

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
PUBLIC TELECONFERENCE MINUTES
November 17, 2010**

Board members present:

- Mr. James Ajello, Hawaiian Electric Industries, Inc.
- Mr. A. James Barnes, Indiana University
- Mr. Paul Dabbar, J.P. Morgan, Inc.
- Mr. G. Brian Estes, Consultant
- Dr. Dennis Ferrigno, CAF & Associates, LLC
- Mr. Keith Klein, Consultant
- Mr. John Owsley, Tennessee Department of Environment and Conservation
- Mr. Willie Preacher, NCSL State and Tribal Government Working Group
- Ms. Lessie Price, Aiken City Council
- Mr. David Swindle, Federal Services/URS Corporation
- Mr. Robert Thompson, Energy Communities Alliance

Subcommittee members present:

- Dr. Franklin Coffman, AECOM Government Services
- Dr. David Gallay, Logistics Management Institute
- Mr. Stan Genega, Consultant

EMAB Designated Federal Officer:

- Ms. Terri Lamb

Others present for all or part of the meeting:

- Dr. Inés Triay, Assistant Secretary for Environmental Management
- Ms. Shari Davenport, Director, EM Office of Communications and External Affairs
- Mr. Lowell Ely, Director, Office of Project Assistance and Assurance
- Mr. Robert Gamble, Nye County NWRPO
- Mr. Frazer Lockhart, DOE Office of Environmental Management
- Ms. Lauren Malone, DOE Office of Environmental Management
- Mr. Frank Marcinowski, Deputy Assistant Secretary for EM Technical and Regulatory Support
- Mr. Mike Nartker, Weapons Complex Monitor
- Ms. Melissa Nielson, Director, EM Office of Public and Intergovernmental Accountability
- Mr. Charlie O'Dell, DOE Office of Environmental Management
- Mr. Autar Rampertapp, DOE Office of Environmental Management
- Mr. Donovan Robinson, Office of Management and Budget
- Ms. Leslie Rodriguez, e-Management
- Ms. Elizabeth Schmitt, e-Management

MEETING MINUTES

Summary of Meeting

The Environmental Management Advisory Board convened via teleconference at 3:00 p.m. EST on Wednesday, November 17, 2010. In accordance with the provisions of Public Law 92-463, the meeting was open to the public.

Opening Remarks

Mr. James Ajello, Chair of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB or Board), called the meeting to order at 3:00 p.m. EST. He welcomed members of the Board and public to the proceedings, and referred individuals interested in more information on EMAB to www.em.doe.gov/emab. Ms. Terri Lamb, the EMAB Designated Federal Officer (DFO), took attendance.

Mr. Ajello introduced two new EMAB members who were appointed to the Board in October 2010: Dr. Rodney Ewing and Dr. Franklin Coffman. Mr. Ajello noted that Dr. Ewing had recently been sworn in as a special Government employee (SGE) and was expected to serve on EMAB's Tank Waste Subcommittee. At the time of the teleconference, Dr. Coffman's official membership was still pending his designation as an SGE. Mr. Ajello stated that Dr. Coffman would continue his work with EMAB's Acquisition and Project Management Subcommittee, on which he previously served as a technical consultant. Biographical sketches for the new members are available at <http://www.em.doe.gov/stakepages/aboutemab.aspx>.

EMAB Acquisition and Project Management Subcommittee Report

Mr. G. Brian Estes and Mr. David Swindle, co-chairs of the Acquisition and Project Management Subcommittee (APMS), provided an overview of EM's formal response to the recommendations contained in EMAB's September 15, 2010, report, entitled *Removal of EM Projects from the GAO High Risk List: Strategies for Improving the Effectiveness of Project and Contract Management in the Office of Environmental Management*. Additionally, Mr. Swindle briefed the participants on a follow-up report prepared by the APMS for the full Board's consideration. Copies of the September 15 EMAB report, EM's response, and the APMS follow-up report, are available online at <http://www.em.doe.gov/stakepages/emabreports.aspx>

Mr. Swindle stated that the APMS held a series of dialogues with EM senior managers regarding the September 15, 2010, report, and found the feedback to be positive. By way of background, he explained that following the March 31, 2010, public meeting, Dr. Triay tasked EMAB with providing observations and recommendations on EM's strategy for reducing project and contract risks, and for removing EM projects from the Government Accountability Office's (GAO) High-Risk List. The APMS aggressively undertook Dr. Triay's charge and presented its numerous findings and observations to the full Board during EMAB's September 15, 2010, public meeting. The Subcommittee's formal report was approved by the full Board and submitted to Dr. Triay for her consideration. The final report, dated September 15, 2010, contained five recommendations to further aid the Assistant Secretary in her efforts to improve acquisition and project management, and minimize the future risk of EM projects achieving GAO High-Risk List status.

