

FINAL MEETING SUMMARY

**HANFORD ADVISORY BOARD
BUDGETS AND CONTRACTS COMMITTEE MEETING
January 10, 2007
Richland, WA**

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This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.

Welcome and Introductions

Harold Heacock, Budgets and Contracts Committee (BCC) Vice-Chair, welcomed the committee and introductions were made.

Pensions and Benefits Advice Discussion

The committee discussed Gerry Pollet’s review of the three new Hanford cleanup contract draft requests for proposals (RFPs), which Keith Smith and Maynard Plahuta used as a foundation for draft advice. Keith and Maynard explained that many of Gerry’s comments and concerns from his initial review of the RFPs have been addressed in the revised RFPs.

Keith and Maynard said the draft advice expresses concern about the adequacy of the RFPs regarding the use of taxpayers’ money; safety for workers and the environment; use of the ambiguous phrase “market-based” to describe pension and benefits programs; use of multiple subcontractors without indicating how they will be expected to comply with safety and environmental best practices; and lack of detail concerning the role of facility representatives in regulating contract management and operations. Maynard said a large part of the advice focuses on what is included in the final contract rather than in the RFPs, which is similar to the comments submitted by the State of Oregon. Since a number of the advice principles would be implemented in the contracts rather than the RFPs, he said the advice may be premature for the RFPs and could be considered pre-comments on the proposals.

Committee Discussion

- *The RFP comment period is over, so why give advice now?* Keith said the RFPs will not be finalized until the fall of 2007, so Board advice can still impact the content and management of the RFP process.
- Keith commented that several components of the RFPs need better definition, such as the term “market-based” and DOE’s intent for the HAMMER facility.
- Susan Leckband suggested removing the prescriptive tone and language, and re-wording the advice to focus on policy-level issues.
- The committee discussed the timing of advice. Should the advice be directed at the RFPs or the contracts? Committee members generally agreed there is no need to issue advice on the RFPs, and that the advice is more appropriate for the contracts; however, Keith noted that the advice could be of use for the RFPs in terms of recommending DOE better define some sections and terms. Committee members generally agreed to the following principles:
 - Safety needs to be included in all steps of the evaluation process, and RFPs should better clarify that safety is a top priority and that contractors are responsible for employ safety. Maynard said the RFPs could improve emphasis on contractor responsibility for employee safety. Keith added that the RFPs highlight the importance of safety, but rank it third behind project strategy and key personnel in prioritized evaluation factors.
 - Committee members are concerned about DOE’s ability to maintain safety at all contractor levels. RFP language should contain expectations for maintaining safety across all contractor levels, from prime contractors down to the lowest tier contractors.
 - RFPs should clarify the definition of minimum expectations for the term “market-based.”
 - If there is work scope for building facilities under a large contract, that piece of construction work should be contracted separately through a competitive bidding process. Where appropriate, RFPs should make clear that construction contracts are expected to be awarded according to a competitive bid.
 - The RFPs adequately define the award/fee structure, so the advice should not include comments on this topic.
 - DOE is expected to select a contract bidder that provides a realistic, credible proposal based on meeting known regulatory requirements. RFPs need to

provide the known work scope and regulatory requirements so bidders can produce accurate proposals.

- The revised RFPs are much improved over the initial RFPs. In particular, Board advice should recognize DOE’s response to Board advice by moving groundwater cleanup from the Mission Support Contract to the Plateau Remediation Contract.
- Pam suggested the committee should also review the Washington State Department of Ecology’s comments on the RFPs.

Committee Business

Assuming another draft of the advice is ready by next week, committee members agreed on the need for a conference call on Tuesday, January 16 at 10:30am.

Action Items / Commitments

- Lynn Lefkoff, EnviroIssues, will work with Keith on a new draft of the advice prior to the call on Tuesday.

Handouts

NOTE: Copies of meeting handouts can be obtained through the Hanford Advisory Board Administrator at (509) 942-1906, or tholm@enviroissues.com

- “Draft Advice: MSC, TOC and PRC Requests for Proposal,” 1/10/2007.
- Letter: Oregon Department of Energy Comments on Draft Requests for Proposal for Hanford contracting, Ken Niles, Assistant Director Oregon Department of Energy, 12/20/2006.

Attendees

HAB Members and Alternates

Harold Heacock	Todd Martin	Maynard Plahuta
Susan Leckband	Bob Parks	Keith Smith
		Gene Van Liew

Others

Sharon Braswell, DOE-ORP		Karen Hale, CHG
		Lynn Lefkoff, EnviroIssues
		Jason Mulvihill-Kuntz, EnviroIssues
		Barb Wise, FH