



**OFFICE OF INSPECTOR GENERAL**

U.S. Department of Energy

# INSPECTION REPORT

DOE-OIG-23-03

November 2022

**ALLEGATIONS OF SAFETY CONCERNS  
AT THE NATIONAL NUCLEAR  
SECURITY ADMINISTRATION  
ALBUQUERQUE COMPLEX**



**Department of Energy**  
Washington, DC 20585

November 1, 2022

MEMORANDUM FOR THE ASSOCIATE ADMINISTRATOR FOR PARTNERSHIP AND  
ACQUISITION SERVICES ACQUISITION AND PROJECT  
MANAGEMENT, NATIONAL NUCLEAR SECURITY  
ADMINISTRATION

SUBJECT: Inspection Report on Allegations of Safety Concerns at the National Nuclear  
Security Administration Albuquerque Complex

The attached report discusses our review of nine allegations that Alutiiq Logistics & Maintenance Services, LLC failed to comply with contractual obligations regarding safety and health issues. This report contains seven recommendations that, if fully implemented, should help ensure that safety and health issues are mitigated. Management fully concurred with our recommendations.

We conducted this inspection from November 2021 through July 2022 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (December 2020). We appreciated the cooperation and assistance received during this inspection.

A handwritten signature in black ink, appearing to read "Anthony Cruz", written over a light-colored rectangular background.

Anthony Cruz  
Assistant Inspector General  
for Inspections, Intelligence Oversight,  
and Special Projects  
Office of Inspector General

cc: Deputy Secretary  
Chief of Staff



## Department of Energy Office of Inspector General

### Allegations of Safety Concerns at the National Nuclear Security Administration Albuquerque Complex (DOE-OIG-23-03)

#### WHY THE OIG PERFORMED THIS REVIEW

On October 26, 2021, the Department of Energy's Office of Inspector General received nine allegations that Alutiiq Logistics & Maintenance Services, LLC (ALMS) failed to comply with contractual obligations regarding safety and health issues for several years. Specifically, ALMS did not have safety or quality plans required by the contract; improperly used the system that tracks completed work; hired unqualified personnel; had a vacant key personnel position; had staff retention issues; did not correct noncompliances identified by the National Nuclear Security Administration (NNSA); and falsified vehicle and equipment inspection documents.

We initiated this inspection to determine the facts and circumstances regarding the alleged safety concerns at the NNSA Albuquerque Complex.

#### What Did the OIG Find?

We substantiated eight of the nine allegations that ALMS failed to comply with contractual obligations regarding safety and health issues. Specifically, we substantiated that ALMS: (1) did not have adequate emergency management plans; (2) did not have a compliant quality control plan; (3) did not know how to properly use the computerized maintenance management system program; (4) closed out work orders without completing required work; (5) did not hire qualified tradesmen; (6) did not have a safety manager; (7) had staff retention issues due to low wages; and (8) did not correct noncompliances found during the September 2020 NNSA Office of Worker Safety and Health Services site assist review. We did not substantiate the allegation that (9) ALMS was not completing forklift inspections and was falsifying inspection documents. Also, we found that the ALMS Contractor Performance Assessment Report rating was inconsistent with our findings and not completed in the required 120-day timeframe.

These issues occurred because ALMS did not effectively manage its contract with NNSA. Specifically, ALMS hired unqualified personnel, including managers; did not fill vacant positions; and had ineffective support from Alutiiq, LLC corporate. Additionally, NNSA did not always hold ALMS accountable for meeting contract requirements.

#### What Is the Impact?

There are potential safety and health risks to ALMS employees and Department personnel if the facilities and infrastructure are not maintained or operated effectively and efficiently.

#### What Is the Path Forward?

To address the issues identified in this report, we have made seven recommendations that, if fully implemented, should help ensure that safety and health issues are mitigated.

## BACKGROUND

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The Department of Energy National Nuclear Security Administration (NNSA) awarded Alutiiq Logistics & Maintenance Services, LLC (ALMS) a firm-fixed-price<sup>1</sup> indefinite delivery, indefinite quantity<sup>2</sup> contract valued at \$50,000,000, beginning in February 2020, to provide facility maintenance and support services at the Albuquerque Complex located in Albuquerque, New Mexico. The Albuquerque Complex is approximately 327,631 square feet and includes facilities that are 60 years old. ALMS services were required to ensure that the facilities and the infrastructure were maintained and operated effectively and efficiently including, but not limited to, electrical; heating, ventilation, and air conditioning (HVAC); plumbing; fire protection systems; grounds maintenance; janitorial; and vehicle support.

The contract requires ALMS to comply with all applicable Federal, state, and local environment, safety, and health regulations and standards, in addition to specific Department directives and reporting requirements, as identified under each individual task order. The Contracting Officer Representative and Alternate Contracting Officer Representative are responsible for monitoring and managing the Albuquerque Complex performance work statement (PWS) requirements. The NNSA Sandia Field Office Complex Management Team (CMT) oversees facility maintenance conducted by ALMS from a technical aspect in conjunction with the Contracting Officer Representative who monitors daily activities. The NNSA Field Services Acquisition Branch (Contracting) administers the contract.

On October 26, 2021, the Department's Office of Inspector General received nine allegations that ALMS failed to comply with contractual obligations regarding safety and health issues for several years. Specifically, the complainant's allegations included that ALMS: (1) did not have adequate emergency management plans; (2) did not have a compliant quality control plan (QCP); (3) did not know how to properly use the computerized maintenance management system (CMMS) program; (4) closed out work orders without completing the required work; (5) did not always have qualified tradesmen in accordance with contract requirements; (6) did not have a safety manager; (7) had staff retention issues due to low wages; (8) did not correct noncompliances found during the September 2020 NNSA Office of Worker Safety and Health Services site assist review; and (9) was not completing forklift inspections and was falsifying inspection documents. We initiated this inspection to determine the facts and circumstances regarding the alleged safety concerns at the NNSA Albuquerque Complex.

## INADEQUATE EMERGENCY MANAGEMENT PLANS

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We substantiated the allegation that ALMS emergency management plans were inadequate. The contract required that ALMS have a worker safety and health program, site-specific safety plan, fire protection program, comprehensive industrial hygiene program, motor vehicle safety

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<sup>1</sup> According to Federal Acquisition Regulation 16.202, *Firm-Fixed-Price Contracts*, a firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss.

