



United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division  
B-249446

October 27, 1993

The Honorable John D. Dingell  
Chairman, Subcommittee on  
Oversight and Investigations  
Committee on Energy and Commerce  
House of Representatives

Dear Mr. Chairman:

You requested that we determine how the Department of Energy (DOE) has implemented our recommendations for improving the pilot tests of new environmental restoration management contractors (ERMC).<sup>1</sup> The ERMC is a new contracting approach that DOE is considering for the environmental cleanup of the nation's nuclear weapons complex. DOE is pilot testing the ERMC approach at the Fernald, Ohio, and Hanford, Washington, sites.

We recommended that DOE (1) prepare and execute a plan for evaluating the pilot tests and (2) identify the staffing and training needs for overseeing the pilot tests and prepare and execute a plan for meeting these needs. In its response dated December 18, 1992, DOE concurred with the recommendations and stated its plans for implementing them. This letter details the extent of DOE's subsequent actions.

In summary, DOE has not fully implemented our recommendations. DOE is still in the process of designing a plan for evaluating the ERMC approach, which is expected to be completed in May 1994. In addition, while DOE has identified the staffing needs for overseeing the Fernald ERMC and the Hanford ERMC, it has not provided the needed staff for either location. Furthermore, DOE has not prepared a plan for how it will acquire and train the needed staff.

<sup>1</sup>DOE Management: Impediments to Environmental Restoration Management Contracting GAO/RCED-92-244, Aug. 14, 1992.

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STATUS OF ERM

Since our report to you in 1992, DOE has selected a contractor for the ERM pilot test at the Fernald site. The Fernald pilot test began in September 1992 with the replacement of the existing contractor who operated the site as well as undertook the cleanup. At the Hanford site, the ERM will be responsible only for cleanup. However, DOE's selection of a cleanup contractor for the Hanford site has been delayed because of a bid protest. One of the bid protests has been sustained. GAO has recommended that, if possible, DOE reevaluate two of the proposals to determine the most probable cost to the government of each of these proposals. Implementation of the ERM at Hanford will depend upon the outcome of these deliberations.

According to the Deputy Assistant Secretary for Environmental Restoration, there will be only two pilot tests of the ERM approach. DOE plans to determine how well the ERM concept works at the two pilot test sites before considering using the approach at other DOE sites undergoing cleanup.

EVALUATION OF ERM

In our 1992 report, we stated that while DOE had set important goals for the ERM approach, it had not established final criteria for measuring the ERM's success, identified the information needed to evaluate the ERM, or established a timetable for conducting the evaluation. Therefore, we recommended that DOE prepare and execute a plan for evaluating the pilot tests and that the plan should establish specific objectives for the ERM pilot test, criteria for judging its success, data that will be needed to conduct the evaluations, and time periods for conducting the evaluations.

DOE's Office of Environmental Restoration at headquarters is in the early stages of preparing a plan for evaluating the pilot tests. The Office has selected a contractor to help it define and conduct the evaluation, under the Office's direction. Completion of the evaluation plan is tentatively set for May 1994.

TRAINING AND STAFFING FOR OVERSIGHT OF ERMCS

In our 1992 report, we also stated that DOE had not obtained all the staff needed to oversee the pilot tests or developed plans to train the existing staff it does have in their new oversight responsibilities. Therefore, we recommended that DOE identify the staffing and training needs for overseeing the pilot tests and prepare and execute a plan for acquiring and training the necessary staff.

DOE has identified the staffing needs for the Fernald ERMC pilot test. In February 1992, the former Secretary of Energy established a DOE field office at the Fernald site. As part of that action, DOE authorized 190 full-time-equivalent staff (FTE) to adequately oversee the ERMC at Fernald and manage the site's cleanup. More recently, DOE identified the need as 200 FTEs for the management and the cleanup of the site. However, as of the end of September 1993, DOE had 66 FTEs. According to the Manager at Fernald, hiring freezes were a major factor preventing them from obtaining more staff.

Furthermore, while DOE has begun training its staff to oversee the Fernald ERMC, it has not identified overall training needs nor developed a plan for how it will meet the training needs. DOE recognized the need for additional staff training to meet the challenges brought on by the switch to a contractor invoice payment system for the ERMC and review of those invoices by DOE staff. Consequently, DOE conducted training in invoice review in January 1993 for some of the site's scientific and engineering staff. While this training will help DOE staff to better oversee the Fernald ERMC, it does not constitute the full extent of the needed training for the DOE staff. According to the Acting Manager for Administration and Management at Fernald, DOE is in the process of developing a training plan. The official stated that present low staffing levels and time pressures of other duties were the root causes for not developing a plan and for the limited opportunities for staff training.

For overseeing the Hanford ERMC, DOE has not yet prepared and executed a plan for staffing or training needs. The Hanford official responsible for implementing the ERMC pilot test told us that DOE-

Hanford has identified the need for 42 staff for the oversight of the ERMCM but has not acquired those staff. The official stated that DOE-wide FTE ceilings are the reason why the staffing needs have not been met. He said that DOE-Hanford is working on a training plan for the staff and plan to have it in place when the ERMCM takes over full responsibility for the environmental restoration activities at Hanford.

The importance of developing a staffing and training plan for overseeing the ERMCM was highlighted by the Defense Nuclear Safety Board. On June 16, 1993, the Board, an organization tasked with reviewing DOE's nuclear safety measures, made a recommendation to the Secretary of Energy about DOE's oversight of the ERMCM at Fernald. The Board recommended, in light of recent safety lapses by the ERMCM and weaknesses in DOE's oversight of the contractor, that DOE strengthen its technical management of the ERMCM contracts. Specifically, the Board was concerned that

"(1) DOE may not have sufficient numbers of competent, trained headquarters and field personnel to technically manage such contracts [ERMCM], and (2) contracts may be negotiated and signed before DOE has developed internal plans on how to carry out its technical management and oversight responsibilities."<sup>2</sup>

In an August 6, 1993, letter to the Board, the Secretary of Energy promised that by November 5, 1993, DOE would prepare an implementation plan for complying with the Board's oversight enhancing recommendations.

We discussed (1) DOE's implementation of GAO's recommendations and (2) this correspondence with responsible DOE officials at the Hanford and Fernald sites and with DOE headquarters officials responsible for overseeing the cleanup of the sites. Generally, they agreed with the descriptions of the ERMCM's status and the accuracy of our observations on DOE's progress in implementing GAO's recommendations.

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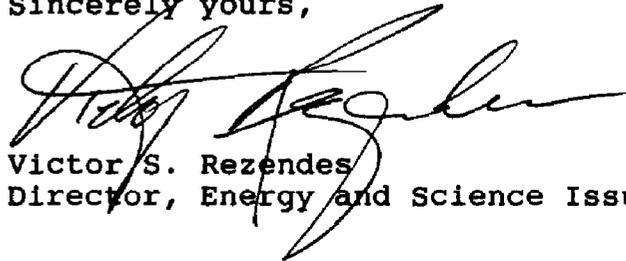
<sup>2</sup>"Recommendation 93-4 to the Secretary of Energy" Defense Nuclear Safety Board June 16, 1993, p. 2.

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As agreed with your office, unless you publicly announce its contents earlier, we will make no further distribution of this letter until 30 days after the date of this letter. At that time, we will send copies to the Secretary of Energy and other interested parties.

We trust that this information will assist you in your oversight of DOE's implementation of the cleanup of the nations weapons complex. If you have questions, please call me at (202) 512-3841.

Sincerely yours,



Victor S. Rezendes  
Director, Energy and Science Issues