions.

Ms. Merle Sykes, the EM Chief Business Officer, added that implementation of the EPI will likely involve exploring a number of different scenarios. There are some facilities that are relatively clean and could be turned over to the communities to be independently operated. Other assets may require more controls and oversight. There will need to be more than one model and DOE will certainly need to work with the communities to discuss their end state visions.

Mr. Robert Thompson asked about the timeframe for receiving the other DOE program offices' buy-in to the EPI. A lot of resources are being expended by the communities and interested organizations to push the EPI concept and there is frustration because the support from DOE is still lagging.

Mr. Antizzo noted that the Undersecretary is very supportive of the EPI concept and has discussed it with Dr. Triay and her staff. EM has also held several discussions with other program offices. However, until the memo establishing an EPI task force is signed, there will be no specific direction or action. Once the memo is signed and representatives from the different program offices have been identified, DOE will be able to act on the EPI. Mr. Antizzo added that one of the activities that would hopefully happen fairly quickly is for the Department to begin reaching out to external organizations and individuals to help develop a straw man for soliciting interest in EPI projects.

Mr. Dabbar reported that EMAB's EPI subcommittee had developed a recommendation asking EM to survey its assets (facilities, land, etc.) and make the information available to the public. This action seems to be relatively within the control of EM and would not require a lot of cross-DOE interactions. It would also help identify for potential developers, investors, and stakeholders, what is really available, or would become available, for reuse. Mr. Dabbar noted that the subcommittee's recommendation would be further discussed and put to a vote during the afternoon session.

Mr. David Swindle commented that there may be an opportunity to find some synergies with the Department of Defense (DoD) Base Closure and Realignment Commission (BRAC), which is looking at similar reuse opportunities for ensuring energy security. He also asked how the sites will be managed following the completion of EM's mission, regardless of whether the EPI is implemented.

Ms. Sykes explained that, according to DOE's current policy, the assets will be returned to the landlord program office that has a continuing mission at the site. If the site does not have a landlord, the assets will be turned over to the DOE Office of Legacy Management (LM). There are also some hybrid models where ownership or operation of the site could be transferred from LM to another entity, but LM would still be responsible for sampling and monitoring if necessary. Essentially, the post-EM scenarios are site-specific, requiring EM to partner with the different mission areas within the Department.

Mr. Owsley encouraged EM to accelerate both the reuse of property as well as cleanup. In many cases, the most contaminated property may also prove to be the program's best assets.

Ms. Jennifer Salisbury asked if there was an update on the unsolicited nuclear facility proposal for the Portsmouth site that had the potential for being an EPI project.

Mr. Antizzo reported that the proposal was more-or-less a concept paper. DOE referred the submitters to the Office of Nuclear Energy (NE) and encouraged them to engage in pre-proposal discussions with DOE.

Mr. Estes encouraged EM to seek out experience and lessons learned from the BRAC.

Mr. Antizzo confirmed that EM has been looking at the BRAC process and would like to engage some of points of contact, particularly in the Navy, to discuss how they managed their efforts and how they did so in a very efficient manner.

Mr. Dabbar noted that, given the Secretary's focus on disciplined project management, DOE could take the EPI to another level in terms of project planning and execution.

Ms. Lessie Price asked if there were designated points of contact for the EPI.

Mr. Antizzo responded that the taskforce, once established, will include representatives from the sites as well as the program offices. Those individuals will likely serve as the points of contact for the EPI.

Mr. Willie Preacher asked Mr. Antizzo to comment on the transparency of the taskforce and how it will engage the states and tribes.

Mr. Antizzo stated that an open dialogue with the states and tribes will certainly be a key component of the EPI.

EM Program Update

Mr. Estes introduced Ms. Merle Sykes, the EM Chief Business Officer, who delivered Assistant Secretary Inés Triay's EM Program Update presentation in her stead.

EM has continued to progress along its journey to excellence by completing quality work safely and delivering demonstrated value to the American taxpayer. To better support these efforts, EM recently completed the reorganization of its Headquarters (HQ) program offices and functions. Most notably, the reorganization included the establishment of a Chief Business Officer and a Chief Technical Officer. The functions of EM-HQ's various program offices are divided among these two positions according to whether they provide corporate services (Budget and Planning, Acquisition, Human Capital, etc.) or support field operations (ex: Project Management, Technical and Regulatory Support, etc.).

EM's greater programmatic priorities remain the same. They include maintenance of a safe, secure, and compliant posture throughout the complex; radioactive tank waste stabilization, treatment, and disposal; spent nuclear fuel storage, receipt, and disposition; special nuclear material consolidation, stabilization, and disposition; transuranic (TRU) and mixed/low-level waste disposition; soil and groundwater remediation; and excess facility D&D. These priorities are based on risk, with activities that present the greatest risk at the top of the list. However, EM also continued to explore ways to leverage its resources in order to address lower-risk activities sooner rather than later, with the hope of improving the program's overall lifecycle cost and schedule.

EM's Fiscal Year (FY) 2011 budget request was approximately \$6 billion, which, with the help of the American Recovery and Reinvestment Act (ARRA) funding, will help the program maintain its compliance posture and continue to make progress throughout the complex. Ms. Sykes highlighted funding requests for major projects, such as the Hanford Waste Treatment and Immobilization Plant, Savannah River Salt Waste Processing Facility, and Idaho Sodium Bearing Waste Treatment Facility. More information on the specific details of the FY 2011 budget request is available online at

<http://www.em.doe.gov/Pages/budgetPerformance.aspx>. The FY 2011 budget request also includes a substantial increase in technology investments. New and improved technologies and/or techniques will help EM supplement its current disposition capabilities to ensure the program's timely success.

Ms. Sykes outlined a number of programmatic goals and strategies that framed the remainder of the presentation. Some of these goals overlapped with the topics that Dr. Triay asked EMAB to focus on throughout FY 2010: Acquisition, Project Management, and Quality Assurance; EPI; ARRA; and Human Capital.

Risk Reduction

First and foremost, EM seeks to reduce risk, thereby ensuring the safety and health of the workforce, public, and environment. In support of this goal, EM is working to achieve a 90% reduction in its physical footprint by 2015 and, with the help of the ARRA funding, will achieve a 40% reduction in footprint by 2011. The program has continued to maintain its superior safety record with fewer average safety incidents than other DOE programs and the construction and waste disposal industries.

Acquisition and Project Management

EM held a two-day workshop for federal and contractor employees in early March 2010 to discuss the topics of acquisition and contract management in an open forum. EM will use the feedback collected from the workshop as it continues to tailor the management of its portfolio. Additionally, EM is working to ensure that quality assurance (QA) is integrated into both contract management and project management functions. EMAB was encouraged to continue its focus on these issues.

EM needs to improve its construction project performance. Achieving a higher level of performance will help remove EM projects from the Government Accountability Office's (GAO) High-Risk List. EM has undertaken a number of initiatives in order to meet this objective, including a major effort to restructure its project portfolio. The purpose of restructuring the portfolio is to improve EM's ability to deliver project performance on time and within cost by categorizing work according to whether it is a capital asset project or a non-capital asset activity. This effort will provide EM with an enhanced ability to tailor its project management approach and create more manageable, discrete blocks of work. Additionally, EM has begun conducting Construction Project Reviews (CPRs) modeled after the successful reviews used by the DOE Office of Science (SC).