<sup>2</sup> Indefinite delivery, indefinite quantity contracts provide for an indefinite quantity of services for a fixed time. The Government places task orders for services against the contract for individual requirements.

program, comprehensive electrical safety program, comprehensive control of hazardous energy program (lockout/tagout<sup>3</sup>), comprehensive fall protection program, pressure vessel and pressure safety program, comprehensive confined space entry program, electrical maintenance program, and environmental safety and health program. Some of these written plans were non-existent at the start of the contract. In May 2021, after months of discussion with CMT, ALMS submitted plans for all but the industrial hygiene program. We reviewed ALMS written plans and procedures and found that several were not compliant with contract requirements and all applicable safety and health requirements, including Department directives. It is important to note that while the contract requires written plans and procedures, implementation through daily activities must also be compliant with contract requirements and all applicable safety and health requirements.

### **Noncompliant Worker Safety and Health Program and Site-Specific Safety Plan**

We determined that the ALMS worker safety and health program was not compliant with Title 10 Code of Federal Regulations (CFR) § 851, *Worker Safety and Health Program*. Title 10 CFR § 851 establishes requirements for a worker safety and health program that reduces or prevents occupational injuries, illnesses, and accidental losses by providing Department contractors and its workers with safe and healthful workplaces at Department sites. Title 10 CFR § 851 Appendix A also includes mandatory requirements for implementing applicable functional areas, such as fire protection, industrial hygiene, motor vehicle safety, and electrical safety. We found that the ALMS worker safety and health program did not fully comply with Title 10 CFR § 851. For example, the worker safety and health program did not have procedures requiring an initial baseline hazard assessment to identify existing and potential workplace hazards and assess the risk of associated worker injury and illness, in accordance with 10 CFR § 851.21(a)-(c). We confirmed that ALMS did not conduct an initial baseline hazard assessment. Additionally, we found that ALMS programs and procedures were not compliant with the mandatory requirements for implementing functional areas such as the programs discussed in this report, in accordance with 10 CFR § 851 Appendix A. Nonetheless, the ALMS worker safety and health program was approved by the Sandia Field Office Manager in March 2020.

We also determined that the ALMS site-specific safety plan was not compliant with Title 10 CFR § 851, as required by the contract. The purpose of the site-specific safety plan is to provide a safe work environment for Federal and contractor personnel and the general public and to provide for the protection of Government facilities and property. According to ALMS, the worker safety and health program also serves as its site-specific safety plan. Therefore, the noncompliance issues in the worker safety and health program convey to the site-specific safety plan.

### **Noncompliant Fire Protection Program**

We determined that the ALMS fire prevention and protection procedure was not compliant with Title 10 CFR § 851 Appendix A(2); Department Order 440.1B, *Worker Protection Program for*

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<sup>3</sup> Lockout/tagout refers to the placement of a lockout or tagout device on an energy isolating device, in accordance with an established procedure, ensuring that the energy isolating device and the equipment being controlled cannot be operated until the lockout or tagout device is removed.

*DOE Federal Employees*; National Fire Protection Association Code 1, *Fire Code*; and National Fire Protection Association Code 101, *Life Safety Code*. Title 10 CFR § 851 Appendix A(2) and Department Order 440.1B require that a contractor's fire protection program meet applicable National Fire Protection Association codes and standards. The PWS identifies National Fire Protection Association Codes 1 and 101 as applicable to the fire protection program; however, we found that the ALMS fire prevention and protection procedure did not incorporate either code. Specifically, the ALMS procedure did not incorporate most recordkeeping requirements, as required by National Fire Protection Association Code 1, Section 10.2.6. Additionally, the ALMS procedure did not identify egress features to cover emergency exit routes, as required by Title 10 CFR § 851 Appendix A(2)(a) and Department Order 440.1B. According to a CMT official, the ALMS fire protection program is inadequate.

### **Non-Existent Industrial Hygiene Program**

We determined that ALMS did not have an industrial hygiene program, as required by the contract and Title 10 CFR § 851 Appendix A(6). A CMT official told us that ALMS completed an industrial hygiene survey, which is the first step to implementing a program; however, an ALMS official confirmed that ALMS does not have a written program. A September 2020 review conducted by the NNSA Office of Worker Safety and Health Services highlighted the need for ALMS to develop and implement a comprehensive industrial hygiene program; however, as of February 2022, this program has not been developed.

### **Noncompliant Motor Vehicle Safety Program**

We determined that the ALMS motor vehicle safety program was not compliant with Title 10 CFR § 851 Appendix A(9). Specifically, we reviewed the ALMS *Health, Safety, Environmental, and Training Manual* and found that it did not identify requirements for wearing seat belts, conducting vehicle maintenance or inspection, uniform traffic and pedestrian control devices or road signs, on-site speed limits or other traffic rules, awareness campaigns or incentive programs to encourage safe driving, and enforcement provisions, as required by Title 10 CFR § 851.

### **Noncompliant Electrical Safety Program**

We determined that the ALMS electrical safety program was not compliant with National Fire Protection Association Standard 70, *National Electrical Code*, and 70E, *Electrical Safety in the Workplace*, as required by Title 10 CFR § 851 Appendix A(10). Specifically, we reviewed the ALMS *Health, Safety, Environmental, and Training Manual* and found that it did not contain procedures to ensure adherence to National Fire Protection Association Standard 70. Additionally, it did not include elements to verify that modified equipment and systems have been inspected, risk assessment procedures have been used before work is started addressing potential for human error, or electrical incidents have been investigated, as required by National Fire Protection Association Standard 70E.

### **Noncompliant Control of Hazardous Energy Program (Lockout Tagout)**

We determined that ALMS lockout tagout procedures were not compliant with Title 29 CFR § 1910.147, *The Control of Hazardous Energy (Lockout/Tagout)*. Specifically, we reviewed ALMS lockout and tagout procedures and found that they did not include requirements for annual inspection and certification, training employees, steps to isolate machinery or equipment, ensuring stored energy is rendered safe, and ensuring safe release from lockout or tagout, as required by Title 29 CFR § 1910.147. In addition, a CMT official explained to us that lockout tagout procedures should be machine-specific because the hazards differ depending on the type of machine and isolation devices. For example, a boiler has different hazards than an HVAC system; however, ALMS does not have machine-specific procedures. Finally, the September 2020 review conducted by the NNSA Office of Worker Safety and Health Services identified serious program deficiencies and stated that a more formal lockout tagout program needed to be developed prior to entering the new building; however, as of February 2022, this has not been developed.

### **Noncompliant Fall Protection Program**

We determined that the ALMS fall prevention and protection program was not compliant with standards pursuant to the American National Standards Institute/American Society of Safety Engineers Z359.2-2017, *Minimum Requirements for a Comprehensive Managed Fall Protection Program*. In April 2021, CMT conducted an audit of the ALMS program and found several inadequacies. For example, the written program did not reflect actual practices at the Albuquerque Complex. Additionally, rescue procedures in the plan lacked sufficient, site-specific detail. ALMS responded to the CMT audit by providing revised procedures in May 2021. We reviewed the revised procedures and found that ALMS made improvements, but noncompliance issues remain. Specifically, the fall hazard survey did not identify, among other things, each potential fall hazard; one or more methods to eliminate, prevent exposure to, or control each identified fall hazard; and pertinent information such as the type of fall hazard, basic configuration of the hazard (graphics, drawings, pictures), exposure rating (high, medium, low), and suggested corrective solutions, as required by American National Standards Institute/American Society of Safety Engineers Z359.2-2017.

