



HLO

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WMCO:MBB:85-004

November 19, 1985

DOE/OR/21620--T1-P1.1

Mr. R. E. Lynch
Department of Energy
Procurement and Contracts
Federal Building, Room 1028
Oak Ridge, TN 37831

Subject: WESTINGHOUSE MATERIALS COMPANY (WMCO)
BI-WEEKLY REPORT FOR CONTRACT NO. DEAC05-86OR21620

Dear Mr. Lynch:

Forwarded herewith are eight (8) copies of WMCO Transition Action Report No. 1, dated November 19, 1985, covering the period "start" thru November 15, 1985, for Contract No. DEAC05-86OR21620. The report is arranged to the following index and covers detail accomplishments, planned activities for the next report period and perceived problems:

1. Operations and Maintenance
2. Human Resources
3. Community Involvement
4. Environmental, Safety and Health
5. Security and Safeguards
6. Finance
7. Legal and Contracts Management
8. Engineering and Construction
9. Management Control Systems
10. Quality Assurance
11. Waste Management
12. Productivity Retention Program
13. Purchasing
14. Liaison with Customers of FMPC (Users) and DOE
15. Develop Definite 9-Month Program Plan (Jan-Sept, 1986)

If there are any questions on the material presented in this report, please contact me.

Sincerely yours,



Bruce Boswell
President
WMCO

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Attachments

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1. Operations and Maintenance

Accomplishments

- Completed tours and interviews with all key personnel in planning, chemical and metals plants, and power plant and utilities.
- Reviewed current activities in training and maintenance performance areas.
- Established plan to produce a site impact study to integrate all improvement (facility) programs and show their effect on facility performance vs. time.

Major Tasks in Future Two Weeks

- Initiate on-site reviews of Standard Operating Procedure (S.O.P.) implementation.
- Develop 1st draft of revised plan for S.O.P. preparation.
- Obtain revised base-line capacity information from NLO.
- Initiate on-site equipment critiques (Operational and E.S.&H.).
- Prepare revised maintenance milestone (to reflect knowledge of current NLO plans).

Perceived Problems

- Documentation of facility performance appears not to be readily available (demonstrated capacity, maintenance history, etc.).
- First line supervision and professional personnel in operations lack experience.
- Relationships among maintenance/operations/engineering will require considerable attention to improve.

2. Human Resources

Accomplishments

- First draft of Appendix A of WMCO Contract submitted and negotiations started with DOE.
- Coordination meeting with DOE, NLI, NLO, Metropolitan and Westinghouse concerning resolution of Benefits transition.
- Significant in-depth interaction with members of the NLO Industrial Relations team and analysis of that culture.
- Conducted initial review of current NLO plans for technical skills training and management development.
- Requested NLO/WMCO review of open employment positions (exempt only) to monitor on-going offers/promotions.

Major Tasks in Future Two Weeks

- Resolve Benefits Transition and communicate to all employees.
- Begin analysis of Organizational Development needs.
- Major progress on finalizing Appendix A.
- Identify new Human Resource Department organization.
- Identify management members of Transition Safety Committee.

Perceived Problems

- Adversarial relationship between Union leadership and Industrial Relations; need to adopt proactive, get into the shop mode of behavior (based on interviews with IR Managers and NLI Negotiator).
- Perception and belief on the part of first line supervisors that they will not be supported by upper management (based on safety language meetings).
- Lack of office systems to properly and productively track human resources and human resource data.
- How to properly implement the Transition Safety Committee.

3. Community Involvement

Accomplishments

- ° NLO employees met with the new WMCO team at a series of all-employee meetings on October 31 and November 1. Bruce Boswell, President of WMCO, told the employees that they all had jobs and a bright future with WMCO. Further, he said that he wanted to use employee experience and knowledge to improve the FMPC.
- ° A press conference was held on November 1 to introduce the media to the WMCO staff. All three Cincinnati TV stations, both Cincinnati newspapers, the Hamilton newspaper and a number of radio stations covered the event. Bruce Boswell promised to work with the community and the media, reporting both accomplishments and problems. He shared his vision of the center as the future gemstone of DOE facilities.
- ° The experience and responsibilities of each WMCO Manager was summarized for an Atom Briefs article to further introduce the WMCO staff to NLO employees.
- ° An initial assessment of each of the NLO public relations department staff's capabilities and responsibilities has been completed. The Vice-President, Community Involvement, presented his plans for the department's future activities, current NLO problems, and transition and take-over concerns were addressed.