Establishing Strategic Options

EM is actively exploring strategic options for the EM portfolio that will allow the program to reduce its overall lifecycle cost, complete cleanup activities faster, and return assets to the surrounding communities.

In addition to the base program work, EM is also responsible for \$6 billion in ARRA funding. The Recovery Act Program is a high-visibility endeavor with many reporting requirements. In implementing the Recovery Act Program, EM has worked to build on sound business practices and investments in order to tackle lower-risk activities that had been deferred to out-years. As of March 23, 2010, \$5.5 billion of the Recovery Act funding had been obligated to the sites and \$1.5 had been spent. A substantial portion of that funding, approximately \$697 million, was awarded to small businesses, bringing the level of EM's FY 2010 small business awards up to approximately \$2.3 billion. EM now leads the other DOE program offices in small business contracts.

Thousands of jobs have been created and/or saved through the EM Recovery Act Program. EM's management of the funding and ARRA projects has been largely successful. Not only was the program

able to obligate and begin spending the money very quickly, but EM was also able to explore new strategies for managing projects that will be applied to management of the base program going forward. EMAB was encouraged to provide advice on transferring the ARRA lessons learned to EM's base program.

EM is also exploring how the momentum of the Recovery Act Program could be leveraged in support of the EPI. The EPI is still an evolving effort that has the potential to play a large role in EM's future. EM is open to the Board's continued feedback regarding how to further develop and implement the EPI.

Human Capital

EM continues to look for ways to achieve excellence in management and leadership in order to ensure that the program attracts the leaders of the future and maintains the capabilities needed to oversee its mission. Additionally, EM is exploring ways to motivate the existing workforce. EMAB was encouraged to provide feedback as to how EM can achieve these goals.

A number of initiatives to improve EM's human capital program are underway. For example, 360° Reviews have been instituted for members of the Senior Executive Service and supervisors. The 360° Reviews are used to identify areas for improvement based on a full range of feedback from the executives' colleagues and managers. Additionally, EM executives recently had the opportunity to attend a series of leadership training workshops hosted by the Massachusetts Institute of Technology.

Lastly, following the completion of the EM-HQ reorganization, employees were given the option to either remain in their current office positions or request new assignments. The intention of this effort was to provide employees with an opportunity to pursue different interests and further develop their career paths. EM has also continued to provide training opportunities through the Leadership Excellence Program and the Future Leaders Program, all while reviewing other human capital policies and procedures that can be improved.

Discussion

Mr. Swindle asked how the Administration's recent decision to discontinue development of the Yucca Mountain high-level waste (HLW) repository had effected EM's strategic planning and lifecycle forecasts.

Ms. Sykes explained that since there is no immediate impact, EM's long-term planning had not changed and that the program would continue its tank waste disposition efforts, which will take place over the next several years. EM is confident that its waste criteria will be applicable to any repository or disposition option that is ultimately decided upon. In the meantime, the waste forms are stable enough to safely store on-site until a repository becomes available.

Mr. Thompson noted that the Yucca Mountain decision has caused a bit of concern among the ECA communities. The ECA communities feel that they were not consulted when that decision was made and are concerned that their interests are not represented on the Blue Ribbon Commission. ECA would like to play a role in the dialogue and be able to provide assurances to its communities regarding the safety and plans for HLW storage and disposition.

Ms. Sykes stated that EM is doing all it can in the near term to lower the overall HLW risk. ECA can also work with EM's representative on the Blue Ribbon Commission, Mr. Frank Marcinowski, in order to engage in the HLW repository dialogue.

Mr. Owsley suggested that EM emphasize accelerated cleanup and the positive impact on the program's lifecycle when discussing or listing the benefits of ARRA funding. He also asked Ms. Sykes to comment on EM's post-FY 2011 strategy for after the ARRA funding expires.

Ms. Sykes explained that EM will likely return to the base program principles of addressing higher risk activities and needs first. However, EM will also try to leverage the work that was started under the Recovery Act and consider whether there needs to be a reprioritization of certain activities and facilities. Additionally, to the extent that EM can make a case to partner with other DOE program office to address mutual needs (ex: D&D of a facility in order to transfer property to SC for development), the program will try to pursue those opportunities as well.

Mr. Klein asked about linkages between the completion of cleanup work, and in particular that of ARRA projects, and legacy management. EM has built up an asset of experienced workers at its sites. As Recovery Act funding decreases, there may be a workforce restructuring problem that could add to EM's liabilities in terms of additional people with pensions and benefits to worry about. He asked how EM was preparing to manage that challenge and transition the workforce.

Ms. Sykes explained that EM did its best to avoid adding to the program's liabilities by adding very few permanent workers under the Recovery Act Program. The majority of the hiring was done through subcontracts and is temporary by nature. EM is also working with LM and others to establish worker assistance centers at the sites that will help connect ARRA workers with other employment opportunities.

Mr. Swindle noted that if an ARRA project was not completed under the Recovery Act Program and had to be reinserted into the base program, there would seem to be a ripple effect that could impact EM's work scope and planning. He asked if there had been an effort to plan for such contingencies.

Ms. Sykes explained that for the most part, ARRA activities were chosen because they were achievable and could almost certainly be completed within the Recovery Act Program's performance period. However, in the instance where a completion was not possible, that work would need to be integrated back into the base program. EM is working with the sites and ARRA staff to ensure that any uncompleted work is included in the FY 2012 and out-year budget formulation processes.

Ms. Price observed that there is a potential for tremendous synergy between the completion of the Recovery Act Program and the implementation of the EPI, if only the public/private partnerships needed to capitalize on reuse opportunities. She suggested that the development of pilot programs would be beneficial and would help increase expectations at the sites.

Mr. Klein commented that the EM communities, such as those surrounding the Hanford site, are beginning to focus on future land use and the completion of cleanup. Many want to start a dialogue about those end-game strategies with EM and the Department. He asked if EM and DOE were equipped to deal with that level of interest and how EMAB could provide assistance.

Ms. Sykes stated that, at least in some respects, EM and DOE are not prepared to engage with those interests and that it would be helpful for EMAB to highlight the kinds of resources and activities that EM should undertake in order to prepare for those dialogues. EMAB can help EM recognize the gaps in its abilities to reach out to stakeholders, build partnerships, and identify resources.

Dr. Papay added that with only a year and a half left for the Recovery Act funding, EM and DOE need to act on the EPI task force concept as soon as possible or move forward with some type of energy initiative in order to maintain the skilled workforce that has been developed under the ARRA.

Mr. Owsley made the point that although the Recovery Act funding will expire in the near future, there is still a lot of work to be done throughout the complex, along with a trained workforce and regulatory commitments. He recommended that EM make a case for additional funding to maintain the momentum of the Recovery Act Program and the current level of cleanup in its strategic planning for FY 2012.

Dr. Triay joined the Board for this portion of the meeting. She stated that EM is very proactive when it comes to strategic planning and tries to convey what could be accomplished under different funding scenarios, making the case for different economies of scale.

Mr. Estes and Ms. Price asked for further clarification on the repercussions of employees requesting new assignments following the EM-HQ reorganization and whether the managers needed to come to an agreement before those reassignment requests are approved.

