

**TESTIMONY**  
Daniel E. Glenn, Manager  
Pantex Site Office  
National Nuclear Security Administration  
U. S. Department of Energy  
Before the Defense Nuclear Facilities Safety Board

December 3 and 4, 2003

Mr. Chairman and Members of the Defense Nuclear Facilities Safety Board,

Thank you for this opportunity to provide testimony on the Pantex Site Office's (PXSO) current practices for oversight and management of the Management and Operating contractor activities at the Pantex Plant.

Transition from the long-standing roles and responsibilities to the re-engineered NNSA presents some challenges, but these changes are needed as we strive to improve the effectiveness, efficiency, and most importantly the safety of our site operations. I fully support the NNSA Reengineering effort and believe that appropriate level of Contractor oversight to ensure adequate protection of the health and safety of the public and workers within the Pantex Plant community will continue after the reengineering is completed.

The Site Office has three primary responsibilities all of which help ensure that Contractor operations are conducted in a safe and environmentally sound manner. They are: 1) complying with Legal Requirements; 2) administering the M&O Contract; and 3) monitoring contractor performance.

- Complying with Legal Requirements – It is imperative that Pantex Plant is in compliance with all statutory requirements. During the budget review process each year, a concerted effort is made to ensure that sufficient resources are allocated to the work required to comply with laws. Several of these laws serve as drivers to assure appropriate federal oversight of the contractor work in such areas as environmental compliance and financial procedures.
- Administering the M&O Contract - Through the NNSA Reengineering effort, we have added more formality to the way in which the M&O Contracts are administered. All Site Managers went through an intense Contracting Officer Training program earlier this year and were issued Contracting Officer warrants after completion. As such, I am now the focal point for directing the Contractor to perform work at Pantex Plant. To assist me in administering the Contract, I've appointed Contracting Officer Representatives (CORs) both within the Pantex Site Office and at Headquarters. There are a total of 12 CORs assigned to the Contract at Pantex Plant. I've also hired two Contract Specialists, one of whom is a warranted Contracting Officer and the other is scheduled to receive his warrant in December of this year. They will assist me in the routine day-to-day

contractual matters. Implementation of this process has enhanced contractual control and formalized communication and tasking of work to the Contractor.

- Monitoring Contractor Performance -- Information is provided to me from a number of sources regarding Contractor performance. Facility Representatives play an important role in monitoring Contractor work activities, but they are only one way in which we monitor overall performance. In addition to Facility Representatives, I also rely heavily on subject matter experts within the Site Office to monitor Contractor activities on a daily basis in their respective area of responsibility. I have subject matter experts in areas such as systems engineering, authorization basis, occupational safety, radiological safety, explosives safety, environmental compliance, safeguards and security, project management, legal, and business.

In addition to internal Contractor oversight, I receive input on Contractor performance from various external sources to include NNSA- Headquarters, the Office of Independent Oversight and Performance Assurance, U.S. Department of Energy, and other Federal and State of Texas government entities through onsite reviews to include the Environmental Protection Agency, the Texas Commission on Environmental Quality, and the State of Texas Bureau of Radiation Control, all of whom are concerned with various environmental activities at the Pantex Plant. The Office of Inspector General and the General Accounting Office also conduct audits of various activities at the Plant and provide reports on Contractor performance. It is not anticipated that there will be any changes to the foregoing reviews as a result of the NNSA Reengineering effort.

Pantex Integrated Oversight One tenet of the NNSA Reengineering effort calls for placing more accountability for operating the Plant in a safe and environmentally sound manner with the Contractor. As such, the Contractor has been charged with developing and implementing a more robust internal assessment program. To strengthen its oversight program, the Contractor has done several things to include: a) Developing and implementing a Contractor Assurance System which places emphasizes on both self-assessments and independent assessments; b) establishment of Nuclear Safety Officers who are responsible for in-depth knowledge and execution of Authorization Basis and other Safety Basis documents for facilities and processes that involve nuclear, nuclear explosive and non nuclear hazardous operations; c) increasing the size and involvement of the Quality Assurance staff.