### **Noncompliant Pressure Vessel and Pressure System Safety Program**

The ALMS pressure vessel and pressure system safety program was not compliant with Department Order 440.1B. Specifically, a March 2022 CMT audit found that the ALMS pressure vessel and pressure system safety program did not cover all pressure vessels at the Albuquerque Complex; was not operated by trained and qualified personnel; did not demonstrate that all components of pressure systems have been properly maintained; and had not established quality control requirements, as required by Department Order 440.1B.

### **Noncompliant Comprehensive Confined Space Entry Program**

We determined that the ALMS confined space entry program was not compliant with Title 29 CFR § 1910.146, *Permit-required Confined Spaces*. Title 29 CFR § 1910.146(c)-(d) contains

requirements for practices and procedures to protect employees in general industry from the hazards of entry into permit-required confined spaces, such as manholes. We found that the ALMS confined space entry program did not include certain aspects required by Title 29 CFR § 1910.146, such as procedures for summoning rescue and emergency services and closing off the permit space after work has concluded.

Further, we substantiated the allegation that ALMS did not have a proper confined space inventory. Title 29 CFR § 1910.146(c)(1) requires the employer to evaluate the workplace to determine if any spaces are permit-required confined spaces. We determined that ALMS accomplished this through the completion of a confined space inventory. According to a CMT official, ALMS was required to establish its confined space inventory at the start of the contract, which was in February 2020; however, ALMS did not submit its confined space inventory to CMT until May 2021. Due to inadequacies with the May 2021 confined space inventory, CMT conducted a review and provided feedback to ALMS. ALMS adequately responded to this feedback, providing evidence that it properly labeled all confined spaces. We found that ALMS made efforts to ensure that its confined space inventory was compliant with Title 29 CFR § 1910.146.

### **Noncompliant Electrical Maintenance Program**

We determined that the ALMS electrical maintenance program was not compliant with National Fire Protection Association Standard 70B, *Recommended Practice for Electrical Equipment Maintenance*. In June 2021, CMT sent a letter to the Contracting Officer requesting a cure notice<sup>4</sup> be issued to ALMS, due to its noncompliance with contract requirements, to have an effective electrical maintenance program. A Contracting Officer informed us that after a discussion with CMT, CMT declined to pursue the cure notice and attempted to work through the noncompliant plans with ALMS. The Contracting Officer requested supporting documentation, which CMT provided in July and September 2021. In December 2021, ALMS submitted a revised electrical maintenance program; however, CMT determined it was not compliant. On December 21, 2021, the Contracting Officer issued a corrective action notice to ALMS stating that the program was incomplete and requested a formal response in the form of a written corrective action plan. We spoke with the Contracting Officer on January 20, 2022, who informed us that ALMS had completed the requirement; however, a CMT official stated that the ALMS revised electrical maintenance program remains noncompliant with National Fire Protection Association Standard 70B. Specifically, the program does not identify qualified personnel and does not have an inventory of equipment.

### **Compliant Environmental Safety and Health Program**

We determined that ALMS' *Health, Safety, Environmental, and Training Manual* was compliant with Title 29 CFR § 1904, *Recording and Reporting Occupational Injuries and Illnesses*. Title 29 CFR § 1904 requires employers to record and report work-related fatalities, injuries, and

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<sup>4</sup> A cure notice is issued by the Government to inform the contractor that the Government considers the contractor's failure a condition that is endangering performance of the contract. The cure notice specifies a period (typically 10 days) for the contractor to remedy the condition. If the condition is not corrected within this period, the cure notice states that the contractor may face the termination of its contract for default.



illnesses. We found that the ALMS *Health, Safety, Environmental, and Training Manual* provides procedures for accident, incident, and injury reporting and investigation.

## **Contributing Factors**

Emergency management plans were not compliant due to ALMS lacking a qualified safety manager; lacking an adequate QCP; Alutiiq, LLC corporate support being ineffective; and NNSA not always holding ALMS accountable for meeting contract requirements. It is the safety manager's responsibility to ensure that safety plans, procedures, and programs are developed and implemented. As discussed in the Unqualified Positions and Essential Safety Manager Position Vacant sections, we determined that the ALMS former Safety Manager did not meet the qualifications for the position, which was subsequently vacant from September 2021 to April 2022. In addition, an adequate QCP would ensure contract requirements are provided, including emergency management plans. The purpose of a QCP is to ensure that products and services meet or exceed customers' requirements and expectations; however, we found that the ALMS QCP was not compliant, as discussed in the Noncompliant QCP section. Further, the NNSA Office of Worker Safety and Health Services found that Alutiiq, LLC corporate support to implementing a safety management system was ineffective. For example, corporate entities should provide materials in helping ALMS meet the contract PWS; however, corporate documents did not offer a set of programs including clear roles and responsibilities, define work practices that workers can apply, systems for meeting the training and documentation needs, and clear work planning and control processes. Finally, Contracting and CMT held weekly meetings with ALMS in January 2021 to discuss the inadequacies with the emergency management plans; however, Contracting did not issue a corrective action notice to ALMS until December 2021 due to continued noncompliance issues with ALMS. Also, as discussed in the Inaccurate Contractor Performance Assessment Report (CPAR) Rating section, past performance issues were not factored into CPAR ratings.

## **NONCOMPLIANT QCP**

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We substantiated the allegation that ALMS did not have a compliant QCP. While the original QCP was considered approved due to the Department's lack of approval or rejection, CMT deemed the subsequently revised version of the QCP as noncompliant with Department Order 414.1D, *Quality Assurance*.

ALMS submitted its original QCP to the Contracting Officer Representative on February 26, 2020, in accordance with contract requirements. Department Order 414.1D states that the contractor must regard the QCP as approved by the Department 90 calendar days after receipt, unless approved or rejected at an earlier date. CMT did not provide feedback to ALMS regarding its QCP until August 2021, exceeding the 90-day window; therefore, the original QCP was deemed approved. Based on CMT's feedback, ALMS submitted a revised QCP in October 2021, restarting the 90-day clock. As of April 2022, CMT has provided feedback in a timely manner to ALMS, and while ALMS has made progress, the QCP remains out of compliance with approximately 17 percent of the requirements in Department Order 414.1D. For example, the QCP lacks quality requirements for subcontractors, a list of positions with a qualification and credentialing plan, and a records management program. According to a CMT official, the

Government has been performing the quality control work that ALMS should perform on its own because ALMS did not have a compliant QCP.

