



Department of Energy

Washington, DC 20585

October 13, 2011

Mr. David A. Pethick
Group General Manager
URS Energy & Construction, Inc.
Global Management and Operations Services
106 Newberry Street SW
Aiken, South Carolina 29801

NCO-2011-02

Dear Mr. Pethick:

The Office of Health, Safety and Security's Office of Enforcement and Oversight has completed its investigation into the facts and circumstances associated with identified deficiencies in the URS Energy & Construction, Inc. (URS) corrective action management, quality improvement, and work control programs. The U.S. Department of Energy (DOE) views these programs as vital to protecting workers and the public from the radiological hazards associated with the Sodium Bearing Waste Treatment Project (SBWTP) at DOE's Idaho National Laboratory. The investigation addressed specific areas of potential noncompliance with DOE nuclear safety requirements established at 10 C.F.R. Part 830, *Nuclear Safety Management*.

The investigation identified several nuclear safety deficiencies related to the URS programs referenced above. Deficiencies were identified in the areas of quality improvement, work processes, and independent and management assessments. While these programmatic nuclear safety deficiencies are considered significant, it is recognized that these quality deficiencies were discovered during URS's construction of the SBWTP and there was no known adverse impact to workers or the public.

In accordance with 10 C.F.R. § 820.23, the Office of Enforcement and Oversight has exercised its enforcement discretion to resolve these issues through a Consent Order. DOE has chosen to enter into a Consent Order based upon URS's satisfactory completion of all corrective actions and the fact that construction was completed on this project in June 2011.

DOE reserves the right to initiate enforcement proceedings against URS if it later becomes known that any of the facts or information provided to DOE regarding the described deficiencies is false or inaccurate in any material way. Further, if there is a recurrence of nuclear safety deficiencies similar to those identified

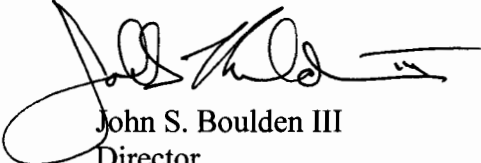


above, the Office of Enforcement and Oversight may decide to pursue additional enforcement activity. The Office of Enforcement and Oversight, the DOE Office of Environmental Management, and the DOE Idaho Operations Office will continue to closely monitor URS quality assurance programs associated with this project.

Enclosed are two signed copies of the Consent Order. Please sign both, keep one for your records, and return the other copy to this office within 1 week from the date of receipt of this Order. By signing this Consent Order, URS agrees to remit \$112,500 monetary remedy, payable to the Treasurer of the United States, in accordance with the directions in the enclosed Consent Order.

Should you have any questions, please contact me at (301) 903-2178, or your staff may contact Mr. Steven Simonson, Acting Director, Office of Nuclear Safety Enforcement, at (301) 903-7707.

Sincerely,



John S. Boulden III
Director

Office of Enforcement and Oversight
Office of Health, Safety and Security

Enclosure: Consent Order (NCO-2011-02)

cc: Lee Fife, CWI
Richard Provencher, DOE-ID
Richard Azzaro, DNFSB

In the matter of) Report Nos. NTS-ID--CWI-IWTU-2010-0002
) NTS-ID--CWI-IWTU-2011-0001
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URS Energy &)
Construction, Inc.)
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) Consent Order NCO-2011-02

CONSENT ORDER INCORPORATING AGREEMENT BETWEEN
U.S. DEPARTMENT OF ENERGY AND URS ENERGY & CONSTRUCTION, INC.

I

URS Energy & Construction, Inc. (URS), formerly known as Washington Group International, Inc., is the subcontractor responsible for construction of the Sodium Bearing Waste Treatment Project (SBWTP) at the U.S. Department of Energy's (DOE) Idaho National Laboratory for the prime contractor CH2M-WG Idaho, LLC (CWI). CWI conducts environmental cleanup activities at the Idaho National Laboratory under Contract No. DE AC07-05ID14516 (Contract) for the DOE Idaho Operations Office (DOE-ID).

II

In February 2010, DOE-ID issued letter EM-FMDP-10-013, *Significant Conditions Adverse to Quality at the Sodium Bearing Waste Treatment Project*, to CWI stating that the quality assurance process used by CWI's subcontractor, URS, was ineffective in that it failed to prevent recurrence of the issues related to construction work package quality and control of "information only" drawings. Specifically, the letter from DOE-ID stated that "information only" drawings (i.e., drawing revisions not authorized for inclusion in work packages) continue to be found at work locations on the project. Also, the letter discussed work control package weaknesses, including the lack of current work steps and quality control signatures in the work packages; noncompliances with storage requirements; lack of currency of the work package log entries; and work packages that were not located at the work site.

A causal analysis performed by CWI found that these issues were not routinely addressed as part of the URS corrective action plan. CWI specifically found that URS did not routinely perform and document the results of causal analyses, the associated corrective actions were not always fully institutionalized in procedures, and formal independent assessments were not scheduled and conducted.

A January 2011, CWI assessment revealed that actions taken to correct previously identified quality assurance and work control issues were ineffective. Subsequently, in January 2011, DOE-ID issued letter EM-FMDP-11-006, *Issues with Sodium Bearing Waste Treatment Weld Travelers and Inspection Documentation*, to CWI that documented additional issues associated with work control, document control, and the handling of quality assurance records. DOE-ID specifically found that six welds on facility systems were rejected based on radiographic examination, yet were subjected to pressure testing before being repaired; a large number of weld “travelers” had several errors; the Quality Engineer reviewed only 10 percent of the travelers that he subsequently approved; and there was a lack of objective evidence that weld repair cards were consistently used to document depth of excavation, amount of metal displaced and replaced, and any entry of metal into the pressure zone.

