



Many Voices Working for the Community

Oak Ridge Site Specific Advisory Board

Approved March 13, 2013 Meeting Minutes

The Oak Ridge Site Specific Advisory Board (ORSSAB) held its monthly meeting on Wednesday, March 13, 2013, at the DOE Information Center, 1 Science.gov Way, Oak Ridge, Tenn., beginning at 6 p.m. A video of the meeting was made and may be viewed by contacting the ORSSAB support offices at (865) 241-4583 or 241-4584. The presentation portion of the video is available on the board's YouTube site at www.youtube.com/user/ORSSAB/videos.

Members Present

Jimmy Bell
Alfreda Cook
Robert Craig
Bob Hatcher
David Hemelright, Vice
Chair
Bruce Hicks

Howard Holmes
Jennifer Kasten
Ross Landenberger¹
Jan Lyons
David Martin, Chair
Fay Martin
Scott McKinney

Donald Mei
Belinda Price
Robert Stansfield
Coralie Staley
Scott Stout
Thomas Valunas

Members Absent

Janet Hart
Lisa Hagy
Chuck Jensen, Secretary
Greg Paulus
Sam Yahr^{1,2}

¹Student Representative

²Second Consecutive Absence

Liaisons, Deputy Designated Federal Officer, and Federal Coordinator Present

Dave Adler, Liaison and Alternate Deputy Designated Federal Officer, Department of Energy-Oak Ridge Office (DOE-ORO)

Susan Cange, DOE-ORO Deputy Manager for Environment Management (EM) and Deputy Designated Federal Officer

Connie Jones, Environmental Protection Agency (EPA), Region 4

Melyssa Noe, ORSSAB Federal Coordinator, DOE-ORO

John Owsley, Tennessee Department of Environment and Conservation (TDEC)

Others Present

Susan Gawarecki
Spencer Gross, ORSSAB Support Office
Brian Henry, DOE-ORO
Barbara Jackson, DOE-ORO
Pete Osborne, ORSSAB Support Office

Four members of the public were present.

Liaison Comments

Mr. Adler – no comments

Ms. Cange – Ms. Cange made some comments about the federal budget sequestration and how it has impacted DOE EM operations in Oak Ridge. She first explained that DOE EM is funded by two separate appropriations. One is the uranium enrichment decontamination and demolition fund (D&D fund); the other is the defense fund. The D&D fund is used primarily for cleanup at East Tennessee Technology Park (ETTP). The defense fund is used to perform all the other cleanup operations on the Oak Ridge Reservation (ORR). As a result of automatic budget cuts (sequestration) March 1 the D&D fund was reduced by 5 percent. The defense fund was reduced by 7.5 percent. She said the reductions were based on the FY 2012 funding levels because there currently is no approved FY 2013 federal budget and the government is operating on a continuing resolution.

She said the 7.5 reduction in the defense fund has had minimal impact on Oak Ridge operations performance or schedules.

She said there would be impacts in the D&D fund because she explained that the funding level in the FY 2012 budget was \$20 million less than the funding level requested for FY 2013. So the 5 percent reduction is taken on an amount \$20 million less than planned for in FY 2013. Ms. Cange said this would impact the cleanup schedule for the work to be done on the remaining few sections of the K-25 Building and K-27 Building at ETTP. DOE is working with prime cleanup contractor UCOR to determine what the impacts will be, but she said it could result in a delay of about a year to finish the work.

Even with reductions, Ms. Cange said Oak Ridge is faring better than some of the other sites in the DOE complex. She said the Oak Ridge reductions were less than what was anticipated.

Mr. Owsley – no comments

Ms. Jones – no comments

Public Comment

None

Presentation

Mr. Henry's presentation was on reindustrialization at ETTP and the transfer process. The main points of his presentation are in Attachment 1. He began by showing pictures of what the ETTP site looked like prior to cleanup and a rendition of what it will look like when cleanup is completed (Attachment 1, page 2). The page also had the vision and mission statements for the reindustrialization program. He said reindustrialization has been underway in Oak Ridge for about 15 years and is recognized around the DOE complex as the leader in the process. He said Oak Ridge updates its vision and mission statements about every five years.

