

“An end in sight”

Work Force Restructuring Plan

***for the
Contractor Work Force
Fernald and Mound Sites***

***Prepared by the
U.S. Department of Energy
Ohio Field Office***

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PREFACE

The Department of Energy's Office of Environmental Management has made significant progress over the past few years in accelerating cleanup schedules, increasing efficiency, and working more cooperatively with regulators and stakeholders. The discussion draft *Accelerating Cleanup: Focus on 2006* plan challenges the environmental management program to accomplish the majority of cleanup work within a shorter time and for less money than previously planned.

In order to meet the challenge of the 2006 plan, the Ohio Field Office directs the Department of Energy's current environmental cleanup actions at the Fernald site outside Cincinnati, Ohio, and the Mound site in Miamisburg, Ohio. The goal is to complete the cleanup and then close out Federal operations at these sites in less than ten years.

"We will achieve, for all our sites, an environmentally restored end state which serves the communities' needs, and we will do this within a decade."

-- Ohio Field Office Strategic Plan, 1995

The Department must demonstrate to the American people that it can address the legacy of the Cold War. This *Work Force Restructuring Plan* addresses the Department's responsibility to those workers who helped win the Cold War and their communities.

There is no guarantee that any subsequent programs will offer benefits equal to the benefits offered under this current *Plan* nor is it the intent of the Department of Energy in implementing this *Plan* to create any private rights of action or to create any rights in third parties.

INTRODUCTION

This *Work Force Restructuring Plan* for the Ohio Field Office responds to Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (the Act). The Act requires the Department of Energy to prepare a plan to assist workers and local communities during the reconfiguration of a defense nuclear facility.¹ The Act contains six general objectives:

- 1) Minimize social and economic impacts to workers and communities;
- 2) Provide workers a preference-in-hiring with Department of Energy contractors;
- 3) Retrain workers for cleanup and other future Department of Energy work;
- 4) Provide relocation assistance to workers who transfer to other Department of Energy facilities;
- 5) Assist workers in obtaining retraining, education and job assistance; and,
- 6) Provide communities with local impact assistance.

The Department's Office of Worker and Community Transition prepared *Interim Planning Guidance for Contractor Work Force Restructuring* to define the Department's policies for work force change under the authority of Section 3161. Previous work force reductions at two Ohio sites were conducted under the *Fernald Environmental Management Project, Work Force Restructuring Plan, February 1995* and the *Mound Plant Work Force Restructuring Plan, May 1994*. The reductions envisioned by those two plans are now complete.

In March, 1997, the Department prepared a new draft *Work Force Restructuring Plan* to provide the context for future work force reductions at Fernald and Mound. During April, May, and June, the Department received numerous stakeholder comments from public meetings, community organizations, employee working groups, and the represented work force at both the Fernald and Mound sites on various aspects of the draft *Plan*. In response to those stakeholder comments, the Department revised the draft *Plan* to incorporate those comments that help meet the objectives of Section 3161. Appendix A summarizes the stakeholder comments and the Department's response.

This new *Plan* lays out the Department's preferred strategy for future work force changes at Fernald and Mound. Decisions on when work force changes are needed will be made by the Department of Energy and the contractor, considering a variety of factors such as cost, worker skill mix, and cleanup schedules. Changes to this *Plan* may result from future policy or program changes. Because these sites face closure within a decade, it is important for workers to begin to plan for the eventual loss of their jobs.

FACTORS DRIVING WORK FORCE CHANGE

The Fernald site ended defense production in 1989. The Mound site completes the phase-out of defense activities this year. Since the end of the Cold War, over 1,800 workers at these sites ended work under contracts with the Department of Energy. Over 90% of those workers left voluntarily. Defense downsizing is complete at these Ohio sites.

¹ Defense nuclear facilities are those Department of Energy sites that come under the definitions set out in Section 3163 of the Act.

Environmental cleanup is now the primary mission at Fernald and Mound. The Department of Energy determines the project scope and timeline for cleanup performance through the Ohio Field Office Strategic Plan. Contractors determine the number and skill mix of workers needed to complete project work on the time line set out in that Plan. When cleanup projects are complete, workers will lose their jobs if they cannot be retrained or reassigned for continuing work at the site. Changes in the work force may also result from reduced budgets which require the redefinition of projects or the use of more effective ways to perform work, such as outsourcing or privatization.

