The Formation and Early History of the Energy Facility Contractors Group

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In the early 1990's the Weapons complex was seeking to improve its operations in response to various initiatives from then Sec. of Energy James Watkins. A group of senior managers representing several sites (Pantex, Y-12, Kansas City) began discussing the idea of a contractor organization [1, 2][*]. Dwight Heffelbower, President of Mason & Hanger-Silas Mason Co., discussed the formation of the group with Sec. Watkins who expressed his support [3]. On February 21-22, 1991 a meeting of the DOE M&O contractors was hosted by Heffelbower in Lexington, KY, to further explore the concept. The conference had one hundred-twenty attendees representing 26 M&O contractors, DOE, NRC and representatives of two nuclear industry organizations. The attendees responded positively towards establishing a DOE complex-wide information sharing organization for the purpose of ensuring excellence in DOE operations. Sec. Watkins was informed of the results of the meeting [4].

As a follow-up to the February 1991 meeting, a committee was formed to develop the charter for the Energy Facility Contractors Group (EFCOG). Members of the Charter Committee are listed in Table 1.

Table 1 – EFCOG Charter Committee

MEMBER	AFFILITATION
Robert J. Barton (Chair)	Mason & Hanger-Silas Mason Co., Inc
Karen K. Clegg	Allied-Signal Aerospace Co.
Gordon G. Fee	Martin Marietta Energy Systems, Inc.
Philip C. Kautt	EG&G, Inc.
Roger Knight	Westinghouse Hanford, Co.
John Sackett	Argonne National Laboratory
Duane Sewell	Lawrence Livermore National Laboratory
Jerry Siemers	Boeing Petroleum Services, Inc.

Although environment, safety and health provided much of the early motivation, EFCOG's charter was written broadly to address all operational aspects and include all DOE M&O contractors.

[*] Number in brackets denote references at the end

On December 3-4, 1991 the senior executives of M&O contractors again met to vote on the charter and to elect directors. DOE Under Secretary Tuck was invited, but declined to participate directly in the EFCOG Conference [5], citing on-going policy initiatives in nuclear safety rulemaking and task order contracting. However Tuck expressed encouragement for the continued exchange of operational information and other activities aimed at assuring excellence in facility operations through means such as EFCOG. Further, he stated that the costs of these information exchange activities would be allowable if maintained at a reasonable level, received appropriate management review, and were compatible with contract requirements.

The approved charter [6] embraced certain key principles that continue to form the basis for EFCOG operations: EFCOG will not engage in lobbying; EFCOG will not intervene in any way in the direct communication between any individual member company and the DOE; EFCOG is not a DOE contractor advocacy organization and will not take or promulgate independent positions on issues, regulations, DOE Orders or other areas of contractor concern.

Heffelbower advised Sec. Watkins [7] that, as a result of the December meeting, the EFCOG charter had been approved and a slate of officers elected (Table 2) with Karen K. Clegg serving as the first EFCOG Chair.

Table 2 – Initial EFCOG Officers

MEMBER	OFFICE	AFFILITATION
Karen K. Clegg	Chair	Allied Signal Aerospace Company
Robert W. Kuckuck	Vice Chair	Lawrence Livermore National Laboratory
Robert J. Barton	Director	Mason & Hanger-Silas Mason Co., Inc.
Lee E. Bray	Director	Sandia National Laboratory
Gordon G. Fee	Director	Martin Marietta Energy Systems, Inc.
William J. Johnson	Director	Westinghouse Idaho Nuclear Company, Inc.
Philip C. Kautt	Director	EG&G, Inc.
Joe L. Mauderly	Director	Lovelace Biomedical & Environmental Institute
Jerry E. Siemers	Director	Boeing Petroleum Services, Inc.

Robert Barton, Chair of the Charter Committee, also wrote to Under Secretary Tuck informing him of the results of the meeting [8]. In a February 1992 letter to Robert Barton [9], Silas B. Fisher, DOE Director of the Office of Procurement, Assistance and Program management, expressed his support for EFCOG.

ES&H provided much of the initial impetus, and Joe Fitzgerald, DOE Deputy Assistant Secretary for EH , was an active supporter of EFCOG [2]. By May 1992 two EFCOG working groups, one on Safety Analysis and one on Conduct of Maintenance, had been formed out of existing organizations and numerous workshops had been conducted [10]. An additional working group on Self-Assessment was under consideration. Howard Raiken, DOE Director of Organization, Resources and Facilities Management, also expressed his interest [11] in EFCOG's mission and encouraged direct interaction between his office and EFCOG to explore ways in which they could assist each other. However, Undersecretary Tucks withdrawal from the December 1991 meeting had sent a mixed signal to the M&O contractors. In addition, several contractors had been informed by their DOE Field Offices that EFCOG dues would not be allowable under the contract.