Major Tasks in Future Two Weeks

- ° Develop a list of planned meetings with local officials to better understand community concerns and submit to DOE for review and possible participation by DOE personnel.
- ° Develop a 3-month community involvement plan based on the results of the community contacts and submit to DOE.
- ° Begin to develop the proposed Westinghouse Emergency Media Response plan including notification lists, addresses, and phone numbers.

Perceived Problems

- ° No major perceived problems at present time.

4. Environment, Safety and Health

Accomplishments

- ° Effective 11/11/85 three transition team members commenced working on transition actions and the permanent WMCO staff continued their efforts since arrival on 10/30/85.
- ° On the area of regulatory compliance actions, WMCO is reviewing appropriate regulations and reports relating to licensing actions for Ohio EPA. Simultaneously, a review is being conducted of the FMPC Five-Year E.S.&H. Management Plan (November, 1985 version).
- ° WMCO has started reviewing with NLO the Material Control and Accountability area. Good progress is being made.
- ° In addition, good progress has been made in assessing the in-vivo dosimetry system and records for NLO chemical operators.
- ° The WMCO Staff Manager, E.S.&H., participated in the DOE Uranium Health Protection Workshop in Rockville, Maryland on November 5-7, 1985. This was an extremely useful meeting for a collective update of controlling, monitoring and evaluating the potential exposure of workers and the public to uranium associated with the operation of DOE Defense Programs facilities. Two NLO personnel were in attendance also.

Major Tasks in Future Two Weeks

- ° In the MC&A area, the regular bi-monthly inventory for 12/85 will be conducted. WMCO will evaluate whether this inventory can be used to accept responsibility for SNM on 1/1/86 or whether a special inventory will be required.
- ° External dosimetry records and systems will be reviewed and evaluated.
- ° Regulatory requirements and conformance will continue to be reviewed. Assessment of the FMPC Five-Year E.S.&H. plan will be continued by all WMCO transition team members.

Perceived Problems

- ° There are no perceived problems. However, in all areas, questions have arisen and are being pursued. NLO personnel have been very cooperative in assisting WMCO efforts.

5. Security and Safeguards

Accomplishments

- Reviewed existing security procedures.
- Reviewed weapons capability.
- Reviewed organizational structure.
- Reviewed emergency planning.
- Established contacts with W Corporate Security Officer.

Major Tasks in Future Two Weeks

- Begin inventory of weapons to be transferred to WMCO.
- Continue assessment relative to plant protection and perimeter security.
- Review Sandia/DOE assessment report of security system.
- Continue checklist assessment of procedure adequacy.

Perceived Problems

- Guards do not understand plant operation relative to "why they check things".
- We need to quickly establish definitively the level of security to be applied at Fernald as this subject occupies the guards' time.
- Morale could be increased greatly with a change of uniform.

6. Finance

Accomplishments

The finance activity is currently ahead of the phase-in schedule. Four (4) part-time transition employees have been utilized to achieve the following:

- ° Working relations are currently being developed with DOE and NLO financial employees. DOE and WMCO personnel will be at ORO on November 15, 1985 to interface with ORO counterparts.
- ° Significant progress has been made in establishing interfaces between WMCO and Westinghouse Headquarters. The necessary computer numbers have been established, a P. O. Box has been obtained, and a logo has been selected.
- ° A review of the accounts payable function was completed well ahead of schedule. This review indicated that action/corrections will be required in the following areas:
 1. P. O. placement and control
 2. Received material weighting or counting procedure
 3. Invoice processing improvements
 4. Establish an approved vendor list

Perceived Problems

The current letter of credit with Central Trust has a clause that allows for transfer to Westinghouse. This transfer will be coordinated with ORO Finance.

- ° Permission has been obtained to procure check stock locally.

