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DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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June 28, 1996

The Honorable Hazel R. O'Leary
Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585-1000

Dear Secretary O'Leary:

Recommendation 93-4, originally issued to you on June 16, 1993, addressed the need for corrective actions at the Fernald Environmental Management Project and, more broadly, urged that changes be made in the Department of Energy's (DOE) contract technical management approach. The Defense Nuclear Facilities Safety Board (Board) accepted DOE's Implementation Plan by letter dated November 18, 1993. Since that time, the Board and its staff have been closely following implementation of the recommendation.

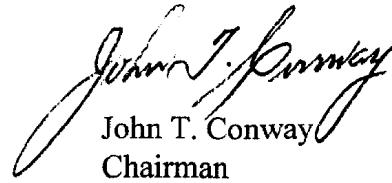
Item 3 of the recommendation requested that "DOE consider the insights gained from addressing recommendations 1 and 2 above for ERMC contracts in pursuing the broader initiatives for reforming contract management you recently announced." In a letter dated October 4, 1995, the Board informed you that Implementation Plan commitments for Item 3 had not been fully met. Specifically, the results of the Contract Reform Team's work did not appear to embrace the Technical Management Plan (TMP) concept, and revisions to Order 4700.1 (superseded by the Life Cycle Asset Management Order) did not incorporate adequately the generic TMP or other 93-4 lessons learned.

DOE's March 12, 1996, response to the Board's letter stated that the TMP concept has been incorporated into the Implementation Plan for Recommendation 95-2. DOE therefore proposed closure of 93-4 and tracking of its completion through the implementation of 95-2.

The Board finds that all of the Fernald-specific aspects of the Implementation Plan have been carried out. Moreover, the Implementation Plan commitments regarding contract technical management have been met, with the one exception noted above. Therefore, the Board accepts the proposal to close Recommendation 93-4. However, the Board notes that the Implementation Plan for 95-2 was received on April 18 of this year and conditionally accepted by the Board on May 7. Therefore, the Board has not yet received any deliverable under 95-2 which completes implementation of the portion of 93-4 addressed in the Board's October 4, 1995, letter.

The Board and its staff will track implementation of 95-2 to ensure that the incomplete aspects of 93-4 are fully implemented.

Sincerely,



John T. Conway
Chairman

c: Mr. Mark B. Whitaker, Jr.