Another tenet of the NNSA Reengineering effort involves enhancing Pantex Site Office Oversight of Contractor operations. There is a significant amount of work performed by Federal Employees that I rely on as input to assess Contractor performance. Some of this work is routinely recognized as conforming to conventional oversight programs such as ORPs review, Duty Officer Assignments, Facility Representative Assessment, and ES&H program assessments. However, the day-to-day Operations of a Site Office encompasses significantly more work, which often is not recognized for the in-depth contractor assessments that they are. As the Site Office Manager, it is my responsibility to review

and evaluate much of the Contractor's performance via the required approval/disapproval of program documents. For example, as the approval authority for the Site Safeguards and Security Plan, the Documented Safety Analysis, the 10-Year Comprehensive Site Plan, the Master Authorization Agreements, the Emergency Management Plan, and the delegated authorities associated with the Energy Systems Acquisition Approval Board (ESAAB), my staff performs in-depth assessments of the information and related actions contained in each of these documents. All of this work constitutes a significant effort on the part of the Federal employees to oversee the Contractor's operations. The results of this work, along with additional inputs, serve as input to a formal annual assessment via the Performance Evaluation Plan. Many elements in this plan are specifically dedicated to effective Safety program performance. When evaluating the oversight programs of the Site Offices, I believe it is essential to recognize not only the conventional oversight mechanisms, but also the efforts that are a direct result of fulfilling our day-to-day responsibilities.

To further bolster our oversight of our Contractor, we are in the process of developing and implementing a Line Oversight Plan, which is intended to enhance and formalize our assessment activities. The "newest" part to this is the development of an "Integrated Assessment Plan." To date functional area assessments have been performed, but they often were not well-coordinated resulting in either redundancies or lapses. Better integration with our own staff, BWXT reviews, and external reviews should not only provide the desired efficiency gains, but also improve the overall quality of our assessment program. We will continue to utilize Facility Representatives and Subject Matter Experts in the Plan as they will provide input through Readiness Assessments, QA Surveys, Duty Officer coverage, Safety System Evaluations, leading/serving on Safety Basis Review Teams, Nuclear Explosive Safety Reviews, and Business/Budget Reviews.

In conjunction with developing the Line Oversight Plan, we are shoring up our Self-Assessment Program. PXSO has six organizational elements (i.e., each Assistant Manager's office) that will be involved in a self-assessment program. Self-assessments of the Safeguards and Security function are already well established and the business function has recently developed its program. The other Site Assistant Managers will have self-assessment programs established and implemented by the end of FY04. This effort will include updating local procedures to establish program requirements based on applicable Orders/Standards (e.g., DOE O 414.1A) and NNSA guidance.

As the various oversight and assessment programs identify findings and/or issues that require corrective actions, they are forwarded to the Contractor or assigned to the appropriated Site Office organization for action. Tracking of these actions is currently accomplished by the cognizant Assistant Manager's organization. Both paper and electronic processes are used. BWXT Pantex is in the process of acquiring new issues management software that should be installed by the summer of 2004. This software system is being purchased to support the new Line Oversight/Contractor Assurance System Program at Pantex (and will be used to replace and consolidate current BWXT action tracking systems). We are coordinating with BWXT to have access to that system

and will use it in the future to provide one common system for the Plant (with appropriate isolation between PXSO and BWXT data).