7. Legal and Contracts Management

Accomplishments

- Submitted and receive approval of the subcontract plan for the Phase-In period.
- Initiated discussions with DOE on the definitized contract.
- Assisted in negotiations with Rust Engineering.
- Provided Purchasing support to WMCO.

Major Tasks in Future Two Weeks

- Negotiate with DOE on definitized contract.
- Support negotiations with Rust Engineering at Fernald.

Perceived Problems

- Establishing extent of indemnification to Rust Engineering.

8. Engineering and Construction

Accomplishments

- ° Interviews with the incumbent managers have been completed and a general understanding of the responsibilities, priorities, problems, and management style of each has been achieved.
- ° Westinghouse participated in a joint NLO/SRP/RMI users liaison meeting on 11/13/85. This process seems to be well organized and working well. Delaying visits to user sites by Westinghouse technical people until after clearances have been received is recommended. A list of contact people in user organizations is being prepared and telephone contact with key technical people will be initiated during transition.

Major Tasks in Future Two Weeks

- ° A list of priority issues and recommended ways of approaching these issues is being developed.
- ° NLO plans for a CAD system appear to be stalled by an inability to produce an integrated plan which includes CAD as well as other computer installations. Discussions with the Data Processing group are planned to clarify, and to outline a way of moving forward.
- ° Work on rectifying 1986 budget with work load and salary plans will be initiated.

Perceived Problems

- ° Time estimated to complete some tasks now appears to have been overly optimistic.

9. Management Control System

Accomplishments

- ° Indoctrination and familiarization of FMPC existing management control systems, advance planning and budgets have been accomplished by reviewing the 1991 Long Range Plan, 1985 Financial Plans and the 1985 Costs. A meeting was held with NLO regarding the Advance Planning responsibilities. This provided an understanding of the interface between Advance Planning and Budgets.

Major Tasks in Future Two Weeks

- ° Assess the FMPC capabilities for developing and implementing a management control system. Prepare guidance and organize a team to review the system needs.

Perceived Problems

- ° More time and effort will be required to develop an integrated CSCSC system. Due to the lack of an existing management control system at FMPC a detail plan will be developed.

10. Quality Assurance

Accomplishments

- Met with R. Hansen, Site DOE, to review DOE Quality Assurance concerns.
- Obtained and reviewed copy of DOE Order OR 5700.6, dated 3-3-82. This order is currently being revised to incorporate ANSI/ASME NQA-1.
- Met with N. R. Leist, NLO Group Director of Technical Services, to discuss current NLO Quality Assurance Program.
- Toured the FMPC to acquire understanding of the operations and develop questions for additional interviews with NLO personnel.
- Initiated reviews of existing QA Programs from WINCO and West Valley to develop materials for an FMPC Program Plan that will satisfy NQA-1.
- Initiated review of NLO quality improvement programs versus Westinghouse standards for Quality Excellence.

Major Tasks in Future Two Weeks

- Continue interviews with NLO personnel and reviews of existing QA procedures.
- Assess extent of rework required to bring existing QA Program into compliance with NQA-1.
- Collect audit reports and unusual occurrence reports.

Perceived Problems

- The existing QA system and organization fall far short of those required to incorporate and implement NQA-1.
- Little or no QA exists in the E,S&H and Maintenance Management Control activities at FMPC.
- Training to assure high quality work is inadequate.
- Interaction between NLO and DOE construction contractors has been very little relative to Design Assurance and other QA areas.

11. Waste Management

Accomplishments

- ° Discussions with DOE regarding waste management issues have been initiated and are continuing on a positive basis.
- ° Review of the current draft of the ES&H management plan is progressing on schedule.
- ° The evaluation of waste streams regarding regulatory compliance status is under way. Preliminary indications are that no current boundaries are being exceeded, but that the immediate future is of concern.
- ° Interviews are being conducted with NLO personnel and initial staffing plans are proceeding on schedule. The current Waste Management staff is exceptionally well qualified.

Major Tasks in Future Two Weeks

- ° Start development of CY86 (9 Month) Plan.
- ° Start evaluation of FY86 and FY87 budgets for Waste Management activities.

Perceived Problems

- ° Security clearances in relation to future manpower needs (i.e., construction personnel and new employees ability to begin productive work prior to clearances).
- ° There apparently is no training program established for site personnel on how to effectively manage project and customer related interfaces for waste management activities.

