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GAO

Fact Sheet for the Chairman,  
Environment, Energy and Natural  
Resources Subcommittee, Committee on  
Government Operations, House of  
Representatives

October 1989

# NUCLEAR HEALTH AND SAFETY

## Information on Award Fees Paid at Selected DOE Facilities





United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

B-232984

October 23, 1989

The Honorable Mike Synar  
Chairman, Environment,  
Energy and Natural  
Resources Subcommittee  
Committee on Government Operations  
House of Representatives

Dear Mr. Chairman:

On August 11, 1989, you requested information on award fees paid by the Department of Energy (DOE) to its contractors. Award fees are used by DOE to encourage effective work and improve the quality of performance by its contractors. These fees are in addition to reimbursing the contractor for its cost and any possible base fees. Such fees are determined through DOE's evaluations of a contractor's performance. As agreed with your office, our work focused on award fees paid by DOE at six facilities during fiscal years 1987 and 1988 and on how environment, safety, and health (ES&H) matters were considered in determining these award fees.<sup>1</sup>

In summary, during fiscal years 1987 and 1988, the contractors at five of the six facilities were rated by DOE as "very good" to "excellent" for their overall performance.<sup>2</sup> The exception was the contractor for the Feed Materials Production Center, whose overall ratings were "marginal" to "satisfactory" during these 2 fiscal years. During each of the fiscal years, all the contractors received award fees that ranged from \$1.4 million to nearly \$10 million. These contractors were paid 46.5 percent to 89.0 percent of the total award fees that were available to them. In regard to their ES&H performance, the contractors were generally rated "satisfactory" to "excellent." The exception again was the contractor at the Feed Materials Production Center, who, during one evaluation period, was

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<sup>1</sup>These facilities are the Feed Materials Production Center in Ohio, Pantex Plant in Texas, Rocky Flats Plant in Colorado, West Valley Project in New York, Waste Isolation Pilot Plant in New Mexico, and Y-12 Plant in Tennessee.

<sup>2</sup>The meaning of the adjectival rating varies somewhat from facility to facility. However, the general sequencing of proficiency is outstanding, excellent, very good, good, moderately good, satisfactory, marginal, and unsatisfactory.

rated "marginal." Finally, we noted that the weight given to ES&H performance in the overall scoring process varied greatly. At some facilities, ES&H performance was not considered as a distinct performance factor in some evaluation periods while at one facility ES&H performance was weighted 50 percent in fiscal year 1987.

This fact sheet is divided into three sections. Section 1 contains information on the overall scores and the award fees paid at the six facilities. Section 2 contains information on how DOE scored ES&H performance at these facilities. And finally, section 3 provides information on how ES&H matters were weighted in the scoring process.

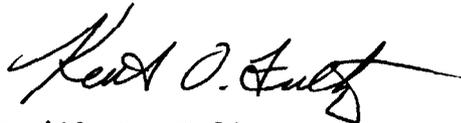
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The data in this fact sheet were obtained from various DOE Operations Offices. We did not independently verify the data. To provide some assurance that the data were reasonably accurate, we compared them against other DOE sources of information and information we gathered in preparing previous reports on DOE programs. This fact sheet supplements information in our report entitled Nuclear Health and Safety: DOE's Award Fees at Rocky Flats Do Not Adequately Reflect ES&H Problems (GAO/RCED-90-47, Oct. 23, 1989). The work on this fact sheet was performed between August and September 1989.

Unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet for 30 days from the date of this letter. At that time, we will send copies to appropriate congressional committees; the Secretary of Energy; and the Director, Office of Management and Budget. We will also make copies available to others upon request.

If you have any questions, please contact me at (202) 275-1441. Major contributors to this fact sheet are listed in appendix I.