### Staffing Requirements

To perform its mission, each site was allocated a personnel ceiling [Full Time Equivalent (FTE)] during the NNSA Reengineering process. The Sites were charged with developing and implementing a Managed Staffing Plan (MSP) which outlined the organizational structure and personnel required to do its work. In developing the PXSO MSP, I took advantage of recommendations made by several Workload Reduction Initiatives to streamline work as well as some initiatives that were in process at PXSO and within the Contractor's organization. Two initiatives underway were: a) Building up the Quality Assurance Staff by the Contractor; and b) Development and implementation of a Contractor Assurance System by the Contractor. The PXSO MSP showed an increase of personnel in the Business and Project Management arenas to handle the additional responsibilities being placed at the Site in these areas. Personnel remained fairly constant in the areas of Safeguards and Security, Authorization Basis, and Environment, Safety and Health. We are planning slight reductions in areas of QA and Facility Representatives.

Our intent was not to back away from the current level of oversight until we could verify our Contractor had implemented and we had validated the essential elements of the Contractor Assurance System. However, in actuality we have experienced some unplanned reductions in the Site Office due to transfers and retirements prior to validating full implementation of CAS. – we are managing to those impacts via prioritization of work while we attempt to fill our vacancies.

The PXSO MSP reflects a FTE ceiling of 82. Currently, I have 70 personnel onboard and we are actively recruiting to fill the vacant positions. We are a technically focused organization - of the 70 personnel onboard, 44 are in the Technical Qualification Program. Of those 44, 33 are fully qualified under the TQP, 8 are in the process of completing all requirements for qualification (one is in remediation), and we are in the process of developing and issuing qualification standards on 3. Many of the staff in the TQP also possess other certifications such as: Certified Professional Engineers, Certified Hazardous Materials Manager, Certified Safety Professional, and Certified Environmental Manager. In addition to the 44 personnel in the Technical Qualification Program, 13 other personnel are also engaged in professional certification programs to include personnel in Safeguards and Security, Quality Assurance, Contracts & Procurement, and Property Management. In summary 63% of my staff is engaged in a technical qualification program, and 73% of those are fully qualified.

There are several areas where I have requested “part-time” technical support from the NNSA Service Center. These areas have been identified because they demand specific expertise and the Site's workload does not warrant a full time position. The specific

technical areas I have requested are: Criticality Safety, Software Quality Assurance, Seismic Engineering, and assessment of the Contractor's Training Program.

#### Facility Representatives

I recognize the Board's concern with the decrease in numbers of Facility Representatives (FR) at the Pantex Site Office, and I would like to share my perspective regarding our FR needs. As some of you are aware, I began my career in DOE as a Facility Representative for the Production Reactors at the Savannah River Site Office. That experience solidified in my mind the benefit and need to have Federal Employees on the floor who have unencumbered access to all parts of the Plant and have technical understanding of the Contractor's work activities and processes. Over a period of years, I have also come to recognize that the Department and its Contractors have significantly improved the formality of its operations since the inception of the FR program.

In my opinion, it is appropriate for the NNSA to utilize the flexibility inherent in the FR Standard for Sites to re-evaluate the effectiveness and staffing levels of their FR programs. I led a Workload Reduction Initiative Team charged with developing guidance for the NNSA Facility Representative program. I volunteered for this assignment because: 1) I am one of the few senior managers in DOE/NNSA who qualified and held the position as a Facility Representative, and 2) I believed that my input would be valuable in ensuring that the FR program remained an effective and viable program. I want to make it very clear that I fully support the FR program and rely on it to manage my Site. However, I believe there is room to improve the effectiveness and efficiency of the FR program while also providing reasonable adjustments to account for the significant maturation of our Contractor's conduct of operations, which has taken place over the last ten years.

The FR Program Implementation Guidance is intended to better focus FR attention on the proper implementation of Technical Safety Requirements, while ensuring the Contractor continues to protect the workers from standard industrial hazards. Efficiencies are gained through a better integration and prioritization of the Site Office Subject Matter Experts resources - not through the cessation of Contractor oversight.

It is accurate to say that the manner in which I have distributed my staffing allocation does not provide substantial backup capabilities in the FR ranks; nevertheless, I submit that the Site Offices by design have breadth with little depth. We are an organization that must possess diverse technical expertise with very little redundancy. Although redundancy does provide additional confidence, it is not mandatory to provide reasonable assurance of Contractor performance.