The Department of Energy's objectives for outsourcing work are to improve productivity, avoid capital expenditure, or gain expertise not available at the site, and not to reduce wages and benefits for existing employees. Ohio Field Office policy supports continuity of the existing work force, to the extent practicable, if workers possess the skills needed to complete the continuing work at each site. In addition, peak work loads can be met through the use of temporary staffing arrangements to meet varying needs of the prime contractor or other members of the contractor team, in lieu of outsourcing.²

"We believe in the power of an end date that is close at hand...one we can seek...and one we can see; literally an end in sight."

-- Ohio Field Office Strategic Plan, 1995

At the closure of these sites, 3,000 contractor workers will no longer be performing work for the Department of Energy. There is no longer any promise of long-term employment for Department of Energy work at these sites. The Department is working with community reuse organizations to identify reuse options for the assets of each site. The goal is to encourage communities to shift from dependence on the Department of Energy as a key source of employment to dependence on private sector business activity.

WORK FORCE CHANGE PROCESS

The Department's contractors³ will manage the work force and implement the Department's restructuring plan, if necessary. Project completion, reduced funding, outsourcing or privatization of work, or an inappropriate worker skill mix are some reasons for work force change. The contractor and the Department of Energy will use the following process to determine when to implement this *Work Force Restructuring Plan*.

²Consistent with Ohio Field Office policy and collective bargaining agreements, each site will define and implement a "make or buy" process to evaluate outsourcing proposals and their ability to meet the Department's outsourcing objectives. The process includes Ohio Field Office staff and the contractor, including members of the bargaining units. The evaluation will use an Ohio-Field-Office-approved cost model for determining whether the work should be self-performed, re-engineered, contracted out, or direct-procured by the Department of Energy. If there is a decision to outsource work, the Request-for-Proposal and actual subcontracts for the work will incorporate the Ohio Field Office policy stated above, including continuity of wages and benefits where required by provisions of law or collective bargaining agreements or other site-specific agreements.

³For purposes of this Plan, "contractor" is synonymous with a *prime contractor* or an *integrating contractor* to the Department of Energy at either the Fernald or Mound sites. Other firms included as teaming partners or integrated subcontractors to the *prime* or *integrating* contractor may be considered a "contractor" depending on their specific contractual relationship for management of the work force. "Worker" applies to the employees of those firms.

Strategic Plan and Resource Impacts

The Department of Energy issues its Strategic Plan at least annually. That plan reflects project baseline schedules, priorities, initiatives, and other work the government wants done by the contractors at the Fernald and Mound sites. During the year, additional changes from Congressional or Department of Energy action may dictate changes in priorities or projects. Any change may affect the size and skill mix of the work force. After analysis of the Department's schedules and budgets, the contractor will identify necessary changes to the number and skill mix of the work force. The Ohio Field Office encourages contractors to use the model 10-step planning process shown in Appendix B for defining work force needs. Each contractor will prepare a Worker Skills Analysis Plan that shows the work force needed to complete Department of Energy projects, as well as the elements of the work force no longer needed to meet the Department's mission at each site.

Work Force Change

Contractors will identify new job opportunities for "at risk" workers within the company so individual career planning can begin in advance of the need to change the work force. Contractors may reassign workers with the needed skills to other site projects or retrain workers to obtain needed skills for other projects or negotiate special arrangements with individual "at risk" workers to encourage a voluntary transition (discussed further on page 8). If voluntary measures are not sufficient to achieve the necessary changes in the work force, the contractor will recommend to the Ohio Field Office an involuntary separation program. The recommendation includes revised project schedules for the Ohio Field Office Strategic Plan, a summary of budget and resource impacts, and a Worker Skills Analysis Plan.

Consultation with Stakeholders

When a contractor recommends an involuntary separation affecting more than 5% of the work force, the Department of Energy will discuss the proposal with stakeholders. Ohio Field Office staff will establish a working group of primary stakeholders at each site. This group should include represented and non-represented members of the contractor work force, and community reuse organizations. They will review the *Work Force Restructuring Plan*, the contractor's Worker Skills Analysis Plan, and the cost of any *Plan* benefits. The Department of Energy will also convene a group of secondary stakeholders representing the broader community at each site. In a public forum, the Department will provide information on the *Work Force Restructuring Plan* and the site-specific proposals to change the work force, considering impacts to cleanup schedules, employment levels, and local economic conditions at the time. The Department will consider stakeholder comments before determining the final level of any *Plan* benefits for the involuntary separation program.