The QCP was not compliant due to the lack of a certified quality manager. It is the quality manager's responsibility to implement an effective QCP; however, as discussed in the Unqualified Positions section, we found that ALMS did not have a certified quality manager.

## **COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM**

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We substantiated the allegation that ALMS did not know how to properly use the CMMS. Specifically, the contract requires ALMS to be proficient in all necessary aspects of the CMMS. While ALMS demonstrated proficiency in utilizing the CMMS to enter work orders, add comments, put a work order in a delay state, and close out a work order, we found that ALMS was not using the parts module function in the CMMS.

We determined that the parts module is a necessary aspect of the CMMS. We met with a subject matter expert on the CMMS who provided a walkthrough of the system and explained that the parts module feature allows the system user to associate a part with a work order. An ALMS official told us that a work order will be closed out if parts required to complete the task take a long time to arrive. This practice makes it appear that ALMS is completing work orders on time, in accordance with the PWS performance metrics discussed in the Work Orders Closed Without Completing the Work section; however, the work may never be completed because there is no mechanism to associate the ordered part with the work order. To ensure that the work is completed after the part arrives, ALMS should utilize the parts module in the CMMS.

ALMS did not know how to use the parts module of the CMMS due to a lack of training and qualified personnel. The contract required ALMS to be proficient in all necessary aspects of the CMMS; however, we found that ALMS personnel did not know how to use the parts module feature. We spoke with a subject matter expert on the CMMS who provides training and learned that ALMS was presented with the opportunity to learn how to utilize the parts module and declined. Additionally, several of the positions responsible for operation and use of the CMMS lacked qualified individuals due to position vacancies, as discussed in the Staffing and Retention Concerns section.

## **WORK ORDERS CLOSED WITHOUT COMPLETING WORK**

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We substantiated the allegation that ALMS closed out work orders without completing the work required. The contract states that work orders shall be received, processed, and corrective actions executed in a manner that prevents damage to Government and private property, restores system operation, corrects safety and security deficiencies, and adequately supports the mission; however, CMT officials provided a report detailing work orders that were closed without the work being completed from May 2021 through November 2021. In January 2022, we conducted physical observations with CMT officials of 11 work orders from CMT's report and verified that 6 (55 percent) were closed even though the work was incomplete. For example, we observed an emergency light that was inoperable, but the work order to repair it had been closed in the CMMS. Also, we viewed an HVAC unit with hail damage to the fins even though the work

order to comb the unit was closed out. Combing to straighten and remove debris from the fins repairs hail damage, ensures proper air flow, and allows heat to disperse through the unit.

ALMS closed out work orders without completing the work required due to unqualified personnel and an inadequate QCP. It is the responsibility of the quality manager and the facility manager to ensure that work is completed before work orders are closed out; however, as discussed in the Unqualified Positions section, we found that ALMS did not have a certified quality manager or a qualified facility manager. Additionally, an adequate QCP would have implemented corrective actions to ensure that work orders were completed.

Further, work orders were not completed within the allotted timeframes established by the PWS. The PWS categorizes work orders as emergency, urgent, or routine. If supplies, materials, and parts are available, emergency work orders shall receive immediate attention and be accomplished within 24 hours; urgent work orders shall be completed as soon as possible but no later than 5 working days; and routine calls shall be worked as soon as possible but no later than 15 calendar days or per agreed upon schedule. CMT found that emergency, urgent, and routine work orders were not completed within these timeframes. We also found that from January 2021 through March 2021 at least 40 percent of work orders were completed outside of the timeframes established by the PWS.

ALMS did not complete work orders within the allotted timeframes established by the PWS due to low staffing and vacant positions, as discussed in the Staffing and Retention Concerns section. An ALMS official told us that work orders were not completed in the allotted time due to employee turnover. For example, ALMS' electrician resigned in October 2021. While the position was vacant, ALMS used subcontractors to cover electrical work; however, the procurement process to get a subcontract in place takes time, resulting in work orders not being completed in the allotted timeframes established by the PWS.

## **UNQUALIFIED POSITIONS**

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We substantiated the allegation that ALMS did not hire qualified tradesmen in accordance with contract requirements, which included a pipefitter, HVAC technician, quality manager, and safety manager. The original PWS stated that ALMS should ensure all appropriate licenses and certifications are current and valid. The revised September 2021 PWS clarified that all trades (i.e., pipefitters, electricians, HVAC technicians, and locksmiths) shall have their applicable state, Federal, and local licenses and certifications and that ALMS shall strictly adhere to the state of New Mexico regulations. The revised PWS also established qualification and certification requirements for the quality manager position. Further, the original ALMS contract established qualification and certification requirements for the safety manager position. These requirements consist of a bachelor's degree, experience, and professional certifications.

However, the Pipefitter, HVAC Technician, Quality Manager, and Safety Manager did not meet requirements in accordance with the contract and applicable PWS. The Pipefitter and HVAC Technician did not possess the required State of New Mexico certifications. Also, the Quality Manager and Safety Manager did not meet certain aspects of their positions' qualification and certification requirements. For example, the Quality Control Inspector selected for the quality

manager position did not have the American Society for Quality's Certified Manager of Quality/Organizational Excellence designation or equivalent. Additionally, the Safety Manager was granted a waiver of qualifications under the condition that the Safety Manager obtained a safety professional certification within the first year of contract performance; however, the certification was not obtained until one and a half months after the waiver expired. As of February 2022, only the HVAC Technician and the Quality Control Inspector remain as ALMS employees. In addition, the ALMS Project Manager and NNSA Contracting Officer informed us that ALMS subcontracts with vendors for work requiring HVAC certification until a certified HVAC technician is hired. Also, the NNSA Contracting Officer told us that the employee selected for the quality manager position will remain as the Quality Control Inspector, which does not require certification.

We also found that ALMS position description requirements and job posting for the electrician position were not compliant with the contract or State of New Mexico certification requirements. Specifically, our review of the position description and a January 2022 job posting on the Alutiiq website did not require an electrical license. Rather, both the position description and job posting stated that a master electrical license was preferred, and a journeyman would be considered with 5 years of comparable experience. We informed the ALMS Project Manager of the noncompliance in January 2022, who stated that it appeared to be an error on ALMS' part because certification is required. In March 2022, ALMS updated the electrician job posting to include the proper requirements.

ALMS had difficulty filling vacant positions with qualified personnel due to low wages, as discussed in the Staffing and Retention Concerns section. Additionally, some positions had highly specialized qualifications, limiting the pool of potential candidates.