Dr. Triay expressed her belief that allowing employees the opportunity to transfer to different positions in pursuit of their interests and passions would in turn increase their effectiveness on the job. While EM is certainly working to accommodate the managers and help transition the different offices as they lose/gain staff, employees need to be given the opportunity to grow. The EM-HQ organization is fairly broad and should be able to accommodate those requests.

Public Comment Period

Ms. Allison Doman, the Program Manager for ECA, announced that ECA will host an EPI Peer Exchange in Las Vegas, Nevada, on June 10-11, 2010. Those interested in the EPI are welcome to attend and can contact Ms. Doman for more information. The EPI is very important to the ECA members' communities.

Mr. Estes thanked Ms. Doman for her comments and adjourned the morning session.

Acquisition, Project Management, and Quality Assurance Panel

Mr. Estes introduced Mr. Reggie James, Acting Director for the Office of Contract Assistance, Dr. Steven Krahn, Deputy Assistant Secretary for Safety and Security Programs, and Mr. Eric Cochran from the Office of Project Assistance and Assurance, for a panel session on the topics of EM Acquisition, Project Management, and Quality Assurance.

Acquisition

Mr. James reported that a broad procurement and contract management initiative was underway in EM, the purpose of which is to identify meaningful ways to measure reform and improve the way EM contracts are selected and administered. The two-pronged approach to this initiative includes an EM-wide survey and targeted workshops with key federal and contractor staff to help identify strategies for addressing contract management issues and barriers. The first off-site workshop was held over the course of two days in early March 2010; the March 3 session was for contractors only and the March 4 session was for federal employees only. Four major findings resulted from the workshop:

1. Requests for Proposals (RFPs) are not strategic decision-making tools.
2. There is a lack of consistency across the complex. Each RFP is a singular event. The lessons learned from one site are not necessarily applied to RFPs at other sites.
3. There are adversarial relationships between federal employees and contractors.
4. Contract true-up requires major reform in order to make the process timelier. The true-up phase happens post-award and refers to the process of reconciling any changes in requirements that have taken place between when EM initiated the solicitation and when the contract was awarded.

These findings led to a number of consensus recommendations to help guide EM's next steps. In collaboration with industry partners, the program needs to streamline, standardize, and inculcate across the EM community a streamlined RFP process, to include the sharing and incorporation of lessons learned. EM will also develop guidelines for partnering with industry and EM's current contractors in order to pursue mutual success. EM plans to look for partnering models from DoD, the Coast Guard, and others to see how they have improved their relationships with contractors and to review their partnership requirements. And lastly, EM will revisit, revamp, and clarify the true-up phase of its post-award process. Ideally, this will enable EM to put Performance Evaluation Management Plans in place within three months after a contract is awarded and then establish the Contract Management Plan for administering the contract within the first six months.

Mr. James stated that although EM has moved away from the use of M&O contracts over the past ten years, the way that it administers current contracts and the proposals it receives are still strongly rooted in that M&O tradition. Therefore, in addition to the aforementioned initiative, EM is also working with the EFCOG Acquisition Working Group to identify a number of other areas for improvement to help address this challenge. The working group has found that EM needs to improve its adherence to appropriate business rules and is focusing on the following issues: use of Federal Change Control Boards; including management reserve in contract modifications; ensuring that contract change proposals are timely and completed within 180 days; ensuring that contract change proposals are auditable by DOE; alleviating confusion between DOE 413 Critical Decisions (CDs) and contract changes; and submitting change proposals for revised total project costs versus submitting change proposals for just the cost delta.

Quality Assurance

Dr. Krahn provided an overview of the role the Office of Safety and Security Programs (EM-20) plays in the greater EM program, high-priority QA corporate issues, and actions to improve the performance of both individual projects and EM's overall program.

EM-20 serves as a QA resource for both HQ and the field by leveraging the assets and expertise found throughout the complex to produce high quality products and support execution of the EM mission. This requires that Dr. Krahn and his team maintain a high level of cooperation with field management, project directors, and the contractor community to address major site-specific safety, health, and security issues, while advocating for corporate QA initiatives and policies. EM-20 maintains a balanced and risk-informed operational approach to its work. Its focus on QA is threefold: awareness, assessment, and assistance. EM-20 staff must be aware of field activities and have access to key people and information in order to help run the EM mission. EM-20 is also responsible for ensuring that QA activities and programs are adequately performed and that there is accountability for the quality, timeliness, and efficiency of QA work. Lastly, because the execution of the EM mission occurs in the field, EM-20 works to provide its expertise and support to field management to assist in their success.

In standing up the new corporate QA Program in 2008, EM endeavored to establish an organizational culture that embraces QA in its day-to-day activities. The EM-20 staff spends a lot of time in the field to help strengthen this culture and ensure that everybody shares a single set of expectations for project performance. In fact, QA needs to be effectively integrated throughout the project lifecycle.

EM-20 is focused on a number of high-priority corporate QA issues. The additional workload introduced by the EM Recovery Act Program has required attention in order to ensure that EM continues to perform work in a safe and high-quality manner. Furthermore, in order to provide increased assistance to project managers, EM has added a QA component to the CPRs. Focus on working with the field oversight and safety staff also includes a review of work planning and control systems to ensure that they are adequate.

In working through the CPRs to date, EM-20 has been able to identify a couple of issues that need to be addressed on a regular basis. Those issues include Commercial Grade Dedication (CGD), the adequacy of QA expertise and staffing, and the integration of QA into design and construction activities. CGD, in particular, has proven to be a challenge for EM.

EM projects represent a major part of the nuclear industry. However, the reality is that there are not many, if any, NQA-1 certified vendors for the services and products that EM capital asset projects require. Therefore, EM's prime contractors must use the allowances under NQA-1 to dedicate commercial items for use in nuclear projects or procure them from alternative sources. It is a process that can work, but there are challenges on the procedural side of CGD. In its work to retool those procedures, EM has developed a comprehensive training program for federal and contractor employees, and has been working with the Nuclear Energy Institute to increase the pool of NQA-1 certified vendors.

EM has determined that the field community would benefit from additional guidance on implementing NQA-1 requirements and embracing NQA-1 as the consensus standard. With the assistance of HQ, each site developed a site-specific QA Program Plan (QAP) and submitted that plan to EM's Office of Standards and QA for review in FY 2009. The QAPs are currently undergoing self-assessments led by the field staff, and should be finalized by the end of FY 2010. The lines of inquiry for those assessments were developed jointly by EM-20 and the field QA professionals to include a standard set of expectations. Each self-assessment will be led by the field, but will include a representative from HQ as well.

In order to provide more active management of corrective actions, EM and the Consolidated Business Center (CBC) have launched a web-based tool known as the QA Hub. The QA Hub helps track information from QA audits and assessments to provide real-time, complex-wide visibility of potential pitfalls. EM takes a systematic approach to developing corrective actions that involves educating its QA professionals and equipping them with the skills they need to identify and implement corrective actions as quickly as possible.

The QA Corporate Board, which comprises representatives from both federal and contractor management, is a tool that EM uses to actively keep a dialogue open with the field regarding matters that are pertinent to maintaining an effective QA program. Throughout FY 2009, the corporate board focused on five topics and produced deliverables for each; they included Requirements Flow Down, Adequate NQA-1 Suppliers, CGI and Services Dedication, Graded Approach to QA, and Line Management Understanding of QA and Oversight. The topics of CGI and Services Dedication and a Graded Approach to QA will continue to be a focus area for the corporate board throughout FY 2010.

