



Department of Energy
Washington, DC 20585

November 26, 2008

Mr. James A. Ajello, Chair
Environmental Management Advisory Board
P.O. Box 4300
Houston, Texas 77210-4300

Dear Mr. Ajello:

Thank you for your letters of June 18 and September 30, 2008, and the recommendations contained in the Environmental Management Advisory Board (EMAB) September 25, 2008, Reports and Recommendations. Jim Rispoli enjoyed his meeting with the Board in Cincinnati to discuss the new recommendations and the status of implementation of the recommendations from the May 7, 2008, EMAB Reports and Recommendations. Enclosed is a brief status of the FY 2008 EMAB recommendations for your information. I am pleased with our progress in their implementation and the benefits in support of our critical mission goals.

Mr. James Fiore, Director, Office of Management Analysis, will be ensuring that all outstanding EMAB recommendations are implemented, as appropriate, in support of our program goals and mission. The Office of Management Analysis is responsible for assuring that recommendations by groups such as the National Academy of Public Administration, Environmental Management Advisory Board, and Environmental Management Site-Specific Advisory Board are addressed in a timely fashion.

During my tenure through the transition period, I look forward to any guidance EMAB would like to provide. Jim Rispoli wanted me to pass on that he is very thankful to the Board for its great work during his term. He truly appreciated your commitment to the success of the EM program, with your spirit of volunteerism representing the best of America. If you have any questions on the status of the recommendations, please contact Mr. Fiore at (202) 586-5125.

Sincerely,

A handwritten signature in cursive script that reads "Inés R. Triay".

Inés R. Triay
Acting Assistant Secretary for
Environmental Management

Enclosure

cc:
Jim Fiore, EM-5
Frank Marcinowski, EM-10



Status of EMAB Recommendations 2008-01 through 2008-11

EMAB Recommendation 2008-01: Introduce granularity into the small business selection process to ensure that EM's small business acquisitions comprise the appropriate core competencies, size, and bench strength for its projects.

Status: EM is investing time and effort up front during the early acquisition planning phase to coordinate upcoming procurements, reach out to small businesses, and holding procurement strategy meetings to define work scope to maximize opportunities. Final decisions are made only after a detailed review of information from a source sought synopsis is completed.

Recommendation 2008-02: Establish a culture of project ownership and accountability in order to achieve a more efficient procurement process.

Status: EM is using an integrated business system, the EM Acquisition Center, to support operations and field offices in managing major EM acquisitions. Thirteen integrated project teams have been formed under the leadership of Acquisition Planning Managers who work with external organizations to execute acquisition projects. These matrixed teams draw resources from EM Headquarters, the Consolidated Business Center, and Field Offices and will drive the project from acquisition planning through to contract award.

Recommendation 2008-03: Identify and optimize those resources and corporate messages that prove most effective in recruiting and securing new talent.

Status: The EM Professional Development Corps (EMPDC) Program borrows the philosophy of the Office of Personnel Management's Career Patterns Tool to assess the preferences of the workforce they are trying to recruit. To market graduate students, EM actively sells the "green" mission of the agency and the program's many benefits. For hard-to-fill mid- and senior-level positions, EM routinely uses recruitment and retention bonuses and is looking at bringing people on-board at a higher annual leave accrual basis.

Recommendation 2008-04: Create an inclusive environment where all employees continue to feel valued and involved throughout their tenure.

Status: The EMPDC offers a structured two-year developmental program with a strong mentoring component. Another major initiative, the EM Diversity Strategic Plan which addresses three critical areas: recruitment and retention; leadership development; and organizational effectiveness. EM is planning a robust outreach program that markets and brands the EM organization to diverse populations and will broaden EM's alliances with academia and professional organizations. EM is also designing a mentoring program for new hires at its sites as well as a Diversity Scorecard to track progress towards meeting diversity goals. Performance standards will also be enhanced for EM managers for accountability in diversity performance.

Recommendation 2008-05: Review the Federal Human Capital Survey and aggressively address findings that indicate employee dissatisfaction.