## **ESSENTIAL SAFETY MANAGER POSITION VACANT**

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We substantiated the allegation that ALMS did not have a safety manager. The safety manager position was identified in the contract as one of the key personnel positions considered essential to the work being performed. As of September 8, 2021, the individual that served in the safety manager position was no longer employed with ALMS and the safety manager position became vacant. The ALMS Project Manager informed us that ALMS covered the safety responsibilities to fill the gap caused by the safety manager vacancy; however, CMT officials questioned the ALMS Project Manager's workload capacity to perform the responsibilities of the vacant safety manager and facility manager positions. Additionally, Contracting and CMT officials explained that the Project Manager did not have the safety certification required for the safety manager position. To its credit, ALMS temporarily hired a Safety Manager in April 2022 through a subcontract, approximately 7 months after the position became vacant.

The complainant also noted that ALMS used a CMT safety official to fill the gap caused by not having its own safety manager. We found that CMT personnel had to step in to perform additional responsibilities due to the lack of a qualified safety manager. The ALMS contract states that "the Government shall not exercise any supervision or control over Contractor employees performing services under this contract." However, a CMT official told us that while CMT personnel do not perform maintenance work for ALMS, CMT personnel perform

management-type work. For example, CMT conducted an audit of the ALMS fall protection program and provided the results to ALMS to achieve compliance with the PWS. According to a CMT official, this is a task that should be performed by the ALMS safety manager. Because CMT has had to conduct reviews of ALMS procedures, there is potential that CMT is conducting oversight of its own work. In addition, the CMT official expressed concern about the additional efforts brought upon CMT personnel due to the ALMS safety manager vacancy and issues regarding the quality of the work performed by ALMS. For example, CMT personnel performed a confined space inventory due to an inadequate inventory submitted by ALMS and identified 34 confined spaces that were improperly labeled.

## **STAFFING AND RETENTION CONCERNS**

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We substantiated the allegation that ALMS had staff retention issues due to low wages. Although ALMS was paying its employees the minimum wages required by the contract, we found a significant amount of turnover from March 2020 through January 2022. Per an ALMS official, this was due to low wages. Additionally, Contracting Officials told us that it was also due to COVID-19, the revised PWS position qualifications limiting the pool of applicable candidates, and low morale.

The contract states that ALMS shall comply with the requirements of the *U.S. Department of Labor Service Contract Act Wage Determinations*, which establishes minimum wages for specific positions. We reviewed the wages paid to ALMS personnel from May 2021 through February 2022 and found that ALMS was compliant with the wage determinations. Nonetheless, we found that 14 out of 40 individuals (35 percent) employed with ALMS at the Albuquerque Complex in March 2020 were no longer with ALMS as of January 2022.

According to an ALMS official, the turnover was due to employees not being paid enough, as the *U.S. Department of Labor Service Contract Act* wages are lower than union wages. As such, ALMS submitted a request to Contracting in October 2021 for an equitable adjustment to increase wages. In response, Contracting approved the wage increases verbally and in writing; however, we were told that the ALMS corporate office would not allow for the wage increase until a contract modification was issued. Therefore, in December 2021, Contracting issued a letter authorizing ALMS to proceed with hiring certain positions at higher wages while the request for equitable adjustment was negotiated. As of March 2022, the request for equitable adjustment was not issued; however, ALMS officials stated that they began hiring at the increased wages and increased current employee wages as well. Since increasing wages, ALMS has hired several new employees, including a Plumber, Electrician, Safety/Quality Assurance Specialist, and Facility Manager. Additionally, an ALMS official told us that ALMS will implement an employee recognition program in April 2022 to foster retention and ensure employees feel valued.

Contracting Officials told us that the inability to hire personnel was due to several factors, including COVID-19, the revised PWS position qualifications limiting the pool of applicable candidates, and low morale; however, we found that ALMS staffing issues preceded COVID-19. We were provided with correspondence dating back to 2017 between the Contracting Officer and



the Contracting Officer Representative discussing staffing issues with Alutiiq Pacific, LLC<sup>5</sup> (the prior contractor to ALMS), which occurred before COVID-19. In 2018, the Contracting Officer stated that the staffing issues may be a case for not exercising the option year on the prior contract. Conversely, the option year was exercised. Further, a CMT official found that the pool of candidates for the safety manager position was not low after conducting a search of a recruiting website and the Board of Certified Safety Professionals website. Nonetheless, CMT rejected a safety manager candidate in April 2022 because the candidate lacked a bachelor’s degree and certification. ALMS documented difficulty finding qualified individuals for other positions, such as an HVAC technician, facility manager, and electrician.

Finally, we found that several positions have been vacant at some point throughout the ALMS contract. While ALMS utilized subcontracts with vendors for services to fill the gaps of these vacant positions, it is CMT’s position that the Government did not receive the services ALMS was contracted to provide. The Government paid ALMS approximately \$1,111,479 for those vacant positions, representing 21 percent of the total labor cost. To illustrate, we have included a table detailing what positions were vacant, how long they were vacant, and how much the Government paid ALMS for the vacant position.

<b>Position Title</b>	<b>Time Vacant (in months)</b>	<b>Cost of Vacancy</b>
Carpenter	2.3	\$10,902
Customer Service Specialist**	5.7	\$17,586
Electrician*	25.7	\$153,176
Facility Manager	5.5	\$54,844
General Maintenance Worker*	91.9	\$406,649
HVAC Technician*	26.9	\$152,850
Mailroom Clerk*	37.5	\$154,501
Pipefitter	1.4	\$8,552
Quality Manager/Lead**	17.2	\$93,961
Safety Manager**	7.6	\$58,458
<b>Total</b>		<b>\$1,111,479</b>
<p>*More than one full-time equivalent position was proposed for the contract. The time vacant and cost of vacancy includes the aggregate of all full-time equivalents proposed for each position.  **Less than one full-time equivalent position was proposed for the contract. The time vacant and cost of vacancy represent the percentage of time worked at the Albuquerque Complex only.</p>		

## **SITE ASSIST ISSUES REMAIN NONCOMPLIANT**

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We substantiated the allegation that half the items found to be in noncompliance during the September 2020 NNSA Office of Worker Safety and Health Services site assist remain in noncompliance as of February 2022. CMT requested the site assist in July 2020 after an

<sup>5</sup> Alutiiq Pacific, LLC was a wholly owned subsidiary of Afognak Native Corporation. ALMS is a subsidiary of Alutiiq, LLC, which is a wholly owned subsidiary of Afognak Native Corporation.

investigation into a water leak found that ALMS did not have a fire protection program. The reason CMT requested the site assist was that the Safety Manager did not have the capabilities to employ certain programs. We reviewed the site assist report and determined that 32 of the 39 (82 percent) noncompliance issues in the form of report findings, suggestions, and informal recommendations had not been corrected. For example, the report identified that ALMS did not have comprehensive written programs and records management procedures for sustained work planning and safe work practices. As discussed in the Inadequate Emergency Management Plans section, we found that ALMS continued to have noncompliant written programs and procedures. We determined that ALMS was not required to formally respond to the site assist report. According to an NNSA official, this was an informal review without formal recommendations provided to CMT; however, the Contracting Officer was responsible for holding ALMS accountable. The Contracting Officer, Contracting Officer Representative, and CMT worked with ALMS to develop emergency management plans, but the remainder of the findings from the report were not shared with ALMS.