EM launched an initiative in cooperation with the Chief of Nuclear Safety to develop a Standard Review Plan that includes modules for both HQ and the field to use in QA subject area evaluations. The Standard Review Plan was revised in March 2010 and is available online at <http://www.em.doe.gov/Pages/Safety.aspx>.

Project Management

Mr. Cochran stated that EM is committed to improving project management and delivering projects on schedule and within cost. EM, the Office of Engineering and Construction Management (OECM), NNSA, and SC came to agreement on a number of project management policy items recently, which led to the issuance of a memorandum from Deputy Secretary Poneman on March 4, 2010. The memorandum referenced both Secretary Chu's and Deputy Secretary Poneman's commitment to continuous improvement in project management and ensuring that DOE gets off the GAO High Risk List by January 2011. The memorandum also outlined specific project management policy statements on the topics of Design Maturity,

Project Size and Structure, Project Staffing, Funding Stability, Peer Reviews, Project Management Information, and Improving DOE Cost Estimates.

Advancing design maturity to a sufficient level prior to establishing a performance baseline provides a foundation for project success. DOE considers project design sufficiently mature when the program has developed a cost estimate and all relevant organizations have a high degree of confidence that it will endure to project completion within budget. Factors such as project size, duration, and complexity all need to be considered when determining the sufficiency of the design level. EM has taken several steps toward achieving greater design maturity and is implementing an approach that will require 70-90% design completion before baselines for capital asset projects are approved. Additionally, EM has begun conducting technology readiness assessments adapted from NASA to reduce risk and ensure that key technologies are ready when needed.

Project size and structure are important considerations for effective project management. EM has found that its projects are often too complicated and long in duration, making them more difficult to manage. Going forward, EM plans to break work into smaller, more defined projects that collectively meet the mission's needs. Smaller projects are often easier to manage and can be completed in less time with reduced risk, which is the overall goal. EM began restructuring its project portfolio in the summer of 2009 and has since completed an evaluation of existing project baseline summaries (PBSs) that helped clearly distinguish its capital asset projects, which include construction and cleanup projects, and its non-capital asset activities, which include operational and program activities. Capital asset projects will continue to comply with the requirements of DOE Order 413.3 while non-capital asset activities will be managed by the principles of Order 413.3. Throughout the categorization process, EM worked to ensure that the integrity of the PBSs remained intact and that the costs and schedules associated with the capital asset projects and operational activities could still be traced to the program's greater lifecycle and environmental liability. Restructuring the project portfolio will not change the approved baseline costs, scope, or schedule. Including the ARRA projects, EM estimates that the program will have approximately 60 capital asset projects to manage for FY 2010-2011. The target completion date for the restructured project portfolio is June 2010. Restructuring the project portfolio is an important step towards EM's goal of being removed from the GAO High Risk List.

Staffing gaps in the fields of project management and contract management positions have been identified across the EM complex, and issue previously identified by the National Academy of Public Administration and GAO. The memorandum issued by Deputy Secretary Poneman states that sufficient qualified staff, including contractors, must be available to accomplish all project management and oversight functions. EM takes this issue seriously and has put in place a validated methodology to determine the appropriate team size and required skill sets for projects. EM also established a Project Management Partnership with the U.S. Army Corps of Engineers (USACE) in September 2009 to supplement the program's federal management and oversight personnel and resources. The goal of the partnership is to acquire "owner's representative" resources to assist in effectively managing and overseeing projects, a practice that will help improve EM's capital asset project performance. Since October 2009, 67 FTEs have been placed at eight sites and EM-HQ via existing USACE contracts and resources. EM has also requested that USACE conduct independent and detailed functional analyses of federal staffing levels for EM projects to identify five-year needs and gaps.

EM relies on stable funding to maintain consistent project performance and reduce risk, and is working to improve the strength of its project and financial management integration. In approving or changing a project's lifecycle funding profile, acquisition executives must determine if the proposed change is affordable and executable within the current budget portfolio. The CFO will then verify whether the cost of the proposed change is covered under the President's budget. Line items with a cost under \$50 million are funded in single budget requests. Therefore, breaking projects into more discrete and manageable chunks of work will provide EM with added flexibility to ensure that capital asset projects are funded at baseline approval.

EM adopted the SC model for construction project peer reviews in 2009. The SC peer reviews have been deemed a best practice by GAO because they use a cross-functional review team that assesses all areas of project performance and project management. These are focused in-depth reviews performed by non-advocates for the project that are conducted at least once a year for large projects and more frequently for complex projects. EM completed five CPRs in FY 2009 and ten CPRs in FY 2010 for all major construction projects, and continues to track the resulting action items and lessons learned.

To be of value, project information must be timely, accurate, consistently reported, and auditable. Contractor data is provided to DOE and entered into the Integrated Planning and Budgeting System (IPABs) for EM. Additionally, key project data is transferred to the Project Assessment Reporting System (PARS) maintained by OECM. DOE plans to roll-out the improved PARS II system before the end of FY 2010. A benefit of PARS II is that data can be uploaded into the system monthly, including Earned Value Management System data provided directly by the contractor. In anticipation of the evolution in the project management information systems, EM began to implement this capability using the commercially available Dekker software to extract data from the contractor systems and upload it to EM's system.

With regard to improving cost estimates, Mr. Cochran indicated that independent government cost estimates will be done prior to CD-1 and 2, but for CD-3 (i.e. start of construction), DOE will conduct an additional independent cost estimate (ICE) if it is warranted by risk or performance indicator. The EM Cost Estimation "Center of Excellence" at the CBC conducted 27 ICEs in FY 2009, 93% of which were within 25% of the final contract award amount. The overall performance goal for capital asset line item projects has been to achieve the scope of projects within 10% of the original baseline cost. On a portfolio basis, 90% of the projects will meet those criteria. Prior to the restructuring of the portfolio, EM cleanup projects had lower criteria, which consisted of meeting 80% of the scope within 25% of the cost area; those criteria will no longer be applicable.

Discussion

Dr. Papay asked Mr. James to comment on EM's efforts to reduce the level of detail required for contract cost volumes in light of the ongoing standardization and streamlining efforts.

Mr. James stated that EM has found a discrepancy between the level of detail required in the cost volumes, which allow for 200-300 pages, versus the technical volumes, which are generally limited to around 30-40 pages. The goal is to find the appropriate level of detail for these volumes in order to obtain the best value for the government.

Mr. Swindle noted that there is a tremendous amount of new, focused movement underway to improve and streamline EM's acquisition and project management practices. While implementing all of the proposed initiatives and changes, it would be useful for EM to take into account the impacts to the contractors and their workforce in order to effectively transition the program and get the best results. Many of the contractors have firm fixed-price contracts with plans that are based on certain levels of activities and capabilities. EM needs to recognize those impacts and manage expectations.

Mr. Estes asked whether the recent EFCOG report on improving the RFP process was discussed during the March 3-4, 2010, acquisition workshop.

Mr. James responded that the EFCOG report was discussed. In addition to the report, EM is using feedback from EFCOG to develop a Contract and Project Management Road Show that will debut in either late April or early May. The road show will be modeled after the March 3-4, 2010, workshop and will be offered to federal and contractor employees at various sites throughout the complex to ensure that

all partners are on the same page with regards to what needs to be done to ensure that contracts are in place and administered correctly.