Review and Approval of Involuntary Separation

The Ohio Field Office and the Office of Worker and Community Transition in Washington will review the completeness of the contractor's recommendation, and other changes suggested through the stakeholder review process. The Department's review considers the basis for the change, the Worker Skills Analysis Plan, impacts to cleanup schedule, and the cost and need

for any *Plan* benefits at the time of actual work force change. The Department reserves the right to amend the contractor's recommendation as well as the package of any *Plan* benefits. After the Department's approval, the contractor will implement the involuntary separation. The Department of Energy will coordinate the upcoming action with the relevant political entities.

Implementation of Involuntary Separation

The contractor will implement the approved involuntary separation according to the contractor's human resource policies. Contractors will prepare appropriate information packages, announcements, and other administrative notifications. Contractors must also prepare appropriate legal documentation and meet reporting requirements specified under a variety of laws and regulations. The applicable laws include the National Labor Relations Act (NLRA), the Employee Retirement Income Security Act (ERISA), the Age Discrimination in Employment Act (ADEA), and the Older Workers Benefits Protection Act (OWBPA). Each worker will receive notice consistent with his or her employment contract procedures and with other laws and regulations such as the Worker Adjustment and Retraining Notification (WARN) announcement, if appropriate.

The contractor then carries out the involuntary separation. The contractor shall conduct an exit interview that includes: a) distribution and explanation of all documents required for involuntary separations and eligibility for *Plan* benefits; b) a comprehensive explanation of the right to a Section 3161 Preference-in-Hiring, if meeting the eligibility requirements, and the requirements for maintaining eligibility; and, c) a contractor human resource program point-of-contact to administer the *Plan* benefits. The contractor will assure that the Section 3161 Preference-in-Hiring information is annotated on the Department of Energy's Job Opportunity Bulletin Board System (JOBBS) for nationwide distribution. The contractor will also provide, quarterly, to the Ohio Field Office a list of site workers using their Section 3161 Preference-in-Hiring, as well as successful placements at other Department of Energy sites.

Work Force Change Process

Department of Energy:
• Issues Strategic Plan, project baseline schedules, and funding
Contractor:
• Identifies resource impacts, including worker skills and numbers
• Recommends work force change
Department of Energy:
• Consults with stakeholders
• Reviews and approves involuntary separation
Contractor:
• Implements involuntary separation
Department of Energy:
• Oversees work force change process

PREFERRED STRATEGY FOR WORKER TRANSITION

Voluntary Transition of Workers

Aggressive manpower planning by the contractor will provide each employee with very clear indicators, by skill classification, about where future reductions will take place, well in advance of any ultimate reduction. Contractors will develop a transition program that addresses the goals of cost-effective workforce planning, reliance on voluntary separations, and careful development of transition plans for individual employees at a lower individual cost to the government than normal contract severance. Contractors will assure that each worker is fully aware of the relationship of his or her specific job classification to the areas where reductions are planned within the next two years.

The transition program will define ground rules for equal access to this program for all "at risk" workers and assure open communication about the program throughout the site. The transition program must conform to requirements of collective bargaining agreements related to terms and conditions of employment for individual workers and any applicable collective bargaining obligations. Each contractor will propose a transition program to the Ohio Field Office for review. Upon approval, the contractor will implement its transition program through its human resource policies and procedures.

Workers are ultimately responsible for their future career decisions. Workers in job skill areas slated for reduction within a two-year period will have the opportunity through the new transition program to begin to use a variety of contractor-provided benefits to plan for their ultimate transition. The goal is to encourage those workers to use a contractor's transition program to move toward new careers, thus avoiding an involuntary layoff where there is no continuity of employment. Each worker may make arrangements with his or her contractor human resources manager for an appropriate package of voluntary transition benefits that may include education, retraining, or other programs tailored to the individual worker's needs. In return for these benefits, participating workers must agree to voluntarily separate at an agreed-upon future time. All arrangements regarding an individual's transition program and separation date will be worked out between the individual worker and the contractor.