Noncompliance issues from the NNSA Office of Worker Safety and Health Services site assist report remain uncorrected due to the lack of communication between Contracting, the Contracting Officer Representative, and ALMS. According to an NNSA Office of Worker Safety and Health Services official, it was the Contracting Officer's responsibility to hold ALMS accountable for the report findings; however, an ALMS official told us that the findings from the report were not shared with ALMS, except for the findings regarding the development of emergency management plans. Additionally, noncompliant emergency management plans remain due to the lack of a qualified safety manager, as discussed in this report.

## **FORKLIFT INSPECTIONS COMPLETED AND CHECKLISTS NOT FALSIFIED**

We did not substantiate the allegation that ALMS was not completing forklift inspections or that it was falsifying inspection checklists. Title 10 CFR § 851 requires contractors to implement a motor vehicle safety program to protect the safety and health of all drivers and passengers in powered industrial equipment, including forklifts. The motor vehicle safety program must address requirements for maintenance and inspection, as required by Title 10 CFR § 851 Appendix A(9)(c)(4). Additionally, the ALMS *Health, Safety, Environmental, and Training Manual* states that forklift operators shall perform a pre-operational inspection at the start of every shift or prior to operating a forklift for the first time during a shift.

In July 2021, the Contracting Officer questioned the integrity of ALMS forklift inspection checklists, as they appeared to be falsified. We noted that the forklift inspection checklists appeared to have prepopulated results and signatures. ALMS conducted an internal investigation into the matter and found that the warehouse specialists were conducting forklift inspections; however, they did not complete the checklist correctly or at the time indicated on the checklist. We corroborated this by interviewing the warehouse specialists who asserted that they completed the checklists even though they photocopied a prior completed form. Following the investigation, ALMS implemented changes to ensure that forklift checklists were completed correctly, such as requiring the supervisor to sign off on the checklist, while the project or safety manager examines the checklists. We verified that ALMS implemented these changes by reviewing current forklift inspection checklists from January 2022. We determined that the

forms were no longer photocopied from prior checklists and that they contained a supervisor's signature.

## **INACCURATE CPAR RATING**

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We determined that the ALMS CPAR rating for the February 2020 through January 2021 period of performance was inconsistent with the findings of our inspection. Federal Acquisition Regulation 42.1501(a), *Contractor Performance Information*, requires that contractor performance information be collected and used in source selection evaluations. According to contractor performance assessment reporting system guidance, it is important for the information to include current, accurate, and complete statements about the contractor's performance; however, based on the findings of our inspection, we concluded that NNSA did not always include current and accurate statements about ALMS performance.

Additionally, we found that NNSA did not complete the ALMS CPAR ratings for contract years ending in 2021 and 2022 in the required 120-day timeframe. Untimely performance ratings can lead to inaccurate or non-credible ratings, as discussed in Office of Inspector General Inspection Report, *Allegation Regarding Contractor Performance Assessment Alteration* (DOE-OIG-22-01, October 2021).

Further, past performance issues were not factored into the CPAR ratings. As discussed in the Staffing and Retention Concerns section, some of ALMS performance issues span back to the prior contract with Alutiiq Pacific, LLC, which began in November 2014. These issues were consistently documented in Alutiiq Pacific, LLC's CPAR rating narrative for the periods of performance from November 2017 through February 2020; however, the issues did not affect the CPAR ratings, even though the Contracting Officer stated that the issues would ultimately lead to poor performance reviews, affecting Alutiiq Pacific, LLC's ability to compete in the upcoming contract award. The ALMS contract was competitively bid and while ALMS did not have the highest rating, it had the lowest price; therefore, it won the award.

## **IMPACT**

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ALMS has a duty to fulfill contract requirements and ensure that facilities and infrastructure are maintained and operated effectively and efficiently. There are potential safety and health risks to ALMS employees and Department personnel if the issues identified in this report are not resolved. Additionally, the Albuquerque Complex moved into a new 333,324 square foot, state-of-the-art facility in July 2022 where ALMS will continue facility maintenance and support services. CMT officials have expressed concerns over ALMS' ability to meet contract requirements at the new building, which will have more complicated systems that its personnel is not trained to use. Further, safety plans and site-specific plans need to be completed for ALMS to be compliant. During the transition period, ALMS personnel will conduct maintenance at both the old Albuquerque Complex and the new building. If ALMS is unable to fill vacant positions, it will be difficult for ALMS to accomplish the work at the Albuquerque Complex and new building. Finally, NNSA is paying ALMS to perform work according to the contract. It would be prudent for Contracting to determine the cost impact of the noncompliance issues identified in this report.



## **RECOMMENDATIONS**

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We recommend that the NNSA Associate Administrator for Partnership and Acquisition Services direct the ALMS Contracting Officer to:

1. Ensure that ALMS emergency management plans and QCPs are compliant with all contract requirements and all applicable safety and health requirements, to include Department directives;
2. Ensure that ALMS employees are proficient on all necessary aspects of the CMMS, work orders are not closed until the work is completed, and work orders are completed in the timeframes established by the contract;
3. Ensure that all ALMS employees are qualified and/or certified for the positions held;
4. Ensure that ALMS fills vacant positions necessary to fulfill contract requirements;
5. Provide the findings from the NNSA Office of Worker Safety and Health Services site assist report to ALMS and ensure that ALMS corrects the noncompliance issues;
6. Ensure that the past due CPAR for the February 2021 through January 2022 period of performance is completed and accurately reflects ALMS performance; and
7. Determine the cost impact of the contract's noncompliance issues identified in this report, including the cost of vacant positions totaling approximately \$1,111,479, and whether ALMS is in default of its contract.

## **MANAGEMENT RESPONSE**

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Management fully concurred with our findings and recommendations and agreed to take action to address our recommendations by September 30, 2023. According to NNSA, it will continue to work with the contractor to ensure that contract requirements and performance expectations are clearly communicated and met. In addition, NNSA stated that if the Contracting Officer, in consultation with CMT, determines that the scope is not being accomplished in accordance with contract requirements, the Government will seek decrements via the monthly invoice in the amount of firm-fixed-price labor hours allotted for each labor position for the period that the positions remain vacant. NNSA also stated that the Contracting Office will conduct an independent analysis to determine the validity and impact of the vacant positions and evaluate the estimated monetary impact of \$1,111,479 identified in our report.

