Waste Management Conference

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Paul Golan

Environmental Management
The Secretary’s Vision of the Cleanup Program

• Develop a new plan to swiftly clean up serious problems at sites and reduce the risks to human health, safety and the environment
  ➢ Eliminate significant health and safety risks ASAP
  ➢ Streamline cleanup so that funding spent on maintenance & security...which accounts for two-thirds of the total EM budget...will be put to use for further expedited cleanup.
  ➢ Review remaining risks on a case-by-case basis working with state and local officials to determine the most appropriate remediation schedules & approaches.
Top-to-Bottom Review Conclusions

- Focused on managing risks, not reducing or eliminating
- Avoided tough decisions rather than confronting them
- Was not held accountable to deliver risk reduction
- Lost its sense of urgency
- Continued to set lower performance standards
- Internal business processes not structured to support accelerated risk reduction
- Had not addressed challenge of uncontrolled cost & schedule growth
Top-to-Bottom Review Conclusions

Bottom Line

- Left on its former path, EM would never complete its cleanup mission

- **Significant** reform was required
Progress since the summer of 2001

- Cost and Schedule
- Risk Reduction Acceleration Strategy
- Cleanup Reform Account
- Contracts
Progress since the summer of 2001

• Acquisition Strategy

• Reduction in EM Program Direction $$$

• Human Capital Initiatives

• Transfer of non-core mission & functions

• Integrated Project Teams
From the Field

- Hanford Spent Fuel
- WIPP Shipping Rate Doubles
- NTS Another disposal record
- Rocky Flats Shipping Pu & showing us all how we can
From the Field

- West Valley: Vitrification completed. Melter S/D
- Savannah River: F-Canyon completes last Pu run
- Idaho: SNF out of TAN, 2 SNF pools emptied
- ORP: 1.5M gallons pumped from single shell tanks <300Kgal left, U-107 & WTP construction underway
From the Field

• Oak Ridge  New regulatory agreement consistent with PMP

• Mound  Back on track for closure in 2006
Where do we go from here?

• Safety

• Delivery of Gold Chart Performance

• Innovation

• Procurement Strategy
Questions

• Do you want to be part of this?

• If you do, how will you make yourself relevant?
Agenda

• EM Mission and Goals
• Is EM a project?
• Why we intend to make this into and manage this like a project.
• Actions we are taking as a corporation to run EM as a project
• Changes to how we operate
Environmental Cleanup Program

- EM Mission: Accelerate risk reduction & cleanup of the former nuclear weapons production complex

- EM Goals
  - More real risk reduction sooner…significantly shorten the time to complete cleanup work across the country. Until very recently the program was not going to be completed with the cleanup until 2070. DOE’s goal is to complete the cleanup NLT 2030.
  - Reduce and eliminate the liability for the cleanup program. This is currently booked at over $250-billion on the US Government’s financial statement.
What is a PROJECT\(^1\)

A project...

- Has specific objectives to be completed within certain specifications
- Has defined start and end dates
- Has funding limitations
- Consumes both human and non-human resources (money, people, equipment)

\(^1\) Project Management, Harold Kerzner. 2001 7\(^{th}\) Edition
Benefits for managing EM as a project

• Achieve objectives that are accepted by the customer
• Achieve objectives within cost and schedule
• Measures progress and accomplishment against a plan
• Identify functional responsibilities to ensure all activities are accounted for
• Early identification of problems so that corrective actions may be taken
• Utilize assigned resources efficiently and effectively

1 Project Management, Harold Kerzner. 2001 7th Edition
Should EM be a project?

YES
EM Corporate Initiatives

• Performance Management Plans
• Performance Metrics: Gold Chart
• Safety
• Project Management
• Configuration Control
• Contract Management Advisory Council
• Integrated Project Teams
• Human Capital Strategy
• Budget Structure
Performance Management Plans (PMP)

• Strategic document that articulates accelerates risk reduction approach to work
• Most sites have developed PMP
• We don’t have all the answers yet…we don’t even know all of the questions
• PMP generates Project Management Plan and ultimately the baselines to plan & manage work
• Configuration controlled
Critical Performance Metrics

• Both a **scoping tool** (is all the scope in the project) and **management tool** (how did we do against plan)

• Sixteen metrics focused on risk (SNM, HLW, SNF, security, TRU, etc)

• Quantifiable and objectively measured

• Also known as the Gold Chart (configuration controlled)
Safety

• Safety is a entrance requirement for contractors and Federal workers
• We will not do work unless it is safe...we need to do work in order to be safe
• Public license
• Lack of safety is a performance issue
Measuring progress:
Variance, EV & critical path

• **Variance** measures departure from plan. Positive cost or schedule variance is good
• **Earned value** allows critical assessment of the entire project by making apples-to-apples comparisons
• **Earned value** objectively measures progress
• **Critical path** is key. Unless activities on the critical path are completed on schedule, the project cannot be completed as planned. New items appearing on the critical path are addressed and understood
Configuration Control

• Between FY00 and FY01, the cost of the EM program grew by $14-billion
• Without controls the you can’t manage the program...no controls-->no discipline-->no accountability-->no performance
• Key elements of this program are now under configuration control
Contract Management Advisory Council

- Chartered in June 2002 by EM-1
- Consistent with a key finding of the Top-to-Bottom review
- Purpose is to take better control of the acquisition process
- *Acquisition process* starts with need to do work and ends when the work has been completed
Integrated Project Teams

Purpose

– Increase focus on accelerating risk reduction
– Drive corporate solutions
– Improve internal business practices
– Focused on elements “critical to program success”
– Dedicated effort to identify and implement change while still conducting our business
– Opportunity to develop next generation of DOE leaders
– Membership based on projects needs and individuals competencies
Project Teams

1. Getting more performance out of performance-based contracts
2. Managing waste to reduce risk: other than SNF & HLW
3. Managing waste to reduce risk: SNF
4. Managing waste to reduce risk: HLW
5. Focusing EM resources on cleanup
6. Safeguards and security/Nuclear material consolidation
7. Cleanup program driven by risk-based end states
8. Accelerating small site cleanup
Project Teams

• Managing the project teams as project
• Each team has a project manager and is supported by a cross-corporation team
• First step was to develop a mission needs statement, or CD-0, which includes a challenge summary statement, potential solution summary, outline of major deliverables, and a mission justification
• Now at CD-1 step: Approve project requirements and alternative selection
We need to change how we operate

- How we contract for work with more emphasis on small and smaller businesses

- How we become a better customer. Predictable and honest and tough

- How we challenge and incentivize the contractor. This will mean changes to terms and conditions of the current contract
We need to change how we operate

• **How EM is managed.** From an ongoing, level of effort *program* to a *project* with *critical path, cost* and *schedule* commitments

• **How we deal with risk.** From avoiding high-risk reduction work to making that our mainstream line of business.
We need to change how we operate

- Where we invest resources. More $$$ on higher & nuclear risk reduction over the near term.

- Drive down the fixed operating costs which eat up 80% of the money spent at the site

- More workers and fewer chiefs and support personnel
What this means to YOU

- Our job is to SAFELY DELIVER risk reduction and cleanup on time and under budget
- We need to seek out problems and SOLVE them
- OBJECTIVE, MEANINGFUL AND MEASURABLE
- THINK...THINK DIFFERENT..THINK BIG
- Managing the CONTRACT not the contractor
- Everything we do has a PRICE…we need to understand the VALUE of what we asked for…before we ask