On November 1, 2010, the Assistant Secretary issued a memorandum in response to EMAB's September 15, 2010, report and recommendations. In summary, the memorandum noted that EMAB's recommendations were complementary to EM's own initiatives and that EM has applied considerable effort to improving its acquisition and project management practices. The memorandum also elaborated on details regarding EM's acquisition and project management practices that the Subcommittee could not delve into before the September meeting. Mr. Swindle added that EM is to be complemented on its overall positive approach and comprehensive response to EMAB's September 15, 2010, report and recommendations.

Following receipt of the response memorandum, the APMS co-chairs held a conference call with EM senior management to discuss EM's response and address any outstanding questions. The APMS then prepared a follow-up report for EMAB's consideration. Mr. Swindle explained that the follow-up report does not contain any new recommendations. Rather, it summarizes the APMS's initial task, recent work, and EM's response to the Board's September 15, 2010, report and recommendations. The follow-up report, dated November 17, 2010, also summarizes the Subcommittee's observations regarding EM's progress in the areas of: improved performance on major projects; availability of resources for improved oversight of contracts and projects; validating the effectiveness and sustainability of corrective actions; the quality of contractor cost estimates; sustained leadership commitment to implement improved contract and project management; and improvements in project management, acquisition, and contract management practices.

Mr. Swindle then reviewed the initial five recommendations contained in the September 15, 2010, report and summarized EM's response and proposed path forward. This information is also included in the APMS follow-up report.

Recommendation 2010-22: EM should undertake a review and realignment of its budgets to strike a balance between needed Program Direction and Capital Asset Project funding.

Per the November 1, 2010, response memorandum, EM reported that it believes the flexibility of program direction funding is sufficient. This flexibility will permit EM to enter into an updated agreement with the US Army Corps of Engineers (USACE), per EMAB's recommendation, to acquire experienced staff to assist in EM operations. EM also intends to increase the stability of its major projects by creating a Deputy Federal Project Director (FPD) position that will be filled by USACE. Mr. Swindle stated that the APMS believes the addition of a USACE Deputy FPD and the planned use of seasoned USACE construction experts should pay dividends both in making project management teams more robust, and overcoming EM's past resistance to accepting "outside help." These improvements will also be very positive in terms of incorporating additional expertise throughout the acquisition lifecycle.

Recommendation 2010-23: EM should undertake an assessment of all active EM Projects to clearly identify those projects or portions of projects that are subject to the rigor of 10 CFR 830, and/or are subject to the Graded Approach in risk categorization for quality assurance (QA) and safety standards. In addition, during the Acquisition Strategy Planning process for future EM projects, the Risk Categorization for QA and Safety standards should be identified and baselined prior to finalizing a project's acquisition plan.

Mr. Swindle stated that EM has taken positive steps with regard to this recommendation, and noted that QA guidance has been promulgated to the field and that interaction with the Energy Facility Contractor Group (EFCOG) has increased. Per the response memorandum, EM has clearly stated its commitment to a graded QA approach for nuclear and non-nuclear operations that is commensurate with the level of risk. The APMS believes that emphasis on identifying the risk categorization for QA and safety standards, and baselining these prior to finalizing a project's acquisition plan is essential to efficient and effective project execution.

Recommendation 2010-24: EM should consider adopting an "Owner's Representative" project management support model to strengthen Project Management and Contract Administration in the Field.

Mr. Swindle explained that the intent of this recommendation was focused on improving the effectiveness of the project management process, and the discipline that is needed throughout the acquisition lifecycle. According to the response memorandum, EM has already undertaken activities that fulfill the principles of the Owner's Representative model. The "Framework for an Owner's Representative Project Management Office," appended to the memorandum clearly recognizes those activities that are inherently governmental versus those that can be fulfilled through support functions, such as the national laboratories, private contractors, or USACE. The APMS

believes that the success of this framework will ultimately depend on staffing the representative functions with experienced and stable resources.

Recommendation 2010-25: EM should reexamine the roles, responsibilities, and authorities of EM FPDs to strengthen the FPD position's effectiveness in project management and contractor oversight, and improve stability by reducing the turnover of FPDs on critical EM projects.