Mr. Henry showed a map of the ORR (Attachment 1, page 3). The area in brown is ETTP where the bulk of reindustrialization and land transfers are underway. The area in green is called the Horizon Center and was transferred from DOE control in 2003 for economic development. The area in yellow is the Black Oak Ridge Conservation Easement.

As EM completes its cleanup mission at ETTP areas of land are cleared and made available for reuse. The Community Reuse Organization of East Tennessee (CROET) is DOE's point of contact

with the public for making former DOE areas available for private use. Mr. Henry showed the lease process used by CROET (Attachment 1, page 4). Part of the process is for DOE to examine a lease proposal and make sure it is in the best interest of the government.

Mr. Henry explained that the purpose of the Environmental Review Checklist is to advise DOE what operations a prospective tenant will be doing and what chemicals or hazards will be associated with the operations. DOE uses that information to make sure operations are permissible under the National Environmental Policy Act (NEPA). DOE also looks at current operations to make sure the prospective tenant will not have an impact on DOE.

The Baseline Environmental Analysis Report is used to advise the regulators (EPA and TDEC) that proposed operations by a tenant are safe for workers.

When all the steps are completed the DOE Realty Office will develop a lease and execute it with the private sector tenant.

Through 2002 most of the activity at ETTP was through lease agreements. After 2002 when accelerated cleanup began and federal regulations allowed transfer of property, the focus changed from leasing to transfers. Mr. Henry said transfers can be conducted through three pathways (Attachment 1, page 5).

Mr. Henry said most of the transfers follow the covenant deferral request, primarily used when an area has suspected contaminated groundwater. In these cases, land can be transferred without having to wait until groundwater is remediated.

The third path will be used when cleanup has been completed at ETTP (right hand column). No transfers have been made under this pathway since cleanup has not been completed at ETTP.

The chart on page 6 of Attachment 1 shows the various phases of the transfer process.

The map on page 7 of Attachment 1 shows the current lease and transfer agreements at ETTP. Areas in blue have been transferred. Mr. Henry said about 700 acres have been transferred, which includes about 500 acres at the Horizon Center. Areas in green are leased areas totaling about 300 acres.

After Mr. Henry's presentation a number of questions were asked. Following are abridged questions and answers.

Mr. Hemelright – How long does it take to complete the transfer process (page 6)? Mr. Henry – In the request phase DOE has 90 days to respond to a request. For a clean parcel transfer the goal is about 12 months. For a covenant deferral in which there more steps the goal is 18 months. However a new DOE order is in place that requires independent verification for parcels that had radiation. We have to incorporate that and we're running a little behind the 18-month goal, but we hope to get that order incorporated in the process and return to the 18-month goal. There is an asset revitalization initiative at DOE Headquarters that is looking at ways to streamline things.

Mr. Bell – On your last slide (page 7), who owns the areas in blue? Mr. Henry – DOE transferred that to CROET. CROET in turn has sold some of the areas to private sector companies. Mr. Bell – What happens if a company goes out business? Mr. Henry – It would go through a normal process and the land could be sold. But all of the property has deed restrictions and land use controls that have to be monitored. But in the absence of that it would be no different than any other kind of property. Mr. Bell – The property that is leased, who leases that? Mr. Henry – DOE leases to CROET and CROET subleases to private sector companies.

Mr. Valunas – How does sequestration affect your operations? Mr. Henry – Ours is a small part of the overall budget so it doesn't impact us to a great degree.

Mr. Hatcher – In looking at the last slide (page 7) how long will take to transfer the remainder of the gray area? Mr. Henry – Part of it is how long it takes EM to complete cleanup. In some of the areas cleanup is complete. The trigger for transfer is for us to receive a request. For instance, in the powerhouse area CROET is putting together a lease request. When they do we're in transfer process.