Management comments are included in Appendix 3.

## **INSPECTOR COMMENTS**

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Management's comments and corrective actions are responsive to our recommendations.

## **Appendix 1: Objective, Scope, and Methodology**

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### **OBJECTIVE**

We initiated this inspection to determine the facts and circumstances regarding the alleged safety concerns at the National Nuclear Security Administration (NNSA) Albuquerque Complex.

### **SCOPE**

The inspection was performed from November 2021 through July 2022 at the NNSA Albuquerque Complex. The scope was limited to the facts and circumstances regarding the allegation concerning safety concerns. The inspection was conducted under Office of Inspector General project number S22AL007.

### **METHODOLOGY**

To accomplish our inspection objective, we:

- Reviewed the master indefinite delivery indefinite quantity contract to determine all applicable laws, regulations, and directives;
- Reviewed contractor policies and procedures;
- Reviewed prior NNSA, Government Accountability Office, and Office of Inspector General reports;
- Interviewed personnel from the NNSA Complex Management Team (CMT), NNSA Field Services Acquisition Branch, and Alutiiq Logistics & Maintenance Services, LLC (ALMS);
- Obtained and reviewed ALMS emergency management plans, CMT audits, and correspondence to determine whether emergency management plans were compliant with the contract and all applicable laws, regulations, and directives;
- Obtained and reviewed the ALMS quality control plan, CMT reviews, and correspondence to determine whether the quality control plan was compliant with the contract and Department Order 414.1D Change 1, *Quality Assurance*;
- Obtained virtual walkthroughs of the computerized maintenance management system from a subject matter expert and ALMS to determine whether ALMS was proficient in all necessary aspects of the system;
- Obtained and reviewed a CMT report and conducted physical observations to verify that work orders were closed without the work being completed;

## **Appendix 1: Objective, Scope, and Methodology**

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- Obtained and reviewed correspondence, an ALMS report, and current forklift inspection documents and interviewed ALMS warehouse specialists to determine whether forklift inspections were conducted as required and whether they were falsified;
- Obtained and reviewed documentation regarding qualifications and certifications of ALMS employees to determine whether they met the requirements of the contract and the State of New Mexico;
- Obtained and reviewed documentation and correspondence regarding the ALMS safety manager position to determine whether ALMS had a safety manager who filled that role;
- Obtained and reviewed documentation and correspondence regarding ALMS' staffing issues to determine whether they resulted from low wages;
- Reviewed the noncompliance issues identified in the NNSA Office of Worker Safety and Health Services site assist report to determine whether the noncompliance issues had been corrected; and
- Obtained and reviewed the ALMS Contractor Performance Assessment Reports and correspondence to determine whether the ratings were consistent with our inspection findings.

We conducted our inspection in accordance with the Quality Standards for Inspection and Evaluation (December 2020) as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions.

Management officials waived an exit conference on October 11, 2022.

## Appendix 2: Related Reports

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### Office of Inspector General

- Audit Report on [\*The Department of Energy's Office of Headquarters Procurement Services Contract Awards Made to Alaska Native Corporations\*](#) (OAI-M-16-09, April 2016). The report found that the Department of Energy's Office of Headquarters Procurement Services had not always effectively managed awards made to Alaska Native Corporations (ANC). Effective management of awards to ANC firms is necessary to ensure that contracts are awarded to eligible ANC firms, as well as to ensure that ANC firms are taking full advantage of the business development benefits received when performing their required share of the contract work and not passing those benefits to subcontractors. However, our review revealed that Headquarters Procurement Services could not demonstrate that it had requested the required Small Business Administration's 8(a) Business Development Program eligibility determination for 3 of 11 ANC sole source contracts that exceeded the simplified acquisition threshold. We also found instances where Headquarters Procurement Services did not always monitor ANC contractor compliance with the limitations on subcontracting and applicable provisions of the Federal Acquisition Regulation. In addition, Headquarters Procurement Services awarded to an ANC firm a sole source contract that appeared to conflict with the 8(a) Business Development Program's intent to prohibit follow-on contract awards.
- Inspection Report on [\*Allegation Regarding Contractor Performance Assessment Alteration\*](#) (DOE-OIG-22-01, October 2021). The report substantiated the allegation that the contractor's Contractor Performance Assessment Reporting System (CPARS) rating from March 2019 through March 2020 had been altered and was inconsistent with the rating entered by the Assessing Official (AO) that was provided to the Reviewing Official for comment. Specifically, we found that the Contracting Officer altered the AO's rating, even though the Contracting Officer had no authority to make a change in CPARS. Also, the Contracting Officer kept the AO's name on the altered rating. As such, the rating alteration was not made in accordance with guidance and was misleading because it appeared to CPARS users that the AO had entered the altered rating. While annual performance evaluations in CPARS have been required since the contract started in 2015, the performance rating for the period of March 2019 through March 2020 was the only one entered in CPARS. Past performance systems ensure that current, complete, and accurate information on contractor performance is available for use in procurement source selections to allow for informed business decisions when awarding Government contracts and orders. If a lack of timely performance ratings and the resulting concerns lead the Office of Management to act outside of established guidelines and alter a rating, there is no assurance that the information in CPARS is accurate or credible. Therefore, when the information is used by source selection officials, there is less assurance that the Federal Government only does business with companies that provide quality products and services in support of the agency's missions.

### Government Accountability Office

- [\*Department of Energy: Improvements Needed to Strengthen Planning for the Acquisition Workforce\*](#) (GAO-22-103854, November 2021). This report found that the Department

## **Appendix 2: Related Reports**

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generally does not require acquisition-related training for noncertified staff, many of whom may play a critical role in the Department's acquisition process. Further, senior Department and National Nuclear Security Administration officials have raised concerns that they do not have enough staff or staff with the right skills in the acquisition workforce to properly oversee contracts. With a more complete and thorough understanding of skill and competency gaps for its acquisition workforce, the Department can improve the information it has available to develop its budget and other strategies to build a workforce with the right skills and of the right size to address the agency's long-standing issues with contract management.

## Appendix 3: Management Comments

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Department of Energy  
Under Secretary for Nuclear Security  
Administrator, National Nuclear Security Administration  
Washington, DC 20585



October 06, 2022

MEMORANDUM FOR TERI L. DONALDSON  
INSPECTOR GENERAL  
OFFICE OF THE INSPECTOR GENERAL

FROM:

JILL HRUBY

A handwritten signature in blue ink, appearing to read "Jill Hruby".