Status: EM will use the FHCS results to continue our efforts to assess our progress, determine the areas that need improvement, and develop appropriate corrective actions. EM requires all program elements to develop responsive action plans that address the issues identified by the survey results for monitoring by the DOE Human Resources Office.

Recommendation 2008-06: Continue to increase and improve internal communication through the use of creative communication tools and methods, and measure the effectiveness of the program's current practices.

Recommendation 2008-07: Continue to actively monitor external communications with the stakeholder community and general public.

Recommendation 2008-08: Further promote EM's programmatic successes both internally and externally.

Status: EM has made great strides during 2008 in fulfilling the EM Communications vision first articulated by the 2006 EMAB recommendations. In January 2008, the Office of Communications and External Affairs was established, with the Director, Jeff Bobeck, reporting directly to the Assistant Secretary. Mr. Bobeck's presence and active involvement in all high-level policy meetings demonstrates that we "have incorporated communications into all aspects of decision-making." The Office has recently added two career communications professionals with a combined 30 years experience in government communications.

Concerning internal communications, we have continued the Quarterly Employee messages from the Assistant Secretary. However, our strongest response in this area is improved usage of the EM portal, where we post important documents, presentations and updates on at least a weekly basis.

Regarding external communications, our "messaging" with trade press, such as "The Weapons Complex Monitor," has been stronger and better coordinated. For better promoting our programmatic successes, we have started with the basic information tools: Better briefing materials for Congress, an "EM 101" brochure and video, "The EM Story," and the first update in 10 years of "Linking Legacies"—to be called "Progress and Pathways," due out at the end of the year

Recommendation 2008-09: Continue to support outreach and educational initiatives with monetary grants and volunteer incentives.

Status: With regard to DOE's policy towards Tribal nations, the Secretary issued a *Tribal Policy Implementation Framework* for EM, Office of Nuclear Energy, Office of Science, and the National Nuclear Security Administration, as a way to improve our government-to-government relationships. We will continue to work with the various nations, our management and staff, and our contractors to fully implement DOE's tribal policy.

Secretary Bodman issued an updated *Environmental Justice Strategy* for DOE which requires that the Department establish and maintain an integrated approach to implementing

environmental justice activities. We are committed to exploring new ways to improve and expand environmental justice practices and awareness.

Recommendation 2008-10: Incorporate additional and more comprehensive data points into the baseline development process that budget around various risk scenarios.

Status: EM projects now have contractor and Federal Risk Management Plans and we have begun to develop effective risk handling strategies that rely more on elimination or mitigation rather than accepting risks. EM is developing guidance documents to provide the overall process for the initiation, planning, executing, monitoring, and closing out of the risks throughout the life-cycle of the projects. EM is also developing guidance on the consistent interpretation of existing EM policy on contingency and management reserve for EM cleanup projects and line item capital asset projects.

EM is currently assessing the need to fund, wholly or in part, "unfunded contingency." This is being considered to meet the goals articulated in the Corrective Action Plan to get DOE's projects off the GAO watch list.

Key Milestones for FY08 and FY09 include issuing EM Management Reserve and Contingency Implementation Draft Guidance in August 2008, publishing DOE Risk Management Guide (DOE G 413.3-07) in September 2008, and implementing Root Cause Analysis Corrective Measures for Risk Management by December 2009.

Recommendation 2008-11: Further review the business case and possible additional analyses that could be incorporated into EM's budget request process.

Status: The Office of Program Planning and Budget developed a strategic modeling capability based on "analytical building blocks" and derived from the certified life-cycle baselines' data, which is being used to assess the life cycle cost and other impacts of different levels of funding, alternate strategies for increasing program progress, and alternate strategies to address long-term technical/regulatory challenges in tank waste and special nuclear materials. Analyses results will be used to make "business cases" for increased funding as the next Administration takes shape. We have already initiated new processes for formulating our budget requests, utilizing the "analytical building blocks" to develop the priority list inputs from sites, and linking budgeting and planning. EM has also requested that the Office of Cost Analysis expand their investigation of commodity price increases to address nuclear qualified materials and equipment.