There may be times when a contractor believes enhanced severance pay or retirement incentives are appropriate measures to reduce the level of the work force. The Department of Energy will not normally support these types of incentives, but will evaluate any request from a contractor. Department of Energy approval will consider the cost, impact to cleanup schedules, and local economic conditions at the time. If the Department finds that incentives are appropriate, the Department will amend this *Work Force Restructuring Plan* to include such provisions. Otherwise, the Department intends to rely on established contractor human resource policies to accomplish work force change.

Involuntary Separation of Workers

Some workers may choose not to establish a voluntary transition program and separation agreement with their contractor's human resource program. They may continue to work until the actual time of involuntary separation. During the period of their continuing employment, they may be eligible for mission-related training from the contractor, but not for other

separation benefits outlined in this *Plan*. At the actual time of involuntary separation, non-represented workers will receive severance under terms and conditions outlined in contractor policies approved by the Department of Energy. Represented workers will receive severance under terms and conditions of their respective collective bargaining agreements. After their separation dates, and in addition to their severance, workers⁴ will then have available the following *Plan* benefits:

- All affected workers are eligible for displaced worker medical benefits and outplacement assistance, subject to the conditions outlined on page 10.

The Department has a legislated responsibility to minimize the impact of work force change on workers employed during the Cold War. Therefore, the following *Plan* benefits are for "Cold War" workers⁵ who qualify under criteria shown in Appendix C, the Job Attachment Test.

- "Cold War" workers are also eligible for relocation assistance, education and training assistance, a preference-in-hiring, and, where applicable, a construction worker benefit, subject to the conditions outlined on pages 10 and 11.

These *Plan* benefits are intended to supplement other Federal, state, or local government assistance programs available to involuntarily separated workers as they seek new employment. All *Plan* benefits are administered by the contractor, and workers should apply for any *Plan* benefits through their contractor human resource program office. Contractors will charge the costs for any voluntary transition programs, normal contract severance, and any *Plan* benefits to each site's program management account.

Eligibility and Scope of Plan Benefits

For Involuntarily Separated Workers

	All workers	"Cold War" workers
Displaced Worker Medical Benefit	Yes	Yes
Outplacement services	Yes	Yes
Relocation assistance	No	Yes
Education and training assistance	No	Yes
Preference-in-hiring	No	Yes
Construction worker benefit	No	Yes

⁴ Eligible workers are either a "Regular Employee" (40 or more hours per week) who is hired for an unspecified period of time, or a "Regular Part-time Employee" (24 to less than 40 hours per week) who is hired for an unspecified period of time by the contractor. Workers separated "for cause" are not eligible for *Plan* benefits.

⁵ You are a "Cold War" worker if you worked at a defense nuclear facility on or before September 27, 1991, and you worked full time (or regular part-time) at a defense nuclear facility from that date until the time of your separation.

The ***Displaced Worker Medical Benefit*** program makes sure all former workers, who were eligible for medical benefits before their separation, are eligible for continued medical plan coverage.⁶ In the first year after a worker's separation, the contractor will continue to pay its share of the former worker's medical premium costs. In the second year, the former worker will pay half of the Consolidated Omnibus Budget and Reconciliation Act (COBRA) rate. The COBRA rate is 102% of the full cost of coverage, including both employer and employee contributions. In the third year and thereafter, the former worker will pay the entire COBRA rate. If medical plan coverage is available through a new employer's plan or a spouse's plan, former workers are not eligible for this benefit. If former workers are eligible for medical coverage through retirement programs or Medicare, they cannot receive this benefit. Alternatively, a former employee may elect to continue medical coverage under COBRA provisions. However, a former employee that elects to continue medical coverage under COBRA provisions must pay the full COBRA rate immediately upon separation.

Outplacement services provide access to skill assessments, workshops, resource libraries, and automated job listings such as the Job Opportunity Bulletin Board System (JOBBS) of the Department of Energy. These services are available to all involuntarily separated workers for one year after their separation date. For certain "Cold War" workers who lose their jobs, the contractor may request the Department to approve a job placement service to market the unique skills of those who elect to participate. The Department's approval for obtaining job placement services for individual "Cold War" workers will depend on the specific worker skill and local economic conditions at the time of actual work force change, including the prospects for reemployment in the local area. This additional benefit would be available until the "Cold War" worker accepts a new job, but no longer than one year from his or her separation date.