Mr. Estes asked Mr. Cochran if the technology readiness assessments were part of EM's regular processes or part of a new initiative.

Mr. Cochran explained that the technology readiness assessment have been in place for some time. Prior to the EM-HQ reorganization, they were led by the Office of Engineering and Technology. The assessments are applied to both relatively new contracts and to those projects with active construction activities that still have technology issues.

Mr. Estes asked Mr. Cochran to comment on the status of the project portfolio restructuring initiative.

Mr. Cochran responded that the process of reviewing the existing PBSs and splitting the operational activities and capital assets was largely completed in the fall of 2009. Following that phase, EM began working with the sites to discuss how to best chunk the capital projects into discrete pieces of work. Dr. Triay has since signed memorandum approving and establishing those project chunks for a number of sites. Overall, EM is roughly halfway through the chunking process. Mr. Cochran added that there will be impacts to the existing contracts in terms of how the work breakdown structure maintained in the contractors' cost and scheduling systems needs to be aligned. Additionally, EM will need to tweak the structure of IPABS to ensure that it is able to accept the contractors' reporting data.

Mr. Klein commented that the presenters had addressed the level of difficulty associated with retro-fitting a lot of the newly introduced maturity into contracts that were written in a different time with different expectations. Based on that discussion and the CPRs, he asked Mr. Cochran to characterize the "goodness" of EM's construction project baselines.

Mr. Cochran stated that with regard to performance, at least three of the five projects reviewed have had significant issues when compared to the original baselines. EM's construction project difficulties vary with every project and range from technology issues to problems with contractor performance. Furthermore, in some cases baselines were founded on immature designs. The challenge now is to ensure that construction projects are managed as well as possible in order to prevent any further schedule and cost problems going forward.

The CPR process has been beneficial because it allows EM to take a comprehensive, cross-functional look at projects and identify significant issues as well as follow-up action items. Additionally, the lessons learned generated by the CPRs can be turned around and applied to other projects in order to prevent future occurrences. Mr. Cochran offered to provide EMAB with additional information on the CPRs and their findings. The CPRs are held in addition to the external independent reviews (EIRs) conducted by OECM.

Dr. Krahn added that the advantage of CPRs is that they encourage constructive dialogue between the federal project directors (FPDs) and their reviewers. They also utilize the same reviewers to ensure that issues do not get dropped and that the advice and level of familiarity with a project is consistent.

Mr. Owsley asked if the impacts to compliance agreements were taken into account when reviewing requests for changes in contracts.

Mr. James responded that EM takes a holistic approach to contract changes and ensures that each office within EM is involved or aware of the impacts.

Mr. Owsley asked when the CPR for K-25 would be complete.

Mr. Cochran agreed to find out and provide Mr. Owsley with an answer following the meeting.

Dr. Papay asked about the extent to which EM will use PARS II and the data extracted from contractor systems to track and trend project management information.

Mr. Cochran explained that the PARS II capabilities will allow EM to drill down deeper and better analyze that sort of information. The requirement for PARS II will be that contractors provide data at the cost control level, which varies project-to-project. The current PARS tool can only extract data at the very highest levels. The PARS II will be a more useful tool in that regard. However, the PARS II will not replace IPABS. IPABS is a much broader system that contains information and modules for financial management, environmental liability, corporate performance measure, and milestone functions.

Dr. Papay asked Dr. Krahn to provide a status on the QA self-assessments and comment on the average age of corrective actions before they are closed out. He also expressed interest in reviewing what EM had in place in terms of forward-looking indicators and a dashboard for QA information.

Dr. Krahn explained that initial self-assessments for each of the major field offices will be completed and presented to HQ by the end of the calendar year in accordance with the implementation of EM's corporate QA program. Additionally, in accordance with the site-specific QAPs, each site may also perform other self-assessments based on the feedback and information they receive locally. Dr. Krahn stated that Mr. Robert Murray, Director for the Office of Standards and QA would follow-up with Dr. Papay on the corrective action and leading indicator information after the EMAB meeting.

Mr. Thompson asked Mr. Cochran if EM had evaluated the long-term benefits of its efforts to restructure the project portfolio and streamline project and contract management versus the costs of implementing those initiatives, especially in terms of manpower utilization and impacts to contracts.

Mr. Cochran noted that there had been a great deal of dialogue between EM-HQ and the sites about the implications of the initiatives. With regard to restructuring the project portfolio, EM feels that this is an initiative that can be accomplished and that the impacts will not be large because it will operate within the confines of scope that is already included in the near-term baselines. The driving force behind the initiative is to improve EM's ability to better manage projects within cost and on schedule, which will ultimately benefit the program.

Dr. Ferrigno suggested that EM explore ways to enhance leadership development training as another strategy for improving project management. He asked Mr. Cochran to comment on the leadership aspects of EM's FPD certification programs and the lessons learned.

Mr. Cochran responded that DOE released revised requirements for the program used to certify and train FPDs in January 2010. The latest iteration of the program involves courses and training modules that help develop leadership capabilities. He also noted that by restructuring the project portfolio, EM is creating an environment where FPDs can gain experience and hone their skills with smaller blocks of work, gradually building up their level of expertise. EM is also developing training initiatives to help employees better integrate the perspectives of contract, financial, and project management.

American Recovery and Reinvestment Act and Strategic Planning Panel

Mr. Estes introduced Ms. Cynthia Anderson, the EM Recovery Act Program Director, and Ms. Sykes for a panel session on the topics of ARRA and Strategic Planning.

American Recovery and Reinvestment Act

Ms. Anderson stated that as of March 2010, EM had spent more than \$1.5 billion of ARRA funding and had proven itself to be a leader in getting work done and hiring people quickly and efficiently. From the onset of the Recovery Act program, EM implemented a plan to contract 90% of the work in order to get people hired, contracts in place, and small businesses on the job.

To date, more than 14,000 EM workers have benefitted from the Recovery Act Program. The ARRA jobs fall into three reporting categories: prime contractor jobs (4,422), primes plus subcontractors (7,719), and headcount or “lives touched” (14,427). This last number represents anyone who has benefitted from the Recovery Act or been compensated through Recovery Act funds. There are strict reporting requirements associated with ARRA employment data. Currently Recovery.gov tracks requirements for only prime contractor jobs. However, EM also has subcontractors doing a majority of the work; those figures need to be counted. Mr. Matt Rogers, a Senior Advisor to the Secretary, has petitioned OMB to allow EM to include subcontractor jobs in future Recovery.gov job statistics.

Ms. Anderson then spoke about the importance of performance metrics. The focus of EM’s Recovery Act Program is on footprint reduction, facility square footage demolished, D&D debris and soil disposed, and TRU waste processed. However, the most visible metric for the ARRA projects is likely to be the number of small quantity TRU sites that EM can complete. EM’s ARRA performance metrics are tracked monthly at each site and are available on the ARRA Web page.

One of EM’s biggest ARRA accomplishments is in the area of small business. EM has subcontracted a majority of the work for the Recovery Act, which enables EM to include small businesses. EM achieved 136% of its small business goals in FY 2009. Each prime contractor has a small business plan that it is committed to. EM will continue to ensure a strong level of small business participation in the Recovery Act Program throughout FY 2010.