Sincerely yours,



Keith O. Fultz  
Director, Energy Issues

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#### ABBREVIATIONS

DOE	Department of Energy
ES&H	environment, safety, and health
GAO	General Accounting Office

SECTION 1

OVERALL SCORES GIVEN AND AWARD FEES PAID AT SELECTED  
DOE FACILITIES DURING FISCAL YEARS 1987 AND 1988

Table 1.1: DOE's Overall Performance Ratings and Scores Given at Selected DOE Facilities in Fiscal Year 1987<sup>a</sup>

	<u>First half of fiscal year 1987</u>	<u>Second half of fiscal year 1987</u>
Feed Materials Production Center	marginal (75.2)	satisfactory (81.7)
Pantex Plant	excellent (91.7)	excellent (92.0)
Rocky Flats Plant	excellent (91.3)	excellent (92.1)
West Valley Project <sup>b</sup>	very good (35)	very good (34)
Waste Isolation Pilot Plant	very good (88.1)	very good (87.7)
Y-12 Plant	excellent (91.3)	excellent (91.7)

<sup>a</sup>The overall score is determined by scores in various functional areas (e.g., general management, safety and health, or security).

<sup>b</sup>This project is rated triannually by DOE. In the second triannual period (not shown above) DOE rated the contractor "very good" (37). Scores were given on a scale from 0 to 50 rather than 0 to 100.

Table 1.2: DOE's Overall Performance Ratings and Scores Given at Selected DOE Facilities in Fiscal Year 1988<sup>a</sup>

	<u>First half of fiscal year 1988</u>	<u>Second half of fiscal year 1988</u>
Feed Materials Production Center	satisfactory (85.1)	satisfactory (85.9)
Pantex Plant	excellent (93.3)	excellent (93.6)
Rocky Flats Plant	very good (90.8)	excellent (91.3)
West Valley Project <sup>b</sup>	very good (35.5)	very good (40.1)
Waste Isolation Pilot Plant	very good (88.2)	very good (90.7)
Y-12 Plant	excellent (91.4)	excellent (90.8)

<sup>a</sup>The overall score is determined by scores in various functional areas (e.g., general management, safety and health, or security).

<sup>b</sup>This project is rated triannually by DOE. In the second triannual period (not shown above), DOE rated the contractor "very good" (39.2). Scores were given on a scale from 0 to 50 rather than 0 to 100.

**Table 1.3: Award Fees Paid at Selected DOE Facilities, Fiscal Year 1987**

(dollars in thousands)

	<u>Total amount of award available</u>	<u>Amount awarded</u>	<u>Percent of total award available</u>
Feed Materials Production Center	\$ 3,064	\$1,425	46.5
Pantex Plant	4,213	3,371	80.0
Rocky Flats Plant	10,630	8,658 <sup>a</sup>	81.5
West Valley Project	5,000	3,533	70.7
Waste Isolation Pilot Plant	2,553	1,810	70.9
Y-12 Plant <sup>b</sup>	6,216	4,918	79.1

<sup>a</sup>The amount awarded includes additional awards beyond overall performance evaluations.

<sup>b</sup>Martin Marietta Energy Systems, Inc. operates four facilities, including the Y-12 Plant, for DOE. A portion of the total award fee earned at these facilities was withheld because of deficiencies at all the facilities. DOE information did not show how much of the total award withheld was attributable to the Y-12 Plant.

**Table 1.4: Award Fees Paid at Selected DOE Facilities, Fiscal Year 1988**

(dollars in thousands)

	<u>Total amount of award available</u>	<u>Amount awarded</u>	<u>Percent of total award available</u>
Feed Materials Production Center	\$ 3,267	\$2,082	63.7
Pantex Plant	5,348	4,761 <sup>a</sup>	89.0
Rocky Flats Plant	12,518	9,973 <sup>a</sup>	79.7
West Valley Project	3,800	2,928	77.0
Waste Isolation Pilot Plant	3,240	2,743 <sup>a</sup>	84.6
Y-12 Plant <sup>b</sup>	6,574	5,095	77.5

<sup>a</sup>The amount awarded includes additional awards beyond overall performance evaluations.

<sup>b</sup>Martin Marietta Energy Systems, Inc. operates four facilities, including the Y-12 Plant, for DOE. A portion of the total award fee earned at these facilities was withheld because of deficiencies at all the facilities. DOE information did not show how much of the total award withheld was attributable to the Y-12 Plant.