Relocation assistance reimburses some expenses when a worker obtains a new job at another Department of Energy site. Such expenses include personal transportation to the new job site, movement of household goods, and temporary living accommodations. This assistance is available only to involuntarily separated "Cold War" workers up to one year after their separation date. If a worker does not qualify for relocation assistance under the new hiring company's policies, he or she may file a reimbursement claim for actual and reasonable expenses, up to \$3,000. Claims must meet the criteria under the Internal Revenue Service regulations in regard to minimum moving and commuting distances to the new job.

Education and training assistance for separated employees provides money for either job-specific training ("training programs") or degree programs ("education programs"). Assistance covers tuition, course materials, and other normal educational expenses. There is a limit of \$5,000 for each worker from the two programs. This assistance is available only to involuntarily separated "Cold War" workers, who may apply for this benefit up to one year after their actual separation date. The Department's financial assistance ends two years from the start of the worker's education or training program. Each worker is then responsible for the remaining costs of his or her program. Workers who used education and training assistance under previous Work Force Restructuring Plans may apply for additional assistance under this *Plan* as long as the total cost of the previous assistance and the new request does not exceed the dollar limits of this *Plan*.

⁶ Dental coverage is not available through the Displaced Worker Medical Benefit program. Dental coverage is available under provisions of the Consolidate Omnibus Budget and Reconciliation Act (COBRA), but former workers must pay the full COBRA rate (102% of the full cost of coverage) immediately upon separation.

These plans would describe the community's consensus approach in offsetting the impacts of work force change.

Financial Assistance

The Department of Energy may provide money to support community reuse initiatives. Any money awarded will consider the community's ability to create jobs that employ former workers, stimulate growth, promote the commercial use of the site's technology, or reuse of the site's facilities. The Department intends to limit the amount of any money awarded where there is little economic impact on the community from the work force reductions. The Department may provide money in two primary ways: 1) through a grant-in-aid, if there is no substantial involvement necessary between the Department and the community; or 2) through a cooperative agreement, if there is substantial involvement necessary between the Department and the community. The Department's Office of Worker and Community Transition will separately fund this type of financial assistance to community reuse organizations.

Use of Real and Personal Property

The Department may sell or lease or approve permits and easements on its available real property identified by communities as necessary for economic development in accordance with Public Law 103-160, section 3154. Personal property, which includes capital equipment, tools, and machines, is available for sale to community reuse organizations, in accordance with Public Law 103-160, section 3155. The order of precedence for use of the Department's property is, first, continuing Department missions; second, community transition; third, other Federal, State or local government uses; and fourth, ultimate auction to private concerns.

APPENDIX A

Synopsis of Stakeholder Comments March 1997 Draft Work Force Restructuring Plan

Work Force Planning

Stakeholder comments supported the proposed work force planning system, especially the requirement to look at work force needs from a skills perspective. Effective work force planning by the contractor, using a skills-based effort, was viewed as important for future work as well as identifying retraining opportunities. Open communication between the contractor and its work force would identify future work opportunities in a timely manner. Many felt the existing work force should receive the first opportunity for retraining for new jobs on site.

The work force planning process requires contractors to review their in-house workforce for the appropriate skill mix to do the work, and to identify areas of worker skill surplus or shortage. Contractors are then responsible for reassigning workers with the necessary skills, retraining workers for new skills or separating workers not needed for continuing mission work. When implemented effectively by the contractor over the next year, the work force planning process should satisfy the stakeholder concerns.

Preferred Strategy for Worker Transition

Stakeholder comments requested consideration of a strategy that would provide the contractors with the flexibility to offer transition assistance to workers in advance of involuntary separation. The assistance would use a "cafeteria" type of program where individual workers, working with the contractor, could design a transition program to meet their individual needs. Workers would have to agree to leave the project voluntarily. Some stakeholders suggested no incentives for workers, while others recommended credits for age or service so some could retire early. Other stakeholders were concerned about a perceived disparity between measures to address the hourly work force relative to the salaried work force.