Ms. Gawarecki – There are a couple of companies that have long-term leases who would like to own the buildings they occupy, but there are issues with contamination in the buildings adjacent to them. How can DOE make a path forward to make it possible to keep the industries in the buildings? Mr. Henry – DOE has had discussions with those companies in the past to see if there is a path forward. To date I don't think we've found a path forward. Ms. Cange – One of the tenants you mentioned is MCL. They do have contamination in their building, which makes it difficult for us to free release the building under DOE requirements. One of the requirements placed on DOE to be able to transfer a building is that we have to show there is no radiological contamination or other contamination that cannot be free released under our own standards. Because of the former use of that building there has been suspected and confirmed contamination that has gone through the ventilation system. It's not practicable to free release the building. In regard to the former centrifuge facilities in the 1200 Complex that M&EC leased, they don't have so much of an issue in regard to contamination as much as indemnification issues. For years that's been difficult in overcoming because they are a waste treatment facility that has been operating under state-issued radiological licenses as well as under Resource Conservation and Recovery Act Part B permits for the handling of hazardous wastes. It's difficult for DOE to extend indemnification and that's something the company would need in order to be able to have the property transferred to them. Ms. Gawarecki – Do you expect to overcome that or will they be put out of the buildings to be torn down? Ms. Cange – We have no interest in putting them out the buildings. That's the whole purpose of reindustrialization. We've been working for quite some time with MCL on options that would allow them to stay at the Heritage Center, if not in that building, we'd like to keep them at the site. In regard to M&EC there is some hope they can overcome the indemnification issue, but short of that I think we'd continue to work with them to keep them in the area.

Ms. Gawarecki – I have a question about the proposed airport that roughly parallels the turnpike and might take some of the blue and areas (page 7). Have there been any discussions about this? Mr. Henry – We are aware of the discussions underway and the favored location. There have been discussions on the transfer process. To date DOE has not received a request for a transfer of property for an airport. When that happens we'll take a look at it and evaluate it. Ms. Cange – The airport authority is still doing its study of the area to determine if they want to proceed to the next step.

Ms. Gawarecki – Impact Services leased facilities at both Horizon Center and at Heritage Center but the one at Heritage Center went bankrupt. Is DOE going to be involved in the cleanup or is that out your hands? Ms. Cange – That property has been transferred to CROET and CROET was leasing it to the company that has since gone bankrupt. That property was operating under a state radiological license. There was a bond that was part of receiving that license. The state has jurisdiction because DOE does not own the property. The state is doing its investigation and determining what the path forward is. DOE has supported another ongoing investigation by another entity with regard to some characterization work because DOE had sent some materials to that company for processing and treatment. So there has been minimal amount of support that DOE has done to assist this other agency with the investigation it's doing.

Ms. Gawarecki – You talked about if a lease is in the best interest of the government and in looking at what activities might take place on it. How do you handle it with spec buildings and you don't know what the ultimate tenant or buyer is going to be doing? Mr. Henry – The land is transferred with deed requirements that limit it to the activities covered in the environmental assessment (EA) in NEPA documentation. When we did NEPA we did a bounding analysis. Because of that uncertainty you don't know what specific industry will be there. We started with the city's basic zoning categories and what was allowed under that. With the NEPA analysis we evaluated the worst case scenario. So there is a deed restriction that says any use now or in the future is subject to that. We continue to monitor any proposed use either for transfer or lease to make sure that it's in compliance with NEPA. Ms. Gawarecki – However, that was not your policy in transfers at Horizon Center where there were similar deed restrictions referencing the land uses. Mr. Henry – That was our policy at Horizon Center also and when a new use was going out there we looked at NEPA to make sure it was consistent with that and we continue to look at that. Ms. Gawarecki – No, I remember there were some issues around Impact's work there because that would have been waste disposal, which had been prohibited in the final EA. Mr. Henry – I'd be happy to talk with you about offline, but that use had been evaluated against the existing EA. We did a white paper on it.