The APMS received positive feedback on this recommendation. EM's proposed use of Deputy FPDs represents a step toward achieving greater stability and utilizing best practices to benefit the execution and cost control aspects of effective project and acquisition management. Additionally, Mr. Swindle stated, the shift in EM's business model toward allotting greater accountability and authority to the field should also strengthen and stabilize FPD positions.

Recommendation 2010-26: EM should examine its acquisition planning and development processes to ensure that prior to baselining a project's funding, scope and schedule, early involvement and engagement of all stakeholders and regulators internal and external to EM has occurred to the extent necessary to assure that any identified issues or risks are identified, resolved, and reflected in the project's plan.

Mr. Swindle noted that one of the key strategies outlined in EM's Journey to Excellence Roadmap requires early engagement with regulators and stakeholders to ensure that project plans are consistent with their expectations; this strategy should facilitate improved pre-project planning and project execution in the long run.

In concluding his presentation, Mr. Swindle stated that EM had provided a comprehensive response to the September 15, 2010, EMAB report, and that its actions are consistent with the Board's recommendations. Although the APMS had no further recommendations at the time of the teleconference, it did want to acknowledge EM's progress and efforts to improve in all areas of acquisition and project management. However, the APMS also believes that the activities outlined in EM's response memorandum must be regularly and frequently assessed for progress and effectiveness, in order to ensure institutionalized, improved project management discipline throughout EM. Lastly, Mr. Swindle noted that a considerable amount of evidence had been documented throughout EM and the DOE to reflect the program's progress and commitment to improving acquisition and project management, while acknowledging that there was still work to be done.

Mr. Swindle submitted the November 17, 2010, APMS follow-up report to the full Board for consideration.

Roundtable Discussion

Mr. John Owsley thanked the APMS for its work and especially for acknowledging the importance of involving regulators early in the project lifecycle. He also reiterated the need, as stated in the APMS follow-up report, for regular and frequent assessment of EM's progress in order to ensure that the improved practices are institutionalized.

Dr. Triay thanked EMAB and the APMS for their attentiveness in assisting EM with its contract and project management efforts. She stated that EM will continue working in earnest to ensure that the efforts are sustainable and that they continue to result in the improved performance of EM's project management portfolio.

Mr. Ajello called for a vote to endorse the APMS follow-up report and formally submit the document to Dr. Triay as an official EMAB work product. The follow-up report was then unanimously approved by voice vote.

Public Comment Period

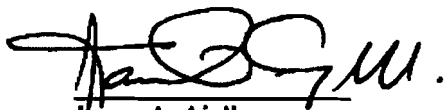
Mr. Ajello called for comments from the public, whereupon there was no response.

Closing Remarks and Adjournment

Mr. Ajello announced that EMAB's next public meeting will be held at the Green Valley Ranch Resort in Las Vegas, Nevada, on February 24, 2011. More information regarding the meeting agenda and logistics will be made available in the coming weeks.

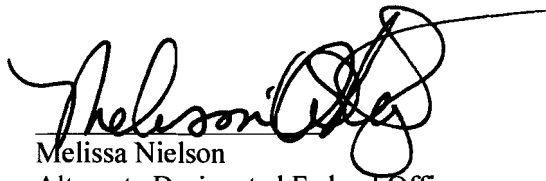
Mr. Ajello thanked the Board and staff for their participation, and specifically recognized the work of the APMS members. He then adjourned the meeting at 3:45 p.m. EST.

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



Melissa Nielson
Alternate 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
PUBLIC TELECONFERENCE**

November 17, 2010	
3:00 p.m.	<p>Welcome, Overview, and Introduction of New Members</p> <ul style="list-style-type: none"> • James Ajello, <i>EMAB Chair</i>
3:15 p.m.	<p>Review of EM's Response to the 2010 Acquisition and Project Management Subcommittee Report and Recommendations</p> <ul style="list-style-type: none"> • David Swindle and G. Brian Estes, <i>Acquisition and Project Management Subcommittee Co-Chairs</i>
4:15 p.m.	Public Comment Period
4:30 p.m.	Adjournment



EM Environmental Management

safety ❖ performance ❖ cleanup ❖ closure

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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.

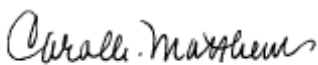
Members of the Board serve without compensation. However, members may be reimbursed in accordance with the Federal Travel Regulations for per diem and travel expenses incurred while attending Board meetings.

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