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Colleen C. Clark, (509) 376-7501, collen_c_clark@rl.gov DOE

CONTRACT REFORM MOVES FORWARD AT HANFORD

The Department of Energy's contract reform initiative, aimed at improving efficiencies and performance at DOE sites across the country, took another step forward today at Hanford with the announcement that the site's occupational health services contract will be recompeted.

The contract is currently held by the Hanford Environmental Health Foundation (HEHF), which has provided occupational health services to the site for 30 years. HEHF has been awarded an 18-month "bridge" extension to continue its work until June 30, 1997. In the meantime, the DOE's Richland Operations Office will prepare a formal "Request for Proposals" for the new contract. That process will begin this spring.

The recompetition will allow DOE to change the health services contract from a "management and operations" type to one that is performance-based. That will allow the contractor to earn fees based on the work it completes. Performance-based contracting is a key component of Energy Secretary Hazel O'Leary's contract reform initiative, which is an outgrowth of the Clinton Administration's effort to reinvent government. Hanford's Environmental Restoration Contract and the current solicitation for the Project Hanford Management Contract are examples of this strategy.

"Clearly the trend across the DOE complex favors competition," said Hanford Manager John Wagoner. "This is a way for us to reexamine our needs and look closely at the taxpayer dollars we're spending. We're ensuring best-in-class commercial practices for Hanford."

According to Mr. Wagoner, the decision to change to a performance based contract does not reflect on the quality of service HEHF has been providing to Hanford. The company's performance has earned an "outstanding" rating from DOE for the last two evaluation periods.

HEHF has held the current Occupational Health Services contract for six years. It provides a comprehensive occupational health program for Hanford employees, including medical surveillance activities, monitoring of workers who may be exposed to hazardous materials, employee assistance programs and the staffing of health care centers. Unlike Hanford's other principal contractors, HEHF is a not-for-profit foundation which receives payment on a fixed-fee basis each year. Last year's budget was just under \$13 million.

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