Mr. Stansfield – Have any of the holdings transferred to CROET had any contaminated groundwater? Mr. Henry – Yes. Mr. Stansfield – How does CROET handle that? Mr. Henry – DOE is still pursuing its remedies for groundwater and we transfer the property through a covenant deferral request. One of the things we have to show in transfer or lease is based on everything known that the property is safe for industrial use. Have a lot of data that say for whatever use for industrial workers that property is safe. CROET's challenge is convincing potential tenants who may concerns about that. Over the years we've done pamphlets and fact sheets that talk about volatile organic compounds and put it in perspective with things you find in industry. Ms. Cange – There is a restriction in place in all deeds that use of groundwater is strictly prohibited. Mr. Stansfield – Are tenants liable to clean that water up? Mr. Henry – No. With property transferred DOE offers indemnification related to any legacy contamination. For the property we've transferred the cleanup has been done and if there are any actions resulting from groundwater that DOE is still obligated to do, DOE would go in and do that.

Ms. Jackson's presentation was an Overview of the DOE Procurement Process. The main points of her presentation are in Attachment 2. She began by saying this process is the same that all federal agencies use.

She said the flow down of contracting authority begins with the Secretary of Energy (Attachment 2, page 2). The contracting officers in Oak Ridge are responsible for awarding, administering, and closing contracts. Contracting officers in Oak Ridge are called multi-program contracting officers because they support many programs in Oak Ridge such as EM, the Office of Science, national security, and nuclear fuels. They also provide support for the science programs at the Stanford Site Office in California, the Pacific Northwest Laboratory in Washington State, and the Thomas Jefferson Lab in Virginia.

Ms. Jackson reviewed the procurement rules and regulations (Attachment 2, page 3). She said the Federal Acquisition Regulations apply to all federal agencies. Additional procedures are used by DOE through the DOE Acquisition Regulations. From the DOE regulations is a DOE Acquisition Guide.

Ms. Jackson showed a chart of procurement authority (Attachment 2, page 4). The Oak Ridge Office can award contracts totaling no more than \$25 million. Higher amount contracts go to the head of the contracting entity for the Office of Science or EM (\$25 million to \$50 million) or to the Office of Acquisition and Project Management (greater than \$50 million).

Ms. Jackson said it would not be possible for the DOE missions in Oak Ridge to be accomplished without the participation of small businesses. She said DOE has a policy that provides opportunities to small businesses to the maximum extent possible (Attachment 2, page 5).

The steps in the procurement process are noted on page 6 of Attachment 2. Under indentifying requirements, the contracting office asks the program offices what their expected needs are for the next three years. The needs forecast is updated annually.

The steps for defining contract requirements are listed on page 8 of Attachment 2. Ms. Jackson explained that the draft acquisition plan is a strategy document that helps all involved, what the contract needs are, how services or products will be procured, the length of the contract period, and whether or not it is an open competition or if it can be set aside for small businesses.

Ms. Jackson said a number of methods are available to find qualified potential contractors (Attachment 2, page 9). Databases are available on contractors, the contract offices have histories on previous contractors, and potential contractors have opportunities to the present their capabilities to the contract offices, and so on. Acquisition planning addresses technical, business, management, other considerations (Attachment 2, page 10).

Ms. Jackson said the request for proposals (Attachment 2, page 11) includes the statement of work and the evaluation criteria. The evaluation criteria look at key personnel performance capabilities, corporate experience, and past performance. She said the source evaluation board would consider all the factors in selecting the contractor.

The elements in evaluating contractor proposals are listed on page 12 of Attachment 2.

In awarding contracts, Ms. Jackson said contracts are awarded on best value, not necessarily best price. Another method of awarding a contract is based on the lowest price, technically acceptable. She said based on all proposals from firms that are technically acceptable the lowest price proposal would be accepted.

Ms. Jackson reviewed the amounts of contracts awarded to small business over the last several years. In 2009, \$230 million in contracts were awarded to small businesses; \$274 million in 2010; \$49 million in 2011; \$95 million in 2012. In 2012 a small business conference was held locally and more than 750 people participated.