The Department rewrote the language in the *Plan* to encourage contractors to promote the voluntary transition of workers, as long as those programs are less costly to the government than normal contract severance. Revised language under "Preferred Strategy for Worker Transition" provides for contractors to begin to offer benefits to any worker, once his or her skill position is identified for reduction over a two-year period, and once the individual makes arrangements with the contractor for this transition program. However, the Department reserves the right to approve the ultimate level of any benefits. The Department did not rewrite the language to encourage enhanced severance pay or incentives to promote early retirement. The costs of incentives, such as enhanced severance pay or early retirement programs, are considerable, and that is why the Department will not routinely support these programs to reduce the work force.

Displaced Worker Medical Benefit

Stakeholder comments expressed concerns about medical coverage and life insurance coverage, believing that any worker with a documented radiation exposure should be given

medical benefits if he or she is involuntarily separated. Along the same line, any worker with a documented radiation exposure should be allowed to continue carrying the company-sponsored Group Term Life insurance, equal to what the employee had, if he or she is involuntarily separated or retires. The worker would pay for this benefit at the Group rate.

All workers who are terminated from any Department of Energy site are eligible for displaced worker medical benefits, within certain restrictions outlined in the *Plan*. Section 3161 of the Act contains no provision for continuation of life insurance nor does the Department's *Interim Planning Guidance*. Therefore, the Department did not change the *Plan* to include life insurance provisions.

Education and Retraining

Stakeholder comments reflected concerns over restrictions on the use of tuition assistance and the ability of non-"Cold War" workers to get the assistance to change their skill sets. Some suggested inclusion of creative and flexible use of tuition assistance dollars and access to that assistance prior to separation.

The Department rewrote the language in the *Plan* to encourage contractors to promote the voluntary transition of workers, as long as those programs are less costly to the government than normal contract severance. Revised language under "Preferred Strategy for Worker Transition" provides for contractors to begin to offer benefits to any worker, including education and training assistance, once his or her skill position is identified for reduction over a two-year period, and once the individual makes arrangements with the contractor for this transition program. With that change, the Department then rewrote the language in the *Plan* to make the Section 3161 Education and Retraining Assistance available only to involuntarily separated "Cold War" workers.

Relocation Assistance

Stakeholder comments expressed concerns about helping wage employees facilitate their transition to positions outside of the Cincinnati market so that they can put new skills to use.

The Department rewrote the language in the *Plan* to encourage contractors to promote the voluntary transition of workers, as long as those programs are less costly to the government than normal contract severance. Revised language under "Preferred Strategy for Worker Transition" provides for contractors to begin to offer benefits to any worker, including relocation assistance, once his or her skill position is identified for reduction over a two-year period, and once the individual makes arrangements with the contractor for this transition program. The Department made no substantive changes to the section on relocation assistance. The Act and the Department's guidance restrict the use of Section 3161 relocation assistance to involuntarily separated workers who get a job at another Department of Energy site.

Preference in Hiring

Stakeholder comments objected to limiting the hiring preference to "Cold War" workers as of a specific date. They believed that all workers at these sites, including today's workers who are cleaning up the mess created during the "Cold War," should receive a hiring preference.

Other comments suggested that the affected workers and the contractors who manage the process do not understand the preference in hiring and the tracking of the preference.

The Department rewrote the language in the *Plan* to assure that affected workers have a thorough exit briefing on their responsibilities and the process for exercising the hiring preference. Consistent with Section 3161 of the Act, the preference-in-hiring is only available to eligible "Cold War" workers who are involuntarily terminated; those who voluntarily separate do not receive this benefit, which is consistent with the law and Departmental guidance.

Funding of Plan Benefits

Stakeholder comments expressed concerns about the use of "cleanup" funds to pay benefits for displaced workers. They were concerned that those funds would reduce the resources available for actual cleanup within the present timelines. Other stakeholders wanted the Department to provide more money to the sites for these types of programs or the contractor to reduce overhead costs to substitute funds for these benefits.

The Department deleted this section, but still requires contractors to pay the worker portion of the *Plan* benefits, normal contract severance, and any voluntary transition programs from the site's program management account. The program management account of each site pays for overhead, facility operation, and other fixed costs of doing business.

Outsourcing

Stakeholder comments noted that outsourcing should be used only minimally, and that outsourcing is only used to reduce wages and benefits of workers. Some believed that it made more sense to delay outsourcing decisions a few years in order to retain employee knowledge and skills and to let attrition run its course. Other stakeholders said the Department of Energy had failed to prescribe other ways to ensure the least disruption to pension continuity from subcontracting. Some stakeholders believed this draft plan failed to require subcontractors of all tiers to provide the incumbent workforce with a continuing right of first refusal for all available jobs. Other stakeholders were concerned about the lack of a disciplined process for evaluating outsourcing decisions, including resolution of situations where disagreement remains on the outsourcing decision.

