

# U.S DEPARTMENT OF ENERGY MOUND FACILITY

A Public Sector Case Study  
Miamisburg, Ohio

## Background

The DOE Mound facility (a former nuclear weapons plant) of the U.S. Department of Energy, in Miamisburg, Ohio, is the site of a unique partnership between the Department of Energy (the customer), its contractor, BWX Technologies (management), and the two unions on site, PACE Local 7-4200 and UPOWA Local 146 (labor). DOE Mound began their partnership with a unique objective: success of the partnership is measured by shutting down the business. The partnership arose out of a sea of distrust between all parties and paralysis in action, but has produced highly effective working relationships that have reduced the life of the operation by years, thereby saving the U.S. taxpayer tens of millions of dollars.

## Early History

The DOE Mound facility, prior to September 1992, was part of the United States government's nuclear weapons production complex. With the end of the Cold War, and the decision to no longer build nuclear weapons, the mission at Mound totally changed. The mission became one of environmental restoration: shut down all operation and turn the cleaned-up property over to others for other use. Not surprisingly, anxieties and tensions between labor, management, and the DOE were very high. The management contract to do the clean up came up for bid, and the long time contractor, EG&G, publicly stated it was not interested in continuing in its role. Thus, at the beginning of 1995 the site was faced with extreme uncertainty, law suits, and little progress in its effort to complete the clean up and shut down by the target year of 2012.

By the summer of 1995, on the heels of the end of production, and after bioassay program failures, relationships among Mound's represented work force, contractor management and DOE were virtually non-existent and becoming more dysfunctional with each passing month. The Secretary and other DOE Headquarters PSO's grew increasingly weary of the hammering they were taking at the hands of Senator John Glenn (D-OH), U.S Representative Tony Hall (DOH,3), OCAW leadership, and the press. They were frustrated with the Ohio Field Office and site management for the endless mishaps and their failure to regain control of the safety envelope. Finally, in an effort to assist Ohio Field Office Manager Phil Hamric, a HQ PSO suggested contacting Tom Schneider and Restructuring Associates for assistance.

Under the strong leadership of the DOE Ohio Field Office Director, and with the help of Restructuring Associates Inc. (RAI), the two unions, the senior management for the contractor, and the senior leadership of the DOE for both the facility and the Ohio Field Office met together in the autumn of 1995. Following a foundation of joint education and training, the parties began heavily facilitated, intensive and candid discussions about their relationships, the future of the site, and performance challenges.

After discussions with Tom Schneider, Phil Hamric articulated a new vision that saw that the remediation would be nearly completed by 2005. At the beginning of 1995, the DOE remediation plan foresaw completion in 2012. Accordingly, he appealed directly to contractor management and labor leaders to join him in the new vision. Both groups rose to the occasion and embraced the ten-year vision. As a result, a new labor paradigm, dependent upon an environment of cooperation among involved parties, emerged at Mound.

The discussions resulted in written agreements between the parties which laid out the following: a shared mission, a shared set of values and principles by which the groups committed to work, shared performance objectives, firm commitments for performance improvement efforts, firm commitments for employment security, wages and benefits, a restructuring of work and job classifications down to four with the full cooperation of labor, training commitments for all employees, terms and limits on the use of subcontractors and in-house contract labor, movement of employees between the two on-site bargaining units involving two different unions, and successorship requirements. The parties also agreed to a joint governance structure in order to implement the commitments and a comprehensive communications strategy for the organization.

The landmark agreements between DOE, EG&G and its represented workforces provided represented workers with an unprecedented degree of job security in exchange for work force flexibility relating to job classification, work rules and scheduling all with firm commitments to the greatly accelerated timetable for clean-up and shutdown.

## False Start

A new tripartite (DOE, contractor, and two unions) Partnership Council started weekly meetings with continued RAI support. Trust levels were still low, but a breakthrough had occurred. However, by the Spring of 1996, RAI was no longer involved

and the contractor had marginalized the Partnership Council to the point where it rarely met. When the Council did meet, it meet briefly and accomplished nothing.

Meetings became largely "tell-me" sessions with no consensus, no view sharing, and little trust among members. The meetings went from lasting an hour to about 15 minutes. By year 's end, both EG& G President Earl Fray and MEMP Director George Gartrell had retired.

Late in 1996, the contractor, EG&G, replaced the CEO and Phil Hamric called in RAI to try to restart the partnership effort. A series of meetings were held early in 1997 to introduce the new EG&G and DOE managers to the committee, the partnership agreement, and its underlying concepts. After a careful examination of DOE Mound's status regarding performance, values, and relationships, the parties re-chartered the partnership effort, defined a new set of operating principles for the Partnership Council, refocused attention on performance, and undertook serious trust building and communications efforts. Finally, the Council contracted with the consultant to stay involved for a longer period of time in order to provide both expert guidance and discipline.

At this point, the Council began acting more like a team. Discussions were contentious, but for the first time real information began to emerge. Mutual member perceptions were quite revealing regarding the lack of a healthy relationship. Council meetings once again became involved with important worker protection issues, such as the integrity of the bioassay tests and funding for MEMP-wide site characterization. The meets lasted several hours, once a week. By the summer of 1997, the Council was working extremely well, and very difficult problems and crises were being resolved quickly, effectively, and openly. Trust was at a very high level. In June of 1998, after a change in contractors to BWX Technologies, contractor leadership and the assignment of Bob Folker, the Deputy Director of the Ohio Field Office to the MEMP, the partnership was further invigorated, and the Council continued addressing difficult issues.

## **Results**

Presently, the partnership continues to operate extremely effectively, despite facing a major safety crisis (involving misinterpretation and alleged misrepresentation of employee radiation exposure test results), a change in contractors, the subsequent change of the contractor's CEO, two changes in the Director of the DOE Ohio Field Office, and a change in the DOE site project director. Today the clean-up and shut down progress is moving on an accelerated basis with a current plan of 2005, seven years earlier than when the partnership was first formed, and with a potential cost savings in the tens of millions of dollars. The most difficult safety issues are resolved by the partnership Council without litigation or political intervention.

Over time every major issue coming up at Mound has been discussed in meetings of the Mound Partnership Council. Only litigation and labor relations issues have been off-limits. Most importantly, the Council has provided an essential forum for mediating highly contentious worker protection issues (i.e., site characterization, bioassay test procedures and results, and effective implementation of Integrated Safety Management) that in the past would have been highly politicized and publicly aired. Grievances dropped substantially from about 100 per year to 10-15 per year. Moreover, Council partners working together have assembled a unique pool of knowledge and experience that has enabled them to generate various cost-saving ideas relating to how work is scheduled and accomplished at Mound. Finally, and most importantly, in stark contrast to the past, the partnership has produced trust among Council members, allowing work to go forward and employees to know that their health and safety is a priority concern to DOE and contractor management.

## **Future Challenges**

Today the partnership is beginning to plan for the shut down and its own termination. This is extremely difficult, and an unusual problem. How does the organization accomplish highly technical work, and simultaneously organize a painless exit for all employees and organizations?

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