In October 1992 EFCOG Chair Clegg provided an update [3] to the new Under Secretary Hugo Pomrehn in which she outlined EFCOG's activities and plans for workshops on self assessment, root cause analysis, total quality management, radiation protection, value engineering, and configuration management. She also summarized EFCOG's finances, and asked for DOE's position on EFCOG and the associated costs. Under Secretary of Energy Hugo Pomrehn sent a memorandum [12] to the DOE Program Secretarial Officers supporting EFCOG and its efforts to facilitate technical communications between contractors. He also sent a letter [13] dated January 15, 1993 to the EFCOG Chair Clegg expressing his support for EFCOG and restated former Under Secretary Tuck's statement regarding the reimbursability of reasonable costs. Under Secretary Pomrehn proposed a two-year trial period during which the reasonable costs of participation in EFCOG activities could be compared with the results and benefits realized. Finally, he designated the Under Secretary's office as the point of contact for EFCOG.

The second EFCOG Chair Dennis Fisher sent the 1993 Annual report [14] to Secretary Hazel O'Leary in February 1994. The transmittal letter [15] summarized the progress being made by EFCOG and requested a letter of support and a statement of allowability of reasonable costs. In a letter dated May 25, 1994 [16], Under Secretary Curtis referenced the two-year trial period and reaffirmed his support for EFCOG and the continuing allowability of reasonable costs for group sponsored activities (excluding membership fees). During this period, Don Pearman, then head of the DOE Office of Field Management (FM-1), was instrumental in coordinating DOE's response.

The 1993 Annual Report provided some detail on EFCOG membership and activities as of February 1994. The sixteen EFCOG members comprised approximately one third of the DOE M&O contractors (Table 3).

Table 3 – EFCOG Members as of December 31, 1993

Allied Signal Inc., Kansas City Division
Babcock and Wilcox Idaho, Inc.
EG&G Energy Measurements, Inc.
EG&G Idaho, Inc.
EG&G Mound Applied Technologies, Inc.
EG&G Rocky Flats, Inc.
Lawrence Livermore National Laboratory
Los Alamos National Laboratory
Lovelace biomedical & Environmental Research Institute
Martin Marietta Energy Systems, Inc. (Y-12, K-25, X-10)
Martin Marietta Specialty Components, Inc.
Mason & Hanger-Silas Mason Co., Inc.
National Renewable Energy Laboratory
Sandia National Laboratories
Westinghouse Hanford Company
Westinghouse Idaho Nuclear Company, Inc.

During 1993 the number of formal Working Groups grew from 3 to ten (Table 4). Over 700 members were involved in Working Group activities by the end of 1993.

Table 4 – EFCOG Working Groups as of December 31, 1993

Safety Analysis Working Group (with 8 Subgroups)
Maintenance Working Group
Self Assessment Working Group
Occupational Safety and Health Working Group (with 5 Subgroups)
Configuration Management Working Group
Continuous Improvement Working Group
Prioritization Working Group
Radiation Protection Working Group
Technology Transfer Working Group
Energy Management Working Group

During 1994 EFCOG membership increased to 18 members, and the number of active working groups expanded to 12 with 7 more proposed or in formation. Increased participation by DOE Headquarters and field office personnel was a key

component of EFCOG's success in 1994. EFCOG's first Annual Executive Council Meeting was held May 26, 1994 in Washington, DC. The keynote speaker was Don Pearman (FM-1) who relayed the Secretary's support of EFCOG and encouraged EFCOG members to work together with DOE to gain the public's trust, cut costs, and achieve diversity. The 1994 Annual Report [17] and transmittal letter [18] sent to Sec. O'Leary in July 1995 reported over $4M savings to DOE.

References

1. Personal communication with Gordon Fee, September 18, 2006
2. Personal communication with David Humenansky, September 21, 2006
3. Letter from Karen K. Clegg to Hugo Pomrehn, October 5, 1992
4. Letter from Dwight E. Heffelbower to James D. Watkins, March 29, 1991
5. Letter from John C. Tuck to R. J. Barton, November 12, 1991.
6. Energy Facility Contractors Group Charter, December 3, 1991
7. Letter from Dwight E. Heffelbower to James D. Watkins., December 10, 1991
8. Letter from R. J. Barton to John C. Tuck, December 18, 1991
9. Letter from Silas B. Fisher to R. J. Barton, February 5, 1992
10. Letter from Karen K. Clegg to Silas B. Fisher, May 19, 1992
11. Letter from Howard H. Raiken to Karen K. Clegg, April 14, 1992
12. Memorandum from Hugo Pomrehn to Program Secretarial Officers, January 15, 1993
13. Letter from Hugo Pomrehn to Karen K. Clegg, January 15, 1993
14. EFCOG 1993 Annual Report
15. Letter from Dennis K. Fisher to Hazel R. O'Leary, February 10, 1994
16. Letter from Charles B. Curtis to Dennis K. Fisher, May 25, 1994
17. EFCOG 1994 Annual Report
18. Letter from Dennis K. Fisher to Hazel R. O'Leary, July 17, 1995