The Department rewrote the language in the *Plan* to incorporate the following changes related to outsourcing. The Department's objectives for outsourcing are productivity improvement, avoidance of capital expenditures, and access to expertise not resident at the site, not to reduce wages and benefits for existing employees. Ohio Field Office policy supports continuity of the existing work force, if the workers possess the skills needed to complete the continuing work at each site. Each site will develop and use a "make or buy" evaluation process to consider outsourcing proposals, including use of an Ohio-Field-Office-approved cost model. Site-specific issues related to use of the existing work force, contract provisions on wages and benefits, and other contractual or procurement matters will be addressed through a site-specific working group of appropriate representatives from the Department of Energy, contractor, and affected workers.

Comparable Salaries/Compensation

Stakeholder comments expressed concerns about reduced wages and benefits, especially from outsourcing decisions. Some stakeholders suggested that severance be paid to any worker who moves to an outsourced company.

The Department deleted this section and deferred to policies and procedures outlined in contract provisions, collective bargaining agreements, or other site-specific agreements. It is the contractor's responsibility to define these criteria for its workers. The site-specific evaluation process for outsourcing decisions will take into account continuity of wages and benefits. Affected workers may be reassigned, retrained or terminated. If terminated, workers will receive normal contract severance and the Plan benefits for which they qualify.

Community Transition

Stakeholder comments suggested more funding for workers and less to the other stakeholders such as the communities. There were some concerns about whether the coverage by the community reuse organizations is inclusive of the universe of the community. Some stakeholders asked for better coordination of future work force plans with the community's transition and economic development programs.

The Act authorizes assistance to workers and to communities affected by the downsizing of the Department. The Department will work with each community reuse organization to assure the broad coverage and openness of meetings. Contractors will also be required to coordinate work force reductions with community reuse organizations.

Contractor Human Resource Policies and Procedures

Stakeholder comments suggested more reliance on contractor human resource policies and procedures to manage the *Plan*, allowing for separations at any time. However, some felt that the contractor's policies and procedures should be clarified before work force changes occur. Other stakeholders suggested that subcontractors should not be allowed to determine, through their human resource policies, the makeup of the severance packages, since the obligation to the workers is not from the subcontractors, but from the Department of Energy, and that the Department should identify the model severance package it intends to use.

Pursuant to Section 3161, it is the Department, and not the contractor, that is responsible for developing a work force restructuring plan and that pays the costs of restructuring. However, the workers are employees of the specific contractor, not the Department of Energy. In addition, the contractual relationship at these sites is no longer a Management and Operating Contractor. Therefore, it is appropriate to allow the contractors to use their own site-specific contractor human resource policies and procedures, within the bounds of the Work Force Restructuring Plan and subject to Department of Energy approval.

Specific stakeholder comments are available for review. Please contact the Ohio Field Office, Human Resources Division, Contractor and Industrial Relations staff at 937-865-3791.

APPENDIX B

Model Work Force Planning Process

Step 1 – Develop Baseline Assessment of Work Force Baseline assessment requires the initial review of job descriptions and qualifications of the existing work force. The assessment defines worker skills using the Common Occupational Classification System (COCS). Current job qualifications document a worker's knowledge, skills, and abilities (KSAs); other KSAs are obtained from previous jobs or training. Completing this step is the responsibility of contractor line management and contractor human resources staff.

Step 2 – Analyze Future Work Force Needs Analysis of future work force needs requires the linkage of approved projects, budgets, priorities, and worker skill mix. Work force needs project from the current year as far ahead as possible, but at least a minimum of two years. The contractor determines the job skills and numbers of workers necessary to complete the prioritized work. Completing this step is the responsibility of contractor line management.

Step 3 – Identify the Need for Work Force Change Comparing future work force needs (Step 2) with the baseline assessment (Step 1), the contractor determines the work force needed and any change to the skill mix. The contractor forwards this information to the Ohio Field Office to promote the consideration of a work force change strategy. Completing this step is the responsibility of contractor line management.