By integrating my staff's subject matter expert oversight capabilities with an effective Contractor Assurance System, I believe that the FR staffing level is appropriate at PXSO. We will continue to evaluate our organizational resource needs and make any needed adjustments as part of our continuous improvement process.

## Communications and Contact with Headquarters

PXSO is in frequent contact with Headquarters personnel either through email, telephone conferences, or meetings, as we carry out our mission. On a monthly basis, I provide the Administrator with an update of activities that are going on at the Site. I also include in this communication any issues or concerns of which I believe he should be aware. I usually receive an immediate response from the Administrator. I also participate in a weekly conference call with NNSA Acting Chief Operating Officer where information regarding activities at the various Sites and Headquarters is exchanged. Also, I participate in periodic Leadership Coalition meetings led by the Administrator. The Leadership Coalition consists of the Administrator and representatives from his immediate Staff, Deputy and Associate Administrators, Site Managers, and the Service Center Director. In addition, my staff is in frequent contact with Headquarters personnel regarding their areas of responsibility to include: a) weekly televideo conferences with NA-12, & 13 regarding programmatic activities; b) monthly telephone conferences with the Associate Administrator for Facilities and Operations; c) weekly telephone conferences with the Office of Business Operations; d) weekly telephone conferences with the Office of Planning, Programming, Budget, and Evaluation. In addition to these scheduled calls, other Site Office personnel are in frequent contact with Headquarters personnel to provide information or seek guidance. All of the aforementioned forms of communications and contacts serve to keep NNSA Headquarters informed on an ongoing basis of the activities at the Plant.

## Columbia Investigation Report - Actions Taken on Lessons Learned

Upon receiving a copy of the Columbia Investigation Report, I distributed it to my senior staff and made it mandatory reading for the Technical Managers. I also provided a copy to the BWXT Plant Manager and his Deputy and commenced dialog with them on the Report. I believed that the lessons-learned identified in the Report were extremely important for both the NNSA and Contractor managers at the Plant to understand. Therefore, I convened an offsite meeting with my technical managers and BWXT Pantex technical managers to discuss the implications and recommendations outlined in the Report. The offsite meeting focused on Chapters, 6, 7, 8 and 10 of the Report. The meeting was structured such that a brief summary of a chapter was presented which was followed by open discussions by all participants. The meeting concluded with a “brainstormed” listing of critical success factors that are both necessary and sufficient to improve safety throughout all of the Pantex operations. The next steps include condensing this listing into a concise list of factors that will be further developed into Pantex-specific actions to be undertaken in the near future. Areas that have captured my attention are: (1) the concept of “normalization of deviance”, and (2) role and effectiveness of independent safety organizations. We are taking a serious look at the events surrounding this tragedy and those conditions that contributed to the accident in a sincere effort to apply lessons learned to our own operations.

## Conclusion

In conclusion, I believe that the identified Federal oversight of Contractor activities at Pantex Plant resulting from NNSA Reengineering is sufficient to ensure safe and environmentally sound operations. A portion of the PXSO Reengineering actions is based on placing increased accountability on the Contractor. As such the Contractor is charged with developing and continuing to improve a Contractor Assurance System (CAS) to formalize the manner in which it would bolster its internal oversight activities. The Contractor initiated the implementation of its CAS on October 1, 2003, with full implementation scheduled for October 1, 2004. I am monitoring the effectiveness of the Contractor's CAS in relationship to staffing decisions I made during our reengineering efforts based on a robust CAS. I will make internal staffing adjustments or request additional resources if I am not convinced that the CAS is working as intended or the Service Center support is available as desired.

Again I would like to thank you for this opportunity to share my perspective on the NNSA re-engineering effort. Are there any questions I can answer for you?