

GAO Highlights

Highlights of [GAO-24-106716](#), a report to the Committee on Armed Services, House of Representatives

Why GAO Did This Study

EM is responsible for treatment and disposal of radioactive and hazardous waste generated in nuclear weapons production and energy research. One way EM fulfills its mission is through capital asset projects, which are generally executed by contractors. These projects include construction of new facilities to treat radioactive waste and demolition of old facilities. In the last decade, DOE's Office of Inspector General and GAO have reported on quality assurance issues on capital asset projects that have also had cost and schedule issues.

House Report 117-397 includes a provision for GAO to review EM's current quality assurance functions for capital asset projects. This report (1) describes how DOE and EM oversee quality assurance on these projects, (2) examines how use of oversight processes may have affected the performance of five selected EM projects, and (3) assesses DOE's actions to ensure quality assurance issues on EM capital asset projects do not recur. GAO reviewed DOE and EM oversight policies and project documentation for five capital asset projects ranging from \$160 million to \$18.5 billion in total estimated costs and interviewed DOE officials.

What GAO Recommends

GAO is making four recommendations, including that (1) EM develop project review guidance for analyzing federal management performance and oversight effectiveness, and (2) DOE evaluate options to hold contractors accountable for maintaining compliant Earned Value Management Systems. DOE concurred with GAO's recommendations.

View [GAO-24-106716](#). For more information, contact Nathan Anderson at (202) 512-3841 or andersonn@gao.gov.

July 2024

NUCLEAR WASTE CLEANUP

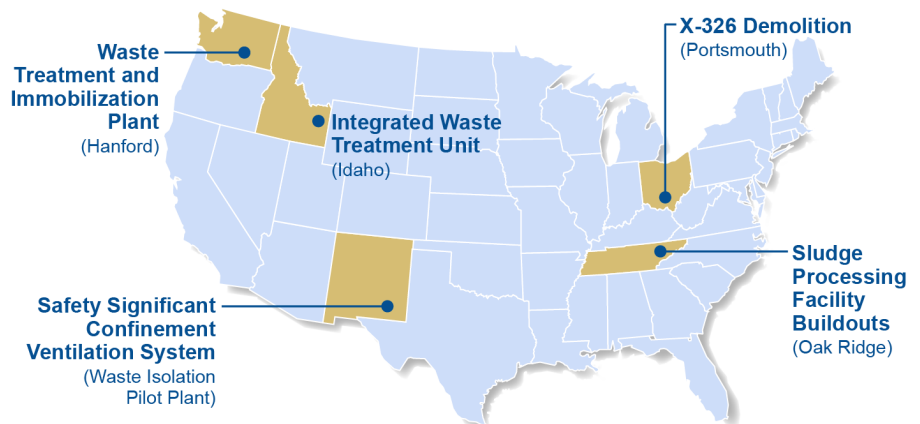
More Effective Oversight Is Needed to Help Ensure Better Project Outcomes

What GAO Found

The Department of Energy (DOE) has a range of policies that seek to ensure it produces quality products and services, including capital asset projects. Further, DOE's Office of Environmental Management (EM) uses several tools to oversee quality assurance on its capital asset projects. These include sharing lessons learned and using contractor data to monitor project performance.

GAO reviewed five selected EM capital asset projects and found that for three projects with cost overruns and schedule delays, officials did not use certain quality assurance oversight processes as intended. For example, two projects did not have consistently compliant Earned Value Management Systems. These systems help measure cost and schedule performance and can alert officials to problems. Conversely, GAO found that one project that was performing ahead of schedule and under budget had a consistently compliant system.

Names and Locations of Selected Office of Environmental Management Capital Asset Projects



Sources: GAO analysis of Department of Energy information; Map Resources (map). | GAO-24-106716

DOE has not always demonstrated a commitment to addressing the underlying causes of quality assurance issues to prevent recurrence. GAO found that EM does not consistently assess the effectiveness of its contractor oversight or identify root causes of project deficiencies related to EM's management. For example, in a 2021 root cause analysis, EM did not acknowledge its role in hiring an inexperienced contractor and not providing sufficient oversight. GAO also found that EM does not have guidance for assessing federal management performance or oversight effectiveness. By providing project review guidance for identifying management's role in project deficiencies and analyzing the effectiveness of federal oversight, DOE can help prevent recurring problems.

Further, many of EM's project reviews rely on contractors' Earned Value Management Systems data. However, DOE has allowed some contractors to operate their systems with deficiencies for years, which may result in undependable data. By holding contractors accountable for maintaining quality earned value management data, DOE will be better positioned to oversee contractor performance and ensure quality capital asset projects.