After Ms. Jackson's presentation a number of questions were asked. Following are abridged questions and answers.

Mr. McKinney – Do you have a percentage of how much is awarded to small businesses? Ms. Jackson – There is always a goal and this year's DOE-wide goal is 7 percent. Mr. McKinney – Do you do all of the procurement for UCOR's contract; are they allowed to do their own procurement? Ms. Jackson – UCOR has its own procurement authority, but at a certain dollar range they must come to us, and we monitor their procurement process.

Mr. Hatcher – How do you evaluate proposals? Do you have a numerical system of scoring them? Ms. Jackson – We have two basic systems. We have a numerical system and a color coding system.

Ms. Cook – Do you rely heavily on proposals from companies that come to the conferences or is that just one of the means of understanding who is out there that may fit the requirements of the contract? Ms. Jackson – That is one of the means that we use, but we don't have a list of companies that we send requests for proposals to. We post them on Fed Biz Op. Companies see them there and submit their proposals based on seeing the request for proposal. Ms. Cook – Do you know how

many women-owned contractors have DOE contracts? Ms. Jackson – I don't have that information right now, but I can get it.

Ms. Martin – With the small business participation, where do Native Americans and minorities fit in? Are they considered disadvantaged businesses? Ms. Jackson – That is correct.

Ms. Gawarecki – Do the small disadvantaged businesses used by the contractors count towards your efforts to meet Small Business Administration goals? Ms. Jackson – They do not. Ms. Gawarecki – Are you meeting your goals otherwise? Ms. Jackson - DOE complex-wide did not meet its goal last year of 10 percent. Locally, the EM Program did meet the small business goals. Actually it exceeded the goal.

Ms. Gawarecki – For your independent government estimates, are they prepared by DOE staff or do you call in a subcontractor who knows the type of business being procured? Ms. Jackson – The government estimate is always prepared by someone who really knows the work, whether it's a federal employee or someone we have contracted to perform that estimate. Ms. Cange – For EM in Oak Ridge some of our estimates are performed by a federal employee but most are prepared by one of our contractors to perform that function.

Ms. Gawarecki – Does DOE make any effort to influence the sub-contracting strategies of its contractors? Ms. Jackson – One of the things that we require of our contractors is that they have an approved purchasing system. There are companies we look to for different expertise, not only in environmental cleanup but in other areas as well, such as small business. There are clauses they must comply with in their contracts, but we don't tell them how they must procure to get their resources. As long as they are in compliance with their contracts we can't direct them in any particular area.

Committee Reports

Board Finance & Process – Mr. Valunas said a special meeting of the committee has been scheduled for Thursday, March 21 at 4:30 p.m. to consider a draft recommendation to DOE-ORO on its EM budget request for FY 2015.

EM – Mr. Hatcher reported the committee met on February 20 and approved the draft recommendation on Remaining Legacy Waste on the ORR (Attachment 3), which was discussed at this meeting (see Motion 3/13/13.2).

At the March 20 meeting the committee will hear a report on the strategy planning for the Molten Salt Reactor Experiment at ORNL. The committee will also discuss points it would like to hear on the April topic of uranium-233 disposition.

Public Outreach – Mr. McKinney said work continues by the committee on learning about stream postings around the reservation so the committee can publish a brochure about them.

Work also continues on updating the ORSSAB exhibit at the American Museum of Science and Energy.

Mr. McKinney said all slots have been filled by board members to staff the ORSSAB exhibit at the Earth Day celebration on April 27 at Bissell Park in Oak Ridge from 11 a.m. to 5 p.m.

Mr. Stout had invited a number of local political leaders to this meeting. While none was able to attend, Mr. McKinney said efforts will continue to invite community and governmental leaders to ORSSAB meetings.

Stewardship – Ms. Staley said the committee will consider three recommendations at its March 19 meeting. One is to re-state a previous recommendation to DOE on developing a site-transition fact sheet transferring remediated areas from EM to original landlords at ongoing mission sites.