One of the biggest challenges facing the Recovery Act Program is the issue of workforce transition after 2011. EM is looking at a number of strategies, such as partnering with the Department of Labor and Education to help the workers; establishing Workforce Learning Centers that can offer employment assistance; providing retirement incentives for older workers; hiring between sites when opportunities arise; hiring at other agencies such as NRC or EPA; and hiring by the private sector.

Ms. Anderson then spoke of observations and lessons learned from EM’s ARRA program. One is the importance of having on-the-shelf projects ready to go, along with having the ability to modify existing contracts quickly. Ms. Anderson noted that EM wished it had had more time for upfront planning, with clearer project scoping, costing, and scheduling. Instead, EM did these things after it had received the ARRA funding. Another lesson learned is the importance of maintaining transparency and open communication. The EM ARRA team has monthly meetings with stakeholder groups, regulators, and unions. There is also an EM ARRA Web page, news flashes, and newsletters that provide real-time, accurate information to stakeholders. Based on the success of these practices, the base EM program is now publishing its own newsletter.

Ms. Anderson described other lessons learned. In recruiting and partnering, EM had a necessary sense of urgency to get the right people in the right places. EM has a culture now, not only in the Recovery Act

Program but also in the base program, which focuses on continuous improvement. Much of what EM has learned from the Recovery Act is being implemented in the base program. For example, the Recovery Act work utilized a small dedicated team that enabled greater control and responsiveness. The Recovery Act also reinforced the use of the DOE Order 413 Project Management principles, including program reviews, improved reporting, and metrics. At the sites, EM now has on-site Recovery Act representatives who provide real-time interaction with headquarters, as well as with regulators and stakeholders.

EM's Recovery Act Program uses IPABS, the same system used for the base program, to track financial metrics and change control. The ARRA projects also have the right scope, cost, schedule, and proper review level in place. The result is that the projects are easier to manage. Moreover, the projects have clear metrics, which enable meaningful reporting that is focused on achieving results. In terms of reporting, EM's Recovery Act Program uses a dashboard that enables HQ and site managers to track metrics and milestones. EM also tracks spending via a daily report from the CFO on how much money is spent, obligated and costed, and the outlay.

Ms. Anderson referred individuals interested in the EM Recovery Act Program and DOE Recovery Act Clearinghouse to visit www.em.doe.gov/emrecovery and RecoveryClearinghouse.energy.gov.

Strategic Planning

Ms. Sykes indicated that there are many lessons learned associated with the Recovery Act Program that can be applied to the base program. Strategic investment of the ARRA funds resulted in many achievements such as footprint reduction, the removal of 2 million tons of mill tailings at the Moab site, and the accelerated disposition of legacy TRU waste inventories at 11 sites. Under the Recovery Act Program, EM has also been able to take on cleanup work from other DOE program offices, like the NE TRU waste activities at the Idaho National Laboratory and the acceptance of 55 facilities from outside the program for D&D and material retrieval.

The strategic focus of the base EM program will continue to explore various strategic opportunities and reduce the footprint of the complex, thereby reducing lifecycle surveillance, maintenance, and infrastructure needs. The ARRA funding has already helped to bring down the costs of facility D&D and soil and groundwater, and with increased investment in innovative technologies, EM hopes to complete tank waste disposition as soon as possible. Eventually, EM would like to develop scenarios for possibly shifting missions at some of the sites. For example, there is an ongoing study at SRS to determine how completing EM's spent fuel responsibilities at the site would allow the program to shift responsibility for the K-Area to NNSA. Alternative scenarios like the SRS K-Area impact overall planning efforts and have the potential to reduce EM's lifecycle cost and schedule.

EM is currently working to restructure the project portfolio, an effort that has grown directly out of the Recovery Act Program's approach to project management. EM is also ramping-up efforts to solicit procurement and project management lessons learned from both contractor and federal employees. Specifically, EM is looking for ways to institutionalize the concept that federal employees need to be effective acquisition managers because they accomplish their work through contractors. In support of this goal, EM has set up executive training sessions to ensure that everyone is on the same page with regard to their project management roles and responsibilities.

Ms. Sykes concluded by stating that EM will continue to seek ways to capitalize on the success of the Recovery Act Program and integrate the lessons learned into its daily operation of the base program.

Discussion

Mr. Swindle commented that EM has laid out some structured plans for the ARRA ramp-down. He asked how that information will be communicated to the federal and the contractor workforces.

Ms. Anderson explained that EM plans to absorb the federal employees that were hired under the ARRA. The biggest post-2011 job activity will be with the prime contractors. EM has already engaged the Department of Labor, Department of Education, and LM in order to help find placement opportunities for these workers. EM is also meeting with the individuals who assisted in the closure of Rocky Flats and the Ohio Field Office to arrange documents and procedures to use for the Recovery Act Program. Additionally, EM met with EFCOG and asked the contractors to look at what is currently in their contracts for worker transition because there may be a need to add to the contract clauses to capture the ARRA workers. General Counsel has also been consulted to see if EM can use funding at closure sites for the Recovery Act workers under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993. A master plan is being formulated for the post-2011 transition with all the sites and all the contractors. The master plan will be available to the sites and the workforce in April 2010.

Mr. Swindle asked how EM will transfer positive lessons learned from the ARRA to the base program.

Ms. Anderson stated that EM implemented a lessons learned process at the beginning of the Recovery Act Program. To date, the lessons learned have showed that there was a skills gap of people cross-trained in the fields of acquisition, project, procurement, and financial management. EM has also found that the daily financial reporting practices used in the Recovery Act Program helped create an open and transparent relationship between and EM-HQ and the field. The base program may begin implementing similar reporting procedures. The lessons learned process will continue until the end of the Recovery Act Program and then be transferred to the base program.

Ms. Sykes indicated her approval of the changes that were implemented within the reporting system and that these changes will be applied to the base program. In addition, EM is going to look to see if it can use the dashboards that were adapted for the ARRA program. She also added that in order to make the most of its funding, EM needs to keep on-the-shelf planning in place in case something goes wrong or an opportunity like the ARRA presents itself.

Mr. Owsley pointed out that one of the recommendations made by the Board was for EM to look at ARRA performance metrics and use them to build a business case to advocate for level, or even accelerated base program cleanup and funding. He asked about the status of that effort.

Ms. Sykes responded that that EM will continue using the concept of footprint reduction to aid in actually displaying the benefits of additional funding. EM has developed metrics for the ARRA projects and will have demonstrated substantial lifecycle cost savings by the time the Recovery Act Program is completed. Those are the kinds of things that EM will be able to leverage when building additional business cases.

Mr. Owsley commented that one of the primary reasons EM received \$6 billion in stimulus funding was because it had on-the-shelf plans in the form of compliance agreements and schedules. It is important to mesh compliance requirements with EM's planning as much as possible.

Ms. Anderson replied that EM would be able to meet or exceed 48 compliance milestones under the ARRA; data for this metric is tracked monthly. She also indicated that the compliance milestones for FY 2011, 2012, and 2013 are located on the Recovery Act webpage.

Dr. Papay noted that EMAB would like to review the ARRA lessons learned and best practices as they are developed. There are two reasons why there has been such great success with the ARRA projects: the people involved and the ability to start projects with a clean slate, unencumbered by existing systems and practices. There may be a lesson learned about how to get work done without getting lost in too much red tape.

Mr. Swindle stated that approximately \$5.5 billion of the allocated \$6 billion have been obligated to contracts leaving a difference of \$500 million. He asked about the plans for the remaining funding.