On behalf of URS, CWI voluntarily reported potential noncompliances with DOE nuclear safety requirements via DOE’s Noncompliance Tracking System (NTS) (NTS-ID--CWI-IWTU-2010-0002 and NTS-ID--CWI-IWTU-2011-0001).

In July 2011, pursuant to 10 C.F.R. § 820.21(a) and based on the DOE-ID correspondence and NTS reports, the Office of Enforcement and Oversight initiated an investigation into quality assurance and work control issues associated with construction of the SBWTP. The Office of Enforcement and Oversight investigation identified several nuclear safety deficiencies associated with URS quality improvement and work control programs. Specific deficiencies were evident in the areas of quality improvement, work processes, and independent and management assessments.

III

Pursuant to 10 C.F.R. § 820.23, at any time during enforcement proceedings, DOE may resolve any or all issues with a Consent Order if the settlement is consistent with the objectives of the Atomic Energy Act of 1954, as amended, and DOE nuclear safety requirements.

To resolve the potential noncompliances of 10 C.F.R. Part 830 requirements and in consideration of URS’s investigation, causal analyses, and associated corrective actions taken since the issuance of the NTS reports referenced above, which DOE found to be comprehensive and appropriate, DOE has elected to enter into settlement. DOE and URS have reached agreement to resolve this matter through execution of this Consent Order.

IV

Accordingly, the terms of this Consent Order are as follows:

In consideration of the mutual agreements set forth in this section, the sufficiency and adequacy of which are acknowledged by DOE and URS (hereinafter the “Parties”), the following terms represent agreement by the authorized representatives of the Parties to resolve by settlement the potential noncompliances at the SBWTP, in lieu of an enforcement action that DOE may issue pursuant to 10 C.F.R. § 820.24.

1. In response to the issues identified above, on July 28, 2011, URS wrote a letter to the Office of Enforcement and Oversight, requesting a Consent Order and discussing the corrective actions taken to address the issues. Based on DOE's review of the URS corrective action plan and the progress towards completion of the actions, the documented evidence provided by URS in their July 2011 letter stating that these actions were effective in preventing reoccurrence of the issues, and the fact that construction was completed on this project in June 2011, the Office of Enforcement and Oversight and DOE-ID agree that the contractor has adequately addressed the quality improvement and work control issues.
2. URS shall pay the amount of \$112,500, reflecting an agreed upon monetary remedy in lieu of the issuance of an enforcement action with the proposed imposition of a civil penalty pursuant to 10 C.F.R. § 820.24.
3. URS agrees to return a signed copy of this Consent Order, within 1 week from the date of receipt, to the address provided in item 5 below.
4. The Effective Date of this Consent Order shall be the date upon which URS signs this Consent Order.
5. URS shall remit the monetary remedy of \$112,500 by check, draft, or money order payable to the Treasurer of the United States (Account Number 891099) within 30 calendar days after the Effective Date of this Consent Order. Payment shall be sent by overnight carrier to:

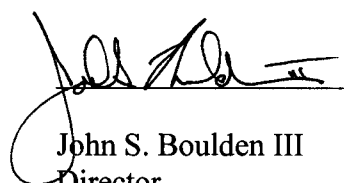
Director, Office of Enforcement and Oversight
Attention: Office of the Docketing Clerk, HS-40
U.S. Department of Energy
19901 Germantown Road
Germantown, MD 20874-1290
6. This Consent Order shall constitute a full and final settlement of the potential noncompliances identified in the referenced NTS reports, subject to URS's payment of the monetary remedy in accordance with item 5 above.
7. Pursuant to the Major Fraud Act, as amended, 41 U.S.C. § 4310, and the implementing provisions of the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47, neither the monetary remedy nor costs incurred by, for, or on behalf of URS relating to coordination and cooperation with DOE concerning the investigation of matters covered by this Consent Order shall be considered allowable costs under the Contract.
8. This Consent Order does not preclude DOE from re-opening the investigation or issuing an enforcement action under 10 C.F.R. § 820.24 with respect to a potential noncompliance if: (a) after the Effective Date (as defined in item 4 above), DOE becomes aware of any false or materially inaccurate facts or information provided by URS; or (b) there is a recurrence of nuclear safety deficiencies similar to those identified above.

9. Any modification to this Consent Order requires the written consent of both Parties.
10. URS waives any and all rights to appeal or otherwise seek judicial or administrative review of the terms of this Consent Order. DOE retains the right to judicially enforce the provisions of this Consent Order by all legal means.
11. This Consent Order is issued pursuant to DOE's authority under Section 234A of the Atomic Energy Act of 1954, as amended (42 U.S.C. § 2282a), and the implementing provisions of 10 C.F.R. Part 820 governing enforcement of DOE nuclear safety requirements.
12. Pursuant to 10 C.F.R. § 820.23(d), this Consent Order shall become a Final Order 30 calendar days after the signed copy, referenced in item 3 above, is filed by the Office of Enforcement and Oversight's Office of the Docketing Clerk unless the Secretary of Energy files a rejection of the Consent Order or a Modified Consent Order.

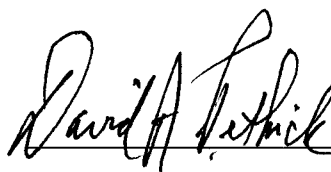
On behalf of my respective organization, I hereby agree to and accept the terms of the foregoing Consent Order.

FOR U.S. Department of Energy:

FOR URS Energy & Construction, Inc.:

 Date 10/13/11

John S. Boulden III
Director
Office of Enforcement and Oversight
Office of Health, Safety and Security
U.S. Department of Energy

 Date 10/17/11

David A. Pethick
Group General Manager
URS Energy & Construction, Inc.
Global Management and Operations Services