The committee will consider a recommendation on a test site transfer for a parcel on the ORR. And the third recommendation is for a permanent DOE-ORO stewardship point of contact for ORSSAB and the Stewardship Committee.

Ms. Staley reminded the board that she is the board's representative on the Center for Oak Ridge Oral History. For the benefit of newer members she said the center is funded by a grant from DOE with matching support from the City of Oak Ridge. The center's committee on which she serves is an advisory committee of representatives of organizations that have a vested interest in Oak Ridge and its oral histories. The committee seeks individuals who have stories to tell about Oak Ridge before, during, and after the Manhattan Project.

She left cards that provided instructions on how to access current oral histories on the center's website. Transcribed oral history interviews are available at the Oak Ridge Public Library.

Executive – Mr. Martin reported that the committee reviewed the agenda for this meeting and heard preliminary committee reports at its February 28 meeting.

The spring EM SSAB Chairs' meeting will not be conducted on-site in Richland, Wash., as planned. Because of the federal government's sequestration, the meeting will be conducted as webinar on April 25.

Announcements and Other Board Business

ORSSAB will have its next meeting on Wednesday, April 10 at 6 p.m. at the DOE Information Center.

Mr. Craig and Ms. Price were introduced as new members to the board.

The minutes of the February 13, 2013, meeting were approved.

The board returned the Recommendation on Remaining Legacy Materials on the Oak Ridge Reservation (Attachment 3) to the EM Committee for revisions.

The board heard the second reading of a proposed amendment to the ORSSAB bylaws to revise the board's mission statement (Attachment 4). The board approved the revised mission statement.

The board heard the second reading of a proposed amendment to the ORSSAB bylaws regarding the addition of a vision statement (Attachment 5). During discussion of the amendment several revisions were suggested (Attachment 6). The board did not approve the original or revised version.

Federal Coordinator Report

Ms. Noe said headquarters had provided preliminary approval on the appointment of four new members. She said the full membership package was sent to headquarters recently for formal approval.

Additions to the Agenda

None.

Motions**3/13/13.1**

Mr. Hemelright moved to approve the minutes of the February 13, 2013 meeting. Mr. Martin seconded and the motion passed **unanimously**.

3/13/13.2

During discussion of the Recommendation on Remaining Legacy Waste on the ORR (Attachment 3) a number of revisions to wording were suggested. Mr. McKinney moved to table board discussion of the recommendation and send it back to committee for revision. Mr. Holmes seconded and the motion **passed** with 16 members voting 'yea' and 2 voting 'nay.'

3/13/13.3

After the second reading of the amendment to the ORSSAB mission statement (Attachment 4) Mr. Hemelright moved to approve the amendment. Mr. Stansfield seconded and motion **passed** with 17 members voting 'yea' and 1 abstention.

3/13/13.4

After the second reading of the proposed amendment of the ORSSAB bylaws (Attachment 5) a number of suggestions were made to revise the wording of the vision statement. Ms. Cook moved to table the discussion and send the vision statement back to board members via email and ask for suggested revisions. Mr. Hatcher second and the motion **failed** with 7 members voting 'yea' and 11 voting 'nay.'

3/13/13.5

Mr. Bell moved to approve the vision statement with the suggested revisions (Attachment 6). The motion **failed** with 11 members voting 'yea', 6 members voting 'nay' and 1 abstention (ORSSAB bylaws require a 2/3 majority of attending members (15) to approve amendments to the bylaws).

The meeting adjourned at 8:15 p.m.

Action Items

Open

1. Ms. Jackson will determine the number of woman-owned companies that have DOE contracts in Oak Ridge.

Attachments (6) to these minutes are available on request from the ORSSAB support office.

I certify that these minutes are an accurate account of the March 13, 2013, meeting of the Oak Ridge Site Specific Advisory Board.



David Martin, Chair April 11, 2013
Oak Ridge Site Specific Advisory Board
DM/rsg