Step 4 – Establish Schedule for Work Force Change Using the information from Step 3, the contractor recommends appropriate dates for any work force change. Completing this step is the responsibility of contractor line management, contractor human resources staff, and the Department of Energy.

Step 5 – Determine Future Work Force Composition Using the information from Step 2, the contractor determines future jobs and competencies required to perform mission work. The future work force composition identifies the numbers of workers in the nine job families contained in the COCS. The estimate should compare the existing baseline assessment (Step 1) with the necessary changes (Step 3). Completing this step is the responsibility of contractor line management and contractor human resources staff.

Step 6 – Compare Current to Future Work Force Needs Comparison of current work force composition with projected work force needs and composition results in a list of shortages and excesses by COCS codes. The contractor identifies skill areas for potential reassignment, retraining, or hiring and separation. Completing this step is the responsibility of contractor line management and contractor human resources staff.

Step 7 – Develop Work Force Transition Strategies The contractor develops alternative transition strategies to identify costs, leading to a preferred transition option from the contractor viewpoint. Completing this step is the responsibility of contractor line management and contractor human resources staff.

Step 8 – Develop Implementation Plan The Department of Energy uses the information from Step 7 to review and approve work force change. The Office of Worker and Community Transition concurs in the action. Completing this step is the responsibility of the Department of Energy.

Step 9 – Implement Plan Upon approval by the Department of Energy, the contractor uses existing company policies to reduce the work force. Additional benefits directed by the Department's Work Force Restructuring Plan may be available to workers. A new work force composition, defined by the nine job families contained in the COCS, forms a new baseline assessment (Step 1) for the next iteration of the work force planning process. Completing this step is the responsibility of contractor human resources staff and the Department of Energy.

Step 10 – Evaluate Results and Improve Process The contractor identifies performance measures and lessons learned. Data collection occurs through the Displaced Worker Survey and other data provided through the Work Force Information System (WFIS). The Department of Energy evaluates the performance measures identified by the contractor. The Office of Worker and Community Transition consolidates the results of all Work Force Restructuring Plans in the Annual Restructuring Plan Report to Congress.

APPENDIX C

Job Attachment Test

In implementing the objectives of Section 3161, the Department recognizes a special responsibility to minimize the impact of work force restructuring on employees who maintained the Nation's nuclear deterrent during the Cold War. The Department recognizes September 27, 1991, the day the President announced the first unilateral reduction of the Nation's stockpile, as the end of the Cold War.

To identify employees who helped maintain our nuclear deterrent during the Cold War, and to determine eligibility for several of this Plan's benefits, workers should review the following criteria.

A. Regular Full-time and Regular Part-time Employees:

1. Worked at a defense nuclear facility on or before September 27, 1991; and,
2. Worked full-time (or regular part-time) at a defense nuclear facility from that date through the date of separation.

B. Construction Workers:

1. Worked at a defense nuclear facility on or before September 27, 1991; and,
2. Worked at a defense nuclear facility within 180 days preceding the work force restructuring notification; and,
3. Worked at a defense nuclear facility a total time, including time worked prior to September 27, 1991, equivalent to an employee having worked full-time from September 27, 1991 to the date of separation, or have actually worked the industry standard of full time from September 27, 1991 through the date of separation; and,
4. Affected by the announced restructuring within a one year period. For an intermittent worker, this includes the interruption of a project before its anticipated completion, or the completion of the assignment or project without prospect for a follow-on assignment at the site where the employee had a reasonable expectation of a follow-on assignment.

APPENDIX D

Preference-in-Hiring Eligibility Form

**STATEMENT OF INTEREST IN MAINTAINING SECTION 3161
EMPLOYMENT ELIGIBILITY**

Name: _____
 First Middle Last

Social Security Number: _____

Address: _____
 Street Apartment number

 City State Zip Code

Telephone number: _____

Date of separation resulting from Work Force Restructuring: _____
 Month/Day/Year

Occupational Classifications held:

I hereby request that my name be placed, or retained, on the Section 3161 Preference in Hiring List for the (Fernald or Mound site) and be considered for any job opportunities that may arise for which I am qualified at this or any other Department of Energy site. I also certify that I have not been terminated for cause from employment by a Department of Energy Contractor or Subcontractor while performing work at a Department of Energy site.

Signature Date