Ms. Anderson explained that the money is being held by OMB for reserve purposes. EM is looking at the June-July time frame for having all of the money obligated to the field.

EM Human Capital Presentation

Mr. Estes introduced Mr. Desi Crouther, Director of the EM Office of Human Capital (EM-71).

Mr. Crouther's presentation focused on three main topics: an update on the 2008 Federal Human Capital Survey (FHCS) results, employee recognition, and revisions to the Three-Year Succession Plan.

In following-up with the FHCS, EM put together a working group consisting of staff members that focused on three key issues: leadership, performance culture, and communication. The working group analyzed the current climate and culture within EM, with a focus on HQ. Then, they developed a series of short-term and long-term recommendations. Finally, they described a series of desired outcomes and success indicators associated with their recommendations. In total, there were 35 recommendations focusing on topics such as leadership, communications, performance culture, and socialization. The working group's recommendations were presented to Dr. Triay, who accepted all 35; the recommendations can be found on the EM employee portal. Specific short-term leadership recommendations included implementing a 360° Review process for supervisors. Another recommendation was to develop a database of best practices based on the 360° Review results. There was also a recommendation to make the hiring and promotion process more transparent.

In terms of moving forward, EM-71 asked other offices to champion some of the working group recommendations and offered suggestions regarding who should take the lead. EM-71 also designated two ombudsmen, one in Cloverleaf/Germantown and one in the Forestall Building, to serve as direct links to Dr. Triay.

In terms of employee recognition for length of service, EM-71 held discussions during its Human Resource Directors Meeting about the pins that are awarded. Different sites have different approaches that are tied to the culture of the site. In addition, some sites have approaches tied to longstanding practices that were negotiated or based on input from the employees or from union representatives. EM-71 has proposed a new, two-tiered approach to length of service recognition where those individuals with longer terms of service will receive higher-quality pins, somewhat akin to the SRS approach. Those with a lesser amount of service time will receive the pin that is currently used. Using the demographics of the EM workforce as a guide, EM is in the process of recommending what length of service merits the higher-quality pin (is it at 20 years, 25 years, or 30 years?).

Concerning the Three-Year Succession Plan, EM is trying to ensure that it recruits, develops and retains key skills in order to fulfill the program's mission. The succession plan is the bridge, or interface, between normal human capital operations and the strategic direction of EM. It is a vital resource that allows EM to anticipate what its future needs will be. Succession planning also impacts EM's ability to attract talent, maintain a motivated and satisfied workforce, focus employees on the right things, and retain talented employees. EM is employing succession planning best practices gained from the lessons learned of organizations such as Dell, Dow, and Eli Lilly. Ideally, EM would like to keep the succession planning process logical and simple, use

technology, and make sure that planning efforts are in line with the program's overall human capital and business strategies.

The average EM employee is 50 years of age and the largest workforce age group is between 50-59 years of age, representing 43% of the EM's workforce. Approximately 35% of EM's workforce will be eligible to retire by December 31, 2013. Four offices (EM-HQ, Oak Ridge, SRS, and Richland) are at or above this average. General engineers (25%) and physical scientists (24%) are the positions most at risk to retire. Although only five percent of the EM acquisition workforce is at risk for retirement, that particular category of professionals tends to present recruitment and retention challenges across the entire federal sector. As a result, the strategies used for recruiting and retaining acquisition professionals may differ from those used for general engineers and physical scientists.

Discussion

Mr. A. James Barnes asked about the market for acquisition and project management professionals and how EM's recruitment goals were faring.

Mr. Crouther responded that both EM and NNSA are struggling to retain acquisition and project management professionals. EM is exploring an approach called "grow our own." The idea is to use the EM Professional Development Corps, for example, to bring in individuals at a lower grade level and then develop them and get them sold on the EM mission so that they will be committed to EM and not leave for the next higher bidder. Another idea is to look at offering retention incentives.

Mr. Barnes asked if EM sees itself as recruiting from other agencies.

Mr. Crouther responded that EM's approach is to put out announcements and then see who applies. Traditionally, if EM loses a GS-15, managers will want to bring in another GS-15. But often there are not a large number of candidates, or the quality of the applicants is low. This is prompting EM to look at alternative strategies, such as developing entry level or mid-level (GS-9, GS-11, GS-12) hires.

Mr. Klein asked about measuring the effectiveness of EM's workforce. Specifically, he wondered how effectively the people were being utilized and if there was a metric that could help determine where EM is, where it could be, or what was theoretically possible in terms of productivity.

Mr. Crouther noted that metrics are a challenge when it comes to human capital. EM has some metrics associated with its recruiting process and is attempting to move toward an "on-boarding program," that does not end with successful recruitment but continues to follow new recruits during their first year to see how successful they are. This might include a follow-up survey with the new employee and supervisor asking such questions as: To what extent are your expectations being met? Are you happy? What's your level of satisfaction with your decision to join EM? EM would also look at the results of new employees' first year performance rating. Were EM's expectations met? What percent of the time does the employee meet or exceed expectations?

Mr. Klein commented that he did not know if there was a way to determine how effective people are in terms of actually contributing to the mission versus just keeping busy or getting good performance ratings.

Mr. Crouther noted that there are questions in the FHCS that ask the employees about the mission of their organization and to what extent do they understand or feel that they are a part of that; typically, EM receives very high ratings in that regard. But EM does not have a metric to drill down to determine how efficient or effective individuals are in terms of the work that they are performing.

Mr. Klein commented that he would be interested in knowing if there are benchmarks for a high-performing organization. Does anybody excel at doing that? Is there a model?

Mr. Crouther promised to explore this further.

Ms. Price asked if there were standard operating procedures for human capital.

Mr. Crouther replied that all EM human capital procedures flow from the Code of Federal Regulations, OPM policies, and DOE guidance.

Ms. Price noted that Mr. Cochran earlier reported staffing gaps for FPDs. She asked if EM was developing its employees to fill those staffing gaps.

Mr. Crouther responded that he would take a closer look at that issue and consult with Mr. Cochran.

Ms. Price asked how many applicants were true talent that met EM's needs out of the approximately 15,000 applications EM has received.

Mr. Crouther stated that he did not have an analysis for that data, but would follow-up.

Board Business and Subcommittee Reports

Approval of the September 30, 2009 Meeting Minutes

Mr. Estes called for approval of the minutes from EMAB's September 30, 2009, meeting in Augusta, GA.

Mr. Swindle and Ms. Price motioned for approval, whereupon the minutes were unanimously approved.

Reports and Recommendations

Board members discussed and voted on a report and recommendation developed by EMAB's EPI Subcommittee. The report was drafted following internal subcommittee deliberations, research, and discussions with EM senior managers. It recommended that in order to further aid the Assistant Secretary in her efforts to implement the EPI, EM should conduct a survey of physical assets that are currently available or could become available for development in the next few years at its various sites, and make that survey available to the public and to other DOE program offices (Recommendation 2010-01). Although development of new energy resources needs to be led by the sites, local communities, and/or other DOE program offices, a clear layout of EM's available physical assets would be very helpful to stakeholders and other interested parties as they begin to review future use options and potential energy park opportunities.

Mr. Estes called for the approval of Recommendation 2010-01, whereupon the Board approved the recommendation. Dr. Ferrigno and Mr. Klein abstained from this vote based on their earlier recusal from matters pertaining to the EPI.