SECTION 2

DOE'S SCORES GIVEN IN ES&H-RELATED AREAS AT  
SELECTED DOE FACILITIES IN FISCAL YEARS 1987 AND 1988

Table 2.1: DOE's Scores Given at the Feed Materials Production Center in ES&H-Related Areas for Fiscal Years 1987 and 1988

<u>Rating period</u>	<u>Safety and health</u>	<u>Environment-related</u>
FY 87, first half	excellent (86)	marginal (70)
FY 87, second half	excellent (89)	satisfactory (78)
FY 88, first half	excellent (86)	excellent (87)
FY 88, second half	excellent (88)	excellent (86)

Table 2.2: DOE's Scores Given at the Pantex Plant in ES&H-Related Areas for Fiscal Years 1987 and 1988

<u>Rating period</u>	<u>Safety and health</u>	<u>Environment-related</u>
FY 87, first half	a	a
FY 87, second half	a	excellent (91)
FY 88, first half	very good (90)	b
FY 88, second half	excellent (91)	b

<sup>a</sup>Not designated as a separate functional area.

<sup>b</sup>Environment discontinued as a separate functional area and grouped with safety and health.

Table 2.3: DOE's Scores Given at the Rocky Flats Plant in ES&H-Related Areas for Fiscal Years 1987 and 1988

<u>Rating period</u>	<u>Safety and health</u>	<u>Environment-related</u>
FY 87, first half	very good (87)	excellent (94)
FY 87, second half	very good (87)	very good (87)
FY 88, first half	moderately good (80)	excellent (94)
FY 88, second half	good (81)	a

<sup>a</sup>Environment was not considered as a separate functional area but rather as part of safety and health during this period.

Table 2.4: DOE's Scores Given at the West Valley Project in ES&H-Related Areas for Fiscal Years 1987 and 1988<sup>a</sup>

<u>Rating period</u>	<u>Safety, health, and environment-related activities</u>
FY 87, first period	b
FY 87, second period	very good (39)
FY 87, third period	very good (34)
FY 88, first period	very good (36)
FY 88, second period	excellent (43)
FY 88, third period	excellent (42)

<sup>a</sup>Scores were given on a scale from 0 to 50.

<sup>b</sup>Not considered separately during this period.

Table 2.5: DOE's Scores Given at the Waste Isolation Pilot Plant in ES&H-Related Areas for Fiscal Years 1987 and 1988

<u>Rating period</u>	<u>Safety and health</u>	<u>Environment-related</u>
FY 87, first half	a	a
FY 87, second half	a	excellent (91)
FY 88, first half	good (85)	b
FY 88, second half	very good (90)	b

<sup>a</sup>Not considered as a separate functional area.

<sup>b</sup>Combined with safety and health for this period.

Table 2.6: DOE's Scores Given at the Y-12 Plant in ES&H-Related Areas for Fiscal Years 1987 and 1988

<u>Rating period</u>	<u>Safety and health</u>	<u>Environment-related</u>
FY 87, first half	excellent (88)	excellent (86)
FY 87, second half	excellent (88)	excellent (86)
FY 88, first half	satisfactory (85)	excellent (86)
FY 88, second half	satisfactory (85)	satisfactory (82)

SECTION 3

WEIGHTS GIVEN TO ES&H MATTERS IN THE SCORING PROCESS AT  
SELECTED DOE FACILITIES DURING FISCAL YEARS 1987 AND 1988

	During fiscal year <u>1987</u> (percent)	During fiscal year <u>1988</u> (percent)
Feed Materials Production Center	50	35
Pantex Plant	0 to 10 <sup>a</sup>	10
Rocky Flats Plant	25 to 30	20 to 30
West Valley Project	10 to 15	15 to 20
Waste Isolation Pilot Plant	0 to 15 <sup>a</sup>	10 to 15
Y-12 Plant	25	25

<sup>a</sup>If during a rating period no functional area was designated "environment, safety, and health," we assigned it a 0 weight. At these facilities, ES&H matters could have been considered as part of another functional area, such as general management.

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