SUBJECT:

Response to the Office of Inspector General (OIG) Draft Report  
*Allegations of Safety Concerns at the NNSA Albuquerque Complex*  
(S22AL007)

Thank you for the opportunity to review and comment on the subject draft report. NNSA appreciates OIG validation of the contract concerns identified by NNSA's Complex Management Team in Albuquerque. Awarded in January 2020, performance on this contract was affected by changes in the labor market from the COVID-19 pandemic and increasingly complex requirements associated with NNSA's recent move into a new building in Albuquerque.

NNSA will continue to work with the contractor to ensure that contract requirements and performance expectations are clearly communicated and met. The attached management decision concurs with the auditors' recommendations and provides detailed responses to each. Our subject matter experts have also provided technical comments under separate cover for the auditors' consideration to enhance the accuracy and clarity of the report. If you have any questions regarding this response, please contact Mr. Dean Childs, Director, Audits and Internal Affairs, at (301) 903-1341.

Attachment

NATIONAL NUCLEAR SECURITY ADMINISTRATION  
Management Decision

*Allegations of Safety Concerns at the NNSA Albuquerque Complex (S22AL007)*

The Office of Inspector General (OIG) recommended that NNSA:

**Recommendation 1:** Ensure that Alutiq Logistics & Maintenance Services, LLC (ALMS) emergency management plans and quality control plans are compliant with all contract requirements and all applicable safety and health requirements, to include Department directives.

*Management Response:* Concur. The NNSA Office of Partnership and Acquisition Services (PAS) contracting office will work with the Sandia Field Office Complex Management Team (CMT) to clearly identify the existing deficiencies in the Emergency Management and Quality Control plans and formulate actionable due dates for the contractor to bring the plans into compliance. The contracting officer will clearly communicate the identified deficiencies and due dates to the contractor. Once the updated plans are provided by the contractor, the contracting officer will work with CMT to review the plans within a reasonable timeframe and provide feedback to the contractor. Should the contractor fail to meet the communicated timelines, the contracting officer will issue a request for a Corrective Action Plan from the contractor. The estimated completion date for these actions is March 31, 2023.

**Recommendation 2:** Ensure that ALMS employees are proficient on all necessary aspects of the Computerized Maintenance Management System (CMMS), work orders are not closed until the work is completed, and work orders are completed in the timeframes established by the contract.

*Management Response:* Concur. The PAS contracting officer will require the contractor to take CMMS training to be proficient in all necessary aspects of the CMMS within 30 days and request that the contractor provide a record of everyone who has taken the training. CMT will oversee the training process and confirm the required key individuals have taken the training within five calendar days of receipt of training record. The estimated completion date for these actions is December 31, 2022.

**Recommendation 3:** Ensure that all ALMS employees are qualified and/or certified for the positions held.

*Management Response:* Concur. The PAS contracting office will work with CMT to reevaluate the position descriptions and contractor requirements to ensure they are clear and reasonable. If necessary, as a result of the reevaluation, the contracting office will work with CMT to revise the contract Performance Work Statement (PWS) to reflect any updated requirements. Within 30 days of any PWS revisions, the contracting office will request that the contractor identify positions that are not filled by qualified and/or certified personnel. The contracting office will work with CMT to identify reasonable timeframes for the positions to be filled by qualified

## Appendix 3: Management Comments

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Attachment

and/or certified personnel and will communicate expectations to the contractor. The estimated completion date for these actions is September 30, 2023, to allow sufficient time to evaluate on-going performance.

**Recommendation 4:** Ensure that ALMS fills vacant positions necessary to fulfill contract requirements.

*Management Response:* Concur. The PAS contracting officer will reiterate to the contractor that vacancies are to be filled within 30 calendar days in accordance with Modification P00010 of the contract issued on August 23, 2022 and continue to work with the contractor and CMT to identify positions that are currently vacant. In the event a labor position remains vacant for more than 30 calendar days, the PAS contracting officer will require the contractor to provide written validation to the contracting officer detailing how the scope is being accomplished in its entirety. If the PAS contracting officer, in consultation with CMT, determines that the scope is not being accomplished in accordance with contract requirements, the Government will seek decrements via the monthly invoice in the amount of firm-fixed price labor hours allotted for each labor position for the period that the position(s) remain vacant. The estimated completion date for these actions is September 30, 2023, to allow sufficient time to evaluate on-going performance.

**Recommendation 5:** Provide the findings from the NNSA Office of Worker Safety and Health Services site assist report to ALMS and ensure that ALMS corrects the noncompliance issues.

*Management Response:* Concur. The PAS contracting office will work with CMT to identify ongoing non-compliances from the site assist report. The contracting office will then request CMT to provide clear and consistent guidance of the non-compliance areas to the contractor, along with clear and achievable deadlines for each plan. The contracting office will come to an agreement with CMT on review timelines for the Government and establish timelines to address the non-compliant issues before it is documented in Contracting Performance Assessment Reporting System (CPARS). The estimated completion date for these actions is June 30, 2023.

**Recommendation 6:** Ensure that past due Contracting Performance Assessment Report (CPAR) for the February 2021 through January 2022 period of performance is completed and accurately reflects ALMS performance.

*Management Response:* Concur. The PAS contracting office is currently reviewing the CPAR for factual accuracy and to ensure contractor performance is accurately reflected. The contracting office will route the report through the CPARS system to the contractor by October 31, 2022.

**Recommendation 7:** Determine the cost impact of the contract's noncompliance issues identified in this report, including the cost of vacant positions totaling approximately \$1,111,479 and whether ALMS is in default of its contract.



## Appendix 3: Management Comments

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*Management Response:* Concur. It should be clarified that this is a firm-fixed price contract, and the contractor routinely accomplished work scope using subcontracted labor to offset the vacancies. For vacancies under a firm-fixed price contract, the Government is not necessarily entitled to recoup the cost of vacant positions, as may be the case on a labor-hour type contract (which the OIG report implied was the case here). The PAS contracting office will conduct an independent analysis to determine the validity and impact of the vacant positions and evaluate the estimated monetary impact of \$1,111,479 identified by the OIG. The contracting office will then work with General Counsel to identify the best path forward to address any potential financial impacts. The estimated completion date for these actions is September 30, 2023.

*Management Response on Monetary Impacts:*

Amount:	Identified By:			Comment
	NNSA	M&O	OIG	
\$1,111,479			X	The \$1,111,479 represents the estimated cost of all vacant positions, regardless of whether the work was being accomplished by other means. As such, the number is not representative of the likely monetary impact.

## FEEDBACK

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Office of Inspector General (IG-12)  
Department of Energy  
Washington, DC 20585

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at 202-586-1818. For media-related inquiries, please call 202-586-7406.