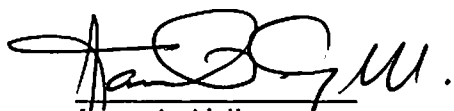
Closing Remarks and Adjournment

Mr. Estes announced that EMAB's next public meeting will be held on September 15, 2010, at the La Fonda on the Plaza Hotel in Santa Fe, New Mexico. He thanked the Board members and staff for their hard work and contributions to the meeting's success.

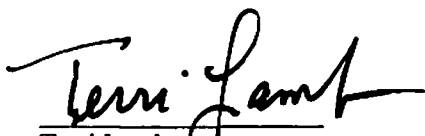
Speaking on behalf of the Board, Mr. Barnes formally recognized Ms. Lamb's contributions to the effectiveness of EMAB, and noted that the members truly appreciate her dedication and hard work. The members also offered their condolences for her family's recent loss.

The meeting adjourned at 5:02 p.m. EDT.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



James A. Ajello
Chairman
Environmental Management Advisory Board



Terri Lamb
Designated Federal Officer
Environmental Management Advisory Board

These minutes will be formally considered by the Board at its next meeting, and any corrections or notations will be incorporated into the minutes of that meeting.

APPENDIX A

ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
 Crystal Gateway Marriott • Salon B-C
 1700 Jefferson Davis Highway • Arlington, Virginia 22202

March 31, 2010	
9:00 a.m.	Welcome and Overview <ul style="list-style-type: none"> • G. Brian Estes, <i>EMAB Member</i>
9:15 a.m.	EM Update Presentation <ul style="list-style-type: none"> • Inés Triay, <i>Assistant Secretary for Environmental Management</i> <u>Roundtable Discussion</u> <ul style="list-style-type: none"> • Discussion Leader: G. Brian Estes, <i>EMAB Member</i>
10:30 a.m.	Break
10:45 a.m.	Energy Park Initiative <ul style="list-style-type: none"> • James Antizzo, <i>Office of D&D and Facility Engineering</i> <u>Roundtable Discussion</u> <ul style="list-style-type: none"> • Discussion Leader: Paul Dabbar, <i>EPI Subcommittee Lead</i>
11:30 a.m.	Public Comment Period
11:45 p.m.	Lunch
1:15 p.m.	Acquisition, Project Management, and Quality Assurance Panel <ul style="list-style-type: none"> • Reggie James, <i>Acting Director, Office of Contract Assistance</i> • Steve Krahn, <i>Deputy Assistant Secretary for Safety and Security Programs</i> • Eric Cochran, <i>Office of Project Management</i> <u>Roundtable Discussion</u> <ul style="list-style-type: none"> • Discussion Leaders: G. Brian Estes and Lawrence Papay, <i>Acquisition and Project Management Subcommittee Leads</i>
2:30 p.m.	Break



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2:45 p.m.	<p>ARRA and Strategic Planning Panel</p> <ul style="list-style-type: none"> • Cynthia Anderson, <i>Director, EM Recovery Act Program</i> • Merle Sykes, <i>Chief Business Officer</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leader: David Swindle, <i>ARRA Implementation and Oversight Subcommittee Member</i>
3:45 p.m.	<p>Human Capital</p> <ul style="list-style-type: none"> • Sandra Waisley, <i>Deputy Assistant Secretary for Human Capital and Corporate Services</i> • Desi Crouther, <i>Director, Office of Human Capital</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leader: Lessie Price, <i>Human Capital Subcommittee Lead</i>
4:30 p.m.	<p>Board Business and Subcommittee Reports</p> <ul style="list-style-type: none"> • Approval of the September 30, 2009, Meeting Minutes • Subcommittee Updates <ul style="list-style-type: none"> ○ Acquisition and Project Management Subcommittee ○ Energy Park Initiative Subcommittee ○ ARRA Implementation and Oversight Subcommittee ○ Human Capital Subcommittee • New Business
5:00 p.m.	Adjournment



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APPENDIX B**Environmental Management Advisory Board
U.S. Department of Energy**

Advisory Board Charter

1. **Committee's Official Designation.** Environmental Management Advisory Board (the Board).
2. **Authority.** The Board is being established in accordance with the provisions of the Federal Advisory Committee Act, as amended, 5 U.S.C., App. This charter establishes the Environmental Management Advisory Board under the authority of the U.S. Department of Energy.
3. **Objectives and Scope of Activities.** The Board provides information, advice, and recommendations to the Assistant Secretary for Environmental Management (EM) concerning issues affecting the EM program.
4. **Description of Duties.** The duties of the Board are described below and are solely advisory in nature.
 - Advise on corporate issues facing the EM program including, but not limited to, project management and oversight, cost/benefit analyses, program performance, human capital development, and contracts and acquisition strategies; and
 - Issue reports and recommendations as necessary.
5. **Official to Whom the Committee Reports.** The Board reports to the Assistant Secretary for Environmental Management.
6. **Agency Responsible for Providing Necessary Support for this Committee.** The Department of Energy. Within the Department, primary support shall be furnished by the Office of Environmental Management.
7. **Estimated Annual Operating Costs in Dollars and Staff Years.** The estimated annual operating costs associated with supporting the Board are approximately \$425,000 including 2.0 work years (FTE) of Federal employee support.
8. **Designated Federal Officer.** A full-time or permanent part-time Department of Energy employee, appointed in accordance with agency procedures, will serve as the Designated Federal Officer (DFO). The DFO (or designee) will call for or approve all of the Board's and subcommittees' meetings and agendas, attend all Board and subcommittee meetings, and adjourn any meeting if it is in the public interest.
9. **Estimated Number and Frequency of Meetings.** The Board will meet semi-annually, or as deemed appropriate by the Assistant Secretary for Environmental Management.

10. **Duration.** In view of the goals and purpose of the Board, it is expected to be continuing in nature.

11. **Termination Date (If less than Two Years from Date of Establishment or Renewal).** Continuing.

12. **Membership and Designation.** The Board will be comprised of up to 15 members, who will be appointed by the Secretary of Energy. Members shall be experts in their respective fields and appointed as special Government employees, or as representatives of entities including, among others, research facilities, academic institutions, regulatory entities, and stakeholder organizations, should the Board's tasks require such representation. The Chair and Vice Chair of the Board will be appointed by the Assistant Secretary for Environmental Management from among the Board members.

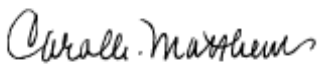
Members of the Board serve without compensation. However, members may be reimbursed in accordance with the Federal Travel Regulations for per diem and travel expenses incurred while attending Board meetings.

13. **Subcommittees.** To facilitate the functioning of the Board, subcommittees may be formed with the approval of the Department of Energy. The objectives of the subcommittees are to make recommendations to the Board with respect to a particular charge related to the responsibilities of the Board. Such subcommittees may not work independently of the chartered Board and must report their recommendations and advice to the full Board for deliberation and discussion.

14. **Recordkeeping.** The records of the Board shall be handled in accordance with General Records Schedule 26, Item 2 and Administrative Records Schedule 16, Item 8b (1.1), and approved agency records disposition schedules. These records shall be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. 552.

15. **Filing Date.**

Date filed with Congress: JAN 23 2010



Carol A. Matthews
Acting Committee Management Officer