12. Productivity Retention Program

Accomplishments

- ° Preparation of an update of production loading incorporating the impacts of facility upgrades is being prepared. This update will serve to highlight critical path projects as well as to develop plans to resolve potential conflicts between construction and production activities. Although this is expected to take eight weeks to complete (through December), every effort will be made to identify key changes required in the content or schedule for the productivity Retention Program by mid-December.
- ° Participated in meetings with cognizant NLO Managers to obtain an understanding of project status and problems. WMCO participated in meetings with Jacobs and consultants on the Rotary Kiln project.

Major Tasks in Future Two Weeks

- ° Meetings will be held with NLO project engineers responsible for Package 1 subprograms.
- ° Westinghouse will meet with DOE Engineering and Martin Marietta on 11/20 to discuss Package 2.
- ° Analysis of the process and procedures utilized at FMPC to carry out major projects will be initiated on 11/18.

Perceived Problems

- ° Time estimated to complete some items now appears to be overly optimistic.

13. Purchasing

Accomplishments

- ° Reviewed the existing Procurement procedure.
- ° Reviewed the Precious Metals Program.
- ° Reviewed existing subcontracts.
- ° Establish contact with the W Corporate Procurement staff relative to MRO and minority suppliers.
- ° Reviewed limits of authority for procurement placement not requiring DOE approval.

Major Tasks in Future Two Weeks

- ° Definitize and negotiate the Rust Engineering construction management subcontract.
- ° Recommend changes to existing Purchasing organization to encompass subcontract administration.
- ° Obtain DOE approval of assignment letter of NLO orders to WMC0.
- ° Review the Transportation Department.
- ° Review all personnel records with Harrison (NLO) for his current responsibility.

Perceived Problems

- ° There is no automated or manual system to identify current open purchase orders.
- ° A new subcontract administration group will have to be established prior to January 1, 1986. Staffing will be difficult.
- ° Realignment of responsibility is required in the current NLO Purchasing group to direct management focus more effectively on Purchasing.

14. Liaison with Customers of FMPC (Users) and DOE

Accomplishments

- ° This work task remains on schedule. The interfacing disciplines between the Feed Materials Production Center, NLO personnel and the users, as well as the customer, DOE, have been determined. Key personnel for all disciplines will be identified by 11/16/85.
- ° The policies and procedures covering interactions with user groups have been reviewed. The interaction between the FMPC personnel and the users is satisfactory and these procedures will not be changed in the near future. The policies and procedures covering interactions with the Department of Energy will be finalized subsequent to completion of the planned discussions with the Department of Energy personnel during the phase-in period.
- ° The initial review of user needs for product delivery and quality requirements has been completed. This effort will be continued through the regularly scheduled meetings between the users and FMPC personnel.
- ° Critical administration and technical areas requiring attention will be based on the reviews completed during the phase-in period and interaction with Department of Energy personnel. These items will be included in the definitive nine month program plan.
- ° Weekly meetings have been held with the Department of Energy to review WMCO plans and obtain Department of Energy concerns and priorities. These meetings have covered all disciplines and will continue throughout the phase-in period. This interaction involves Department of Energy Oak Ridge personnel as well as Department of Energy Feed Materials Production Center personnel.
- ° The review of the users' plans and requirements for both the near and long term have been completed. The long term plans are not definitive; however, the options have been identified. The FMPC requirements to achieve the users' product needs for the long term have also been identified.

Major Tasks in Future Two Weeks

- ° Efforts during the next two weeks will focus on review of work programs and discussions with DOE to formulate the nine month definitive work program.

Perceived Problems

- ° A significant problem area will be obtaining NLO personnel input to the nine month definitive work program. This will be required to complete the program.

15. Develop Nine Month Program Plan

Accomplishments

- ° Initiated the collection of near term budgetary estimates, major tasks and manpower projections.

Major Tasks in Future Two Weeks

- ° Issue schedule and guidelines to Department Managers for preparing information for the Program Plan. Develop standard work sheets for planning.

Perceived Problems

- ° Extensive management review of the draft plan will be required to assure that there are no work task omissions and that duplications do not occur.